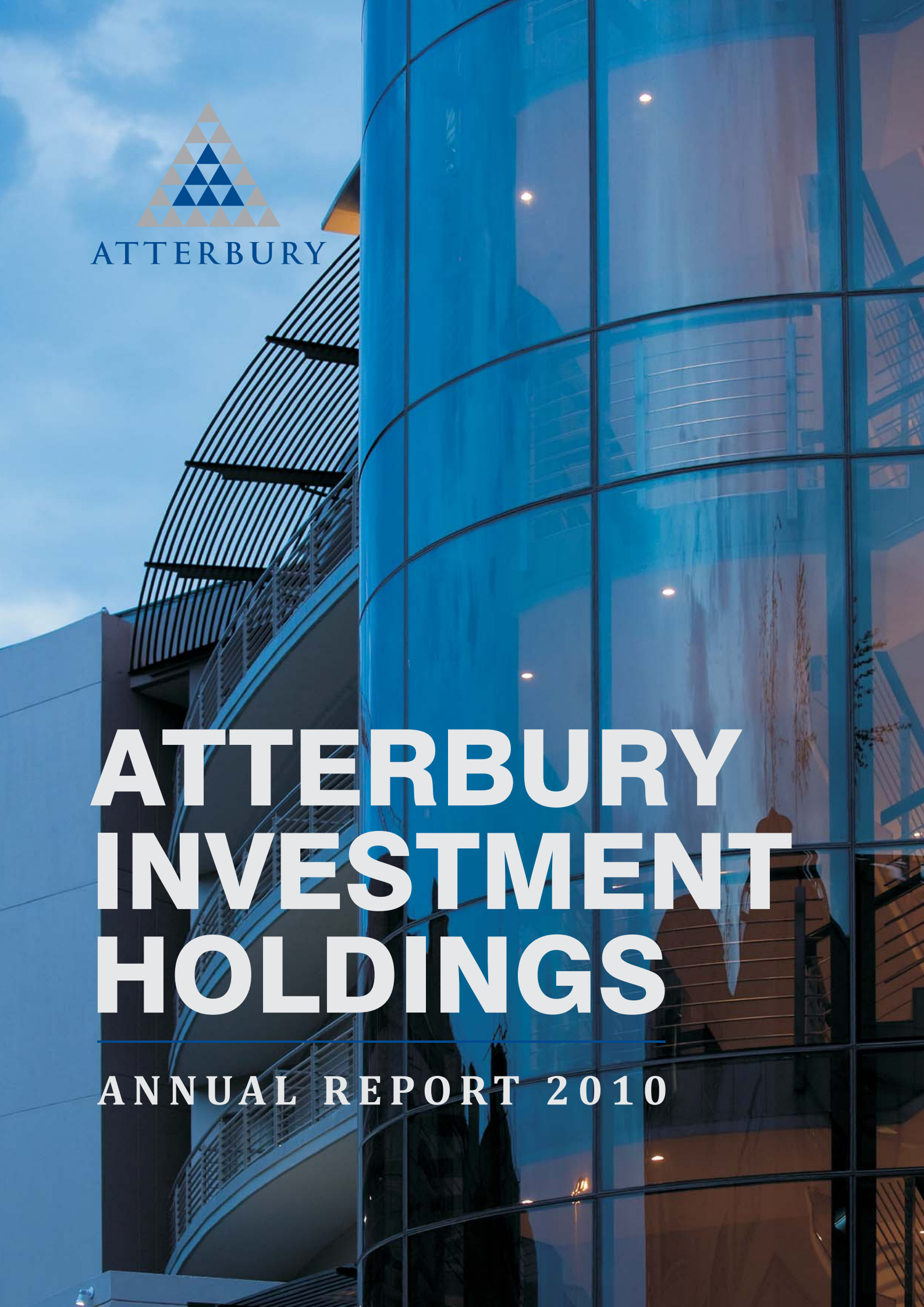

ATTERBURY

ATTERBURY INVESTMENT HOLDINGS

ANNUAL REPORT 2010


Adams & Adams
11 170 m²
Pro Shop
City Lodge
Hotel
New Atterbury
Head Office
WBHO
Lynnwood Bridge –
a landmark in progress!


AureCon
18 000 m²
Tribeca
Lynnwood
Bridge Retail
Atterbury
Theatre
ATTERBURY
THEATRE

Atterbury Developments Lynnwood Bridge team

A team that works!

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2010

A copy of the Annual Report is available at

www.atterbury.co.za

CHAIRMAN'S REPORT

For the year ended 30 June 2010

> Kites rise highest against the wind; not with it
>
> *Winston Churchill*

It is particularly gratifying that the past year again brought sustained progress in terms of financial performance, in advancement of the company's underlying organisational substance and also in our market standing. The positive working relationship with executive management continued and board functioning per se is well balanced with, and complementary to the mainstream business focus of management. Hence the directors could focus on their principal task which is to promote and conserve the best interest of all shareholders of Atterbury Investment Holdings Ltd ("Atterbury IH").

Continued growth of the company's core capacity must be seen in context of the recessionary climate of recent years which typically accentuates and corroborates the intrinsic dexterity, resourcefulness and even survival probability of any business. Looking back, the severity of the downcycle was unexpected but Atterbury IH's progress – despite omnipresent market tribulations – was certainly assisted by some foresight noted in the 2007 annual report which warned that the unusual growth of the SA property sector since 1999 "could well bring on the perception of assured and prolonged prosperity. But the inevitable reality of a cyclical downturn is a given – much as the timing thereof will remain illusively unpredictable. Current and expected movements of the business conjuncture influence our longer term business perspective and is a matter under constant Board surveillance".

The past – and now third – year of the downcycle saw Atterbury IH concluding a step-up to a significantly higher level of corporate substance and maturity. It is a business principle that a recessionary environment is both a time of threat but also of opportunity – the latter outcome available only to those enterprises with a thorough understanding and constant application of organisational success fundamentals, of change dynamics and of the relevant wider macro considerations; quality companies, therefore, with appropriate focus, intensity and momentum.

Prudence obviate speculative financial quantification at this point but forthcoming years should see the Atterbury Group emerging from the current downturn having been able to use the growth opportunities presented by a difficult economic period to advance to a new level in the senior league of business – an advance only possible for a company adequately positioned and with the under-the-skin ability to follow the Shakesperian pronouncement 'Let me embrace thee, sour adversity' (King Henry VI).

Financial

> Everything that can be counted does not necessarily count and everything that counts can not necessarily be counted
>
> *Albert Einstein*

Despite the trading environment remaining arduous throughout the fiscal period, Atterbury IH's underlying financial and other strengths advanced beyond what a narrow interpretation of reported statistics may suggest. As before, the company's financial results are offered in accordance with our historically preferred approach to fiduciary prudence.

For the year to 30 June 2010, profit attributable to the shareholders of Atterbury IH increased by 30% from the previous year's R207 million to R269 million. Independent valuations by industry-accepted external valuers confirmed a 17% growth of the asset base to R7,1 billion – with net

The good news!

ATTERBURY INVESTMENT HOLDINGS
BOARD MEMBERS

Standing, from left to right: Louis van der Watt (CEO: Atterbury Group), Lebo Masekela (CEO: Infotech), Gideon Oosthuizen (Executive Director: Atterbury IH) and Morné Wilken (COO: Atterbury IH).

Sitting, from left to right: Werner van Rhyn (CEO: Waterval Development Co), Pierre Tredoux (CEO: Barnstone Capital), Francois van Niekerk (Chairman: Atterbury IH), Johan van der Merwe, (CEO: Sanlam Investment Management) and Pieter Faure (CEO: Mertech Group).

asset value increasing by 9,1% to R4,35 billion. This amounts to a net asset value per share growth of 6,5% to R7.54 per share.

Economic realities required an impairment of R61,7 million in respect of loans advanced on long term projects – in itself a significant figure but the provision representing only 0,9% of company assets. Excluding this loan impairment and before fair value adjustments, before interest and other income and despite slightly increased levels of tenant vacancies and bad debt provisions, net profit from operations posted an acceptable improvement of 8% to R121,5 million.

Shareholder financial interest is therefore supported by sustained operational profitability, by the loan-to-value ratio remaining at a conservative 30% and by considered moderation in our financial policy.

In line with Atterbury IH's positioning as a property growth fund, no dividend is declared.

> He that observeth the wind shall not sow; and he that regardeth the clouds shall not reap
>
> *Ecclesiastes 11:4*

Board Composition and Function

The Board remained a well functioning unit with a clear focus on shareholder accountability as well as being the company's focal point for corporate governance. During the fiscal year the board was expanded by the appointment of two directors, i.e. Lebo Masekela, CEO of Infotech – founding company of the Mertech Group – and Morné Wilken, Atterbury IH COO. Supporting management was strengthened by Talana Smith as company secretary and newly appointed Flip Smit as group CFO.

All nine directors have varied and extensive experience at CEO level and comprise of three executive directors and six non executive; two of whom could be seen as independent. The board meets every quarter and its structure includes an investment and an audit committee.

Despite prevailing market conditions, the fund consolidated and positioned its growing asset base with the specific objective to gain from currently available opportunities in achieving a structure conducive to optimum future growth.

It's a matter of association

Business Philosophy

If Atterbury has a holy grail, it must be its participatory business philosophy along with uncompromising standards and predictable integrity. Predominant at the company's hour of birth 16 years ago, was agreement on a general partnering approach and establishment of the Atterbury community trust. Typical also that the very first property development venture was in partnership with others – and then, as now, with the objective to secure longer term benefit through the magnanimous sharing of entrepreneurial reward rather than a more self-centred profiteering approach.

In this context the Atterbury Group has four distinct focus areas:

- **Sharing with our team**

The widely recognised calibre, passion and effectiveness of the Atterbury team results from a continuous process to attract the best available personnel.

Individuals, therefore, with the personal make-up and entrepreneurial intent to merit a partnering relationship with meaningful reciprocal ownership benefits rather than mere employment. It is gratifying to acknowledge a high-output team of colleagues who are never discouraged, counter any suggestion of a problem with a creative solution and take full ownership of every possible contingency.

> Men acquire a particular quality by constantly acting in a particular way
>
> *Aristotle*

- **Sharing with our business partners**

The fiscal year saw continued progress with and expansion of our partner network, as follows:

Retail Africa: a longstanding and very positive association with Jannie Kruger, Hannes Pickard, Etienne Eygenberger and Angus Mackay was enhanced by Atterbury IH being given the opportunity to increase its shareholding in RAPfund and Wingspan to a strategic level.

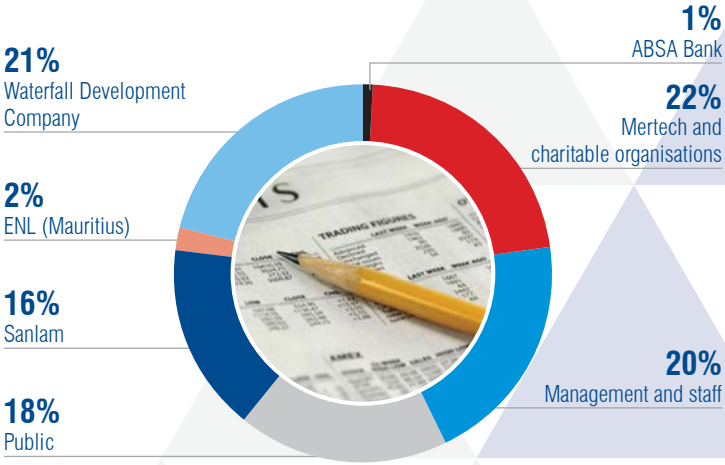
Abacus Holdings: likewise Jaco Odendaal and Neels Howard are well established and respected SA retail developers and erstwhile competitors of Atterbury due to a similarity of location choice, innovative thinking and a preference for higher quality standards. Much is expected also of this new relationship.

ENL, Mauritius: the Atterbury Group's long term approach calls for particular selectivity in the establishment of partnering relationships and it is gratifying when the consequent benefit is experienced in practice. We found business soul mates in Hector and Gilbert Espitalier-Noël and excellent working relations will further enhance the expected success of this major project and Atterbury's first venture outside Southern Africa.

Attfund – the imminent restructure and listing of Attfund calls for recognition of a longstanding, very special and very beneficial relationship with our Attfund partners; Louis Norval and Neno Haasbroek. Both Louis and Neno are acknowledged property industry supremos and we look forward to a continued association as Attfund progresses to a new level.

> I have found no greater satisfaction than achieving success through honest dealing and strict adherence to the view that, for you to gain, those you deal with should gain as well
>
> *Alan Greenspan*

Shareholders' compilation



Francois (Mannetjies) Roux and Francois van Niekerk at the Lynnwood Bridge mega project in Pretoria on the occasion of introducing the Atterbury Theatre and Laurika Rauch's opening musical production, *'Stuur Groete aan Mannetjies Roux'*, to the SA media.

Said Atterbury's Francois: "Mannetjies and I were contemporaries at school and share strong sentiments about our alma mater, Paarl Boys' High. The school goes back to 1868, is widely recognised as one of the country's top academic and rugby schools and produced rugby greats like Boy Louw, Carel du Plessis, Corné Krige and Gurthro Steenkamp. I can vividly recall the exceptional talent and sheer 'magic' of Mannetjies playing at school level as the first step of his legendary Springbok career and acclaim as one of the very best rugby internationals of all time."

The elegant Lynnwood Bridge precinct is nearing completion and will ultimately consist of a trend-setting new boutique retail centre, a four star hotel which opened on 1 June, several prestige HQ buildings for Aurecon Consulting, Adams & Adams, the Atterbury Group and others as well as the 420 seat Atterbury Theatre – the latter a world class facility built to current international standards and representing another Atterbury contribution to the Pretoria and Gauteng community. The theatre will open in May, 2011. Across Daventry Road is the newly revamped Glenfair Boulevard Shopping Centre.

The impact of Atterbury IH's direct and indirect community upliftment initiatives amounted to allocations of R24,02 million for the fiscal year.

- **Sharing with investors**

At year end Atterbury IH had over 400 registered shareholders and the general public owns approximately 18% of the company, to the value of some R780 million. The current market placed even prudent property companies under pressure, with significant investment losses in certain instances. The Board is confident that the financial interest of our shareholders will be safeguarded by inherent company strength and the underlying fundamentals of good practice.

- **Sharing with the community**

The SA business sector increased its community social investment or CSI spend from a combined R1,5 billion in 1999 to R5,2 billion in 2009, pointing to a rising acknowledgement of the community obligations of business.

The Atterbury Group's social response is represented by the Atterbury Foundation which is funded by the Atterbury Development company and by Atterbury Trust and Mergon Foundation – the latter two trusts funded inter alia by their combined 17,8% shareholding in Atterbury IH. The financial interest of other Atterbury IH shareholders are therefore not diluted by any social allocations.

The latter two shareholding trusts remained active in supporting a wide range of education programs and specialised community upliftment organisations and the impact of Atterbury IH's direct and indirect community upliftment initiatives amounted to allocations of R24,02 million for the fiscal year.

> Doing CSI properly is serious work. It isn't achieved through simple chequebook philanthropy and to get proper social returns on this investment is more complex than it may at first seem
>
> *Sizwe Nxasana, First Rand CEO*

Outlook and Strategy

Especially over the latter half of the past fiscal period, the often justified pessimism about our continent started lifting as ostensibly disparate threads of information converged to signal the emergence of a distinctly more positive inclination and even a paradigm shift to now viewing Africa as one of the few remaining global frontiers of growth.

The soccer extravaganza further cemented South Africa's growing reputation as the logical connector and sweet spot for global players approaching the not-so-dark-any-more continent with a population of over 800 million, 2,000 languages and a land mass larger than the US, Europe, China and India combined. South Africa's widely accepted status as the continental point of entry is firmly supported by its G20 membership, ranking well within the top 20% of all countries in terms of democracy, press freedom, ease of doing business and its financial and other infrastructure. For budget transparency, SA is ranked 2nd in the world, 2nd best performing emerging market currency, top 10% for real GDP growth and even exporting more vehicles to the US than Sweden or Italy.

The impact, however, of questionable political activity on economic potential and a better life for all, remains a stark reality. In a world struggling to maintain a 4% growth, economic models point to the value attrition of wars currently in progress destroying up to 3,8% of global GDP. Closer to home many South Africans share a mounting impatience with government's evasive political resolve to progress effectively in terms of appropriate leadership, persistent crime, imaginative education initiatives,

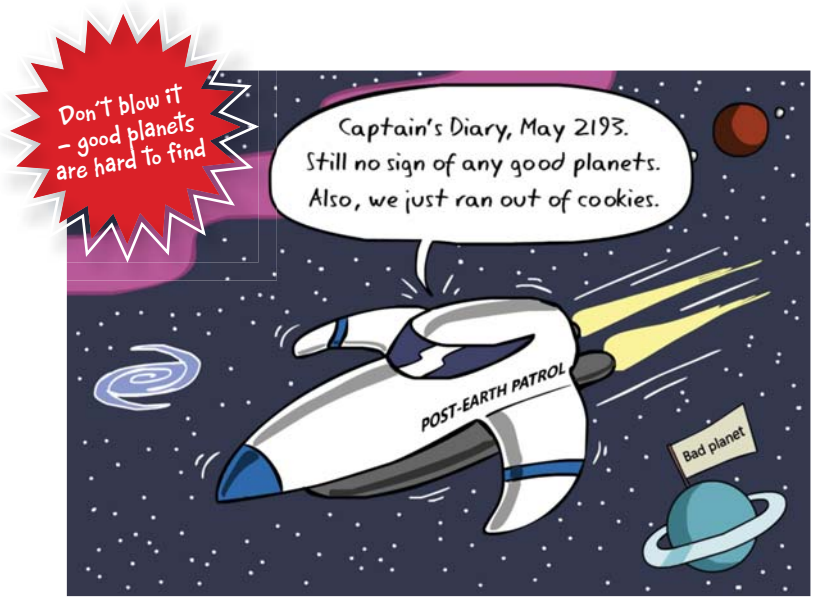
general service delivery, etc. Compelling arguments for optimum economic growth as common cure for most national ailments are too often thwarted by leadership constraints, the injudicious enforcement of petty political ideologies such as cadre deployment, renewed emphasis of our historically hard wired racial code, blatant enrichment of the elite and the misguided concept of increasing centralised control.

The wonderfully successful recent Soccer World Cup brought a new perspective in demonstrating what can be achieved when sufficient pressure on the national agenda replaces political idiosyncracies. Showing how the high road potential is present in the very fibre of our society, enjoying the good taste of success as we move towards the national ideal of unity through diversity and, of course, the hope and expectation that all or most of the pressing national priorities will now be addressed in similar vein. That the country's public- and private sectors will somehow partner to avoid the luckless fate of so many on the continent and rather ensure a 'homecoming' for future generations as per the following Zulu saying:

"Ukubuyisana – to meet each other halfway and go home together"

As before, Atterbury IH's strategic direction and sustained momentum will be determined by the talent, experience and predictable delivery of our in-house team of Atterbury colleagues, by the complementary skills of our external team of business partners and by the support and mutually beneficial loyalties of Atterbury's extended network of other associates. The vigorous dedication of all members of the 'Atterbury family' in successfully dealing with often severe challenges of the current slowdown deepened their collective team spirit, which can only benefit a continued advance of the company's business agenda.

Wise words...



Environmental and Social Responsibility

> Don't blow it – good planets are hard to find
>
> *Time magazine*

A central theme of King III is the quickly rising imperative on business corporations to progress towards equality between financial results, environmental awareness and social contribution.

South Africa remains the microcosmic example of the wider global dynamics between those with an abundance and the majority without. A world with 25 million refugees, with 37% of all Chinese and 55% of all Indians living in squalor and the agricultural subsidy per cow in Europe higher than the per capita income of most Africans or 45% of the people in India. A world where resentment against most of the "undeserving rich" and against the ruling class is stirred by general non delivery, by every new example of corrupt self enrichment and by every one of the perennially underachieving conferences on environmental or other issues confronting the continued existence of mankind – and these 'talkfests' known for little more than their particularly unimpressive benefit to cost ratios.

Atterbury's continued success and rise to industry prominence advances certain wider obligations and clarity of thinking on how best to enhance shareholder interest given the particular challenges of our business environment. Times have moved beyond viewing environmental awareness as a charitable hindrance but more likely a considered response to a particular trading circumstance and

Atterbury Exco – a step above

Photographed at the City Lodge Hotel, Lynnwood Bridge.

CHAIRMAN'S REPORT

– done correctly – simply as good business. Despite much tighter market demands, increased attention is being given to environmental awareness within the context of the SA landscape and in cooperation with our social responsibility programmes, i.e.

- Centre-specific environmental awareness programmes focused on building design and operation, i.e. design enhancements, electricity usage, waste management and general 'green' awareness.

