SUMMARISED PROVISIONAL CONSOLIDATED

FINANCIAL RESULTS

for the year ended 30 June 2019

ATTACQ

INVEST • DEVELOP • GROW

Commentary

Highlights

- Full year dividend per share of 81.5 cents, increased by 10.1%, exceeding guidance
- Trading density growth in retail portfolio of 6.8%, with Mall of Africa having increased by 13.1%
- South African portfolio has a weighted average lease expiry of 6.5 years
- Interest cover ratio improved to 1.85 times from 1.78 times
- Seven buildings completed in Waterfall with a further nine buildings under construction
- Contribution to distributable earnings by Investment in MAS increased by 37.5%
- Reduction in Rest of Africa exposure with the disposal of interest in Achimota Retail Centre

Introduction

Attacq is a South African-based REIT, with a vision of delivering sustainable income and long-term capital growth through a focused approach in real estate investments and developments. The quality South African portfolio is dominant in its respective nodes, ensuring its defensiveness in a subdued economy and sets Attacq apart.

The group's business model is based on four key drivers, namely the South African portfolio, Developments at Waterfall, Investment in MAS Real Estate Inc. (MAS) and the Rest of Africa retail investments. Attacq's strategy is to exit the Rest of Africa retail investments in an orderly manner.

Attacq is listed on the Johannesburg Stock Exchange (JSE) and is included in the FTSE/JSE SAPY Index and FTSE/JSE SA REIT Index. Attacq is also the only property company included in the FTSE/JSE Responsible Investment Top 30 Index.

The group has restated its prior year annual financial statements. For more information, refer to the paragraph below titled Restatement of Attacq's prior year annual financial statements.

General overview

Attacq's board of directors (the board) has declared a dividend of 41.0 cents per share (cps) for the six months ended 30 June 2019. This brings the full year dividend to 81.5cps (2018: 74.0cps), resulting in a year-on-year growth of 10.1%, exceeding the market guidance provided in September 2018 of between 7.5% and 9.5%.

In a challenging economic environment, the South African portfolio performed well, supported by pleasing trading growth from the Mall of Africa and revenue earned from the seven newly completed buildings in Waterfall. This, combined with strong growth in dividends received from MAS, resulted in distributable earnings increasing by 17.1% to R664.1 million (restated 2018: R567.2 million). Included in distributable earnings is cash received of R89.5 million (2018: R46.7 million) in respect of interest income from AttAfrica Limited (AttAfrica) shareholder loans. Following the disposal of Achimota Retail Centre, the value of the Rest of Africa retail investments (excluding cash balances) has reduced to 2.4% of the group's gross assets.

The net asset value per share (NAVPS) as at 30 June 2019 declined by 8.6% to R22.16 (2018: R24.24) due to impairments to the Rest of Africa retail investment, negative fair value adjustments on certain investment properties, as well as the effect of paying out a full 2018 year maiden dividend in October 2018 and the interim dividend in April 2019.

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

	2019		Restated 2018		Growth in cps
Distributable earnings	**R'000**	**cps**	R'000	cps	**%**
South African portfolio	415 429	59.0	380 041	54.1	9.1
Developments at Waterfall	(26 589)	(3.8)	(10 149)	(1.4)	nmf
Investment in MAS	189 057	26.9	137 462	19.5	37.9
Rest of Africa retail investments	86 209	12.3	59 823	8.5	44.7
Total distributable earnings	**664 106**	**94.4**	**567 177**	**80.7**	**17.0**

South African portfolio

Overview

Attacq's operational portfolio consists of retail, office and mixed-use, light industrial and hotel properties. During the year ended 30 June 2019, the distributable earnings from the South African portfolio increased by 9.1% to 59.0cps (2018: 54.1cps). The value of the existing South African portfolio is R20.5 billion (2018: R20.9 billion), comprising 75.6% (2018: 75.2%) of total gross assets.

The portfolio's weighted average lease expiry is 6.5 years as at 30 June 2019 (2018: 7.0 years). The average growth in trading densities in the retail portfolio for the year ended 30 June 2019 was 6.8% (2018: 5.1%). The Mall of Africa performed particularly well with density growth of 13.1% (2018: 10.5%), with an improved rent to sales ratio of 9.1% (2018: 9.6%).

During the year ended 30 June 2019, seven buildings were completed in Waterfall, increasing the total South African portfolio primary gross lettable area (PGLA) to 750 825m² (2018: 722 731m²). The seven buildings added 42 615m² of PGLA to Waterfall, of which 27 701m² represents Attacq's effective share. The balance of the increase in PGLA largely comprises the acquisition of premises adjacent to Eikestad Mall.

Completed properties	Lease commencement date	Effective PGLA m²	Total PGLA m²	Occupancy %	Effective share valuation* R'000
Waterfall City					
Waterfall Corporate Campus – Accenture⁺	1 December 2018	1 985	3 970	100.0	67 126
Waterfall Corporate Campus – Building 2⁺	1 August 2019	3 230	6 460	52.4	69 093
Waterfall Logistics Hub					
Cummins Southern Africa Regional Office⁺	1 March 2019	7 649	15 298	100.0	117 587
Speculative midi warehouse	–	5 262	5 262	–	39 804
Pirtek	1 May 2019	2 815	2 815	100.0	29 868
Superga	1 June 2019	4 710	4 710	100.0	41 983
Zimmer Biomet⁺	1 August 2019	2 050	4 100	100.0	26 326
Total		**27 701**	**42 615**	**75.5**	**391 787**

⁺ *Attacq has a 50.0% ownership*

* *Net of cost to be incurred until final completion*

Net profit from property operations

Net profit from property operations, excluding the International Financial Reporting Standards (IFRS) adjustment for straight-line leasing, increased by 15.3% to R1.5 billion (2018: R1.3 billion). On a like-for-like basis, net operating income increased by 4.3%.

Rental income

Rental income increased by 10.4% to R2.1 billion (2018: R1.9 billion) due to the additional rental income from the 12 buildings and one expansion completed over the last two years as well as in-force escalations. Like-for-like rental growth of 5.0% was driven by growth in the retail portfolio of 5.3%.

Property expenses

Property expenses increased by 9.3% on a like-for-like basis. The increase of 14.6% in total property expenses to R749.1 million (2018: R653.8 million) was largely due to newly completed buildings coming on stream and an increase in municipal rates, impacted by upward valuation adjustments to the Johannesburg general valuation roll. Overall municipal charges increased by 16.8% to R467.1 million (2018: R399.9 million), not all of which are recoverable from tenants. This resulted in a reduction in the municipal charge recovery ratio from 92.9% to 91.2%.

Property cost-to-income ratio

The property cost-to-income ratio calculated below is based on best practice recommendations issued by the SA REIT Association. The Waterfall portfolio's ratios include the land lease rental obligation.

Property cost-to-income ratio	2019 %	Restated* 2018 %
Waterfall portfolio		
Net cost-to-income ratio	20.9	21.9
Gross cost-to-income ratio	35.8	35.9
Non-Waterfall portfolio		
Net cost-to-income ratio	18.3	15.7
Gross cost-to-income ratio	37.1	34.2
Total South African portfolio		
Net cost-to-income ratio	19.8	18.9
Gross cost-to-income ratio	36.4	35.1

** Restated due to the deconsolidation of Nieuwtown and Majestic*

Vacancies

Overall portfolio vacancies, measured in terms of PGLA, decreased by 9 244m^2 to 46 418m^2 when compared with 30 June 2018, largely due to the Dis-Chem warehouse lease commencement and leases concluded in Gateway West with Sage and Spaces.

The overall vacancy rate reduced to 6.2% from 7.7%. Vacancies not yet filled largely refer to 2 Eglin, Brooklyn Bridge Office Park, Gateway West and two speculative developments, namely the midi warehouse (5 262m^2) and Waterfall Corporate Campus - Building 2 (3 230m^2). Subsequent to year end, 6 594m^2 of vacant space was let.

	2019		2018 Restated*	
Sector vacancies	%	PGLA m^2	%	PGLA m^2
Retail	2.9	8 562	1.7	4 946
Office and mixed-use	11.8	32 594	16.7	42 198
Light industrial	3.2	5 262	5.3	8 518
Hotel	–	–	–	–
Portfolio vacancy	**6.2**	**46 418**	**7.7**	**55 662**
Less: filled post year-end	0.9	6 594	3.0	21 791
Less: 2 Eglin	2.8	20 732	2.9	20 732
Adjusted portfolio vacancy	**2.5**	**19 092**	**1.8**	**13 139**
Waterfall	1.4	10 610	0.6	4 573
Other	1.1	8 482	1.2	8 566

** Restated due to the deconsolidation of Nieuwtown and Majestic*

Leases amounting to 24 498m^2 (3.3% of total PGLA) expired during the year, of which 18 420m^2 has been leased at a 0.7% increase in rental rates (weighted on the average rental rate per square metre) and a weighted average lease escalation rate of 5.0%.

