ATTACQ

INVEST • DEVELOP • GROW

SUMMARISED PROVISIONAL CONSOLIDATED FINANCIAL RESULTS

for the year ended 30 June 2018

Commentary

Highlights

- Converted to a Real Estate Investment Trust (REIT)
- Maiden distribution of 74.0 cents per share
- Primary gross lettable area (PGLA) increased by 14.1% to 802 256m^2
- Interest cover ratio improved by 42.9% to 1.6 times
- Average trading density growth of 5.3% to R2 805/m^2
- B-BBEE level 2 rating under the revised property sector codes

Introduction

Attacq's vision is to be a premier South African-based REIT, delivering sustainable income and capital growth through a focused approach in investment in Waterfall City, Waterfall Logistics Hub and retail and mixed-use precincts, both in South Africa and globally.

Attacq's business model is based on four key value drivers, namely the South African portfolio, the Waterfall development, and investments in MAS Real Estate Inc. (MAS) and the Rest of Africa retail.

Attacq is listed on the Johannesburg Stock Exchange (JSE) and is included in the FTSE/JSE SAPY Index, FTSE/JSE All Property Index as well as the FTSE/JSE Responsible Investment Index.

Attacq successfully converted to a REIT on 29 May 2018.

General overview

Attacq's board of directors (the board) has declared a distribution for the year ended 30 June 2018 of 74.0 cents per share. This maiden distribution is in line with market guidance for the year under review, given in the June 2017 and December 2017 financial results announcements.

Distributable earnings increased by 280.7% to R527.4 million (2017: R138.5 million) mainly due to completed developments generating additional rental income and lower finance charges as a result of a reduction in net debt. Net asset value per share (NAVPS) increased by 22.2% from R19.84 to R24.24, largely due to the de-recognition of the majority of the deferred tax liability on REIT conversion. NAVPS growth on a like-for-like basis, excluding the impact of the deferred taxation de-recognition, would have been 8.6% had Attacq converted to a REIT by June 2017.

A breakdown of distributable earnings per value driver is tabled below:

	2018		2017*	
Key value driver	**R000**	**Cents per share**	R000	Cents per share
South African portfolio	321 395	45.7	128 306	18.3
Waterfall development	(10 149)	(1.4)	(17 464)	(2.5)
Investment in MAS	151 060	21.5	105 303	15.0
Rest of Africa retail investments	42 425	6.0	6 591	0.9
Other assets	22 653	3.2	(84 190)	(12.0)
Total	527 384	75.0	138 546	19.7

** Unaudited comparatives*

The R42.4 million (2017: R6.6 million) distributable earnings generated through the Rest of Africa retail investments represents net cash interest received in respect of the underlying investments.

Attacq's gross assets have increased during the year by 6.4% to R29.1 billion.

Key value driver	2018 R000	2017 R000
South African portfolio	21 084 750	18 060 726
Waterfall development	2 258 698	3 840 759
Investment in MAS	3 145 828	2 729 308
Rest of Africa retail investments	1 092 477	1 246 835
Other assets	1 496 946	1 444 563
Total	29 078 699	27 322 191

South African portfolio

Overview

Attacq has a high-quality operational portfolio of retail, office and mixed-use, light industrial and hotel properties with a weighted average lease expiry profile of 6.8 years (2017: 6.4 years). The value of the existing South African portfolio increased to R21.1 billion (2017: R18.1 billion), comprising 72.5% (2017: 66.1%) of total gross assets. The average growth in trading densities for the year ended 30 June 2018 was 5.3%. Based on PGLA, 63.8% of our office and mixed-use portfolio is green certified and includes PwC Tower's silver Leadership in Energy and Environmental Design certification which is currently being finalised.

During the year, five buildings and one extension were completed in Waterfall, bringing the total South African portfolio PGLA to 802 256m². Attacq's attributable share of the total newly completed 118 628m² PGLA is 103 541m²:

Property	Practical completion date	PGLA m²	Occupancy %	External valuation R000
Waterfall City				
PwC Tower~	October 2017	48 613	100	1 750 351
Gateway West	October 2017	13 803	>79	370 809
Waterfall Corporate Campus – phase I⁺	December 2017	5 868	100	169 700
Waterfall Logistics Hub				
BMW Group South Africa Regional Distribution Centre	December 2017	31 987	100	289 401
Dis-Chem warehouse	October 2017	8 518	100	83 329
Massbuild extension	December 2017	9 839	100	78 806
Total		118 628	>97	2 742 396

~ Attacq has a 75.0% ownership

⁺ Attacq has a 50.0% ownership

Rental income

Rental income increased by 9.4% to R2.0 billion (2017: R1.9 billion), mainly due to newly completed buildings. The five new buildings and the Massbuild extension contributed R69.8 million to rental income, adding R58.4 million to net operating income.

Commentary (continued)

Property expenses

Property expenses decreased by 2.4% or R17.6 million to R724.7 million, mainly due to non-recurring expenses relating to the Mall of Africa which were incurred in 2017. Municipal charges increased by 5.8% to R448.6 million (2017: R423.9 million) and are included in property expenses. The municipal charge recovery ratio increased to 92.8% (2017: 90.0%) as the Mall of Africa photovoltaic plant came into operation during the year.

The cost-to-income ratio calculated below is based on best practice recommendations issued by the SA REIT Association. In order to allow for comparability with other listed funds, the ratio has been adjusted for the land lease rental obligation on the Waterfall properties.

	2018 %	2017 %
Property gross cost-to-income ratio	32.8	38.3
Property net cost-to-income ratio	15.5	22.4

Vacancies

Overall portfolio vacancies, measured in terms of PGLA, increased by 41 669m² when compared with 30 June 2017, mainly as a result of PwC moving into their new head offices at Waterfall City, vacating 2 Eglin Road. Subsequent to 30 June 2018, 21 791m² of total vacant space was let, reducing the overall vacancy rate to 5.1%. Vacancies that were filled post 30 June 2018 relate mainly to a portion of 2 Eglin Road, Dis-Chem warehouse and Gateway West. Vacancies not yet filled refers to 2 Eglin Road, Brooklyn Bridge Office Park and the Newtown Junction precinct.

	2018		2017	
Sector vacancy	%	PGLA m²	%	PGLA m²
Retail	2.8	9 170	2.4	7 869
Office and mixed-use	15.3	44 944	5.0	13 094
Light industrial	5.3	8 518	–	–
Hotel	–	–	–	–
Portfolio vacancy	7.8	62 632	3.0	20 963
Less: Vacancies filled post year end	(2.7)	(21 791)	(0.6)	(4 431)
Portfolio vacancy	5.1	40 841	2.4	16 532
Waterfall		4 573		3 870
Balance of portfolio		36 268		12 662

Valuations

The capitalisation and discount rates for the 2018 valuations remained largely unchanged when compared with the previous year. Fair value adjustments on buildings in the South African portfolio were negatively impacted by impairments on 2 Eglin, Newtown precinct and Brooklyn Mall. The negative fair value adjustment on Newtown precinct is due to lower rental projections whilst Brooklyn Mall's valuation decreased due to rental income being negatively impacted by increased competition in the area.

