ATTACQ

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SUMMARISED AUDITED FINANCIAL STATEMENTS AND NOTICE OF

ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2017

Contents

www.attacq.co.za

Cover image: Mall of Africa, Waterfall City

Summarised audited Financial Statements and Notice of Annual General Meeting

DEAR SHAREHOLDER

On behalf of the Board of Directors (“**the Board**”) you are invited to attend the Annual General Meeting (“**AGM**”) of Attacq Limited (“**Attacq**” **or** “**the Company**”) to be held at the Conference Centre, Maxwell Office Park, Waterfall City on Thursday, 23 November at 09:00.

The notice of AGM contains the summarised audited **Annual Financial Statements** (“**AFS**”) of the Company and the Group for the year ended 30 June 2017, which were compiled under the supervision of M Hamman CA(SA), Chief Financial Officer of Attacq and audited by Deloitte & Touche (“**Deloitte**”), the Company’s independent auditors who issued an unmodified audit opinion on the AFS of the Company and the Group for the year ended 30 June 2017.

Should you wish to obtain a copy of the complete audited AFS of the Company and the Group for the year ended 30 June 2017 including the Directors’ report, Auditors’ report and Audit and Risk Committee (“**ARC**”) report, they can be obtained from:

- Attacq’s website: www.attacq.co.za; or
- the Company on request.

If you are unable to attend the AGM in person, you are able to vote by proxy in accordance with the instructions on the AGM notice and form of proxy.

Attacq’s Integrated Report will be available on the Company’s website on or about 29 September 2017.

Yours sincerely

P Tredoux
Chairperson

29 September 2017

Notice of Annual General Meeting

Notice convening the Annual General Meeting ("the AGM") of the shareholders of Attacq Limited (registration number 1997/000543/06) ("Attacq" or "the Company"), to be held at the Conference Centre, Maxwell Office Park, Waterfall City on Thursday, 23 November 2017 at 09:00.

GENERAL INSTRUCTIONS AND INFORMATION

Notice is hereby given to the shareholders of the Company of the AGM of the Company for the purpose of conducting the following items of business:

a) to deal with such business as may lawfully be dealt with at the AGM;
b) the presentation of the AFS of the Company and the Group, including the Directors' report, Auditors' report and the ARC report, for the year ended 30 June 2017;
c) consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out herein in the manner required by the Companies Act, 71 of 2008 ("**the Companies Act**"), as read with the Listings Requirements of the JSE Limited ("**the JSE Listings Requirements**"), on which exchange the Company's securities are listed;
d) the presentation of the Independent Auditors' report which includes the International Auditing and Assurance Standards Board's new and revised Auditor Reporting Standards and related conforming amendments; and

A summary of the consolidated audited AFS of the Group is set out on pages 15 to 23 of the notice of AGM. A copy of the complete audited AFS of the Company and the Group for the year ended 30 June 2017 can be obtained from Attacq's website or on request from the Company.

RECORD DATES, PROXIES AND VOTING CONFIRM DATES

Please note the following important dates with regard to the AGM:

Record date for the purposes of receiving this notice	Friday, 22 September 2017
Last date to trade in order to be eligible to participate in and vote at the AGM	Tuesday, 14 November 2017
Record date for voting purposes	Friday, 17 November 2017
AGM to be held at 09:00 on	Thursday, 23 November 2017
Results of AGM published on SENS on	Thursday, 23 November 2017

Please note that if you are the owner of dematerialised shares and are not registered as an "own name" dematerialised shareholder, then you are not a registered shareholder of the Company. Accordingly, in these circumstances, subject to the mandate between yourself and your Central Securities Depository Participant ("**CSDP**") or broker:

- if you wish to attend the AGM, you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation; alternatively
- if you are unable to attend the AGM, but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the AGM and/or request your CSDP or broker to appoint a proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker. CSDPs, brokers or their nominees, recorded in the Company's subregister as holders of dematerialised shares held on behalf of an investor/beneficial owner should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the transfer secretaries, Computershare Investor Services Proprietary Limited, as contemplated below.

If you are a certificated Attacq shareholder or an own name dematerialised Attacq shareholder and are unable to attend the AGM, but wish to be represented at the AGM, then you are entitled to appoint a proxy, who need not also be a shareholder of the Company, to attend, participate in and vote at the AGM in the place of that shareholder by completing the form of proxy. For administrative purposes, shareholders are requested to submit the duly completed and signed form of proxy (attached to this notice), to transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) or by email to proxy@computershare.co.za by 09:00 on Tuesday, 21 November 2017. Alternatively, the form of proxy may be handed to the Chairperson of the AGM or the transfer secretaries at the meeting at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.

Kindly note that in terms of section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and/or passports.

Every resolution and other substantive decision at the AGM put to a vote shall be decided on a poll, rather than being determined on a show of hands. On a poll, every shareholder entitled to vote and be present at the AGM (whether in person or represented by proxy) shall have the number of votes determined in accordance with the voting rights associated with the securities in question. Notwithstanding the aforesaid, the Chairperson of the AGM may at any time during the AGM provided that any resolution may proceed to be decided by way of a show of hands. If voting is by a show of hands, any shareholder who is present at the AGM (whether as a shareholder or as a proxy for the shareholder), and entitled to exercise voting rights, has one vote, irrespective of the number of voting rights that person would otherwise be entitled to exercise.

The quorum requirement for the proposed ordinary and special resolutions set out herein is sufficient persons being present to exercise, in aggregate, at least 35% (thirty-five percent) of all voting rights that are entitled to be exercised on the resolutions, provided that at least 10 (ten) shareholders are present at the AGM. Other than where otherwise stated, the percentage of voting rights required to pass the ordinary resolutions is more than 50% (fifty percent) of the voting rights exercised, and the percentage of voting rights required to pass the special resolutions is at least 75% (seventy-five percent) of the voting rights exercised thereon.

ELECTRONIC PARTICIPATION

The Company intends to offer shareholders reasonable access to attend the AGM through telephonic conference call facilities, in accordance with the provisions of the Companies Act. Shareholders wishing to do so are required to deliver written notice to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or by email to proxy@computershare.co.za by no later than 09:00 on Friday, 17 November 2017 that they wish to participate in the AGM via teleconference call ("**the Electronic Notice**").

In order for the Electronic Notice to be valid, it must contain:

a) if the shareholder is an individual, a certified copy of his/her identity document, driver's licence and/or passport;
b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and/or
c) a valid email address and/or facsimile number ("**the contact address/number**"). Voting on shares will not be possible via electronic communication and accordingly shareholders participating electronically and wishing to vote their shares at the AGM will need to be represented at the AGM, by proxy or by letter of representation. The Company shall use its reasonable endeavours on or before 09:00 on Tuesday, 21 November 2017 to notify each shareholder, who has delivered a valid Electronic Notice, at its Contact Address/Number of the relevant details through which the shareholder can participate in the AGM via telephone conference call. Accessing by this means of communication will be at the expense of the shareholder.

Notice of Annual General Meeting continued

AGENDA FOR THE AGM OF THE COMPANY

1. Welcome by the Chairperson and confirmation of the quorum of the shareholders.

2. Proposing the following resolutions for adoption by the shareholders and should the shareholders deem it fit, adopting such resolutions, with or without modification:

2.1 ORDINARY RESOLUTIONS

2.1.1 Proposed Ordinary Resolution Number 1: Adoption of Company Annual Financial Statements

RESOLVED THAT the AFS of the Company for the year ended 30 June 2017, including the Directors' report, Auditors' report and the ARC report, be and are hereby adopted.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 1 is to adopt the separate AFS of the Company for the year ended 30 June 2017 in accordance with the requirements of the Companies Act, read with the Companies Regulations, 2011.

2.1.2 Proposed Ordinary Resolution Number 2: Adoption of consolidated Annual Financial Statements

RESOLVED THAT the consolidated AFS of the Company and its Group for the year ended 30 June 2017, including the Directors' report, Auditors' report and the ARC report, be and are hereby adopted.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 2 is to adopt the consolidated AFS of the Company and its Group for the year ended 30 June 2017 in accordance with the requirements of the Companies Act, read with the Companies Regulations, 2011.

2.1.3 Proposed Ordinary Resolution Number 3: General authority to issue equity securities for cash

RESOLVED THAT the Board is hereby authorised, as a general authority, to allot and issue 70 281 522 (seventy million two hundred and eighty-one thousand five hundred and twenty-two) securities (excluding treasury shares), being 10% (ten percent) of the issued securities of the Company, for cash as they in their discretion deem fit, subject to compliance with the requirements, if any, of the Company's Memorandum of Incorporation ("**MOI**"), the Companies Act and the JSE Listings Requirements and the following limitations, namely that:

- the general authority shall only be valid until the Company's next AGM or for 15 (fifteen) months from the date of the passing of this ordinary resolution, whichever period is shorter;
- the securities, which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over the 30 (thirty) business days prior to the date that the price of the issue was agreed, in writing, between the Company and the party(ies) subscribing for the securities and an explanation including supporting documentation (if any) of the intended use of the funds will be published after any issue representing, on a cumulative basis within the period for which the above general authorisation is valid (as contemplated above), 5% (five percent) of the number of securities in issue prior to that issue;
- the total aggregate number of securities which may be issued for cash in terms of this authority may not exceed 70 281 522 (seventy million two hundred and eighty-one thousand five hundred and twenty-two) securities, being 10% (ten percent) of the Company's issued securities (excluding treasury shares) as at the date of notice of this AGM. Accordingly, any securities issued under this authority prior to this authority lapsing shall be deducted from the 70 281 522 (seventy million two hundred and eighty-one thousand five hundred and twenty-two) securities the Company is authorised to issue in terms of this authority for the purpose of determining the remaining number of securities that may be issued in terms of this authority;
- in the event of a subdivision or consolidation of securities prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- in determining the price at which an issue of securities may be made in terms of this general authority;

- the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of those securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the Company and the party(ies) subscribing for the securities; and
- any issue will only be made to "public shareholders", as defined by the JSE Listings Requirements and not to related parties.

Although this is an ordinary resolution, in terms of the JSE Listings Requirements the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights to be cast on the resolution.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 3 is to grant the Company the general authority to issue equity securities for cash, in accordance with the provisions of the JSE Listings Requirements. The Board requires the flexibility to enter into transactions for the benefit of the Company and the shareholders as a general body, which transactions may entail elements of allotments and issues of shares in the capital of the Company for cash. The exercise of the powers to be granted to the Board, as contemplated in this ordinary resolution, shall always be subject to compliance with the other requirements of the Companies Act and the provisions of the JSE Listings Requirements.

2.1.4 Proposed Ordinary Resolution Number 4: Re-appointment of Deloitte as the auditors

RESOLVED THAT Deloitte be and hereby is re-appointed as the independent registered auditors of the Company (for the year ending 30 June 2018), with Patrick Kleb as the designated partner of Deloitte who will undertake the audit for the ensuing year.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 4 is to re-appoint Deloitte as the independent registered auditors of the Company. The Company's ARC has confirmed Deloitte's independence and nominated Deloitte for appointment as independent auditors of the Company pursuant to section 90(2)(c) of the Companies Act.

2.1.5 Proposed Ordinary Resolution Number 5: Re-election of Stewart Shaw-Taylor as Director

RESOLVED THAT Stewart Shaw-Taylor who is required to retire by rotation as a Director of the Company at this AGM and who is eligible and available for re-election, is hereby re-elected to serve as an Independent Non-Executive Director of the Company for a period of 3 (three) years, subject to the provisions of the Companies Act pertaining to the cessation of office of director, with immediate effect.