Lease renewals	PGLA m^2	Success rate %	Expiring rental rate increase* %	Escalation rate* %
Retail	14 944	79.0	1.6	4.5
Office and mixed-use	3 476	89.4	2.8	7.6
Portfolio	**18 420**	**80.6**	**0.7**	**5.0**

** Based on new and renewed leases pertaining to leases that expired during the financial year*

Commentary (continued)

Edcon restructure

Attacq's effective Edcon Limited (Edcon) exposure for the South African portfolio, (excluding Newtown Junction as it is equity accounted), will settle at 21 019m^2 of PGLA by 1 October 2019 (gross monthly rental of R3.1 million), which represents 2.8% of the group's PGLA. This follows a reduction of 3 159m^2 to 24 356m^2 as at 30 June 2019.

By participating in Edcon's restructure programme, which commenced on 1 April 2019, Attacq will over 24 months subscribe for equity and convertible notes in Edcon at a total subscription price of R30.1 million. For the period ended 30 June 2019, this amounted to R4.1 million, by which distributable earnings and the investment have also been reduced.

Valuations

The capitalisation rates (cap rates) for the June 2019 completed building valuations remained largely unchanged. Valuation inputs (i.e. long-term vacancy rates, rental reversions and market rental growth rates) were revised in light of the prevailing macro-economic conditions resulting in a negative fair value adjustment of R176.1 million (2018: positive R457.0 million). This excludes the IFRS adjustment for straight-line leasing.

The main contributors to the negative fair value adjustment are 2 Eglin, Brooklyn Bridge Office Park, Eikestad Mall, Mall of Africa and Torre Industries. The fair value adjustments for the retail centres were negatively impacted by the capital expenditure on reconfigurations and refurbishments. During the year, Torre Industries Limited (Torre Industries) underwent a corporate restructure. A net purchase consideration of R77.0 million was secured with a third party and a settlement agreement was reached with Torre Industries for early termination of their lease.

All income producing properties were valued on the discounted cash flow (DCF) methodology, except for 2 Eglin which was valued on the income capitalisation methodology due to the high vacancy level.

The information below is weighted on property values for all properties valued using the DCF methodology:

Sector	% of total portfolio	Discount rates %	Exit cap rates %	Cap rates %	Average value per PGLA R/m^2
Retail	52.2	12.38	7.10	6.84	32 592
Office and mixed-use	37.3	13.13	8.05	7.63	29 699
Light industrial	8.6	13.51	8.32	7.51	9 714
Hotel	1.8	13.74	8.40	7.91	25 338
Total portfolio	**100.0**	**12.78**	**7.58**	**7.21**	**26 185**

All property valuations as at 30 June 2019, except for the Torre Industries building, are based on external valuations performed by Mills Fitchet Cape Proprietary Limited (Mills Fitchet) and Sterling Valuation Specialists Close Corporation (Sterling).

Developments at Waterfall

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 948 786m^2 (2018: 957 008m^2) of developable bulk remaining.

The group's distributable earnings were negatively impacted by the holding costs relating to developments under construction, infrastructure and development rights. Holding costs include rates and taxes, marketing, security, and property owners' association levies. For the year ended 30 June 2019, the impact thereof on DEPS was a reduction of 3.8 cents (2018: 1.4 cents).

The total asset value of Developments at Waterfall, including the value of the Attacq Sanlam joint venture (Waterfall Junction), remained largely unchanged at R2.3 billion (2018: R2.3 billion). Whilst these assets do not contribute positively to distributable earnings, it is a platform for future economic benefits via the development of new properties.

Developments at Waterfall	2019 R'000	2018 R'000
Developments under construction	929 469	527 592
Development rights	500 428	901 428
Infrastructure and services	787 682	685 875
Waterfall Junction	111 620	143 803
Total	**2 329 199**	**2 258 698**

Developments under construction
Developments under construction increased to R929.5 million (2018: R527.6 million) as a result of capital expenditure and fair value adjustments based on the progress of the developments. The value of developments under construction as at 30 June 2019 is based on external valuations performed by Mills Fitchet and Sterling adjusted for costs still to be incurred to final completion.

The following developments were under construction as at 30 June 2019. Attacq's attributable share of the total of 72 353m^2 PGLA is 48 338m^2.

Developments	Land parcel	Anticipated practical completion date	Lease commencement date	Effective PGLA m^{2*}	Total PGLA m^{2*}	Pre-let % based on total PGLA
Waterfall City						
Deloitte head office$^+$	10	Q3 FY20	1 April 2020	21 250	42 500	100.0
The Ingress – PSG Wealth	10	Q1 FY20	1 August 2019	4 371	4 371	100.0
The Ingress – building 2	10	Q2 FY20	–	4 360	4 360	–
Waterfall Corporate Campus – ContinuitySA$^+$	10B	Q2 FY20	1 March 2020	2 765	5 530	100.0
Waterfall Courtyard Hotel	10	Q2 FY21	1 January 2021	6 236	6 236	100.0
Waterfall Point	15	Q2 FY20	Sectional title sales and letting	9 356	9 356	92.4$^\#$
Total				**48 338**	**72 353**	**89.5**

** Estimated PGLA of development, subject to change upon final re-measurement post completion*
+ Attacq has a 50.0% ownership
 # Based on pre-sales and pre-lets

Commentary (continued)

Deloitte head office – land parcel 10

The Deloitte head office development is a 50/50 joint venture between Attacq and Atterbury Property Holdings Proprietary Limited and its subsidiaries. The total cost of the project is R1.5 billion. The development is targeting silver United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) (as built and commissioning) certification.

The Ingress – land parcel 10

The Ingress is a five-building office park prominently located at the entrance to Waterfall City. Phase I consists of offices for PSG Wealth, who took occupation on 1 August 2019, as well as a speculative building. The remaining three buildings (approximately 11 700m²) will be developed in a phased approach subject to market demand. The total development cost is estimated at R570.0 million. The development is targeting a four-star Green Building Council of South Africa (GBCSA) (by design and as built) certification.

Waterfall Corporate Campus Office Park – land parcel 10B

Waterfall Corporate Campus is a 50/50 joint venture with Zenprop Property Holdings Proprietary Limited (Zenprop). The development will comprise of seven office buildings with a centrally located communal facility which includes a conference facility and restaurant. The estimated total PGLA for this development is 35 000m² with an approximate total development cost of R880.0 million. The first three buildings (16 300m²) are completed and construction has commenced on the next building which will be occupied by ContinuitySA. The remaining buildings will be developed in a phased approach subject to market demand. All buildings are targeting a minimum four-star GBCSA (by design and as built) certification.

Waterfall Ext 124 which includes Courtyard Hotel – land parcel 10

Ext 124 comprises three office buildings and a "new concept" 4-star Courtyard Hotel which will be leased and operated by the City Lodge Hotel Group. The total PGLA is estimated at 32 000m² at an estimated total development cost of R925.0 million. Construction of the 10-storey, 168-key hotel has commenced at an approximate development cost of R1.3 million per key. Construction of the remaining precinct will be in a phased approach subject to market demand. This development was previously to be developed as a 50/50 joint venture, whereas Attacq is now the sole developer. Each building is targeting a minimum four-star GBCSA (by design and as built) certification.

Waterfall Point – land parcel 15

Waterfall Point is an A-grade office park with four buildings of approximately 2 350m² each. The office park is a sectional title scheme which caters for both investment by Attacq and businesses who wish to invest in their own premises. Attacq currently holds two buildings as investment property which are 100.0% pre-let. Two of the buildings have been classified as inventory, with 84.9% of PGLA pre-sold. Recognition of the revenue and cost of sales on the pre-sold inventory is on a percentage completion basis.

Development pipeline

Office and light industrial	Sector	Land parcel	Anticipated construction commencement date	Anticipated practical completion date	Effective PGLA m²*	Total PGLA m²*	Pre-let % based on total PGLA
Waterfall City							
Corporate Campus – building 4⁺	Office and mixed-use	10B	Tenant demand driven	–	2 263	4 526	0.0
Waterfall Logistics Hub							
Blue-chip tenant	Light industrial	8	July 2019	Q4 FY20	4 757	4 757	100.0

** Estimated PGLA of development. Subject to change upon final re-measurement post completion*
⁺ Attacq has a 50.0% ownership

The Ellipse and parcel 10

As part of the "live, work, play" urban environment in Waterfall City, Attacq is developing The Ellipse, a residential offering, in Waterfall City. This high-rise luxury residential development comprises four towers with approximately 620 residential units in total. The development is a 50/50 joint venture with Portstone Developments Proprietary Limited (Portstone) with Phase I consisting of two towers of 272 units with an estimated development cost of R520.0 million. The early works programme has commenced and the anticipated completion date of Phase I is June 2021.

Residential	Sector	Land parcel	Anticipated completion date	Total	Pre-sales %
Waterfall City					
The Ellipse, phase I⁺	Residential	10	Q4 FY21	272	>80.0

⁺ *Attacq has a 50.0% ownership*

Development rights

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

As at 30 June 2019, AWIC had 948 786m^2 of developable bulk remaining. The core of which is the development portfolio of 777 834m^2 in Waterfall City, which is zoned for mixed-use and residential developments. The Waterfall Logistics Hub, which is well positioned for light industrial tenants, comprises a further 170 952m^2.