- Improvement and upkeep of the immediate municipal environment at certain retail centres – preferably using methods in support of our social responsibility profile and also to manage the now seemingly permanent dilemma of informal housing and related issues impacting on the quality of shopper experience.

- Support of a substantial number of education programs, eg training teachers and providing infrastructure, food and clothing to equip 4,000 pre-primary school children from informal settlements around Windhoek with basic English language skills prior to them entering school.

- Support of community care initiatives, eg the Oasis Clinic in Pretoria providing healthy meals, food parcels, skills development training and income generation activities to 35,000 HIV/AIDS patients on a monthly basis and thus restoring dignity and self-sufficiency.

- Supporting an enterprise development scheme for poverty stricken communities near Lanseria. Recycling principles are used to develop organic food orchards and earthworm farming, encouraging self-suffiency, community upliftment and environmental sustainability.

> "Humankind has not woven the web of life. We are but one thread within it. Whatever we do to the web, we do to ourselves. All things are bound together. All things connect."
>
> *Chief Seattle, 1855*

Conclusion

The 2009 report stated my intention to step down as Chairman and plans were in progress, but certain group forward planning considerations led to a deferment and the matter will be revisited in 2012. Personal preference must remain secondary to the fine balance in sustaining stability and optimum forward momentum, given the overriding obligation to best serve the long term interest of the company and it's shareholders. The board is an effective counterbalance to the exceptional talent and abilities of the AIH executive and I look forward to an extended period of positive cooperation during my remaining term.

Throughout the economic downturn, executive management effectively utilised Atterbury IH's inherent strengths to position the group toward a renewed period of accelerated growth. Atterbury's incremental success, business credibility and industry standing reflect directly on the undying spirit of enterprise, personal talent and dedicated delivery of our executive directors – Louis van der Watt as CEO, Morné Wilken as COO and Gideon Oosthuizen – as well as on Atterbury management and every member of staff.

On behalf of non-executive directors and shareholders, I once again offer our sincere appreciation, respect and support.

Francois van Niekerk
Chairman


Photographed at the City Lodge Hotel, Lynnwood Bridge.
AAM ExCo – Keeping a Close eye on our assets
Nicolle Weir – the norm Challenger
Flip Smit – new (whiz) kid on the block
Ian Short – right-brained bean Counter
Lucille Louw – been there forever

ASSET MANAGER'S REPORT

For the year ended 30 June 2010

THE CRUCIAL STATS:

Number of properties in fund: 35

Property valuation: R7,05 billion

Market capitalisation: R4,369 billion

Net Asset Value per share: R7.54

Effective yield: 8,9%

Gearing: 30%

The year under review was characterised by a continuation of the challenges arising from the global financial crisis. The Asset Managers are, however, pleased to present a report indicating that growth has accelerated slightly during 2010. Although many uncertainties remain and experts disagree when discussing the speed of recovery of the macro environment, the Atterbury IH portfolio is, in our opinion, poised to deliver continued and escalating growth over the next 2-3 year cycle.

At a glance

For the year ending June 2010 the net asset value per share grew by 6,5% (4,9% in 2009) from R7.08 per share to R7.54 per share.

Total assets under management grew to R7,1 billion and the net asset value for the Group reached R4,35 billion.

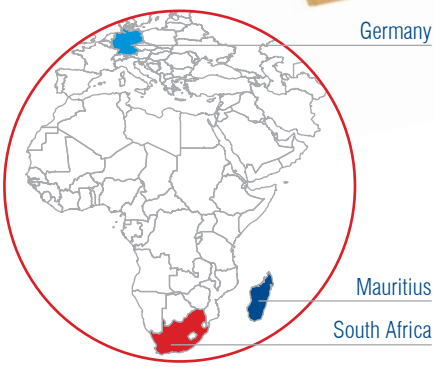
Gearing is at a comfortable 30%, leaving room for acceleration as opportunities arise into the recovering economic cycle.

Portfolio Composition and Strategy

An important high level aspect of portfolio selection is our preference for assets where we have the ability to excel by applying our intellectual property. In this regard we intend remaining focused on retail and commercial/office properties in A-grade nodes in high income areas.

The Board has set a benchmark of holding 15% of gross assets offshore. By implication, Atterbury IH will hold 85% of gross assets in South Africa.

The strategy remains to achieve the best total return for shareholders, i.e. the combined income and capital return of the Group should provide market-leading returns for shareholders. In line with this approach, there is no dividend policy and all free cash flows will be reinvested to maximize the portfolio's growth and development.

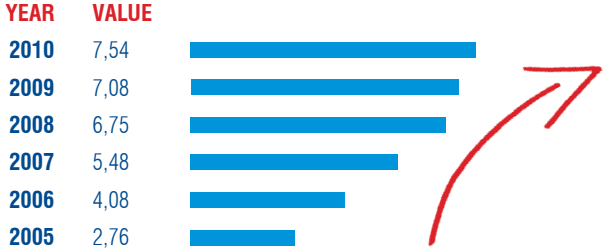


Atterbury IH have no plans to list on a publicly traded exchange in the foreseeable future, and shareholders will be able to continue trading their shares "Over-The-Counter" (OTC) as before. Mention is made under "post year-end events" of the General Offer extended to shareholders in October 2010. This mechanism provides liquidity for shareholders outside of normal transacting amongst shareholders. Although not guaranteed, the intention is to provide such opportunities to shareholders in roughly 5 year cycles.

Directly held buildings

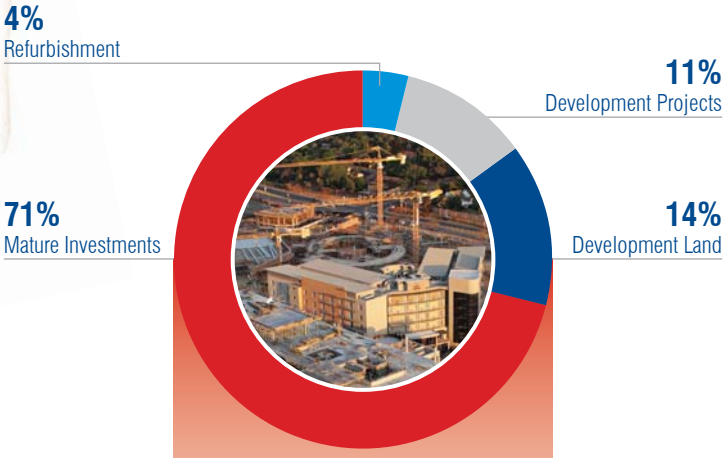
The directly held buildings were valued at R4 billion at 30 June 2010 (2009: R3,3 billion) and includes 4 retail properties, a hotel and

Net Asset Value per Share (R)

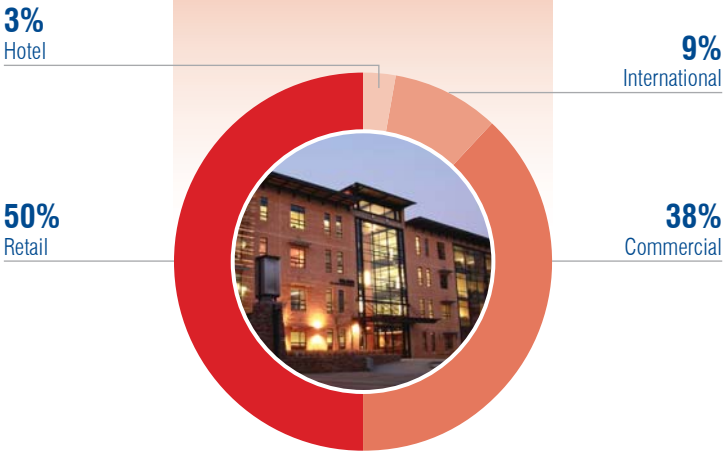


An important high level aspect of portfolio selection is our preference in assets where we have the ability to excel by applying our intellectual property.

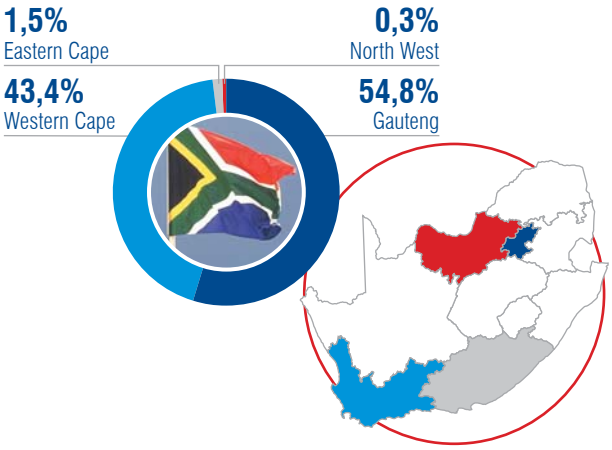
Projects v Mature Investments based on fair value



Mature Investments



% Geographical split on AIH Direct & Indirect Portfolio (GLA m²)



11 office complexes, 3 of which are held for sale at 30 June 2010. Land was valued at R967 million.

Additions to the portfolio

The Lynnwood Bridge mixed use development in the East of Pretoria is a significant source of new investment stock. The first building completed is an 8,500 m² City Lodge which opened 1 June 2010, in time for the 2010 Soccer World Cup. A further 40,000 m² of office space has been leased and tenants such as Adams & Adams, Aurecon and Atterbury itself will take occupation between present and June 2011. The 13,000 m² retail centre will include tenants like Woolworths, Planet Fitness, Cycle Lab and The Pro Shop, as well as an exciting mix of restaurants which will enhance the shopping and dining experience in the Lynnwood area. The Atterbury theatre is a state of the art West End type theatre that can seat 420 patrons. The theatre will be launched in May 2011 with a unique South African musical, "Stuur Groete" which celebrates the music of Laurika Rauch.

The 12,800 m² **De Ville Shopping Centre** in Durbanville, Western Cape was acquired for R78 million. The shopping centre is currently undergoing an extensive refurbishment and is expected to re-open in December 2010.

A 22,5% stake in the 21,500 m² **Brooklyn Bridge** in Brooklyn, Pretoria, was acquired on 1 January 2010. The development is seen as a landmark in the Brooklyn node and includes the key tenants such as SARS, Circle Chambers, FNB Private Bank, Standard Bank, and restaurants such as Kream and the Pangaea Lounge.

A 50% stake in the 5,156 m² **Harlequins Office Park** in Pretoria was acquired by the fund effective

1 January 2010, comprising A-grade offices with further development potential of 2,100 m².

Refurbished assets

Design Square Shopping Centre in Brooklyn, Pretoria, completed its evolution when a pedestrian link to Brooklyn Mall was opened in August of 2009. The link introduced a significant increase in the foot traffic to the centre. Design Square has established itself as an up-market décor centre with a fantastic range of restaurant offerings. The centre was acquired in 2006 for R110 million and, after refurbishment, is now conservatively valued at R255 million. This project was highly geared throughout and has resulted in a meaningful contribution to the capital return to shareholders.

The 13,500 m² **Glenfair Boulevard Shopping Centre** is under re-development and aims to capitalise on the strong historical convenience presence of the centre in the Lynnwood area. The dated exterior of the building will change to a modern look with alterations to the parking areas to enhance the flow of traffic. A re-launch is planned for December 2010 which will be preceded by the opening of the newly upgraded 2,500 m² SuperSpar in October 2010.

The construction of the **Great Westerford** parkade commenced in August 2009 and was completed in September 2010. The new parkade has improved the overall on-site parking facilities to 715 bays, which, including Newlands parkade, equates to 3.5 bays per 100 m² for the sought-after business node of Newlands, Cape Town.

Atterbury IH increased its effective share in the **Trevenna Campus**, Sunnyside, Pretoria, to 36%. Phase 3 of the development was completed in March 2010 increasing the size of the Trevenna Campus to 32,200 m². The Department of Minerals and Energy took occupation of the new building in April 2010 and now occupies 76% of the campus. This joint venture with the Public Investment Corporation is nearing maturity and may be amongst the assets considered for disposal in future.

Disposals / assets held for Sale

As announced in the 2009 report, the McCarthy and Landrover dealerships were sold and the transactions completed during October 2009. Similarly, Claremont Terraces in Cape Town was sold and transfer occurred in December 2009.

Brooklyn Gardens was regarded as a mature asset and was consequently sold for R59,8 million effective 1 March 2010.

An offer was received from Supreme Fund to purchase amongst others Atterbury House, our 50% interest in Building G – DTI Campus and our interest in the Trevenna Campus. The deal remains subject to the Supreme Fund delivering guarantees by the end of November 2010.

Direct Portfolio Performance Indicators

The directly held portfolio performed slightly better than market, when measured against the bi-annual IPD index. We achieved a total return of 5,8% (2009: 4,8%) while the rest of the market achieved a total return of 5,2% (2009: 3,4%).

Total vacancy, including buildings undergoing refurbishment, was 7,7% (8,375 m²) on 30 June 2010. This figure has subsequently reduced to 6.4% as certain tenants took occupation after year end. The mature asset portfolio reflected vacancies of 5,4% (5,275 m²) at 30 June 2010.

In total, 13% (27,209 m²) of leases are expected to expire within the next 12 months. Indications at present are that most tenants occupying significant leased areas will renew, but rental pressure will remain in the short to medium term.

Despite a very challenging economic environment over the last financial year, the green shoots of a recovery are starting to show, with an increase in interest from various prospective tenants across both the commercial and retail portfolios. Retail tenants are however still very exposed to high levels of debt and will take a while to see a significant recovery in their businesses.

Attfund

Attfund's gross assets at year end (June 2010) exceeded R9,6 billion and the net asset value was approximately R5,6 billion. Income from building operations increased by 7,8% from R608 million to R656 million. Vacancies were well managed and the figure of 2,2% is a testament to the skill of Attfund's management team and the resilience of the assets. The operating results confirm the strength of the Attfund portfolio under difficult consumer spending conditions.

After adding the income from other investments, Attfund's earnings before interest and taxation (including fair value adjustments) was R1 billion (2009: R510 million). The net asset value per share grew by 11% from R113.13 (2009) to R125.04 (2010).

Despite a very challenging economic environment over the last financial year, the green shoots of a recovery are starting to show, with an increase in interest from various prospective tenants across both the commercial and retail portfolios.

Attfund has indicated its intention to list on the JSE during 2011. Atterbury IH will remain closely involved throughout and ensure that the appropriate timing and price levels govern any potential decision to exit from this maturing asset.

Anyone for tea at Isabella's?

RAPfund

RAPfund is focused on convenience shopping centres of under 15,000 m², and which are typically anchored by a national food store operator.

Assets in the fund were valued at R756 million at 30 June 2010, which represented an 11% increase in value from June 2009. The fund reflected a portfolio vacancy of 6,4% (4,774 m²).

In September 2010, RAPfund completed the refurbishment of Waterkloof Corner in Waterkloof, Pretoria. The portfolio is now poised for strong performance into the recovering economic circumstance. Atterbury IH currently holds 23% of RAPfund.

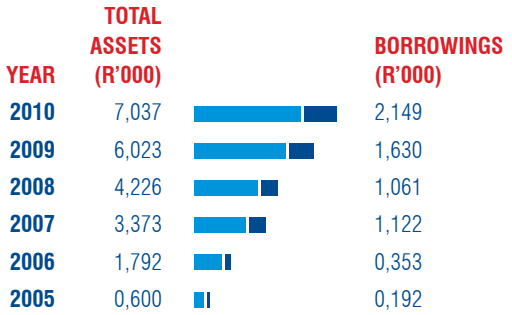
Wingspan

Wingspan is a new, specialised fund of upmarket community and regional shopping centres. The fund owns assets such as the award winning Mountain Mill Centre in Worcester, Irene Mall in Gauteng, Westwood Shopping Centre in Durban, West Coast Mall situated in Vredenburg in the Western Cape, and the Village Mall in Hartebees-poort. The fund's strategy is to enter booming decentralised areas and deploy first-mover tactics to become the dominant retail offering in that area. Wingspan was valued at R1,5 billion at 30 June 2010.

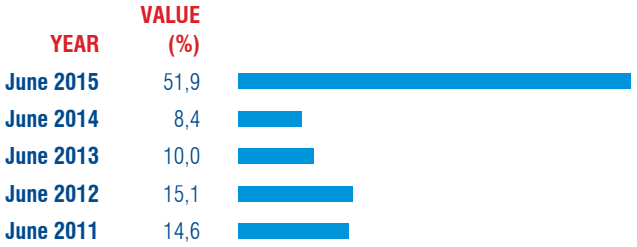
Atterbury IH acquired an initial 9% in Wingspan in April 2010, and further negotiations are at a progressed stage to increase this stake to 25% in a transaction that will be concluded post year-end.

RAPfund and Wingspan are retail funds from the Retail Africa stable and the same shareholders own a majority in both funds. The intention has been expressed to merge the funds and thus create one of the largest unlisted retail funds in South Africa. The intention of Atterbury IH is to own an effective 25% interest in the combined Retail Africa fund and contribute further retail stock into this exciting emerging fund in the future.

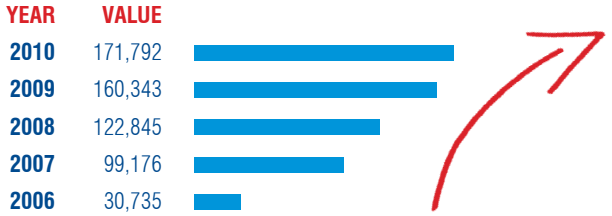
Total Assets and Borrowings



Lease Expiry on Total Direct & Indirect Portfolio (GLA m²)



GLA growth on AIH directly held portfolio (m²)



Offshore Portfolio

Mall of Mauritius

Construction commenced in April 2010 on the Mall of Mauritius, situated in Port Louis, Mauritius in an area known to the local market as Bagatelle. This first product of the partnership between Atterbury and

ASSET MANAGER'S REPORT

Mauritian-based ENL group is fast becoming a landmark in the Mauritian landscape. The new off-ramp and bridge on the main M1 motorway will provide direct access to the Bagatelle precinct, and construction of the offramp commenced in August 2010. The Bagatelle precinct will ultimately include the 35,000 m² Mall of Mauritius, a motor city, hotel, offices, light industrial and a residential area. The Mall of Mauritius is scheduled to open on 29 September 2011.

The Bagatelle joint venture provided Atterbury with the opportunity to invest in a stable offshore economy, whilst partnering with well established local partners. Mauritius was recently rated among the Top 25 global offshore platforms, and ranked 17th in the world (and first in Africa) in the World Bank's "Doing Business 2010" report.

Nova Eventis

The 96,000 m² Nova Eventis shopping mall in Germany remains a unique asset in a market where super-regional malls are a rarity and building restrictions will continue to stifle the development of similar assets. Due to the effects of the global financial crisis, the debt on Nova Eventis had to be reduced by €39 million to meet loan covenants. A rights issue was proposed at a 22,5% discount to the asset's €339 million valuation.

Given the current strength of the rand and the marked discount, Atterbury IH proposed to follow its rights at a cost of R34,8 million. This transaction was approved by shareholders on September 2010 and has been implemented.

Financial Performance

The gross assets increased largely due to the notable increase of R706 million in investment properties. Construction and fair value gain in the Lynnwood Bridge development added the lions' share of asset growth at R595 million.

In addition to capital additions, fair value gains on investments, investment properties and associates of R361 million were recorded, of which Attfund Limited made the greatest contribution of R230 million.

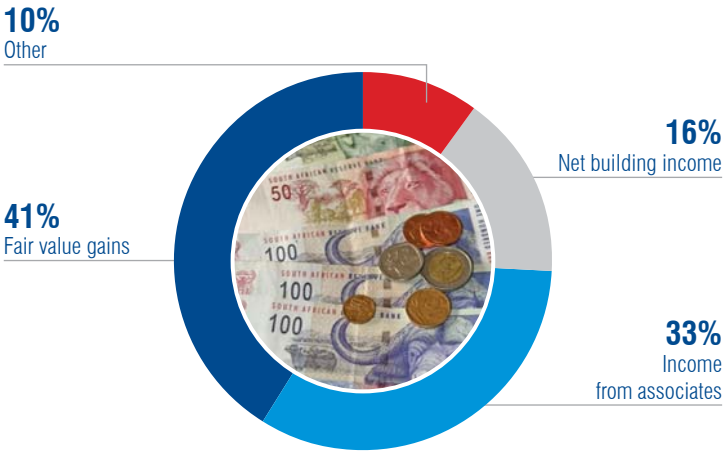
Total liabilities (including minority interest) increased with R650 million to R2,680 billion. Bank loans to the value of R661 million were raised from financial institutions, and R214 million of loans were repaid during the year. The fund's gearing remains conservative at 30% (2009: 27%).