Property valuations as at 30 June 2018 are based on external valuations performed by Sterling Valuation Specialists CC, Eris Property Group Proprietary Limited and Wolffs Valuations Services Proprietary Limited in association with Mills Fitchet.

Waterfall development

Overview

Waterfall's location and ease of access creates an attractive value proposition for the continued development of a new city and logistics hub in the centre of Gauteng. Waterfall has 957 008m^2 (2017: 1.0 million m^2) of remaining developable bulk.

The total Waterfall development value, including the value of the Attacq Sanlam Properties joint venture, reduced to R2.3 billion from R3.8 billion in the prior year. The reduction is due to the completion of five buildings, and the disposal of development rights to joint venture partners.

Waterfall development	2018 R000	2017 R000
Development rights	901 428	1 081 968
Infrastructure and services	685 875	737 187
Developments under construction	527 592	1 880 605
Attacq Sanlam Properties joint venture	143 803	140 999
Total	2 258 698	3 840 759

Whilst these assets are currently not contributing to distributable earnings, they create the platform for future economic benefits through the utilisation of developable bulk in the development of new properties.

Development rights

Development rights relate to the notarially secured leasehold rights held by Attacq Waterfall Investment Company Proprietary Limited (AWIC), a 100.0% subsidiary of Attacq.

As at 30 June 2018, AWIC had 957 008m^2 of remaining developable bulk. The heart of the development portfolio is 778 023m^2 of remaining developable bulk in Waterfall City, zoned for retail, office, hotel and residential developments. The Logistics Hub, well positioned for light industrial tenants, comprises 178 985m^2 of remaining developable bulk. In addition, AWIC has access to a further 686 054m^2 of developable bulk in the joint venture with Sanlam Properties, a division of Sanlam Life Insurance Limited (Sanlam Properties).

The external valuation, performed by Sterling Valuation Specialists CC, in respect of the valuation of the Waterfall development rights is carried out using a residual land valuation model on a freehold, fully serviced basis. The independent valuation is then adjusted downward to take into account, inter alia, the costs required to complete the servicing of the development rights as well as the obligations pursuant to the leasehold nature of the development rights. Development rights were fair valued downwards by R48.9 million due to various adjustments made to the assumptions in the valuation.

Infrastructure and services

The reduction in the value of infrastructure and services, held at cost, compared to prior year is attributable to the allocation of related costs to developments under construction.

Commentary (continued)

Developments under construction

The following developments were under construction as at 30 June 2018. Attacq's attributable share of the total of 99 991m^2 PGLA is 65 479m^2.

Property	Land parcel	Anticipated completion date	PGLA m2*	Pre-let %
Waterfall City				
Deloitte head office+	10	Q3 FY20	42 500	100
Waterfall Corporate Campus – building 2+	10B	Q3 FY19	6 430	–
Waterfall Corporate Campus – Accenture+	10B	Q2 FY19	3 863	100
Waterfall Point^	15	Q3 FY19	9 356	25 pre-sold
The Ingress – phase I	10	Q2 FY20	8 731	50
Waterfall Logistics Hub				
Cummins South Africa's regional office+	9	Q2 FY19	16 232	100
Pirtek^^	8	Q3 FY19	2 926	Pre-sold
Superga/Kappa warehouse	8	Q4 FY19	4 657	100
Midi warehouse	8	Q3 FY19	5 296	–
Total			99 991	>75

** Estimated PGLA for 100.0% of development. Subject to change upon final re-measurement post completion*

+ Attacq has a 50.0% ownership

^ Two of the four buildings are classified as inventory, one building has been sold and one building is held as investment property

^^ Classified as inventory

The valuations as at 30 June 2018 are based on external valuations performed by Sterling Valuation Specialists CC and Wolffs Valuations Services Proprietary Limited in association with Mills Fitchet.

The Deloitte head office development is a 50/50 joint venture between Attacq and Atterbury Property Holdings Proprietary Limited and its subsidiaries (Atterbury Group). Upon completion in Q3 FY20, Waterfall City and surrounds including the Mall of Africa are expected to further benefit from the anticipated foot traffic of approximately 3 500 Deloitte staff members who will occupy the completed Deloitte head office.

Attacq classified 50.0% of the development rights as well as infrastructure and service costs relating to Cummins South Africa's regional office as held for sale due to the 50/50 joint venture arrangement between Attacq and Zenprop Property Holdings Proprietary Limited (Zenprop). The 30 June 2018 value of R63.4 million will be converted to cash on transfer of the development rights to Zenprop, as co-owner.

Attacq commenced with the development of a 2 926m^2 warehouse for Pirtek Southern Africa Proprietary Limited (Pirtek) at an estimated cost of R28.0 million. In order to take advantage of economies of scale, two speculative midi warehouses of 4 657m^2 and 5 296m^2 are being developed at the same time, at an estimated cost of R41.0 million and R46.0 million respectively. One of the midi warehouses has successfully been let to Superga/Kappa. Attacq has had previous success with speculative warehouses as evidenced by both the Dimension Data and Dis-Chem occupancy.

Development pipeline

The Atria – land parcel 10

Attacq and Barrow Properties Proprietary Limited (Barrow Properties) have established a 50/50 joint venture to develop the Atria, a mixed-use precinct adjacent to the Mall of Africa which comprises four office buildings and a hotel. The initial precinct's design has been revised, resulting in the removal of the residential component and increasing the hospitality and office components. The total PGLA is estimated at 32 000m^2 at an estimated total development cost of R840.0 million. The construction of the super-basement has commenced. Construction of the top structure will be in a phased approach subject to leasing. Transfer to Barrow Properties is pending and R46.7 million is classified as held for sale.

Waterfall Corporate Campus – land parcel 10B
Waterfall Corporate Campus is a 50/50 joint venture with Zenprop, with an approximate total development cost of R870.0 million. The development on completion, will comprise six multi-tenanted office buildings with an estimated total PGLA of 30 000m^2. Phase I, building 1 (5 868m^2 of PGLA) was completed in December 2017 and is fully tenanted. The construction of phase II, which consists of two buildings and the communal area, will be completed during the second and third quarter of the 2019 financial year. One of the two buildings will be fully tenanted by Accenture SA Proprietary Limited (Accenture).

The Ingress – land parcel 10
Attacq commenced with phase I of a five building office development known as The Ingress. The development is located adjacent to the Novartis building and across the road from Gateway West on land parcel 10. Phase I comprises of two buildings, with building one being fully tenanted. The total PGLA of phase I will be approximately 8 700m^2 and the remainder will be approximately 11 700m^2 (20 400m^2 in total). Total development cost is estimated at R570.0 million.