A brief curriculum vitae of Stewart Shaw-Taylor is set out below:

- Appointed: November 2012
- Qualifications: CA(SA), Harvard PMD
- Committees: ARC; Investment Committee

Stewart has more than 32 years' experience in investment banking and real estate. Prior to his retirement on 30 September 2016, he was Head of Real Estate Investments, Corporate and Investment Banking, a division of The Standard Bank of South Africa Limited, responsible for the equity-related real estate activities undertaken by corporate and investment banking.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 5 is to re-elect Stewart Shaw-Taylor as a Director of the Company, his retirement being in accordance with the requirements of the Company's MOI. The Nominations Committee has considered and is satisfied with Stewart Shaw-Taylor's past performance and contribution to the Company and recommends that Stewart Shaw-Taylor is re-elected as a Director of the Company.

Notice of Annual General Meeting continued

2.1.6 Proposed Ordinary Resolution Number 6: Re-election of Hellen El Haimer as Director

RESOLVED THAT Hellen El Haimer who is required to retire by rotation as a Director of the Company at this AGM and who is eligible and available for re-election, is hereby re-elected to serve as an Independent Non-Executive Director of the Company for a period of 3 (three) years, subject to the provisions of the Companies Act pertaining to the cessation of office of director, with immediate effect.

A brief curriculum vitae of Hellen El Haimer is set out below:

- Appointed: August 2013
- Qualifications: BSocSci; LLB; (Hons) Strategic Management, HDip Property Investment
- Committees: ARC; Transformation, Social and Ethics Committee

Hellen is the Managing Director of the FM Institute Proprietary Limited, a facilities and property management consulting company. She also manages an electronic installation company. She is an attorney with over 19 years' post-qualification experience in the legal, property and facilities management fields. Hellen has held executive positions in the Department of Public Works, South African Revenue Service, and Absa Bank Limited. Hellen also worked as a legal adviser at Standard Bank Properties.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 6 is to re-elect Hellen El Haimer as a Director of the Company, her retirement being in accordance with the requirements of the Company's MOI. The Nominations Committee has considered and is satisfied with Hellen El Haimer's past performance and contribution to the Company and recommends that Hellen El Haimer is re-elected, as a Director of the Company.

2.1.7 Proposed Ordinary Resolution Number 7: Re-election of Stewart Shaw-Taylor as Chairperson and member of the Audit and Risk Committee

RESOLVED THAT Stewart Shaw-Taylor, being an Independent Non-Executive Director of the Company, who is eligible and available for re-election, is hereby re-elected as Chairperson and member of the Company's ARC with immediate effect and until the next AGM of the Company, in accordance with section 94(2) of the Companies Act.

A brief curriculum vitae of Stewart Shaw-Taylor is set out under Ordinary Resolution Number 5.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 7 is to re-elect Stewart Shaw-Taylor as the Chairperson and member of the ARC of the Company.

2.1.8 Proposed Ordinary Resolution Number 8: Re-election of Hellen El Haimer as a member of the Audit and Risk Committee

RESOLVED THAT Hellen El Haimer, being an Independent Non-Executive Director of the Company, who is eligible and available for re-election, is hereby re-elected as a member of the Company's ARC with immediate effect and until the next AGM of the Company, in accordance with section 94(2) of the Companies Act.

A brief curriculum vitae of Hellen El Haimer is set out under Ordinary Resolution Number 6.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 8 is to re-elect Hellen El Haimer as a member of the ARC of the Company.

2.1.9 Proposed Ordinary Resolution Number 9: Re-election of Keneilwe Moloko as a member of the Audit and Risk Committee

RESOLVED THAT Keneilwe Moloko, being an Independent Non-Executive Director of the Company, who is eligible and available for re-election, is hereby re-elected as a member of the Company's ARC with immediate effect and until the next AGM of the Company, in accordance with section 94(2) of the Companies Act.

A brief curriculum vitae of Keneilwe Moloko is set out below:

- Appointed: February 2015
- Qualifications: CA(SA), BSc QS (UCT)
- Committee: ARC

Keneilwe is a Chartered Accountant and a Quantity Surveyor. She has expertise in the real estate environment, auditing and investment management. Keneilwe started her career as a Quantity Surveyor with Grinaker Building, Dawson & Frazer and CP De Leeuw Quantity Surveyor. After a period of six years in the construction industry, she returned to her studies to become a Chartered Accountant. On completion of her articles at KPMG working in the financial services and tax divisions, she took up the position of development executive at Spearhead Properties. Thereafter, she joined Coronation as a fixed interest credit analyst and was appointed as a member of the Coronation credit committee. Keneilwe currently serves on a number of listed and unlisted boards.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 9 is to re-elect Keneilwe Moloko as a member of the ARC of the Company.

2.1.10 Proposed Ordinary Resolution Number 10: Re-election of Brett Nagle as a member of the Audit and Risk Committee

RESOLVED THAT Brett Nagle, being an Independent Non-Executive Director of the Company, who is eligible and available for re-election, is hereby re-elected as a member of the Company's ARC with immediate effect and until the next AGM of the Company, in accordance with section 94(2) of the Companies Act.

A brief curriculum vitae of Brett Nagle is set out below:

- Appointed: July 2015
- Qualification: CA(SA)
- Committees: Investment Committee; ARC

Brett joined Rand Merchant Bank in 2002 where he worked until 2013, gaining extensive investment banking, corporate finance and mining experience. Thereafter Brett was Head of Investments for Royal Bafokeng and also served as a non-executive director of Impala Platinum Holdings Limited. Currently Brett is a director of Safe Mode Investments Proprietary Limited t/a Panacea Capital, a company focusing on investment management.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 10 is to re-elect Brett Nagle as a member of the ARC of the Company.

Notice of Annual General Meeting continued

2.1.11 Proposed Ordinary Resolution Number 11: Control over unissued securities

RESOLVED THAT subject to the provisions, if any, of the Companies Act, the JSE Listings Requirements and the MOI, the authorised but unissued securities of the Company be and are hereby placed under the control of the Board, and the Board is authorised to allot, issue, grant options or any other rights exercisable for, authorised but unissued shares in the Company from time to time (including, without limitation, in terms of any transaction falling within clause 8.2.2. of the MOI and/or section 41(1) of the Companies Act) on such terms as may be determined by the Board in its discretion, for such monetary or other consideration (whether payable in cash or otherwise) and to such person or persons as they in their discretion deem it, provided that:

- the number of securities which may be allotted, issued or disposed of under this authority does not in aggregate exceed 74 924 277 (seventy-four million nine hundred and twenty-four thousand two hundred and seventy-seven), being 10% (ten percent) of the Company's issued share capital as at the date of notice of this AGM;
- such allotment, issue or disposal is subject to a maximum discount of 5% (five percent) of the weighted average traded on the JSE of those securities over the then agreed number of business days prior to the date of allotment, issue or disposal or the date that the price of the issue is agreed between the parties as the case may be, adjusted for any dividend where the "ex" date of the dividend occurs during the relevant period; and
- where the allotment or issue is undertaken in terms of a vendor consideration placing pursuant to the JSE Listings Requirements, the minimum placing price is subject to the pricing limitations set out in the JSE Listings Requirements.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 11 is to authorise the Board to issue, or grant rights exercisable for, the unissued authorised shares of the Company. Any issue would be subject to the other requirements of the Companies Act and the JSE Listings Requirements. Such authority shall endure until the next AGM of the Company (at which time this authority shall lapse, unless it is renewed at the aforementioned AGM). The Board requires the flexibility to enter into transactions for the benefit of the Company and the shareholders as a general body, which transactions may entail elements of allotments and issues of shares in the capital of the Company. The exercise of the powers to be granted to the Board, as contemplated in this resolution, shall always be subject to compliance with the other requirements of the Companies Act and the provisions of the JSE Listings Requirements.

2.1.12 Proposed Ordinary Resolution Number 12: Non-binding advisory vote on remuneration policy

RESOLVED THAT, through a non-binding advisory vote, the Company's remuneration policy as set out in Annexure A to this notice of AGM be and is hereby approved.

Motivation/explanation

*The reason for and effect of Proposed Ordinary Resolution Number 12 is to approve the Company's remuneration policy by way of a non-binding advisory vote, as recommended by the King Report on Governance for South Africa ("**King III**").*

2.1.13 Proposed Ordinary Resolution Number 13: Specific authority to issue shares pursuant to a reinvestment option

RESOLVED THAT subject to the provisions of the Companies Act, the Company's MOI and JSE Listings Requirements, the Directors be and are hereby authorised by way of a specific standing authority to allot and issue shares, as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their distributions in new shares of the Company pursuant to a reinvestment option.

Motivation/explanation

The reason for and effect of Proposed Ordinary Resolution Number 13 is to approve that the Directors will have the authority to afford shareholders the opportunity to elect to reinvest their distributions in new shares of the Company pursuant to a reinvestment option.

2.2 SPECIAL RESOLUTIONS

2.2.1 Proposed Special Resolution Number 1: Authorisation to provide financial assistance in terms of section 45 of the Companies Act

RESOLVED THAT the Board may, in accordance with the provisions of section 45(3)(a)(ii) and 45(3)(b) of the Companies Act, and subject to the requirements, if any, of the Companies Act and the Company's MOI, authorise the Company to provide direct or indirect financial assistance ("**section 45 Financial Assistance**"), by way of loans, loan facilities, advances for expenses, assisting with administration of transactions, making payments, extending credit, discharging debts, performing obligations, contractual undertakings, sureties or guarantees, providing related security (including, without limitation, by way of mortgages or pledges of property, cessions of rights, bonds, charges or otherwise) or any other manner of providing financial assistance, on such terms as may be authorised by the Board in accordance with the following:

- Section 45 Financial Assistance can be provided to current and future subsidiaries of the Company and to current and future associated companies of the Company (where an associate means any entity in which the Company owns between 20% (twenty percent) and 50% (fifty percent) of the equity;
- Section 45 Financial Assistance can be provided in respect of the facilitation of the acquisition of equity in the Company by black economic empowered companies or black persons as contemplated in the Broad-Based Black Economic Empowerment Amendment Act, 46 of 2013, read with the amended Codes of Good Practice thereto; and
- Section 45 Financial Assistance may be provided at any time during a period commencing on the date of adoption of this resolution and ending 2 (two) years from such date.

Motivation/explanation

The reason for and the effect of Proposed Special Resolution Number 1 is to authorise the Company to provide financial assistance to the above category of persons and/or entities, in accordance with the provisions of section 45 of the Companies Act. The Board requires the flexibility to enter into transactions for the benefit of the Company and the shareholders as a general body, which transactions may entail elements of financial assistance. The exercise of the powers to be granted to the Board, as contemplated in this special resolution, shall always be subject to compliance with the other requirements of the Companies Act, such as applying the solvency and liquidity test, and the provisions of the JSE Listings Requirements. Notwithstanding the title of section 45 of the Companies Act, being "Loans or other financial assistance to Directors", on a proper interpretation, the body of the section may also apply to financial assistance provided by a company to related or inter-related companies and corporations. Section 45 of the Companies Act provides, inter alia, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the Board must be satisfied that:

a) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act; and

b) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

Notice of Annual General Meeting continued

2.2.2 Proposed Special Resolution Number 2: General authority to repurchase securities

RESOLVED THAT in terms of paragraph 5.67(B)(b), read with paragraph 5.72 of the JSE Listings Requirements, the Company and/or any of its subsidiaries be and are hereby authorised, as a general authority, to repurchase the Company's securities upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine, subject to compliance with the requirements, if any, of the Company's MOI, the Companies Act and the JSE Listings Requirements, and provided that:

- the repurchase of securities is only effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited), or through any other manner approved by the JSE;
- the Company (or any subsidiary) is authorised to do so in terms of its MOI;
- this general authority shall only be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of the passing of this special resolution;
- at any point in time, the Company (or any subsidiary) may only appoint one agent to effect any repurchase(s) on the Company's behalf;
- in any one financial year the general authority to repurchase will be limited to a maximum of 15% (fifteen percent) (or 10% (ten percent) where the repurchases are effected by a subsidiary) of the Company's issued share capital of that class at the time authority is granted in that financial year;
- repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the repurchase transaction is effected;
- repurchases may not be made during a prohibited period, as defined in paragraph 3.67 of the JSE Listings Requirements, unless a repurchase programme (where the dates and quantities of securities to be repurchased during the prohibited period are fixed) is in place and has been submitted to the JSE in writing prior to commencement of the prohibited period;
- an announcement in terms of paragraph 11.27 of the JSE Listings Requirements will be published as soon as the Company or any of its subsidiaries have cumulatively repurchased more than 3% (three percent) of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter; and
- the Board must resolve that the repurchase is authorised, the Company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the Group.

