ATTACQ

Creating investment opportunities.

ANNUAL **RESULTS**

FOR THE YEAR ENDED 30 JUNE 2015

CREATING INVESTMENT OPPORTUNITIES.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 30 June 2015 R'000	Audited 30 June 2014 R'000
Assets		
Non-current assets		
Property, plant and equipment	**10 641**	11 061
Investment properties	**16 187 873**	12 829 337
Per valuation	**16 670 072**	13 138 938
Straight-line lease debtor	**(482 199)**	(309 601)
Straight-line lease debtor	**482 199**	309 601
Deferred initial lease expenditure	**9 154**	7 174
Intangible assets	**344 523**	284 826
Goodwill	**67 774**	62 847
Investment in associates	**2 369 884**	2 950 274
Other financial assets	**102 993**	–
Other investments	**402 414**	523 750
Deferred tax assets	**19 829**	11 570
Total non-current assets	**19 997 284**	16 990 440
Current assets		
Taxation receivable	**408**	896
Trade and other receivables	**223 084**	167 302
Loans to associates	**741 037**	771 936
Other financial assets	**907 282**	6 173
Cash and cash equivalents	**747 145**	389 293
Total current assets	**2 618 956**	1 335 600
Non-current assets held for sale	**684 441**	138 846
Total assets	**23 300 681**	18 464 886
Equity and liabilities		
Equity		
Stated capital	**6 439 419**	5 798 843
Distributable reserves	**4 815 584**	3 836 930
Available-for-sale reserve	**682 579**	83 746
Share-based payment reserve	**90 359**	83 317
Foreign currency translation reserve	**45 740**	111 929
Acquisition of non-controlling interests reserve	**(116 483)**	(2 574)
Equity attributable to owners of the holding company	**11 957 198**	9 912 191
Non-controlling interests	**7 252**	214 567
Total equity	**11 964 450**	10 126 758
Non-current liabilities		
Long-term borrowings	**8 863 852**	6 226 221
Deferred tax liabilities	**1 365 868**	900 811
Other financial liabilities	**28 086**	48 026
Provisions for liabilities relating to associates	**1 579**	8 844
Finance lease obligation	**71 346**	56 009
Total non-current liabilities	**10 330 731**	7 239 911
Current liabilities		
Other financial liabilities	**113 258**	5 851
Finance lease obligation	**1 332**	–
Loans from associates	**70 989**	246 079
Taxation payable	**10 185**	11 158
Trade and other payables	**462 636**	375 960
Provisions	**1 422**	10 142
Bank overdraft	**19 349**	–
Long-term borrowings	**326 329**	449 027
Total current liabilities	**1 005 500**	1 098 217
Total liabilities	**11 336 231**	8 338 128
Total equity and liabilities	**23 300 681**	18 464 886

Net asset value per share (cents)	**1 706**	1 477
Net asset value per share excluding deferred tax (cents)	**1 898**	1 610

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited 30 June 2015 R'000	Audited 30 June 2014 R'000
Gross revenue	**1 312 935**	876 850
Rental income	**1 140 335**	769 199
Straight-line lease income adjustments	**172 600**	107 651
Property expenses	**(358 885)**	(230 300)
Net rental income	**954 050**	646 550
Gross profit from sale of inventory	**–**	41 332
Sale of inventory	**–**	263 209
Cost of sales	**–**	(221 877)
Bargain purchase on acquisition of subsidiary	**–**	43 783
Other income	**205 590**	59 325
Operating and other expenses	**(305 589)**	(283 743)
Operating profit	**854 051**	507 247
Amortisation of intangible asset	**(20 303)**	(14 634)
Fair value adjustments	**1 114 224**	953 192
Investment properties	**1 110 711**	919 094
Other financial assets and liabilities	**68 089**	34 098
Other investments	**(64 576)**	–
Net income (loss) from associates	**50 568**	(58 069)
Investment income	**142 531**	424 796
Finance costs	**(685 872)**	(582 122)
Profit before taxation	**1 455 199**	1 230 410
Income tax expense	**(471 038)**	(218 156)
Profit for the year	**984 161**	1 012 254
Attributable to:		
Owners of the holding company	**978 654**	946 147
Non-controlling interests	**5 507**	66 107
Other comprehensive income		
Items that will be reclassified subsequently to profit and loss		
Gain on available-for-sale financial assets	**661 986**	104 950
Taxation relating to components of other comprehensive income	**(63 153)**	(21 204)
Other comprehensive income for the year net of taxation	**598 833**	83 746
Total comprehensive income for the year	**1 582 994**	1 096 000
Attributable to:		
Owners of the holding company	**1 577 487**	1 029 893
Non-controlling interests	**5 507**	66 107
Earnings per share		
Basic (cents)	**142.4**	163.4
Diluted (cents)	**142.0**	163.1

