INSIDE
Read more about AIH's performance for 2012

AN ICON STEPS DOWN

Great results in a difficult economic climate

FEATURE

Waterfall Business Estate

ATTERBURY INVESTMENT HOLDINGS ANNUAL REPORT 2012

Group 5,
Land parcel 15 ↑

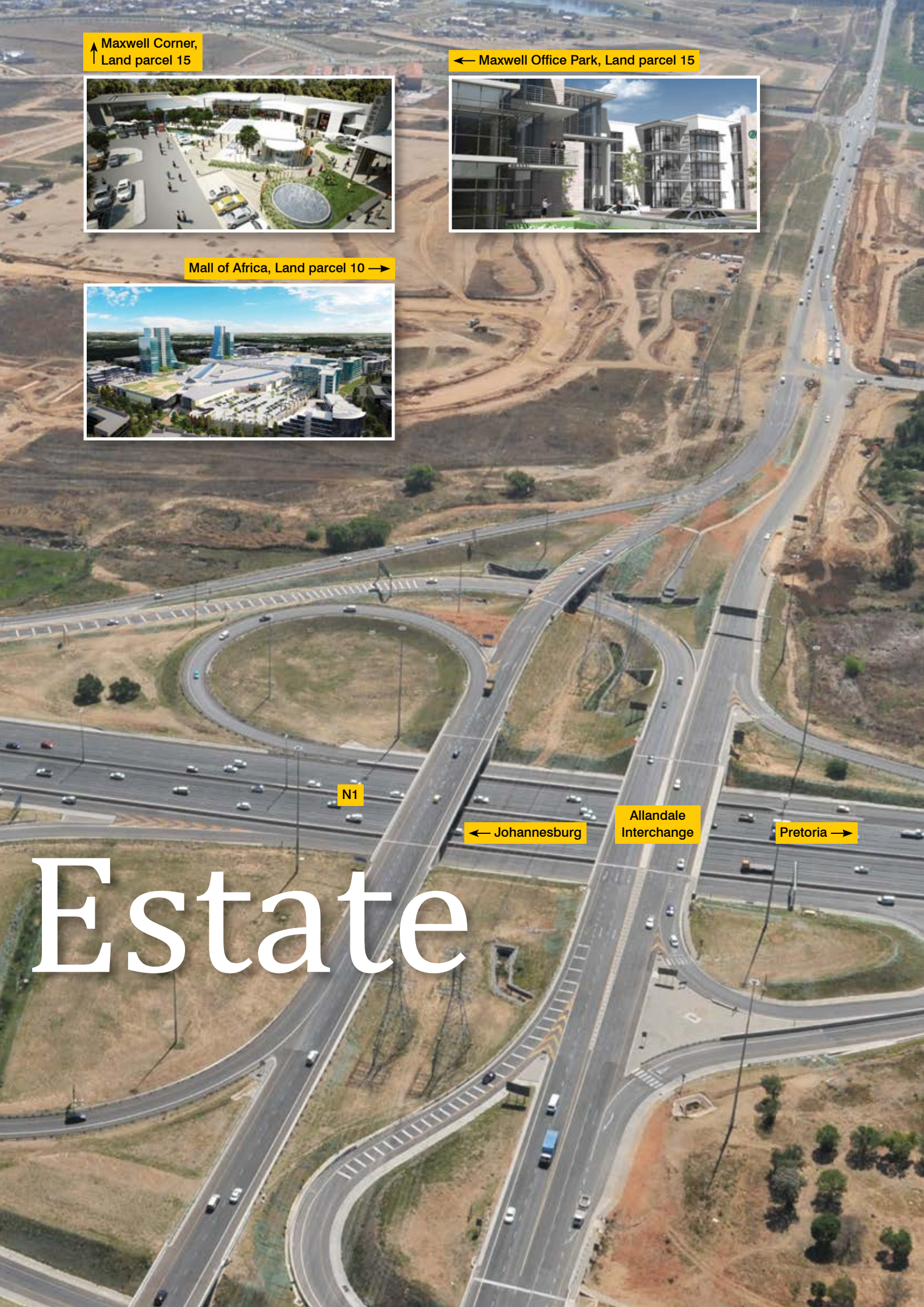
← Woodmead North Office Park,
Altech Building, Land parcel 20

← Waterfall Landmark Park,
Cell C, Land parcel 22

Waterfall Business

Turn to page 114 for the full story

← Massmart Warehouse, Land parcel 8


Maxwell Corner, Land parcel 15
Maxwell Office Park, Land parcel 15
Mall of Africa, Land parcel 10
N1
Johannesburg
Allandale Interchange
Pretoria

Estate

WATERFALL DEVELOPMENT TEAM

PHOTOGRAPHED at the Distribution Campus, Massmart Warehouse, Land parcel 8

SITTING: Natasha de Villiers, Lizeke de Waal and Morné Whitehead
BACK ROW: Alex de Beer, Jeanne Jordaan, Evert Kleynhans, Louisé de Villiers and Coenie Bezuidenhout

Contents

ATTERBURY

It's a matter of association

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Thank you to the AIH shareholders and staff who participated in this project.

An electronic copy of the Annual Report 2012 is available at www.atterbury.co.za

Chairman's Report

'In the middle of difficulty, lies opportunity'
Albert Einstein

Since inception in 2005, the strategic intent of AIH has focused on being an entrepreneurial company offering all shareholders sustainable long term capital growth and with a concurrent operational goal of achieving and maintaining compound advance in share value of at least 20% per year.

The company concluded another fiscal year with dynamic progression in the enhancement and consolidation of its existing business portfolio and diversification targets. What has now become an almost customary reputation for unabated progress, was maintained despite the contingent market adversity in most theatres of our business operation.

The complex global down cycle and declining SA public sector trading environment persisted throughout the past fiscal period and even gained a few disconcerting dimensions. Nonetheless, companies with the character, innate ability and appropriate experience are able to react to environmental adversity in a way beneficial to its current shareholders and its own prospective future business advance.

This is well illustrated by the following anecdote: Louis Norval, CEO of the former Attfund, on a visit to a prominent German business associate, noticed numerous photographs of landmark New York tower buildings and remarked: "I see you own half of Manhatten." "Not any more, my friend," the German aristocrat replied, "I sold them all in 2007 and, what is more, I'm going to buy them all back again!"

'Timing is everything. There is a tide in the affairs of men which, when taken at the flood, leads on to fortune'

W Shakespeare

The above parable on near-perfect positioning in achieving quantum gain despite – and actually because of – market adversity, reflects directly on the particular institution's business substance, maturity and judicious daring. When these qualities are present, the converse and paradoxical outcomes of either gain or loss becomes a matter of controllable choice and not inexorable fate.

It is believed that the future will show Atterbury to have gained significantly from the recent years of general market quandary; and the quantum of the gain to further reinforce its confirmed standing in the senior league of principal property companies. The objective of this report is to account to shareholders and other stakeholders on the present corporate profile and wider policy outlook of Atterbury Investment Holdings ("AIH") with corresponding detail expanded on in the Asset Manager's report.

1 FINANCIAL

'It is not the creation of wealth that is wrong, but the love of money for its own sake'

Margaret Thatcher

Since inception in 2005, the strategic intent of AIH has focused on being an

entrepreneurial company offering all shareholders sustainable long term capital growth and with a concurrent operational goal of achieving and maintaining compound advance in share value of at least 20% per year. The group therefore leans toward higher risk/higher capital return ventures whilst preserving relative strength in dealing with cyclical market conditions.

To date the company was able to deliver on the above objectives. This was achieved largely through an unrelenting furtherance of the now well established Atterbury credo of uncompromising standards and values, recruiting the very best colleagues available, balanced sharing of ownership, the predictable upholding of relations with a growing family of associates and on avoiding self-centred wealth creation in favour of serving a wider perspective.

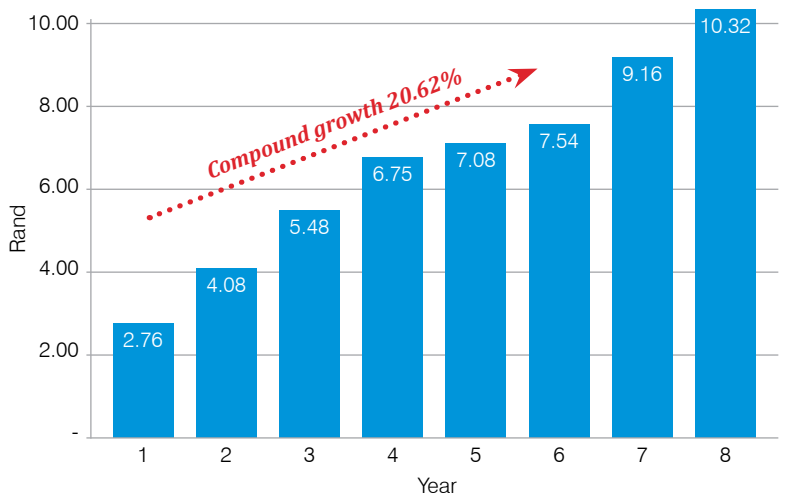
Statement of Comprehensive Income

AIH achieved an attributable comprehensive income of R585 million for the fiscal year; with the investment portfolio contributing R238 million and the development portfolio R347 million respectively. Subsequent to the sale of Attfund Retail to Hyprop, the percentage of income producing assets versus capital growth assets increased from 38% to 53%, this representing an overall increase in net income earned from the investment portfolio from R256 million in 2011 to R640 million in 2012.

The investment portfolio was independently valued using an average capitalisation rate of 8.2% – a slight improvement on 2011's 8.8% – with this fair value adjustment adding R38 million to net income.
The valuation rate and related considerations remains conservative compared to our listed peers.

Our basket of foreign currency (i.e. the weighted average of all the currencies represented in the portfolio), weakened by 6.2% against the Rand during the year. This, together with continued depressed international markets, resulted in the effective contribution from our international portfolio being only 2% of net income. It must be accepted that currency movements are linked to diversification strategies.

In the development portfolio, Waterfall represented the largest value uplift. Over the past four years Atterbury invested R349 million in establishing Waterfall infrastructure and obtained rights to increase developable bulk by 400,000m² to a total of 1,861,102m². These enhancements were recognised by valuation authorities upping the project value by 35% to R2.549 billion for the 2012 year. Waterfall was officially launched in April, 2011, another 115,000m² of new developments have been secured since and it could well be expected that Waterfall will deliver a consistent pipeline of development profit over at least the next decade.



Net Asset Value per Share (NAV)

Statement of Financial Position

The total assets of the business increased by R2 billion to R11.5 billion with total long- and short-term borrowings moving to R6.6 billion. The effective gearing ratio of 47% is still realistically in line with industry norms. The total net asset value or NAV increased to R4.6 billion, giving a net share value of R10.32 or 12.7% higher than last year's R9.16.

The 2012 NAV growth was impeded by the authorities increasing the effective capital gains tax rate from 14% to 18.67%, thus requiring an increased deferred tax provision of R161.7 million and reduction of 36 cents in share value. Despite this unexpected tax increase, the overall compound growth rate in NAV per share since 2005 remains on target at 20.73%. The graph below gives the share value progression since 2005.

A healthy trading in AIH stock continued with the current 450 shareholders trading 98,5 million shares at a total value of R881,6m with an average share price of R8,95 and this representing 18.8% of total shares issued.

Trading in AIH shares have historically taken place at net asset value or discounts to NAV; compared to a listed sector that is trading at significant premiums to NAV. For this reason and in response to the typical dynamics of an expanding business horizon, management is actively investigating workable alternatives for shareholders to realise optimum share value effectively but without compromising AIH's capital growth strategy.

The Board's responsibility towards stakeholders extends beyond fiduciary reporting and the considered opinion is that AIH's underlying position continued to firm throughout the past fiscal year. The solid corporate foundations and inherent competence that emerged over time, supports a sense of guarded but almost unqualified future belief and optimism.