Motivation/explanation

The Company's MOI contains a provision allowing the Company to repurchase securities issued by the Company, subject to compliance with the Companies Act and the JSE Listings Requirements. The reason for and effect of Proposed Special Resolution Number 2 is to grant the Company the general authority to repurchase its securities, in accordance with the provisions of the JSE Listings Requirements. The Board requires the flexibility to enter into transactions for the benefit of the Company and the shareholders as a general body, which transactions may entail elements of repurchases. The exercise of the powers to be granted to the Board, as contemplated in this special resolution, shall always be subject to compliance with the other requirements of the Companies Act, such as applying the solvency and liquidity test, and the provisions of the JSE Listings Requirements.

Having considered the effect of the maximum repurchase of the Company's issued share capital in any one financial year allowed for pursuant to the general authority to repurchase shares, the Board is of the opinion that, for a period of 12 months after the date of this notice of AGM:

(a) the Company and the Group will be able to repay their debts, in the ordinary course of business;

(b) the Company and Group's consolidated assets will be in excess of the consolidated liabilities of the Company and the Group. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited Group Annual Financial Statements; and

(c) the Company and Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

2.2.3 Proposed Special Resolution Number 3: Allotment and issue of shares to Executive Directors, Prescribed Officers and employees of Attacq under the Attacq Long-Term Incentive Plan

RESOLVED THAT, to the extent required by section 41 of the Companies Act, the Board may, subject to compliance with the requirements of the Company's MOI and the Companies Act, each as presently constituted and as amended from time to time, authorise the Company to allot and issue shares in the Company to Executive Directors, future Executive Directors, Prescribed Officers, future Prescribed Officers and employees of the Company pursuant to the Attacq Long-Term Incentive Plan.

Motivation/explanation

The reason for and effect of Proposed Special Resolution Number 3 is to authorise the Board to allot and issue shares to Executive Directors, Prescribed Officers and employees pursuant to the Attacq Long-Term Incentive Plan.

2.2.4 Proposed Special Resolution Number 4: Approval of Non-Executive Directors' fees

RESOLVED THAT the following Non-Executive Directors' fees be and are hereby approved for a period of two years from the passing of this resolution or until its renewal, whichever is the earlier:

Annual fees	Proposed 2018 R	Approved 2017 R
Chairman	400 000	360 00
Lead Independent NED	347 700	–
Board member	302 400	288 000
Audit and Risk Committee Chairperson	132 300	126 000
Audit and Risk Committee member	105 900	100 800
Investment Committee Chairperson	92 400	88 000
Investment Committee member	73 920	70 400
Remuneration and Nominations Committee Chairperson	46 200	44 000
Remuneration and Nominations Committee member	37 000	35 200
Transformation, Social and Ethics ("TSE") Committee Chairperson	46 200	44 000
TSE Committee member	37 000	35 200
Fees per ad hoc meeting		
Investment Committee Chairperson	23 100	22 000
Investment Committee member	18 500	17 600

Motivation/explanation

The reason for and effect of Proposed Special Resolution Number 4 is to authorise the Company to pay the above remuneration and fees to the Non-Executive Directors, as required in terms of sections 66(8) and (9) of the Companies Act.

2.2.5 Proposed Special Resolution Number 5: Approval of future increases to Non-Executive Directors' fees

RESOLVED THAT an annual increase not exceeding inflation as measured by the Consumer Price Index ("**CPI**") of the fees payable by the Company to Non-Executive Directors be and is hereby approved for a period of two years from the passing of this resolution or until its renewal, whichever is the earlier.

Motivation/explanation

The reason for and effect of Proposed Special Resolution Number 5 is to authorise the Company to adjust the fees payable to Non-Executive Directors in accordance with CPI should the Remuneration Committee and the Board determine it is appropriate to do so.

Notice of Annual General Meeting continued

Disclosures in terms of the JSE Listings Requirements

Major shareholders of the Company as at 30 June 2017

	Shares held	%
Coronation Fund Managers Limited	107 658 346	14.37
Sanlam Group	100 089 050	13.36
Government Employees Pension Fund	58 199 177	7.77
Royal Bafokeng Holdings Proprietary Limited	41 439 525	5.53
Total	307 386 098	41.03

Details of the share capital of the Company can be found in note 19 of the AFS.

Material changes

Other than any facts and developments reported on in the AFS, there have been no material changes in the affairs or financial position of the Company and the Group since the date of signature of the independent auditor's report and the date of this notice.

Responsibility statement

The Directors, whose names are given on the inside back cover of this document, collectively and individually, accept full responsibility for the accuracy of the information given in this special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this special resolution contains all information required by law and the JSE Listings Requirements.

General matters: including any matters required to be raised by shareholders

By order of the Board

JKodde

Tasja Kodde

Company Secretary

29 September 2017

Form of proxy

ATTACQ LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/000543/06)
JSE share code: ATT ISIN: ZAE000177218
("Attacq" or "the Company")

For use by shareholders of the Company holding certificated shares and/or dematerialised shareholders who have elected "own name" registration, nominee companies of Central Securities Depository Participants' ("**CSDP**") and brokers' nominee companies, registered as such at the close of business on Friday, 17 November 2017 ("the voting record date"), at the Annual General Meeting of the Company to be held at the Conference Centre, Maxwell Office Park, Waterfall City on Thursday, 23 November 2017, commencing at 09:00 ("**the AGM**"), or any postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders, other than with "own name" registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (block letters)

of (address)

Telephone (Work) Telephone (Cell)

being the holder(s) of ordinary shares in the Company, hereby appoint

1. or failing him/her

2. or failing him/her

3. the Chairman of the AGM,

as my/our proxy to attend, speak and vote (or abstain from voting) and act for me/us and on my/our behalf at the AGM which will be held for the purpose of considering and if deemed fit passing, with or without modification, the resolutions to be proposed thereat and at any adjournment or postponement thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name(s).

	Insert an "X"		
	In favour of	**Against**	**Abstain**
Ordinary Resolution Number			
1. Adoption of Company Annual Financial Statements			
2. Adoption of consolidated Annual Financial Statements			
3. General authority to issue equity securities for cash			
4. Re-appointment of Deloitte as the auditors			
5. Re-election of Stewart Shaw-Taylor as Director			
6. Re-election of Hellen El Haimer as Director			
7. Re-election of Stewart Shaw-Taylor as Chairperson and member of the Audit and Risk Committee			
8. Re-election of Hellen El Haimer as a member of the Audit and Risk Committee			
9. Re-election of Keneilwe Moloko as a member of the Audit and Risk Committee			
10. Re-election of Brett Nagle as a member of the Audit and Risk Committee			
11. Control over unissued securities			
12. Non-binding advisory vote on remuneration policy			
13. Specific authority to issue shares pursuant to a reinvestment option			
Special Resolution Number			
1. Authorisation to provide financial assistance in terms of section 45 of the Companies Act			
2. General authority to repurchase securities			
3. Allotment and issue of shares to Executive Directors, Prescribed Officers and employees of Attacq under the Attacq Long-Term Incentive Plan			
4. Approval of Non-Executive Directors' fees			
5. Approval of future increases to Non-Executive Directors' fees			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If no options are marked the proxy will be entitled to vote as he/she thinks fit.

Signed at on 2017

Signature(s) *Authority of signatory to be attached*

Assisted by *(where applicable)*

Telephone number

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of the Company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the AGM.

For administrative purposes, forms of proxy should be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Johannesburg, posted to PO Box 61051, Marshalltown, 2107 or emailed to proxy@computershare.co.za so as to arrive by no later than 09:00 on Tuesday, 21 November 2017. Alternatively the form of proxy may be handed to the Chairperson of the AGM or to the transfer secretaries at the meeting at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.

Notes

1. This form of proxy is only to be completed by those ordinary shareholders who are:
   (a) holding ordinary shares in certificated form; or
   (b) recorded in the sub-register in electronic form in their "own name", on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, in order to vote at the AGM being held on Thursday, 23 November 2017, and who wish to appoint another person to represent them at the AGM.
2. Certificated shareholders wishing to attend the AGM have to ensure beforehand with the transfer secretaries of the Company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their name.
3. Beneficial shareholders whose shares are not registered in their "own name", but in the name of another, for example, a nominee, may not complete a form of proxy, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the AGM.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space, with or without deleting "the Chairperson of the AGM". The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. However if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares in respect of which you desire to vote. If: (i) a shareholder fails to comply with the above; or (ii) gives contrary instructions in relation to any matter; or any additional resolution(s) which are properly put before the meeting; or (iii) the resolution listed in the proxy form is modified or amended, the shareholder will be deemed to authorise the Chairperson of the AGM, if the Chairperson is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shareholder's votes exercisable thereat. If however the shareholder has provided further written instructions which accompany this form of proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in (i) to (iii) above, then the proxy shall comply with those instructions.
6. The forms of proxy should be lodged at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, posted to PO Box 61051, Marshalltown, 2107 or emailed to proxy@computershare.co.za so as to be received by 09:00 on Tuesday, 21 November 2017. Alternatively the form of proxy may be handed to the Chairperson of the AGM or to the transfer secretaries at the meeting at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.
7. The completion and lodgement of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. In addition to the a foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
8. The Chairperson of the AGM may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes, provided that, in respect of acceptances, he is satisfied as to the manner in which the shareholder(s) concerned wish(es) to vote.
9. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or Computershare Investor Services Proprietary Limited or waived by the Chairperson of the AGM.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.
12. Where there are joint holders of shares:
    (a) any one holder may sign the form of proxy; and
    (b) the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of shares.
13. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the AGM by giving written notice of the appointment of that representative. This notice will not be effective at the AGM unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, to reach them by no later than 09:00 on Tuesday, 21 November 2017. Alternatively, the form of proxy may be handed to the Chairperson of the AGM at the AGM prior to the commencement of the AGM. Alternatively the form of proxy may be handed to the Chairperson of the AGM or to the transfer secretaries at the meeting at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.
14. This form of proxy may be used at any adjournment or postponement of the AGM, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
15. The aforegoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, 2008 (as amended) ("the Companies Act"), as required in terms of that section. In addition, an extract from the Companies Act reflecting the provisions of section 58 of the Companies Act, is attached to this form of proxy.

Extract from the Companies Act

"58. Shareholder right to be represented by proxy

(1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
  (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
  (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.

(2) A proxy appointment:
  (a) must be in writing, dated and signed by the shareholder; and
  (b) remains valid for:
    (i) one year after the date on which it was signed; or
    (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).

(3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
  (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
  (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
  (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.

(4) Irrespective of the form of instrument used to appoint a proxy:
  (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
  (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
  (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by
    (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
    (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

(5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
  (a) the date stated in the revocation instrument, if any; or
  (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).

(6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to
  (a) the shareholder; or
  (b) the proxy or proxies, if the shareholder has:
    (i) directed the company to do so, in writing; and
    (ii) paid any reasonable fee charged by the company for doing so.

(7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.

(8) If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
  (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
  (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
    (i) bear a reasonably prominent summary of the rights established by this section;
    (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
    (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
  (c) the company must not require that the proxy appointment be made irrevocable; and
  (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).

(9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."