Fixing of interest rates remains the key risk hedging instrument deployed. On 30 June 2010, 73% (2009: 46%) of the long term facilities were fixed, at an average interest rate of 10,64% (2009: 10,05%).

The management of the Fund's cash flow remained a key focus during the financial period. Operationally, the Fund is comfortably servicing its operational- and debt repayment commitments. Capital investments are funded with a combination of cash generated from operations,

Building Income

Total Income per Type (2005 - 2010)



TOP (from left to right): Gilbert Espatilier-Noël (ENL), Louis van der Watt, the Prime Minister of Mauritius: Dr The Honourable Navinchandra Ramgodam and Hector Espatilier-Noël (ENL).

BAGATELLE
Mall of Mauritius

funding raised and the disposal of mature assets.

The net profit after tax and minority interest was R269 million, up from R207 million recorded in 2009.

In summary Atterbury IH performed modestly during a period of economic difficulty and has proved its ability to maintain stable capital growth in these conditions. Atterbury IH's combination of investment properties, ungeared investments and developments bodes well for its future in the much anticipated economic recovery.

Post Year-End events

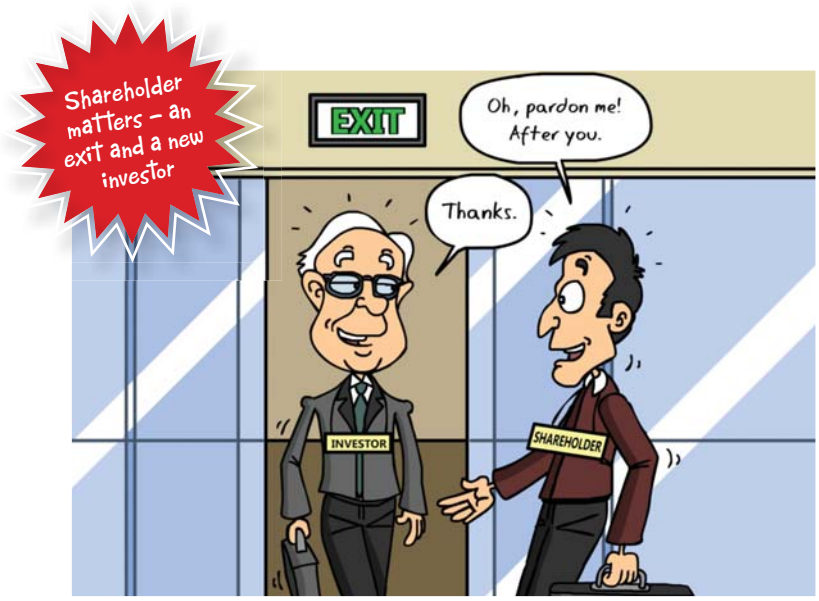
Shareholder matters

When the Waterfall transaction was concluded in 2008, the expectation was that the relationship with the owners would extend over many years. However, shareholder needs and strategies evolve, and the Waterfall Development Company exercised a Put Option on 10 August 2010 to dispose of its entire shareholding in Atterbury Investment Holdings.

The expectation is that the maturing Attfund investment will be utilised to meet the Group's obligation in terms of the Put Option, either by way of disposal of Attfund shares or by raising finance on the strength of the listed Attfund shares.

Over the same time period, the Royal Bafokeng Holdings acquired a 10,5% stake in Atterbury Investment Holdings Limited for a cash consideration of approximately R500 million. The final effective date for the transaction is expected to be November 2010. The Board is especially pleased that this key and strategic investor has decided to place their trust in Atterbury for such a significant investment in commercial property, and hope to build further strength and depth in the relationship as time progresses.

As part of implementing the Royal Bafokeng transaction, a General Offer was made to shareholders in October 2010, and especially benefiting smaller shareholders that might have found it difficult to raise liquidity for their unlisted Atterbury IH share during the economic downturn.



New Joint Ventures

As mentioned before, our collaboration with Retail Africa is being extended to an effective 25% interest across the two Retail Africa funds, to ensure that Atterbury IH can participate in the exciting growth path that Retail Africa has embarked on for the next 5 year period.

Abacus Asset Management is a Stellenbosch-based developer and asset manager. Abacus have established assets such as Cape Gate (a property that was eventually acquired by Attfund), Mooi River Mall in Potchefstroom, and are currently redeveloping the Eikestad Mall in Stellenbosch. Atterbury and Abacus are in the process of forming a jointly owned fund that will be reported on in more detail at the end of the 2011 year.

Nog twee mooi malls!

Attfund listing

The listing of Attfund has been contemplated for some time and the Board and Shareholders of Attfund have resolved to list the company on the JSE in 2011. The exact timing of the listing process is not known at the time of compilation of this report, however, the expectation is that the early part of 2011 would be set as target for completion of this long-awaited liquidity event.

Atterbury IH as one of the large shareholders are obliged to participate in making shares available to outside shareholders as part of placing the requisite amount of shares into the public's hands. Our intention is to trade out of our mature asset at the right time and find the appropriate growth assets to reinvest into as per our stated strategic intent.

John Tshabango

Shareholder.
Photographed at the Aurecon Building, Lynnwood Bridge.

What is your opinion of Atterbury IH?
They are building big buildings all over Pretoria.

What is your dream for South Africa?
The children must go to school where they should get a good education to enable them to find a good job one day. If we can solve the unemployment problem, crime will also reduce.

Where do you see yourself in ten year's time?
I want to finish building my house, I want to get married and buy a car.

Where did you grow up?
I was born at Arnot and attended the Suliyembezi High School. I came to Pretoria after I finished school.

What is your dream job?
I love what I do, to run a one-man-show. I am very proud of my job and do it to the best of my ability. I put my whole heart in my work and would like to train others to also learn to do their jobs properly and have pride in what they do.

The Board is especially pleased that this key and strategic investor has decided to place their trust in Atterbury for such a significant investment in commercial property, and hope to build further strength and depth in the relationship as time progresses.

RBH, which lists its platinum assets on the JSE on November 8, bought a 10,5% stake in property company Atterbury Investment Holdings for R500 million cash this week.

Atterbury is "very entrepreneurial", has a good marketplace image – and "they have very good assets and a track record of creating value".

"Atterbury is the horse we pick in this race. We believe we're partnering with the A team in town."

Sunday Times, October 31, 2010

Description	June 2010 R'000	June 2009 R'000	Variance %
Gross assets	**7,036,602**	**6,022,596**	**17%**
Attfund Limited	2,416,547	2,316,082	4%
Investment Properties	3,856,369	3,248,965	19%
Buildings	2,205,566	2,110,985	4%
Waterfall development	951,872	900,991	6%
Property under construction	683,945	212,039	223%
Other (land)	14,986	24,950	-40%
Assets held for sale	169,435	70,665	140%
Other investments	301,309	104,532	188%
Other assets	226,618	210,603	8%
Working capital	66,324	71,747	-8%
Liabilities and minority interest	**2,684,716**	**2,034,429**	**32%**
Bank loans	2,089,619	1,610,208	30%
Liabilities related to assets held for sale	59,672	20,705	188%
Minority interest	70,098	34,150	105%
Deferred tax	323,960	268,727	21%
Other	24,471	3,723	557%
Working capital	116,896	96,916	21%
Net Asset Value	**4,351,886**	**3,988,167**	**9%**
Total number of issued shares	577,210,535	563,354,312	13,856,223
Share price	R7.54	R7.08	
Year-on-year growth	6,5%	4,9%	
Gearing	30,0%	27,1%	

The Attfund listing will also result in a separation of the holdings in South African and offshore investments within Attfund itself. Only the South African assets will be listed. Shareholders of Attfund will be afforded an opportunity to continue their offshore investment, or dispose thereof, and Atterbury IH will seek to continue our relationship with Attfund International.

Waterfall City development rights

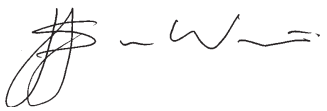
After financial year-end, an additional 400,000 m² of development rights were approved on the Waterfall land. These rights had not been announced at the time of closing the 2010 financial year, and the value is therefore not included in this year's valuation. The original rights which were included in the transaction were 755,000 m² and the value of these rights are reflected in our current valuation as R952 million. The additional rights will create upwards momentum on our next valuation of the Waterfall opportunity in June 2011.

Conclusion

The asset management team has excelled in their work under difficult circumstances. The market has been exceedingly tough, tenants in the retail sector have been under severe pressure and the right mix had to be found between standing one's ground and compromising for the benefit of continuous trade and ultimately business success under adverse trading conditions.

The team, under the operational leadership of Nicolle Weir and under the watchful guidance from Atterbury Exco member Lucille Louw, has managed to work wonders. The executive directors wish to express our sincere appreciation for your efforts.

We have no doubt that the year(s) to come indeed bear the fruits of the considerable efforts during these recent difficult years.



Louis van der Watt
Chief Executive Officer

On behalf of the Asset Manager

Wiehan Strydom

Project manager: Atterbury Property Developments and shareholder at Lynnwood Bridge.
Photographed at the Adams & Adams building, Lynnwood Bridge.

How long have you been working as a project manager at Atterbury?
Almost five years.

What is the most challenging job that you have been involved with?
Trevenna Campus.

What do you like most about your job?
Every project has its own unique challenge to contend with.

What was the scariest moment that you had as a pilot?
Flying into solid clouds and rain enroute from Pretoria to Bloemfontein.

Where do you see Atterbury IH in five year's time?
Atterbury IH will be among the top 3 property funds in Africa.

What is next on your "wish list"?
A set of golf clubs, a 4X4 trailer and a GPS.

Fourie Du Preez

Shareholder and Springbok and Blue Bulls star scrumhalf. *Photographed in the City Lodge Hotel lobby, Lynnwood Bridge.*

Why did you decide to invest in Atterbury IH shares?
I wanted to invest in world class assets with world class people, so Atterbury was the perfect match. Having become known with Louis van der Watt and Gideon Oosthuizen, it was an easy decision.

What will you miss most in Pretoria when you leave for Japan next year?
I'll miss my friends and family the most,but also playing rugby at Loftus.

What is the name of the club that you will play for in Japan and who is the coach?
Suntory Sungoliath and the coach is Eddie Jones.

What is your favourite restaurant?
Pangaea at Brooklyn Bridge

Which Atterbury development do you like best?
Design Square

What is your most memorable rugby game and why?
Bulls vs Chiefs 2009 Super 14 final. It was the greatest game ever in the history at Loftus and for me the most enjoyable. Also the South Africa England game at the Rugby World Cup in 2007. The Stade Francaise stadium is magnificent and I played one of my best games ever for the Springboks.

ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2010

ATTERBURY INVESTMENT HOLDINGS LIMITED AND ITS SUBSIDIARIES
(Registration number: 1997/000543/06)

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44 Accounting Policies
46 Notes to the Consolidated Financial Statements

A complete version of the Consolidated Financial Statements of Atterbury Investments Holdings Limited and its subsidiaries (which includes the Company's set of Financial Statements) is available on request.
Kindly contact the Company Secretary – enquiries@atterbury.co.za or (012) 483 8676.

REPORT OF THE INDEPENDENT AUDITORS ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Atterbury Investment Holdings Ltd

The accompanying abridged consolidated financial statements as set out on pages 28 to 84, which comprise the summary statement of financial position as at 30 June 2010, the summary consolidated statement of comprehensive income, summary statement of change in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Atterbury Investment Holdings Ltd and its subsidiaries for the year ended 30 June 2010.

We expressed an unmodified audit opinion on those financial statements in our report dated 15 October 2010. Those consolidated financial statements, and the abridged consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The abridged consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the abridged financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Atterbury Investment Holdings Ltd and its subsidiaries. Management's Responsibility for the Summary Financial Statements

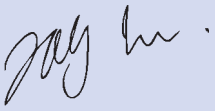
Management is responsible for the preparation of a summary of the audited consolidated financial statements. In assessing the compilation of the Abridged Group Financial Statements the position of management is to include all information materially required by the user thereof to understand the financial position and performance of Group for the period to 30 June 2010. As a result therefore the basis of the Abridged Group Financial Statements is the normal set of consolidated financial statements with the omission of disclosures and notes to the financial statements which are considered not to be of significance by the user in forming an opinion of the financial results of the Group.

Auditor's Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the abridged consolidated financial statements derived from the audited consolidated financial statements of Atterbury Investment Holdings Ltd and its subsidiaries for the year ended 30 June 2010 are a fair summary of those audited consolidated financial statements.



TAG Incorporated
Per: P Lombard
3 November 2010

Emwil House West
Tijger Vallei Office Park
Silver Lakes

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the South African Companies Act, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information upon which the abridged financial statements in this report are based. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards, issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Group and places considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group.

While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 30 June 2011 and, in the light of this review and the current financial position, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The consolidated financial statements, upon which the abridged financial statements set out on pages 28 to 84 in this report are based, have been prepared on the going concern basis, were approved by the board on 15 October 2010 and were signed on its behalf by:

BF van Niekerk

LLS van der Watt

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2010

The directors have pleasure in submitting their annual report for the year ended 30 June 2010, the 5th annual report since the 2006 restructuring.

1. Nature of business

Atterbury Investment Holdings Limited ('Atterbury IH') carries on the business of a property holding, development and investment group through the ownership of:

- directly held investment properties; and
- subsidiaries, associates and other investments with directly held investment properties and property investments.

Atterbury IH is managed by Atterbury Asset Managers (Pty) Ltd, appointed in terms of an evergreen contract, unless the asset managers have not managed the fund properly and has not met certain performance criteria's set. The following directors and officers of the Group have an interest, directly or indirectly, in the asset manager: LLS van der Watt, T Smith, GJ Oosthuizen, PH Faure, MC Wilken and BF van Niekerk.

The business of the Group is to invest in and develop quality A-grade properties as long-term investments which generate quality rental income over the long term. Part of the asset manager's responsibility is to maintain, upgrade and refurbish the properties where necessary.

2. Special resolutions

The following decisions were approved at special meetings held during the financial year under report and registered with CIPRO:

The meeting held on 30 June 2009 approved:

- That the memorandum relating to pre-emptive rights, call options and related incidental contractual rights which may impose certain limitations and obligations and grant certain rights affecting Atterbury IH be referred to as Annexure B in the articles of association of Atterbury IH.

- That should the Mertech Group put any shares back to Atterbury IH in terms of the put option granted to it as set out in Annexure B to Atterbury IH's articles of association the manner of price determination of the shares put in terms of this provision shall be the same as the manner in which shares put by Sanlam Investment Management a division of Sanlam Life Insurance Ltd (Registration number 1998/021121/06) ("Sanlam") in terms of the put option agreement entered into between Atterbury IH and Sanlam on 7 December 2007.

- That Sanlam and the Waterval Development Company (Pty) Ltd (Registration number 2006/012140/07) ("WDC") Put agreements be referred to respectively as Annexure C and D in the articles of association of Atterbury IH.

- That the following proposed article 53C be added to Atterbury IH's articles of association:
  - Notwithstanding the provisions of Article 53B WDC shall be entitled to appoint 1 (one) director for every 15% of the issued shares of Atterbury IH. Furthermore, WDC shall remain entitled to appoint a director for as long as the Development Rights Agreement entered into between Atterbury IH and WDC remains in force and the WDC shareholding remains above 10%.

- That article 56 be amended and replaced with the following: "Save as provided in Articles 53B and 53C there shall be no shareholding qualification applicable with respect to the appointment of a director."

- That the shareholders of Atterbury IH herewith authorise its directors in terms of Section 226 of the Companies Act 61 of 1973 to:
  - enter into a limited suretyship of R55,300,000 in favour of Investec Bank Ltd in respect of the Leipzig Nova Eventis Consortium (Proprietary) Limited ("Leipzig") (Registration Number: 2007/015969/07) loan;
  - pledge 980,551 of its Attfund shares as security for the Leipzig loan;
  - service the interest on the Leipzig loan for a period of 12 months.

- That the shareholders of Atterbury IH herewith authorise the directors in terms of Section 85 of the Companies Act 61 of 1973 to buy back 1,249,833 ordinary par value shares of Atterbury IH at par value.

- That the co-operation agreement be referred to as Annexure E in the articles of association of Atterbury IH.

At the meeting of 30 November 2009:

- That the first bullet point of clause 1.15 of the board charter that currently provides for an Investment Committee consisting of only three members be amended to allow for a Investment Committee consisting of five members. The five members of the Investment Committee shall be appointed as follows: three members shall be nominated for appointment by the asset manager (currently Atterbury Asset Managers (Pty) Ltd), one member shall be the non-executive director of Atterbury IH appointed by WDC and the remaining member shall be one of the other non-executive directors of Atterbury IH.

- That an unanimous approval of a proposal before the Investment Committee shall only be submitted to Atterbury IH's board if such submission is required in terms of Atterbury IH's articles of association. If one of the two non-executive directors on the Investment Committee supports the submission of any proposal by the Investment Committee to Atterbury IH's board such proposal will be approved by the Investment Committee and should then be submitted to the board. Alternatively if neither one of the two non-executive directors on the Investment Committee supports a proposal such proposal will not be approved nor submitted to Atterbury IH's board for approval.

- That Atterbury IH is authorised by its shareholders to acquire such shares that may be put to it in terms of the existing put arrangements, for a share price as was agreed upon in the put agreements, currently filed as Annexure B, C and D to the articles of association of Atterbury IH, until the 2010 annual general meeting but in any event this authorisation is only valid for a period of 12 months.

At the meeting of 23 March 2010:

- That the second bullet point of clause 1.15 of the Board Charter be amended that an unanimous approval of a proposal before the Investment Committee shall only be submitted to Atterbury IH's Board if such submission is required in terms of Atterbury IH's articles of association. If one of the two non-executive directors on the Investment Committee supports the submission of any proposal by the Investment Committee to Atterbury IH's Board such proposal will be approved by the Investment Committee and should then be submitted to the Board. Alternatively, if neither one of the two non-executive directors on the Investment Committee supports a proposal, such proposal will not be approved nor submitted to Atterbury IH's Board for approval. The limitations with respect to any transaction falling within the abovementioned provisions shall be maximum transaction value of R200 million – any transaction for a value higher than this to require the express approval of the Board.

- That a general approval for the acquisition of Atterbury IH's own shares be approved by special resolution until the next general meeting subject to all the provisions contained in Section 85 of the Companies Act.

3. Authorised and issued share capital

Atterbury IH has an authorised share capital of 1,000,000,000 ordinary par value shares of R0.0001 each. Atterbury IH issued 16,770,958 ordinary shares during the year under review. It also acquired 2,914,735 of its own shares which was cancelled thereafter. The total number of issued shares at year end is 577,210,535. The 422,789,465 unissued shares are placed under the control of the directors.

The net asset value per share of the Group at year end is calculated at R7.54 (2009: R7.08) per issued share. This is based on a net asset value of R4,351 billion and the number of issued shares mentioned above.