Thomas Riley (Sanlam), Louis van der Watt, Johan van der Merwe (Sanlam) and Gideon Oosthuizen at Waterfall Country Estate

2 BOARD COMPOSITION, FUNCTIONING AND GOVERNANCE

'I've talked to you about the economic problems our nation faces, and I am prepared to tell you it's in a hell of a mess – we're not connected to the press room yet, are we?'

Ronald Reagan

Board membership remained unchanged apart from the appointment of Thomas Reilly, CEO of Sanlam Properties, as alternate to Johan van der Merwe. Thomas brings his extensive and specialised banking and property sector experience to a formidable team of directors – all with extensive and varied experience at CEO level.

The Board and its Investment , Audit and Transformation Committees remained a well functioning unit with an appropriate balance in the execution of its appraisal, corrective, governance and strategic planning responsibilities. Board members deserve recognition for emulating the Atterbury Group's focussed and unpretentious effectiveness and a pronouncement of 'Chairman' Mao Tse-tung is appropriate: To see real heroes, look around you.

In order to reinforce independent and dedicated focus, all the shares that our CEO, Morné Wilken, owned in the rest of the Atterbury Group, was bought out and his shareholding consolidated in AIH.

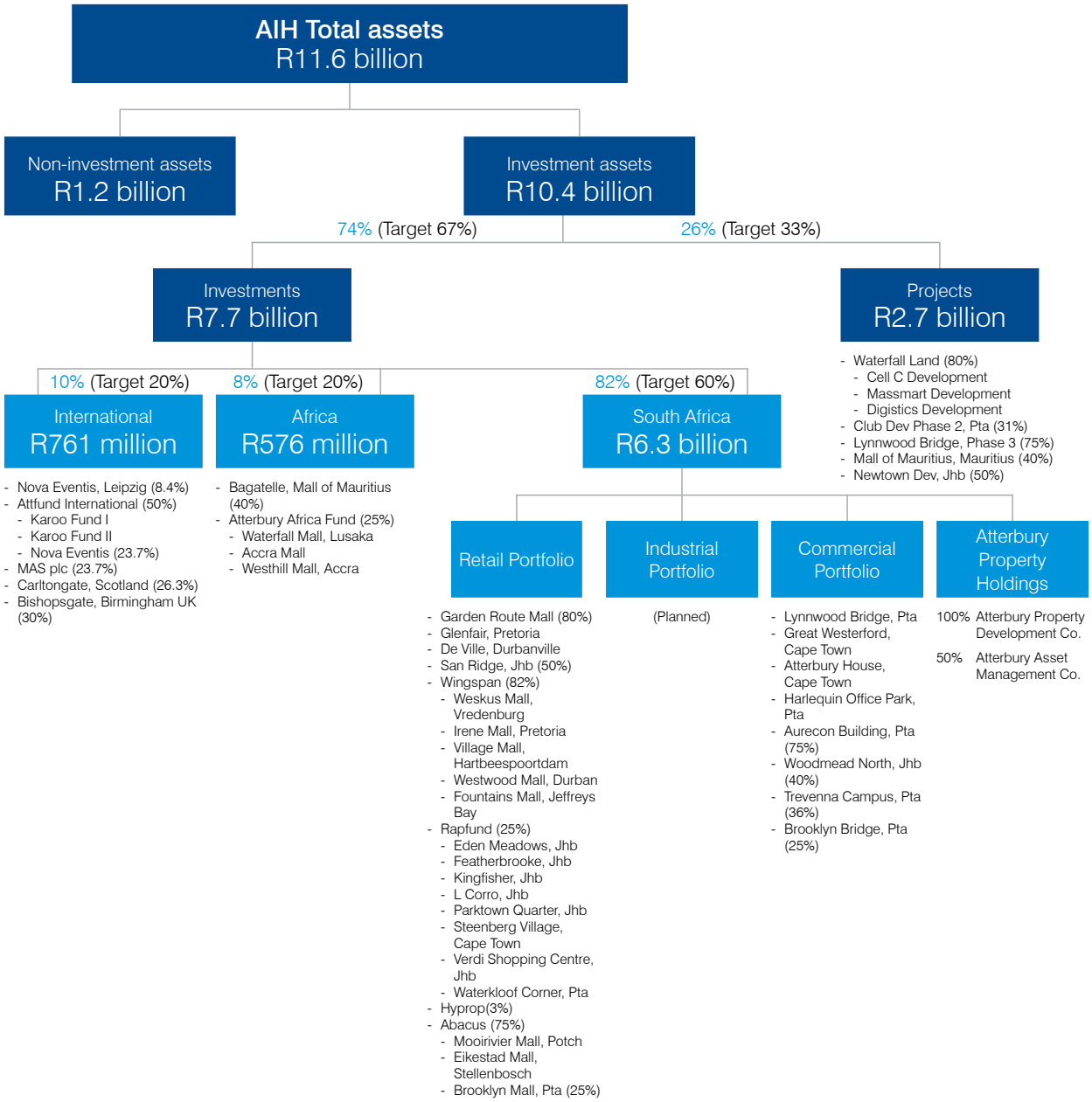
On a personal note; Morné and James Ehlers, MD of sister company Atterbury Property Developments, suffered a serious helicopter accident in May and it is with relief and sincere gratitude that both could be welcomed back after some six weeks of sterling work by the SA medical fraternity and nurturing support by their wives Marcelle and Linda – underscoring the Japanese proverb "All married women are not wives".

3 AIH GROUP CORPORATE STRUCTURE

'High expectations are the key to everything'

Sam Walton

AIH is a capital growth fund with the significant differential that it takes development risk. The value division



target for group activities over the medium term is to have a minimum of 67% exposure in completed buildings, investments and other funds – defined as Investments – and a maximum of 33% in vacant land and green- or brownfield developments; defined as Projects.

The target is also for the investment portfolio to be split geographically between South Africa 60%, Africa 20% and International 20%. The diagram above illustrates this planned portfolio structure with the targets and current ratios in brackets. Also shown are the details of physical assets in each category.

The stability, covenant strength, cash flow and yield enhancement of the Investment portion enable AIH to take development risk on the Project side; which in turn provide an investment pipeline and the enhanced profit margins typically associated with sound development projects.

'The secret of success is to do the common thing uncommonly well'

John D. Rockefeller

4 SIGNIFICANT BUSINESS FOCUS AREAS

'I skate to where the puck is going to be, not where it is'

Wayne Gretzky

Despite the recent debilitating trading conditions causing widespread strain and even devastation in sectors of the property industry, AIH was able to consolidate and benefit largely by being able to profitably sell some mature assets and thus raise capital to finance the following major growth opportunities:

4.1 Waterfall Business Estate, Johannesburg

This mega project of 1,86 million m² developable bulk will dominate the Atterbury agenda for the next decade and can best be described as a fresh new look for Johannesburg; the metropolis widely acknowledged as Africa's leading city and continental gateway. A concerted and imaginative planning process over the past four years led to a comprehensive macro layout guiding the development roll out; the latter now gaining momentum as evidenced by the following:

- **Waterfall City** represents the focal point of the entire development and R240 million will be spent over the next few months on Phase one infrastructure of Waterfall City. Phase one includes the 116,000m² **Mall of Africa**, with construction to commence towards the end of 2012. A further 400,000m² of developable bulk has been approved in the last financial year, bringing the total developable bulk for the Waterfall City core to 800,000m² or 43% of total bulk;
- **Waterfall Distribution Campus:** the 36,000m² distribution centre (DC) for **Walmart/Massmart** and the 8,000m² DC for **Digistics** are both nearing completion;
- **Waterfall Landmark Park:** the prestigious 44,600m² business campus for Cell C is under construction adjacent to the Buccleuch interchange;
- Completion of a 4,200m² office block undertaken as a joint venture with the Moolman Group and let to the **Allied Technology Group**;
- A 20,000m² new **Head Office for Group 5** will be started in October 2012.

4.2 Atterbury Property Holdings (Pty) Ltd

AIH acquired a 25% shareholding in its sister company Atterbury Property Holdings (APH) for a total investment consideration of R150 million. APH consists of Atterbury Property Developments (APD) and holds 50% of Atterbury Asset Managers (AAM), which performs the asset management functions for AIH (refer to diagram above). The acquisition strengthens the strategic alliance with our development partner, increases effective shareholding in AAM and AIH will henceforth benefit directly from a 25% shareholding in all APH developments and activities.

4.3 Atterbury Africa Fund

AIH, via its international subsidiary Atterbury Investment Holdings International ("AIHI"), secured a 25% shareholding in the Atterbury Africa Fund. AIHI will be investing a total of R250 million over the next few years. The Atterbury Africa Fund, which is an APH initiative, is a closed end fund with the purpose of investing in the development of retail shopping centres across Sub-Saharan Africa. Hyprop Ltd will be investing R750 million as the other investment partner with an effective shareholding of 37.5% and with the remaining shares in Atterbury Africa Fund held by the APH group of companies.

4.4 Other secured developments (both jointly with APH)

- **Newtown, Johannesburg:** new 39,000m² Nedbank office building and a 36,143 Regional shopping centre;
- **Lynnwood Bridge, Pretoria:** a 15,000m² office building as final phase of this landmark development.
- **Mall of Namibia, Windhoek:** a 53,774m² regional mall in Windhoek, Namibia.

In terms of our ongoing business objectives, AIH will remain focussed on the three key investment strategies of a) investing directly and indirectly in A grade property – including establishment of the retail- and commercial income funds with AIH as strategic shareholder and the vehicle for utilising a strong balance sheet – and b) sustainable cash flow to invest in good developments with emphasis on the rollout of the remaining bulk at Waterfall and Mauritius and c) finding redevelopment opportunities to unlock added value from current assets.

5 TRADING ENVIRONMENT

'If you don't stand for something, you will fall for anything'

African proverb

History tends to reward those capable of constructively utilising the latent prospects offered by a fast changing trading environment. The information revolution and emergence of structural shifts in the primary international economic and political drivers are becoming the embodiment of an increasingly fluid global transformation; with the underlying centres of strategic gravity shifting both globally and on our continent.

The property industry has been particularly volatile and recalcitrant since 2007, when circumstance again uncovered the folly of greed and of the high street banking giants who dismissed ethical conduct as an eccentric luxury. The downturn stretched resources, challenged management and remained a priority of Board surveillance throughout. Appropriate business skills together with the company's inherent strengths and longstanding reputation was determinant in AIH not only navigating the unstable business environment unscathed but also successfully establishing itself internationally in accordance with a focussed diversification agenda. The strategy and general outlook in each of these main areas are:

5.1 South Africa

'In a country well governed, poverty is something to be ashamed of. In a country badly governed, wealth is something to be ashamed of'

Confucius

Amidst an unsettled global economy, South Africa is still benefitting from moderate growth, an enviable

public and private fiscal structure, manageable Government debt, Brics, SKA & AU gains, a planned infrastructure rollout of some R845 billion over the next three years, mega SA corporations with global impact, an emergent middle class supporting growth, constitutional safeguards and other positives. But concerns are also mounting about local realities the nation must deal with and which are unrelated to any global circumstance.

The year 1994 brought much hope. It was a remarkable achievement presenting all South Africans and an often disconsolate global community with inspiration and renewed reason to share a dream. The dream was fuelled by a compelling national longing to substitute memories of our troubled past with the prospect of unlocking the undoubted potential of our land and its people for the universal benefit of all. Also by the conviction that a rainbow future is at last attainable. That we could aspire to even more than many of the emergent winning nations because of our natural resources, quality of our eclectic populace, juxtapositioning within Africa, sophisticated infrastructure, etc.

More than most nations, SA is a land of many different cultural groups. Leadership can either accentuate group boundaries and manipulate diversity for egotistical reasons – like many an iniquitous historical example – or practice boundary spanning leadership in serving the country and its people.

The former leadership style causes fractured relationships, diminished resources, suboptimal results and the divisive attitude of us and them. The latter recognizes that the 'boundaries' of cultural diversity actually offer new frontiers for productive forms of collaboration and creative problem solving to drive creativity and innovation, to build partnerships and to create opportunity for sustainable transformation towards the collective good.

