

Tower Property Fund Limited

(formerly Reftin 1004 Proprietary Limited)
(Registration number 2012/066457/06)
JSE share code: TWR ISIN: ZAE000179040
(Approved as a REIT by the JSE)
("Tower")



SHORT-FORM ANNOUNCEMENT: ACQUISITION OF DE VILLE SHOPPING CENTRE, CAPE TOWN AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Tower shareholders are referred to the SENS announcement published on 17 March 2014 wherein shareholders were advised that:

1. Tower has, subject to certain conditions precedent, concluded agreements with Attacq Limited ("**Attacq**") and its wholly-owned subsidiary De Ville Shopping Centre Proprietary Limited ("**De Ville**") for the acquisition ("**the acquisition**") of De Ville Shopping Centre, located in Durbanville, Cape Town ("**De Ville Shopping Centre**" or "**the property**") for an aggregate amount of R226 000 000.
2. The acquisition is made by the purchase of all the issued shares in and shareholder claims against De Ville for an amount of R202 961 610 in terms of a sale agreement and by the subscription for 900 authorised but unissued shares in De Ville for an amount of R23 038 390 in terms of a subscription agreement. De Ville will declare a dividend to Attacq in the subscription amount which will be settled from the proceeds of the subscription price. De Ville owns the De Ville Shopping Centre and conducts the rental enterprise in respect thereof.
3. The acquisition is in line with Tower's strategy of targeting good quality, well located, medium sized properties in major metropolitan areas.

The acquisition constitutes a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by Tower shareholders.

FORECAST FINANCIAL INFORMATION OF THE ACQUISITION

Set out below are the forecast revenue, net property income, net operating profit and distributable earnings of the property for the two months ending 31 May 2014 and the year ending 31 May 2015. The forecasts have not been reviewed or reported on by independent reporting accountants.

	Forecast for the two months ending 31 May 2014 R'000	Forecast for the year ending 31 May 2015 R'000
Contractual rental income	4 970	31 085
Straight-line rental income accrual	513	2 450
Revenue	5 483	33 535
Net property income*	3 716	22 217
Net operating profit#	3 527	21 084
Total comprehensive profit for the period##	2 368	14 131
Distributable earnings	1 880	11 832

* Includes the effects of straight-lining rental income

Includes the effects of asset management fees

^ Includes the effects of finance costs

UNAUDITED PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

The unaudited *pro forma* financial effects of the acquisition on Tower's net asset value and tangible net asset value per share, based on the unaudited consolidated statement of financial position as at 30 November 2013, are not significant and have not been presented.

WITHDRAWAL OF CAUTIONARY

Tower shareholders are referred to the previous cautionary announcements, the last of which was dated 26 February 2014, and are advised that following the release of this announcement, caution is no longer required to be exercised by Tower shareholders when dealing in their shares.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of Tower. This short-form announcement is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of, *inter alia*, the full announcement.

The full announcement has been released on SENS and is available for viewing on Tower's website (www.towerpropertyfund.co.za). The full announcement is available for inspection at the offices of Tower (2nd Floor, Spire House, Tannery Park, 23 Belmont Road, Rondebosch, 7700) and the offices of the sponsor, Java Capital (2 Arnold Road, Rosebank, Johannesburg, 2196), at no charge during normal office hours on business days from 17 March 2014 to 25 March 2014.

17 March 2014

Sponsor and corporate advisor

JAVACAPITAL

Legal advisor

DLA CLIFFE DEKKER
HOFMEYR