
DISPOSAL OF INVESTMENTS IN CYPRUS AND SERBIA

1. INTRODUCTION

AIH International Limited ("**AIHI**"), a wholly-owned subsidiary of Attacq, has entered into sale of shares and claims agreements ("**agreements**") to dispose of its 48.75% equity shareholding and loan account in Atterbury Cyprus Limited ("**Atterbury Cyprus**") and 25.0% equity shareholding and loan account in Atterbury Serbia B.V. ("**Atterbury Serbia**") to Atterbury Europe B.V. ("**Atterbury Europe**") for an aggregate consideration of €93 million, payable in cash ("**the disposals**").

Atterbury Cyprus owns a 99.67% shareholding in The Mall of Cyprus (MC) plc, the owner of the Shacolas Emporium Park located in Nicosia, Cyprus and a 99.50% shareholding in The Mall of Engomi (ME) plc, the owner of the Mall of Engomi, also located in Nicosia Cyprus.

Atterbury Serbia holds 50.0% of a portfolio of seven retail properties in Serbia, including Serbia's largest mall, Ušće Shopping Centre located in the Serbian capital of Belgrade.

2. RATIONALE FOR THE DISPOSALS

Attacq holds a 37.32% shareholding in MAS Real Estate Inc. ("**MAS**"), which is listed on the Main Board of the Johannesburg Stock Exchange. In line with Attacq's focus on its key investments and given MAS' growing size, its change in investment focus to include Central and Eastern Europe and its increasing exposure to this region via its joint ventures with Prime Kapital, Attacq has made the strategic decision to exit its investments in Atterbury Cyprus and Atterbury Serbia and for MAS to be its primary entry point into these markets.

3. SALIENT TERMS OF THE DISPOSALS

3.1. Atterbury Cyprus

3.1.1. The consideration receivable in respect of Atterbury Cyprus is €57.8 million, comprising €27.6 million in respect of the shares owned in Atterbury Cyprus and €30.2 million in respect of AIHI's claims against Atterbury Cyprus.

3.1.2. The net asset value of and profits attributable to AIHI's 48.75% equity shareholding and loan account in Atterbury Cyprus for the year ended 30 June 2016 and the six month period ended 31 December 2016 is set out below:

	30 June 2016	31 December 2016
Net asset value	R891.9 million	R802.8 million
Net profit/loss	R124.1 million	R39.3 million

3.1.3. A deed of guarantee, dated 16 July 2015, was entered into between Attacq and Ermes Department Stores Plc whereby Attacq agreed to guarantee certain obligations of Atterbury Cyprus ("**the guarantee**"). Atterbury Europe undertakes to release Attacq from all its obligations under the guarantee and will indemnify and keep Attacq

indemnified from and against all and any losses suffered or incurred by Attacq which arise from the enforcement of the guarantee, until such guarantee is irrevocably released and discharged.

3.2. Atterbury Serbia

- 3.2.1. The consideration receivable in respect of Atterbury Serbia is €35.2 million, comprising €23.2 million in respect of the shares owned in Atterbury Serbia and €12.0 million in respect of AIHI's claims against Atterbury Serbia.
- 3.2.2. The net asset value of and profits attributable to AIHI's 25.0% equity shareholding and loan account in Atterbury Serbia for the year ended 30 June 2016 and the six month period ended 31 December 2016 is set out below:

	30 June 2016	31 December 2016
Net asset value	R34.2 million	R171.2 million
Net profit/loss	R(0.55) million	R(41.9) million

- 3.3. The effective date of the disposals is 31 March 2017.
- 3.4. The disposals are inter-conditional on each other but not subject to any other conditions precedent.
- 3.5. The proceeds will be repatriated to South Africa and applied in settling debt in Attacq's South Africa property portfolio as well as in funding developments in Attacq's Waterfall pipeline.
- 3.6. The agreements provide for warranties and indemnities that are normal for transactions of this nature.

4. CATEGORISATION OF TRANSACTION

The disposals, in aggregate, are classified as a category 2 transaction in terms of paragraph 9.5(a) of the JSE Listings Requirements and accordingly does not require approval by Attacq shareholders.

31 March 2017

Sponsor

JAVACAPITAL