ATTACQ

INVEST • DEVELOP • GROW

SUMMARISED CONSOLIDATED

FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2017

Summarised consolidated statement of financial position

	Audited 30 June 2017 R'000	Audited 30 June 2016 R'000
ASSETS		
Non-current assets		
Property and equipment	52 272	33 925
Investment properties	19 735 365	18 043 192
Per valuation	20 536 861	18 644 041
Straight-line lease debtor	(801 496)	(600 849)
Straight-line lease debtor	801 496	600 849
Deferred initial lease expenditure	7 666	6 539
Intangible assets	290 539	312 599
Goodwill	67 774	67 774
Investment in associates and joint ventures	3 153 392	3 126 328
Other financial assets	304 368	222 651
Other investments	11 941	408 339
Deferred tax assets	3 329	24 627
Total non-current assets	24 428 142	22 846 823
Current assets		
Taxation receivable	951	2 411
Trade and other receivables	174 623	290 579
Inventory	25 278	–
Loans to associates and joint ventures	1 250 278	2 302 472
Other financial assets	193 590	100 266
Cash and cash equivalents	447 846	437 281
Total current assets	2 092 566	3 133 009
Non-current assets held for sale	801 483	1 649 845
Total assets	27 322 191	27 629 677
EQUITY AND LIABILITIES		
Equity		
Stated capital	6 456 633	6 442 805
Distributable reserves	6 945 483	5 891 513
Available-for-sale reserve	282 329	847 499
Share-based payment reserve	128 216	100 453
Foreign currency translation reserve	238 254	318 734
Acquisition of non-controlling interests reserve	(104 215)	(116 483)
Equity attributable to owners of the holding company	13 946 700	13 484 521
Non-controlling interests	(43 087)	(13 201)
Total equity	13 903 613	13 471 320
Non-current liabilities		
Long-term borrowings	7 976 110	10 445 221
Deferred tax liabilities	1 932 140	1 892 145
Other financial liabilities	164 696	50 705
Cash-settled share-based payments	1 496	787
Finance lease obligation	83 150	77 745
Total non-current liabilities	10 157 592	12 466 603
Current liabilities		
Other financial liabilities	137 145	109 400
Loans from associates	–	2 880
Taxation payable	7 665	2 260
Cash-settled share-based payments	1 684	5 172
Trade and other payables	501 380	557 662
Provisions	2 777	2 081
Short-term portion of long-term borrowings	2 279 802	265 276
Total current liabilities	2 930 453	944 731
Liabilities directly associated with non-current assets held for sale	330 533	747 023
Total liabilities	13 418 578	14 158 357
Total equity and liabilities	27 322 191	27 629 677
The following information does not form part of the statement of financial position		
Net asset value per share (cents)	1 984	1 923
Net asset value per share adjusted for deferred tax (cents)	2 259	2 189

Summarised consolidated statement of comprehensive income

	Audited 30 June 2017 R'000	Audited 30 June 2016 R'000
Gross revenue	2 060 895	1 621 018
Rental income	1 861 093	1 472 656
Straight-line lease income adjustment	199 802	148 362
Property expenses	(742 277)	(502 745)
Net rental income	1 318 618	1 118 273
Other income	60 463	448 579
Operating and other expenses	(585 730)	(347 315)
Operating profit	793 351	1 219 537
Amortisation of intangible asset	(22 060)	(19 964)
Fair value adjustments	527 581	1 041 553
Investment properties	664 525	1 074 224
Other financial assets and liabilities	(136 944)	(32 452)
Other investments	–	(219)
Gain on available-for-sale financial assets	–	507 524
Net income from associates and joint ventures	249 880	35 098
Investment income	189 536	235 785
Finance costs	(987 411)	(839 975)
Profit before taxation	750 877	2 179 558
Income tax expense	(150 599)	(794 559)
Profit for the year	600 278	1 384 999
Attributable to:		
Owners of the holding company	630 164	1 387 828
Non-controlling interests	(29 886)	(2 829)
Other comprehensive loss		
Items that will be reclassified subsequently to profit and loss		
(Loss) gain on available-for-sale financial assets	(117 827)	315 813
Taxation relating to components of other comprehensive income	(11 269)	93 720
Realisation of available-for-sale financial assets	–	(507 524)
Other comprehensive loss for the year net of taxation	(129 096)	(97 991)
Total comprehensive income for the year	471 182	1 287 008
Attributable to:		
Owners of the holding company	501 068	1 289 837
Non-controlling interests	(29 886)	(2 829)
Earnings per share		
Basic (cents)	89.7	197.9
Diluted (cents)	89.0	196.7

Reconciliation between earnings and headline earnings

	Audited 30 June 2017 R'000	Audited 30 June 2016 R'000
Profit for the year	630 164	1 387 828
Headline earnings adjustments	(468 558)	(1 303 490)
Profit on disposal of associates	(35 695)	(116 734)
Profit on disposal of other investments	–	(30 862)
Profit on disposal of investment property	(15 217)	(836)
Impairment of associates and other investments	244 540	53 880
Realisation of available-for-sale financial assets	–	(507 524)
Impairment of intangible asset	–	11 960
Fair value adjustments	(527 581)	(1 041 553)
Net income from associates and joint ventures	(249 880)	(35 099)
Loss on disposal of subsidiary	–	6 033
Tax effect of adjustments	123 110	369 517
Non-controlling interests' share	(7 835)	(12 272)
Headline earnings	161 606	84 338
Number of shares in issue*	702 815 224	701 395 224
Weighted average number of shares in issue*	702 389 882	701 388 667
Diluted weighted average number of shares in issue*	708 079 085	705 418 136
Headline earnings per share		
Basic (cents)	23.0	12.0
Diluted (cents)	22.8	12.0

** Adjusted for 46 427 553 treasury shares (2016: 46 427 553).*

Summarised consolidated statement of cash flows

	Audited 30 June 2017 R'000	Audited 30 June 2016 R'000
Cash flow generated from operating activities	124 022	140 551
Cash generated from operations	1 033 295	837 693
Investment income	119 368	336 949
Finance costs	(934 930)	(839 975)
Taxation paid	(93 711)	(194 116)
Cash flow generated from (utilised in) investing activities	310 427	(1 166 362)
Property and equipment acquired	(27 319)	(28 499)
Property and equipment disposed	–	180
Investment properties acquired	(1 098 009)	(2 586 047)
Investment properties disposed	50 017	282 572
Associates and joint ventures acquired	(36 227)	(152 488)
Associates and joint ventures disposed	744 845	263 299
Other investments acquired	–	(27 681)
Other investments disposed	–	90 000
Other financial assets (raised) repaid	(175 041)	327 997
Additions to deferred initial lease adjustments	(4 845)	(6 401)
Cash flow relating to non-current assets held for sale	857 006	670 706
Cash flow (utilised in) generated from financing activities	(423 884)	735 296
Capital raised	13 828	3 386
Acquisition of additional interest in subsidiary	–	(13 000)
Long-term borrowings raised	2 355 304	4 944 286
Long-term borrowings repaid	(3 254 770)	(2 672 714)
Loans to associates and joint ventures repaid (advanced)	468 643	(1 477 314)
Loans from associates repaid	–	(68 109)
Payment of cash-settled share-based payments	(2 097)	–
Other financial liabilities (repaid) raised	(4 792)	18 761
Total cash movement for the year	10 565	(290 515)
Cash at the beginning of the year	437 281	727 796
Total cash at the end of the year	447 846	437 281

Summarised consolidated statement of changes in equity

	Stated capital R'000	Distributable reserves R'000	Available-for-sale reserve R'000
Audited balance at 1 July 2015	6 439 419	4 815 584	682 579
Total comprehensive income	–	1 387 828	(97 991)
Profit for the year	–	1 387 828	–
Other comprehensive loss	–	–	(97 991)
Foreign currency translation reserve	–	–	–
Issue of shares	3 386	–	–
Derecognition reserves and non-controlling interests due to sale of subsidiaries	–	(311 899)	262 911
Recognition of non-controlling interests reserve	–	–	–
Modification of equity-settled share-based payments	–	–	–
Recognition of share-based payment reserve	–	–	–
Audited balance at 30 June 2016	6 442 805	5 891 513	847 499
Total comprehensive income	–	630 164	(129 096)
Profit for the year	–	630 164	–
Other comprehensive loss	–	–	(129 096)
Foreign currency translation reserve	–	–	–
Issue of shares	13 828	–	–
Derecognition reserves and non-controlling interests due to sale of subsidiaries	–	423 806	(436 074)
Recognition of share-based payment reserve	–	–	–
Audited balance at 30 June 2017	6 456 633	6 945 483	282 329

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
90 359	45 740	(116 483)	11 957 198	7 252	11 964 450
–	–	–	1 289 837	(2 829)	1 287 008
–	–	–	1 387 828	(2 829)	1 384 999
–	–	–	(97 991)	–	(97 991)
–	431 306	–	431 306	–	431 306
–	–	–	3 386	–	3 386
–	(158 312)	13 000	(194 300)	(17 624)	(211 924)
–	–	(13 000)	(13 000)	–	(13 000)
(9 035)	–	–	(9 035)	–	(9 035)
19 129	–	–	19 129	–	19 129
100 453	318 734	(116 483)	13 484 521	(13 201)	13 471 320
–	–	–	501 068	(29 886)	471 182
–	–	–	630 164	(29 886)	600 278
–	–	–	(129 096)	–	(129 096)
–	(80 480)	–	(80 480)	–	(80 480)
–	–	–	13 828	–	13 828
–	–	12 268	–	–	–
27 763	–	–	27 763	–	27 763
128 216	238 254	(104 215)	13 946 700	(43 087)	13 903 613

Summarised segmental analysis

		Audited 30 June 2017				Audited 30 June 2016			
Business segment	Notes	Revenue R'000	Net profit (loss) R'000	Investment properties R'000	Net asset value R'000	Revenue R'000	Net profit (loss) R'000	Investment properties R'000	Net asset value R'000
Brooklyn Bridge Office Park	1	79 533	(53 539)	525 735	219 475	80 683	4 472	636 999	308 217
Great Westerford*	2	-	-	-	-	33 904	10 792	-	-
Lynnwood Bridge – offices		112 685	47 979	859 473	499 341	100 565	39 666	825 629	483 448
Aurecon building		99 187	30 836	673 537	323 998	98 556	26 705	662 560	281 201
Newtown Junction – offices		80 955	23 285	645 869	110 873	68 852	(1 024)	626 693	196 487
Majestic offices		19 460	9 217	132 940	30 057	21 136	(1 652)	132 510	29 687
PwC Sunninghill		45 861	(56 121)	289 735	(89 150)	45 533	(2 154)	345 199	(44 001)
Waterfall – Altech building*	3	1 097	3 617	-	-	6 431	4 546	43 944	29 991
Waterfall – Cell C Campus		127 477	71 078	831 089	968 462	135 372	65 671	794 486	396 015
Waterfall – Group Five		77 940	48 068	595 727	307 999	71 570	36 430	562 318	238 546
Waterfall – Maxwell Office Park*		59 250	32 420	525 062	309 287	43 170	37 334	486 240	290 359
Waterfall – Novartis		28 199	10 779	220 259	103 109	25 247	9 443	207 963	63 930
Waterfall – Allandale building		27 696	42 937	414 839	180 544	-	-	-	-
Office and mixed-use		759 340	210 556	5 714 265	2 963 995	731 019	230 229	5 324 541	2 273 880
Glenfair Boulevard Shopping Centre		58 124	32 851	455 501	259 152	56 849	27 256	419 044	222 217
Lynnwood Bridge – retail		47 453	8 212	346 552	200 051	44 858	21 616	335 267	175 244
Newtown Junction – retail		81 525	(46 696)	601 929	20 060	83 465	(40 331)	637 826	(56 580)
Garden Route Mall		152 651	48 329	1 318 172	641 973	139 701	56 848	1 247 711	502 504
Brooklyn Mall#		77 300	(10 903)	736 390	347 850	75 601	49 971	740 972	330 398
MooiRivier Mall		122 731	15 284	1 128 318	526 456	119 751	51 998	1 106 356	459 450
Eikestad Mall Precinct^		109 939	31 157	838 609	415 054	104 153	63 512	851 983	380 957
Waterfall – Mall of Africa^		444 953	327 184	4 138 982	2 737 350	79 675	528 840	3 730 216	2 125 461
Waterfall – Waterfall Corner		30 378	(1 126)	212 747	217 483	29 268	18 503	204 741	136 623
Waterfall – Waterfall Lifestyle		21 143	5 772	119 183	49 634	21 142	464	116 153	40 125
Retail		1 146 197	410 064	9 896 383	5 415 063	754 463	778 677	9 390 269	4 316 399
Waterfall – Angel Shack	3	-	-	-	-	2 587	3 546	36 692	27 505
Waterfall – Medtronic	3	-	-	-	-	9 434	11 741	137 800	55 670
Waterfall – Cummins*	3	-	-	-	-	9 074	9 187	94 740	34 339
Waterfall – Dräger	3	-	-	-	-	5 663	1 626	75 294	31 073
Waterfall – Massbuild		39 010	21 817	283 776	117 382	39 793	16 486	256 380	87 619
Waterfall – Torre		13 139	21 477	129 905	59 099	-	-	-	-
Waterfall – Dimension Data		9 258	14 255	85 581	27 917	-	-	-	-
Waterfall – Amrod		26 143	36 029	370 869	100 136	-	-	-	-
Waterfall – Westcon	3	-	-	-	-	8 718	2 990	106 068	39 501
Waterfall – Hilti	3	-	-	-	-	4 591	3 148	59 276	28 978
Waterfall – Servest	3	-	-	-	-	11 999	12 581	157 013	69 180
Waterfall – Stryker	3	-	-	-	-	4 511	2 820	61 314	24 896
Light industrial		87 550	93 578	870 131	304 534	96 370	64 125	984 577	398 761
Newtown Junction – City Lodge		14 195	3 411	110 701	26 298	5 298	11 894	109 484	23 015
Lynnwood Bridge – City Lodge		24 560	13 737	191 466	111 887	21 042	14 089	180 838	91 234
Waterfall – City Lodge		13 935	11 182	105 073	58 817	12 897	(1 858)	94 526	44 980
Hotel		52 690	28 330	407 240	197 002	39 237	24 125	384 848	159 229

