ATTACQ'S REIT CONVERSION ON COURSE

- Year-on-year growth in net asset value per share ("NAVPS") adjusted for deferred tax of 10.1% to R23.51;
- Distributable earnings per share of 38.9 cents achieved during the last six months;
- Mall of Africa's trading densities increased December on December by 10.7%;
- Waterfall developments completed adding 114 916 m²; and
- Gearing ratio improved from 41.4% to 36.2% year-on-year.

Tuesday, 27 February 2018. Attacq Limited, ("Attacq"), the JSE listed property company, developing Waterfall City and Waterfall Logistics Hub, today announced interim results for the six months ended 31 December 2017. Adjusted NAVPS for deferred tax increased by 10.1% from R21.35 to R23.51 and NAVPS by 9.5% from R18.77 to R20.56 during the reporting period. The group generated distributable earnings per share of 38.9 cents for the six months to 31 December 2017.

"As we transition to a REIT, we remain focused on our four value drivers namely our South African portfolio, strategic investment in MAS, Waterfall development pipeline and our retail investments in the rest of Africa while ensuring that we deliver sustainable growth and unlock shareholder value.

Our REIT conversion is paramount, shifting our focus from providing capital growth to a focus on total return comprising distributions and capital growth. This should allow for enhanced share liquidity, lower gearing cost and share price rerating," commented Melt Hamman, Interim CEO of Attacq.

Attacq's flagship Waterfall development is an attractive value proposition given its location in the centre of Gauteng, with easy access to major transport routes. The group has 975 468 m² of remaining developable bulk in Waterfall. This bulk is ungeared and approximately 600 000 m² is already serviced and immediately available for the value accretive roll out of commercial, residential and industrial developments.

River Creek, the new Deloitte head office in Waterfall City, and Cummins in the Waterfall Logistics Hub were under development as at 31 December 2017. These two developments will increase the total completed Primary Gross Lettable Area ("PGLA") at Waterfall by 58 732 m².

Over the last six months the team concluded a total amount of 92,456m² of leases for new office and industrial space. With five buildings having been completed during the reporting period, the development pipeline within the Waterfall portfolio remains strong. Construction commenced on the Pirtek and speculative warehouse development post the reporting period, with an estimated total PGLA of approximately 8 121 m², valued at an estimated R75.5 million.

Attacq, through two 50/50 joint ventures with Barrow Properties and Zenprop, are developing the mixed-use, The Atria, development and Waterfall Corporate Campus Office Park. Once completed, these two developments will increase the completed Waterfall developments with an additional 71 348 m² PGLA.

"Waterfall remains a unique value proposition for the continued development of a new city in the heart of Gauteng, making it the choice for corporate consolidation. During the reporting period we developed over 114 000 m² of PGLA, emphasizing the strong offering of the precinct.

The development is opportune to house a vast diverse mix of quality world-class office, retail, industrial and logistics tenants including residential and hotel offerings in the future.

Mall of Africa continues to perform well with turnover growth from December 2016 to December 2017 of 11% and a turnover ratio of R4,600/m² for the month. Active asset management resulted in tenant movements of 4 952m² in new lets and right sizing existing tenants which led to an increase in tenant turnover from R5.2 million to R17 million for the comparative period in the same space.

We strive to offer a fun, relevant, engaging, social and helpful, experience at all our properties," Jackie van Niekerk, COO commented.

Attacq has a quality diverse South African portfolio across sectors with 52.6% in retail, 37.0% in office and mixed-use, 8.0% in light industrial and 2.4% in the hotel sector. During the last six months the weighted average lease expiry ("WALE") profile increased from 6.4 years to 6.7 years. Overall portfolio vacancies, measured in terms of PGLA, increased by 18 130 m² when compared with 31 December 2016. Subsequent to 31 December 2017, 10 744 m² of this vacant space was let, reducing the overall vacancy rate to 3.2%. Vacancies that were filled post 31 December 2017 relate mainly to Gateway West (9 403 m²) and Corporate Campus (947 m²).

Rental income increased by 6.9% to R980.0 million compared with the prior comparative period of R916.7 million. Net rental income, decreased by 2.2% compared with December 2016, negatively impacted by straight-line lease income adjustments. The negative accounting adjustments are a result of longer term leases signed with three existing tenants, i.e. Adams & Adams, Aurecon and Massbuild.

Developments completed during the past six months, added 100 676 m² of PGLA, bringing the total PGLA to 807 467 m². Rental income will be positively impacted for the balance of the financial year as the new leases for the five completed buildings and the one extension only commenced after 1 January 2018.

During the past six months, Attacq successfully refinanced R3.2 billion of debt, through its Attacq Retail Fund Proprietary Limited and Lynnwood Bridge Office Park Proprietary Limited portfolios.

"Half of the total debt was due to expire in May 2018 and the Group decided to refinance the entire debt amount earlier in order to extend the tenor of its loan book and take advantage of favourable pricing, which was attractive across each of the three, five and seven-year tranches. The restructuring resulted in attractive pricing, extension of tenor and new funding relationships.

As part of our risk mitigation strategy, approximately R11.3 billion or 98.0% of total committed facilities of R11.5 billion were hedged by way of fixed interest rate loans and interest rate swaps as at 31 December 2017. Our conservative approach to debt management has stood us in good stead, navigating the current macro-economic operating environment," said Melt Hamman.

As at 31 December 2017, Attacq's shareholding in MAS Real Estate Inc ("MAS") was 22.7% down from 30.6% as at 31 June 2017, due to two MAS capital raises in September and December 2017 in which Attacq did not participate. The market value of Attacq's investment in MAS, using the MAS closing price of R22.80 per share as at 23 February 2018, is R3.3 billion.

"Our strategic, long-term investment in MAS is an important platform, further diversifying our overall portfolio. We remain supportive of MAS' long-term strategy, investment case and management team.

We remain focused on investing into quality assets that generates a strong cash return. Our portfolio of South African income producing assets is underpinned by strong property fundamentals. This, our investment in MAS, Waterfall development pipeline and retail investments in Africa offers a strong value proposition to shareholders," concluded Hamman.

ENQUIRIES

Attacq Limited	**+27 10 569 8892**
Brenda Botha	+27 83 441 1330
Instinctif Partners	**+27 (0) 11 447 3030**
Lizelle du Toit	+27 (0) 82 465 1244
Boitumelo Matjila	+27 (0) 82 565 3897

Website: www.attacq.co.za

NOTES TO EDITOR

Attacq is a premium quality property company in the real estate sector, founded in 2005 and acquired the Waterfall development rights in 2008. The company listed on the Johannesburg Stock Exchange in 2013.

Attacq delivers exceptional and sustainable growth to its investors through its strategic property holdings and developments and has a total asset value of more than R28.2 billion and a market capitalisation of more than R14.4 billion (as at 23 February 2018). Attacq has a quality investment portfolio that includes landmark commercial and retail property investments and developments, a 22.7% stake in MAS and is known for its development and management of Waterfall City, Gauteng's new integrated city that works.

Mall of Africa (80% Attacq-owned) opened on 28 April 2016, as the largest first phase mall development on the continent and a benchmark retail destination located in Waterfall City, the CBD of Waterfall.