Ellipse – land parcel 10
Attacq intends to roll out residential developments to create a "live, work, play" urban environment in Waterfall City. The proposed inaugural residential development will comprise four towers of approximately 550 residential units on land parcel 10, west of the Mall of Africa. The development will be undertaken on a 50/50 joint venture basis in a phased approach. Phase I will consist of two towers of approximately 250 units. The estimated development cost of R450.0 million for phase I includes infrastructure that will benefit phase II. The commencement of the development is subject to achieving a certain level of pre-sales.

BMW X Lifestyle Park – land parcel 10
Attacq is developing a BMW X Lifestyle Park in Waterfall City for BMW Group South Africa. The park is located on the southern side of the Mall of Africa and comprises a multi-functional event space to be used for promotional events and an off-road track designed to showcase the abilities of BMW's X models. The initiative will create an additional attraction in the city.

Zimmer Biomet – land parcel 8
Attacq, in a 50/50 joint venture with Sanlam Properties, commenced post year-end with the development of a warehouse with adjoining offices, measuring 4 000m^2 of PGLA, for Zimmer Biomet. The total capital cost for the project is R55.3 million with an estimated date of completion of June 2019. Attacq classified 50.0% of the value of the development rights as well as infrastructure and service costs relating to Zimmer Biomet as held for sale as transfer is pending to Sanlam Properties.

Investment in MAS

Overview

Attacq's shareholding in MAS reduced to 22.8% (2017: 30.6%). This was as a result of two large capital raisings undertaken by MAS in which Attacq did not participate due to the company preferring to deploy surplus cash into its Waterfall development and reducing interest-bearing debt at a group level. The market value of Attacq's investment, using the 30 June 2018 MAS share price of R21.00 (2017: R23.50) equates to R3.1 billion (2017: R3.5 billion). During the year, Attacq received cash dividends of R151.0 million (2017: R105.3 million), which represents a 4.9% income return based on the 30 June 2018 market value.

Attacq's equity accounted investment at 30 June 2018 is R3.1 billion (2017: R2.7 billion). The net increase is due to MAS' NAVPS increasing by 7.6% from 124.5 euro cents per share to 134.0 euro cents per share plus a 7.1% weakening of the rand against the euro, offset by a total of 6.77 euro cents per share in dividends being paid by MAS during the financial year.

MAS' income producing portfolio achieved a 34.8% increase in net rental income to EUR32.3 million and generated net operating income of EUR38.3 million to June 2018, representing year-on-year growth of 89.6%. Investment property, including assets held for sale, increased by 10.9% to EUR632.8 million from EUR570.6 million with a further EUR120.0 million of assets acquired post year-end.

MAS has revised its prior distribution growth guidance for 2019 of 30.0% to 15.0%. The prior distribution target was premised on the active deployment of capital raising proceeds into income-accretive acquisitions and developments. The markets MAS operates in have become progressively more competitive resulting in a slower than anticipated drawdown of available funds.

Commentary (continued)

MAS' secured Prime Kapital development pipeline in Central and Eastern Europe (CEE) totals EUR755.0 million and includes the planned redevelopment of Era Shopping Mall in Iasi, Romania into the 100 000m² Mall of Moldova, the development of two regionally dominant malls totalling 81 000m², a number of value centre developments, two residential developments in permitting phase and Tera Iasi, a large scale mixed-use development planned to include up to 100 000m² of A grade offices, approximately 2 500 residential units and a hotel.

MAS has a well-funded balance sheet, a strong development and acquisition pipeline and access to an experienced development partner with an exemplary track record in CEE.

Rest of Africa retail investments

Overview

As at 30 June 2018, Attacq's Rest of Africa investments are held via its:

- 25.0% shareholding in Gruppo Investment Nigeria Limited (Gruppo), the owner of Ikeja City Mall, located in Lagos, Nigeria; and
- 31.8% shareholding in AttAfrica, which is invested in four retail properties in Ghana and one retail property in Zambia.

As at 30 June 2018, the value of Attacq's Rest of Africa retail investments was R1.1 billion comprising 3.8% (2017: 4.6%) of its total gross assets. In June 2017, the value totalled R1.2 billion and included Attacq's investment in The Grove Mall of Namibia, which was disposed of in May 2018. The proceeds of R191.9 million were utilised to reduce interest-bearing debt.

As at 30 June 2018, the group's equity accounted investment into Gruppo totalled R305.1 million (2017: R286.5 million). The net increase in the investment value is due to the 5.1% weakening of the rand against the US dollar, offset by an impairment of R25.2 million.

Attacq's investment in AttAfrica, through its shareholder loan, amounted to R787.3 million (2017: R776.2 million), being its gross loan of R953.9 million (2017: R908.5 million), net of an aggregate impairment of R166.6 million (2017: R132.3 million). AttAfrica repaid an amount of R99.3 million comprising capital and interest during the year to Attacq, using funds generated by the external refinancing of Accra Mall. An impairment of R25.9 million was recognised against the loan in the current year (2017: R82.8 million) due to the increase in the negative net asset value position of AttAfrica.

AttAfrica capital structure

Currently Attacq is not receiving regular cash distributions from AttAfrica, due to the unfavourable trading conditions and as a consequence of the capital structure of Attacq's investment in AttAfrica. The capital structure, inter alia, gives Attacq a 31.8% shareholding in AttAfrica which is in excess of its obligation to contribute 25.0% of the funding requirements and therefore Attacq has a share of any capital growth in the underlying portfolio in excess of its capital contributions. However, Hyprop Investments Limited has first right to operational income flows generated by the portfolio, resulting in irregular cash distributions to Attacq. AttAfrica shareholders are investigating options to create liquidity in the portfolio in advance of the June 2020 shareholder liquidity event. Failing to do so, the existing capital structure will be restructured.

Malls and performance

At 30 June 2018, the retail properties in which Attacq has an interest, together with the vacancy rates were as follows:

Property	Location	Owner	PGLA m²	Vacancy % 2018	Vacancy % 2017	Attacq's effective interest %
Manda Hill	Lusaka, Zambia	AttAfrica	42 002	4.1	5.4	15.9
Accra Mall	Accra, Ghana	AttAfrica	21 311	6.8	–	15.0
West Hills Mall	Accra, Ghana	AttAfrica	28 272	10.4	5.3	14.3
Achimota Retail Centre	Accra, Ghana	AttAfrica	15 534	1.9	6.1	23.9
Kumasi City Mall	Kumasi, Ghana	AttAfrica	18 604	13.0	26.5	23.9
Ikeja City Mall	Lagos, Nigeria	Gruppo	22 223	3.1	–	25.0

Ghana's economy has favourable growth prospects and a general improvement in trading performance was evident. The replacement of the second anchor at West Hills Mall and Achimota Retail Centre with Game is expected to impact both malls positively once opened in November 2018. Manda Hill in Zambia was impacted by filling vacancies at lower rental levels during the year. Whilst still challenging, trading conditions in Nigeria are improving off the back of moderating inflation, improved oil production and an increase in the availability of foreign exchange.