According to the records of Atterbury IH, shareholders registered as holding five percent or more of the issued share capital at 30 June 2010 are as follows:

Number of shares 2010		Number of shares 2009
39,122,758	Atterbury Investment Managers (Pty) Ltd	40,454,567
56,417,963	BNF Investments (Pty) Ltd	57,805,808
89,529,643	Mergon Foundation (Association incorporated under Section 21)	91,738,309
95,395,536	Sanlam Life Insurance Limited	95,395,536
121,580,547	Waterval Development Company (Pty) Ltd	121,580,547

The directors' interest in the issued shares of Atterbury IH, directly or indirectly, are as follows:

Name	Beneficial		Non-beneficial	Total
	Directly	Indirectly		
BF van Niekerk	-	61,035,119	121,594,212	182,989,331
LLS van der Watt	8,267,040	27,556,728	12,677,832	48,501,600
GJ Oosthuizen	34,719	5,812,920	89,529,643	95,377,282
MC Wilken	213,934	603,068	-	817,002
PH Faure	-	5,572,920	145,947,606	151,520,526
WL Masekela	-	594,388	-	594,388
P Tredoux	-	113,164	3,257,727	3,370,891
JHP van der Merwe	-	-	95,395,537	95,395,537
WR van Rhyn	-	-	121,580,547	121,580,547
Total 30 June 2010	**8,515,693**	**101,288,307**		
Total 30 June 2009	9,045,858	100,375,808		

Fountains Mall, Jeffreys Bay

4. Interest in subsidiaries and associates

Name and nature of business	Shares issued	Effective interest (%) 2010	2009
Direct subsidiaries and associates			
- Attcorn Property Gauteng (Pty) Ltd			
Dormant	940	100	100
- Atterbury Attfund Investment Company No.1 (Pty) Ltd			
Investment company	10,000	100	100
- Atterbury Attfund Investment Company No.3 (Pty) Ltd			
Investment company	10,000	100	100
- Atterbury Mauritius Consortium (Pty) Ltd			
Property investment company	100	80	-
- Atterbury Property Investments (Pty) Ltd			
Investment company	100	100	100
- Atterbury Property Johannesburg (Pty) Ltd			
Dormant	100	100	100
- Atterbury Waterfall Investment Company (Pty) Ltd			
Property Investment company	1,000	80	100
- De Ville Shopping Centre (Pty) Ltd			
Property Investment company	1,000	100	-
- Harlequin Duck Properties 204 (Pty) Ltd			
Dormant	400	100	100
- Highgrove Property Holdings (Pty) Ltd			
Investment company	1	100	100
- Le Chateau Property Development (Pty) Ltd			
Development company	1,000	74	74
- Lord Charles & Lady Brooks Office Park Holdings (Pty) Ltd			
Property Investment company	1,000	100	100
- Lynnwood Bridge Office Park (Pty) Ltd			
Development company	1,000	85	85
- Riverport Trading 143 (Pty) Ltd			
Property Investment company	100	51	51
Associates			
- Atterbury Parkdev Consortium (Pty) Ltd			
Property investment company	100	50	-
- Attfund Limited			
Property investment company	45,037,672	43	46
- Attvest Property Development JV (Pty) Ltd			
Property investment company	100	25	25
- Brooklyn Bridge Office Park (Pty) Ltd			
Property investment company	1,000	23	-
- Geelhoutboom Estate (Pty) Ltd			
Property investment company	1,200	37	37
- Keysha Investments 213 (Pty) Ltd			
Property investment company	1,000	50	50
- RAPfund Holdings (Pty) Ltd			
Property loan stock company	21,172,139	23	23
- Travenna Development Company (Pty) Ltd			
Property investment company	1,000	36	10

Name and nature of business	Shares issued	Effective interest (%) 2010	2009
Indirect subsidiaries and associates			
- Aldabri 96 (Pty) Ltd			
Property Investment company	100	100	100
- Atterbury Attfund Investment Company No. 2 (Pty) Ltd			
Investment company	100	100	100
- Design Square (Pty) Ltd			
Property Investment company	9,174,653	100	100
- Mall of Mauritius at Bagatelle Ltd (Mauritian)			
Property Investment company	1,000	50	-
- Nuristar Investments (Pty) Ltd			
Property Investment company	100	20	-
- Razorbill Properties 91 (Pty) Ltd			
Dormant	100	100	100

5. Investment Property

Net additions to investment properties to the value of R681,5 million were made during the current financial year, consisting of:

Property	Held By	Nature of addition	Acquisition value R'000
Atterbury House	Atterbury IH Ltd	Refurbishment	2,259
Design Square	Design Square (Pty) Ltd	Refurbishment	13,219
Glenfair Boulevard Shopping Centre	Atterbury IH Ltd	Refurbishment	16,668
De Ville Shopping Centre	De Ville Shopping Centre (Pty) Ltd	Acquisition and refurbishment	105,136
Great Westerford	Atterbury IH Ltd	Capital extension	31,442
Hampton Office Park	Atterbury IH Ltd	Capital extension	4,150
Investec Pretoria Office	Riverport Trading 143 (Pty) Ltd	Acquisition of adjacent residential property	5,251
Kumba Head Office	Atterbury IH Ltd	Capital extension	186
Le Chateau	Le Chateau Property Development	Capital extension	58
Lynnwood Bridge Office Park	Lynnwood Bridge Office Park (Pty) Ltd	Development	488,469
Waterfall	Atterbury Waterfall Investment Company	Development	14,629
			681,467

The Group entered into disposal agreements for the following investment properties:

Property	Held By	Disposal value R'000
Brooklyn Gardens	Aldabri 96 (Pty) Ltd	60,997

Brooklyn Gardens was disposed in an outright sale to an independent third party. The transfer of the property was registered in July 2010. As the property was not transferred by 30 June 2010, it is classified as held for sale in the financial statements.

The following investment properties were transferred during the year:

Property	Held By	Disposal value R'000	Date of transfer
Midrand Landrover	Atterbury IH Ltd	27,323	October 2009
McCarthy Arcadia Dealership	Aldabri 96 (Pty) Ltd	23,177	October 2009
Portion of development land of Lynnwood Bridge Office Park	Lynnwood Bridge Office Park (Pty) Ltd	20,165	November 2009
Claremont Terraces	Harlequin Duck 204 (Pty) Ltd	99,000	January 2010

6. Post year-end transactions

The following notable transactions occurred since 30 June 2010.

Brooklyn Bridge and Harlequin Office Park

The Group is in the process of acquiring a further 2,5% interest in the Brooklyn Bridge Office Park development for a consideration of R5 million. It is also acquiring a further 50% interest in Atterbury Parkdev Consortium (Pty) Ltd for a consideration of approximately R23 million.

Bagatelle, Mauritius

During 2009, the Group entered into a joint venture with ENL Ltd, a Mauritian group of companies to acquire land in Mauritius from the Savannah Sugar Estates Fund. Phase 1 constituted approximately 35% of certain land measuring approximately 103 hectare. This had been earmarked for the development of a hotel and retail shopping complex measuring approximately 38,000 m^2 (the "Mauritius Land") which is currently under construction. Phase 1 was acquired by issuing shares in Atterbury IH. One of the conditions that still needs to be fulfilled is the approval of the proposed Put Option to the Savannah Sugar Estates Fund, by the shareholders. The directors have approved the acquisition of the balance (i.e. 65%) of the Mauritius Land from the Savannah Sugar Estates Fund, for R106 million, subject to regulatory approvals.

Nova Eventis

Atterbury IH currently holds 4,5% in the 95,985 m^2 Nova Eventis regional shopping centre located between the cities of Leipsig and Halle in East Germany. Atterbury IH also has an option to acquire a further 3,8% in Nova Eventis from Wattchatt (Pty) Ltd. The directors and the shareholders approved for Atterbury IH to follow its rights (direct interest and in terms of the option still to vest) in terms of the rights issue of SESCF for a cost of R34,9 million. The shareholders approved, subject to the further approval of the directors, to subscribe for any unsubscribed shares of the rights issue.

Supreme

The Group has reached agreement with Supreme Commercial Property Fund (Pty) Ltd to sell three of its properties namely Atterbury House (R430 million), Building G, DTI campus (R167 million) – the Group has a 50% share – and the Trevenna Complex (R290 million) – the Group has a 36% share. The transaction is still suspensive on a number of conditions.

Retail Africa Collaboration

Retail Africa is one of the leading property developers and owners in South Africa. The Group is already a shareholder in one of their two funds, i.e. RAPfund. During this year further steps have been taken to cement the relationship and increase our shareholding in the Retail Africa group. The second fund, Wingspan, concluded a rights issue during the first half of 2010 and the Group was afforded the opportunity to participate in the rights issue. The taking of shares in this manner was a first step in a series of transactions that will culminate in the Group effectively owning 25% of both of Retail Africa's two funds. These funds own 16 completed shopping centres, and allow Atterbury IH to participate, in conjunction with the developer, in future

retail development opportunities. Assets include Irene Village Mall, Westwood Shopping Centre in Durban, West Coast Mall situated in Vredenburg in the Western Cape, the Mountain Mill Centre in Worcester and the Village Mall in Hartebeespoort. The Group's estimated effective gross value of assets held via this collaboration is approximately R900 million.

Abacus Collaboration

Abacus Asset Management is a well-established property developer and asset manager, based in Stellenbosch in the Western Cape. Several well-established assets have been developed by this group, including Cape Gate (a property that was eventually acquired by Attfund Limited) and the Mooi River Mall in Potchefstroom. Abacus have expressed the need to form a holding company of their own, and due to the experience of Atterbury, a partnership was negotiated whereby a new fund will be started consisting of the following property assets: Mooi River Mall, the Eikestad Mall in Stellenbosch (currently under re-development), and the Group's Pretoria-based Design Square Shopping Centre. The Group's estimated effective gross value of assets held via this collaboration is R1,4 billion. This fund, similar to the Retail Africa fund as outlined above, will be focused on retail properties.

Waterval Development Company Put

On 10 August 2010, WDC gave written notice that it wishes to exercise the WDC Put Option. WDC has exercised the WDC Put Option in respect of all of the shares held by WDC in the share capital of Atterbury IH, being approximately 121 million ordinary shares. Consequently, Atterbury IH is obliged to repurchase all of the shares held by WDC in the issued share capital of Atterbury IH at the price settled between Atterbury IH and WDC by no later than 28 February 2011. At this stage, the directors intend to fund the consideration for the WDC Put Option by utilising Atterbury IH's share of the proceeds from the disposal of some shares held in Attfund Ltd upon the listing of Attfund (should it occur), or by procuring finance for this purpose by utilising its shares in Attfund Ltd as security for such finance. In case the Attfund Ltd listing does not occur, the directors of Atterbury IH will make alternative arrangements to satisfy the purchase price of the WDC Put Option.

Royal Bafokeng Holdings ('RBH')

The board approved the proposal for RBH to acquire a minimum of 10% in Atterbury IH from existing shareholders and agreed to the following: A minimum of 10% shareholding is acquired by RBH to secure a seat on the board of Atterbury IH, RBH will become a party to the existing co-operation agreement and RBH obtains a Put Option on similar terms as the amended Put with Sanlam (see below). This transaction ensures RBH enters as a key BBBEE shareholder and role player. RBH is regarded as an especially valued BBBEE partner due to their perceived ability to remain above the politics of the day.

Sanlam Put

Sanlam, as a member of the Atterbury IH board, view the introduction of RBH as a shareholder of the Company as beneficial to Atterbury IH. Accordingly, Sanlam and Atterbury IH agreed to a further amendment of the Sanlam Put Option Agreement. The main amendments are the following:

- the Put Option may not, in any one put option exercise notice, be exercised over so many of the Put Option Shares as will in aggregate constitute an exercise of options over more than 20% of the Put Option Shares;

- for the period of 12 months following the date of any put option exercise notice, the Put Option may not be exercised over so many Put Option Shares as will, when taken together with the Put Option Shares contemplated in that put option exercise notice, constitute more than 20% of the Put Option Shares; and

- in terms of the Sanlam Put Option Agreement, Atterbury IH is required to settle the consideration payable as a result of the exercise of the Put Option on the last business day of the period of 6 calendar months commencing on the first day of the calendar month immediately following the date upon which Atterbury IH receives a put option exercise notice or the date upon which a 'material adverse event' occurs. In terms of the Addendum, Atterbury IH will be entitled to settle the consideration payable as a

result of the exercise of the Put Option at any time prior to the lapse of the aforementioned period of 6 calendar months, but not earlier than the lapse of a period of 5 business days from the date of the relevant put option exercise notice or the date on which the relevant material adverse event occurs.

7. Dividends

No dividends were declared by the holding company.

Some of the subsidiaries declared dividends during the financial year and elected to roll over the tax liability to the holding company as per Section 64B of the Income Tax Act.

8. Directors

BF van Niekerk	Chairman	
LLS van der Watt	Chief Executive Director	
GJ Oosthuizen	Executive director	
MC Wilken	Executive director	Appointed 31 August 2009
PH Faure	Non-Executive Director	
WL Masekela	Non-Executive Director	Appointed 23 March 2010
P Tredoux	Non-Executive Director	
JHP van der Merwe	Non-Executive Director	
W van Rhyn	Non-Executive Director	

9. Secretary

The secretary of Atterbury IH is T Smith.

Business Address: Mertech Building, Glenfield Office Park, Oberon Street, Faerie Glen, 0042

Postal Address: Postnet Suite 205, Private Bag X20009, Garsfontein, 0043

Trevenna, Mandela Development Corridor, Pretoria

Nathan Viljoen (4) – son of Louise, receptionist
I intend to further my studies when I grow up. My mother's dream for me is to start up my own successful business - whether it is on the golf course or a business tycoon just like Louis van der Watt.

Stephan Pretorius (6) – son of Ané, financial manager
One day when I grow up I would like to use my Atterbury IH shares to pay for my studies towards becoming a dentist. I would also like to play for the Blue Bulls and kick like Morné Steyn. In order to achieve that I will have to buy myself the best kicking boots available to practice.

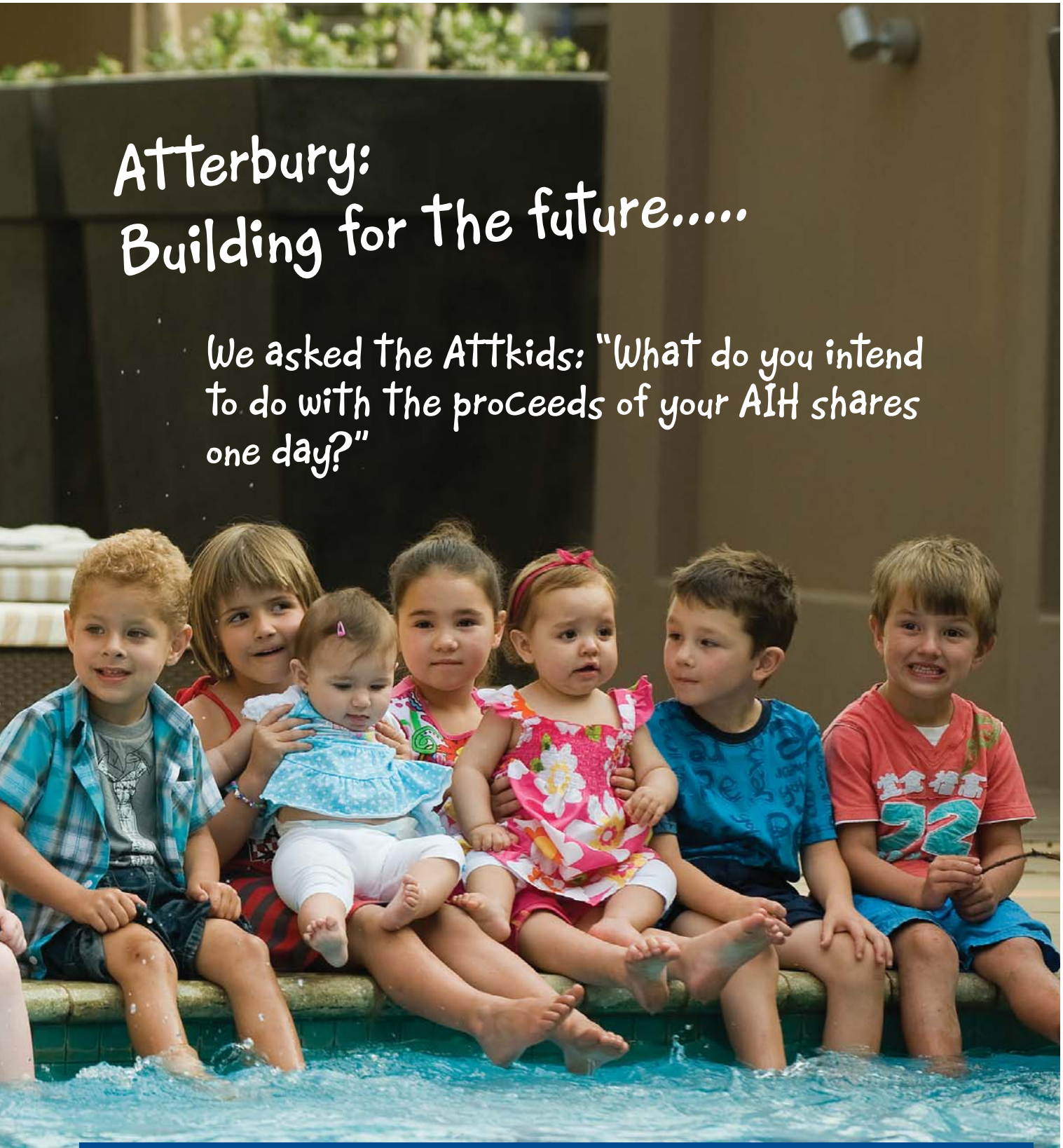
Juan Pretorius (3) – Stephan's brother
One day when I grow up I would like to use my Atterbury IH shares to buy the best golf clubs there are and practice to become the world number one player. I would also like to play for the Blue Bulls and be like Pierre Spies. I would like to use my shares to buy enough walls to run through, just like Pierre.

Siegfried Bentum (3) – son of Luis, accountant
I will buy a sword to fight the dinosaurs.

Carmin Bentum (3) – Siegfried's sister
I want to buy a very fast motor bike.

Atterbury: Building for the future.....

We asked the Attkids: "What do you intend to do with the proceeds of your AIH shares one day?"



Mateo Lombard (3) – son of Quinette, accountant
I would like to buy a farm, LOTS of John Deere tractors and a BIG harvester.

Ashton (6) – daughter of Nicolle, director asset management
I would buy a doll house for my Barbie with a toy swimming pool and save the change in my pink wallet.

Souri du Plessis (7 months) – daughter of Anlia, personal assisitant to CEO and leasing co-ordinator
Anlia believes that if Souri was able to speak she would have wanted a whole heap of toys, but the proceeds of Souri's shares must one day provide for her education and maybe her first house.

Zane (5) – daughter of Heloise, asset manager
I will buy lots of shoes just like my mom.

Isabel Nieuwoudt (10 months) – daughter of Liezl, finance and loan implementation
I am going to buy ballet shoes!

Keano (5) – Zane's brother
I will go hunting!

Patrick (4) – Ashton's brother
I don't know but I think I would buy a Ben 10 watch with special powers.

Photographed at the City Lodge Hotel, Lynnwood Bridge.

Heloise van Niekerk

Shareholder and employed in the Atterbury Asset Manager Division. *Photographed outside the Adams & Adams office, Lynnwood Bridge.*

When did you acquire your AIH shares?
In 2007 – I was fortunate to have obtained shares even before I started working for Atterbury.

What do you like most about your job?
The diversity – leasing, tenant liaison, financials – so many aspects and never boring.

What do you do to relax?
I recently joined a gym – it truly helps with the stress levels. My family is the most important aspect of my life so I try to spend as much time with them as possible.

Where do you see AIH in five year's time?
As one of the largest listed property funds – with share price well into double digits!

How many cups of coffee do you average per day?
10-12...

What is your favourite clothing shop?
Kingsley Heath. I'm very excited as a new branch opened at the extended Woodlands Boulevard. I used to shop there in Cape Town.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Group 2010 R'000	2009 R'000
Assets			
Non-current Assets			
Property, plant and equipment	2	764	808
Investment properties	3	3,807,378	3,201,583
Per independent valuation		3,856,369	3,248,965
Straight line lease debtor		(48,991)	(47,381)
Straight line lease debtor		48,991	47,381
Deferred initial lease expenditure		6,061	13,004
Goodwill	4	12,475	8,786
Investment in associates	6	2,650,513	2,356,697
Other investments	7	67,343	63,917
Other financial assets	10	207,318	188,005
		6,800,843	**5,880,184**
Non-current assets classified as held for sale	13.1	**169,435**	**70,665**
Current Assets			
Inventories	14	-	4,757
Taxation		792	383
Trade and other receivables	15	40,467	23,002
Loans to shareholders	9	11,945	-
Loans to associates and joint ventures	8	738	21,166
Other financial assets	10	2	6,861
Cash and cash equivalents	11	12,380	15,578
		66,324	**71,747**
Total Assets		**7,036,602**	**6,022,596**
Equity and Liabilities			
Total Equity		**4,421,984**	**4,022,317**
Issued capital	16	2,304,478	2,209,467
Non-distributable reserves		-	79,102
Distributable reserves		2,047,408	1,699,598
Equity attributable to owners of the Group		**4,351,886**	**3,988,167**
Minority Interest		**70,098**	**34,150**
Liabilities			
Non-Current Liabilities			
Long-term borrowings	17	1,831,766	1,523,341
Deferred tax	12	323,960	268,727
Other financial liabilities	10	24,471	3,723
		2,180,197	**1,795,791**
Liabilities of non-current assets classified as held for sale	13.2	**59,672**	**20,705**
Current Liabilities			
Loans from shareholders	9	-	11,288
Loans from subsidiaries, associates and joint ventures	8	251	60
Other financial liabilities	10	115	1,549
Taxation		334	7,910
Trade and other payables	18	75,810	57,382
Provisions	19	8,541	13,682
Current portion of long-term borrowings	17	257,852	86,867
Bank overdraft	11	31,845	5,046
		374,748	**183,784**
Total Liabilities		**2,614,617**	**2,000,280**
Total Equity and Liabilities		**7,036,602**	**6,022,596**

Op, op, op

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Group 2010 R'000	Group 2009 R'000
Gross rental income		**232,061**	**208,800**
Rental income		224,378	185,361
Straight line lease income adjustments		7,683	23,439
Property expenses	20	(84,493)	(70,366)
Net rental income		**147,568**	**138,434**
Net sales		**(617)**	**(2,190)**
Sales		4,386	3,524
Cost of sales		(5,003)	(5,714)
Other income	20	2,162	6,524
Operating and other expenses	20	(97,539)	(50,588)
Operating profit		**51,574**	**92,180**
Fair value adjustments		123,068	169,189
Investment properties	3	167,189	215,689
Other financial assets	10	(27,380)	(30,373)
Other investments	7	(16,741)	(16,127)
Net income from associates	6 & 24	237,860	22,818
Investment income	25	65,588	75,417
Profit before finance costs and taxation		**478,090**	**359,604**
Finance costs	26	(147,032)	(150,028)
Profit before taxation		**331,058**	**209,575**
Taxation	23	(54,367)	(4,193)
Profit for the year from continued operations		**276,691**	**205,383**
Profit from discontinued operations	13.3	14,764	10,463
Minority interest		(22,267)	(9,301)
Profit attributable to ordinary shareholders		**269,188**	**206,545**
Other comprehensive income			
Exchange differences on translating foreign operations		(554)	-
Taxation related to components of other comprehensive income		78	-
Other comprehensive income for the year		(476)	-
Total comprehensive income		**268,712**	**206,545**

Partners to be proud of!

