

ATTACQ LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/000543/06)

JSE share code: ATT ISIN: ZAE000177218

("Attacq")



REVISED STRATEGY REGARDING WATERFALL, ATTERBURY AND ASSET MANAGEMENT

Introduction

Attacq Waterfall Investment Company (Pty) Ltd ("AWIC") holds the exclusive rights to develop the commercial and retail properties in Waterfall. AWIC's development rights extend over an area of approximately 311ha with approved developable bulk of 1.75 million m². Attacq holds 81.225% in AWIC with Atterbury Property Holdings (Pty) Ltd ("Atterbury") indirectly holding the remaining shareholding of 18.775% via its wholly-owned subsidiary, Atterbury Waterfall City (Pty) Ltd ("AWC"). Atterbury currently has the exclusive right to act as developer of Waterfall.

Attacq's strategy is to manage the entire Waterfall pipeline, its key asset, and to take full control of the strategic planning of Waterfall, including the roll out of its infrastructure. This will enable Attacq to accelerate the unlocking of value in respect of the Waterfall development rights by working on an unrestricted basis with Atterbury and other developers. This strategy has been formulated jointly with Atterbury, which is increasing its deployment of development capacity in other markets including Central and Eastern Europe, a direction which supports Attacq's diversification strategy.

In order to implement the above-mentioned strategy, Attacq and Atterbury have reached agreement in principle to restructure the rights and arrangements between the parties, the details of which are outlined below.

Acquisition of AWC's shareholding in AWIC and amendments to Atterbury's exclusive development rights

Attacq will become the sole shareholder of AWIC with Atterbury retaining a 20% undivided co-ownership interest in the Mall of Africa. Atterbury's exclusive right to act as developer of Waterfall will be amended to allow for, *inter alia*, other developers to partner with Attacq at Waterfall as well as to provide for the termination of the exclusivity in 2018.

These amendments enable an acceleration of Waterfall's development and allow Attacq sufficient time to build the necessary internal development capacity to take full ownership of the overall Waterfall strategy.

Attacq's shareholding in Atterbury and securing of pre-emptive right in respect of Atterbury developments

In keeping with the continuing strategic relationship between the parties, Attacq has 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 this right, the disposal by AWC of its shareholding in AWIC and the amendments to Atterbury's exclusive development rights, Attacq has agreed to dispose of 15% of its 25% shareholding in Atterbury. With its remaining 10% shareholding, Attacq will retain a seat on Atterbury's board.

Termination of asset management arrangement

Atterbury currently provides asset management services to Attacq's portfolio of regional malls in terms of an asset management agreement which was to terminate on 30 June 2018. As Attacq has positioned itself to undertake the management of its retail assets internally, Atterbury has agreed to terminate this asset management agreement with immediate effect and at no cost. In order to ensure continuity, the key Atterbury staff responsible for these assets will be transferred to Attacq.

Categorisation of the proposed transactions

Attacq envisages that, in aggregate, the transactions contemplated in this announcement, if concluded, will entail a net consideration of less than 5% of Attacq's market capitalisation. While these transactions, namely the acquisition by Attacq of 18.775% of AWIC, the acquisition by Atterbury of a 20% undivided share in the Mall of Africa and the disposal by Attacq of 15% of Atterbury, would not be categorisable under JSE Listings Requirements, final details for information purposes will be announced in due course.

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