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MEDIA RELEASE FROM ATTACQ LIMITED

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Attacq delivers 20.6% net asset value growth for shareholders

Attacq Limited, the pioneering JSE-listed capital growth property fund, today posted growth of 20.6% in net asset value for shareholders and growth in adjusted net asset value per share (NAVPS) of 17.9% for its full financial year to 30 June 2015.

As a capital growth property fund Attacq is unique as its performance is measured by growth in NAVPS over the long-term.

Attacq's solid set of results show its net rental income increased by 47.6% to R954.1 million during the year, its asset value was boosted by 26.2% to R23.3 billion, with the size of its portfolio growing by 45.1% to over 565,000m^2 of quality, investment-grade commercial real estate. Of this, an impressive 80.2% is green, energy-efficient business space. Attacq's share price grew 25.3% during the year, resulting in its market capitalisation of R16.6 billion at year-end.

Morné Wilken, Attacq's CEO, says this strong performance can be attributed to healthy income growth in Attacq's core portfolio, the performance of MAS Real Estate Inc. and the ongoing delivery of its excellent development pipeline, with Attacq completing a remarkable 13 new developments during the year.

Attacq also made excellent strategic progress including the astute management of its funding, which diversified its funders by adding Absa to its funding mix and reducing its weighted average cost of debt to 9.0%. Its overall gearing increased marginally to 36%. With the headwinds of a rising interest rate environment, during the year it increased its level of fixed interest rate debt significantly to 75% from 63%. Wilken reports that Attacq is also set to embark on a strategic programme to recycle capital, disposing of lower-growth mature assets and investing its capital astutely to fund higher-growth opportunities.

Wilken comments: "We are pleased to report a robust set of results which extend our growing track record of delivering sustainable capital growth for our investors. Property is a long-term asset and as a capital growth fund Attacq is in a unique position to take a long-term view to invest, develop and grow. Since listing in October 2013, Attacq has delivered a compound annual growth in its share price to investors of 23.7%. Despite a tough operating environment in our main market of South Africa, we are confident we will continue to build on our performance in the coming year."

Attacq invests in income-generating and development real estate opportunities. Its income-producing assets include directly and indirectly held properties which provide stable income and balance sheet strength to responsibly secure and fund high-growth opportunities within developments. Attacq unlocks value from its developments - including undeveloped land, greenfields developments and redevelopments - by partnering with respected developers. In this way Attacq benefits from the full upside potential of its developments.

Attacq's assets include a diverse portfolio of landmark commercial properties and developments across South Africa and beyond its borders, with a growing representation in both emerging and developed markets internationally.

Its flagship South African development is the 323 hectares mixed-use Waterfall development, in the centre of Gauteng. Here, Wilken reports, progress continues apace with new developments set to come to market over the next decade, in addition to the milestone opening of the R4.8-billion, 131,000sqm super-regional Mall of Africa in April 2016.

"We are incredibly excited for Mall of Africa to open next year. Besides introducing an exceptional world-class shopping experience that will leave shoppers spoilt for choice, it will also be the catalyst that really brings Waterfall City to life. It is a game-changer that will attract more people and businesses to Waterfall and drive the next wave of Waterfall City as we continue to develop out the remaining 775,000m^2 of usable bulk over the next ten to 15 years," says Wilken.

Attacq's delivery of the Waterfall pipeline of developments is a key driver of its South African growth. Supporting this, it acquired the minority shareholding in Attacq Waterfall Investment Company Proprietary Limited, funded by a successful R640 million capital raise in December 2014, ensuring it full control of the entire Waterfall commercial mega development precinct and its future developments. At the same time it retained a 10% stake in Atterbury Property Holdings and a seat on its board, and secured a pre-emptive right for all Atterbury's material developments. As part of the transaction, Atterbury retained and also increased its stake as a co-owner in Mall of Africa to 20%.

Attacq's far-sighted investment in excellent access and infrastructure at Waterfall City continues to pay off.