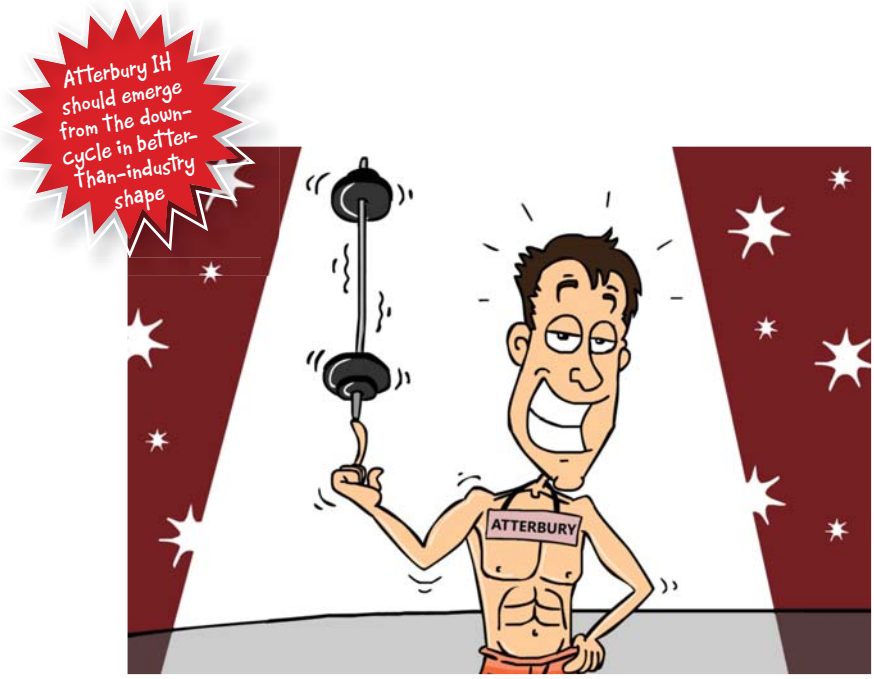
Up 38%

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	Foreign Currency translation reserve R'000	Distributable reserves R'000	Total R'000
Balance at 1 July 2008	**42**	**1,247,135**	**76,095**	**-**	**1,493,052**	**2,816,324**
Total comprehensive income including minority interest	-	-	-	-	215,846	215,846
Transfer to revaluation reserve	-	-	3,007	-	-	3,007
Minority shareholders' interest in profits	-	-	-	-	(9,301)	(9,301)
Issue of share capital	15	962,275	-	-	-	962,290
Total changes	15	962,275	3,007	-	206,545	1,171,842
Balance at 1 July 2009	**57**	**2,209,410**	**79,102**	**-**	**1,699,598**	**3,988,166**
Total comprehensive income including minority interest	-	-	-	(476)	291,454	290,978
Transfer to revaluation reserve	-	-	(79,102)	-	79,102	-
Minority shareholders' interest in profits	-	-	-	-	(22,267)	(22,267)
Issue of share capital	1	95,010	-	-	-	95,011
Total changes	1	95,010	(79,102)	(476)	348,287	363,720
Balance at 30 June 2010	**58**	**2,304,420**	**-**	**(476)**	**2,047,885**	**4,351,886**

Note 16.



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Group 2010 R'000	Group 2009 R'000
Cash flow from operating activities			
Cash generated from operating activities	32.1	143,517	108,268
Investment income	25	65,590	75,417
Interest paid	26	(150,006)	(154,425)
Taxation refunded/ (paid)		(7,999)	1,120
Net cash from operating activities		**51,102**	**30,380**
Cash flow from investing activities			
Expenditure to maintain operating capacity			
Outflow resulting from disposal of subsidiaries		-	(3,945)
Proceeds from disposal of associates		128,016	20,000
Proceeds from non current assets and liabilities held for sale		49,960	-
Proceeds from disposal of investment properties		99,000	-
Expenditure to expand operating capacity			
Subsidiaries acquired	32.2	-	(1)
Property, plant and equipment acquired		(404)	(315)
Investment properties acquired		(603,228)	(1,403,191)
Loans receivable (granted)/ repaid		(41,266)	(23,477)
Loans to shareholders (granted)/ repaid		(18,130)	-
Investment in associates		(186,515)	(17,866)
Investments acquired		(30,923)	(230)
		(603,487)	**(1,429,025)**
Cash flow from financing activities			
Capital raised		113,314	962,290
Capital redeemed		(18,303)	-
Loans raised		661,423	482,373
Loans (repaid)		(214,071)	(45,045)
Loans from shareholders raised/ (repaid)		(11,294)	11,051
Loans from group companies raised/ (repaid)		191	(7)
Loans to group companies (advanced)/ repaid		(9,753)	(4,290)
Net cash from financing activities		**521,507**	**1,406,372**
Total cash movement for the period		**(30,878)**	**7,726**
Cash at the beginning of the period		10,532	2,802
Cash acquired/ (disposed) with subsidiaries		881	5
Cash disposed with subsidiaries		-	(1)
Total cash at the end of the period	11	**(19,465)**	**10,532**

Cerneels van Niekerk

Shareholder at Lynnwood Bridge and MD, CVN Konstruksie. *Photographed at the Adams & Adams building.*

What was the most challenging Atterbury project that you were involved with?
The 37 Units in Kingswood Retirement village.

How do you see Atterbury IH in five year's time?
Still a leading developer in SA with a growing international portfolio.

Why did you decide to invest in Atterbury IH shares?
Because of Atterbury's history of high growth. Knowing the Atterbury team gives me confidence to invest in Atterbury IH.

What is your favourite holiday destination?
Pomene in Mozambique.

Which Atterbury development do you like best?
Woodlands Boulevard. Next door to me and I shop there often.

What is your favourite movie?
I'm tempted to say: "Bob the builder" as I hardy ever go to the movies. I saw "Bakgat" with my kids recently – the first time in the cinema in 17 years.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

1. Presentation of financial statements

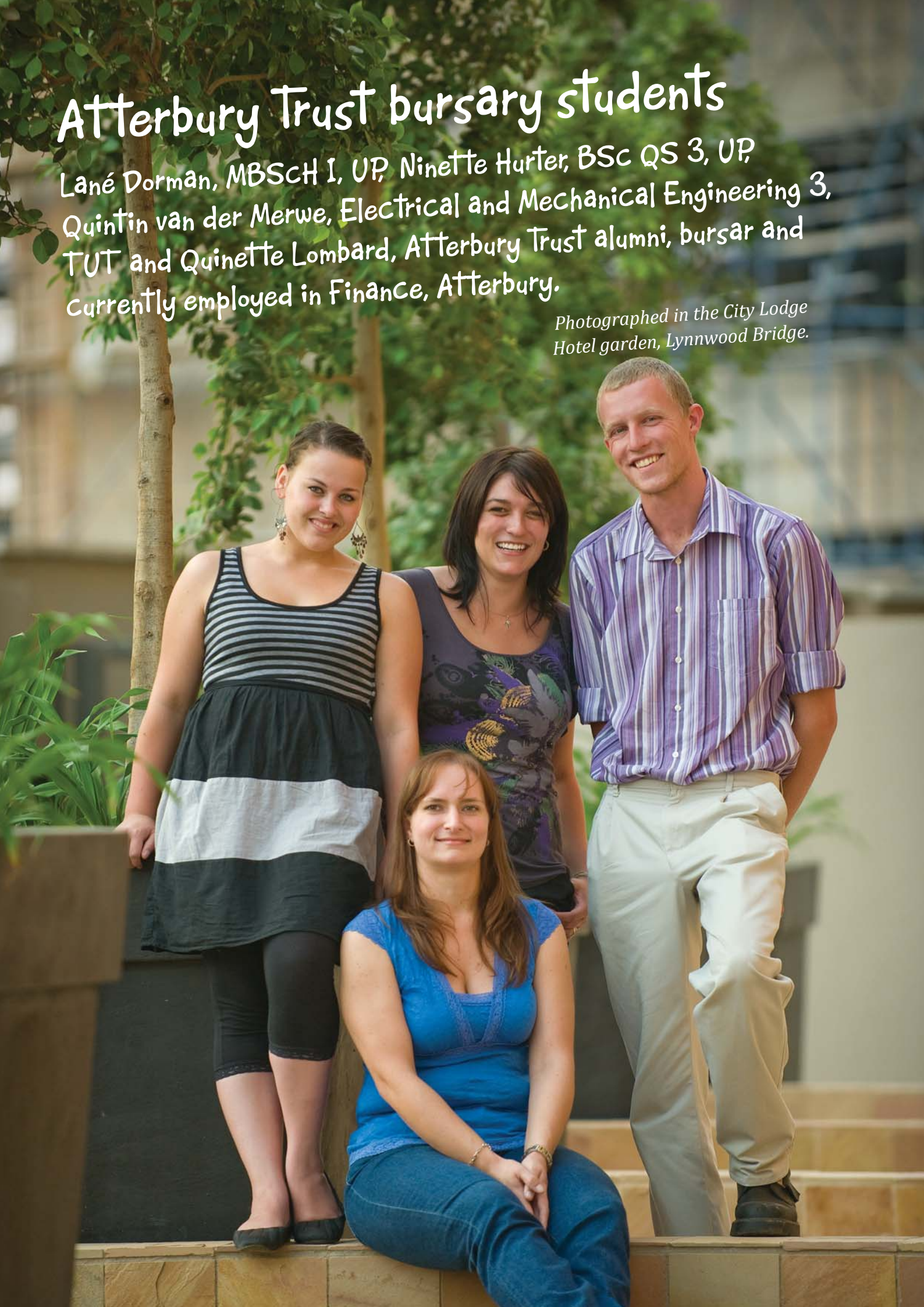
The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa, 1973. The financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

Atterbury Trust bursary students

Lané Dorman, MBSCH I, UP, Ninette Hurter, BSc QS 3, UP, Quintin van der Merwe, Electrical and Mechanical Engineering 3, TUT and Quinette Lombard, Atterbury Trust alumni, bursar and currently employed in Finance, Atterbury.

Photographed in the City Lodge Hotel garden, Lynnwood Bridge.



2. Property, plant and equipment

2010 Cost / Valuation	2010 Accumulated depreciation	2010 Carrying value		2009 Cost / Valuation	2009 Accumulated depreciation	2009 Carrying value
			Group			
363	(132)	231	Other fixed assets	603	(155)	448
60	(18)	42	Cleaning equipment	-	-	-
314	(175)	140	Kitchen equipment	314	(70)	244
33	(12)	21	Computer Equipment and software	-	-	-
536	(205)	330	Motor vehicles	225	(109)	116
1,306	**(542)**	**764**	**Total**	**1,142**	**(334)**	**808**

The carrying value of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of the year R'000	Acquisitions R'000	Disposals/ Transfers R'000	Depreciation and impairment R'000	Carrying value at end of the year R'000
Group 2010					
Other fixed assets	448	-	(156)	(60)	231
Cleaning equipment	-	60	-	(18)	42
Kitchen equipment	244	-	-	(105)	140
Computer Equipment and software	-	34	-	(12)	21
Motor vehicles	116	310	-	(97)	330
	808	**404**	**(156)**	**(292)**	**764**
Group 2009					
Other fixed assets	508	-	-	(60)	448
Kitchen equipment	-	314	-	(70)	244
Motor vehicles	161	-	-	(45)	116
	669	**314**	**-**	**(175)**	**808**

Motor vehicles are encumbered as per note 17.

We bought a bus – not a G-wagon!

Paul – Mover & Shaker!

Paul Labuschagne

Labucon and shareholder. *Photographed at the shopping centre site at Lynnwood Bridge.*

What was the most challenging Atterbury project that you were involved with?

The most challenging project that we recently did was Lynnwood Bridge. Every one involved in this project anticipated 10% rock in the excavations but it became 50% rock. Although designs changed all the time and additional parking was required, we managed to keep the main contractor happy.

How do you see Atterbury IH in five year's time?

Atterbury IH will be, from my point of view, an International Market Leader in Property Development.

What is the aspect that you admire most in Atterbury?

There are two aspects that I admire most in Atterbury – the young and dynamic leadership as well as the solid principles they follow.

When did you obtain your AIH shares and for how long do you intend to keep it?

I obtained AIH shares ± 6 years ago with the view of a long term growth, which it did. It is an investment that one can "forget " about as it looks after itself and just grows from strength to strength.

What do you do with the soil/ earth (?) that you move from a new development?

Labucon is committed to be environmentally friendly. Our strategy changed from "dump it all" to "use it all". All rock and building material become useable road building material.

What is the best part of your job?

The best part of my job is that there is never a dull moment. I also thrive on challenges and in my job in all the projects, I experience enough.

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3. Investment properties

	Group 2010 R'000	Group 2009 R'000
Fair value		
Balance at beginning of the year	3,201,583	1,506,054
Additions	603,228	1,403,191
Additions ex subsidiaries	78,239	130,913
Net gain from fair value adjustment	186,840	222,621
Continued operations	167,189	215,689
Discontinued operations held for sale	19,651	6,932
Transfers and disposals	(262,512)	(61,196)
Balance at end of the year	**3,807,378**	**3,201,583**
Reconciled as follows:		
Cost	3,031,466	2,454,758
Fair value adjustment	945,347	808,022
Transfers and disposals	(169,435)	(61,196)
Total value	**3,807,378**	**3,201,583**
Building G, DTI Campus*		
Balance at the beginning of the year	53,482	56,532
Additions	-	-
Transfers	-	-
Net gain/ (loss) from fair value adjustment	10,214	(1,527)
Straight line lease income adjustment against fair value	(2,091)	(1,524)
Balance at the end of the year	61,605	53,482
Brooklyn Gardens		
Balance at beginning of the year	45,563	43,017
Additions	-	-
Net gain from fair value adjustment	12,191	3,793
Deferred initial lease expenditure	-	1,996
Straight line lease income adjustment against fair value	3,243	(3,243)
Transfer to assets held for sale	(60,997)	-
Balance at end of the year	-	45,563
Design Square		
Balance at beginning of the year	265,040	225,840
Additions	13,219	31,567
Net gain/ (loss) from fair value adjustment	(21,678)	8,662
Straight line lease income adjustment against fair value	(1,796)	(1,029)
Balance at end of the year	254,785	265,040
Kumba Head Office (Centurion Gate)		
Balance at beginning of the year	169,784	11,080
Additions	186	132,545
Net gain/ (loss) from fair value adjustment	(2,137)	29,326
Straight line lease income adjustment against fair value	(2,487)	(3,167)
Balance at end of the year	165,346	169,784

3. Investment properties (continued)

	Group 2010 R'000	Group 2009 R'000
De Ville Shopping Centre* **		
Balance at beginning of the year	-	-
Additions	105,137	-
Acquisition ex subsidiary	78,239	-
Additions	26,898	-
Net gain/ (loss) from fair value adjustment	(4,031)	-
Straight line lease income adjustment against fair value	154	-
Balance at end of the year	101,260	-
Glenfair Boulevard Shopping Centre* **		
Balance at beginning of the year	172,863	-
Additions	16,668	174,717
Net gain/ (loss) from fair value adjustment	(21,221)	770
Straight line lease income adjustment against fair value	(998)	(2,624)
Balance at end of the year	167,312	172,863
Great Westerford		
Balance at beginning of the year	442,743	421,382
Additions	31,442	899
Net gain/ (loss) from fair value adjustment	(3,807)	21,163
Deferred initial lease expenditure	-	269
Straight line lease income adjustment against fair value	3,215	(971)
Balance at end of the year	473,593	442,743
Hampton Office Park		
Balance at beginning of the year	237,658	151,589
Additions	4,150	70,849
Net gain/ (loss) from fair value adjustment	29,925	13,434
Deferred initial lease expenditure	-	3,080
Straight line lease income adjustment against fair value	(1,078)	(1,294)
Balance at end of the year	270,655	237,658
Investec Pretoria Offices		
Balance at beginning of the year	115,313	107,984
Additions	5,251	912
Reversal of prior year building accruals	-	(2,440)
Net gain/ (loss) from fair value adjustment	9,184	10,984
Straight line lease income adjustment against fair value	(2,676)	(2,127)
Balance at end of the year	127,072	115,313

3. Investment properties (continued)

	Group 2010 R'000	Group 2009 R'000
Lady Brooks Offices		
Balance at beginning of the year	33,034	31,883
Additions	-	-
Reversal of prior year building accruals	-	(36)
Net gain/ (loss) from fair value adjustment	22	990
Deferred initial lease expenditure	-	88
Straight line lease income adjustment against fair value	4	108
Transfer to assets held for sale	(33,060)	-
Balance at end of the year	-	33,034
Lord Charles Office Park		
Balance at beginning of the year	71,187	66,006
Additions	-	-
Reversal of prior year building accruals	-	(97)
Net gain/ (loss) from fair value adjustment	3,959	5,134
Straight line lease income adjustment against fair value	232	143
Transfer to assets held for sale	(75,378)	-
Balance at end of the year	-	71,187
McCarthy Arcadia Dealership		
Balance at beginning of the year	-	21,885
Additions/ (disposals)	-	-
Net gain/ (loss) from fair value adjustment	-	(3,325)
Straight line lease income adjustment against fair value	-	(663)
Transfer to assets held for sale	-	(17,898)
Balance at end of the year	-	-
San Ridge Square		
Balance at beginning of the year	74,500	-
Additions	-	65,811
Net gain/ (loss) from fair value adjustment	3,500	8,689
Straight line lease income adjustment against fair value	-	-
Balance at end of the year	78,000	74,500
Midrand Landrover		
Balance at beginning of the year	-	26,106
Additions	-	-
Net gain/ (loss) from fair value adjustment	-	(1,481)
Straight line lease income adjustment against fair value	-	(1,492)
Transfer to assets held for sale	-	(23,133)
Balance at end of the year	-	-

3. Investment properties (continued)

	Group 2010 R'000	Group 2009 R'000
Atterbury House		
Balance at beginning of the year	289,361	246,341
Additions	2,259	12,484
Net gain/ (loss) from fair value adjustment	43,882	30,812
Deferred initial lease expenditure	-	885
Straight line lease income adjustment against fair value	(1,553)	(1,160)
Balance at end of the year	333,949	289,361
Claremont Terraces		
Balance at beginning of the year	93,077	96,408
Additions	-	50
Net gain/ (loss) from fair value adjustment	-	(3,466)
Deferred initial lease expenditure	-	324
Straight line lease income adjustment against fair value	-	(240)
Disposal	(93,077)	-
Balance at end of the year	-	93,077
Le Chateau**		
Balance at beginning of the year	24,950	-
Acquisitions ex subsidiary	-	26,046
Additions	58	-
Net gain/ (loss) from fair value adjustment	(10,022)	(1,096)
Deferred initial lease expenditure	-	-
Straight line lease income adjustment against fair value	-	-
Balance at end of the year	14,986	24,950
Lynnwood Bridge***		
Balance at beginning of the year	212,039	-
Acquisitions ex subsidiary	-	104,867
Additions	488,469	99,152
Net gain/ (loss) from fair value adjustment	106,806	28,185
Straight line lease income adjustment against fair value	(369)	-
Transfer to assets held for sale	-	(20,165)
Balance at end of the year	806,945	212,039
Waterfall*		
Balance at beginning of the year	900,991	-
Transfer from holding company	-	800,000
Additions	14,628	16,780
Net gain/ (loss) from fair value adjustment	36,253	84,211
Transfer to subsidiary	-	-
Balance at end of the year	951,872	900,991
	3,807,378	**3,201,583**

* Leasehold
** Development land
*** Investment property under construction or refurbishment

3. Investment properties (continued)

A register containing information relating to leasehold assets, development land and investment properties held, as required by paragraph 22(3) of the Fourth Schedule of the Companies Act, is available for inspection at the Registered Offices of the Group.