Management's focus continues to be the filling of vacancies and tenant retention in order to optimise net income and asset value.

Financial position

Investments

Investments in and loans to associates and joint ventures reduced from June 2017 (R5.1 billion) to June 2018 (R4.9 billion) and relate mainly to movements in the MAS and AttAfrica investments as detailed above.

Other financial assets comprise mainly of the R331.7 million (2017: 243.1 million) loan provided to the co-owners of the PwC Tower. The loan carries similar terms and conditions to the debt raised by AWIC in respect of the development and is serviced monthly from the property's rental income. The Atterbury Group loan, with a 30 June 2017 outstanding balance of R177.2 million, was settled in January 2018.

A breakdown of investments is shown below:

Equity and loan accounts	2018 R000	2017 R000
Associates and joint ventures		
MAS	3 145 828	2 729 308
AttAfrica	787 304	776 246
Gruppo	305 173	286 504
Attacq Sanlam properties joint venture	143 803	140 999
Attacq Equites joint venture	91 063	91 384
Other financial assets		
PwC Waterfall property partners	331 726	243 069
Wingspan	40 121	54 617
Nova Eventis	2 947	197 677
The Grove Mall of Namibia	–	184 085
Atterbury Group	–	177 239
Artisan	–	145 457
Other	46 144	69 558
Total	4 894 109	5 096 143

Commentary (continued)

Assets held for sale

	2018 R000	2017 R000
Brooklyn Bridge Office Park	–	553 000
The Atria/Barrow Properties	46 668	50 025
Cummins South Africa's regional office/Zenprop	63 372	–
Stenham European Shopping Centre Fund Limited (Stenham)	2 947	197 677
Rainprop Proprietary Limited	775	781
Zimmer Biomet/Sanlam Properties	5 109	–
Total	118 871	801 483

The disposal of the Nova Eventis regional shopping centre in Leipzig, Germany, held by Stenham, was implemented and the majority of the proceeds were received in July 2017 and November 2017. Brooklyn Bridge Office Park remains a non-core asset and the group is still actively seeking a potential buyer. The asset has been reclassified to investment property as a highly probable sale may not materialise in the next 12 months.

Funding

Total interest-bearing borrowings net of cash decreased by 2.6% to R9.9 billion compared with 30 June 2017 (R10.1 billion). Gearing, calculated as total interest-bearing debt less cash on hand as a percentage of total assets, improved from 37.1% in June 2017 to 35.8% in June 2018. The improved gearing is as a result of an increase in cash on hand accumulated during the financial year and an increase in the gross asset value of assets. During the financial year, Attacq converted the majority of its debt facilities to an interest-only profile.

In order to mitigate interest rate risk, as at 30 June 2018, approximately 95.0% (2017: 90.8%) of total committed facilities of R11.7 billion (2017: R12.0 billion) were hedged by way of fixed interest rate loans or interest rate swaps which is higher than the group's minimum hedging policy. The weighted average cost of funding improved over the last year to 8.7% (2017: 9.2%). This is due to a combination of a decrease in the JIBAR rates over the past 12 months and the restructure of the debt. The interest cover ratio improved to 1.6 times (2017: 1.1 times) as a result of both an increase in income and a reduction in finance charges.

A total of R541.8 million (2017: R2.6 billion) of the group's interest-bearing debt is due for repayment over the next 12 months. During the past year, Attacq successfully refinanced R5.7 billion of debt, including its Attacq Retail Fund Proprietary Limited and Lynnwood Bridge Office Park Proprietary Limited portfolios and euro denominated debt. Notwithstanding that only half of the debt secured by the portfolios was due to expire in May 2018, the group refinanced the entire amount early in order to extend the tenure of its loan book and take advantage of favourable pricing. Attacq used the refinance opportunity to introduce three new institutional lenders to the group.

A decrease in other financial liabilities of R41.3 million (2017: negative R136.9 million) was recorded on the mark-to-market valuation of interest rate swaps.

Prospects

South Africa is in a phase of low economic growth resulting in both constrained consumer spend and corporate expansion. The current weak property fundamentals provide headwinds to the sector.

Attacq's retail portfolio has proven defensive qualities evidenced by average annual trading density growth of 5.3% under challenging conditions. This portfolio should continue to provide sustainable growth in distributable earnings.

Notwithstanding the difficult market conditions, the development of Waterfall is expected to continue, albeit at a slower pace. The location, as evidenced by existing and secured future tenants, remains an attractive proposition for corporates considering office consolidations and new, modern, green-rated premises.

On the international front, Attacq expects to benefit from increasing distributions from its MAS investment underpinned by MAS' income-generating investments and its acquisition and development pipeline. Attacq is not pursuing any further acquisitions or expansions in the rest of Africa.

Attacq will continue to explore opportunities to recycle capital with a view to the redeployment of funds into earnings accretive developments and the reduction of debt.

Attacq has elected to adopt distribution per share as its relevant financial performance measurement due to its conversion to a REIT.

Attacq is targeting distribution growth of between 7.5% and 9.5% for the 2019 financial year and between 13.0% and 15.0% for the 2020 financial year. This is based on the following assumptions:

- Achieving forecasted rental income based on contractual terms and anticipated market-related renewals
- The expected roll-out of the current and budgeted development portfolio
- MAS achieving its revised distribution target as communicated on 7 September 2018
- No unforeseen circumstances such as major corporate tenant failures or macro-economic instability

The prospects have not been reviewed or reported on by Attacq's auditors.

These revised targets are lower than the 20.0% distribution growth per annum for 2019 and 2020 as previously communicated. The original distribution targets have been revised as a consequence of the prevailing economic conditions which have negatively impacted the timing of planned disposals of non-core assets and the roll out of development activity. In addition, the guidance has been revised due to lower than expected MAS distributions for 2019 as well as lower than expected cash receipts of interest on shareholder loans from the Rest of Africa retail investments. In this respect, the revised targets exclude shareholder loan interest accrued but not received. Management has made the decision not to provide a guidance for the 2021 financial year due to the increased uncertainty in the macro-economic environment.

Declaration of a cash dividend

The board declared a final cash dividend of 74.00000 cents per share, for the year ended 30 June 2018, out of the company's distributable income.

The dividend is payable to Attacq shareholders in accordance with the timetable set out below:	**2018**
Last day of trade in order to be eligible to receive the cash dividend	Tuesday, 2 October
Shares trade ex-dividend	Wednesday, 3 October
Record date to receive the cash dividend	Friday, 5 October
Accounts credited by CSDP or broker to dematerialised shareholders with cash dividend payment	Monday, 8 October
Cash dividend payment to certificated shareholders deposited on or about	Monday, 8 October

Notes:

1. Shares may not be dematerialised or rematerialised between Wednesday, 3 October 2018 and Friday, 5 October 2018 both days inclusive.
2. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend of 74.00000 cents will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details whereafter the cash dividend will be paid via electronic transfer into the personal bank accounts of certificated shareholders.