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

	Audited 30 June 2015 R'000	Audited 30 June 2014 R'000
Reconciliation between earnings, headline earnings and distributable (loss) earnings		
Profit for the year	**978 654**	946 147
Headline earnings adjustments	**(964 063)**	(640 350)
Profit on disposal of associates	**(89 161)**	(7 790)
(Profit) loss on disposal of other investments	**(956)**	65 150
Profit on disposal of investment property	**(29 132)**	(8 567)
Impairment of associates and other investments	**3 486**	14 995
Impairment of goodwill	**109 670**	–
Fair value adjustments	**(1 114 224)**	(953 192)
Gain arising from bargain purchase	**–**	(43 783)
Net (income) loss from associates	**(50 568)**	58 069
Tax effect of adjustments	**218 169**	153 575
Non-controlling interests' share	**(11 347)**	81 193
Headline earnings	**14 591**	305 797
Distributable earnings adjustments	**(144 095)**	28 780
Straight-line lease income adjustments	**(115 840)**	(107 392)
Interest in respect of Attvest transaction	**–**	123 571
Foreign currency translation effect	**(47 246)**	–
Depreciation and amortisation	**17 575**	13 034
Finance lease interest	**1 808**	–
Actual finance lease payments	**(392)**	(433)
Distributable (loss) earnings	**(129 504)**	334 577
Number of shares in issue*	**700 995 224**	670 965 594
Weighted average number of shares in issue*	**687 046 081**	578 976 838
Diluted weighted average number of shares in issue*	**689 256 626**	580 271 131
Headline earnings per share		
Basic (cents)	**2.1**	52.8
Diluted (cents)	**2.1**	52.7

* *Adjusted for 46 427 553 treasury shares (2014: 46 427 553)*

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited 30 June 2015 R'000	Audited 30 June 2014 R'000
Cash flow generated from operating activities	**66 575**	276 516
Cash generated from operating activities	**650 572**	503 049
Investment income	**119 673**	424 796
Finance costs	**(627 902)**	(582 122)
Taxation paid	**(75 768)**	(69 207)
Cash flow utilised in investing activities	**(2 182 147)**	(3 970 959)
Cash flow from financing activities	**2 453 684**	3 751 402
Total cash movement for the year	**338 112**	56 959
Cash at the beginning of the year	**389 293**	44 389
Cash acquired with subsidiaries	**391**	287 945
Total cash at the end of the year	**727 796**	389 293

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Distributable reserves R'000	Available-for-sale reserve R'000
Audited balance at 30 June 2013	2 196 594	3 150 726	–
Total comprehensive income	–	946 147	83 746
Profit for the year	–	946 147	–
Other comprehensive income	–	–	83 746
Derecognition of non-controlling interest	–	–	–
Foreign currency translation reserve	–	–	–
Cancellation of shares	(158 673)	(259 943)	–
Issue of shares	3 760 922	–	–
Recognition of non-controlling interests reserve	–	–	–
Recognition of share-based payments	–	–	–
Audited balance at 30 June 2014	**5 798 843**	**3 836 930**	**83 746**
Total comprehensive income	**–**	**978 654**	**598 833**
Profit for the year	**–**	**978 654**	**–**
Other comprehensive income	**–**	**–**	**598 833**
Derecognition of non-controlling interest	**–**	**–**	**–**
Foreign currency translation reserve	**–**	**–**	**–**
Issue of shares	**640 576**	**–**	**–**
Recognition of non-controlling interests reserve	**–**	**–**	**–**
Recognition of share-based payments	**–**	**–**	**–**
Audited balance at 30 June 2015	**6 439 419**	**4 815 584**	**682 579**

Share-based payment reserve R'000	Foreign currency translation reserve R'000	Acquisition of non-controlling interests reserve R'000	Equity attributable to owners of the holding company R'000	Non-controlling interests R'000	Total equity R'000
5 488	159	–	5 352 967	352 283	5 705 250
–	–	–	1 029 893	66 107	1 096 000
–	–	–	946 147	66 107	1 012 254
–	–	–	83 746	–	83 746
–	–	–	–	(203 823)	(203 823)
–	111 770	–	111 770	–	111 770
–	–	–	(418 616)	–	(418 616)
–	–	–	3 760 922	–	3 760 922
–	–	(2 574)	(2 574)	–	(2 574)
77 829	–	–	77 829	–	77 829
83 317	**111 929**	**(2 574)**	**9 912 191**	**214 567**	**10 126 758**
–	**–**	**–**	**1 577 487**	**5 507**	**1 582 994**
–	**–**	**–**	**978 654**	**5 507**	**984 161**
–	**–**	**–**	**598 833**	**–**	**598 833**
–	**–**	**–**	**–**	**(212 822)**	**(212 822)**
–	**(66 189)**	**–**	**(66 189)**	**–**	**(66 189)**
–	**–**	**–**	**640 576**	**–**	**640 576**
–	**–**	**(113 909)**	**(113 909)**	**–**	**(113 909)**
7 042	**–**	**–**	**7 042**	**–**	**7 042**
90 359	**45 740**	**(116 483)**	**11 957 198**	**7 252**	**11 964 450**