		Audited 30 June 2017				Audited 30 June 2016			
Business segment	Notes	Revenue R'000	Net profit (loss) R'000	Investment properties R'000	Net asset value R'000	Revenue R'000	Net profit (loss) R'000	Investment properties R'000	Net asset value R'000
Le Chateau		–	(4)	5 000	2 752	–	(12 004)	5 000	2 753
Waterfall – Development rights	4	–	(50 862)	1 081 968	1 081 968	–	(178 510)	1 174 018	1 174 022
Waterfall – Infrastructure and services	4	–	(7 229)	737 172	713 619	–	(24 502)	1 115 750	832 447
Vacant land		–	(58 095)	1 824 140	1 798 339	–	(215 016)	2 294 768	2 009 222
Waterfall – PwC Tower and PwC Annex~		–	28 562	1 027 098	236 553	–	13 106	463 401	170 114
Waterfall – Gateway West		–	4 348	291 787	275 073	–	–	–	–
Waterfall – K101 warehouse		–	7 443	45 609	23 576	–	–	–	–
Waterfall – BMW		–	13 709	206 448	178 568	–	–	–	–
Waterfall – Waterfall Point		–	(143)	–	25 278	–	–	–	–
Waterfall – Corporate Campus*		–	2 756	28 024	20 481	–	–	–	–
Newtown – Carr Street	3	–	–	–	–	–	–	27 577	27 418
Waterfall – Allandale building		–	–	–	–	–	52 542	322 095	242 397
Waterfall – Torre Industries		–	–	–	–	–	7 003	78 301	50 108
Waterfall – Amrod		–	–	–	–	–	12 490	261 942	131 537
Waterfall – Dimension Data		–	–	–	–	–	4 879	59 345	34 868
Developments under construction		–	56 675	1 598 966	759 529	–	90 020	1 212 661	656 442
MAS Real Estate Inc		–	106 014	–	2 729 308	–	192 968	–	2 722 460
Atterbury Cyprus Limited	3	–	32 866	–	–	–	124 060	–	891 980
Atterbury Africa Limited		–	(104 971)	–	(121 169)	–	(1 685)	–	13 380
Stenham European Shopping Centre Fund Limited		–	(142 104)	–	197 677	–	43 747	–	380 803
Atterbury Serbia B.V.	3	–	8 383	–	–	–	(557)	–	34 237
Gruppo Investment Nigeria Limited		–	(26 491)	–	86 976	–	(23 396)	–	324 751
Grove Mall of Namibia Proprietary Limited		–	16 324	–	184 085	–	36 521	–	163 049
Bagapop Limited	2	–	–	–	–	–	145 019	–	–
Other international		–	(32 502)	–	143 889	–	5 633	–	104 369
International		–	(142 481)	–	3 220 766	–	522 310	–	4 635 029
Head office/other		15 118	(127 445)	–	(755 615)	(71)	(207 462)	–	(977 642)
Total		2 060 895	471 182	20 311 125	13 903 613	1 621 018	1 287 008	19 591 664	13 471 320

[1] Held for sale at 30 June 2017.
[2] Sold during the prior year.
[3] Sold during the current year.
[4] Portion held for sale at 30 June 2017.

Represents Attacq's undivided share in the property:
**50%*
#25%
^80%
~75%

Commentary

HIGHLIGHTS

- Announced revised strategy with planned conversion to a REIT from the 2019 financial year;
- Compounded annual growth rate based on net asset value per share ("**NAVPS**") adjusted for deferred tax ("**Adjusted NAVPS**") for three years ended 30 June 2017 of 11.95% and 28.31% since inception;
- Adjusted NAVPS growth for the current year of 3.2% to R22.59;
- Recycled R1.9 billion of capital;
- Group gearing ratio improved from 39.9% to 37.1%;
- First anniversary of the opening of the crown jewel, Mall of Africa on 28 April 2017;
- Cash generated from operations increased by 23.4% to R1.0 billion;
- Assumed full control of the Waterfall development pipeline with the internalised development team; and
- Fair market value of investment in MAS Real Estate Inc ("**MAS**") increased by 18.9% to R3.5 billion.

COMMENTARY

Introduction

Attacq's vision is to be the premier property company in South Africa with its unique value proposition being its Waterfall development pipeline. This financial year was a year in which Attacq revisited its existing strategy, taking cognisance of lessons learned and implementing a revised strategy with a more focused approach. The business model has been simplified, creating the platform for future growth centred on Attacq's four value drivers. Attacq also took the next step in its journey with the announcement of its planned conversion to a REIT. The revised strategy is focused on delivering both sustainable income distributions and capital growth, through the four value drivers. The anticipated REIT conversion is subject to JSE approval and is targeted to be in place for the financial year commencing 1 July 2018. The repositioning to achieve REIT status has commenced with the reduction of debt from the proceeds received from the disposal of its Central and Eastern European investments, including the investment in Stenham European Shopping Centre Fund Limited ("**Stenham**").

Attacq's value proposition has four key value drivers, namely its:

1. Quality South African operational portfolio;
2. Strategic investment in MAS;
3. Waterfall development portfolio; and
4. Rest of Africa retail investments.

Performance

Notwithstanding the disappointing low growth in NAVPS caused mainly by a R243.2 million foreign exchange loss and impairments of R220.0 million relating to the rest of Africa assets and the Stenham investment, good progress was made in disposing non-core assets and improving gearing levels. Attacq will continue to focus on maximising value creation from the four value drivers to deliver capital and distribution growth.

Net asset value ("NAV") and NAVPS

Adjusted NAVPS increased by 3.2% from R21.89 to R22.59, and NAVPS increased by 3.2% from R19.23 to R19.84.

QUALITY SOUTH AFRICAN OPERATIONAL PORTFOLIO

Overview

Attacq has a high-quality operational portfolio of retail, commercial and industrial properties with a weighted average lease expiry profile of 6.4 years (2016: 6.7 years). The value of the existing South African operational portfolio increased to R18.1 billion (2016: R17.1 billion), comprising 66.1% (2016: 61.9%) of total gross assets. During the financial year, four newly developed buildings totalling 70 914 m^2 primary gross lettable area ("**PGLA**") were added to the portfolio whilst eight industrial and one office building were sold.

Property	Sector	Practical completion date	PGLA m^2	Occupancy %
Allandale building	Office	August 2016	15 359	>69
Dimension Data	Industrial	August 2016	8 291	100
Torre Industries	Industrial	August 2016	9 327	100
Amrod	Industrial	December 2016	37 937	100
Total			70 914	>93

Net rental income

Net rental income, which includes straight-line lease income adjustments, increased by 17.9% to R1.3 billion. A year-on-year comparison of the net rental income is less meaningful, due to the four buildings that were completed during the current year (2016: eight buildings) as well as the inclusion of the mall's operational results for only two months in the previous financial year. The mall has created 4 000 permanent jobs and generated an average monthly trading density of R2 564 m^2 during the financial year, which is exceptional in the first year of trading of a regional mall.

Vacancies

Overall portfolio vacancies, measured in terms of PGLA, increased by 4 690 m^2 when compared with vacancies at 30 June 2016. Subsequent to year end, 4 431 m^2 of PGLA was let, reducing vacancies as a percentage of total PGLA to 2.4%. Vacancies that were filled post-year end relate mainly to the Allandale Building, the Mall and Waterfall Corner. The remaining vacancies are mainly attributable to Brooklyn Bridge Office Park, Newtown Junction and The Majestic. Attacq's industrial and hotel properties are fully tenanted.

	30 June 2017		30 June 2016	
Sector	Vacancy %	Vacant PGLA m^2	Vacancy %	Vacant PGLA m^2
Retail	2.4	7 869	2.1	7 070
Office	5.0	13 094	4.0	9 203
Portfolio vacancy	3.0	20 963	2.4	16 273

Property expenses

Property expenses increased by 47.6% or R239.5 million to R742.3 million mainly due to the inclusion of the mall's trading activities for a full year as well as the four completed investment properties that were added to the portfolio. Municipal charges of R423.9 million (2016: R323.4 million) are included in property expenses. The adjusted cost-to-income ratio on a gross basis is 35.5% (2016: 34.1%) and 18.9% (2016: 14.6%) on a net basis. The cost-to-income ratios weakened mainly due to increased marketing, cleaning, refurbishment and security costs.

Restructuring of Eikestad Precinct properties

Attacq entered into a sale agreement with the existing co-owner, Key Capital Property Holdings Proprietary Limited, in terms of which Attacq sold a 20.0% undivided share in Andringa Walk for an amount of R37.0 million. The effective date of the transaction was 1 July 2016. The transaction was concluded to create alignment within the entire Eikestad precinct with Attacq's local partner, as well as to unlock further value from this dominant retail centre in the heart of Stellenbosch.

Disposals

Waterfall industrial properties – joint venture with Equites Property Fund Limited ("Equites")

Attacq and Equites have established a joint venture, EA Waterfall Logistics JV Proprietary Limited ("**EAJV**"), in respect of a portfolio of eight industrial properties at Waterfall, effective from 1 July 2016. The following completed industrial properties were transferred on 31 August 2016 into EAJV: Angel Shack, Cummins (50.0% undivided share), Dräger, Hilti, Medtronic, Servest, Stryker and Westcon. Equites subscribed for an 80.0% shareholding in EAJV, for a subscription consideration of R292.7 million. Attacq holds the remaining 20.0% of EAJV which had an investment value of R91.4 million as at 30 June 2017. This partnership aligns Attacq and Equites, a Cape Town-based industrial property focused company which has strong relationships within the industrial sector.

Commentary continued

Altech building

The Altech building, in which Attacq owned a 50.0% undivided share, was sold in June 2017 for a total consideration of R101.0 million.