In accordance with Attacq's status as a REIT with effect from 29 May 2018, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 (Income Tax Act). The dividend on the shares will be deemed to be a taxable dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

Tax implications for South African resident shareholders

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide the following forms to their Central Securities Depository Participant (CSDP) or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

a) A declaration that the dividend is exempt from dividends tax.

b) A written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 59.20000 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

a) A declaration that the dividend is subject to a reduced rate as a result of the application of a DTA.
b) A written undertaking to inform their CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

The number of shares in issue as at the date of declaration is 749 582 777 ordinary shares of no par value which includes 46 427 553 treasury shares. Attacq's tax reference number is 9241/038/64/6.

Subsequent events

In line with IAS 10 Events after the reporting period, the declaration of the dividend occurred after the year-end, resulting in a non-adjusting event which is not recognised in the financial statements. There are no further subsequent events noted.

Commitments

Please refer to developments under construction and developments in the pipeline for future capital commitments. Future commitments will be funded by undrawn banking facilities, cash on hand and proceeds from capital recycling activities.

Issue of shares

During the year, 340 000 shares were issued in terms of long-term incentive awards.

Change in directors

Effective 1 July 2017, Louis van der Watt resigned from the board as a non-executive director. Morne Wilken resigned from the board as chief executive officer (CEO) with effect from 31 December 2017, in order to take up the CEO position of MAS. The board appointed Melt Hamman, the then chief financial officer (CFO), as CEO on 19 June 2018. Raj Nana has been appointed as CFO and Jackie van Niekerk as chief operating officer (COO), joining the board on 19 June 2018. Ipeleng Mkhari was appointed as independent non-executive director from 15 March 2018.

Basis of preparation and accounting policies

The summarised provisional consolidated financial statements for the year ended 30 June 2018 have been prepared in accordance with the JSE Listings Requirements applicable to summarised provisional reports and the requirements of the Companies Act, No. 71 of 2008 applicable to summarised financial statements. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

This report together with the preparation of the consolidated financial statements were compiled under the supervision of Raj Nana CA(SA), CFO of Attacq.

The accounting policies applied in the preparation of the summarised consolidated financial statements are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements, with the exception of the adoption of new and revised standards which became effective during the year. These standards did not have any material impact on the financial statements.

Fair value disclosure

The group's investment properties were externally valued by independent valuers. In terms of IAS 40: Investment Property and IFRS 7: Financial Instruments: Disclosure, the group's investment properties are measured at fair value and are categorised as level 3 investments. The valuation of investment properties requires judgement in the determination of future cash flows from leases and an appropriate capitalisation rate which varies between 6.25% and 9.75% (2017: 6.25% and 9.75%). Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations. A 50.0 basis points weakening in the capitalisation rate will decrease the value of investment properties by R665.1 million (2017: R640.5 million). A 50.0 basis points improvement in the capitalisation rate will increase the value of investment properties by R740.7 million (2017: R746.2 million). Changes in the discount rate attributable to changes in the underlying risk profile associated with the property portfolio can have a significant impact on property valuations. A 50.0 basis points weakening in the discount rate will decrease the value of investment properties by R589.4 million (2017: R557.7 million). A 50.0 basis points improvement in the discount rate will increase the value of investment properties by R594.4 million (2017: R592.1 million). In terms of IAS 39: Financial Instruments: Recognition and measurement and IFRS 7, the group's currency and interest rate derivatives as well as the equity derivative are measured at fair value through profit or loss and are categorised as level 2 investments. Unlisted investments are categorised as level 3. There were no transfers between levels 1, 2 and 3 during the year. The valuation methods applied are consistent with those applied in preparing the previous consolidated financial statements. This announcement does not include all the information required pursuant to paragraph 16A(j) of IAS 34. The group's audited consolidated financial statements is available on the issuer's website, at the issuer's registered offices and upon request.

Audit report

The auditor, Deloitte & Touche, has issued its opinion on Attacq's audited consolidated financial statements for the year ended 30 June 2018. The audit was conducted in accordance with International Standards on Auditing. Deloitte & Touche has issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited consolidated financial statements is available for inspection at the company's registered office and on the company's website (www.attacq.co.za/investors-home/).

These summarised provisional consolidated financial statements have been derived from the group's audited consolidated financial statements and are consistent in all material respects with the group's audited consolidated financial statements for the year ended 30 June 2018, but are not themselves 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. The auditor does not necessarily report on all the information contained in this announcement. 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 2018 from the company's registered office or from the company's website.

On behalf of the board

P Tredoux
Chairman

M Hamman
CEO

10 September 2018

Summarised consolidated statement of financial position

	Audited 30 June 2018 R000	Audited 30 June 2017 R000
ASSETS		
Non-current assets		
Property and equipment	42 667	52 272
Investment properties	21 234 085	19 735 365
Per valuation	22 166 318	20 536 861
Straight-line lease debtor	(932 233)	(801 496)
Straight-line lease debtor	932 233	801 496
Deferred initial lease expenditure	9 275	7 666
Intangible assets	266 502	290 539
Goodwill	67 774	67 774
Investment in associates and joint ventures	3 328 852	3 153 392
Other financial assets	373 651	304 368
Other investments	488	11 941
Deferred tax assets	11	3 329
Total non-current assets	26 255 538	24 428 142
Current assets		
Taxation receivable	2 714	951
Trade and other receivables	212 563	174 623
Inventory	42 484	25 278
Loans to associates and joint ventures	1 190 590	1 250 278
Other financial assets	16 308	193 590
Cash and cash equivalents	1 239 631	447 846
Total current assets	2 704 290	2 092 566
Non-current assets held for sale	118 871	801 483
Total assets	29 078 699	27 322 191
EQUITY AND LIABILITIES		
Equity		
Stated capital	6 460 108	6 456 633
Distributable reserves	9 544 296	6 945 483
Available-for-sale reserve	279 845	282 329
Share-based payment reserve	117 390	128 216
Foreign currency translation reserve	744 701	238 254
Acquisition of non-controlling interests reserve	(104 215)	(104 215)
Equity attributable to owners of the holding company	17 042 125	13 946 700
Non-controlling interests	16 705	(43 087)
Total equity	17 058 830	13 903 613

Summarised consolidated statement of financial position (continued)

	Audited 30 June 2018 R000	Audited 30 June 2017 R000
Non-current liabilities		
Long-term borrowings	10 527 029	7 976 110
Deferred tax liabilities	178 924	1 932 140
Other financial liabilities	127 869	164 696
Cash settled share-based payments	559	1 496
Finance lease obligation	88 914	83 150
Total non-current liabilities	10 923 295	10 157 592
Current liabilities		
Other financial liabilities	74 060	137 145
Taxation payable	1 496	7 665
Cash settled share-based payments	747	1 684
Trade and other payables	403 550	501 380
Provisions	32 196	2 777
Short-term portion of long-term borrowings	584 525	2 279 802
Total current liabilities	1 096 574	2 930 453
Liabilities directly associated with non-current assets held for sale	–	330 533
Total liabilities	12 019 869	13 418 578
Total equity and liabilities	29 078 699	27 322 191