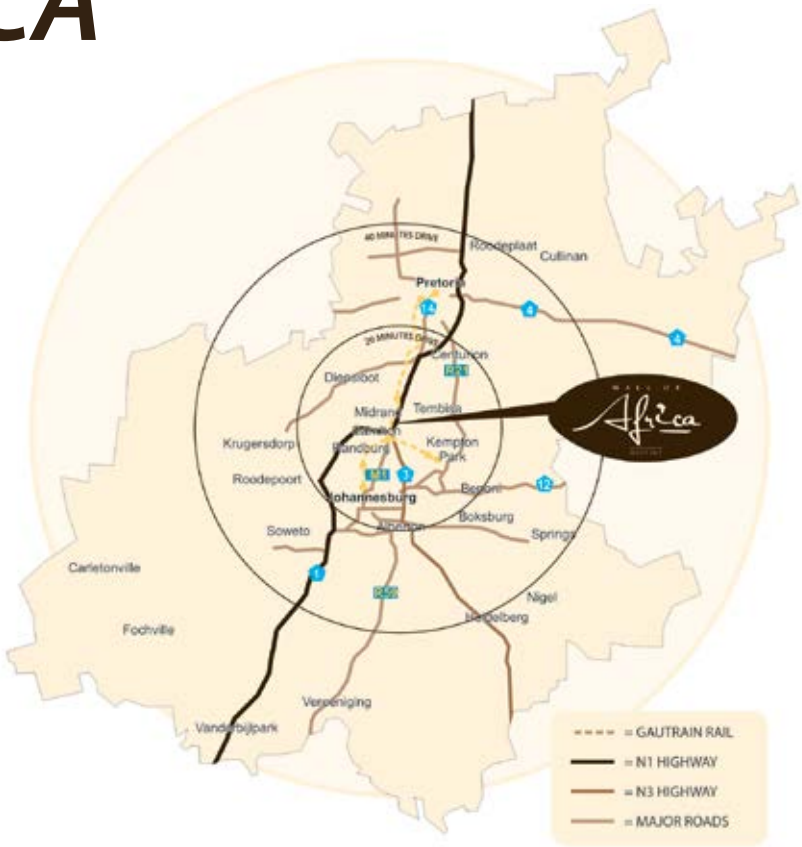
The Mandela era proved that this expectation is well achievable and his heritage certainly deserves more than being callously undermined by the epitome of ineffectual leadership typified by a cavalcade of surprisingly basic political errors and a government morphing into a freeloader's paradise mortally wounded by greed and scurrilous in-house self-destruct.

Past annual reports dealt in detail with our views on the constrictive effects for the SA economy of the now well-aired and almost universally acknowledged underperformance of national leadership in dealing with key requirements on the national agenda. Or of simply understanding the basics of good governance and the detrimental impact of disregarding any semblance of upholding even the

BOTTOM: Lukas Ndala and Morné Wilken with the Massmart Distribution Centre in the background

MALL OF AFRICA
SOUTH AFRICA

At the heart of Waterfall lies the Mall of Africa, a new super-regional shopping centre which will form the key development in this urban framework. Offering some 100 000m² of retail space, the Mall of Africa will be the largest retail development in Africa to be constructed in a single phase and will act as a hub around which other amenities will be clustered. With its location on this prime site, its sheer scale and its cutting-edge design, the Mall of Africa will change the face of the Johannesburg and Midrand areas and no doubt become a new African landmark.



A NEW LANDMARK

The Mall of Africa will set a new benchmark in mixed-use shopping and entertainment. Larger than Cape Town's V&A Waterfront and almost the size of Sandton City, the mall will form an anchor around which a range of future mixed uses including retail, offices, conference and recreational amenities and residential areas will grow.

The mall will be a landmark in the centre of the city whilst forming part of an integrated urban plan. Its architectural form is inspired by the geological beauty of Africa, reinterpreted in a contemporary and non-stylised manner. The latest international trends in mall design are combined with the inclusion of environmentally sustainable materials and technologies and informed by the New Urbanist principles of walkable, mixed-use environments to create a truly cutting-edge shopping centre.

Mall of Africa will be a destination for local shoppers and tourists alike and will include speciality, national and international retailers as well as high end restaurants. It is scheduled to open in March, 2015.

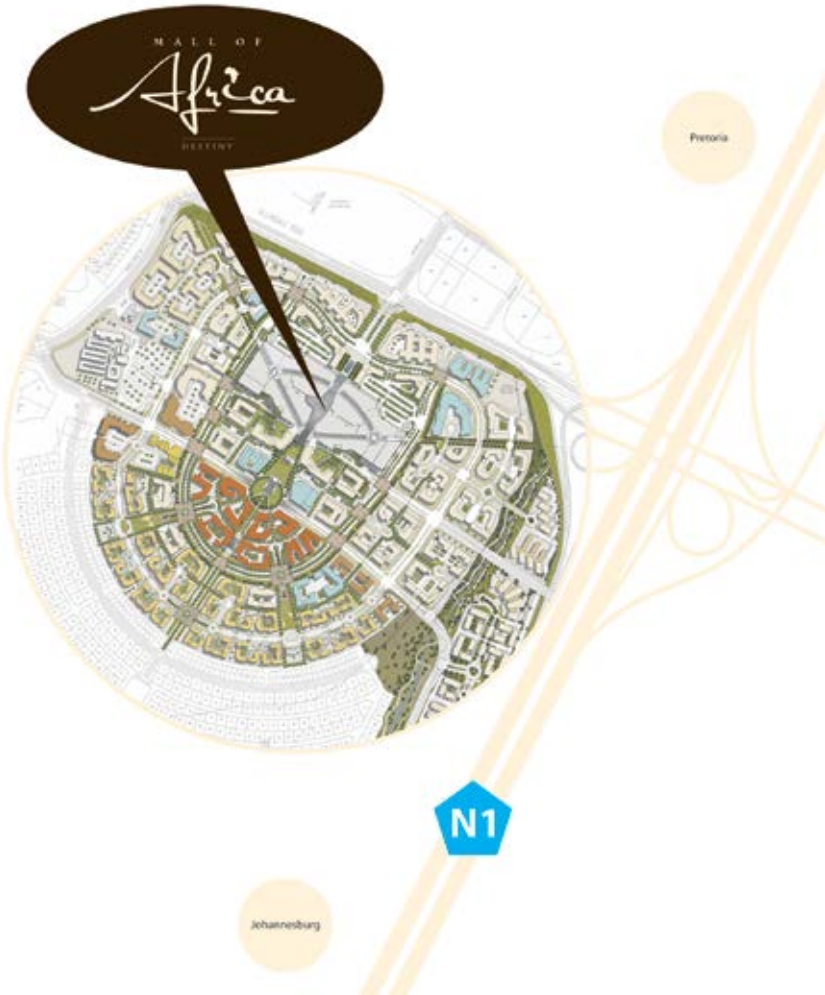
ONE MALL, INFINITE OPTIONS

The beating social heart of the Waterfall precinct will, without doubt, be the Mall of Africa. With over 300 shops including national and international retailers, massive department stores and more than seven anchor stores, the Mall of Africa is positioned to compete with the very best shopping centres on the continent.

Sporting striking architecture and interior concepts that stir the imagination, this will be more than just a high-end shopping destination. A superb range of fine dining offerings combined with a large variety of other food and beverage outlets mean that every taste is catered for.

THE TARGET MARKET

The Mall of Africa is a super-regional shopping centre intended to serve the large and growing community living and working in and around the Waterfall Precinct. It is estimated that approximately 6.7 million people already live within an hour's drive from the centre – and this number will only increase as the precinct develops further. Mall of Africa's offering ranges from large department stores and national retail outlets to high-end boutique and international stores, ensuring that it caters for a wide range of tastes and needs.



LEASING ENQUIRIES:
Cobus van Heerden
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Johan Roets
(roets@atterbury.co.za)

MALL OF

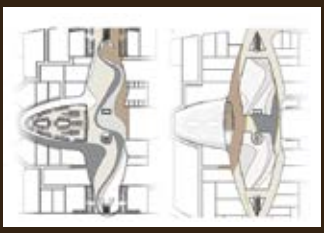
Africa

DESTINY

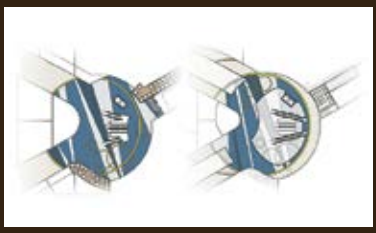
SAND COURT

OLEUM COURT

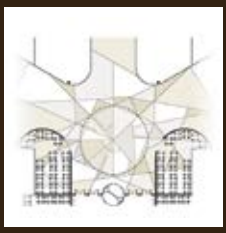
FOREST COURT



GREAT LAKES COURT



CRYSTAL COURT



minimum personal or national values. Nor of grasping the eventual downside of persistently masquerading extinct ideologies as human rights or opting for populism over policy rigour.

This ill-fated conundrum outstrips our analytical framework for comprehending it and is tragic and damaging, if not ultimately destructive, to the country's national future and continental status.

Concurrent with many SA business compatriots, AIH is therefore advancing geographic diversification at a rate, and to an extent, beyond that which would have been appropriate in terms of normal business convention.

'When the legends die, the dreams end. And when the dreams end, there is no more greatness'

Native American folklore

5.2 Sub-Saharan Africa (SSA)

With our continent widely mooted as the last of the major global development frontiers, Atterbury had been considering several tactical alternatives, finally leading to a first foray completion of the landmark Mall of Mauritius in September 2011 and subsequent completion of a hotel, office building and service station in the ensuing development of the surrounding Bagatelle precinct.

Atterbury's Africa strategy is based on the expected continued general improvement in democratic adherence – and thus consequent SA stability – characterised by the following:

- An economic climate buoyed by the incremental national income from commodity- and other exports, resulting in an unusually high ratio of disposable income for consumers as the historical African lifestyle profiles favour low debt levels.
- Economic indicators: the UN predicting foreign direct investment in SSA to double to USD 100 billion by 2014 and research confirming some 647 million consumers in the region.
- A focus on retail as our traditional field of expertise.
- Global investors prefer approaching Africa in conjunction with SA business. In a similar vein Atterbury will ally with experienced South African, indigenous African and international partners to ensure appropriate knowledge of local trading conditions, finance alternatives, cultural considerations, etc.
- AIH's SSA initiatives are all handled by dedicated personnel in appropriate company structuring.

The international trends currently favouring SSA are substantiated by several cyclical and other economic considerations. Possibly our continent can now respond to this tide of history. Let us finally shed our largely deserved reputation by embracing the potential of a historical juncture where these macro trends offer all positively minded Africans the opportunity to rebuild the ruins of a questionable past into new ramparts of progressive nationhood and sustainable socio-economic benefit for all those willing to work the common ground advantage.

The next fiscal period will see Atterbury securing a noticeable presence in several additional SSA countries.

'I dream of an Africa which is in peace with itself'

Nelson Mandela

5.3 Europe

The European trading environment is broadly comparable to the SA property sector albeit with some different accentuations. With the financial market considerably more pressured, European banks are highly intolerant of struggling borrowers. Most borrowers are pressured to refinance debt as capital requirements are forcing EU banks to reign in their balance sheets. Consequently the market is rigorously advancing the distressed sale agenda to purge itself of weak participants and toxic detritus.

Whilst a most unfortunate predicament for developers lacking experience and/or the staying power to survive this unusual – but not uncharacteristic – industry decline, it does present their more resilient counterparts with rather exceptional opportunity.

AIH initially expanded into Europe through its 50% shareholding in Attfund International. Through this vehicle, AIH retains our interest in the two Karoo Investment Funds with their exposure to mainly retail assets in the United Kingdom and Germany. In partnership with Mertech, Sanlam and other private investors, we now also own a 23% stake in MAS plc, an income-yielding property fund which is listed on the Luxembourg stock exchange, with a secondary listing on the JSE's Alt-X. MAS is a sound diversification strategy for property investors who may already have significant exposure to emerging markets and now seek long term, stable income return with the potential for capital growth.

MAS' current mandate focuses on the mature European markets of Germany, Switzerland and the United Kingdom. Within these markets, a combination of strong income-producing retail, logistics and office assets have been acquired, complemented by a smaller, select number of deals through which exceptional capital appreciation is foreseen over the medium term.