SUMMARISED SEGMENTAL ANALYSIS

	Note	Revenue R'000	Audited 30 June 2015 Net profit R'000	Investment properties R'000	Net asset value R'000
Business segment					
Atterbury House	1	–	–	–	–
Brooklyn Bridge Office Park	2	71 864	11 727	611 581	224 026
Great Westerford*		34 363	18 982	272 762	204 377
Harlequins Office Park	3	–	–	–	–
Lynnwood Bridge Precinct		144 335	74 517	1 283 202	280 420
Aurecon Building		97 596	23 867	641 770	176 559
Newtown Junction		117 254	(21 896)	1 268 703	217 363
The Majestic		12 849	3 905	134 361	27 921
PwC Sunninghill	4	18 961	4 075	351 306	(29 371)
Waterfall – Altech Building*		8 142	3 225	40 647	25 296
Waterfall – Cell C Campus		127 696	47 182	778 013	624 091
Waterfall – City Lodge		5 812	(468)	99 904	46 361
Waterfall – Group Five		80 008	50 112	543 093	252 420
Waterfall – Maxwell Office Park – Phase I & II*		26 824	11 060	239 659	121 847
Waterfall – Novartis		2 190	33 303	194 620	122 126
Office and mixed use		**747 894**	**259 591**	**6 459 621**	**2 293 436**
De Ville Shopping Centre	3	–	–	–	–
Glenfair Boulevard Shopping Centre		50 208	62 529	388 900	359 709
Sanridge Square	3	–	–	–	–
Garden Route Mall		122 846	74 004	1 186 014	452 361
Brooklyn Mall*		71 999	36 919	677 335	260 397
Mooirivier Mall		113 591	56 078	1 042 802	398 427
Andringa Walk		24 864	711	169 323	65 922
Eikestad Mall^		65 200	26 021	529 416	202 783
Mill Square^		7 596	1 778	78 975	30 161
Waterfall Corner		28 758	10 447	185 440	88 943
Waterfall Lifestyle		14 751	10 324	112 371	28 172
Retail		**499 813**	**278 811**	**4 370 576**	**1 886 875**
Waterfall – Angel Shack		4 728	5 629	32 931	23 631
Waterfall – Covidien		8 911	18 589	108 442	20 949
Waterfall – Cummins*		1 105	14 357	78 008	76 814
Waterfall – Dräger		6 829	12 601	71 250	32 118
Waterfall – Massbuild Distribution Centre		32 939	16 073	243 439	40 028
Waterfall – Westcon		9 977	9 209	99 176	88 324
Light industrial		**64 489**	**76 458**	**633 246**	**281 864**
Le Chateau		–	(4)	17 000	14 755
Waterfall – Development rights		–	68 751	1 467 422	1 467 387
Waterfall – Infrastructure and services		25	(7 751)	615 991	207 744
Vacant land		**25**	**60 996**	**2 100 413**	**1 689 886**
Newtown – Carr Street		–	–	8 569	8 569
Newtown – City Lodge		–	4 656	73 018	25 425
Waterfall – Allandale Building		–	3 627	69 848	52 023
Waterfall – Hilti		–	9 963	38 981	28 575
Waterfall – Mall of Africa^		–	339 686	2 010 139	624 601
Waterfall – Maxwell Office Park – Phase III*		–	15 795	101 658	12 456
Waterfall – PwC Tower~		–	27 895	152 688	187 564
Waterfall – Servest		–	28 073	127 134	40 125
Waterfall – Stryker		–	11 662	41 982	18 898
Waterfall – Angel Shack		–	–	–	–
Waterfall – City Lodge		–	–	–	–
Waterfall – Covidien		–	–	–	–
Waterfall – Cummins*		–	–	–	–
Waterfall – Dräger		–	–	–	–
Waterfall – Maxwell Office Park – Phase II*		–	–	–	–
Waterfall – Novartis		–	–	–	–
Waterfall Lifestyle		–	–	–	–
Waterfall – Westcon		–	–	–	–
Lynnwood Bridge – Phase III		–	–	–	–
Newtown Junction		–	–	–	–
The Majestic		–	–	–	–
Developments		**–**	**441 357**	**2 624 017**	**998 236**
Head office/other		**714**	**465 781**	**–**	**4 832 041**
Total		**1 312 935**	**1 582 994**	**16 187 873**	**11 964 450**

Notes:

1. Held for sale as at 30 June 2013, sold prior to 30 June 2014
2. Acquired during prior year
3. Disposed of during prior year
4. Acquired during current year
5. 100% held in prior year, 80% held in current year