The external valuation, performed by Sterling, 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.

The fair value of development rights reduced by R384.1 million (2018: R48.9 million). The valuation assumptions, reviewed on a semi-annual basis, were revised in light of low business confidence and the prevailing macro-economic conditions.

Infrastructure and services

The net increase, excluding non-current assets held for sale, of R115.3 million (2018: net decrease of R64.0 million) in the value of infrastructure and services, held at cost, compared to the prior year is, *inter alia*, as a result of infrastructure and pre-development spend of R127.1 million, offset against the reallocation to developments under construction of R11.8 million.

During the year, Attacq continued to develop infrastructure to unlock the full potential of these sites; for example, the installation of an electrical substation to increase the electrical supply to the industrial developments.

A holistic approach is followed in the planning and development of infrastructure, taking into account the entire Waterfall precinct. These include large projects with the potential to make a substantial impact on the growth and development potential of Waterfall. Examples include the comprehensive traffic modelling relating to the K60 project, a major east-west arterial route through Waterfall.

Waterfall Junction

Attacq, through a joint venture between Sanlam Life Insurance Limited (Sanlam) (76.43%) and AWIC (23.57%), has access to a further 686 054m^2 of industrial developable bulk in Waterfall. Attacq has been appointed as the development, property and asset manager for the joint venture. The development of Waterfall Junction has been activated with the design and commencement of a bulk water pipeline as well as roads and other infrastructure. This infrastructure project will unlock the development in the coming years.

Investment in MAS

Overview

The investment in MAS contributed R189.1 million (2018: R137.5 million) to the group's distributable earnings including cash dividends received of R185.6 million (2018: R151.1 million).

Attacq's shareholding in MAS remained unchanged at 22.8% (2018: 22.8%). The market value of Attacq's investment based on the MAS share price as at 28 June 2019 of R20.90 (2018: R21.00) equates to R3.2 billion (2018: R3.1 billion), which is in line with Attacq's equity accounted investment at 30 June 2019 of R3.2 billion (2018: R3.1 billion).

MAS achieved a 59.6% increase in net rental income to EUR51.6 million and a 41.9% increase in DEPS from 6.35 euro cps to 9.01 euro cps, driven by acquisitions of investment property, its Prime Kapital investment joint venture and its real estate equity securities portfolio. Investment property, including assets held for sale, increased by 52.4% to EUR964.7 million from EUR632.8 million.

MAS' management focus on the recycling of capital out of mature assets into higher-yielding properties resulted in the disposal of its low-yielding hotel assets at New Waverley, Edinburgh, for EUR43.3 million at yields of 4.1%. During the year, the following income-producing properties were acquired, adding a total of 178 240m² GLA to MAS' property portfolio.

Property	Location	GLA m²	Acquisition valuation EUR'million
Flensburg Galerie Shopping Centre	Flensburg, Germany	25 540	62.6
Militari Shopping Centre	Bucharest, Romania	56 200	95.0
Atrium Mall Shopping Centre	Arad, Romania	28 600	40.5
Romania retail portfolio	Nine properties, Romania	67 900	109.1

The Prime Kapital development joint venture pipeline comprises ten projects with an estimated total development cost of EUR783.0 million and GLA of 615 000m². Seven of these assets have either commenced with construction or are at design and permitting stage and two are expected to be completed by December 2019. During the year, MAS announced an extension of the development joint venture by an additional two years to 2025.

Plans are under way to extend and refurbish the retail assets of the investment joint venture between MAS and Prime Kapital, namely Nova Park (Poland), Burgas Mall and Stara Zagora Mall (both Bulgaria) and Militari Shopping Centre. Approximately 57 000m² of GLA can be added to improve the fashion and leisure offerings of the centres and strengthen their regionally-dominant positions.

Attacq has the following hedges in place in respect of expected future MAS dividends:

MAS dividend period	Anticipated timing of receipt	Amount hedged EUR'million	Fixed rate	Amount hedged R'million
Final FY19	October 2019	5.1	R18.10	92.3
Interim FY20	March 2020	2.7	R17.29	46.0

For further information in respect of MAS' results, refer to the MAS website at www.masrei.com.

Rest of Africa retail investments

Overview

During the year the Rest of Africa retail investments generated distributable earnings of R86.2 million (2018: R59.8 million). As at 30 June 2019, the value of Attacq's Rest of Africa retail investments was R820.1 million (2018: R1.2 billion) representing 3.0% (2018: 4.2%) of its total gross assets (including cash balances held in AIH International Limited (AIHI), a wholly-owned subsidiary of Attacq). Following the Manda Hill Shopping Centre disposal post year end, this reduced to below 2.0% net of cash held by AIHI (refer to paragraph below).

Attacq's Rest of Africa retail investment comprises:

- Cash held by AIHI of R180.6 million (2018: R68.2 million);
- A 31.8% shareholding in AttAfrica, which is invested in three retail properties in Ghana and Manda Hill Shopping Centre, Zambia; and
- A 25.0% shareholding in Gruppo Investment Nigeria (Gruppo), the owner of Ikeja City Mall, Nigeria.

Attacq's strategy, which is aligned with its co-shareholders, is to seek an orderly disposal of these assets and recycle proceeds into interest-bearing debt. Progress has been made in implementing this strategy with the exit of Achimota Retail Centre (Accra, Ghana) during the year and Manda Hill Shopping Centre (Lusaka, Zambia) subsequent to year-end. Both disposals were based on the 31 December 2018 carrying values for these properties.

Attacq's investment in AttAfrica, through its shareholder loan, amounted to R362.5 million (2018: R787.3 million). An impairment of R418.5 million (2018: R25.9 million) was recognised against the loan in the current year due to the increase in the negative net asset value position of AttAfrica offset by a 3.0% weakening of the rand against the US dollar. During the year R89.5 million of cash interest was received from AttAfrica.

The group's equity accounted investment into and loan to Gruppo totalled R276.9 million (2018: R305.2 million). The decrease in the investment value is as a result of an impairment of R49.0 million (2018: R25.2 million) offset by a 3.0% weakening of the rand against the US dollar. During the year R14.4 million of cash interest was received from Gruppo.

Attacq does not have any debt associated with its Rest of Africa retail investments.

Assets held for sale

	2019 R'000	2018 R'000
Transactions with joint venture partners		
Waterfall Ext 124	–	46 668
Cummins Southern Africa Regional Office	–	63 372
Zimmer Biomet	–	5 109
The Ellipse	19 018	–
Investment property		
Torre Industries	77 000	–
Investments		
Stenham European Shopping Centre Fund Limited	–	2 947
Rainprop Proprietary Limited	763	775
Total	**96 781**	**118 871**

Ext 124 was being developed in a 50/50 joint venture and in June 2019 Attacq took over the development on a sole basis. For the year under review, Attacq received R71.4 million in settlement of Cummins Southern Africa Regional Office, Stenham European Shopping Centre Fund Limited and Zimmer Biomet. The sale agreement in relation to Torre Industries is unconditional and will be settled at transfer. The R19.0 million, in respect of The Ellipse development rights, will be settled at transfer by Portstone.

Commentary (continued)

Borrowings

Total interest-bearing borrowings increased by 4.5% to R10.5 billion (2018: R10.1 billion). The increase is due to borrowing facilities utilised for Waterfall Corporate Campus, The Ingress and Deloitte head office developments. Committed but undrawn facilities of R1.4 billion (2018: R676.4 million) are available as at 30 June 2019. These facilities exceed the cost-to-complete on developments under construction of R582.4 million (2018: R158.9 million).

The euro-denominated borrowings of R1.4 billion (2018: R1.4 billion) are secured by a combination of a cession of MAS shares and mortgage bonds over investment properties. The group has no borrowings against the Rest of Africa retail investments and any proceeds received by Attacq from a disposal of the Rest of Africa investments will be utilised at the group's discretion.

The interest cover ratio improved to 1.85 times (2018: 1.78 times). Gearing, calculated as total interest-bearing debt less unrestricted cash on hand as a percentage of total assets less total cash on hand, increased to 37.7% (2018: 33.5%). The increase in gearing is due to lower investment property values and impairments on the Rest of Africa retail investment.

		2019	Restated 2018
Total drawn facilities	(R'000)	**10 516 731**	**10 065 586**
Total weighted average loan term	(years)	**3.6**	**4.2**
Rand-denominated interest-bearing borrowings			
Committed facilities available	(R'000)	10 415 826	9 312 162
Drawn facilities	(R'000)	9 061 281	8 634 578
Weighted average loan term	(years)	3.9	4.7
Euro-denominated interest-bearing borrowings			
Committed facilities available	(R'000)	1 498 072	1 431 123
Drawn facilities	(R'000)	1 455 450	1 431 008
Weighted average loan term	(years)	1.7	1.4
Interest cover ratio	(times)	**1.85**	**1.78**
Gearing	(%)	**37.7**	**33.5**

In order to mitigate rand-denominated interest rate risk, 90.5% (2018: 99.9%) of total committed facilities of R10.4 billion (2018: R9.3 billion), which excludes committed liquidity facilities, were hedged by way of fixed interest-rate loans or interest-rate swaps. On a group level, 78.7% (2018: 94.2%) is hedged which is more conservative than the minimum hedging policy of 70.0%.