"We are seeing a demand from developers who want to work with us to take advantage of the ready-to-develop opportunities at Waterfall City. With businesses under pressure in South Africa, it is becoming more difficult to secure tenants, however Attacq is also seeing opportunities arising from companies seeking to consolidate operations into a single building. This helps them to achieve measurable savings of space, time and money, while accomplishing greater consistency of corporate culture across divisions and benefiting from the productivity advantages of green, modern workspaces," says Wilken.

With Waterfall City's compelling business case, Attacq secured the development of a new 26-storey head office for PwC on a 12-year lease. It will become the first high-rise within the booming precinct when it is completed in February 2018. As part of the transaction, Attacq also acquired PwC's Sunninghill offices, growing its portfolio of South African properties outside of Waterfall. The portfolio now includes the full ownership of Lynnwood Bridge, Brooklyn Bridge and 25% of Brooklyn Mall, all in Pretoria, Mooirivier Mall in Potchefstroom, Garden Route Mall in George, a 50% stake in Great Westerford in Cape Town and a major stake in the buildings of Eikestad Precinct in Stellenbosch. Attacq is also invested in several malls in their early growth phases, including Johannesburg's vibrant Newtown Junction and The Grove Mall of Namibia, in Windhoek.

Highlighting the quality of assets in its portfolio, Attacq added four South African Property Owner's Association (SAPOA) Innovative Excellence in Property Development Awards to its trophy case this year.

Attacq's emerging market exposure is focused on retail properties in the major metropolitan markets of countries coming off a low base. This includes the investment in AttAfrica Limited, which increased substantially, from R385.6 million to R599.3 million, to fund Attacq's share of AttAfrica's underlying development pipeline as well as its acquisition of Manda Hill Mall in Lusaka, Zambia.

AttAfrica is also invested in Accra Mall and West Hills Mall in Ghana, as well as a further two developments under construction in Ghana, Achimota Mall and Kumasi Mall.

Wilken confirms that Attacq's AttAfrica investment contributed positively to its performance, enhanced by the USD and ZAR exchange rates also moving in its favour during the year. Creating a strong and well-aligned foundation for its future performance, AttAfrica was restructured under CEO Kevin Teeroovengadum and its asset management function internalised.

Attacq's developed market investment is achieved through its strategic 45.3% stake in MAS Real Estate Inc., with its equity valued at R2.2 billion. This provides exposure to real estate investment in Germany, Switzerland and the United Kingdom.

Wilken describes MAS's performance as exceptional with its rental income up by 66%, its adjusted NAVPS growing by 16.8%, and negligible gearing of 4.8%. Strengthening its structures, during the year it internalised its asset manager and moved its listing to the JSE Main Board.

Wilken says: "MAS delivered excellent growth for Attacq shareholders, even though the Euro exchange rate was marginally less favourable than last year. We expect good returns from this investment in the coming year too, especially as more of its portfolio becomes income producing, which also stands to benefit Attacq's gearing capacity. Attacq's shareholding in MAS will increase in the coming year, as the Karoo 'agterskot', valued at R359.4 million at year-end and currently valued at R425 million, is due to be settled by MAS in February 2016 with the issuing of additional MAS shares."

He adds that ongoing diversification, in South Africa and abroad, plus offshore development opportunities will be two of Attacq's key focus areas, along with developing out of Waterfall City, investing in local opportunities outside of Waterfall and recycling capital to achieve the best growth.

Attacq has already grown its international exposure further in the current year, with a direct investment to acquire a significant 48.75% stake in two leading shopping centres in Cyprus's capital, Nicosia. Attacq secured stakes in the landmark Shacolas Emporium Park and The Mall of Engomi, together valued at an estimated €195 million, in partnership with Atterbury Europe.

This acquisition is part of Attacq's larger Central and Eastern Europe investment strategy, and overall diversification strategy, which will provide increased exposure to the Euro.

Wilken says: "Attacq will remain focused on achieving sustainable capital growth for our shareholders in the coming year through innovative local and international real estate developments and investments."

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