



DISPOSAL OF PROPERTY LETTING ENTERPRISE

Introduction

Shareholders are advised that Tower has concluded an agreement for the disposal of the property letting enterprise in respect of the property situated at 73 Hertzog Boulevard, Cape Town (the "**property**") to the Kia Joy Trust ("**Kia Joy**" or the "**purchaser**") for an aggregate consideration of R111 000 000 (exclusive of VAT at zero percent) (the "**disposal**").

The property is no longer core to Tower's strategy and the disposal will also enable Tower to focus on its pipeline of acquisitions which allow for higher and more sustainable growth. The proceeds of the disposal will be used, initially, to reduce the existing debt of Tower.

Terms of the disposal

Kia Joy will acquire the property letting enterprise, which includes the property, with effect from the date of registration of transfer of the property into Kia Joy's name (the "**transfer date**"). The sale consideration for the property letting enterprise will be payable in cash on the transfer date.

The disposal remains conditional upon:

- the purchaser being satisfied with the outcome of its due diligence investigation;
- the purchaser obtaining debt finance for 75% of the sale consideration payable for the disposal;
- Tower receiving a bank guarantee securing payment of the sale consideration for the disposal;
- approval of the Competition Authorities in terms of the Competition Act, No 89 of 1998.

The disposal agreement includes warranties, undertakings and indemnities which are normal for a disposal of this nature.

Property specific information

The property specific information required in terms of the JSE Listings Requirements in relation to the property, is set out below.

Property name and address	73 Hertzog Boulevard, Cape Town
Sector	Mixed use
Geographical location	Western Cape
Rentable Area (m²)	5 494m ²
Weighted Average rental per m²	R145.49/m ²
Value attributed to the property	R111 000 000
Net operating income ([1 April 2016 to 31 March 2017])	R9 342 510

No independent valuation has been carried out and the board of directors of Tower is of the view that the value attributed to the property above represents the value of the property disposed of.

The value of the net assets being disposed of in terms of the disposal, being the value attributed to the property, is R111 000 000.

Categorisation of the disposal

The disposal is classified as a Category 2 transaction in terms of the JSE Listings Requirements. It is not subject to approval by Tower shareholders.

15 January 2016

Sponsor

JAVACAPITAL