Represents Attacq's undivided share in the property: *50%; #25%; ^80%; ~75%

Revenue R'000	Net profit R'000	Investment properties R'000	Net asset value R'000
	Audited 30 June 2014		
4 462	(9 282)	–	–
19 222	41 472	608 275	203 377
34 529	(21 787)	235 609	181 563
2 694	2 094	–	–
118 079	48 852	829 661	300 755
101 230	19 093	637 953	152 692
–	–	–	–
–	–	–	–
–	–	–	–
3 803	4 634	41 004	15 920
64 343	106 358	761 329	882 766
–	–	–	–
32 048	82 213	504 420	214 285
6 495	14 474	130 494	96 504
–	–	–	–
386 905	288 121	3 748 745	2 047 862
20 204	31 074	–	–
44 197	35 901	349 646	281 698
511	2 016	–	(388)
114 759	110 978	1 111 741	362 632
67 350	75 134	637 515	239 287
115 524	84 173	992 265	440 212
23 444	3 163	160 512	(110 516)
60 121	17 461	503 449	97 335
4 214	260	73 196	9 365
6 723	32 438	169 592	43 666
–	–	–	–
457 047	392 598	3 997 916	1 363 291
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
31 701	1 471	224 962	49 612
–	–	–	–
31 701	1 471	224 962	49 612
–	(70)	17 000	14 753
–	24 154	1 503 549	1 503 471
–	(31 149)	446 046	316 217
–	(7 065)	1 966 595	1 834 441
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
–	141 149	994 714	732 865
–	–	–	–
–	–	–	–
–	–	–	–
–	–	–	–
–	1 134	21 031	18 705
–	5 156	63 086	60 755
–	2 903	39 236	35 513
–	1 118	24 312	15 216
–	2 968	30 535	29 378
–	8 281	83 671	72 491
–	5 146	54 168	49 292
–	(1 516)	87 299	84 867
–	489	52 348	46 436
–	8 149	308 639	115 081
–	6 035	987 919	187 323
–	19 194	144 161	24 190
–	200 206	2 891 119	1 472 112
1 197	220 669	–	3 359 440
876 850	1 096 000	12 829 337	10 126 758

COMMENTARY

Introduction

Attacq is a leading South African capital growth property company listed on the JSE. Attacq's vision is to deliver exceptional sustainable capital growth through creative local and international real estate developments and investments. Attacq pursues this vision through its strategic drivers of *Invest, Develop* and *Grow*. Attacq's business has two key focus areas: Investments and Developments. Investments comprise completed buildings held directly and indirectly. Developments comprise land, greenfields development of land or brownfields development by refurbishment of existing buildings. Investments provide stable income and balance sheet strength to responsibly secure and fund high-growth opportunities within Developments. Attacq has a total asset value of R23.3 billion (2014: R18.5 billion), including landmark commercial and retail property assets and developments. Its portfolio of properties and investments consists of geographically diverse assets across South Africa as well as a growing representation of international investments in sub-Saharan Africa via retail-focused AttAfrica Limited ("AttAfrica") and in Germany, Switzerland and the United Kingdom via a strategic stake in MAS Real Estate Inc. ("MAS").

Highlights

- Net asset value per share ("NAVPS") adjusted for deferred tax increased by 17.9% to R18.98
- Net rental income increased by 47.6% to R954.0 million
- The long-awaited 131 038 m^2 Mall of Africa is on track to open in April 2016
- 13 new developments completed contributing to a 45.1% increase in attributable primary gross leasable area ("GLA") to 565 796 m^2
- Average cost of debt reduced to 9.0% (2014: 9.5%) with 75% of total committed debt facilities hedged (2014: 63%)

Net asset value ("NAV") and NAVPS

NAV attributable to Attacq shareholders increased by 20.6% compared with the prior year. NAVPS adjusted for deferred tax increased by 17.9% from R16.10 to R18.98 and NAVPS increased by 15.5% from R14.77 to R17.06.

Capital raised

On 9 December 2014, Attacq raised R640 million in cash by way of a vendor placement of 29.6 million shares at R21.60 per share to fund the acquisition of the non-controlling interest in Attacq Waterfall Investment Company (Pty) Ltd ("AWIC"), as detailed further below.

Non-controlling interests acquired

The acquisition of the non-controlling interests in AWIC and Lynnaur Investments (Pty) Ltd ("Lynnaur") detailed below took place at a premium to the accounting NAV of each entity, resulting in the acquisition of non-controlling interests reserve increasing by R113.9 million. The premium paid to accounting NAV was justified by the existence of future economic benefits not reflected in the underlying assets' carrying values as at the transaction date.

AWIC transaction

In December 2014, as part of Attacq's strategy to manage the entire Waterfall pipeline and to take full control of the strategic planning and management of Waterfall, including the roll out of its infrastructure, Attacq became the sole shareholder of AWIC. Atterbury Property Holdings (Pty) Ltd ("Atterbury") previously held an 18.775% effective shareholding in AWIC. The total purchase consideration for Atterbury's stake was R655.1 million.

The AWIC transaction enables Attacq to accelerate the unlocking of value in respect of the Waterfall development rights by engaging, without restriction, with Atterbury and other developers. This strategy was formulated jointly with Atterbury, which is increasing its development capacity in other markets including Central and Eastern Europe, a direction which supports Attacq's diversification strategy.

As part of the AWIC transaction, Attacq secured a pre-emptive right in respect of all material developments to be undertaken by Atterbury, locally and internationally, thus ensuring Attacq's continued access to Atterbury's development pipeline.