Investment properties are encumbered as described in note 17.

Fair valuations
The effective date of the revaluations is 30 June 2010.

Investment properties and properties under construction
The revaluations for investment property buildings were performed by a registered independent valuer, Quadrant Property Group. The independent valuer is not connected to the Group and have recent experience in the location and category of the investment properties being valued.

The valuations for the investment properties are done by applying the capitalised net income method, which is a combination of the capitalisation and discount approaches to property valuations, and includes the following:
- consideration of market norm operating costs, including letting commission and tenant installations,
- inclusion of perpetual vacancy factors, as well as short-term vacancy provisions on specific buildings, and
- application of market norm capitalisation rates.

The revaluations for the development land and Waterfall leasehold land were performed by an independent valuer Amanda de Wet, who is not connected to the Group and has recent experience in the location and category of the investment properties being valued. In addition to the valuations performed, certain cost provisions and obligations were included in determining the fair value of the properties disclosed.

Waterfall leasehold and development rights
In 2009 the group entered into a sale of development rights and lease agreements with Waterval Development Company (Pty) Ltd in terms whereof it obtained the right to develop the following pockets of land and call for the registration of long term lease agreements against the title deeds of these pockets.

Waterfall comprise development rights obtained relating to:
- pockets 3, 8, 9, 10, 12 and 24 of portion 1/RE on the Farm Waterval No.5;
- pocket 15 on portion 62 of the Farm Waterval No.5;
- pocket 20 on portion 706 of the Farm Waterval No.5;

3. Investment properties (continued)

- pocket 21 on portion 75 of the Farm Waterval No.5; and
- pocket 22 on portion 78 of the Farm Waterval No.5.

The valuation is done by applying the residual-land valuation model and includes the following key assumptions:
- an estimated development plan spanning one to 10 years;
- serviced land prices between R750 and R2,800 per m^2, depending on services installed and usage;
- estimated capital outlays and professional fees as per independent quantity surveyor;
- provision for additional costs, e.g. agents commission and marketing;
- inflation linked escalations of costs and income of 10% per annum;
- discount rates for present value calculations between 17% and 22%.

	2010 R'000	2009 R'000
Reconciliation to net fair value:		
Fair value per external valuator	1,344,596	1,316,243
Less:		
Unrecognised deferred tax liability	(105,000)	(105,000)
Provision for net rental payable to the land owner	(321,195)	(327,032)
Add:		
Capitalised additions incurred to date	33,471	16,780
	951,872	**900,991**

In terms of the Waterfall agreements Atterbury Waterfall Investment Company (Pty) Ltd ('AWIC') is obliged to pay, to the land owner, an amount equal to 6% of the net rentals from the leasehold improvements. This obligation is inseparable from the leased land. Therefore an amount, to provide for this obligation, was deducted from the valuation.

The 6% net rental obligation was calculated based on:
- anticipated market rentals for commercial-, retail- and industrial- leasehold improvements, with annual escalations of 6% per annum;
- staggered rental income streams based on anticipated completion dates of the various leasehold improvements/ disposal of leasehold rights;
- discounting of anticipated cash flow streams to determine the present value of the obligation.

4. Goodwill

	Group 2010 R'000	2009 R'000
Carrying value at the beginning of the year	8,786	8,887
Additions	3,689	7,424
Impairments	-	(7,424)
Realisation on disposal of subsidiary	-	(101)
Carrying value at the end of the year	**12,475**	**8,786**

5. Investment in subsidiaries

The investment by Atterbury Investment Holdings Ltd in subsidiaries is disclosed in the complete version of the Consolidated Financial Statements of Atterbury IH.

Refer to the Directors' Report (paragraph 4) for a complete list of subsidiaries of Atterbury Investment Holdings Ltd.

6. Investment in associates

Fair value		
Balance at the beginning of the year	2,356,696	2,335,460
Additions	186,515	17,866
Reserves gained from additions included in non-distributable reserves	-	3,007
Share in retained profits	244,281	44,851
Share in retained losses	(6,421)	(22,033)
Disposals	(129,565)	(21,778)
Transfers	10,757	(676)
Impairments	(11,750)	-
Balance at the end of the year	**2,650,513**	**2,356,697**
Reconciled as follows:		
Cost	1,586,657	1,530,701
Share of net retained profits since acquisition	1,063,856	825,996
Balance at the end of the year	**2,650,513**	**2,356,697**

Design Square, Brooklyn, Pretoria

Karin Dercksen

Shareholder and employed in the Finance department of Atterbury. *Photographed outside the Atterbury Theatre, Lynnwood Bridge.*

How long have you been employed at Atterbury?
±8.5 years – the best years of my life!

How do you see Atterbury IH in five year's time?
One of the biggest development and property investment companies in the world.

Which Atterbury development do you like best?
Kingswood Retirement Village.

What will your responsibilities be with the new Atterbury Theatre?
I will be doing all the accounting work and it is very exiting to be part of it!

What do you prefer – bushveld or sea?
Tough choice – but the bushveld reigns!

6. Investment in associates (continued)

Investments in associates comprise the following:

	Group 2010 R'000	Group 2009 R'000
Attfund Ltd		
Balance at the beginning of the year	2,316,082	2,272,137
Additions	-	17,865
Reserves gained from additions included in non-distributable reserves	-	3,007
Disposals	(129,565)	(21,778)
Share of retained profit/ (loss) for the year	230,030	44,851
Gross income from associates	265,154	80,288
Dividends received	(35,124)	(35,437)
Balance at the end of the year	2,416,547	2,316,082
RAPfund Holdings (Pty) Ltd		
Balance at the beginning of the year	62,657	62,657
Additions	-	-
Share of retained profit/ (loss) for the year	6,833	-
Gross income from associates	9,480	1,632
Debenture interest received	(2,647)	(1,632)
Balance at the end of the year	69,490	62,657
Attvest Property Development JV (Pty) Ltd		
Balance at the beginning of the year	(17)	(14)
Share of retained profit/ (loss) for the year	(2)	(4)
Balance at the end of the year	(19)	(17)
Lynnwood Bridge Office Park (Pty) Ltd (previously Lynnwood Junction (Pty) Ltd)		
Balance at the beginning of the year	-	676
Transfer to investment in subsidiary	-	(676)
Balance at the end of the year	-	-
Keysha Investments 213 (Pty) Ltd ('Val de Vie')		
Balance at the beginning of the year	(14,986)	4
Additions	-	-
Share of retained profit/ (loss) for the year	(5,903)	(14,991)
Balance at the end of the year	(20,888)	(14,986)

6. Investment in associates (continued)

	Group 2010 R'000	Group 2009 R'000
Atterbury Parkdev Consortium (Pty) Ltd		
Balance at the beginning of the year	-	-
Additions	14,143	-
Share in nett assets at acquisition	13,681	-
Goodwill	462	-
Share of retained profit/ (loss) for the year	2,252	-
Impairment	(462)	-
Balance at the end of the year	15,933	-
Mall of Mauritius at Bagatelle Ltd		
Balance at the beginning of the year	-	-
Additions (less than R1,000)	97,020	-
Share of retained profit/ (loss) for the year	(443)	-
Balance at the end of the year	96,577	-
Brooklyn Bridge Office Park (Pty) Ltd		
Balance at the beginning of the year	-	-
Additions	44,395	-
Share in nett assets at acquisition	36,096	-
Goodwill	8,299	-
Share of retained profit/ (loss) for the year	(40)	-
Impairment	(8,299)	-
Balance at the end of the year	36,055	-

Great Westerford, Rondebosch, Cape Town

6. Investment in associates (continued)

	Group 2010 R'000	Group 2009 R'000
Travenna Development Company (Pty) Ltd		
Balance at the beginning of the year	-	-
Transferred from other investments	10,757	-
Additions	30,957	-
Share in net assets at acquisition	27,968	-
Goodwill at acquisition	2,989	-
Share of retained profit/ (loss) for the year	5,165	-
Impairment of goodwill	(2,989)	-
Balance at the end of the year	43,890	-
Geelhoutboom Estate (Pty) Ltd		
Balance at the beginning of the year	(7,039)	-
Share of retained profit/ (loss) for the year	(33)	(7,039)
Balance at the end of the year	(7,072)	(7,039)
Total value	**2,650,513**	**2,356,697**

Proportion interest held in associates:

	Group 2010 %	Group 2009 %
Attfund Ltd	42,9	45,5
RAPfund Holdings (Pty) Ltd	22,7	23,4
Attvest Property Development JV (Pty) Ltd	25,0	25,0
Keysha Investments 213 (Pty) Ltd ('Val de Vie')	50,0	50,0
Atterbury Parkdev Consortium (Pty) Ltd	50,0	-
Mall of Mauritius at Bagatelle Ltd	49,9	-
Brooklyn Bridge Office Park (Pty) Ltd	22,5	-
Travenna Development Company (Pty) Ltd	36,0	10,0
Geelhoutboom Estate (Pty) Ltd	36,7	36,7

Lord Charles, Brooklyn, Pretoria

6. Investment in associates (continued)

The Group's share of the assets and revenue of its associates are as follows:

Name	Assets R'000	Liabilities R'000	Revenue R'000	Profit/ (loss) R'000
Attfund Ltd	4,154,977	1,738,364	269,005	263,489
RAPfund Holdings (Pty) Ltd	150,264	134,322	16,434	1,597
Attvest Property Development JV (Pty) Ltd	-	20	-	(9)
Keysha Investments 213 (Pty) Ltd ('Val de Vie')	17,396	32,285	-	(8,703)
Atterbury Parkdev Consortium (Pty) Ltd	53,980	38,047	6,339	2,272
Mall of Mauritius at Bagatelle Ltd	94,686	27,159	-	(1,775)
Brooklyn Bridge Office Park (Pty) Ltd	123,472	87,417	13,767	5,715
Travenna Development Company (Pty) Ltd	142,239	98,349	5,382	7,221
Geelhoutboom Estate (Pty) Ltd	35,289	42,360	-	(33)

The investment in RAPfund Holdings (Pty) Ltd ('RAPfund') comprises 4,954,715 shares at par value of R0.001 each and linked units of variable rate redeemable debentures in RAPfund Investments (Pty) Ltd (a 100% subsidiary of RAPfund Holdings (Pty) Ltd), redeemable at R10 each at 30 June 2036. The fair value of the investment in RAPfund is considered by management to equal the net asset value of RAPfund as at 30 June 2009, adjusted to agree with the accounting policies of the group.

7. Other Investments

	Group 2010 R'000	2009 R'000
Fair value		
Balance at the beginning of the year	63,917	79,805
Additions	30,924	239
Transfer to associates	(10,757)	-
Net gain/ (loss) from fair value adjustment	(16,741)	(16,127)
Balance at the end of the year	**67,343**	**63,917**
Reconciled as follows:		
Cost	76,913	56,746
Fair value adjustment	(9,570)	7,171
Balance at the end of the year	**67,343**	**63,917**
Rainprop (Pty) Ltd		
Balance at the beginning of the year	2	2
Net gain/ (loss) from fair value adjustment	5,394	-
Balance at the end of the year	5,396	2

7. Other Investments (continued)

	Group 2010 R'000	Group 2009 R'000
Travenna Development Company (Pty) Ltd		
Balance at the beginning of the year	10,814	6,640
Net gain/ (loss) from fair value adjustment	(57)	4,174
Transfer to investments in associates	(10,757)	-
Balance at the end of the year	-	10,814
Fountains Regional Mall (Pty) Ltd		
Balance at the beginning of the year	-	2,280
Net gain/ (loss) from fair value adjustment	(5,880)	(2,280)
Balance at the end of the year	(5,880)	-
Isibaya House (Pty) Ltd		
Balance at the beginning of the year	252	791
Net gain/ (loss) from fair value adjustment	(167)	(539)
Balance at the end of the year	85	252
Retail Africa Wingspan Investments (Pty) Ltd		
Balance at the beginning of the year	-	-
Additions	30,925	-
Balance at the end of the year	30,925	-
Investment through Foreign Investment Allowance		
Investec Securities Ltd		
Balance at the beginning of the year	52,849	70,092
Additions	-	239
Net gain/ (loss) from fair value adjustment	(16,032)	(17,483)
Balance at the end of the year	36,817	52,849
Total value	**67,343**	**63,917**

The Group held investments in the following companies:

	Proportion Owned Group 2010 R'000	Proportion Owned Group 2009 R'000
Unlisted		
Isibaya House (Pty) Ltd	18,8	18,8
Fountains Regional Mall (Pty) Ltd	9,5	9,5
Stenham European Shopping Centre Fund IC	4,5	4,5
Travenna Development Company (Pty) Ltd (transferred to Associates)	36,0	10,0
Retail Africa Wingspan Investments (Pty) Ltd	8,8	-

8. Loans to/ (from) associates and joint ventures

Loans have been made to/ (received from) the following associates and joint ventures:

	Group 2010 R'000	2009 R'000
Rainprop Development & Construction Joint Venture	(60)	(60)
Attvest Property Development JV (Pty) Ltd	-	22
Fountains Regional Mall (Pty) Ltd	-	960
Atterbury Parkdev Consortium (Pty) Ltd	738	-
Brooklyn Bridge Office Park (Pty) Ltd	(191)	-
Keysha Investments 213 (Pty) Ltd	-	20,184

As mentioned above, in terms of the group policy, the loan bears no interest, are unsecured and no repayment terms are set.

The loans from or to associates and joint ventures bear interest at prime, are unsecured and no repayment terms have been set, except the loans noted below which do not bear interest:

- Atterbury Parkdev Consortium (Pty) Ltd
- Keysha Investments 213 (Pty) Ltd
- Rainprop Development & Construction Joint Venture

Current assets	**738**	**21,166**
Current liabilities	**(251)**	**(60)**

The fair value of the loans to/ from the entities listed above are considered by management to approximate the carrying value of the loans. The interest rates of the loans are considered to be market related, have no fixed terms of repayment and neither party has deferred payment of the loans. In terms of the group policy, intercompany loans within the Group bear no interest.

Due to the uncertainty pertaining the timing of the recovery thereof, the following loans to subsidiaries and associates have been fully impaired:

Attvest Property Development JV (Pty) Ltd	12	-
Keysha Investments 213 (Pty) Ltd	20,789	-
Fountains Regional Mall (Pty) Ltd	3,502	-
Geelhoutboom Estate (Pty) Ltd	4,119	-
	28,422	**-**

Brooklyn Bridge, Pretoria

9. Loans to/ (from) shareholders

	Group 2010 R'000	2009 R'000
Atterbury Property Developments (Pty) Ltd	9,498	-
Atterbury Property Holdings (Pty) Ltd	2,447	(451)
Atterbury Property One (Pty) Ltd	-	(10,837)
The loans bear interest at prime, are unsecured and has no specific terms of repayment.		
Current assets	**11,945**	**-**
Current liabilities	**-**	**(11,288)**

The fair value of the loans to/ from the entities listed above are considered by management to approximate the carrying value of the loans as the interest rates charged on the loans are considered to be market related, no fixed terms of repayment have been determined and neither party has deferred payment of the loans.

10. Other financial assets/ liabilities

Loans and receivables/ (payables)		
Association for People with Disabilities	-	88
Atterbury Investment Managers (Pty) Ltd	207,318	185,103
Atterbury Property Developments (Pty) Ltd	-	4,791
Atterbury Waterfall Pocket 22A (Pty) Ltd	2	1
Circlevest Properties (Pty) Ltd	(52)	(53)
Isibaya House (Pty) Ltd	(63)	-
Leipzig Nova Eventis Consortium (Pty) Ltd	-	1,312
Rainprop (Pty) Ltd	-	248
TTA Shares (Pty) Ltd	-	(1,496)
WDB Investment Holdings (Pty) Ltd	-	158
Zwelinzima Holdings (Pty) Ltd	-	263
Loans and receivables	**207,320**	**191,964**
Loans and payables	**(115)**	**(1,549)**

Unless specified, the loans are unsecured and indefinite. Furthermore, the loans bear no interest except those listed below:

The following loans bear interest at prime:
- Atterbury Property Developments (Pty) Ltd
- Leipzig Nova Eventis Consortium (Pty) Ltd
- Pybus 106 (Pty) Ltd

The loan to Atterbury Investment Managers (Pty) Ltd bears interest at 12%.

The loan to Atterbury Investment Managers (Pty) Ltd is in respect of 50% of a guarantee issued by Rand Merchant Bank Ltd and carries terms correlating to that of the guarantee. The loan is secured by a cession of Atterbury Investment Holdings Ltd shares by Atterbury Investment Managers (Pty) Ltd in favour of the Group to the value of R255,000,000.

10. Other financial assets/ liabilities (continued)

Due to the uncertainty pertaining the timing of the recovery thereof, the following loans have been fully impaired:

	Group 2010 R'000	2009 R'000
Association for People with Disabilities	88	-
Atterbury Property Developments (Pty) Ltd in respect of Beau Rivage residential development	10,677	-
Leipzig Nova Eventis Consortium (Pty) Ltd	7,963	-
Pybus 106 (Pty) Ltd	9,387	-
Rainprop (Pty) Ltd	244	-
Scarlet Sky Investments 36 (Pty) Ltd ('Meletse')	3,013	-
Zwelinzima Holdings (Pty) Ltd	263	-
	31,634	**-**

The fair value of the loans to/ from the entities listed above are considered by management to approximate the carrying value of the loans. The terms of the loans are considered to be market related, have no fixed terms of repayment (other than the loan to Atterbury Investment Managers (Pty) Ltd) and neither party has deferred payment of the loans.

Held at fair value through profit and loss		
Derivative financial assets and liabilities utilised for hedging against interest rates:		
Carrying value at the beginning of the year	(821)	26,014
Addition ex subsidiary	-	3,538
Derivatives realised	3,730	-
Fair value adjustment	(27,380)	(30,373)
Derivative financial assets	**-**	**2,902**
Derivative financial liabilities	**(24,471)**	**(3,723)**

The derivatives are interest rate swap agreements entered into by the Group with various financial institutions (refer to note 30). The derivatives were valued by each financial institution involved by referring to the market swap curve as at 30 June 2010. The swap agreements entail a flow of funds, calculated on the difference between interest at a floating and fixed rates on the outstanding capital amount.

Total non current financial assets	**207,318**	**188,005**
Total current financial assets	**2**	**6,861**
Total non current financial liabilities	**(24,471)**	**(3,723)**
Total current financial liabilities	**(115)**	**(1,549)**

11. Cash and cash equivalents

Bank accounts and cash on hand	12,380	15,578
Bank overdrafts	(31,845)	(5,046)

The Group has an overdraft facility to the amount of R45,000,000. Security provided by the Group for the overdraft facility are in the form of a pledge of 536,993 Attfund Ltd shares in favour of Nedbank Ltd, as well as a letter of undertaking issued by Nedbank Property Partners relating to the Waterfall development.

12. Deferred tax

	Group 2010 R'000	2009 R'000
Deferred tax liability		
The balance comprises:		
Advance receipts	(1,334)	(1,917)
Assessed losses	(30,216)	(34,776)
Prepayments	21	29
Wear and Tear allowance	15,265	11,250
Straight line debtor	13,718	13,267
Deferred initial lease expenditure	1,697	3,641
Pre-production interest	5,742	3,412
Bad debt allowance	(606)	(469)
Unutilised interest expense on foreign investments	(5,975)	(3,563)
Fair value adjustment on derivatives	(6,852)	(275)
Capital gains on fair value adjustments & equity accounting	332,805	279,465
Other	(305)	(1,338)
	323,960	**268,727**

Use and Sales rate

The deferred tax rate applied to the fair value adjustments of investment properties/ financial assets is determined by the expected manner of recovery. Where the expected recovery of the investment property/ financial assets is through sale the capital gains tax rate of 14% is used. If the expected manner of recovery is through definite use the normal tax rate of 28% is applied.

If the manner of recovery is partly through use and partly through sale, a combination of capital gains rate and normal tax rate is used.

The applicable tax rates on timing differences are based on management's best estimate of the manner in which these timing differences will realise.

Gains in the fair value of investment property give rise to taxable timing differences, being the difference between the original cost price and the market value as determined annually by external valuers. Refer to note 3 for valuation details.

Market value of investment properties represents the best estimate of value to be realised in the open market between a willing buyer and a willing seller. Thus, disposal of investment properties will primarily give rise to capital gains tax.

In determining the amount of deferred tax to be raised, accounting standards require:

- The revaluation of land to be separated from that of buildings and deferred tax to be calculated using the consequences of sale, and
- In respect of the buildings, management is required to estimate the expected period of use until sale and an estimated sales value (residual value). The fair value adjustment is then split between a use value and a sale value component and the respective tax consequences applied to each component.