STRATEGIC INVESTMENT IN MAS

Overview

As at 30 June 2017, Attacq's effective shareholding in MAS was 30.6% down from 41.4% as at 30 June 2016, mainly due to a capital raising undertaken by MAS in which Attacq did not participate. The market value of Attacq's investment, using the 30 June 2017 MAS share price of R23.50 (2016: R20.12) equates to R3.5 billion (R2.9 billion) representing an annual pre-tax capital growth of 18.9%. During the financial year Attacq received a dividend of R105.3 million (2016: R101.2 million), representing a 3.6% income return, based on the 30 June 2016 market value.

Attacq's equity accounted investment at 30 June 2017 is R2.7 billion (2016: R2.7 billion) which is unchanged from the previous year. The flat year-on-year result in Rand terms is a result of a 9.0% strengthening of the Rand against the Euro and MAS paying out total distributions of 4.9 Euro cents during the year, countered by an 8.0% increase in MAS NAVPS from 115.0 Euro cents per share to 125.4 Euro cents per share.

The value of the MAS property portfolio benefited from fair value gains of Euro36.8 million during the year, largely attributed to MAS's New Waverley development located in Edinburgh, Scotland. Phase I of the development, comprising three hotels and 21 retail units, was completed during the year and the 36 000 m^2 Phase II is underway following the securing of a 25-year UK government lease for a 19 000 m^2 office which will introduce 3 500 office users to the node.

MAS's investment joint venture with Prime Kapital acquired three retail properties during the year, namely Nova Park (Gorzów, Poland), Galeria Burgas (Burgas, Bulgaria) and Galeria Stara Zagora (Stara Zagora, Bulgaria), adding a total of 71 400 m^2 GLA to MAS's property portfolio. The joint venture intends to extract further value from these acquisitions by way of active asset management and/or expansion possibilities.

The Prime Kapital development joint venture has exceeded MAS's initial expectations in terms of development opportunities acquired and secured to date. The venture is now targeting developments in excess of Euro1 billion across the Central and Eastern European region of which Euro665 million thereof has been secured. MAS has increased its commitment to the venture from Euro200 million to up to Euro350 million in order to fund this pipeline.

MAS has proposed paying a dividend of 3.19 Euro cents per share in respect of the six months to 30 June 2017. This would result in a total distribution of 5.9 Euro cents per share in relation to the 2017 financial year, representing a 30.0% increase on the prior year distribution. MAS remains on target to achieve its guidance of 30.0% annual growth in distributions through to 2019.

WATERFALL DEVELOPMENT PORTFOLIO

Overview

Waterfall's location and ease of access create an attractive value proposition for continued development of a new city in the centre of Gauteng. Attacq has approximately 1.0 million m^2 (2016: 1.3 million m^2) of remaining developable bulk in Waterfall.

This bulk is ungeared and 608 000 m^2 is already serviced and immediately available for the value accretive roll out of commercial, residential and industrial developments.

The Waterfall development portfolio value increased to R3.6 billion (2016: R3.4 billion), comprising 13.0% (2016: 12.2%) of total gross assets. The values below include non-current assets held for sale.

	30 June 2017 R'000	30 June 2016 R'000
Developments under construction	1 598 966	1 185 084
Development rights	1 081 968	1 059 298
Infrastructure and services	737 172	1 111 772
Investment in Land Parcels 3 and 24	140 999	–
Vacant land	5 000	5 000
Total	3 564 105	3 361 154

Developments under construction

The secured development pipeline, in various stages of progress, includes new regional headquarters for PwC, Deloitte as well as the new BMW Group South Africa Regional Distribution Centre.

As at 30 June 2017 the following properties were under development:

Property	Sector	Anticipated completion date	PGLA m^{2*}	Pre-let %
Waterfall City				
PwC Tower and Annex~	Office	February 2018	45 223	100
Gateway West	Office	August 2017	13 405	–
Corporate Campus Phase 1+	Office	November 2017	5 840	>50
Waterfall Logistics Hub				
BMW Group South Africa Regional Distribution Centre	Industrial	November 2017	32 000	100
K101 warehouse	Industrial	September 2017	8 523	–
Massbuild Extension	Industrial	November 2017	9 770	100
Total			114 761	>78

** Estimated PGLA for 100% of development. Subject to change upon final re-measurement post completion.*
~ Attacq has a 75% undivided share in the property.
+ Attacq has a 50% undivided share in the property.

Attacq's attributable share of the total of 114 761 m^2 PGLA is 100 535 m^2.

Development rights

Development rights relate to the contractual rights held by Attacq Waterfall Investment Company Proprietary Limited ("**AWIC**") to develop certain Waterfall land parcels. These rights form a material element of the overall land valuation. In addition to the 1.0 million m^2 of developable bulk referred to above, Attacq shares in the development rights relating to the two joint ventures with Sanlam Properties, a division of Sanlam Life Insurance Limited ("**Sanlam Properties**"). As at 30 June 2017 the value of Attacq's interest in these joint ventures was R141.0 million.

A maximum roll-out development period of 12 years was incorporated in the development rights valuation process.

Infrastructure and services

The reduced value of infrastructure and services is attributable to an allocation of related service costs incurred by developments under construction. Whilst this asset currently generates no cash return, it creates the platform for future economic benefits from top structure developments.

Commentary continued

Development pipeline

Waterfall Corporate Campus Office Park – Land Parcel 10B

Attacq and Zenprop Property Holdings Proprietary Limited have established a 50/50 joint venture to develop the Corporate Campus Office Park, with an approximate total development expense of R875.9 million. The Waterfall development comprises six multi-tenanted office buildings with an estimated total PGLA of 34 000 m^2. The first tenant has been secured and development of phase I (5 840 m^2 of PGLA) has commenced.

Mixed-use development with the Barrow Group – Land Parcel 10

Attacq and the Barrow Group have established a 50/50 joint venture to develop The Atria, a mixed-use precinct adjacent to the mall comprising three office buildings, one residential tower with approximately 120 rental apartments and a hotel. The hotel development will be sold prior to the commencement of construction. The total development expense, for this 37 000 m^2 GLA precinct, is estimated at R981.5 million.

River Creek – Deloitte corporate consolidation

Attacq and Atterbury Property Holdings Proprietary Limited ("**Atterbury**") have established a 50/50 joint venture to develop River Creek, a corporate consolidation for Deloitte in Waterfall City. The development on completion will comprise a PGLA of approximately 42 500 m^2 allowing for occupation of 3 700 staff. The completion date is the first quarter of 2020 and the estimated development expense is R1.3 billion.

Waterfall Point Office Park – Land Parcel 15

Waterfall Point is a P-grade sectional title office park which will be situated opposite Waterfall Corner along the R55 in Waterfall. The office park will consist of four similar office buildings with a total PGLA of 9 584 m^2. Conditional sale agreements have been entered into for all four buildings. As this office park will be developed for disposal, the cost of R25.3 million assigned to the development has been classified as inventory.

Disposals

Waterfall Junction (Land Parcel 3 and 24) – two joint ventures with Sanlam Properties

Attacq disposed of, with an effective date of 1 July 2016, 15 000 m^2 of its retail development rights on Land Parcel 3 to a separate joint venture company with Sanlam Properties titled Waterfall JVCO 15 Proprietary Limited ("**JV15**"). JV15 also acquired the remaining retail development rights on the same land parcel from a Mia affiliate company. JV15 is funded by the two shareholders with Attacq's 30 June 2017 investment therein at R34.0 million. Attacq and Sanlam Properties each hold 50.0% in JV15.

Attacq, in addition, has disposed of its development rights in respect of Land Parcel 24, Waterfall, to a new joint venture company, Waterfall JVCO 115 Proprietary Limited ("**JV115**"). The shareholding in JV115 is 20.0% held by Attacq and 80.0% by Sanlam Properties. Attacq has an option to increase its shareholding in JV115 to 50.0%. As part of the transaction, JV115 acquired additional light industrial development rights from a Mia affiliate company for R371.6 million. JV115 is funded by shareholders loans with Attacq's 30 June 2017 investment at R103.7 million. After conclusion of the transaction, the total development rights in JV115 amount to 656 054 m^2. The effective date of the transaction was 1 July 2016.

Attacq has been appointed development manager and asset manager for both of these joint ventures.

REST OF AFRICA RETAIL INVESTMENTS

Overview

The value of Attacq's rest of Africa retail investments was R1.2 billion (2016: R1.4 billion), comprising 4.5% (2016: 4.9%) of total gross assets. The net reduction over the year was mainly due to Rand appreciation and further impairments.

Attacq's African investments are held via its:

- 25.0% shareholding in Gruppo Investment Nigeria Limited ("**Gruppo**"), the owner of Ikeja City Mall, located in Lagos, Nigeria;
- 31.8% shareholding in AttAfrica Limited ("**AttAfrica**"), which is invested in five retail properties in Ghana and Zambia; and
- 25.0% interest in Grove Mall of Namibia Proprietary Limited ("**Grove Mall**"), owner of The Grove Mall of Namibia.

As at 30 June 2017, the Group's investment into Gruppo totalled R286.5 million (2016: R326.7 million) and its investment in AttAfrica, through its shareholder loan, amounted to R776.2 million (2016: R877.4 million). As a result of the unfavourable trading and economic conditions, impairments totalling R103.5 million (2016: R80.3 million) have been recognised in the current year. Currently Attacq is not receiving distributions from AttAfrica, in light of the unfavourable trading and macro-economic conditions as well as the structure of Attacq's investment in AttAfrica.

In the 2017 financial year, sub-Saharan Africa's economies were characterised by poor economic and operating conditions on the back of weak commodity prices, volatile exchange rates and rising local interest rates. Nigeria in particular experienced significant economic pressures due to continued low global oil prices, a lack of USD liquidity and high inflation. This environment placed severe pressure on tenants and consumers. The second half of the year saw some improvement in macro-economic conditions. Nigeria's USD liquidity improved during the third quarter of the financial year due to rising oil revenues and a more accommodative foreign exchange policy. Zambia's economy benefited from rising copper prices and improved rainfall; whilst in Ghana, improved conditions have allowed for interest rate cuts which will assist consumers going forward.

During the year the construction of Kumasi City Mall located in Kumasi, Ghana, was completed. The mall opened on 20 April 2017.

Management continues to focus on asset management activities in order to optimise net income and value. It is noted that a liquidity event in early 2020 is provided for in the AttAfrica shareholders' agreement giving Attacq an opportunity to realise its investment and redeploy the proceeds.

The value of Attacq's 25.0% shareholding in Grove Mall has increased by 16.2% to R151.3 million (2016: R130.3 million).

At 30 June 2017, the retail properties in which Attacq has an interest together with the vacancy percentages were as follows:

Property	Location	Owner	PGLA m^2	Vacancy %	Attacq's effective interest %
Manda Hill Mall	Lusaka, Zambia	AttAfrica	40 561	5.4	15.9
Accra Mall	Accra, Ghana	AttAfrica	21 349	–	15.0
West Hills Mall	Accra, Ghana	AttAfrica	27 560	5.3	14.3
Achimota Retail Centre	Accra, Ghana	AttAfrica	15 006	6.1	23.9
Kumasi City Mall	Kumasi, Ghana	AttAfrica	17 948	26.5	23.9
Ikeja City Mall	Lagos, Nigeria	Gruppo	22 223	–	25.0
The Grove Mall of Namibia	Windhoek, Namibia	Grove Mall	52 809	0.5	25.0

Commentary continued

FINANCIAL POSITION

Investment properties

As per the table below, investment properties increased by 9.4% to R19.7 billion representing 72.2% (2016: 65.3%) of the total gross assets of the Group. The information below excludes investment properties disclosed as non-current assets held for sale.