In return for the pre-emptive right, the disposal by Atterbury of its shareholding in AWIC and the amendments to Atterbury's exclusive rights to act as Waterfall's developer, Attacq reduced its shareholding in Atterbury from 25% to 10% for a consideration of R83 million. Attacq has retained a seat on Atterbury's board of directors. From an accounting perspective, no value was attributed to the pre-emptive right.

Lynnaur

Effective 12 December 2014, Attacq acquired the 25% non-controlling interest in Lynnaur, the owner of the Aurecon Building in Pretoria, for an amount of R50 million. Attacq is now the sole owner of all the properties located in the Lynnwood Bridge Precinct, in accordance with Attacq's acquisition strategy of owning properties located in strong nodes.

Acquisitions

Acquisition of PwC Sunninghill offices

Effective 31 January 2015, AWIC acquired 100% of the issued share capital and loan claims of Micawber 832 (Pty) Ltd ("Micawber"), the owner of the PwC offices located in Sunninghill, Gauteng, for a total consideration of R71.7 million.

Attacq has measured identifiable assets and liabilities at fair value at the acquisition date as follows:

	R'000
Purchase consideration	71 670
Total identifiable net liabilities acquired at fair value	38 000
Identifiable assets acquired	(365 595)
Liabilities acquired, including deferred tax recognised	403 595
Goodwill recognised, subsequently impaired via profit and loss	109 670

The purchase consideration, which was in excess of the fair value of the identifiable net assets acquired, was factored into the development feasibility of PwC's new 26-storey head office in Waterfall City as well as the 12-year lease entered into with PwC for the new premises. R109.7 million has been recognised in operating and other expenses as an impairment of goodwill.

Waterfall Wi-Fi rights

During the year, AWIC acquired the Wi-Fi rights in respect of all its Waterfall land parcels for an amount of R80 million. This amount is recognised as an intangible asset as at 30 June 2015.

Disposals

Part-disposal of stake in Atterbury and disposal of 20% undivided share in the Mall of Africa

As part of the AWIC restructure, AWIC disposed of a 20% undivided share in the Mall of Africa for R318 million to Atterbury, which prior to the restructure held an effective 18.775% stake in the mall. An agterskot is payable to Attacq for the additional 1.225% stake acquired by Atterbury in the mall. The amount will be re-measured with reference to the market value of the mall one year after its opening which is scheduled for April 2016.

Restructure of African Land Investments Limited ("ALI")

During the year, Attacq and Hyprop Investments Limited ("Hyprop") restructured 50% of Manda Hill Mall under AttAfrica, with the remaining 50% being held directly by Hyprop. Attacq's 12.43% shareholding in ALI was disposed of effective 1 July 2014 for an amount of R110.4 million.

Disposal of Rapfund Holdings (Pty) Ltd ("Rapfund")

In July 2014, Attacq sold its shareholding in Rapfund to a consortium of existing and new Rapfund shareholders for an amount of R139 million.

Financial position ***Investment property***	**30 June 2015** **R'000**	30 June 2014 R'000
Completed developments	**11 945 642**	8 281 224
Developments under construction	**2 624 017**	2 891 119
Development rights	**1 467 422**	1 503 549
Infrastructure and services	**615 991**	446 046
Vacant land	**17 000**	17 000
Per valuation	**16 670 072**	13 138 938
Straight-line lease debtor	**(482 199)**	(309 601)
Total	**16 187 873**	12 829 337

Completed developments

During the year, the following properties under development were completed or acquired. Attacq's attributable share of the total of 190 865m² GLA of these properties is 176 376m²:

Property	Sector	Completion date	Primary GLA (m²)	Occupancy %
Waterfall				
Waterfall Lifestyle	Retail	July 2014	7 139	60
Maxwell Office Park – Premier Foods^	Office	July 2014	4 000	100
Angel Shack	Industrial	August 2014	4 652	100
Westcon	Industrial	September 2014	8 087	100
Dräger	Industrial	November 2014	5 027	100
Maxwell Office Park – Honda^	Office	November 2014	3 972	76
City Lodge	Hotel	November 2014	6 180	100
Covidien	Industrial	December 2014	11 082	100
Novartis	Office	April 2015	7 982	100
Cummins^	Industrial	June 2015	21 007	100
Other				
Lynnwood Bridge Phase III (Lynnwood)	Office	October 2014	14 219	69
Newtown Junction (Newtown)	Retail & Office	October 2014	63 564	93
The Majestic (Newtown)	Office	September 2014	8 429	69
Acquisitions				
PwC (Sunninghill)	Office	January 2015	25 525	100
Total			190 865	92

100% of the GLA is reflected above

^ Attacq has a 50% undivided share in the property

Developments under construction

The following properties were either under development at 30 June 2015 or were secured subsequently thereto:

