

MEDIA RELEASE FROM DIPULA INCOME FUND

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***Dipula set to convert to new best practice REIT capital structure***

Dipula Income Fund plans to introduce a new capital structure, converting from complicated linked units to the simpler ordinary share structure, for both its current A and B linked units

Izak Petersen, CEO of Dipula Limited comments: "The proposed new capital structure represents several distinct benefits for Dipula. It will align the company's capital structure with the internationally recognised all equity REIT capital structures. It simplifies the administration and accounting treatment of the company's capital structure, and removes the cost structure associated with debentures."

Dipula listed on the JSE in August 2011, and began trading as a REIT on the JSE in September 2013. Last week, Dipula posted a circular to its investors motivating the new capital structure. It will hold a combined shareholders general meeting on 5 June 2015 to vote on the issue.

The circular proposes a share-for-share transaction, converting the company's current A and B linked units - comprising shares linked to debentures that can only trade together, typical of a South African property loan stock company - to A and B ordinary shares.

Independent expert, Mazars Corporate Finance, has reported the proposal is fair and reasonable to both A and B linked unitholders. Directors of Dipula who hold linked units intend to vote in favour of the resolutions.

"The proposed new capital structure represents best practice and we are confident it is the best way forward for Dipula's competitive, strategic growth," says Petersen.

Dipula is a SA REIT with exceptional B-BBEE credentials. It is managed by its 100% black owned management company. Dipula originated from two majority black-owned property funds, Mergence Africa Property Fund and Dipula Property Fund. Its management own a large stake in Dipula and are strategically aligned long-term investors in the fund.

Dipula's R5.7 billion diversified property portfolio comprises more than 170 retail, industrial and office properties countrywide. By gross lettable area, Dipula's portfolio is mostly concentrated in South Africa's economic hub of Gauteng. It is also weighted towards retail property, which comprises more than 50% of its portfolio.

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