Our expectation is that the three countries covered by MAS and Karoo will emerge from the crisis in good shape, as the sound fundamental economic principles followed by northern European countries should prevail to eventually compensate for the socialist mistakes made in southern Europe.

6 BBBEE (BROAD BASED BLACK ECONOMIC EMPOWERMENT)

'If a nation expects to be ignorant and free, it expects what never was and never will be'

Thomas Jefferson

The emotive reality and poignant potential of this vital national

Conquering new territory

ATTERBURY STRATCO

PHOTOGRAPHED at Waterfall City, Mall of Africa site, Land parcel 10

FROM LEFT TO RIGHT: Morné Wilken, Talana Smith, Louis van der Watt, James Ehlers, Flip Smit, Gideon Oosthuizen and Lucille Louw

TRANSFORMATION COMMITTEE

PHOTOGRAPHED at Woodmead North Office Park, Altech Building, Land parcel 20

SITTING: Gideon Oosthuizen and Wynand Baard
STANDING: Talana Smith, Lebo Masekela, Zahn Hulme and Morné Wilken

The Transformation Committee under guidance of Johan Streuderst ensured that AIH obtained a Level 5 BBBEE rating

imperative calls for cool heads and continued honest effort towards mutual understanding. In this context our perspective on the transformation necessities is that leading companies should contribute beyond a singular focus on the scorecard alone. The AIH position is:

6.1 Scorecard

Maximum compliance with the Government's scorecard policy is the firm objective and the Board formed a Transformation Committee chaired by AIH director, Lebo Masekela. The committee also includes our CEO, Morné Wilken, three senior Atterbury executives and an independent professional BBBEE accreditation consultant.

Progress to date includes moving the AIH accreditation from Level 8 to a Level 5; the implication being that 60% of tenant rental expense would qualify as BBBEE spend. The goal is to migrate to the Property Sector Charter by September, 2013 and then attain a Level 4 by 2014 and Level 3 by 2015.

6.2 Constructive communication

The scorecard has a vital role but a wider perspective must succeed if middle ground South Africans are to become involved in taking the country to even just 70% of its potential. Let us confront divisive realities by open and honest communication within each business organisation and even extend it to our areas of influence. Let us deal with and give credence to emotional baggage which often bedevil constructive discussion and let us force the laager walls down by opening up – this despite some hapless individuals and the politics of the day continuously reinforcing these laager walls. Open communication is a risk but seldom is significant reward to be found without risk. Circumstance calls on SA civil society in general and the business sector in particular to contribute to improved intercultural acceptance; both in the workplace of every SA company but also in its area of immediate influence.

6.3 Wider responsibility

'During times of universal deceit, telling the truth becomes a revolutionary act'
George Orwell

SA is a very complicated and often divided society arguably on a downward global slope and will remain so unless we restore our proven ability for taking the future back from a road not to be travelled. Progress depends on hard work in finding common ground from all sides. It is most disconcerting how endemic the scourge of entitlement and corruption has become. The dearth of ethical leadership is uppermost for every informed citizen.

Although certainly not to be used as a pretext for delaying BBBEE progress, it is simple realism that this unfortunate and worsening backdrop is fuelling division and constitutes a serious impediment to motivating the requirement for an even stronger combined drive toward transformation success. As seriously wrong as it would be for the property 'haves' to hide behind an alleged dysfunctional trading environment, so too would it be wrong for others to be insensitive to their own understanding of and responsibilities toward reaching an outcome giving hope to us all.

Every business has an obligation to
a) express itself and
b) join appropriate public forums working towards exerting constructive influence.

6.4 Atterbury approach

'Those whose palm-kernels were cracked for them by a benevolent spirit should not forget to be humble'
African proverb

The Atterbury management repeatedly stated the company's intent to comply with the Government's scorecard but also to promote an empowerment agenda of its own design; which is typical of Atterbury's persona and overall business profile. In this context the Atterbury Development Foundation receives 1% of all project income and serves the black community exclusively whereas the independent Mergon Foundation owns 15.03% of AIH and allocated R35,01 million this past fiscal year toward supporting a wide array of upliftment projects benefitting mostly ethnic black South Africans and the population of neighbouring countries.

Royal Bafokeng Holdings owns 12.95% of AIH to the direct benefit of the Bafokeng Nation and the Atterbury Trust currently supports 106 Afrikaans speaking university students through its 2.16% of AIH shareholding.

The proceeds of altogether 30.14% of AIH shareholding plus 1% of project income plus 'scorecard expense' of some R4m therefore provides well over R40m per year to benefit many thousands of needy South Africans; and with total allocations reflecting the SA demographic composition.

The above represents some viewpoints which are most often avoided or not sufficiently understood even though open and honest dialogue is essential in helping us to find each other better in working towards the elusive unity in diversity – a unity without which our company and our country cannot succeed to an acceptable degree.

'If we are together nothing is impossible. If we are divided all will fail'
Winston Churchill

7 CONCLUSION

The 2009 report dealt with my intention to step down as Chairman and also that it was then adjudged to be in the company's best interest to defer this to 2012. Agreement was reached with executive management and the Board for me to step down as Chairman as of 30 June 2012 whilst remaining as a director. This leaves me with the following announcement and acknowledgements:

7.1 The Board unanimously elected Pierre Tredoux as Chairman effective 1 July 2012. Pierre's election has less to do with him being the longest

Pieter Faure, Francois van Niekerk and Lebo Masekela at the Waterfall Landmark Park, Cell C Campus

serving independent Board member, chairing the Audit and Investment committees, his long career as MD of Deloitte Consulting or with his record in founding and managing the international Barnstone Group, but rather reflects on his insightful and balanced contribution to always protect and conserve the best interest of the company and every shareholder. Sincerest best wishes, Pierre and may your term be as fulfilling as mine.

7.2 Looking back, the evolving Atterbury history calls for the recognition of certain specific business associates. The Infotech building, Menlyn Motor Corner and Atterbury Value Mart were three anchor developments leading up to and enabling the initial formation of the Atterbury Property Group. Neither of these first fruit developments would have realised as it did without the key contributions of Reyn Vlietstra, Daan Booysen, Gary Steinberg, Dirk Henzen, Louis Norval, Dr Ernie Jacobson, Frank Berkeley and Ken Reynolds. Virtually all these gentlemen remain valued business associates of AIH to this day.

7.3 The Atterbury colleagues will remain imbedded in my memory. Every single one of the current 100 and those before; undaunted by the trials and travails of the road to success. Henry Kissinger, former US Secretary of State, said: "Societies become rich through ingenuity and hard work. But they become great because they produce men and women who lift them beyond the moment". I extend to you all my sincerest respect, affection and the special kind of gratitude reserved for those whose association has lasting significance.

'I found that there were these incredibly great people at doing certain things, and you couldn't replace one of these people with fifty average people'

Steve Jobs

7.4 Unaided, the Board developed a persona appropriate to and supportive of the company's vigorous progression. This is sustained by Board members' collective personal qualities, their balanced representivity and their diligent furtherance of shareholder accountability and corporate governance best practice. As a consequence my load was eased significantly and sincere appreciation is extended to every Board member.

7.5 Understandably, Chair duties involve a closer working relationship with executive directors and related senior staff colleagues. In this context it was simply a privilege to work with our CEO, Morné Wilken and with Gideon Oosthuizen, Flip Smit, Talana Smith and Zahn Hulme.

7.6 Finally, Louis van der Watt. It had always been my specific, wider business strategy to work with partners and exposure to a large number of business partners over a period of 33 years does give a comparative perspective. In this context, the association with Louis simply stands out. It is a distinct career highlight to have seen Louis develop into a business executive widely acknowledged for how he moulded Atterbury into a premium international property group. Also my highest regard for his uncompromising values, for his unassailable credibility quotient, for how he reproduces and extends his own quality into the Atterbury family of employees, business partners and even contractors and how this pervades the Group's ever widening theatre of operation. Anyone would see it as a lifetime privilege to have Louis as a business partner and I certainly do so. Baie dankie, Louis.

So, on behalf of all non-executive directors and shareholders, I finally offer all Atterbury colleagues our sincerest appreciation, respect and ongoing support.

Francois van Niekerk
Chairman

'Don't cry because it's over. Smile because it happened'

Dr Seuss, US Author

SPECIAL FEATURE:
FRANCOIS VAN NIEKERK
AN ICON STEPS DOWN...

The hobby horse power...

Who is Francois van Niekerk?

Farm boy from Paarl, educated at Paarl Boys High, Naval Gymnasium, universities of Stellenbosch & Unisa SBL and worked for Mobil Oil, Anglo, Rembrandt and for Armscor – a magnificent organisation until conclusion of the border conflict raised the ugly head of corporate politics, which prompted a career change at age 38. The original business, Infotech, survived the IT industry's traditional turbulence and grew into its own building in Hatfield, Pretoria – which led to a taste for property development.

How did Atterbury Property start?

In 1993 Zahn Hulme was manager of the Deloitte audit team at Infotech. She had a young CA, Louis van der Watt, on the squad. He seemed rather set on the property business and expressed a definite interest. An own belief in partnering as a business fundamental and Louis' obvious talent and personal make-up made it an easy decision and we started the company in 1994 with well less than R1m in capital. A significant project at the time was the Atterbury Value Mart in Faerie Glen, Pretoria. So we called the company Atterbury Property.

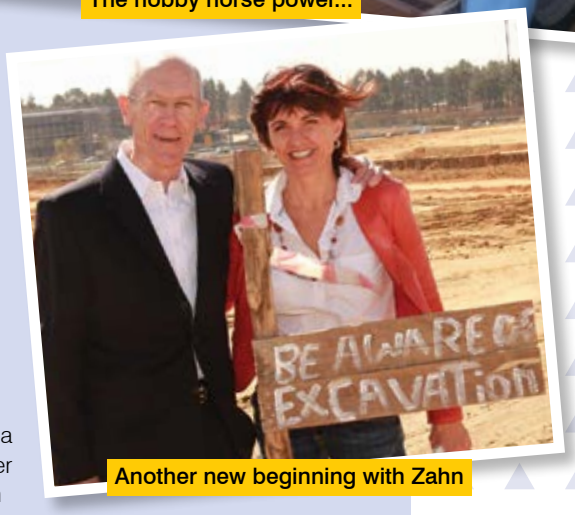
What makes Atterbury successful?

The Atterbury group now consists of some 120 operating companies; active internationally and recognized as being right up there with the best in the field. The credit must go to Louis van der Watt. He crafted a team and an organisation with unusual ability, substance and a record of almost unquestioned business credibility; stemming from a consistently high standard of ethical business conduct. Another particular Atterbury success differential is the truism of human capital being our major asset. Atterbury's participative philosophy and business style attracts only the very best with most of our colleagues owning shareholding with a substantial average value per shareholder employee.

Does Atterbury have a specific business approach?

Partnering could be the key word. Apart from staff seen as operating partners rather than employees, much of the group's success stems from long term relationships with like-minded organisations, thus gaining from complementary inputs and distributed risk. Along with the core focus of spreading wealth amongst staff and other business associates, the benefits of Atterbury's business progress is also shared with a growing number of outside investors.

Finally, our social and environmental response is made by allocating the proceeds of shareholding held by Atterbury trusts or foundations in partnership with established and leading community based organisations. The business approach, therefore, is always a preference to partner with others who can help optimize value.



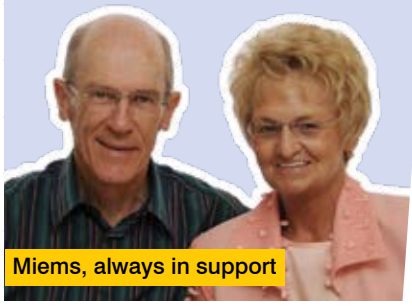
Another new beginning with Zahn

Apparently philanthropy is important in your business approach?