The following information does not form part of the statement of financial position

Net asset value per share		
Net asset value per share (cents)	2 424	1 984
Net asset value per share adjusted for deferred tax (cents)	2 449	2 259

Summarised consolidated statement of profit and loss and other comprehensive income

	Audited 30 June 2018 R000	Audited 30 June 2017 R000
Gross revenue	2 138 961	2 060 895
Rental income	2 035 494	1 861 093
Straight-line lease income adjustment	103 467	199 802
Property expenses	(724 726)	(742 277)
Net rental income	1 414 235	1 318 618
Sale of inventory	29 865	–
Cost of sales	(24 918)	–
Other income	157 675	60 463
Operating and other expenses	(322 918)	(585 730)
Operating profit	1 253 939	793 351
Amortisation of intangible asset	(24 037)	(22 060)
Fair value adjustments	370 265	527 581
Investment properties	328 970	664 525
Other financial assets and liabilities	41 295	(136 944)
Gain on available-for-sale financial assets	35 750	–
Net income from associates and joint ventures	81 706	249 880
Investment income	194 447	189 536
Finance costs	(950 501)	(987 411)
Profit before taxation	961 569	750 877
Income tax credit (expense)	1 749 765	(150 599)
Current taxation	(21 911)	(100 576)
Deferred taxation	1 771 676	(50 023)
Profit for the year	2 711 334	600 278
Attributable to:		
Owners of the holding company	2 651 542	630 164
Non-controlling interests	59 792	(29 886)
Other comprehensive income		
Items that will be reclassified subsequently to profit and loss		
Gain (loss) on available-for-sale financial assets	27 686	(117 827)
Taxation relating to components of other comprehensive income	2	(11 269)
Realisation of available-for-sale financial assets	(32 336)	–
Other comprehensive loss for the year net of taxation	(4 648)	(129 096)
Total comprehensive income for the year	2 706 686	471 182
Attributable to:		
Owners of the holding company	2 646 894	501 068
Non-controlling interests	59 792	(29 886)
Earnings per share		
Basic (cents)	377.2	89.7
Diluted (cents)	374.2	89.0

Reconciliation between earnings and headline earnings

	Audited 30 June 2018 R000	Audited 30 June 2017 R000
Profit for the year	2 651 542	630 164
Headline earnings adjustments	(426 476)	(468 558)
Profit on disposal of subsidiary	(5 633)	(35 695)
Loss on disposal of other investments	2 612	-
Profit on disposal of investment property	(14 947)	(15 217)
Impairment of associates and other investments	51 197	244 540
Realisation of available-for-sale financial assets	(35 750)	-
Fair value adjustments	(370 265)	(527 581)
Net income from associates and joint ventures	(33 270)	(249 880)
Tax effect of adjustments	4 975	123 110
Non-controlling interests' share	(25 395)	(7 835)
Headline earnings	2 225 066	161 606
Number of shares in issue*	703 155 224	702 815 224
Weighted average number of shares in issue*	702 989 909	702 389 882
Diluted weighted average number of shares in issue*	708 584 902	708 079 085
Headline earnings per share		
Basic (cents)	316.5	23.0
Diluted (cents)	314.0	22.8

**Adjusted for 46 427 553 treasury shares (2017: 46 427 553)*

Summarised consolidated statement of cash flows

	Audited 30 June 2018 R000	Audited 30 June 2017 R000
Cash flow generated from operating activities	380 762	124 022
Cash generated from operations	1 019 788	1 033 295
Investment income	290 129	119 368
Finance costs	(899 312)	(934 930)
Taxation paid	(29 843)	(93 711)
Cash flow (utilised in) generated from investing activities	(119 105)	310 427
Property and equipment acquired	(2 874)	(27 319)
Property and equipment disposed	284	–
Investment properties acquired	(738 927)	(1 098 009)
Investment properties disposed	62 584	50 017
Associates and joint ventures acquired	(2 667)	(36 227)
Associates and joint ventures disposed	253 977	744 845
Other investments disposed	11 969	–
Other financial assets repaid (raised)	98 074	(175 041)
Additions to deferred initial lease adjustments	(3 804)	(4 845)
Cash flow relating to non-current assets held for sale	202 279	857 006
Cash flow generated from (utilised in) financing activities	530 128	(423 884)
Capital raised	3 475	13 828
Settlement of share-based payment	(13 678)	(2 097)
Long-term borrowings raised	3 358 695	2 355 304
Long-term borrowings repaid	(2 895 275)	(3 254 770)
Loans to associates and joint ventures repaid	130 649	468 643
Other financial liabilities repaid	(53 738)	(4 792)
Total cash movement for the year	791 785	10 565
Cash at the beginning of the year	447 846	437 281
Total cash at the end of the year	1 239 631	447 846

Summarised consolidated statement of changes in equity

	Stated capital R000	Distributable reserves R000	Available-for-sale reserve R000	Share-based payment reserve R000	Foreign currency translation reserve R000	Acquisition of non-controlling interests reserve R000	Equity attributable to owners of the holding company R000	Non-controlling interests R000	Total equity R000
Audited balance at 1 July 2016	6 442 805	5 891 513	847 499	100 453	318 734	(116 483)	13 484 521	(13 201)	13 471 320
Total comprehensive income	–	630 164	(129 096)	–	–	–	501 068	(29 886)	471 182
Profit for the year	–	630 164	–	–	–	–	630 164	(29 886)	600 278
Other comprehensive loss	–	–	(129 096)	–	–	–	(129 096)	–	(129 096)
Foreign currency translation reserve	–	–	–	–	(80 480)	–	(80 480)	–	(80 480)
Issue of shares	13 828	–	–	–	–	–	13 828	–	13 828
Derecognition of reserves and non-controlling interests due to sale of subsidiaries	–	423 806	(436 074)	–	–	12 268	–	–	–
Recognition of share-based payment reserve	–	–	–	27 763	–	–	27 763	–	27 763
Audited balance at 30 June 2017	6 456 633	6 945 483	282 329	128 216	238 254	(104 215)	13 946 700	(43 087)	13 903 613
Total comprehensive income	–	2 651 542	(4 648)	–	–	–	2 646 894	59 792	2 706 686
Profit for the year	–	2 651 542	–	–	–	–	2 651 542	59 792	2 711 334
Other comprehensive loss	–	–	(4 648)	–	–	–	(4 648)	–	(4 648)
Foreign currency translation reserve	–	–	–	–	506 447	–	506 447	–	506 447
Issue of shares	3 475	–	–	–	–	–	3 475	–	3 475
Settlement of share-based payment transaction	–	–	–	(14 961)	–	–	(14 961)	–	(14 961)
Derecognition of reserves and non-controlling interests due to sale of subsidiaries	–	(59 698)	2 164	–	–	–	(57 534)	–	(57 534)
Transfer between reserves	–	6 969	–	(15 077)	–	–	(8 108)	–	(8 108)
Recognition of share-based payment reserve	–	–	–	19 212	–	–	19 212	–	19 212
Audited balance at 30 June 2018	6 460 108	9 544 296	279 845	117 390	744 701	(104 215)	17 042 125	16 705	17 058 830