		2019	Restated 2018
Total hedged as a percentage of total committed facilities	(%)	**78.7**	**94.2**
Total weighted average hedged term	(years)	**3.4**	**3.7**
Rand-denominated hedges			
Total hedged as a percentage of total committed facilities	(%)	90.5	99.9
Weighted average hedged term	(years)	3.4	4.0
Euro-denominated hedges			
Total hedged as a percentage of total committed facilities	(%)	–	56.8
Weighted average hedged term	(years)	–	0.8

The weighted average cost of funding improved by 16.0 basis points over the last year to 8.8% (2018: 8.9%). The improvement is largely due to refinancing interest-bearing debt and interest-rate swaps at lower interest rates.

	2019 %	Restated 2018 %
Total weighted average cost of debt	**8.8**	**8.9**
Rand-denominated weighted average cost of debt	**9.9**	**10.0**
Weighted average floating interest rate	9.0	8.8
Premium for hedging	0.9	1.2
Euro-denominated weighted average cost of debt	1.9	2.4
Weighted average floating interest rate	1.9	2.3
Premium for hedging	–	0.1

A total of R259.6 million (2018: R538.1 million) of the group's interest-bearing debt is due for repayment in the next 12 months. Interest-bearing debt of R54.0 million (2018: Rnil) is secured by investment property currently classified as non-current assets held for sale and will be settled upon transfer of the Torre Industries property.

During the past year, Attacq successfully refinanced a total of R2.2 billion of the group's interest-bearing debt which includes the Brooklyn Bridge Office Park Proprietary Limited (BBOP) funding (R330.3 million), one of the tranches in the Attacq Retail Fund Proprietary Limited (ARF) and Lynnwood Bridge Office Park Proprietary Limited (LBOP) syndicated loan (R397.8 million) and the euro denominated funding (R1.5 billion).

Due to lower forward interest rates, an increase in other financial liabilities of R135.8 million (2018: decrease in other financial liabilities of R40.7 million) was recorded on the mark-to-market valuation of interest rate swaps.

Prospects

In September 2018, guidance was provided for dividend per share (DPS) growth of between 7.5% and 9.5% for the year ended 30 June 2019; and between 13.0% and 15.0% for the year ending 30 June 2020. Attacq achieved DPS growth of 10.1% for the year ended 30 June 2019, creating a higher DPS base. Furthermore, the board's decision not to distribute rental income relating to the 40.9% of Edcon leases will negatively impact distribution for the year ending 30 June 2020. Taking these factors into account, Attacq is targeting DPS growth of between 8.0% and 10.0% for the year ending 30 June 2020.

This guidance is based on the following assumptions:

- Achieving forecasted rental income based on contractual terms and anticipated market-related renewals
- Tenants will be able to absorb the recovery of rising utility costs and municipal rates
- The expected roll-out of the current and budgeted development portfolio
- MAS meeting its three-year dividend target
- No unforeseen circumstances such as major corporate tenant failures or deterioration of the macro-economic environment

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

Restatement of Attacq's prior year annual financial statements

Deconsolidation of Nieuwtown Property Development Company Proprietary Limited (Nieuwtown) and Majestic Offices Proprietary Limited (Majestic)

The group has a 50.0% shareholding in Nieuwtown and Majestic. The group was considered to have control over both Nieuwtown and Majestic because of its 50.0% ownership as well as performing the asset management function on behalf of both companies. As a result, Nieuwtown and Majestic were consolidated in the group annual financial statements for all previous reporting dates since inception.

When Attacq relinquished the asset management function, Nieuwtown and Majestic were deconsolidated by the group with effect from 1 July 2018.

The decision to consolidate Nieuwtown and Majestic in prior years was reviewed together with the accounting treatment appropriate with the change in asset managers referred to above. Following the review, it was determined that the performance of the asset management function in conjunction with a 50.0% shareholding does not by itself result in control. It was therefore concluded that Attacq had joint control with its co-shareholder prior to 1 July 2018.

The impact of this error is that the group has restated the prior year annual financial statements by deconsolidating Nieuwtown and Majestic and accounting for these investments as associates in terms of IFRS 11: *Joint Arrangements*.

Error in treatment of non-controlling interest of Nieuwtown in calculating distributable earnings

While preparing the restated prior year annual financial statements as referred to above, it was observed that the non-cash intercompany transactions attributable to the non-controlling interest in respect of Nieuwtown were not adjusted for in the calculation of distributable earnings. This error was corrected by effecting the prior year restatement of deconsolidating Nieuwtown and accounting for this investment as an associate in terms of IFRS 11: Joint Arrangements.

Adjustment to headline earnings as a result of the deconsolidation of Nieuwtown and Majestic

In accordance with Circular 4/2018: *Headline Earnings issued by the South African Institute of Chartered Accountants*, an adjustment should be made for the headline earnings of an investment in associates. Due to the deconsolidation of Nieuwtown and Majestic and the resulting equity accounting for these investments, an adjustment to headline earnings is required to reflect the headline earnings of the underlying associates.

Error in discounting intercompany loans not payable on demand

Attacq grants intercompany loans to subsidiaries and associates. For the loans granted to AWIC, ARF, BBOP, LBOP, Lynnaur Investments Proprietary Limited and Nieuwtown, subordination agreements are in place. Consequently, these loans are not repayable to Attacq on demand. In terms of IFRS 9: Financial Instruments (2018: IAS 39: Financial Instruments: Recognition and Measurement), loans to group companies should be recognised initially at fair value. Due to the loans to the mentioned entities, not being repayable on demand, the fair value of the loan at initial recognition will be lower than the amount advanced. The loans were discounted back for the duration of the subordination period at the incremental rate of borrowing of the underlying subsidiaries and associate. Interest was recognised for the period, on the discounted loan balances using the effective interest rate method.

The discounting of the loans to the subsidiaries are eliminated on consolidation of the group's annual financial statements and therefore has no impact on the group's annual financial statements.

Error in classification of AttAfrica and Gruppo loans

The group, through its wholly-owned subsidiary AIHI, granted loans to AttAfrica and Gruppo. The loan to AttAfrica is repayable on 31 December 2020 and the loan to Gruppo is repayable at Gruppo's discretion. These loans have been reclassified from current assets to non-current assets.

Error in classification of Nieuwtown loan

The group granted a loan to Nieuwtown and as per the subordination agreement the loan to Nieuwtown has been subordinated until 29 April 2042. This loan has been reclassified from current assets to non-current assets.

The impact of these restatements on the key metrics is as follows:

	30 June 2018			1 July 2017		
	As reported cents	Restatement cents	Restated cents	As reported cents	Restatement cents	Restated cents
NAVPS	2 424.0	–	2 424.0	1 984.0	–	1 984.0
DEPS	75.0	5.7	80.7	n/a	n/a	n/a

The consolidated annual financial statements have been restated in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to note 43 for the disclosure on these restatements.

Summarised impact on summarised consolidated statement of profit or loss and other comprehensive income

	As reported Audited 30 June 2018 R'000	Restatement R'000	Restated Audited 30 June 2018 R'000	As reported Audited 30 June 2017 R'000	Restatement R'000	Restated Audited 1 July 2017 R'000
Gross revenue	2 168 826	(186 452)	1 982 374	2 060 895	(196 135)	1 864 760
Rental income	2 035 494	(171 452)	1 864 042	1 861 093	(171 866)	1 689 227
Straight-line lease income adjustment	103 467	(15 000)	88 467	199 802	(24 269)	175 533
Property expenses	(749 644)	70 878	(678 766)	(742 277)	66 183	(676 094)
Property expenses	(724 726)	70 878	(653 848)	(742 277)	66 183	(676 094)
Net profit from property operations	1 419 182	(115 574)	1 303 608	1 318 618	(129 952)	1 188 666
Other income	157 675	(112 705)	44 970	60 463	(88)	60 375
Operating expenses	(170 256)	2	(170 254)	(159 630)	–	(159 630)
Operating profit	1 253 939	(228 277)	1 025 662	793 351	(130 040)	663 311
Fair value adjustments	370 265	50 621	420 886	527 581	20 269	547 850
Investment properties	328 970	51 228	380 198	664 525	19 207	683 732
Other financial assets and liabilities	41 295	(607)	40 688	(136 944)	1 062	(135 882)
Net income from associates and joint ventures	81 706	(3 614)	78 092	249 880	(29 879)	220 001
Investment income	194 447	38 876	233 323	189 536	34 925	224 461
Finance costs	(950 501)	136 633	(813 868)	(987 411)	134 573	(852 838)
Profit before taxation	961 569	(5 761)	955 808	750 877	29 848	780 725
Income tax expense	1 749 765	(2 293)	1 747 472	(150 599)	50	(150 549)
Profit for the year	2 711 334	(8 054)	2 703 280	600 278	29 898	630 176
Attributable to:						
Owners of the holding company	2 651 542	51 738	2 703 280	630 164	12	630 176
Non-controlling interests	59 792	(59 792)	–	(29 886)	29 886	–
Other comprehensive (loss)						
Items that will be reclassified subsequently to profit and loss						
Taxation relating to components of other comprehensive income	2	–	2	(11 269)	(38)	(11 307)
Other comprehensive income (loss) for the year net of taxation	(4 648)	–	(4 648)	(129 096)	(38)	(129 134)
Total comprehensive income for the year	2 706 686	(8 054)	2 698 632	471 182	29 860	501 042
Attributable to:						
Owners of the holding company	2 646 894	51 738	2 698 632	501 068	(26)	501 042
Non-controlling interests	59 792	(59 792)	–	(29 886)	29 886	–
Earnings per share						
Basic (cents)	377.2	7.3	384.5	89.7	–	89.7
Diluted (cents)	374.2	7.3	381.5	89.0	–	89.0