The challenge of our time is the growing need for an accelerated awareness of sustaining at least a minimum balance in our social and geographic environment. If we heed Winston Churchill – you make a living by what you get, a life by what you give – then this encourages the new concept of "social capitalism"; or the biblical principle of servant leadership. It is my firm conviction that whatever success we may achieve is not from within ourselves. From the outset Atterbury subscribed to this notion and presently the Mergon Foundation and Atterbury Trust support wide ranging educational, social upliftment, charity and environmental projects – all from a Christian perspective. Despite Atterbury group ownership having broadened to over 500 shareholders, the foundations retained an effective shareholding of some 17.2% of Atterbury IH ownership. Our social response is therefore funded from allocated shareholding and does not dilute other shareholders' benefit in any way.

What does the future hold for Atterbury?

SA politics appears to have morphed itself into a gorgonian knot of self interest and factional enmities focused on everything but the acknowledged key performance areas of government. Notwithstanding a worsening local trading environment, Atterbury has a firm commitment to this land and confidence in our company's innate ability and its growing local, continental and international project pipeline. We will continue to seek common ground not only in furthering commercial success but also in joining forces to better the world around us.

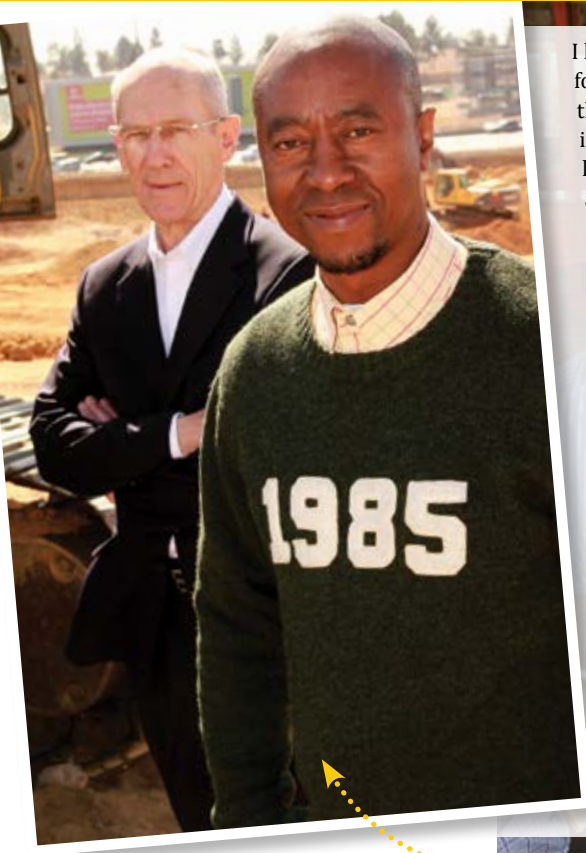

Miems, always in support


The founding fathers back in the '90s

Francois van Niekerk at Waterfall Landmark Park, Cell C site, adjacent to the Buccleuch Interchange

Daar is niemand by wie ek meer van besigheid geleer het as Francois nie. Nie net besigheidsbeginsels en lesse nie maar ook hoe om jouself the handhaaf teen al die 'curveballs' wat na jou kant toe kom. Hy het my geleer om jou nie te bekommer oor die probleme nie maar eerder te konsentreer op die oplossing en ook om nie jou beginsels te verander as die situasie verander nie. Ek dink die lesse het deurgevloei na Atterbury en is vandag ons kultuur. Almal wat met ons besigheid doen kan hiervan getuig en is bewus daarvan dat dit kom van die grondslag wat Francois gelê het.

Louis van der Watt



I have been working with Francois for more than 8 years. Three things stand out for me: Firstly it is his humility. I have never seen him force his business views in a meeting. He always gets his point across in a humble way. The second is his concern for others. He does not want nor seek attention. His thoughts and actions are always towards others who are less fortunate. Thirdly, Francois allows us to make mistakes so that we can learn. One thing he does not tolerate is actions that will lead to the wasting of money, no matter how small the amount, not even to celebrate success. When it seems that the going is good, Francois wants everyone to prepare the company for the tough times ahead, because the tough times always follow the good times.

Lebo Masekela

Francois van Niekerk is a man of great integrity and honesty, a real example for me of how one should live your life. Francios always makes the time and effort to meet and to get to know all the people who form part of the Atterbury family. It is very evident that he lives a life close to God, his maker. Over the last few years he has taught me a lot and the interaction with him will be sorely missed. It was a great privilege to work with him.

Morné Wilken

REFLECTIONS ON FRANCOIS' CONTRIBUTION

by his fellow Board members

I was first introduced to Francois van Niekerk when I joined the technology group Infotech in 1999. As majority shareholder and outgoing CEO, Francois would have had every reason to be over-protective and meddling, a trap many in his position would tend to fall into. Instead, Francois handed over the keys and proceeded to play each role he was required to do while, at the same time, providing his new management team with the space, financial backing and emotional support to make their own plans, achieve and celebrate successes, and suffer failures. During this time, Francois became my business mentor. The lessons I learned during this part of our relationship will stand me in good stead for the rest of my life, both inside and outside of the boardroom. It was during this same period that I became intensely aware of the role that Francois was playing in Atterbury. As co-founders of Atterbury, Francois and Louis played differing and complementary roles in establishing the business. Francois was the primary provider of and access to funding, but it was clear that he was much more than a mere financial backer. Amongst other functions, Francois provided Atterbury with gravitas, allowing the budding property company to punch above its weight and thus accelerating its growth path considerably. Later on, as the company and the brand matured, the need for Francois' special interventions with clients and banks became less frequent, but nevertheless remained of vital importance when needed. As Group Chairman, Francois was instrumental in migrating the board from a close-knit "family" unit into a much more professional outfit. Today, the executive enjoys the benefit of input from several knowledgeable non-executive directors, operating through committees which ensure that shareholder interests are well protected and managed. Francois may be stepping down as Chairman, but his continued involvement in the Board is welcomed in the acknowledgement that we have a lot to still learn, we wish to maintain the high standards to which he holds us, and in then end, it is truest of all to say that we simply enjoy his company.

Gideon Oosthuizen

As co-founder of Atterbury and later chairman of AIH, Francois has been a dedicated servant and ambassador of the Atterbury group. Francois' willingness to set aside personal agendas to always do what is in the interest of the company and his commitment to long term business partnerships has substantially contributed to Atterbury's sterling performance over many years. On a personal level, his thoughtful insight on the responsibility of corporate business as a vehicle which should positively influence and contribute to the broader society has left an indelible imprint on my outlook on business.

Pieter Faure

In my first meeting with Francois I was impressed with the man's presence. The way in which he carries himself, the quiet confidence he exudes and the values that he lives by are admirable. His business success speaks for itself. His concern for his neighbour and his active involvement in improving lives are exemplary. For me he is the best example of integrity and respect.

I would be delighted to have him as a mentor and if I could choose a granddad for my kids he would be first on the list!

Johan van der Merwe

It has been a privilege to work with Francois on the board of Atterbury Investment Holdings. Francois strong values and principles have laid a solid foundation for the company's culture and how we do business.

He's commitment to fairness and openness coupled with the willingness to listen to reason enabled him to guide the board through numerous complex situations towards sound business decisions.

Francois experience as an entrepreneur managing various businesses through growth and difficult economic times has been very valuable to the Atterbury management team.

It is always a positive experience interacting with Francois and his strong believe in partnerships, the empowerment of his partners and trusting their business instincts has played a major role in the successful development and phenomenal growth of the Atterbury Group.

Pierre Tredoux

With the new Chairman, Pierre Tredoux

Asset Manager's

Year under review

We are confident that our retail portfolio will continue to show positive income and capital growth, despite the prevailing tough economic conditions during the last 12 months. We expect these conditions to continue in the economy in the short term as consumers struggle to escape their indebtedness.

INVESTMENTS

Our investment portfolio includes completed buildings, investments in associates, subsidiaries and other funds. The Atterbury Investment Holdings ("AIH" or "the Fund") target is to have a minimum 67% invested in developed assets. This provides sufficient income and balance sheet strength for the Fund to invest the remaining 33% in development, and responsibly take on the higher risks associated with development projects. Our target investment portfolio is split geographically between South Africa 60%, Africa 20% and International 20%.

SOUTH AFRICAN PORTFOLIO

The gross value of the properties under management by Atterbury Asset Managers (AAM), held either directly or indirectly via another property fund by AIH, was R13.6 billion. AIH's effective share was R7.1 billion at 30 June 2012. Of these assets, 36% are A-grade offices in prime commercial nodes and 64% are leading retail centres.

AIH's South African portfolio GLA decreased by 21% to 388,000m^2 at 30 June 2012, mainly because of the Attfund sale to Hyprop in September 2011. The Attfund shareholding converted into 32,145,917 Hyprop shares and R867,485,625 of cash. At 30 June 2012 AIH still held 5,387,662 Hyprop shares as an investment. In line with AIH's strategy of becoming a 'fund of funds', AIH established a fund with Abacus Trust and Nedbank in which AIH holds 75% of the shareholding. In addition, the Fund's shareholding in the Wingspan portfolio increased by an effective 5% through a series of rights issues during the financial year. AIH's investment in Rapfund is non-core and do not form part of the AIH strategy therefore AIH may look to exit in the near future.

ACQUISITIONS

Garden Route Mall

As part of the Attfund sale of assets to Hyprop, AIH acquired the 52,095m^2 **Garden Route Mall** in George , effective on 1 September 2011 at a forward yield of 7.5%. AIH holds an 80% stake in the mall. The Fund will exercise its option to acquire the remaining 20% share from Hyprop in September 2013. The mall was fully let and performing strongly at 30 June 2012. Foot count and trading densities continue to increase year-on-year despite the extremely challenging retail environment in George, with several established businesses in George failing during the year. Management is finalising the rights and design for a second phase which will add a further 4,500m^2 to the mall. This added area creates space to place another national retailer as an anchor tenant and expand a positively performing tenant. It also ensures that the mall is well positioned

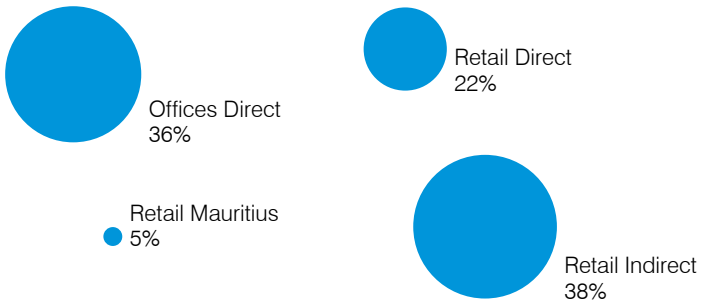
Report

| Waterfall Business Estate |

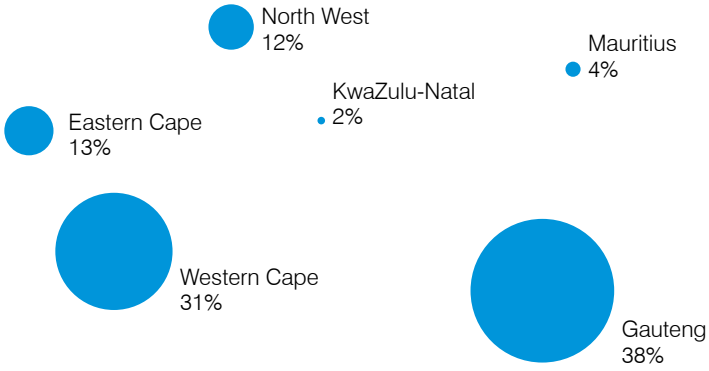
into the future, protects against any serious threat from competitors and secures its position as the only dominant regional mall in George.