Audited summarised segmental analysis
30 June 2018

Figures in R000	Office and mixed-use	Retail	Industrial	Hotel
STATEMENT OF FINANCIAL POSITION				
Investment property	7 501 801	10 140 174	1 286 827	427 663
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Waterfall development rights	–	–	–	–
Infrastructure and services	–	–	–	–
Straight-line lease debtor	557 474	252 892	99 577	22 290
Intangible assets and goodwill	–	–	–	–
Investments in associates and joint ventures	954	40 121	91 619	–
Other financial assets	22 920	13 288	–	–
Loans to associates and joint ventures	–	–	143 247	–
Trade and other receivables	109 565	69 396	23 286	2 674
Cash and cash equivalents	67 684	93 817	5 862	192
Inventory	42 484	–	–	–
Non-current assets held for sale	46 668	–	68 481	–
Other assets	3 000	–	–	–
Total assets	8 352 550	10 609 688	1 718 899	452 819
Long-term borrowings	–	–	–	–
Other financial liabilities	25 474	27 537	12 807	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	188 611	152 641	33 113	2 870
Other liabilities	–	–	–	–
Total liabilities	214 085	180 178	45 920	2 870

Waterfall developments	Head office South Africa	Total South Africa	Investment in MAS	Rest of Africa retail investments	Head office global	Total
–	5 000	19 361 465	–	–	–	19 361 465
1 872 620	–	1 872 620	–	–	–	1 872 620
346 441	–	346 441	–	–	–	346 441
879 324	–	879 324	–	–	–	879 324
646 855	–	646 855	–	–	–	646 855
–	–	932 233	–	–	–	932 233
–	334 276	334 276	–	–	–	334 276
–	2 382	135 076	3 145 828	47 948	–	3 328 852
–	353 751	389 959	–	–	–	389 959
–	2 814	146 061	–	1 044 529	–	1 190 590
–	7 587	212 508	–	–	55	212 563
–	1 003 838	1 171 393	–	–	68 238	1 239 631
–	–	42 484	–	–	–	42 484
–	775	115 924	–	–	2 947	118 871
–	52 155	55 155	–	–	–	55 155
1 872 620	1 762 578	24 769 154	3 145 828	1 092 477	71 240	29 078 699
–	9 680 546	9 680 546	–	–	1 431 008	11 111 554
–	134 397	200 215	–	–	1 714	201 929
–	48 841	48 841	130 083	–	–	178 924
–	26 304	403 539	–	–	11	403 550
25 476	96 940	122 416	–	–	1 496	123 912
25 476	9 987 028	10 455 557	130 083	–	1 434 229	12 019 869

Audited summarised segmental analysis (continued)
30 June 2018

Figures in R000	Office and mixed-use	Retail	Industrial	Hotel
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	739 306	1 135 254	107 598	46 663
Straight-line lease income adjustment	28 673	29 878	43 278	1 638
Property expenses	(226 974)	(470 003)	(32 000)	(12 673)
Net rental income	541 005	695 129	118 876	35 628
Sale of inventory	19 344	–	10 521	–
Cost of sales	(16 522)	–	(8 396)	–
Other income	70 699	58 745	–	–
Operating expenses	(32 060)	(32 790)	(5 972)	(731)
Other expenses	(7 918)	(13 395)	(2 231)	–
Operating profit (loss)	574 548	707 689	112 798	34 897
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	148 153	159 567	(10 842)	20 425
Gain on available for sale financial assets	–	–	–	–
Net income from associates	36	(4 164)	5 362	–
Investment income	3 340	8 996	13	9
Finance costs	–	–	–	–
Profit (loss) before tax	726 077	872 088	107 331	55 331
Taxation	–	–	–	–
Profit (loss) for the year	726 077	872 088	107 331	55 331
Non-controlling interests	–	–	–	–
Profit (loss) for the year attributable to owners	726 077	872 088	107 331	55 331

Waterfall developments	Head office South Africa	Total South Africa	Investment in MAS	Rest of Africa retail investments	Head office global	Total
–	6 673	2 035 494	–	–	–	2 035 494
–	–	103 467	–	–	–	103 467
–	16 924	(724 726)	–	–	–	(724 726)
–	23 597	1 414 235	–	–	–	1 414 235
–	–	29 865	–	–	–	29 865
–	–	(24 918)	–	–	–	(24 918)
–	23 017	152 461	–	5 214	–	157 675
–	(93 525)	(165 078)	–	–	(5 178)	(170 256)
(39 500)	(1 773)	(64 817)	–	(83 490)	(4 355)	(152 662)
(39 500)	(48 684)	1 341 748	–	(78 276)	(9 533)	1 253 939
–	(24 037)	(24 037)	–	–	–	(24 037)
11 667	41 494	370 464	–	–	(199)	370 265
–	35 750	35 750	–	–	–	35 750
–	(284)	950	68 774	908	11 074	81 706
–	57 688	70 046	–	120 619	3 782	194 447
–	(916 593)	(916 593)	–	–	(33 908)	(950 501)
(27 833)	(854 666)	878 328	68 774	43 251	(28 784)	961 569
–	1 844 486	1 844 486	(93 297)	–	(1 424)	1 749 765
(27 833)	989 820	2 722 814	(24 523)	43 251	(30 208)	2 711 334
–	59 792	59 792	–	–	–	59 792
(27 833)	930 028	2 663 022	(24 523)	43 251	(30 208)	2 651 542

Audited summarised segmental analysis (continued)
30 June 2017

Figures in R000	Office and mixed-use	Retail	Industrial	Hotel
STATEMENT OF FINANCIAL POSITION				
Investment property	5 188 527	9 896 380	870 137	407 240
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Waterfall development rights	–	–	–	–
Infrastructure and services	–	–	–	–
Straight-line lease debtor	501 534	223 013	56 298	20 651
Intangible assets and goodwill	–	–	–	–
Investments in associates and joint ventures	918	54 617	91 591	–
Other financial assets	35 183	142 118	–	–
Loans to associates and joint ventures	–	–	140 792	–
Trade and other receivables	77 926	82 286	5 583	1 446
Cash and cash equivalents	19 468	96 476	6 708	148
Inventory	–	–	25 278	–
Non-current assets held for sale	603 025	–	–	–
Other assets	–	–	–	–
Total assets	6 426 581	10 494 890	1 196 387	429 485
Long-term borrowings	–	–	–	–
Other financial liabilities	17 268	183 899	70 174	1 510
Deferred tax liabilities	–	–	–	–
Trade and other payables	83 532	149 376	137 150	2 125
Liabilities held for sale	–	–	–	–
Other liabilities	–	–	–	–
Total liabilities	100 800	333 275	207 324	3 635