Summarised impact on summarised consolidated statement of financial position

	As reported Audited 30 June 2018 R'000	Restatement R'000	Restated Audited 30 June 2018 R'000	As reported Audited 30 June 2017 R'000	Restatement R'000	Restated Audited 1 July 2017 R'000
ASSETS						
Non-current assets						
Property and equipment	42 667	(1 446)	41 221	52 272	(1 671)	50 601
Investment properties	21 234 085	(1 442 940)	19 791 145	19 735 365	(1 491 439)	18 243 926
Per valuation	22 166 318	(1 533 150)	20 633 168	20 536 861	(1 566 649)	18 970 212
Straight-line lease debtor	(932 233)	90 210	(842 023)	(801 496)	75 210	(726 286)
Straight-line lease debtor	932 233	(90 210)	842 023	801 496	(75 210)	726 286
Investment in associates and joint ventures	3 328 852	65 656	3 394 508	3 153 392	12 404	3 165 796
Loans to associates and joint ventures	–	1 315 878	1 315 878	–	1 310 780	1 310 780
Total non-current assets	26 255 538	(153 062)	26 102 476	24 428 142	(245 136)	24 183 006
Current assets						
Trade and other receivables	212 563	(9 549)	203 014	174 623	(13 495)	161 128
Loans to associates and joint ventures	1 190 590	(1 044 529)	146 061	1 250 278	(990 491)	259 787
Cash and cash equivalents	1 239 631	(18 505)	1 221 126	447 846	(30 285)	417 561
Total current assets	2 704 290	(1 072 583)	1 631 707	2 092 566	(1 034 271)	1 058 295
Total assets	29 078 699	(1 225 645)	27 853 054	27 322 191	(1 279 407)	26 042 784
EQUITY AND LIABILITIES						
Equity						
Distributable reserves	9 544 296	(9 520)	9 534 776	6 945 483	(12 304)	6 933 179
Available-for-sale reserve	279 845	9 525	289 370	282 329	9 525	291 854
Equity attributable to owners of the holding company	17 042 125	5	17 042 130	13 946 700	(2 779)	13 943 921
Non-controlling interests	16 705	(16 705)	–	(43 087)	43 087	–
Total equity	17 058 830	(16 700)	17 042 130	13 903 613	40 308	13 943 921
Non-current liabilities						
Long-term borrowings	10 527 029	(999 539)	9 527 490	7 976 110	(1 037 514)	6 938 596
Deferred tax liabilities	178 924	(1)	178 923	1 932 140	(2 294)	1 929 846
Other financial liabilities	127 869	(1 004)	126 865	164 696	(1 611)	163 085
Finance lease obligation	88 914	(88 914)	–	83 150	(83 150)	–
Total non-current liabilities	10 923 295	(1 089 458)	9 833 837	10 157 592	(1 124 569)	9 033 023
Current liabilities						
Other financial liabilities	74 060	(53 011)	21 049	137 145	(134 309)	2 836
Trade and other payables	403 550	(20 047)	383 503	501 380	(26 824)	474 556
Short-term portion of long-term borrowings	584 525	(46 429)	538 096	2 279 802	(34 013)	2 245 789
Total current liabilities	1 096 574	(119 487)	977 087	2 930 453	(195 146)	2 735 307
Total liabilities	12 019 869	(1 208 945)	10 810 924	13 418 578	(1 319 715)	12 098 863
Total equity and liabilities	29 078 699	(1 225 645)	27 853 054	27 322 191	(1 279 407)	26 042 784
The following information does not form part of the statement of financial position						
Net asset value per share (cents)	2 424	–	2 424	1 984	–	1 984
Net asset value per share adjusted for deferred tax (cents)	2 449	–	2 449	2 259	(1)	2 258

Summarised impact on summarised reconciliation between earnings and headline earnings

	As reported Audited 30 June 2018 R'000	Restatement R'000	Restated Audited 30 June 2018 R'000	As reported Audited 30 June 2017 R'000	Restatement R'000	Restated Audited 1 July 2017 R'000
Profit for the year	2 651 542	51 738	2 703 280	630 164	12	630 176
Headline earnings adjustments	(426 476)	(85)	(426 561)	(468 558)	14	(468 544)
Fair value adjustments	(370 265)	(50 621)	(420 886)	(527 581)	(20 269)	(547 850)
Net income from associates and joint ventures	(33 270)	25 311	(7 959)	(249 880)	10 135	(239 745)
Tax effect of adjustments	4 975	(170)	4 805	123 110	2 313	125 423
Non-controlling interests' share	(25 395)	25 395	–	(7 835)	7 835	–
Headline earnings	2 225 066	51 653	2 276 719	161 606	26	161 632
Headline earnings per share						
Basic (cents)	316.5	7.4	323.9	23.0	–	23.0
Diluted (cents)	314.0	7.3	321.3	22.8	–	22.8

** Adjusted for 46 427 553 treasury shares*

Summarised impact on summarised consolidated statement of cash flows

	As reported Audited 30 June 2018 R'000	Restatement R'000	Restated Audited 30 June 2018 R'000	As reported Audited 30 June 2017 R'000	Restatement R'000	Restated Audited 1 July 2017 R'000
Cash flow generated from operating activities	380 762	3 827	384 589	124 022	(6 653)	117 369
Cash generated from operations	1 019 788	(108 193)	911 595	1 033 295	(119 200)	914 095
Investment income	119 625	(1 790)	117 835	60 303	(2 696)	57 607
Finance costs	(899 312)	113 810	(785 502)	(934 930)	115 243	(819 687)
Cash flow (utilised in) generated from investing activities	(119 105)	3 075	(116 030)	310 427	5 534	315 961
Property and equipment acquired	(2 874)	346	(2 528)	(27 319)	1 395	(25 924)
Investment properties acquired	(738 927)	2 729	(736 198)	(1 098 009)	4 139	(1 093 870)
Cash flow generated from (utilised in) financing activities	530 128	4 878	535 006	(423 884)	(11 806)	(435 690)
Long-term borrowings repaid	(2 895 275)	21 093	(2 874 182)	(3 254 770)	9 604	(3 245 166)
Loans to associates and joint ventures (advanced) repaid	130 649	(16 215)	114 434	468 643	8 875	477 518
Loss of control of subsidiary	–	–	–	–	(30 285)	(30 285)
Total cash movement for the year	791 785	11 780	803 565	10 565	(12 925)	(2 360)
Cash at the beginning of the year	447 846	(30 285)	417 561	437 281	(17 360)	419 921
Total cash at the end of the year	1 239 631	(18 505)	1 221 126	447 846	(30 285)	417 561

Summarised impact on summarised reconciliation of profit for the year to distributable earnings

	As reported Audited 30 June 2018 R'000	Restatement R'000	Restated Audited 30 June 2018 R'000
Profit for the year attributable to Attacq's shareholders	2 651 542	51 738	2 703 280
Fair value adjustments	(370 265)	(50 621)	(420 886)
Net income from associates and joint ventures	(81 706)	3 614	(78 092)
Non-controlling interests' share of fair value adjustments	(25 395)	25 395	–
Straight-line lease income adjustments	(95 967)	7 500	(88 467)
Adjustment for net non-cash interest from associates	(87 613)	(40 666)	(128 279)
Depreciation and amortisation	40 335	(571)	39 764
Finance lease interest	3 784	(3 784)	–
Write-off of other trade and receivable	52 492	(4 520)	47 972
Write-off of loan, net of non-controlling interest	(56 178)	56 178	–
Non-cash interest accrued	7 536	(7 536)	–
Deferred taxation	(1 771 676)	2 293	(1 769 383)
Actual finance lease payments	(773)	773	–
Distributable earnings for the year	527 384	39 793	567 177
Distributable earnings per share			
Basic (cents)	75.0	5.7	80.7
Diluted (cents)	74.4	5.6	80.0

Commentary (continued)

Declaration of a cash dividend

The board declared a final cash dividend of 41.00000 cents per share out of the company's distributable income. This brings the fully year dividend to 81.5 cents per share (2018: 74.0 cents per share).