Abacus Property Fund

This newly established fund has a gross asset value of R1.9 billion at 30 June 2012 of which AIH has an effective 75% share. Abacus Property Holdings (Abacus Fund) wholly owns the 53,051m^2 **Mooirivier Mall** in Potchefstroom. The **Eikestad Mall Precinct** comprises three properties namely, **Eikestad Mall**, **Andringa Walk** and **Millsquare** in Stellenbosch. The entire **Eikestad Mall Precinct** is undergoing a refurbishment and redevelopment. Abacus Fund has an 80% stake in **Eikestad Mall**, and wholly owns the other two properties in this precinct. At 30 June 2012 **Andringa Walk** was newly completed, but its two anchor tenants, Game and Food Lover's Market, only commenced trading in July 2012. **Millsquare** is



Split between Offices & Retail on AIH Direct & Indirect Portfolio (GLA m^2)



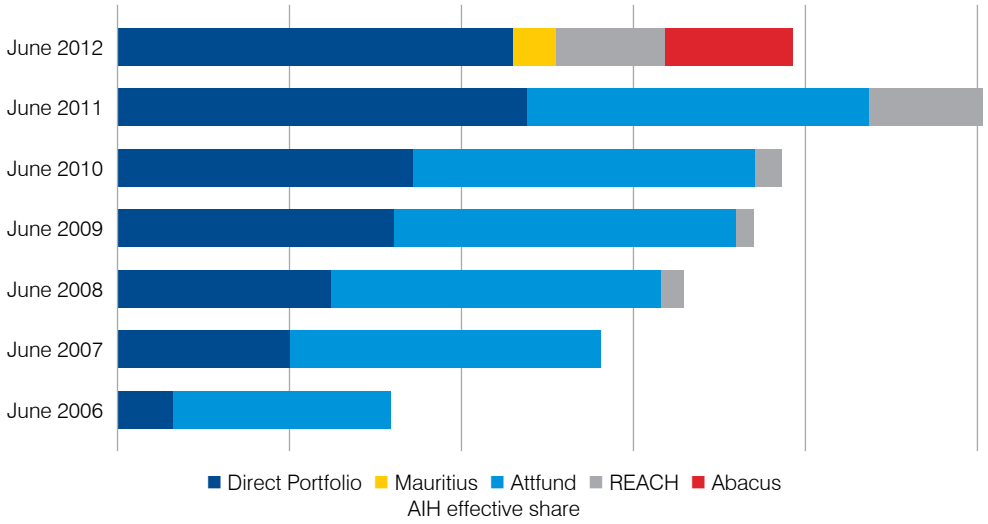
% Geographical split on AIH Direct & Indirect Portfolio (GLA m^2)*
*** AIH effective share**

ATTERBURY ASSET MANAGERS

Mall of Africa will leave other shopping centres fading in the distance

PHOTOGRAPHED at Waterfall City, Mall of Africa site, Land parcel 10

FROM LEFT TO RIGHT: Lucille Louw, Wynand Baard, Gideon Oosthuizen, Nicolle Weir and Flip Smit



GLA growth on AIH Directly & Indirectly held Portfolio (m²)

due for completion in June 2013. Upon completion the new **Eikestad Mall Precint** will be approximately 54,000m². Shoprite revamped and opened as a new blue line Checkers at the end of October 2012. Since Food Lover's Market and Game opened there's been a significant increase in turnover and shopper numbers. Once Checkers is open, and the upgrade of Andringa Street is complete, the mall is expected to go from strength to strength. A January 2013 opening is planned for the 2,500m² Virgin Active Club. Responding to demand, its floor space is now 1,000m² larger than its initial lease. The strategy and vision for the complete new **Eikestad Mall Precinct** is to become the dominant one-stop luxury retail offering in the heart of Stellenbosch, with undercover parking that is accessible and secure. It will cater for a diverse shopper base from the highest LSMs to the lower-middle LSMs.

Abacus Fund also holds a 25% share in the 72,150m² **Brooklyn Mall** and **Design Square**. These linked properties are undergoing a R200 million refurbishment to improve circulation throughout the mall. By upgrading existing stores, including Edgars, Mr Price and Guess, and introducing brands from the Platinum Group, Busby Group and other sought-after international retailers, the mall should remain the definitive high-end fashion shopping destination in Pretoria. The first phase of the refurbishment opened in September 2012 and introduced several upmarket luxury clothing brands. GAP clothing opened its first flagship store in **Brooklyn Mall**. Customers received the additions positively and the tenants are trading above expectations.

The remaining refurbishment is expected to be complete by July 2013. On completion the GLA will increase by around 6,000m². The refurbishment is yield enhancing for the centre. A 1,500m² luxury food anchor is scheduled to open in April 2013 in Design Square. The restaurants at Design Square are extremely popular as shown by the exceptional trading densities being achieved. Once Bronkhorst Street is acquired from the City Council it is likely that Woolworths will extend by a further 2,000m² and another large international fashion retailer will join the tenant mix. This project's completion date is set for early 2014.

Woodmead North

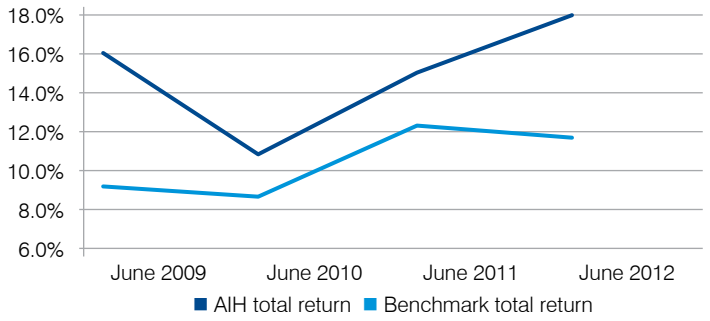
Woodmead North office block, a 50% joint venture partnership with Moolman Group, is the first asset completed by the Atterbury Waterfall Investment Company ("AWIC"). This 4,471m² office building is the new head office for Altech, who took occupation during October 2012.

Club

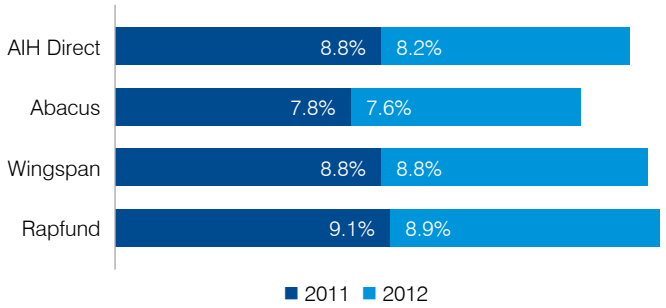
The 5,942m² **Club 1** is the first building completed in the mixed-use **Club Retail** development. UNISA occupies the entire office space. The retail component is on ground level, where Café 41 trades. Negotiations are underway with two tenants to fill the remaining retail space. **Club Retail** (4,700m²) across the road is under construction and is expected to be complete in October 2013. A 2,200m² Woolworths store is the food anchor and the retail mix will be unique high-end tenants and will include some coffee shops and restaurants. The retail section will also include around 330 undercover parking bays.

DISPOSALS

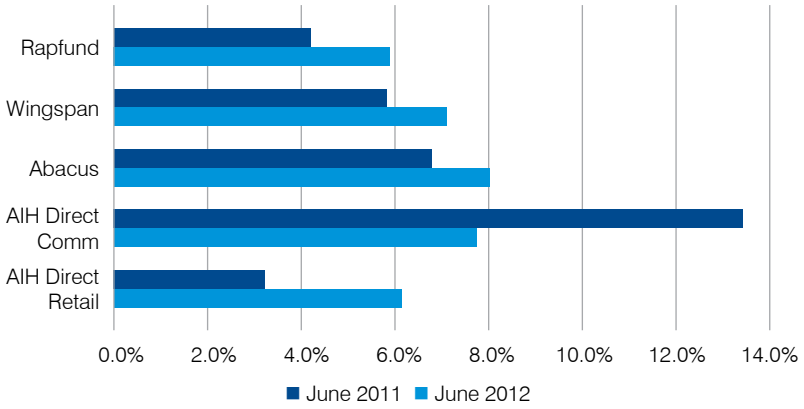
During the year, we strategically disposed of some of the more mature and non-core office buildings directly held by AIH to reinvest the profits into higher yielding projects. These disposals included Lord Charles and Lady Brooks in Brooklyn Pretoria, Hampton in Bryanston and Centurion Gate in Centurion. The buildings sold at attractive yields, higher than their fair values at 30 June 2011. These sales contributed positively to the excellent office property returns reflected on the following page.



AIH performance vs IPD benchmark in last 4 years



Weighted average cap rates at June 2012



Fund vacancies 2012 vs 2011

FUND PERFORMANCE

Direct Portfolio

The directly held South African portfolio delivered a total return of 18.1% for the year ended 30 June 2012, exceeding the Investment Property Databank (IPD) South African annual property return benchmark by 5.8%. It was the second best performing fund of 15 property funds for the 12 months under review. The IPD property return index is based on directly held properties only. Most of the major listed property funds are included in the benchmark. Capital returns led this outperformance rather than the income return. This is noteworthy given that AIH's key objective is long term capital growth on its directly held assets. We are very proud of the consistent outperformance in the total property returns against the IPD benchmark over the past four years, particularly considering the harsh economic climate in which these performances have been achieved.

The direct retail and office portfolios achieved total returns of 18.4% and 18.3% respectively for FY2012 which outperformed the corresponding IPD benchmark returns for retail of 11.1% and 11.7% for offices.

The weighted average capitalisation rates across the direct portfolio improved by 0.6% to 8.2%. The improvement was driven largely by the improved capitalisation rates for **Glenfair Boulevard** and the **Lynnwood Bridge** development.

Wingspan Fund

AAM took over the operational asset management of the Wingspan Fund from 1 October 2011. AIH's effective share of the six retail properties included in its fund was valued at R850 million at 30 June 2012. The properties are **Fountains Mall** in the Eastern Cape, **Irene Mall** in Gauteng, **Village Mall** in the North West province, **Weskus Mall** in the Western Cape and **Westwood Mall** in KwaZulu-Natal. **Mountain Mill** Shopping Centre formed part of the Wingspan Fund at 30 June 2012 but was sold effective 1 July 2012 at a yield of 8.5%. The **Village Mall** in Hartbeespoort increased in size after its second phase opened in late 2011. **Village Mall** is now some 23,156m^2 and has secured its position as the dominant convenience retail centre in the area. Pick n Pay, Dis-Chem and Checkers are its anchor tenants. Intercare will open in early 2013 and introduce a much needed health care offering to town.

Wingspan's total return for the 12 months ending 30 June 2012 was 13% which exceeded the IPD benchmark total return of 11.6%, and 11.1% for the total retail return. Despite ranking seventh of the fifteen funds within the IPD benchmark, trading conditions at the malls remain challenging.

5 Questions to our incoming Chairman of the Board

Where did your association with Atterbury start?
In 2004 Louis and I bumped into each other at Newlands after a test match. He asked me to join the Atterbury board with the objective to improve governance at Board level in what was then already a fast growing business. Later that year I joined the Atterbury Board and over the last eight years have experienced Atterbury moving from a fast growing entrepreneurial business to a large and very successful company whilst maintaining the entrepreneurial culture and drive to succeed.

What would you like to achieve as Chairman of AIH?
Firstly to ensure that the Board continue to support, question and provide guidance to the AIH management team as they execute the company's strategies with the objective to ensure sustainable long term capital growth and maintaining an average growth of at least 20% per annum. Secondly to ensure that AIH balances the interest of all stakeholders, i.e. shareholders, employees, clients, society and the environment; and thirdly to maintain the highest level of corporate governance without negatively impacting on the ability to do business.

Encapsulate your impression of Atterbury's inherent culture in a single sentence.
A highly energetic, passionate and professional team working together to succeed whilst thoroughly enjoying what they do.

What advice do you have to young graduates entering the business world?
Learn to listen and learn from others.
Be yourself and stay true to your own values and principles.
Stay committed and focussed on what you want to achieve.
Maintain a healthy balance between your aspirations, work and personal life.

What is the best decision that you have ever made in your life?
To be myself and chase my own dreams together with people who share the same values and principles.

Pierre Tredoux
Chairman
Atterbury Investment Holdings

PHOTOGRAPHED at Waterfall Landmark Park, Cell C site, Land parcel 21

Morné Wilken

Chief Executive Officer
Atterbury Investment Holdings

PHOTOGRAPHED at the Group 5 site, Land parcel 15

5 Questions to the CEO

What do you regard as the next logical step for AIH?
Implementation of the revised strategy i.e. diversification, sustainable capital growth and ultimately liquidity for shareholders in the long term.