	30 June 2017 R'000	30 June 2016 R'000
Completed buildings	17 163 784	15 282 887
Developments under construction	1 598 966	1 185 084
Development rights	1 058 236	1 059 298
Infrastructure and services	710 875	1 111 772
Vacant land	5 000	5 000
Per valuation	20 536 861	18 644 041
Straight-line lease debtor	(801 496)	(600 849)
Total	19 735 365	18 043 192

Investments in and loans to associates

Atterbury Serbia B.V. ("Atterbury Serbia")

On 12 August 2016, Attacq invested a further R100.3 million into Atterbury Serbia to part fund Atterbury Serbia's increase in shareholding in BreAtt B.V. ("**BreAtt**") from 33.0% to 50.0%. Attacq's effective shareholding in BreAtt increased from 8.3% to 12.5% at this time. On 27 January 2017, Attacq invested R23.8 million to fund its share of the purchase price of Borca Shopping Centre, adding a seventh retail property to BreAtt's portfolio, including Serbia's largest mall Ušce Shopping Centre, located in Belgrade.

Disposal of investments in Atterbury Serbia and Atterbury Cyprus Limited ("Atterbury Cyprus")

Subsequent to the abovementioned transactions and following a strategic review, the Board resolved to reduce Attacq's exposure to international assets by disposing of Atterbury Serbia and Atterbury Cyprus and in turn focus on MAS as Attacq's primary entry point into Europe. As a result, Attacq disposed of its shareholdings and loan accounts in Atterbury Cyprus and Atterbury Serbia to Atterbury Europe B.V. ("**Atterbury Europe**") for an aggregate consideration of Euro93.0 million, realising R1.4 billion in cash.

Artisan Development Partners Limited ("ADP")

During the financial year, Attacq invested a total of R118.4 million into ADP for investments into three UK-based development opportunities located in Kent, England and Edinburgh and Glasgow in Scotland. ADP's investment focus is on acquiring properties and land for re-zoning and development. The total investment value at year end was R134.0 million (2016: R40.6 million).

No further investments will be made into ADP taking into account Attacq's strategic focus on MAS as its primary European investment vehicle.

Other financial assets

Other financial assets comprise mainly of loan accounts provided to Atterbury and the 25.0% partner in the new PwC Tower development.

The Atterbury loan relates to the acquisition of their 20.0% undivided share in the mall. The amount due by Atterbury in respect of 18.8% of the mall was settled on completion of the mall, with the balance of 1.2% to be settled based on the 30 June 2017 fair market value of the mall, as determined by an external independent valuer. This loan, with a 30 June 2017 outstanding balance of R65.5 million (2016: R62.6 million), has been settled post-year end.

The loan of R243.1 million (2016: R86.1 million) provided to the PwC Tower development partner has similar terms and conditions to the debt raised by AWIC in respect of the PwC Tower development.

Non-current assets held for sale

As at 30 June 2017 the following assets were classified as non-current assets held for sale:

The Atria development

The Group classified 50.0% of the development rights as well as infrastructure and service costs relating to the mixed-use Atria development as held for sale. The 30 June 2017 value is R50.0 million.

Brooklyn Bridge Office Park

Management no longer considers the R553.0 million (2016: R637.0 million) Brooklyn Bridge Office Park to be a core asset, resulting in the active intention to dispose of the asset. The value has decreased substantially, year on year, due to the impact of an anticipated vacancy in May 2018.

Stenham European Shopping Centre Fund Limited ("Stenham")

The 19.9% interest in Stenham, the owner of the Nova Eventis regional shopping centre in Leipzig, Germany is recognised at a value of R197.7 million (2016: R380.8 million). This investment was included in other investment in the previous financial year.

Following a protracted disposal process, Stenham concluded a conditional agreement to dispose of the intermediary holding company which owns Nova Eventis at net asset value determined with reference to a valuation of Euro208.5 million for the shopping centre. Consequently, included in the results for this financial year, relating to Stenham, is a pre-tax negative fair value adjustment of R116.6 million.

Subsequent to year end, merger clearance from the European Commission and shareholder approval has been obtained, following which the disposal was implemented and more than 95.0% of the expected proceeds of R197.7 million have been received with the balance to follow in October 2017 and July 2018.

Borrowings

Total interest-bearing borrowings net of cash decreased by 8.0%, compared to 30 June 2016 (2016: 30.2% increase compared to 2015) mainly due to a portion of the proceeds (R582.6 million) from the sale of Atterbury Cyprus and Atterbury Serbia being used to reduce debt. Subsequent to year end, the balance of the proceeds amounting to R737.4 million was applied against debt.

Gearing, calculated as total interest-bearing debt less cash on hand as a percentage of total assets, improved from 39.9% as at 30 June 2016 to 37.1% as at 30 June 2017. In order to mitigate interest rate risk, as at 30 June 2017, approximately R10.9 billion (2016: R11.0 billion) or 90.8% (2016: 79.5%) of total committed facilities of R12.0 billion (2016: R13.8 billion) were hedged by way of fixed interest rate loans and interest rate swaps. This is well in excess of the 70.0% minimum interest rate hedging policy set by the Attacq Board. The weighted average cost of funding remained flat over the last 12 months at 9.2% (2016: 9.2%).

Approximately 24.7% or R2.6 billion of the Group's interest-bearing debt is due for repayment over the next 12 months including R330.5 million relating to non-current assets held for sale. An amount of R378.9 million of the R2.6 billion was settled after year end. Funding of R1.6 billion, which is included in the short-term portion, relates to 50.0% of the total senior debt provided to the Attacq Retail Fund Proprietary Limited and Lynnwood Bridge Office Park Proprietary Limited portfolios during May 2015. The maturity date of this funding is May 2018 and in this regard attractive refinance proposals from existing lenders, as well as new lenders looking to establish funding relationships with the Group, have been received. The funding team is finalising allocations in this regard.

FINANCIAL PERFORMANCE

Profit for the year reduced by R784.7 million or 56.7% mainly due to the strengthening of the Rand, reduction in other income and fair value adjustments as well as the once off realisation of the MAS agterskot of R479.8 million in the previous year.

Other income

Other income reduced from 2016's R448.6 million to R60.5 million due to a stronger Rand and once off disposal profits which were included in 2016. The material decrease is due to the fact that the previous year included unrealised foreign exchange gains of R211.6 million, a R145.0 million profit on the disposal of the interest in Bagaprop Limited and Mall of Mauritius at Bagatelle Limited, a R44.0 million profit on the disposal of MAS shares and a R33.3 million profit on the disposal of Attacq's 10.0% shareholding in Atterbury.

Commentary continued

Operating and other expenses

Operating and other expenses consists of operating expenses of R159.6 million (2016: R139.5 million) and other expenses of R426.1 million (2016: R207.8 million).

The material increase in other expenses is primarily attributed to the Stenham impairment of R116.6 million, the AttAfrica impairment of R82.8 million (2016: R58.3 million), a R20.6 million (2016: R22.0 million) impairment on the Ikeja Mall investment and unrealised foreign exchange losses of R162.7 million.

Fair value adjustments

Total fair value adjustments for the financial year, which include fair value adjustments on investment properties and marked-to-market movements on the interest rate swaps, reduced by 49.3% to R527.6 million (2016: R1.1 billion).

Compared to the prior year, fair value adjustments on investment properties decreased by 38.1% to R664.5 million (2016: R1.1 billion) and are made up as follows:

	30 June 2017 R'000	30 June 2016 R'000
Completed buildings	536 936	557 949
Developments under construction	193 133	758 314
Development rights	(65 544)	(230 039)
Land	–	(12 000)
Total fair value adjustments to investment properties	664 525	1 074 224

The main reason for the year-on-year reduction of fair value adjustment in developments under construction relates to the mall which was completed during the previous financial year.

Property valuations as at 30 June 2017 are based on external valuations performed by Jones Lang LaSalle Proprietary Limited, Sterling Valuation Specialists and Mills Fitchet Magnus Penny & Wolffs. The Directors have made adjustments for straight-lining and cost to complete.

The valuation in respect of Waterfall's development rights is based on an external valuation performed on a freehold, fully serviced basis. The valuation is then adjusted downward to take into account, inter alia, the costs required to complete the servicing of the development rights and the estimated future rental obligations attached to the development rights.

For the current year a pre-tax loss of R136.9 million (2016: R32.5 million) was recorded on the marked-to-market valuation of the interest rate swap.

Net income from associates

Net income from associates for the current year includes income of R190.0 million (2016: loss of R81.6 million) from MAS, income of R20.7 million (2016: R126.1 million) from Atterbury Cyprus and income of R10.9 million (2016: R3.4 million) from Atterbury Serbia.

Investment income

Investment income for the current year reduced by 19.6% to R189.5 million (2016: R235.8 million) from the previous year. Included in investment income is interest income of R189.0 million (2016: R182.9 million) and dividend income of R0.5 million (2016: R52.8 million). Interest income from international investments, via loan accounts, amounted to R134.3 million (2016: R146.5 million).

Excluded from investment income is the MAS dividend received of R105.3 million (2016: R101.2 million), as this dividend is applied to reduce the value of the investment in associate.

Finance costs

The increase in finance costs of 17.6% to R987.4 million (2016: R840.0 million) compared with the prior year is attributable to the completion of the four buildings (2016: eight buildings) in the financial year, as well as the fact that the mall was completed in April 2016. Once a property is completed, finance costs post-completion are expensed and no longer capitalised to the specific development.

CHANGE IN DIRECTORS

No changes to the Board have occurred during the financial year. However, effective 1 July 2017, LLS van der Watt resigned from the Board as a Non-Executive Director.

SUBSEQUENT EVENTS

The Directors are unaware of any matters or circumstances arising subsequent to 30 June 2017 that require any additional disclosure or adjustment to the annual financial statements.

PROSPECTS

In South Africa, Attacq has strategically focused on Waterfall, with the objective of developing Waterfall City – an integrated city that works, as well as the Waterfall Logistics Hub – Gauteng's logistic hub of choice. The node continues to grow, with four new buildings completed during the year under review adding 70 914 m^2 of PGLA.

Waterfall is the ideal location for corporate consolidation due to its central location and ease of access to the rest of Gauteng. Tenants who have relocated to Waterfall include Premier Foods, Group Five, Novartis, Massmart, Cummins and Cell C. In addition, PwC will be consolidating in Waterfall on completion of the PwC Tower in early 2018, with Deloitte due to relocate to Waterfall City on completion of the River Creek building in the first quarter of 2020.

The location of Waterfall's Logistic Hub between Johannesburg and Pretoria, with its close proximity to major highways and transport routes, makes it a natural location for distribution centres and other light industrial users. The joint venture with Sanlam Properties has further increased the land available for industrial developments.

As Waterfall City and its surrounds continue to develop, the increasing density will benefit the mall's trading densities, increasing further value in the years to come.

Outside of Waterfall, Attacq will continue to optimise and extract further value from its South African portfolio of high quality properties, including its portfolio of regional malls. On an international front, Attacq's strategic investment in MAS is expected to provide continual benefit from MAS's revised strategy of focusing on distributable income growth underpinned by its attractive income-generating investments and the development pipeline in Central and Eastern Europe.

Attacq is currently not looking at increasing its investments in the rest of Africa.

Attacq is targeting a maiden dividend payment from its income-producing assets, namely the existing quality operational portfolio and MAS investment, of 73 cents per share for the year ended 30 June 2018 with a 20.0% growth per annum in its distributions for the next three years. The guidance is based on assumptions which include forecast 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 distribution targets, the required positioning to become a REIT and that no unforeseen circumstances such as major corporate tenant failures or macro-economic instability materialise. The guidance has not been reviewed or reported on by Attacq's auditors.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised provisional consolidated financial statements for the year ended 30 June 2017 have been prepared in accordance with the requirements of the JSE Listings Requirements applicable to summarised provisional reports and the requirements of the Companies Act, 71 of 2008 of South Africa 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*.

Commentary continued

This report was compiled under the supervision of M Hamman CA(SA), Chief Financial Officer of Attacq.