The dividend is payable to Attacq shareholders in accordance with the timetable set out below:

Last day to trade *cum* dividend	Tuesday, 1 October 2019
Shares trade *ex* dividend	Wednesday, 2 October 2019
Record date	Friday, 4 October 2019
Payment date	Monday, 7 October 2019

Notes:

1. Shares certificates may not be dematerialised or rematerialised between Wednesday, 2 October 2019 and Friday, 4 October 2019, both days inclusive.
2. Payment of the dividend will be made to shareholders on Monday, 7 October 2019. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant (CSCP) account or broker account on Monday, 7 October 2019. Certificated shareholders' dividend will be deposited on or about Monday, 7 October 2019.
3. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend 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.

An announcement relating to the tax treatment information will be released separately.

Subsequent events

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

Commitments

Please refer to note 35 of the annual financial statements for future capital commitments on developments under construction and developments in the pipeline. Future commitments will be funded by undrawn banking facilities, cash on hand and proceeds from capital recycling activities.

Issue of shares

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

Change in directors

Effective 2 April 2019, Keneilwe Moloko resigned from the board as an independent non-executive director. Keneilwe was a member of the Transformation, Social and Ethics Committee. Tasja Kodde resigned as company secretary with effect from 12 April 2019. Peter de Villiers has been appointed as the interim company secretary until such time as a new company secretary has been appointed.

Basis of preparation and accounting policies

The summarised provisional consolidated annual financial statements for the year ended 30 June 2019 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 annual 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 annual financial statements were compiled under the supervision of R Nana CA(SA), CFO of Attacq.

Commentary (continued)

The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summarised consolidated annual financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements, with the exception of the following:

- the adoption of new and revised standards i.e. IFRS 9: *Financial Instruments* and IFRS 15: *Revenue from contracts with customers* which became effective during the year. Other than the enhanced disclosures required, the amendments to the applicable accounting standards and adoption thereof did not have a material impact on the group's annual financial statements.
- Accounting error corrected by deconsolidating Nieuwtown and Majestic.
- Accounting error corrected on previous treatment of non-controlling interest of Nieuwtown in calculating distributable earnings.
- Accounting error in discounting intercompany loans not payable on demand.
- Accounting error in classification of AttAfrica and Gruppo loans.
- Accounting error in classification in Nieuwtown loan.

HEPS for the year ended 30 June 2018 has been restated in respect of the deconsolidating of Nieuwtown and Majestic.

The consolidated annual financial statements have been restated in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to note 43 of the consolidated annual financial statements for the disclosure on these restatements.

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.

Unobservable inputs	**2019** Rate range %	**2019** Decrease of 50.0 basis points results in R'000	**2019** Increase of 50.0 basis points results in R'000	2018 Rate range %	2018 Decrease of 50.0 basis points results in R'000	2018 Increase of 50.0 basis points results in R'000
Reversionary capitalisation rate	6.25 – 9.75	727 380	(634 874)	6.25 – 9.75	680 576	(611 650)
Discount rate	11.75 – 14.00	619 571	(593 559)	12.25 – 15.75	576 731	(563 309)

Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations. A weakening in the capitalisation rate will decrease the value of investment properties. An improvement in the capitalisation rate will increase the value of investment properties. 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 weakening in the discount rate will decrease the value of investment properties. An improvement in the discount rate will increase the value of investment properties.

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 annual financial statements. This announcement does not include all the information required pursuant to paragraph 16A(j) of IAS 34. The full report 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 annual financial statements for the year ended 30 June 2019. 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 annual financial statements is available for inspection at the company's registered office and on the company's website (www.attacq.co.za).

These summarised provisional consolidated annual financial statements have been derived from the group's audited consolidated annual financial statements and are consistent in all material respects with the group's audited consolidated annual financial statements for the year ended 30 June 2019, but are not themselves audited. The directors take full responsibility for the preparation of these summarised provisional consolidated annual financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated annual 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 the auditor's report together with the audited consolidated annual financial statements for the year ended as at 30 June 2019 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 2019

Summarised consolidated statement of profit or loss and other comprehensive income

	Audited 30 June 2019 R'000	Restated Audited 30 June 2018 R'000
Gross revenue	2 283 244	1 982 374
Rental income	2 057 548	1 864 042
Straight-line lease income adjustment	197 124	88 467
Sale of inventory	28 572	29 865
Property expenses	(780 690)	(678 766)
Property expenses	(749 143)	(653 848)
Cost of sales	(31 547)	(24 918)
Net profit from property operations	1 502 554	1 303 608
Other income	89 532	44 970
Operating expenses	(155 485)	(170 254)
Impairment losses	(505 148)	(25 872)
Other expenses	(170 138)	(126 790)
Operating profit	761 315	1 025 662
Amortisation of intangible asset	(19 964)	(24 037)
Fair value adjustments	(801 735)	420 886
Investment properties	(665 110)	380 198
Other financial assets and liabilities	(135 761)	40 688
Other investments	(864)	–
Gain on available-for-sale financial assets	–	35 750
Net income from associates and joint ventures	124 770	78 092
Investment income	230 549	233 323
Finance costs	(855 465)	(813 868)
(Loss) profit before taxation	(560 530)	955 808
Income tax (expense) credit	(42 058)	1 747 472
(Loss) profit for the year	(602 588)	2 703 280
Attributable to:		
Owners of the holding company	(602 588)	2 703 280
Other comprehensive income		
Items that will be reclassified subsequently to profit and loss		
(Loss) gain on available-for-sale financial assets	(6 144)	27 686
Taxation relating to components of other comprehensive income	(27 566)	2
Realisation of available-for-sale financial assets	–	(32 336)
Other comprehensive loss for the year net of taxation	(33 710)	(4 648)
Total comprehensive income for the year	(636 298)	2 698 632
Attributable to:		
Owners of the holding company	(636 298)	2 698 632
Earnings per share		
Basic (cents)	(85.7)	384.5
Diluted (cents)	(85.7)	381.5

Summarised consolidated statement of financial position

	Audited 30 June 2019 R'000	Restated Audited 30 June 2018 R'000	Restated Audited 1 July 2017 R'000
ASSETS			
Non-current assets			
Property and equipment	10 069	41 221	50 601
Investment properties	20 081 544	19 791 145	18 243 926
Per valuation	21 120 691	20 633 168	18 970 212
Straight-line lease debtor	(1 039 147)	(842 023)	(726 286)
Straight-line lease debtor	1 039 147	842 023	726 286
Deferred initial lease expenditure	6 860	9 275	7 666
Intangible assets	184 667	266 502	290 539
Goodwill	67 774	67 774	67 774
Investment in associates and joint ventures	3 217 711	3 394 508	3 165 796
Loans to associates and joint ventures	879 955	1 315 878	1 310 780
Other financial assets	386 709	373 651	304 368
Other investments	–	488	11 941
Deferred tax assets	–	11	3 329
Total non-current assets	25 874 436	26 102 476	24 183 006
Current assets			
Taxation receivable	4 806	2 714	951
Trade and other receivables	203 450	203 014	161 128
Inventory	51 137	42 484	25 278
Loans to associates and joint ventures	113 649	146 061	259 787
Other financial assets	32 656	16 308	193 590
Cash and cash equivalents	673 486	1 221 126	417 561
Total current assets	1 079 184	1 631 707	1 058 295
Non-current assets held for sale	96 781	118 871	801 483
Total assets	27 050 401	27 853 054	26 042 784
EQUITY AND LIABILITIES			
Equity			
Stated capital	6 463 585	6 460 108	6 456 633
Distributable reserves	7 954 665	9 534 776	6 933 179
Fair value through other comprehensive income reserve	281 218	289 370	291 854
Share-based payment reserve	117 118	117 390	128 216
Foreign currency translation reserve	771 146	744 701	238 254
Acquisition of non-controlling interests reserve	–	(104 215)	(104 215)
Total equity attributable to owners of the holding company	15 587 732	17 042 130	13 943 921

Summarised consolidated statement of financial position (continued)

	Audited 30 June 2019 R'000	Restated Audited 30 June 2018 R'000	Restated Audited 1 July 2017 R'000
Non-current liabilities			
Long-term borrowings	10 203 134	9 527 490	6 938 596
Deferred tax liabilities	238 539	178 923	1 929 846
Other financial liabilities	268 112	126 865	163 085
Cash-settled share-based payments	537	559	1 496
Total non-current liabilities	10 710 322	9 833 837	9 033 023
Current liabilities			
Other financial liabilities	29 439	21 049	2 836
Taxation payable	1 228	1 496	7 665
Cash-settled share-based payments	89	747	1 684
Trade and other payables	389 690	383 503	474 556
Provisions	18 304	32 196	2 777
Short-term portion of long-term borrowings	259 611	538 096	2 245 789
Total current liabilities	698 361	977 087	2 735 307
Liabilities directly associated with non-current assets held for sale	53 986	–	330 533
Total liabilities	11 462 669	10 810 924	12 098 863
Total equity and liabilities	27 050 401	27 853 054	26 042 784
The following information does not form part of the statement of financial position			
Net asset value per share (cents)	2 216	2 424	1 984