What gives you the greatest satisfaction at work?
The whole excitement around deal making i.e. finding an angle to structure and to close a deal.

How did the helicopter accident that you and James Ehlers were involved in earlier this year change your life?
I realised time is a scarce resource and it should be used wisely. I also realised it is important to live a balanced life and to make the best of every opportunity.

What is the single most important thing that you want to teach your children?
It is two things – Trust in God and live your life with integrity.

What is the name of your dance instructor?
It came naturally.

Abacus Fund

The total return for Abacus Fund for the nine months ending 30 June 2012 was 15.5% compared to the 12-month IPD benchmark return of 11.1% for retail at 30 June 2012. The key contributor to the total return was **Mooirivier** with a total return of 19%, followed by **Eikestad** at 15% and **Brooklyn Mall** and **Design Square** with 11%. The weighted average capitalisation rate for the Abacus Fund also improved by 20 basis points, to 7.6%. This is largely because of the improved capitalisation rate attributable to **Eikestad** and **Brooklyn Mall** and **Design Square**.

VACANCIES

The soaring cost of occupation, mainly rates and taxes and electricity, and poor economic climate, particularly in coastal towns, continues to put pressure on rental levels at renewal. This is a hurdle to filling vacancies in both the direct and indirect portfolios. In general, vacancy levels improved in 2012, with vacancies decreasing across all portfolios, except the direct office portfolio.

Direct Portfolio

Office portfolio vacancy levels increased from the prior year mainly because of vacancies at **Atterbury House** (14,086m^2) in the Cape Town CBD and the exodus of Momentum (5,522m^2) from **Great Westerford** in December 2011. We made significant progress filling these vacancies after year end by hosting a special broker event in Cape Town.

At **Atterbury House**, Planet Fitness signed to take beneficial occupation of 2,500m^2 in November 2012, to open in June 2013. The lease is for a 12-year period at good rentals, with option periods after that. A further 3,000m^2 is let for trading before February 2013. **Great Westerford** received strong interest and, in October, we closed a deal with a blue chip tenant for about 2,200m^2. After year end, we entered into an agreement to dispose of 50% of our share in **Great Westerford**. Several exciting opportunities have presented themselves and are being pursued.

No other significant risks exist across the direct commercial portfolio.

Wingspan Fund

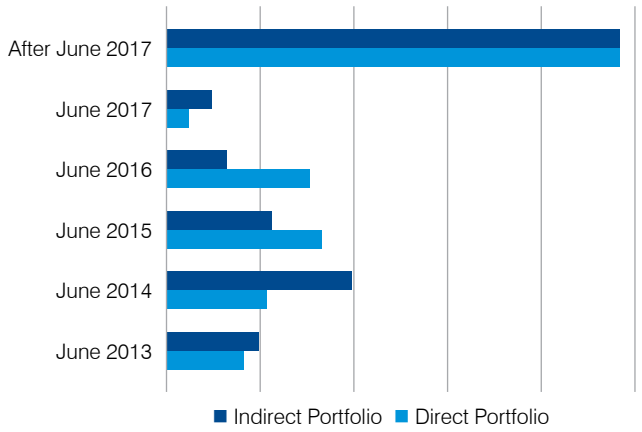
Westwood Mall is the largest contributor to Wingspan Fund's 11,060m^2, or 5.6%, vacancy level at 30 June 2012. The building's 3,344m^2, or 9.6%, vacant space should reduce by introducing Game, which has a loyal following in KwaZulu-Natal, in 2013. Game, and the re-launch of Edgars, should position the mall so national retailers with leases due for renewal in the next 12 months will be more likely to renew. Residual vacant space will also become more attractive and marketable.

Fountains Mall in Jeffreys Bay has an 8.8% vacancy of 2,853m^2. Woolworths' extension during the year and opening of Dis-Chem in December 2011 significantly improved trading at the mall. Filling vacancies remains a challenge, with a limited number of retailers available in this region. Most national retailer tenants' leases are due for renewal towards the end of 2013. We are confident that, by introducing Dis-Chem, extending Woolworths and the possible introduction of some exciting new tenants in early 2013, national retailers will renew their leases. Trading conditions remain challenging but the mall is clearly showing positive signs, reflected in increasing foot traffic and turnovers.

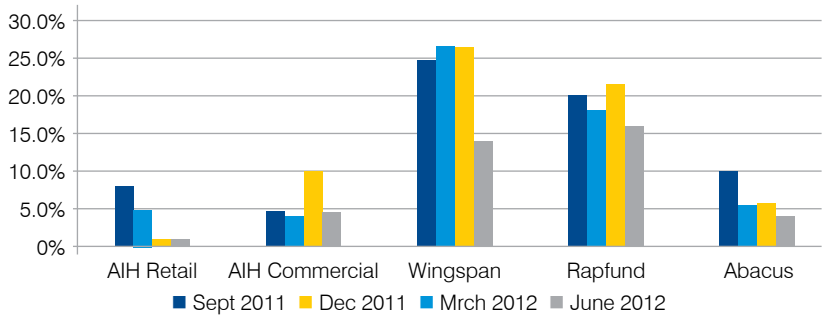
Good progress was made during the year at **Weskus Mall** and management is in advanced negotiations with Dis-Chem for the 1,524m^2 available space. During the year, De Jagers also started trading in a space that had been vacant since the mall opened.

LEASE EXPIRIES

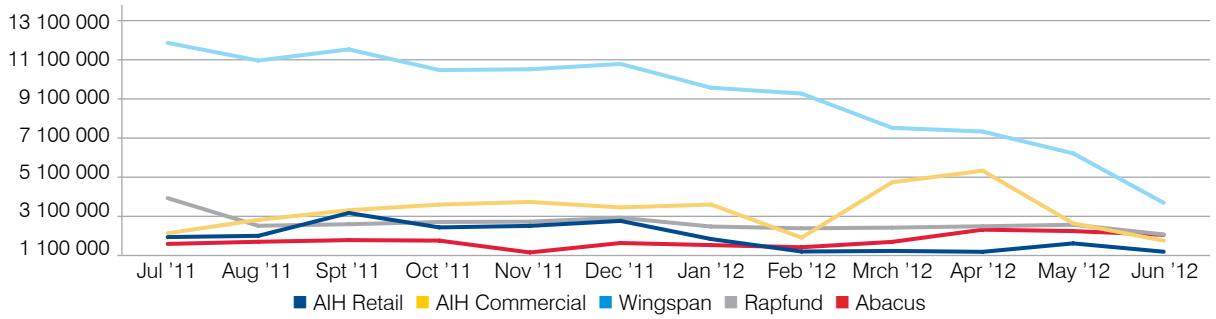
No significant lease expiry risks exist in the direct retail portfolio. The only lease renewals that remain a concern are the national tenant renewals in the Wingspan Fund. Most of **Irene Mall**'s leases are due for renewal between October and December 2012. Management successfully renewed the majority of these leases, but the leases are for shorter terms than originally anticipated. This is mainly because of the proposed second phase development of **Irene Mall** and the "wait and see" approach being followed by these tenants in terms of seeing the success of the repositioning of phase 1 which will see the introduction of Dis-Chem and Cotton On. Meanwhile the Food Court at Irene has undergone a facelift and two new restaurants, Fishoek and Pizzo Vino, as well as Forever New and Frasers which both



Lease expiry on Direct & Indirect Portfolio (GLA m^2)



Normal arrears (excluding legals, deposits and AOD's as % of billings)



Monthly total arrears time line (effective)

opened after year end, are trading positively. As noted before, national retailer renewals at **Fountains Mall** are due in October 2013 and the renewals at **Westwood Mall** are also due during 2013. We are putting strategies in place to limit the risk of non-renewal among these national retailers at each of these malls.

ARREARS

We vigilantly manage arrears across the entire direct and indirect portfolio. We made excellent progress collecting historic debt in the Wingspan portfolio since taking over its management in October 2011. Arrears across AIH's direct portfolio totalled R4.5 million, which represents 8.5% of total monthly collectables. In the current economic climate, this level is deemed acceptable. Excluding settlement agreements and legal debts, normal arrears are only 5.4% of total monthly billings, which is below industry norms.

Wingspan and Rapfund arrears are significant, mainly because of historic debt. Normal arrears, excluding legal debt and settlement agreements, are 14% and 17% of these funds' monthly billings respectively. During the year R29.8 million of old debt was written off on the Wingspan Fund and R6.2 million in the Rapfund Fund. A further R10.2 million is provided as doubtful on Wingspan and R3.1 million on Rapfund. Unsustainable high rentals in the Wingspan and Rapfund Funds were a significant driver of the large arrears historically. Over the year, we adjusted rentals to more realistic, sustainable levels.

In the direct portfolio, including Abacus, only R758,000 was written off and a further R2.8 million provided for as doubtful at 30 June 2012.

SUSTAINABILITY STRATEGY

Being a responsible property owner, AIH's sustainability strategy across the existing portfolio is being developed to lower tenants' cost of occupancy by introducing measures to improve efficiencies, reduce electricity consumption and using sustainable products. The Fund's short-term objective is to focus on the properties that do not fall within the required SANS 204 benchmarks and other industry related benchmarks and take the necessary measures to make these buildings more sustainable and efficient. The Fund is taking part in the Eskom rebate programme and several properties will be part of a lighting retrofit programme, which should be complete by June 2013. We are also setting up other measures where the cost savings make sense, relative to the financial investment. These include building management systems, sensors in basements, grey water and rain water harvesting . Tenant education is considered an important aspect in the Fund's strategy given most of the potential savings are controlled by the tenants themselves. The success of the Fund's sustainability strategy will ensure tenant retention and increased property values in the long term.

The Fund's development partner is incorporating industry best practices into all developments to ensure the buildings are as sustainable and

efficient as possible while still being financially feasible . The Aurecon building, which forms part of the Lynnwood Bridge Development, was completed during 2011 and was the first Green Star rated building in Tshwane. The Green Building Council of South Africa (GBCSA) awarded it a 4 Star Green Star SA Office Design v1 rating.

AFRICA PORTFOLIO

AIH realises growth opportunities in South Africa are becoming limited. The Fund identified Africa as the new growth node. AIH therefore secured a 25% shareholding in the Atterbury Africa Fund ("AAF") via its international wholly owned subsidiary Atterbury Investment Holdings International ("AIHI"). AIHI will invest R250 million over the next few years. The Atterbury Africa Fund, which is an Atterbury Property Holdings ("APH") initiative, is a closed-end fund which invests in developed and developing retail centres across Sub-Saharan Africa. Hyprop Ltd will invest R750 million as AIH's investment partner in AAF. The remaining shares in AAF are held by the APH group of companies.

At year end, AIH invested R121 million and, with this, AAF secured the following development opportunities:

- Land for **Waterfall Mall** plus Hotel in Lusaka, Zambia – 33,000m^2 (to be developed)
- **Accra Mall** in Accra, Ghana – 20,000m^2
- Land for the **Westhills Mall** in Accra, Ghana – 26,500m^2 (to be developed)

All these deals are in partnership with local investors. These investors are mostly landowners. For Westhills Mall, the Ghanaian Pension Fund, Social Security and National Insurance Trust are our key local partners.

Our pipeline of developments in Africa is healthy, with several new opportunities in Ghana and Mozambique being explored.

Accra Mall

AAF and Sanlam Capital Markets acquired a 85% stake in **Accra Mall**, Ghana's largest retail mall effective 18 May 2012 for $55 million. Accra Mall was developed by Actis in 2008 and comprises 20,000m^2 of A-grade retail space and has an average foot count of 550,000 shoppers a month. Anchor tenants include Shoprite and Game. Most of the line-shop leases expire between August and December 2012. Management successfully renewed the lion's share of these leases at higher-than-anticipated rentals. The demand for space by retailers is refreshing given the lack of quality A-grade shopping destinations in Ghana. Arrears are minimal and tenants pay quarterly in advance.