Given the overall nature of the Group's investment property portfolio and the historic performance of the portfolio as a whole as well as the individual properties, management estimates the expected future sale value (residual value) of the investment properties to at least be equal to the market values at year end.

Thus, the fair value attributable to the value in use component of the investment properties is most likely to be nil. There is thus no benefit to value land separately for determining deferred tax consequences.

12. Deferred tax (continued)

Consequently:
- Net fair value gains on investment properties are included at Capital Gains Tax rates;
- Straight line rentals are included at Normal Tax rates;
- Future recoupment of wear and tear allowances on individual depreciable components of investment properties are included Normal Tax rates; and
- Deferred initial lease costs are included at Normal Tax rates.

The deferred tax on the fair value adjustments on investment properties/ financial assets comprise of:

	Group	
	2010 R'000	2009 R'000
Capital Gains Tax rates	54,363	32,257
Normal Tax rates	(4,687)	(8,504)

In terms of accounting statement IAS 12.15, the balances reflected do not include an unrecognised deferred tax liability on initial recognition of an asset amounting to R105,000,000 relating to the acquisition of the Waterfall development rights (refer to note 3).

13. Assets and liabilities held for sale

13.1 Non-current assets held for sale

The following investment properties are presented as held for sale:

Midrand Landrover	-	27,323
McCarthy Arcadia Dealership	-	23,177
Portion of development land of Lynnwood Bridge Office Park (Pty) Ltd	-	20,165
Brooklyn Gardens	60,997	-
Lady Brooks Offices	33,060	-
Lord Charles Office Park	75,378	-
	169,435	**70,665**

13.2 Non-current liabilities held for sale

Mortgage bonds over investment properties presented as held for sale:		
Lady Brooks Offices, in favour of Standard Bank Ltd	5,708	-
Lord Charles Office Park, in favour of Standard Bank Ltd	24,581	-
Brooklyn Gardens, in favour of Standard Bank Ltd	29,383	-
Midrand Landrover, in favour of Investec Bank Ltd	-	20,705
	59,672	**20,705**

13.3 Discontinued operations of non-current assets held for sale

	Group 2010 R'000	2009 R'000
Profit and loss		
Income (including fair value adjustments)	29,664	27,516
Expenses	(12,793)	(14,813)
Net Profit before tax	16,871	12,703
Tax	(2,107)	(2,240)
	14,764	**10,463**
Other assets	1,493	-
Trade and other receivables	1,139	205
Trade and other payables	5,470	54

14. Inventory

Intaba residential units	-	4,757
	-	**4,757**

The remaining unit in the Intaba development was sold during the financial year.

15. Trade and other receivables

Debenture interest receivable	1,956	1,684
Deposits	533	450
Development profit receivable	-	1,622
Sundry receivables	3,371	3,579
Trade debtors	13,567	9,524
Value Added Tax receivable	21,040	6,143
	40,467	**23,002**

The fair value of trade and other receivables is deemed to be the same as the carrying value.

Trade and other receivables past due but not impaired
Trade and other receivables which are less than 1 month past due are not considered to be impaired. At 30 June 2010, R6,248,460 (2009: R8,649,555) were not past due. Trade receivables with a total value of R7,318,129 (2009: R874,769) were past due at year-end. The maximum credit risk exposure on overdue accounts, taking into consideration, deposits and irrevocable bank guarantees, amounted to R6,049,611 (2009: R874,769).

Trade and other receivables impaired
As of 30 June 2010, trade and other receivables of R2,411,073 (2009: R32,477) were impaired and provided for. The amount of the provision was R2,411,073 (2009: R32,477).

The creation and release of provision for impaired receivables have been included in operating expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. In considering any impairments on debtor accounts, the Group takes into account deposits held, bank guarantees issued by the debtor, additional sureties provided by the principals of the debtors and performing credit reviews on debtors and their principals.

16. Issued Capital

	Group 2010 Shares	Group 2009 Shares
Reconciliation of number of shares issued:		
Reported at the beginning of the year	563,354,312	417,171,816
Issue of share capital	16,770,958	147,432,329
Buy back of shares	(2,914,735)	(1,249,833)
Total issued shares	**577,210,535**	**563,354,312**

More is more!

	R'000	R'000
Authorised		
1,000,000,000 Ordinary shares of R0.0001 each	100	100
Reconciliation of shares issued in Rand value:		
Reported at the beginning of the year	57	42
Issue of share capital	1	15
Buy back of shares (less than R1,000)	-	-
Total issued shares	**58**	**57**
Issued		
Ordinary	58	57
Share premium	2,304,420	2,209,410
	2,304,478	**2,209,467**

422,789,465 (2009: R436,645,688) unissued ordinary shares are under the control of the directors in terms of resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

17. Long-term borrowings

	Group 2010 R'000	Group 2009 R'000
Held at amortised costs		
Long-term borrowing are secured by way of mortgage bonds registered over investment properties (refer note 3), Attfund Ltd shares pledged (refer note 29.1) and suretyship provided by the group (refer note 29.3). Additional security provided on individual loans are specifically indicated below.		
Investec Bank Ltd	**157,412**	**209,220**
Atterbury Investment Holdings Ltd		
Investment through Foreign investment allowance	64,338	64,471
Loan bearing interest at prime per annum and repayable by April 2011.		
Midrand Landrover	-	-
Facility outstanding	-	20,705
Transferred to held for sale liabilities.	-	(20,705)
This facility was settled during the year.		
Atterbury Attfund Investment Company No.2 (Pty) Ltd	-	49,167
This facility was settled during the year.		
Riverport Trading 143 (Pty) Ltd	60,501	62,771
Investec Pretoria Offices		
Loan bearing interest between prime and prime minus 1,28% per annum and repayable in structured monthly payments. The loans are fully repayable by April 2017		
Le Chateau Property Development (Pty) Ltd	32,573	32,810
Loan bearing interest at prime and repayable in February 2011. Additional joint and several surety by Atterbury Property Development (Pty) Ltd and Atterbury Property Holdings (Pty) Ltd to R25,000,000.		
Nedcor Ltd	**681,831**	**212,225**
Atterbury Investment Holdings Ltd	**-**	**9,415**
This facility was settled during the year.		
Lynnwood Bridge Office Park (Pty) Ltd	681,831	202,810
Loan bearing interest at between prime minus 1% and 11,39% per annum. Additional joint and several suretyships provided by Nedbank Property Partners and Atterbury Property Developments (Pty) Ltd. No repayment profile has been determined to date. All current development loans will be consolidated into a term loan to be obtained during 2011.		

17. Long-term borrowings (continued)

	Group 2010 R'000	Group 2009 R'000
Rand Merchant Bank	**660,986**	**664,936**
Atterbury Investment Holdings Ltd	246,350	225,470
Building G, DTI Campus	58,775	59,397
Loan bearing fixed interest rates between 9,25% and 9,33% per annum. Facilities are repayable in monthly installments and are settled at dates ranging between February and May 2021.		
Atterbury House, Great Westerford and Hampton Office Park	187,575	138,421
Loan bearing interest rates between prime less 1,25% and 11,16 per annum. Facilities are repayable in monthly installments and are settled in June 2012.		
Development facility obtained for the construction of Hampton Office Park Block M, which was converted into a structured term loan during the financial year.	-	27,652
Guarantee facility issued at a fixed interest rate of 12% per annum, capitalised, with a settlement in April 2012. A fee of 1,8% per annum of the guarantee amount is also charged and paid monthly.	414,636	370,207
Harlequin Duck Properties 204 (Pty) Ltd	-	69,259
Claremont Terraces		
This facility was settled during the year.		
Standard Bank Ltd	**435,267**	**523,689**
Atterbury Investment Holdings Ltd	435,267	270,488
Brooklyn Gardens	29,383	-
Loan bearing interest at prime less 1,5% and 10,98% per annum. The facility has annual capital installments and is settled by September 2014.		
Transferred to held for sale liabilities	(29,383)	-
Centurion Gate	109,011	109,997
Loan bearing interest at rates between 1-month JIBAR plus 0,8%, and costs, and 11,55% per annum. The facility has annual capital installments and is settled by September 2013.		
Design Square	157,025	-
Loan bearing interest at rates between 1-month JIBAR plus 1,9%, and costs, and 12,76% per annum. The facility has annual capital installments and is settled by June 2014.		
Glenfair Boulevard Shopping Centre	130,244	120,846
Loan bearing interest at 1-month Jibar plus 1,4 and 1-month JIBAR plus 3%, and costs. The facility has annual capital installments and is settled by February 2016.		
Lady Brooks Offices	5,708	-
Loan bearing interest at 1-month JIBAR plus 0,8%, and costs, and 12,23% per annum. The facility has annual capital installments and is settled by July 2014.		

17. Long-term borrowings (continued)

	Group 2010 R'000	Group 2009 R'000
Transferred to held for sale liabilities	(5,708)	-
Lord Charles Office Park Loan bearing interest at rates between 1-month JIBAR plus 0,8%, and costs, and 9,55% per annum. The facility has annual capital installments and is settled by July 2013.	24,581	-
Transferred to held for sale liabilities	(24,581)	-
San Ridge Square Loan bearing interest at 1-month Jibar plus 1,5%, and costs. The facility has annual capital installments and is settled by May 2015.	38,987	39,644
During the year the Group obtained a portfolio based facility from Standard Bank Ltd, in terms of which the following facilities were transferred to Atterbury Investment Holdings Ltd on 30 June 2010.	-	-
Aldabri 96 (Pty) Ltd Brooklyn Gardens	29,383	32,665
Design Square (Pty) Ltd Design Square	157,025	184,902
Lady Brooks (Pty) Ltd Lady Brooks Offices	5,707	7,947
Lord Charles & Lady Brooks Office Park Holdings (Pty) Ltd Lord Charles Office Park	24,581	27,688
Transferred to Atterbury Investment Holdings Ltd	(216,696)	(253,202)
Imperial Bank Ltd	**67,866**	**-**
De Ville Shopping Centre (Pty) Ltd Loan bearing interest at 10,5% per annum and repayable in structured monthly payments. The settlement date is undetermined. Joint and several suretyship provided by Atterbury Property Cape (Pty) Ltd, Atterbury Property Holdings (Pty) Ltd and Atterbury Investment Managers (Pty) Ltd of R37,936,000.	67,866	-
ABSA Bank Ltd	**85,890**	**-**
Atterbury Investment Holdings Ltd Loan bearing interest at 1-month Jibar plus 3,25%. The facility is repayable by March 2011.	85,890	-
Wesbank (Pty) Ltd	**276**	**-**
Atterbury Investment Holdings Ltd Hire purchase facility repayable over a period of 50 remaining monthly installments bearing interest charged at prime rate. The facility is secured over the motor vehicle as per note 2.	276	-

17. Long-term borrowings (continued)

	Group 2010 R'000	Group 2009 R'000
Fintec Solutions (Pty) Ltd	**88**	**139**
Atterbury Investment Holdings Ltd Hire purchase facility repayable over a period of 19 remaining monthly installments bearing interest charged at prime rate. The facility is secured over the motor vehicle as per note 2.	88	139
Non-current liabilities	**1,831,766**	**1,523,341**
Current liabilities	**257,852**	**86,867**

The fair value of the borrowings listed on the previous page are considered by management to approximate the carrying value of these borrowings. Rates and repayments terms are regarded as market related, given that financial institutions takes cognisance of market conditions, the risk profile of the Group and surety provided on every transaction. Variances between fixed and floating lending rates obtained from financial institutions did not have a material impact on the fair value of the borrowings.

18. Trade and other payables

Trade payables	52,706	38,761
Deposits held	10,483	9,228
Amounts received in advance	4,619	5,751
Value Added Tax payable	311	488
Sundry payables	7,691	3,154
	75,810	**57,382**

19. Provisions

Provision for the transfer of an undivided share of a building within the Lynnwood Bridge development to third a party	8,541	-
Provision for dilution of interest in subsidiary in favour of minority	-	13,682
	8,541	**13,682**

The Group entered into an agreement with a third party which will result in the transfer of a 25% undivided share in one of the office buildings in the Lynnwood Bridge development.

The provision in 2009 relates to an agreement, entered by the Group with Atterbury Property Developments (Pty) Ltd ('APD'), a company related to the Group, resulting in the dilution of 20% of the Group's interest in Atterbury Waterval Investment Company (Pty) Ltd ('AWIC') in favour of APD. The 20% interest in AWIC was transferred during the financial year.

20. Operating profit is stated after inclusion of the following:

	Group 2010 R'000	2009 R'000
Other income		
Developers profits	-	-
Excess of acquirer's interest in the net fair value of acquiree's assets and liabilities over cost	-	2,018
Profit on disposal of development rights	-	-
Operational cost recoveries	-	4,372
Settlement receipt	1,500	-
Sundry income	662	134
	2,162	**6,524**
Property expenses		
Bad debt written off	(874)	(534)
Depreciation and assets written off	(292)	(176)
Provision for bad debts	(2,105)	(1,951)
Tenant installation costs	-	(103)
Operating and other expenses		
Auditor's remuneration	(583)	(498)
Audit fees	(522)	(494)
Included in other professional fees	(62)	(4)
Impairment of loans	(61,687)	(455)
Impairment of subsidiaries	-	-
Impairment of goodwill	-	(7,424)
Impairment of investment properties	-	(3,182)
Loss on disposal of associate	(1,549)	(1,778)
Loss on disposal of subsidiary	-	(490)
Provisions	(8,541)	(13,682)

21. Operating lease receivables

Value of minimum lease payments receivable		
within one year	155,124	142,761
in second to fifth year inclusive	351,715	335,364
later than 5 years	104,265	88,613
	611,103	**566,739**

22. Directors' emoluments

Emoluments received		
Services as non-executive directors	613	320

23. Taxation

	Group 2010 R'000	2009 R'000
Major components of the tax expense/ income		
Current		
Local income tax - recognised in current tax for current periods	9	615
Deferred		
Current period	54,358	3,578
Secondary tax on companies		
Charge for the year	-	-
	54,367	**4,193**

24. Share of associated companies retained profit

Attributable share of retained profit for the year excluding extraordinary items		
Net (loss)/ profit for the year	275,630	59,887
Less: Dividends and debenture interest received from associates	(37,770)	(37,069)
	237,860	**22,818**

25. Investment income

Dividend revenue		
Dividends from subsidiaries	-	-
Other dividends	36,469	38,974
Interest revenue		
Loans and receivables	29,119	36,443
	65,588	**75,417**

26. Finance cost

Non-current liabilities	136,731	140,372
Bank overdrafts	2,667	1,415
Other interest	7,634	8,241
	147,032	**150,028**

27. Related parties

Relationship

Related parties are defined as those entities with which the Group transacted during the year and in which the following relationship(s) exist:

- Shareholding
- Directorships
- Management

Transactions between group companies which are eliminated on consolidation are not disclosed.

Related party transactions and balances

Related parties and related party transactions consist of the following (see next page):

27. Related parties (continued)

		Sales and services to/ (Purchases and services from)	Dividends received from/ (paid to)	Interest received from/ (paid to)	Balances owing by/ (to)
Atterbury Asset Managers (Pty) Ltd	**2010**	**(22,977)**	**-**	**-**	**-**
	2009	(21,779)	-	-	(82)
Atterbury Investment Managers (Pty) Ltd	**2010**	**3,495**	**-**	**22,215**	**207,318**
	2009	(10,311)	-	19,833	184,914
Atterbury Property Cape (Pty) Ltd	**2010**	**955**	**-**	**-**	**-**
	2009	(1)	-	-	-
Atterbury Property Developments (Pty) Ltd	**2010**	**(40,790)**	**-**	**1,106**	**4,851**
	2009	(6,050)	-	626	10,252
Atterbury Property Holdings (Pty) Ltd	**2010**	**(12,989)**	**-**	**100**	**618**
	2009	(516)	-	(137)	(451)
Atterbury Property Foundation (Pty) Ltd	**2010**	**(1,783)**	**-**	**-**	**10,110**
	2009	1,928	-	-	-
Atterbury Property One (Pty) Ltd	**2010**	**(44,395)**	**-**	**(469)**	**-**
	2009	(100)	-	(842)	(10,837)
Atterbury Trust	**2010**	**(2)**	**-**	**-**	**(2)**
	2009	1	-	(94)	-
Attfund Ltd	**2010**	**-**	**35,124**	**-**	**-**
	2009	-	35,426	-	-
Attvest Property Development JV (Pty) Ltd	**2010**	**-**	**-**	**-**	**-**
	2009	-	-	(1)	22
BNF Trust	**2010**	**-**	**-**	**-**	**-**
	2009	(180)	-	-	-
Fountains Regional Mall (Pty) Ltd	**2010**	**-**	**-**	**12**	**-**
	2009	-	-	12	-
Isibaya House (Pty) Ltd	**2010**	**-**	**166**	**-**	**(63)**
	2009	-	166	-	(63)
Leipzig Nova Eventis Consortium (Pty) Ltd	**2010**	**-**	**-**	**491**	**-**
	2009	-	-	491	1,312
Mergon Trust	**2010**	**(8,519)**	**-**	**-**	**-**
	2009	-	-	-	-
RAPfund Holdings (Pty) Ltd	**2010**	**-**	**-**	**2,647**	**-**
	2009	-	-	2,777	-
Rainprop D&C Joint Venture	**2010**	**-**	**-**	**-**	**-**
	2009	-	-	-	1,562
Rainprop (Pty) Ltd	**2010**	**-**	**-**	**68**	**-**
	2009	-	-	40	248
Sanlam Life Insurance (Pty) Ltd	**2010**	**-**	**-**	**-**	**-**
	2009	(62,000)	-	-	-
Sanlam Ltd	**2010**	**(75)**	**-**	**-**	**-**
	2009	(170,000)	-	-	-
Stenham European Shopping Centre Fund IC	**2010**	**-**	**2,241**	**-**	**-**
	2009	-	1,111	-	-
Travenna Development Company (Pty) Ltd	**2010**	**-**	**-**	**-**	**-**
	2009	-	874	33	-
TTA Shares (Pty) Ltd	**2010**	**-**	**-**	**(106)**	**-**
	2009	-	-	(163)	(1,496)
	2010	**(127,080)**	**37,531**	**26,064**	**222,832**
	2009	(269,008)	37,577	22,575	185,381

28. Contingent liabilities

	Group 2010 R'000	Group 2009 R'000
The Group entered into a put option agreement with Sanlam Investment Management ('SIM') in terms of which the Group, upon receiving a put notice, is required to buy-back, or sell to a third party, within a period of six months after receipt of the notice, the Group's shares put by SIM. The minimum put amount is R100,000,000. The agreement lapses should SIM dispose of the related shares held, in the event the Group lists on the Johannesburg Securities Exchange, or on mutual agreement between SIM and the Group. The amount disclosed reflects the value of all shares which can be put by SIM in terms of the put option agreement, although SIM has agreed to limit the put to no more than 20% of the applicable shares held per year.	719,979	676,098
The Group entered into a put option agreement with Waterval Development Company (Pty) Ltd ('WDC') in terms of which the Group, upon receiving a put notice, is required to buy-back, or sell to a third party, within a period of six months after receipt of the notice, the Group's shares put by WDC. The minimum put amount is R100,000,000, but WDC can put all shares. In August 2010, the group received a put notice, for all shares held by WDC in Atterbury Investment Holdings Ltd to be settled by February 2011. The estimated value of the put, if settled by February 2011 is R939,220,888.	939,221	860,790
The Group entered into a put option agreement with Mergon Trust ('Mergon') in terms of which the Group, upon receiving a put notice, is required to buy-back a certain number of its shares held by Mergon in the Group, in any year that the Group receives a dividend from Attfund Ltd. The number of shares put by Mergon is calculated based upon the dividend that Mergon would have received from the 5,803,045 shares held by Mergon in Attfund Ltd, subsequently transferred to the Group. The agreement lapses on the earlier of 31 July 2011, or in the event the Group lists on the Johannesburg Securities Exchange. In 2009 the Group received notice from Mergon of its intention to exercise the put option agreement relating to the expected dividend to be declared and paid by Attfund Ltd in November 2009. The group did not receive a put notice from Mergon in 2010.	-	8,519
The Waterfall lease hold and development rights were acquired in terms of Section 42 of the Income Tax Act, whereby the base value of the development rights, for the purposes of determining any capital gains and taxes thereon is Rnil. Should the Group cause the operation of Section 42 to become void, the Group shall be liable for any taxes payable by Waterval Development Company (Pty) Ltd, due to such action or omission by the Group.	105,000	105,000
The Group's bankers have issued the following guarantees to creditors of said companies:		
Design Square (Pty) Ltd	155	155
Aldabri 96 (Pty) Ltd	166	166
	1,764,521	**1,650,728**

29. Commitments

29.1 Attfund shares pledged

Of the total number of 19,327,602 (2009: 20,472,751) Attfund Ltd shares held by the Group, 18,740,239 (2009:18,201,415) has been pledged.