Reconciliation between earnings and headline earnings

	Audited 30 June 2019 R'000	Restated Audited 30 June 2018 R'000
Loss/(profit) for the year	(602 588)	2 703 280
Headline earnings adjustments	1 124 202	(426 561)
Profit on disposal of subsidiary	–	(5 633)
Loss on disposal of associate	(14 550)	–
Loss on disposal of other investments	–	2 612
Profit on disposal of investment property	(11 095)	(14 947)
Impairment of associates and other investments	550 023	51 197
Realisation of available-for-sale financial assets	–	(35 750)
Impairment of intangible asset	61 871	–
Fair value adjustments	665 974	(420 886)
Net income from associates and joint ventures	(46 995)	(7 959)
Tax effect of adjustments	(81 026)	4 805
Headline earnings	521 614	2 276 719
Number of shares in issue*	703 495 224	703 155 224
Weighted average number of shares in issue*	703 311 279	702 989 909
Diluted weighted average number of shares in issue*	710 613 023	708 584 902
Headline earnings per share		
Basic (cents)	74.2	323.9
Diluted (cents)	73.4	321.3

** Adjusted for 46 427 553 treasury shares*

Summarised consolidated statement of cash flows

	Audited 30 June 2019 R'000	Restated Audited 30 June 2018 R'000
Cash flow generated from operating activities	653 327	384 589
Cash generated from operations	1 170 806	911 595
Investment income	186 552	117 835
Dividend income	191 045	170 504
Finance costs	(868 330)	(785 502)
Settlement of cash-settled share-based payments	(14 389)	–
Taxation paid	(12 357)	(29 843)
Cash flow utilised in investing activities	(819 409)	(116 030)
Property and equipment acquired	(3 591)	(2 528)
Property and equipment disposed	–	284
Investment properties acquired	(907 330)	(736 198)
Investment properties disposed	–	62 584
Associates and joint ventures acquired	–	(2 667)
Associates and joint ventures disposed	96 179	253 977
Other investments disposed	–	11 969
Other financial assets (raised) repaid	(27 072)	98 074
Additions to deferred initial lease expenditure	(3 536)	(3 804)
Cash flow relating to non-current assets held for sale	25 941	202 279
Cash flow (utilised in) generated from financing activities	(381 558)	535 006
Capital raised	3 477	3 475
Dividends paid	(805 250)	–
Settlement of share-based payment	–	(13 678)
Long-term borrowings raised	1 599 898	3 358 695
Long-term borrowings repaid	(1 194 443)	(2 874 182)
Loans to associates and joint ventures repaid	884	114 434
Loss of control of subsidiary	–	–
Other financial liabilities raised (repaid)	13 876	(53 738)
Total cash movement for the year	(547 640)	803 565
Cash at the beginning of the year	1 221 126	417 561
Total cash at the end of the year	673 486	1 221 126

Summarised consolidated statement of changes in equity

	Stated capital R'000	Distributable reserves R'000	FVOCI reserve R'000	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
Audited balance as reported at 1 July 2017	6 456 633	6 945 483	282 329	128 216	238 254	(104 215)	13 946 700	(43 087)	13 903 613
Restatement	–	(12 304)	9 525	–	–	–	(2 779)	43 087	40 308
Balance at 1 July 2017 – restated	6 456 633	6 933 179	291 854	128 216	238 254	(104 215)	13 943 921	–	13 943 921
Total comprehensive income	–	2 703 280	(4 648)	–	–	–	2 698 632	–	2 698 632
Profit for the period	–	2 703 280	–	–	–	–	2 703 280	–	2 703 280
Other comprehensive profit	–	–	(4 648)	–	–	–	(4 648)	–	(4 648)
Foreign currency translation reserve	–	–	–	–	506 447	–	506 447	–	506 447
Derecognition of non-controlling interest	–	–	–	–	–	–	–	–	–
Issue of shares	3 475	–	–	–	–	–	3 475	–	3 475
Present value of loans to associate	–	(48 954)	–	–	–	–	(48 954)	–	(48 954)
Derecognition of reserves due to sale of subsidiary	–	(59 698)	2 164	–	–	–	(57 534)	–	(57 534)
Transfer between reserves	–	6 969	–	(15 077)	–	–	(8 108)	–	(8 108)
Settlement of share-based payment transaction	–	–	–	(14 961)	–	–	(14 961)	–	(14 961)
Recognition of share-based payment reserve	–	–	–	19 212	–	–	19 212	–	19 212
Unaudited balance at 30 June 2018 – restated	6 460 108	9 534 776	289 370	117 390	744 701	(104 215)	17 042 130	–	17 042 130
IFRS 9 restatements		80 518	(98 280)				(17 762)		(17 762)
Balance at 30 June 2018 – restated	6 460 108	9 615 294	191 090	117 390	744 701	(104 215)	17 024 368	–	17 024 368
Total comprehensive income	–	(602 588)	(33 710)	–	–	–	(636 298)	–	(636 298)
Profit for the period	–	(602 588)	–	–	–	–	(602 588)	–	(602 588)
Other comprehensive loss	–	–	(33 710)	–	–	–	(33 710)	–	(33 710)
Foreign currency translation reserve	–	–	–	–	26 445	–	26 445	–	26 445
Issue of shares	3 477	–	–	–	–	–	3 477	–	3 477
Settlement of share-based payment transaction	–	–	–	(14 867)	–	–	(14 867)	–	(14 867)
Dividends	–	(805 250)	–	–	–	–	(805 250)	–	(805 250)
Transfer of reserve on disposal of investments	–	(123 838)	123 838	–	–	–	–	–	–
Transfer of reserve from acquisition of non-controlling interest reserve	–	(104 215)	–	–	–	104 215	–	–	–
Transfer of share-based payment reserve on vesting	–	7 444	–	(7 444)	–	–	–	–	–
Present value of loans to associate		(32 182)					(32 182)		(32 182)
Recognition of share-based payment reserve	–	–	–	22 039	–	–	22 039	–	22 039
Balance at 30 June 2019	6 463 585	7 954 665	281 218	117 118	771 146	–	15 587 732	–	15 587 732

Summarised audited segmental analysis
30 June 2019

	Retail R'000	Office and mixed use R'000	Industrial R'000	Hotel R'000
STATEMENT OF FINANCIAL POSITION				
Investment property	9 686 888	6 568 929	1 436 998	334 294
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Waterfall development rights	–	–	–	–
Infrastructure and services	–	–	–	–
Straight-line lease debtor	232 022	670 618	123 927	12 580
Intangible assets and goodwill	–	–	–	–
Investments in associates and joint ventures	32 004	1 022	–	–
Other financial assets	24 320	343 035	9 289	–
Loans to associates and joint ventures	–	–	–	–
Trade and other receivables	57 128	37 177	7 700	1 001
Cash and cash equivalents	90 760	344 698	5 762	21
Inventory	–	–	–	–
Non-current assets held for sale	–	–	77 000	–
Other assets	–	2 173	–	–
Total assets	10 123 122	7 967 652	1 660 676	347 896
Long-term borrowings	–	–	–	–
Other financial liabilities	–	–	–	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	143 902	121 765	12 435	1 712
Non-current liabilities associated with assets held for sale	–	–	–	–
Other liabilities	–	–	–	–
Total liabilities	143 902	121 765	12 435	1 712
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	1 114 314	739 065	156 860	38 213
Straight-line lease income adjustment	(3 645)	179 189	24 351	(2 771)
Sale of inventory	–	39 093	(10 521)	–
Property expenses	(448 831)	(244 625)	(47 273)	(11 762)
Cost of sales	–	(39 943)	8 396	–
Net profit from property operations	661 838	672 779	131 813	23 680
Other income	–	406	28 571	–
Operating expenses	(32 869)	(33 632)	(7 530)	(764)
Impairment losses	–	–	–	–
Other expenses	(930)	–	(86)	–
Operating profit (loss)	628 039	639 553	152 768	22 916
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	(86 608)	(267 082)	(41 323)	21 816
Net income from associates	(8 117)	69	(759)	–
Investment income	6 529	38 104	199	17
Finance costs	–	–	–	–
Profit (loss) before tax	539 843	410 644	110 885	44 749
Taxation	–	–	–	–
Profit (loss) for the year	539 843	410 644	110 885	44 749
Profit (loss) for the year attributable to owners	539 843	410 644	110 885	44 749