Property	Sector	Anticipated completion date	Primary GLA (m²)*	% pre-let
Under development				
Waterfall				
Mall of Africa#	Retail	April 2016	131 038	>90
Maxwell Office Park – Colgate^	Office	August 2015	4 242	100
Maxwell Office Park – Mac Mac House^	Office	October 2015	6 280	>75
Allandale Building	Office	August 2016	14 670	>30
PwC Tower~	Office	February 2018	40 000	100
Stryker	Industrial	September 2015	3 219	100
Hilti	Industrial	September 2015	3 821	100
Servest	Industrial	July 2015	6 650	100
Other				
City Lodge (Newtown)	Hotel	December 2015	4 228	100
Secured post 30 June 2015				
Waterfall				
Maxwell Office Park – Magwa House^	Office	August 2016	7 086	–
Torre Industries	Industrial	August 2016	8 910	100
PwC Annex~	Office	February 2018	5 223	100
Speculative warehouse	Industrial	June 2016	8 250	–
Total			243 617	>83

** Estimated GLA for 100% of development. Subject to change upon final remeasurement post completion*

Attacq has an undivided share in the property: #80%; ^50%;~75%

Development rights

Development rights are AWIC's contractual rights to develop certain land parcels in Waterfall. These rights form a material element of the overall land valuation. As at 30 June 2015, 1.37 million m² (2014: 1.39 million m²) of Waterfall's total bulk of 1.83 million m² (2014: 1.75 million m²) remains available for development.

Infrastructure and services
The net growth in infrastructure and services is as a result of the costs incurred to service the Waterfall land in preparation for the development of Waterfall City and future top structures. While this asset generated no cash return, it creates the platform for future economic benefits with respect to top structure developments.

Investments in and loans to associates
MAS
During the year, Attacq's shareholding in MAS decreased slightly from 47.3% to 45.3%, largely due to the issue of new shares by MAS as part of the transaction to internalise its asset manager. MAS has achieved both strong balance sheet and income growth for the 2015 financial year, increasing its adjusted NAVPS by 16.8% to €1.21 per share. Attacq's equity accounted investment in MAS increased from R1.9 billion to R2.2 billion, driven largely by MAS' strong performance.

MAS' underlying development pipeline remains strong and, with its low portfolio gearing of 4.8% and bank funding available at attractive interest rates, MAS has the ability to create further value by optimising its capital structure.

Included in other financial assets and in other comprehensive income in 2015, is an amount of R359.4 million (€26.4 million), being an estimate of the fair value of the agterskot payable by MAS to Attacq following Attacq's disposal of Karoo Investment Fund S.C.A. SICAV-SIF ("Karoo") to MAS in December 2013. The agterskot is payable on Karoo's anticipated termination in January 2016 and will be settled by way of the issue of new MAS shares.

AttAfrica
During the year, Atterbury Africa Limited ("Atterbury Africa") was rebranded as AttAfrica following the restructure of 50% of Manda Hill Mall under Atterbury Africa and the merger of the management teams of ALI and Atterbury Africa. Attacq's investment in AttAfrica increased to R599.3 million during the year, which increase was utilised to part fund AttAfrica's underlying development pipeline and the Manda Hill Mall acquisition noted above under disposals.
At 30 June 2015, AttAfrica's underlying assets were as follows:

Property and location	Location	GLA (m²*)	AttAfrica ownership %	AttAfrica attributable property value (USD'000)	Attacq effective interest %
Completed developments					
Accra Mall	Accra, Ghana	19 000	47	40 782	14.7
West Hills Mall	Accra, Ghana	27 500	45	40 140	14.1
Manda Hill Mall	Lusaka, Zambia	44 000	50	76 700	15.6
Developments under construction					
Achimota Mall	Accra, Ghana	14 624*	75	24 098	23.4
Kumasi City Mall	Accra, Ghana	18 360*	75	18 227	23.4
Waterfalls	Lusaka, Zambia	–	25	1 013	7.8

* *Proposed size*

Planned disposal of Mauritian assets and Bishopsgate Holdings Ltd ("Bishopsgate")
Non-current assets held for sale as at 30 June 2015 comprises an amount of R656.4 million in respect of Attacq's 49.9% shareholding in each of Bagaprop Ltd and Mall of Mauritius at Bagatelle Ltd, the owners of the Bagatelle Mall and the Bagatelle Precinct's development land respectively, as well as an amount of R28.0 million in respect of a 30% shareholding in Bishopsgate, the owner of a student residential development in Birmingham, United Kingdom. All of these assets were equity accounted in the prior year and presented under investments in associates and are now presented under non-current assets held for sale.

Attacq has decided to exit its Mauritian investments in order to pursue more favourable investment opportunities.

Other financial assets
In addition to the Karoo agterskot of R359.4 million, other financial assets include an amount of R434.1 million owed by Atterbury for the acquisition of their 20% undivided share in the Mall of Africa. The amount is due to be settled upon completion of the mall in April 2016.

Other investments
Other investments decreased by a net of R121.3 million compared with the prior year due to the restructure of ALI under AttAfrica during the current year. Attacq's remaining 10% shareholding in Atterbury is included in other investments in the current year. In 2014, prior to the AWIC restructure, Attacq held 25% of Atterbury which was equity accounted under investment in associates. Also included in other investments is Attacq's 19.9% interest in Stenham European Shopping Centre Fund Ltd, the owner of the Nova Eventis regional shopping centre in Leipzig, Germany.