29.2 Capital commitments

	Group 2010 R'000	2009 R'000
Already contracted but not provided for		
Investment properties		
The Group is refurbishing an investment property situated on Erf 160462/RE, Cape Town Central, known as "Atterbury House". The total expected contract value for the general areas as well as individual floors is R42,124,151 of which R10,242,460 still need to be incurred, as prospective tenants take up vacant space.	10,242	22,598
The Group is refurbishing Erven 683 and 684 Lynnwood Glen and Erf 485 Lynnwood Manor with the building known as "Glenfair Boulevard Shopping Centre". The total estimated contract price for the refurbishment is R88,252,000.	83,365	88,252
The Group is refurbishing Erf 2011, Durbanville with the building known as "De Ville Shopping Centre". The total estimated contract price for the refurbishment is R121,000,000.	87,239	-
The Group constructed an additional building, referred to as Block M, at the Hampton Office Park, situated Erf 17/RE, Bryanston Extension 5. An amount, equal to 25% of a development profit calculation, as determined by the Group's board of directors, is payable to Atterbury Property Developments (Pty) Ltd, a company related to the Group.	-	6,239

29.2 Capital commitments (continued)

	Group 2010 R'000	Group 2009 R'000
The Waterfall lease hold and development rights relates to at least 1,498,000 m^2 bulk of property zoned for light industrial, commercial and retail use. Current costs committed are for the installation of services on various pockets on the Waterfall land and initial development costs.	42,198	49,544
The Group is constructing an additional parkade at Great Westerford to alleviate the current shortage experienced in parking space. Completion of construction is expected by November 2010.	16,957	47,874
The Group is currently engaged in the development of Lynnwood Bridge Office Park. The total estimated development cost of phase 1 is R864,000,000, of which R251,472,785 still need to be incurred. Final completion date is estimated to be by May 2011.	251,473	659,812
The Group is currently engaged in the development of Lynnwood Bridge Office Park. The total estimated development cost of phase 2 is R215,924,000 of which R166,012,995 still need to be incurred. Final completion date is estimated to be by April 2011.	166,013	-
As part of the acquisition of an additional interest of 64% of Lynnwood Bridge Office Park, the Group entered into a participation agreement with Atterbury Property Developments (Pty) Ltd, agreeing to a profit distribution in favour of Atterbury Property Developments, the amount to be determined, by die board of the Group, upon completion of the individual phases of the development.	-	-
The Group entered into a joint venture with ENL Ltd, a Mauritian group of companies for the development known as Bagatelle. The following capital commitments have been approved:	-	-
The first phase of the development, referred to as Bagatelle, entails the construction of a retail mall, referred to the Mall of Mauritius at Bagatelle, on the outskirts of Port Louis. Current approved and contracted costs are the acquisition of development land, by way of an investment in a local Mauritian company and share holders contributions. The transaction was approved by the SA Reserve Bank. Remaining capital contributions are R29,574,000 at a rate of MUR4/ZAR.	29,574	75,000
Further phases of the development requires the acquisition of additional land adjacent to the first development phase. The contribution required by the Group, as part of the joint venture with ENL Ltd, is R106,000,000. The transaction is pending the approval of the SA Reserve Bank.	106,000	-
As part of option agreement entered into by the Group, with Wattchatt (Pty) Ltd, for the acquisition of an additional interest of 3,81% of Stenham European Shopping Centre Fund IC refer note 7), the Group undertook to service the monthly interest payments of the facility obtained by Wattchatt (Pty) Ltd from Investec Bank Ltd for the acquisition of the said interest by Wattchatt (Pty) Ltd. The estimated contribution for 12 months is R7,000,000.	7,000	7,150
The Group committed to a rights issue by Stenham European Shopping Centre Fund IC to follow the rights of both Atterbury Investment Holdings Ltd and Wattchatt (Pty) Ltd. The expected amount of the rights issue (based on prevailing exchange rates) is R34,829,079.	34,829	-

29.2 Capital commitments (continued)

	Group 2010 R'000	2009 R'000
Scarlet Sky Investments 36 (Pty) Ltd ("Scarlet Sky") entered into a sale agreement on 22 August 2008 in terms whereof Scarlet Sky purchased farm properties, for a consideration of R224,500,000 for the development of an exclusive residential golf and big five game estate, referred to as Meletse. The Group will become a 25% shareholder in Scarlet Sky when the properties are transferred. Due to a delay in obtaining the required water license, the properties have not been transferred. In terms of the aforementioned sale agreement Scarlet Sky agreed that, with effect from 1 June 2008, it shall assume the responsibility for all risks, benefits, profits and losses (and rights, title and interest where relevant) including the cost of interest payable by the seller on the loans relating to the farm properties held at First Rand Bank Ltd. Should the properties not be transferred, Scarlet Sky will be liable for the interest on the aforementioned loans. At 30 June 2010 the total interest payable is estimated at R72,496,000 of which the group will contribute 17% thereof.	11,962	9,424
Attvest Property Development JV (Pty) Ltd entered into a sale agreement with Papilio Investments 33 (Pty) Ltd for the acquisition of residential property, referred to as Paradise Coast, near Mosselbaai, for a consideration of R55,436,200. Attvest Property Development JV (Pty) Ltd, in which the Group has a 25% interest, is obligated to issue a guarantee equal to the consideration amount, in favour of Papilio Investments 33 (Pty) Ltd.	13,859	13,859
The Group entered into share buy-back transactions of 569,841 Atterbury Investment Holdings Ltd shares to the value of R3,418,626.	3,419	-
As part of the sale of share agreement between the Group, Atterbury Investment Managers (Pty) Ltd and Atterbury Property Cape (Pty) Ltd ("the sellers"), relating to the acquisition of De Ville Shopping Centre (Pty) Ltd, the Group agreed to a profit distribution in favour of the sellers. The profit share will be paid in three tranches in Decembers 2010, 2011 and 2012, based on a pre-determined formula set in the sale of shares agreement.	-	-
	864,130	979,752
Approved but not contracted		
The Group has approved capital expenditure, for the financial year ending 30 June 2011, to investment properties, apart from Glenfair, De Ville and Atterbury House referred to above, to the value of R10,918,834.	10,919	8,344
The Group, as future shareholder of Pybus 106 (Pty) Ltd, has contributions of R20,000,000 towards Phase 1 of the Club development in Hazelwood, Pretoria of which R9,387,313 was contributed by 30 June 2010.	10,613	-
The Group is in the process of acquiring an additional 50% interest in Atterbury Parkdev Consortium (Pty) Ltd for an estimated consideration of R23,908,770. Atterbury Parkdev Consortium (Pty) Ltd is the title deed holder of Harlequins Office Park, an A-grade commercial property, with a gross letable area of 5,428 m^2, situated in Groenkloof, Pretoria.	23,909	-

29.2 Capital commitments (continued)

	Group 2010 R'000	Group 2009 R'000
During 2009 the Group committed to acquiring a 25% interest in Brooklyn Bridge Office Park (Pty) Ltd. In 2010 the Group acquired 22,5% Brooklyn Bridge Office Park (Pty) and is currently in the process of acquiring a further 2,5% interest. Brooklyn Bridge Office Park (Pty) Ltd is the title deed holder of the Brooklyn Bridge Office Park, an A-grade commercial property, with a gross letable area of 23,460 m^2, situated on the Brooklyn Circle in Veale Street, Pretoria.	4,074	40,741
	49,515	49,085
	913,645	**1,028,837**

The following capital commitments disclosed in the prior year, realised during the current year, are not disclosed above:

- Construction of a link between Design Square and Brooklyn Mall
- Construction of Hampton Office Park, Block M
- Acquisition of 22,5% interest in Brooklyn Bridge Office Park (Pty) Ltd

29.3 Contingent commitments

Sureties given by the Group:		
Surety in respect of loan funds advanced by Investec Bank Ltd to Atterbury Property Developments (Pty) Ltd for acquisition and development of "Beau Rivage".	17,800	42,000
Surety in respect of loan funds advanced by Investec Bank Ltd to Le Chateau Property Development (Pty) Ltd for development of "Le Chateau".	38,000	38,000
Surety in respect of loan funds advanced by Investec Bank Ltd to Atterbury Attfund Investment Company Nr.2 (Pty) Ltd.	-	5,750
Surety in respect of loan funds advanced by Investec Bank Ltd to Wattchatt (Pty) Ltd.	-	16,061
Surety in respect of loan funds advanced by Investec Bank Ltd to Riverport Trading 143 (Pty) Ltd in respect of finance agreements of "Investec Pretoria Regional Offices".	35,400	35,400
Surety in respect of loan funds advanced by Standard Bank Ltd to Atterbury Investment Holdings Ltd for the investment property known as "Lady Brooks Offices" situated in Menlo Park, Pretoria.	22,000	14,300
Surety in respect of loan funds advanced by Standard Bank Ltd to Atterbury Investment Holdings Ltd for the investment property known as "Lord Charles Office Park" situated in Menlo Park, Pretoria.	42,000	35,759
Surety in respect of loan funds advanced by Investec Bank Ltd to Riverwalk Office Park (Pty) Ltd to acquire property situated in Ashley Gardens, Pretoria.	23,454	23,454
Surety in respect of loan funds advanced by Rand Merchant Bank Ltd to Atterbury Property One (Pty) Ltd for the acquisition and development of "Kingswood Retirement Village".	41,500	75,000
Surety in respect of loan funds advanced by Rand Merchant Bank Ltd to Harlequin Duck Properties 204 (Pty) Ltd for the development of "Claremont Terraces".	-	75,000

29.3 Contingent commitments (continued)

	Group 2010 R'000	2009 R'000
Surety given in respect of loan funds advanced by Standard Bank Ltd to Atterbury Investment Holdings Ltd for the investment property known as Design Square.	234,118	228,118
Joint surety given in respect of loan funds advanced by Rand Merchant Bank to Travenna Development Company (Pty) Ltd as additional surety over Erf 59, a portion of Erf 78 and remaining extents of Erf 79 and 433 of Farm Elandspoort No 357 Division JR.	17,022	17,022
Surety in respect of loan funds advanced by Nedcor Ltd to Lynnwood Bridge Office Park (Pty) Ltd for the development of the Lynnwood Bridge Office Park mixed use development situated in Lynnwood Manor, Pretoria.	527,311	153,136
Surety in respect of loan funds advanced by Standard Bank Ltd to Atterbury Investment Holdings Ltd for the investment property known as Brooklyn Gardens.	54,871	54,871
Surety in respect of loan funds advanced by Investec Bank Ltd to Fountains Regional Mall (Pty) Ltd for the development of the Fountains Mall situated in Jeffreys Bay.	158,000	158,000
Surety in respect of loan funds advanced by Investec Bank Ltd to Keysha Investments 213 (Pty) Ltd for the acquisition of vacant land in the Val de Vie Estate, Franschoek.	27,000	18,500
Surety in respect of loan funds advanced by Rand Merchant Bank to Scarlet Sky Investments 36 (Pty) Ltd for the acquisition of development land, referred to as Meletse.	81,500	81,500
Surety in respect of loan funds advanced by Standard Bank Ltd for the "Bella Rosa Lifestyle Village" in Tygervalley, Western Cape.	36,700	36,700
Surety in respect of loan funds advance by Rand Merchant Bank for the development of Building M in Hampton Office Park.	-	33,946
Surety in respect of loan funds advanced by Investec Bank Ltd for the acquisition of 4% shares in Stenham European Shopping Centre in Leipzig.	55,300	55,300
Surety in respect of loan funds advanced by Investec Bank Ltd for the fractional ownership development known as "Staytus Luxury Lifestyle Collection".	-	1,300
Surety in respect of loan funds advanced by Nedcor Ltd to Nulane Investments 40 (Pty) Ltd in respect of a mixed use development in Worcester, Western Cape.	-	5,578
Surety in respect of loan funds advanced by Standard Bank Ltd for the "Kraaibosch Residential Estate" in George, Western Cape.	30,000	30,000
Surety in respect of loan funds advanced by Investec Bank Ltd to Ille Plaisance Investments (Pty) Ltd in respect of the development known as Admiral Island.	3,400	3,400
Surety in respect of loan funds advanced by ABSA Bank Ltd to Atterbury Waterfall Investment Company (Pty) Ltd in respect of Waterfall Land Parcel 15.	24,000	-

29.3 Contingent commitments (continued)

	Group 2010 R'000	2009 R'000
Surety in respect of loan funds advanced by Nedbank Ltd to Atterbury Waterfall Investment Company (Pty) Ltd in respect of Waterfall Land Parcel 22.	80,000	-
Surety in respect of loan funds advanced by Investec Bank Ltd to Geelhout Estate (Pty) Ltd in respect of the Geelhoutboom residential development land.	29,000	-
Surety in respect of loan funds advanced by Investec Bank Ltd to Brooklyn Bridge Office Park (Pty) Ltd in respect of the investment property known as 'Brooklyn Bridge Office Park'.	81,000	-
Surety in respect of loan funds advanced by Rand Merchant Bank Ltd to Atterbury Parkdev Consortium (Pty) Ltd in respect of the investment property known as 'Harlequin Office Park'.	45,000	-
Surety in respect of loan funds advanced and to be advanced by Imperial Bank Ltd to De Ville Shopping Centre (Pty) Ltd in respect of the investment property known as 'De Ville Shopping Centre'.	146,000	-
Surety in respect of loan funds advanced by Nedbank Ltd to Pybus 106 (Pty) Ltd in respect of the mixed use development known as 'Club, Hazelwood'.	69,600	-
Surety in respect of loan funds to be advanced by WBHO (Pty) Ltd.	80,000	-
	1,999,976	**1,238,095**

30. Financial instruments

Although, the Group does not trade in financial instruments, it is exposed to credit, interest and liquidity risks in the normal course of its operations. The board of the group is responsible for the management of the risk exposure. Therefore, risk management policies are regularly reviewed by the board to reflect and adopt to changes in the Group's activities and movement in market conditions.

31. Risk management

Changing market conditions expose the Group to various financial risks, including interest rate-, credit- and liquidity risks. The Group is exposed to foreign exchange risks in the following investments:

- asset swap agreement with Investec Securities relating to the acquisition of its investment in Stenham European Shopping Centre Fund IC, of which the exposure is denominated in Euros; and
- investment in the Bagatelle development in Mauritius, of which the exposure is denominated in Mauritian Rupees.

Although the Group does not trade in financial instruments for speculative purposes, it does utilise derivative instruments to manage exposure to some of these risks.

The Group finances its operations through a mixture of retained profits, bank borrowings and long term loans.

There have been no significant change to the types of financial risks the Group has been exposed to, during the financial year, nor the measurement and management of these risks.

31. Risk management (continued)

Interest rate risk

The group policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit or loss.

It is the policy of the group to enter into interest rate swap- and fixed interest rate agreements with financial institutions to the extent that between 60% and 70% of its mortgaged liabilities are held at fixed interest rates (refer note 17). At year end, 73% (2009: 46%) of borrowings were fixed.

The estimated impact of a 1% increase in interest rates would have a before tax impact of R5,723,750 (2009: R8,226,043) decrease in profits of the Group.

The Group makes use of interest rate derivatives and fixed rate borrowings to hedge its exposure to interest rate fluctuations (refer notes 10 and 17).

To hedge the fair value risk of fixed interest liabilities, the Group uses interest rate swaps, thus hedging the fair value of the financial liabilities.

Interest rate swap derivative

The Group has entered into interest rate swap contracts that entitle, or obligate it to receive interest at a fixed rate on notional principal amounts and entitle or obligate it to pay interest at a floating rate on the same notional principal amounts. Under these agreements the Group agrees with the counter party to exchange at monthly intervals the difference between the fixed and floating interest amounts calculated on the notional principal amounts.

The interest rate swap derivatives has been valued using a market quoted swap curve as at 30 June 2010.

Interest rate swaps exposed to credit risk at year end were as follows:

Institution	R'000	Fixed rate	Expiry date	Linked
Rand Merchant Bank	50,000	11,16%	15 December 2010	JIBAR
Rand Merchant Bank	50,000	11,09%	15 December 2013	JIBAR
Rand Merchant Bank	55,000	10,09%	15 September 2014	JIBAR
Rand Merchant Bank	25,000	10,74%	01 December 2013	JIBAR
Rand Merchant Bank	25,000	10,77%	01 December 2012	JIBAR
Rand Merchant Bank	50,000	10,60%	01 March 2015	JIBAR
Rand Merchant Bank	50,000	9,60%	01 April 2017	JIBAR
Standard Bank	25,000	11,55%	01 June 2016	JIBAR

Institution	R'000	Fixed rate	Expiry date	Linked
Standard Bank	20,000	11,55%	01 June 2012	JIBAR
Standard Bank	45,000	10,94%	01 June 2018	JIBAR
Standard Bank	14,500	10,98%	01 June 2018	JIBAR
Standard Bank	16,000	11,80%	01 March 2019	JIBAR
Standard Bank	32,000	11,85%	01 March 2017	JIBAR
Standard Bank	32,000	11,88%	01 March 2016	JIBAR
Nedbank	93,177	11,08%	01 March 2014	JIBAR
Nedbank	299,411	11,26%	01 March 2015	JIBAR
Nedbank	300,000	11,39%	01 March 2016	JIBAR
	1,182,088			

31. Risk management (continued)

This recognition is in terms of IAS 39 Financial Instruments: Recognition and Measurement, which requires that interest rate swaps be fair valued and marked to market at each reporting date.

	Group	
	2010 R'000	2009 R'000
Unrealised profit/ (losses) on derivatives recognised through the income statement:		
Unrealised profits on revaluation of derivative instruments	-	-
Unrealised losses on revaluation of derivative instruments	(27,380)	(30,373)
	(27,380)	**(30,373)**

The Group's exposure to fair value interest rate risk and cash flow interest risk can be summarised as follows:

Financial liabilities		
Loans received and bank borrowings at fixed rates	546,742	312,993
Bank borrowings at prime linked rates	360,788	867,716
Bank borrowings at JIBAR linked rates	1,182,088	429,500
Loans received at floating rates	191	12,897
Interest rate swaps linked to JIBAR rates (at fair value)	24,471	3,723
	2,114,280	**1,626,829**
Financial assets		
Interest rate swaps linked to JIBAR rates (at fair value)	-	2,902

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's cash and cash equivalents are placed with high credit quality financial institutions. Credit risk in respect of trade receivables is Ltd due to the spread of the customer base and credit approval processes.

The Group's exposure to credit risk is primarily in respect of tenants and is influenced by the individual characteristics and risk profile of each tenant. The exposure to credit risk from tenants is mitigated by the spread of the tenant base. The granting of credit to customers is made on application and is approved by the property managers based on their credit assessment of new and existing customers. Customers are required to supply refundable lease deposits and/ or bank guarantees and/ or suretyships by their principals.

At year end, the Group did not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for. In providing for impairments on tenant accounts, the group takes cognisance of guarantees delivered by tenants and/ or their bankers as well as unencumbered assets of tenants and their principals which may be attached.

The Group has some exposure in respect of loans granted as where collateral has been requested. The financial position of the counter parties are considered at granting of the loans and is also evaluated on an ongoing basis (refer notes 8,9 and 10).

The carrying amounts of financial assets, excluding interest rate swaps, included in the consolidated balance sheet represent the maximum exposure to credit risk in respect of these assets.

The maximum credit exposure of interest rate swaps is represented by the fair value of these contracts.

Refer to note 15 for an analysis of the Group's trade receivables' ageing, overdue accounts and impairments.

31. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group ensures that adequate funds are available to meet its expected and unexpected financial commitments through surplus funds deposited at financial institutions as well as undrawn borrowing facilities.

The Group's contractual maturity on non-derivative financial liabilities, net of interest (based on undiscounted cashflows) at year end are as follows:

	less than 1 year R'000	1 to 5 years R'000	Longer than 5 years R'000	Undetermined as yet R'000	Total R'000
Group					
2010					
Other financial liabilities	257,852	872,587	358,491	724,698	2,213,628
Trade and other payables	75,810	-	-	-	75,810
	333,662	**872,587**	**358,491**	**724,698**	**2,289,438**

Insurance risk

The Group is exposed to insurance risk primarily on its investment properties. The Group has insured all its properties at considered replacement values and loss of income as a result of disrupted operations.

Kumba Iron Ore, Centurion Gate

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All properties featured are either owned or have been developed by Atterbury IH.
Thank you to the Atterbury IH shareholders and staff who participated in this project.

The sky is the limit!

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