Waterfall developments R'000	Head office SA R'000	Total SA R'000	MAS European R'000	Rest of Africa R'000	Head office Global R'000	Total R'000
–	5 000	18 032 109	–	–	–	18 032 109
2 049 435	–	2 049 435	–	–	–	2 049 435
791 276	–	791 276	–	–	–	791 276
495 972	–	495 972	–	–	–	495 972
762 187	–	762 187	–	–	–	762 187
–	–	1 039 147	–	–	–	1 039 147
–	252 441	252 441	–	–	–	252 441
–	1 191	34 217	3 183 494	–	–	3 217 711
–	33 237	409 881	9 484	–	–	419 365
111 620	242 540	354 160	–	639 444	–	993 604
97 018	3 354	203 378	–	–	72	203 450
971	50 650	492 862	–	–	180 624	673 486
51 137	–	51 137	–	–	–	51 137
19 018	763	96 781	–	–	–	96 781
–	19 562	21 735	–	–	–	21 735
2 329 199	608 738	23 037 283	3 192 978	639 444	180 696	27 050 401
–	9 007 294	9 007 294	–	–	1 455 451	10 462 745
–	297 551	297 551	–	–	–	297 551
–	100 019	100 019	138 520	–	–	238 539
62 752	30 906	373 472	–	16 218	–	389 690
–	53 986	53 986	–	–	–	53 986
10 925	7 978	18 903	–	–	1 255	20 158
73 677	9 497 734	9 851 225	138 520	16 218	1 456 706	11 462 669
–	9 096	2 057 548	–	–	–	2 057 548
–	–	197 124	–	–	–	197 124
–	–	28 572	–	–	–	28 572
–	3 348	(749 143)	–	–	–	(749 143)
–	–	(31 547)	–	–	–	(31 547)
–	12 444	1 502 554	–	–	–	1 502 554
–	3 898	32 875	21 164	33 313	2 180	89 532
–	(80 690)	(155 485)	–	–	–	(155 485)
(29 975)	(55 865)	(85 840)	–	(419 308)	–	(505 148)
(26 589)	(66 823)	(94 428)	–	(75 710)	–	(170 138)
(56 564)	(187 036)	1 199 676	21 164	(461 705)	2 180	761 315
–	(19 964)	(19 964)	–	–	–	(19 964)
(291 913)	(137 979)	(803 089)	–	–	1 354	(801 735)
(1 758)	(67 380)	(77 945)	204 037	(1 322)	–	124 770
–	66 760	111 609	–	118 940	–	230 549
–	(820 681)	(820 681)	(1 003)	–	(33 781)	(855 465)
(350 235)	(1 166 280)	(410 394)	224 198	(344 087)	(30 247)	(560 530)
–	(26 111)	(26 111)	(14 287)	–	(1 660)	(42 058)
(350 235)	(1 192 391)	(436 505)	209 911	(344 087)	(31 907)	(602 588)
(350 235)	(1 192 391)	(436 505)	209 911	(344 087)	(31 907)	(602 588)

Summarised audited segmental analysis
30 June 2018

	Retail R'000	Office and mixed use Retail R'000	Industrial R'000	Hotel R'000
STATEMENT OF FINANCIAL POSITION				
Investment property	9 639 616	6 674 605	1 286 827	312 477
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Waterfall development rights	–	–	–	–
Infrastructure and services	–	–	–	–
Straight-line lease debtor	235 667	491 428	99 577	15 351
Intangible assets and goodwill	–	–	–	–
Investments in associates and joint ventures	40 121	954	91 619	–
Other financial assets	13 288	22 920	–	–
Loans to associates and joint ventures	–	–	143 247	–
Trade and other receivables	63 069	106 650	23 286	2 367
Cash and cash equivalents	89 325	67 398	5 862	151
Inventory	–	42 484	–	–
Non-current assets held for sale	–	–	–	–
Other assets	–	3 000	–	–
Total assets	10 081 086	7 409 439	1 650 418	330 346
Long-term borrowings	–	–	–	–
Other financial liabilities	–	–	12 807	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	135 957	186 261	33 113	2 630
Other liabilities	–	–	–	–
Total liabilities	135 957	186 261	45 920	2 630
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	1 058 450	650 477	107 598	34 880
Straight-line lease income adjustment	28 604	17 561	43 278	(976)
Sale of inventory	–	19 344	10 521	–
Property expenses	(422 464)	(202 340)	(32 000)	(10 248)
Cost of sales	–	(16 522)	(8 396)	–
Net profit from property operations	664 590	468 520	121 001	23 656
Other income	31	16 708	–	–
Operating expenses	(31 927)	(30 848)	(5 972)	(562)
Impairment losses	–	–	–	–
Other expenses	(13 395)	–	–	–
Operating profit (loss)	619 299	454 380	115 029	23 094
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	263 650	99 784	(10 842)	15 939
Gain on available for sale financial assets IS	–	–	–	–
Net income from associates	(4 164)	36	1 748	–
Investment income	7 779	3 119	13	6
Finance costs	–	–	–	–
Profit (loss) before tax	886 564	557 319	105 948	39 039
Taxation	–	–	–	–
Profit (loss) for the year	886 564	557 319	105 948	39 039
Profit (loss) for the year attributable to owners	886 564	557 319	105 948	39 039

Waterfall developments R'000	Head office SA R'000	Total SA R'000	MAS European R'000	Rest of Africa R'000	Head office Global R'000	Total R'000
–	5 000	17 918 525	–	–	–	17 918 525
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
–	–	842 023	–	–	–	842 023
–	334 276	334 276	–	–	–	334 276
–	68 038	200 732	3 145 828	47 948	–	3 394 508
–	353 751	389 959	–	–	–	389 959
–	274 163	417 410	–	1 044 529	–	1 461 939
–	7 587	202 959	–	–	55	203 014
–	990 152	1 152 888	–	–	68 238	1 221 126
–	–	42 484	–	–	–	42 484
115 149	775	115 924	–	–	2 947	118 871
–	50 709	53 709	–	–	–	53 709
1 987 769	2 084 451	23 543 509	3 145 828	1 092 477	71 240	27 853 054
–	8 634 578	8 634 578	–	–	1 431 008	10 065 586
–	133 393	146 200	–	–	1 714	147 914
–	48 840	48 840	130 083	–	–	178 923
–	25 531	383 492	–	–	11	383 503
25 476	8 026	33 502	–	–	1 496	34 998
25 476	8 850 368	9 246 612	130 083	–	1 434 229	10 810 924
–	12 637	1 864 042	–	–	–	1 864 042
–	–	88 467	–	–	–	88 467
–	–	29 865	–	–	–	29 865
–	13 204	(653 848)	–	–	–	(653 848)
–	–	(24 918)	–	–	–	(24 918)
–	25 841	1 303 608	–	–	–	1 303 608
–	23 017	39 756	–	5 214	–	44 970
–	(95 767)	(165 076)	–	–	(5 178)	(170 254)
–	–	–	–	(25 872)	–	(25 872)
(49 649)	(1 773)	(64 817)	–	(57 618)	(4 355)	(126 790)
(49 649)	(48 682)	1 113 471	–	(78 276)	(9 533)	1 025 662
–	(24 037)	(24 037)	–	–	–	(24 037)
11 667	40 887	421 085	–	–	(199)	420 886
–	35 750	35 750	–	–	–	35 750
–	(284)	(2 664)	68 774	908	11 074	78 092
–	98 005	108 922	–	120 619	3 782	233 323
–	(779 960)	(779 960)	–	–	(33 908)	(813 868)
(37 982)	(678 321)	872 567	68 774	43 251	(28 784)	955 808
–	1 842 193	1 842 193	(93 297)	–	(1 424)	1 747 472
(37 982)	1 163 872	2 714 760	(24 523)	43 251	(30 208)	2 703 280
(37 982)	1 163 872	2 714 760	(24 523)	43 251	(30 208)	2 703 280

Reconciliation of profit
for the year to distributable earnings

	Audited 30 June 2019 R'000	Restated Audited 30 June 2018 R'000
(Loss) profit for the year attributable to Attacq's shareholders	(602 588)	2 703 280
Profit on disposal of subsidiary	–	(5 633)
Loss on disposal of other investments	–	2 612
Profit on disposal of investment property	(11 095)	(14 947)
Profit on disposal of investment in associate	(14 547)	–
Impairment of associates, other investments and loans	550 967	51 197
Impairment of Wi-Fi rights, intangible asset	61 871	–
Realisation of available-for-sale financial assets	–	(35 750)
Fair value adjustments	801 735	(420 886)
Net income from associates and joint ventures	(124 770)	(78 092)
Straight-line lease income adjustments	(197 124)	(88 467)
Adjustment for net non-cash interest from associates	(114 193)	(128 279)
Net cash interest received from associates	89 514	42 425
Depreciation and amortisation	37 026	39 764
Unrealised foreign currency translation effect	(31 667)	50 698
Dividends received from associates	191 045	166 723
Edcon restructure	(4 129)	–
Write-off of other receivable	–	47 972
Movement in provision	–	3 943
Deferred taxation	32 061	(1 769 383)
Distributable earnings for the year	664 106	567 177
Number of shares in issue*	703 495 224	703 155 224
Weighted average number of shares in issue*	703 311 279	702 989 909
Distributable earnings per share (cents)		
Basic	94,4	80,7
Dividends (R'000)	573 308	520 335
Interim	284 875	–
Final	288 433	520 335
Dividend per share (cents)	81.5	74.0
Interim	40.5	–
Final	41.0	74.0

**Adjusted for 46 427 553 treasury shares*

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

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

Interim Company secretary
PL de Villiers (CIO)

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 or company or group)

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