



MEDIA RELEASE FROM VUKILE PROPERTY FUND

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Vukile to acquire Synergy's external management company

Vukile Property Fund and Synergy Income Fund today announced that Vukile will acquire Synergy's external management company, Capital Land Asset Management, in a R106 million transaction.

The yield-enhancing transaction for Vukile secures its outright ownership of Capital Land, which is responsible for the operations and management of the Synergy portfolio.

Laurence Rapp, CEO of Vukile, describes the transaction as the next step in Vukile's successful corporate action with Synergy. "This brings even greater alignment to the deal."

Synergy became a listed subsidiary of Vukile last month when Vukile gained control of Synergy's assets. Vukile holds 64.61% of all Synergy voting securities. Now, Capital Land is set to become a wholly-owned subsidiary of Vukile, bringing the external manager of Synergy into the Vukile stable.

The transaction is subject to various conditions, including due diligence being completed by Vukile. If these conditions are met, the transaction will be effective from 1 May 2015.

For Vukile, this is an accretive transaction that gains it ownership of the external asset manager of a major investment. The greater alignment of Vukile and Synergy, which will be brought about by Vukile's Capital Land acquisition, is expected to yield operational efficiencies that will benefit Synergy and all its unitholders, including Vukile.

For Synergy, Vukile's successful processes and expertise can be replicated by Capital Land into the Synergy assets to add future value. Vukile has a solid track record of strong asset management performance and excellent corporate governance.

"We are confident that under Vukile's ownership, Capital Land's long-term decision making for the Synergy portfolio will benefit everyone involved," says Rapp.

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