The accounting policies applied in the preparation of the summarised provisional 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 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 6.3% and 9.8% (2016: 6.3% and 9.5%). Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations. A 50-basis points weakening in the capitalisation rate will decrease the value of investment properties by R640.5 million (2016: R603.3 million). A 50-basis points improvement in the capitalisation rate will increase the value of investment properties by R746.2 million (2016: R690.6 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-basis points weakening in the discount rate will decrease the value of investment properties by R557.7 million (2016: R462.8 million). A 50-basis points improvement in the discount rate will increase the value of investment properties by R592.1 million (2016: R480.9 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 the information required pursuant to paragraph 16A(j) of IAS 34. The full set of AFS 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 consolidated and separate financial statements for the year ended 30 June 2017. 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 and separate financial statements is available for inspection at the Company's registered office during normal business hours.

These summarised provisional consolidated financial statements have been derived from the Group's consolidated financial statements and are consistent in all material respects with the Group's consolidated financial statements for the year ended 30 June 2017, but is not itself 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. 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 2017 from the Company's registered office during normal business hours.

On behalf of the Board

P Tredoux
Chairperson

MC Wilken
Chief Executive Officer

11 September 2017

Annexure A

ATTACQ REMUNERATION POLICY

1. Overview and reward philosophy

The reward philosophy consists of a set of beliefs which underpin the remuneration strategy of Attacq Limited ("**Attacq**" or "**the Company**") and its subsidiaries (collectively "**the Group**"). It governs reward policies and provides the foundation for the guiding principles which determine how reward processes operate. Attacq is committed to maintaining policies which are transparent and easy to understand. Remuneration as a management process is fully integrated into other human resource processes such as the performance management and talent management systems.

Attacq's philosophy is to structure remuneration in a way that ensures a fair and equitable level of pay for all employees, and which is formulated in a manner which attracts, retains, motivates and rewards high-calibre employees. Through the various components of remuneration, high and sustainable levels of team and individual performance, which are aligned with the strategic direction and specific values of the Group, are encouraged. Policies strive to ensure that a careful balance between risk and reward is maintained at all times.

Attacq aims to position guaranteed remuneration at the median of the market, with superior performance at stretch levels enabling management, including executives, to achieve remuneration levels in excess of median levels, where truly deserved.

2. Scope and application

This remuneration policy ("**the policy**") sets the broad Group remuneration philosophy and standards for all permanent employees, and includes detail regarding the remuneration of executives and prescribed officers.

3. The Remuneration and Nominations Committee ("Remco") and its role

The remuneration policy is the responsibility of Remco, in terms of its Board-approved mandate, but the Board retains ultimate responsibility in relation thereto. Where necessary, the Board refers matters for shareholder approval; for example, new and amended share-based incentive schemes and non-executive Board and committee fees.

The mandate of Remco is contained within its terms of reference, which is reviewed annually, and approved by the Board of the Company.

Remco is responsible for implementing the Group's remuneration policy ensuring:

- that salary structures (fixed and variable pay) and policies motivate performance and are linked to performance objectives that support sustainable long-term growth;
- that stakeholders are able to make an informed assessment of reward practices and governance processes; and
- compliance with all applicable laws and regulatory codes.

Deliberations of Remco in relation to remuneration are informed by performance reviews from individual, divisional and Group perspectives.

In support of Remco's authority, the members of Remco have unrestricted access to all activities, records, property and employees of the Group.

4. Key principles of remuneration

The following key principles shape the policy, and are representative of the Group's remuneration approach. As such, the principles are vital for providing guidance for the basis upon which employees are rewarded:

- A critical success factor for the organisation is the ability to attract, retain and motivate the talent required to achieve operational and strategic objectives. Total reward, including fixed (guaranteed) and variable (both short and long-term incentives) pay are used to this end;
- The guaranteed total package ("**GTP**") of the reward includes the basic salary and benefits that accrue on a monthly basis; GTP should be aligned to job requirements, grading level and the competence of each employee;
- A Short-Term Incentive ("**STI**") scheme, which is based on specific deliverables, is viewed as a strong driver of performance. A portion of management's reward is variable and is determined by the achievement of the Group's financial performance as well as the individual's personal contribution to the growth and development of their immediate division and the wider Group;
- A Long-Term Incentive ("**LTI**") scheme aligns the objectives of management and shareholders for a sustained period;
- Remuneration policies should align closely and transparently with the agreed business strategy and be reviewed regularly in light of changes in the business strategy;
- Remuneration policies should be transparent and understandable, both for stakeholders and for internal use and application;
- Remuneration policies should be equitable, and balance internal equity (all employees being fairly rewarded for their roles in the organisation), and external equity (all employees being fairly rewarded in terms of the market);
- Remuneration policies should promote risk management and adequately balance risk and reward; and
- Remuneration policies should be considered in light of their affordability.

5. Remuneration of Non-Executive Directors ("NEDs")

NEDs' remuneration is a function of the number of meetings they attend during a one-year cycle which commences on 1 July each year. The fees are based on an assessment of the NED's time, service and expertise as well as legal obligations and risk.

Attacq's policy is to pay competitively for the role, while recognising the required time commitment. For this reason, and to ensure fairness, fees are benchmarked against a suitable comparator group of JSE listed companies. As a policy principle, fees are aimed at the median of the selected comparator group.

In line with the provisions of King III, NEDs do not receive STIs, nor do they participate in any LTI schemes except where NEDs previously held executive office and they remain entitled to unvested benefits arising from their period of employment.

The Group does not provide pension contributions to NEDs. Remco reviews NEDs' fees annually and recommendations are made to the Board, which in turn proposes fees for approval by shareholders at the Annual General Meeting ("**AGM**").

Annexure A continued

6. Components of remuneration

Remuneration comprises the following elements:

6.1 GTP

- All employees receive a GTP, which comprises all elements of the guaranteed remuneration and benefits package combined, which is paid on a monthly basis;
- The GTP represents payment for the satisfaction of each employee's day-to-day job requirements;
- GTP is benchmarked against competitors and the market;
- Employees have access to the following benefits: leave, paid maternity leave, death cover, disability cover, funeral cover, education cover for dependants;
- To ensure that Attacq remains able to attract and retain the best talent, base packages are reviewed annually and set on 1 October each year;
- The annual review process seeks to review where each employee's pay is in relation to the policy pay ranges adopted for the following year, and make adjustments where necessary, to ensure alignment with the pay policy;
- Annual increases are determined based on a number of factors, including inflation, affordability, the financial performance of the Group, market movements and the employee population's market position, and are expressed as a single percentage increase to individual GTP;
- Annual increases thus take into account the following:
  - cost of living adjustments;
  - market adjustment and/or parity increases which seek to address internal inequities, particularly in terms of pay scales;
  - the degree to which the market-related pay levels have moved since the last date of previous review and other external considerations;
  - affordability and business strategy considerations; and
  - the outcome of each employee's annual review;
- The GTP of each employee is based on a pay scale for each grade. Pay scales are designed around the median of the market; and
- Pay scales are wide enough to allow for adequate differentiation where appropriate in terms of differentiating levels of performance.

6.2 STI scheme

Objective and practice	Award size and performance conditions
- The main purpose of STIs is to motivate employees, to drive performance and to retain key talent over the course of the annual operating cycle - The bonus pool driver and sharing percentage are reviewed annually ensuring the support of the Group's strategy - The annual bonus, which is based on the performance over the previous financial year, is paid during October each year if the bonus is less than or equal to six months' GTP - Bonuses exceeding six months' GTP are paid in three equal tranches in October, December and February of the following year - The deferred balances are forfeited in the event that the employee leaves the Group	- Performance period is one year and the STI is awarded in the following financial year - Distribution of the bonus pool is based on the employees' GTP, on-target STI and personal performance score (individual and divisional key performance areas) - No incentives are paid to employees if the minimum targets are not achieved - The bonus pool should not exceed 100% of GTP - An individual's bonus amount exceeding six months' salary is deferred and will be paid in two equal tranches during March and June of the following year

6.3 LTI scheme

The Attacq Limited Long-Term Incentive Plan (‘**the Plan**”) forms the long-term component of remuneration for Executive Directors, executive management, senior management and employees (“**Participants**”) of the Group.

6.3.1 Purpose and types of instruments

The Plan strongly supports the growth objectives of the Group and assists in retaining and attracting top talent. The Plan further ensures that the interest of management and shareholders are aligned. The purpose of the Plan is to provide Participants with the opportunity of receiving shares in the Company (“**Shares**”) through the award of conditional rights to shares (“**Conditional Shares**”) and Share Appreciation Rights (“**SARs**”). Conditional Shares take the form of either Performance Shares, which require performance measured against specific performance metrics, or Retention Shares, which are aimed at addressing specific retention risks, and require the continued tenure of the Participant until the expiry of the predetermined vesting period.

The conditions applicable to the vesting of Performance Shares, Retention Shares and SARs are as follows:

- Performance Shares will vest if predetermined performance metrics (“**Performance Condition(s)**”) and continued employment for a predetermined period of time (“**Employment Condition**”) are met;
- Retention Shares are awarded to address specific retention risks, or to specifically address sign-on requirements. The vesting of Retention Shares is subject to the fulfilment of the Employment Conditions by the Participant; and
- SARs are a right to the increase in the value of a certain number of shares between the award date and the exercise date. The vesting of SARs is subject to the Employment Conditions and predetermined Performance Condition(s).

Performance Shares, Retention Shares and SARs will vest after a minimum of three-year period. SARs not exercised within a two-year period following the vesting date will lapse. As Performance Shares and Retention Shares are full shares, and not option type instruments, the Participant is not required to exercise for settlement to occur.

Regular annual awards in terms of the Plan are be made on a consistent basis to ensure long-term shareholder value creation. Awards of Retention Shares are made on an ad hoc basis as determined necessary by Remco or the Executive Directors.

6.3.2 Participants

Eligible employees include Executive Directors, executive management, senior management and key employees of the Group. Non-Executive Directors are not eligible to participate.

6.3.3 Rights of Participants

Participants are not entitled to any shareholder rights before the vesting and/or exercise date and subsequent settlement of the shares.

More detail surrounding the LTI may be found in the Plan rules.

Annexure A continued

7. Appointment and terms of employment

All employees have either permanent or fixed term contracts with the Group. Non-Executive Directors do not have employment contracts with the Company.

7.1 Non-Executive Directors

Non-Executive Directors are appointed by the shareholders at the AGM. Interim Board appointments are permitted between AGMs. Appointments are made in accordance with Remco's terms of reference. Interim appointees retire at the next AGM, when they may make themselves available for re-election.

Non-Executive Directors are required to retire on the third anniversary of their appointment and may offer themselves for re-election. As appropriate, the Board, through Remco, proposes their re-election to shareholders.

There is no limit on the number of times a Non-Executive Director may seek re-election. No contractual arrangements are entered into to compensate for loss of office.

7.2 Executive Directors

The minimum terms and conditions applied to South African Executive Directors are governed by legislation. Terms of service for Executive Directors outside South Africa are governed by labour legislation in their local jurisdiction and the terms of their employment contracts.

- The notice period for the CFO and CEO is four weeks and three months respectively;
- Contracts are not committing the Company to pay on termination arising from the Director's failure;
- If a Director is dismissed because of a disciplinary procedure, a shorter notice period could apply without entitlement for compensation for the shorter notice period; and
- In exceptional situations of termination of Executive Directors services, contracts provide for the Remco, assisted by labour law legal advisers to oversee the settlement of terms.

8. Approval

In terms of the recommendations set out in the King III report on governance, this remuneration policy is submitted annually to shareholders at the AGM for a non-binding advisory vote.

Corporate information

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(Incorporated in the Republic of South Africa)
(Registration number: 1997/000543/06)
JSE share code: ATT ISIN: ZAE000177218

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DIRECTORS
P Tredoux#* (Chairperson)
MC Wilken (CEO)
M Hamman (CFO)
MM du Toit#*
HR El Haimer#*
KR Moloko#*
BT Nagle#*
S Shaw-Taylor#*
JHP van der Merwe#*
LLS van der Watt* (resigned 1 July 2017)

 # Independent
** Non-Executive*

COMPANY SECRETARY
T Kodde

TRANSFER SECRETARIES
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SPONSOR
Java Capital

INDEPENDENT AUDITORS
Deloitte & Touche

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