Borrowings

Total net interest-bearing borrowings increased by 34.6% compared to 30 June 2014 with additional debt being incurred to fund Attacq's growing property portfolio.

Gearing, calculated as total net interest-bearing debt less cash on hand to total assets, increased from 34.0% as at 30 June 2014 to 36.3% as at 30 June 2015. In order to mitigate interest rate risk, approximately 75.0% (2014: 63.0%) of total committed facilities of R12.0 billion as at 30 June 2015 (2014: R10.4 billion) was hedged in terms of either fixed interest rate loans or interest rate swaps. The weighted average cost of funding has improved from 9.5% in 2014 to 9.0% in 2015.

Financial performance

Profit before taxation

Net rental income

Net rental income, which includes straight-line lease income adjustments, increased by 47.6% compared with the previous year. A year-on-year comparison of net rental income is of limited use due to changes in the property portfolio with 13 properties being completed during the current year (2014: five), one property being acquired (2014: one) and four properties being disposed of during 2014 as well as the impact of the internalisation of the asset management function during the 2014 financial year.

Vacancies

Overall portfolio vacancies, measured in terms of primary GLA, have increased by 10 068m² compared with 30 June 2014. On a like-for-like basis, vacancies have decreased by 765m². The balance of the vacant space relates primarily to Newtown Junction, The Majestic, Lynnwood Bridge Phase III and Waterfall Lifestyle, all of which came into operation during the financial year. Subsequent to year end, 7 926m² of the vacant space in these properties has been taken up.

	30 June 2015		30 June 2014	
Sector	**Vacancy %**	**Vacant GLA m²**	Vacancy %	Vacant GLA m²
Retail	**1.8**	**10 387**	0.9	3 317
Office	**2.2**	**12 387**	2.4	9 389
Industrial	**–**	**–**	–	–
Hotel	**–**	**–**	–	–
Portfolio vacancy	**4.0**	**22 774**	3.3	12 706

Other income

Other income of R205.6 million includes foreign exchange gains of R65.6 million, a profit of R28.1 million realised on the disposal of the 20% undivided share in the Mall of Africa as well as the profit generated by the disposal of the 15% shareholding in Atterbury.

Operating and other expenses

The 2014 results include a loss of R68.1 million realised on the disposal of Attacq's investment in Karoo in return for a then 23.4% stake in MAS. The MAS agterskot of R359.4 million recognised in the current year is included under other comprehensive income. Included in operating and other expenses in the current year is a R109.7 million impairment of goodwill relating to the acquisition of Micawber as detailed earlier under acquisitions.

Fair value adjustments

Compared with the prior year, fair value adjustments on investment properties increased by 20.8% to R1.1 billion. Fair value adjustments on investment properties, after accounting for straight-line lease income adjustments, is made up as follows:

	30 June 2015 R'000	30 June 2014 R'000
Completed developments	**434 677**	325 389
Developments under construction	**591 562**	560 113
Development rights	**84 472**	33 592
Total fair value adjustments in investment properties	**1 110 711**	919 094

Property valuations as at 30 June 2015 are based on external valuations performed by Jones Lang LaSalle (Pty) Ltd, Old Mutual Investment Group (South Africa) (Pty) Ltd and Mills Fitchet KZN CC.

The valuation in respect of Waterfall's development rights is based on an external valuation performed on a freehold basis. The valuation is then adjusted downward by management to take into account, *inter alia*, the nature of the contractual rights and the estimated future rental obligations attached to the development rights.

Investment income

Included in investment income in the current year is interest income of R113.9 million and dividend income of R28.6 million. The June 2014 financial results include a once-off dividend of R325.8 million resulting from the unbundling of the underlying investments held by Attacq via investments in various associates.

Finance costs

Finance costs increased by 17.8% compared with the prior year. Included in the June 2014 financial year is a non-cash, non-recurring amount of R123.6 million arising from the transaction concluded between Attacq, Atterbury Investment Managers (Pty) Ltd and Razorbill Properties 91 (Pty) Ltd (a wholly-owned subsidiary of Attacq) as fully detailed in Attacq's listing prospectus and as approved by shareholders at the general meeting held on 27 August 2013. Excluding this amount, the increase is 49.6% which is attributable to the 13 properties completed over the last 12 months, resulting in the related finance costs being expensed and no longer capitalised to the specific development.

Change in directors and company secretary

Lebo Masekela resigned from the board with effect from 30 November 2014. Keneilwe Moloko was appointed to the board with effect from 2 February 2015. Talana Smith resigned as company secretary, effective 11 March 2015 and Tasja Kodde was appointed as company secretary effective from the same date. Effective 1 July 2015, Brett Nagle joined the board as a non-executive director, Louis van der Watt's status changed from executive to non-executive and Wilhelm Nauta's status changed from non-executive to independent non-executive.