Waterfall developments	Head office South Africa	Total South Africa	Investment in MAS	Rest of Africa retail investments	Head office global	Total
–	5 000	16 367 284	–	–	–	16 367 284
3 368 081	–	3 368 081	–	–	–	3 368 081
1 598 966	–	1 598 966	–	–	–	1 598 966
1 058 236	–	1 058 236	–	–	–	1 058 236
710 879	–	710 879	–	–	–	710 879
–	–	801 496	–	–	–	801 496
–	358 313	358 313	–	–	–	358 313
–	–	147 126	2 729 308	223 534	53 424	3 153 392
–	319 087	496 388	–	–	1 570	497 958
–	5 605	146 397	–	1 023 301	80 580	1 250 278
–	7 295	174 536	–	–	87	174 623
–	237 284	360 084	–	–	87 762	447 846
–	–	25 278	–	–	–	25 278
–	781	603 806	–	–	197 677	801 483
–	64 706	64 706	–	–	11 453	76 159
3 368 081	998 071	22 913 495	2 729 308	1 246 835	432 553	27 322 191
–	9 158 969	9 158 969	–	–	1 096 943	10 255 912
–	27 741	300 592	–	–	1 249	301 841
–	1 861 469	1 861 469	36 786	33 885	–	1 932 140
–	129 186	501 369	–	–	11	501 380
–	330 533	330 533	–	–	–	330 533
–	94 807	94 807	–	–	1 965	96 772
–	11 602 705	12 247 739	36 786	33 885	1 100 168	13 418 578

Audited summarised segmental analysis (continued)
30 June 2017

Figures in R000	Office and mixed-use	Retail	Industrial	Hotel
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	663 638	1 072 011	67 569	45 085
Straight-line lease income adjustment	97 826	74 390	19 981	7 605
Property expenses	(168 455)	(462 513)	(19 075)	(13 023)
Net rental income	593 009	683 888	68 475	39 667
Sale of inventory	–	–	–	–
Cost of sales	–	–	–	–
Other income	17 787	6 120	–	–
Operating expenses	(26 515)	(32 594)	(3 117)	(1 470)
Other expenses	(9 640)	(10)	(7 824)	–
Operating profit (loss)	574 641	657 404	57 534	38 197
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	44 060	403 286	68 092	21 498
Net income from associates	37	1 283	22 385	–
Investment income	36 183	5 189	14 852	35
Finance costs	–	–	–	–
Profit (loss) before tax	654 921	1 067 162	162 863	59 730
Taxation	–	–	–	–
Profit (loss) for the year	654 921	1 067 162	162 863	59 730
Non-controlling interests	–	–	–	–
Profit (loss) for the year attributable to owners	654 921	1 067 162	162 863	59 730

Waterfall developments	Head office South Africa	Total South Africa	Investment in MAS	Rest of Africa retail investments	Head office global	Total
–	12 790	1 861 093	–	–	–	1 861 093
–	–	199 802	–	–	–	199 802
–	(79 211)	(742 277)	–	–	–	(742 277)
–	(66 421)	1 318 618	–	–	–	1 318 618
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	1 051	24 958	–	–	35 505	60 463
–	(94 100)	(157 796)	–	–	(1 834)	(159 630)
–	(25 805)	(43 279)	–	(266 180)	(116 641)	(426 100)
–	(185 275)	1 142 501	–	(266 180)	(82 970)	793 351
–	(22 060)	(22 060)	–	–	–	(22 060)
127 589	(137 628)	526 897	–	–	684	527 581
–	(496)	23 209	190 008	3 159	33 504	249 880
–	(2 662)	53 597	–	109 089	26 850	189 536
–	(891 536)	(891 536)	–	–	(95 875)	(987 411)
127 589	(1 239 657)	832 608	190 008	(153 932)	(117 807)	750 877
–	(112 194)	(112 194)	(36 096)	–	(2 307)	(150 597)
127 589	(1 351 851)	720 414	153 912	(153 932)	(120 114)	600 280
–	(29 886)	(29 886)	–	–	–	(29 886)
127 589	(1 381 737)	690 528	153 912	(153 932)	(120 114)	570 394

Segmental analysis
Reconciliation of profit for the year to distributable earnings

	Audited 30June 2018 R000
Profit for the year attributable to Attacq's shareholders	2 651 542
Profit on disposal of subsidiary	(5 633)
Loss on disposal of other investments	2 612
Profit on disposal of investment property	(14 947)
Impairment of associates, other investments and loans	51 197
Realisation of available-for-sale financial assets	(35 750)
Fair value adjustments	(370 265)
Net income from associates and joint ventures	(81 706)
Non-controlling interests' share of fair value adjustments	(25 395)
Straight-line lease income adjustments	(95 967)
Adjustment for net non-cash interest from associates	(87 613)
Net cash interest received from associates	42 425
Depreciation and amortisation	40 335
Foreign currency translation effect	50 698
Finance lease interest	3 784
Dividends received from associates	166 723
Write-off of other trade and receivable	52 492
Write-off of loan account net of non-controlling interest	(56 178)
Non cash interest accrued	7 536
Movement in provision	3 943
Deferred taxation	(1 771 676)
Actual finance lease payments	(773)
Distributable earnings for the year	527 384
Number of shares in issue*	703 155 224
Weighted average number of shares in issue*	702 989 909
Diluted weighted average number of shares in issue*	708 584 902
Distributable earnings per share	
Basic (cents)	75.0
Diluted (cents)	75.0
Distribution for the year	
Interim	–
Final	520 335
Distribution per share	74.0
Interim (cents)	–
Final (cents)	74.0

** Adjusted for 46 427 553 treasury shares (2017: 46 427 553)*

Independent non-executive directors
P Tredoux (chairperson)
HR El Haimer (lead independent)
MM du Toit
IN Mkhari
KR Moloko
BT Nagle
S Shaw-Taylor
JHP van der Merwe

Executive directors
M Hamman (CEO)
R Nana (CFO)
JR van Niekerk (COO)

Company secretary
T Kodde

Attacq Limited
(Incorporated in the Republic of South Africa)
(Registration number 1997/000543/06)
(JSE share code: ATT ISIN: ZAE000177218)
(Approved as a REIT by the JSE)
(Attacq, group or company)

Registered office
ATT House, 2nd Floor
Maxwell Office Park
37 Magwa Crescent
Waterfall City
2090

Postal address
PostNet Suite 016
Private Bag X81
Halfway House
1685

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Sponsor
Java Capital

Company contact details
Head of investor relations
Brenda Botha
Landline number: 087 845 1112
brenda@attacq.co.za

11 September 2018

ATT House, 2nd Floor
Maxwell Office Park
37 Magwa Crescent, Waterfall City, 2090
T +27 87 845 1136

reception@attacq.co.za
www.attacq.co.za