Subsequent events

Attacq, via a 48.8% shareholding in Atterbury Cyprus Limited ("Atterbury Cyprus"), acquired an effective 48.6% interest in ITTL Trade & Tourist Leisure Park Plc, owner of the Shacolas Emporium Park and an effective 48.3% interest in Woolworth Commercial Centre Plc, the owner of The Mall of Engomi. The properties are located in Nicosia, the capital city of Cyprus and were secured together with Atterbury Europe BV which, together with minorities, owns the balance of the shareholding in Atterbury Cyprus. The 47 000m^2 Shacolas Emporium Park is in the heart of Nicosia and comprises the 27 000m^2 Mall of Cyprus and a 20 000m^2 Ikea store. It attracts over five million shoppers and visitors annually. The Mall of Engomi is a 13 600m^2 retail centre located in the west of Nicosia and attracts more than 1.5 million visitors annually. Both centres provide expansion opportunities. Attacq's share of the acquisition costs was €48.4 million and payment was made during the course of July 2015, prior to the recent depreciation in the Rand.

Prospects

Locally, in addition to optimising its growing R11.5 billion portfolio of operational properties and delivering on its Waterfall pipeline, Attacq remains on the lookout for other growth opportunities. The Waterfall node continues to strengthen with 13 new properties being completed during the current year, adding over 135 000m^2 GLA to Attacq's portfolio and at year end a further 12 developments are underway or secured. The super-regional Mall of Africa is on track to open in April 2016 and is expected to act as a strong catalyst for demand for premises in the surrounding Waterfall City land parcel, which has a further 651 911m^2 of bulk available for development. Waterfall City is seen to be the most significant South African development of the decade and continues to attract local and international attention as the new corporate headquarters destination on the African continent.

Internationally, Attacq's acquisition of assets in Cyprus subsequent to year end is part of a bigger Central and Eastern European strategy which is intended to provide increased exposure to the Euro. MAS' deployment of proceeds from its 2014 €180 million capital raise is starting to bear fruit and additional value should be created by MAS as it optimises its portfolio and capital structure.

Basis of presentation of summarised provisional consolidated financial statements

These summarised provisional consolidated financial statements for the year ended 30 June 2015 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and include disclosure as required by IAS 34: *Interim Financial Reporting* ("IAS 34"), the JSE Listings Requirements and the Companies Act of South Africa. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated financial statements as at and for the year ended 30 June 2015. In preparing these summarised provisional consolidated financial statements, management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These summarised provisional consolidated financial statements do not include the information required pursuant to paragraph 16A(j) of IAS 34. The audited consolidated and separate financial statements are available on the company's website, at its registered office and upon request.

The areas that include significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that were identified in the consolidated financial statements as at and for the year ended June 2014.

Significant accounting policies

Except as described below, the accounting policies applied in these summarised provisional consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2014 and comply with IFRS. The following amendments to standards have been adopted by the Group as from 1 July 2014 and have no impact on the results of the Group:

IFRS 2: *Share-based Payment*
IFRS 3: *Business Combinations*
IFRS 8: *Operating Segments*
IFRS 10: *Consolidated Financial Statements*
IFRS 12: *Disclosure of Interest in Other Entities*
IFRS 13: *Fair Value Measurement*
IAS 16: *Property, Plant and Equipment*
IAS 19: *Employee Benefits*
IAS 24: *Related-Party Disclosure*
IAS 27: *Separate Financial Statements*
IAS 36: *Impairment of Assets*
IAS 39: *Financial instruments: Recognition and Measurement*
IAS 38: *Intangible Assets*
IAS 40: *Investment Property*

Audit report

The auditor, Deloitte & Touche, has issued its opinion on Attacq's consolidated and separate financial statements for the year ended 30 June 2015. The audit was conducted in accordance with International Standards on Auditing. The auditor early-adopted the International Auditing and Assurance Standards Board's new and revised Auditor Reporting Standards and related conforming amendments, with the most significant change being the inclusion of Key Audit Matters in the auditor's report. Deloitte & Touche has issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited consolidated and separate financial statements is available for inspection at the company's registered office and on the company's website.

These summarised provisional consolidated financial statements have been derived from the Group's consolidated financial statements and are consistent in all material respects with the Group's consolidated financial statements for the year ended 30 June 2015, but is not itself audited. The directors take full responsibility for the preparation of these summarised provisional consolidated financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated financial statements. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditor. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the audited consolidated financial statements as at 30 June 2015 from the company's registered office or from the company's website.

The preparation of the financial information was supervised by Melt Hamman CA(SA), financial director of Attacq.

On behalf of the board

P Tredoux
Chairman

MC Wilken
CEO

22 September 2015

Directors

P Tredoux#* (Chairman)
MC Wilken (CEO)
M Hamman (FD)
LLS van der Watt*
AW Nauta#*
JHP van der Merwe*
S Shaw-Taylor#*
HR El Haimer#*
PH Faure*
MM du Toit#*
KR Moloko#*
B Nagle*

Independent
* *Non-executive*

Company secretary

T Kodde

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NOTES

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