Bagatelle – Mall of Mauritius

AIH owns 39.9% of this 45,000m^2 mixed-use development valued at R1.1 billion at 30 June 2012. It opened on 29 September 2011 and comprises a retail centre of 40,000m^2, a 220-room hotel and a petrol station. Opening of the first regional mall in Mauritius had a big impact on the country and specifically the formal retail sector. The public shows continuous support for **Bagatelle** – the mall opened with 800,000 visitors over December 2011 and has averaged 500,000 visitors monthly since then. The biggest challenge at **Bagatelle** is to educate the Mauritian retailers on the principles applied in the formal retail sector. Now, after one year of trading, the Mall has turned the corner and tenants are applying these principles. This is evident in the 100% collection ratio of the monthly billings since May 2012. Management is working diligently to collect historic arrears, of which we believe only approximately R4 million is at risk of not being collected. A few stores have closed down, but vacancies are being filled and management believes the mall will be fully let by June 2013.

INTERNATIONAL PORTFOLIO

AIH took a strategic decision to invest a portion of its portfolio in three European markets: the United Kingdom, Germany and Switzerland. This expansion creates Rand diversification. Should the Rand depreciate because of South African political or socio-economic challenges, this diversification shields a portion of the portfolio.

The target for this effective currency hedge is 20% of the Fund's gross assets. The target is not an absolute measure, but rather a guideline to which the Fund will migrate over time.

On 30 June 2012, the Rand value of our investments in European markets was R761,3 million. This represents 10% of the total investments of AIH. This is still slightly under target, and we will seek to further expand our European exposure.

The investments consist of the following key assets:

- **Nova Eventis** is a super-regional retail centre in Germany, of which AIH owns 20.5%. **Nova Eventis** is trading well under difficult macro-economic conditions. A rights issue was offered at a 15% discount during the period, which AIH elected to follow.
- **MAS plc** is a Luxembourg listed property fund with a secondary listing on the Alt-X. The company invests 70% of its balance sheet in core, mature assets with long-term leases, thus providing predictable cash flow used to pay dividends. In addition, 30% of its balance sheet is exposed to projects that have slightly higher risk and reward profiles, to secure long-term capital growth for the fund as a whole. AIH owns 23.7% of **MAS plc**.
- **Karoo I and II Investment Funds** invest in real estate capital markets with a specific focus on Western Europe. The strategy for **Karoo** is to buy listed property shares with strong underlying assets at a discount to market, and then benefit from the re-rating of assets that will follow in step with the recovery of Europe's economy. **Karoo** has a five year lock-in until 2015.
- Directly-held projects form a small part of the portfolio. Most notably, AIH has a direct interest in the **Caltongate development**, a 70,000m^2 mixed-use precinct in Edinburgh, Scotland. The land, with full planning permissions in place,

was acquired from a liquidated portfolio at a significant discount. It should provide exciting returns over the next five years as the scheme rolls out.

The European portfolio is a long-term wealth preservation strategy intended to complement the African and South African portfolios. The Africa and South Africa portfolios are more inclined to provide us with high returns and serve as wealth creators for AIH shareholders, but under conditions of higher risk. We began investing in Europe when asset prices had already fallen, taking our Rand hedging position at values expected to provide sound capital growth in Euro terms. This makes the Rand hedge even stronger.

The question on investors' minds is whether Europe will restore its economy, resolve its debt issues and allow equities in general, and property specifically, to recover to values that prevailed before 2007. We believe these economies will recover in time. They will continue to provide a safe haven for emerging market investors who, as we have recently experienced in South Africa, still have a unique set of challenges that will take decades to resolve.

PROJECTS

A maximum of 33% of AIH's balance sheet can be exposed to projects that have slightly higher risk and reward profiles. This is to secure long-term capital growth for AIH as a whole. These projects are mainly undertaken with our strategic partner APH. AIH's exposure to projects totals R2,7 billion or 26% of its balance sheet.

GENERAL

AIH started two new projects with APH this year. The first, **Newtown Junction** in Newtown Johannesburg, is a 70,968m^2 mixed-used development with an office component of 36,500m^2 fully let by Nedbank Limited. The balance is a retail mall with an expected completion date of September 2014.

The second project is the final phase of **Lynnwood Bridge**. This comprises a 15,000m^2 office development, of which half will be occupied by Aurecon. AIH is comfortable to develop half on risk because **Lynnwood Bridge** is a prime commercial address in Pretoria. We don't foresee any risk letting the space.

WATERFALL

The last four years of settling the property rights, environmental issues and investing mainly in infrastructure have paid off. AIH, via AWIC has secured a development pipeline of more than 152,000 bulk m^2. This excludes transactions under negotiation and several tenders where AWIC is on the shortlist. Some of the developments are complete, others under construction and some yet to start. Corporate tenants include Massmart, Digistics, Altech, Tarsus, Group 5, Golder & Associates and Cell C.

Planning of the super-regional shopping centre, **Mall of Africa**, is at an advanced stage. We are entering the market with the leasing phase and the professional team is preparing the Site Development Plan for submission to the Local Authority. Mall of Africa will be larger than 100,000m^2 and is not part of the secured developments to date. Construction should start early in 2013.

AWIC is achieving attractive yields with AIH requiring all new projects to show a return on equity above a hurdle rate of 20% per annum.

CONCLUSION

We are confident that our retail portfolio will continue to show positive income and capital growth, despite the prevailing tough economic conditions during the last 12 months. We expect these conditions to continue in the economy in the short term as consumers struggle to escape their indebtedness. Trading densities and foot counts across most of our malls are solid, tracking above IPD benchmarks. We are confident the correct strategies are in place to improve tenant mixes where needed, and to ensure good progress filling key vacancies in both direct and indirect portfolios over the next 12 months.

The office portfolio is a quality portfolio. Management is working hard to improve the cost of occupation for tenants and we are confident that rentals will continue to show solid modest growth.

The Executive Directors and Directors of the Asset Management team wish to thank everyone in both the Asset Management and Property Management teams who have worked tirelessly at managing the portfolios to unlock the full potential of every property. It is a privilege to work with such passionate and enthusiastic people.

Lucille Louw
Managing Director
Atterbury Asset Managers

Nicolle Weir
Director: Operations
Atterbury Asset Managers

Gideon Oosthuizen
Director
Atterbury Asset Managers

Flip Smit
Chief Financial Officer
Atterbury Group

Joao dos Santos & Christian Micha
Archstone Construction

PHOTOGRAPHED at the Distribution Campus, Massmart Warehouse, Land parcel 8

How and when did your business start?
Joao: Christian Micha and myself first met in 1997 at GD Irons Construction. Our friendship, trust and respect grew from strength to strength while we worked together. Working as a team on various projects like Brooklyn Square, Atterbury Value Mart, Menlyn Motor was always fun. In 2006 I left GD Irons to start my own business, I got my first taste of the adrenalin rush while running my business and enjoyed it. Christian and I remained good friends and got together occasionally. At one stage we wondered what it would be like to start our own company as we both thought that we would make a great team, but our loyalty to our previous employer kept us at bay. A few months later we decided to take the challenge and put our plans into motion. We invited Norman Cawood to join us as a partner who would oversee our quantity surveying department.

What was the first job that you did for Atterbury? When was that?
Joao: Archstone Construction was registered in October 2007 and we were truly blessed with our first project being the Harlequins Office Park developed by Atterbury Properties and Parkdev. On the 9th of January 2008 we took site handover at Harlequins.

What was the biggest challenge on the Massmart project?
Christian: Like most projects today our first challenge was to meet the construction time frame. We only had 7 months from conception to the completion and final hand over to MassBuild tenant of the 34 000m^2 Warehouse. The balance of the external works compromising some 48 000m^2 to be handed over 6 weeks later. We had to cast the 12m high concrete columns in one single pour of concrete, we had never done anything like this before. The final result was extremely successful and rewarding for our team and this innovation solution allowed us to gain an additional two weeks of time which kept the project ahead of programme.

What do you love most about your job?
Joao: The most rewarding to me is to see the synergy that takes place in building project from the design stage to the physical building a multiple of trades and activities that have to take place to achieve a goal. There is no greater reward and job satisfaction than standing back and savouring the end product.
Christian: Being a main contractor is a thrilling experience, there is never a dull moment! We are passionate about what we and we do it to our best ability, we take pride in our work but still try have fun doing what we love the most. I love the path that this industry leads me on giving me the opportunity to constantly meet and empower people and share knowledge within the industry.

Who is your all-time sporting hero?
Joao: It would have to be Michael Schumacher he just never gives up.
Christian: I have a few, Pele the great Brazilian soccer player, Rocky Marciano the undefeated heavyweight champion in Boxing history, Francois Pienaar & Bryan Habana – our rugby heroes.

What do you do to relax?
Joao: I enjoy woodworking and being creative, taking hikes through forests, but the best way to relax is having a Saturday night braai.
Christian: The creative world of Photography is what helps me relax the most. Photography nourishes my visual journey through life.

CELL©™

Cell C – a dominant landmark on the Buccleuch interchange

Cell C is consolidating all its Johannesburg activities in the 46 000m² head office campus, customer walk in centre, data/IT centre and warehouse at Waterfall Business Estate.

This prominent development includes offices, a distribution warehouse and customer care centre, and will also result in improved road infrastructure in the area. The premises are scheduled for Cell C's occupation at the end of 2013, on a 15 year lease. The development also offers Cell C some 14 000m² of future development potential.

Bertus Furstenburg
Financial Controller
Waterfall

PHOTOGRAPHED at the Distribution Campus, Massmart Warehouse, Land parcel 8

What excites you most about your job?
The one thing that excites me the most about my job is that I learn something new every day, never a dull moment at Atterbury.

How do you envisage the Waterfall precinct in 5 year's time?
I see Waterfall as being one of the most talked about developments in South Africa and imagine this wide up and running project making a huge success.

How did becoming a father change your life?
Could not imagine anything else better happening to me in my life. The love of a family is life's greatest blessing. "One day we were brought into the world, knowing love only as being what we had for our toys, family, and friends. Then, you meet someone who alters your conception of love, and you never know how you loved anything before because this kind of love is the love He intended for us from the beginning."

What will you never forget about your first Atterbury hunting trip?
The entire trip on its own is something I could only wish on others. If I were to choose one thing that stood out the most, it would have to be the jokes and stories around the camp fire.

What was the best advice that you ever received?
A man is the way he thinks he is.

What is the most challenging aspect about your job?
Because of the abundance of work, one tends to fall short in some areas, but it's how you get back up and try again that builds knowledge and character.

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

Consolidated Annual Financial Statements

for the year ended 30 June 2012

ATTERBURY

It's a matter of association

These Group Financial Statements have been prepared under supervision of Flip Smit CA (SA), CFO of the Group.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the South African Companies Act, 2008, to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information upon which the financial statements in this report are based. It is their responsibility to ensure that the consolidated annual 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. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual 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 annual 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 2013 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 annual financial statements upon which the financial statements set out on pages 38 to 119 in this report are based, have been prepared on the going concern basis, were approved by the board on 7 November 2012 and were signed on its behalf by:

BF van Niekerk **LLS van der Watt** **MC Wilken**

DECLARATION BY COMPANY SECRETARY

In terms of section 88 (2) (e) of the Companies Act No. 71 of 2008, I hereby certify that, to the best of my knowledge and belief, the company has lodged with the Registrar of Companies, for the financial year ended 30 June 2012, all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Talana Smith
Company Secretary
7 November 2012

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ATTERBURY INVESTMENT HOLDINGS LIMITED

We have audited the consolidated annual financial statements of Atterbury Investment Holdings Limited set out on pages 50 to 119 which comprise the consolidated statement of financial position as at 30 June 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of Atterbury Investment Holdings Limited as at 30 June 2012 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated annual financial statements for the year ended 30 June 2012, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated annual financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on Other Legal and Regulatory Requirements

As detailed in the Directors' Report the company's Audit Committee was not constituted in compliance with the requirements of section 94 of the Companies Act of South Africa. The Committee do not comprise of three non-executive, independent directors as contemplated by the Act.

Deloitte + Touche

Deloitte & Touche
Registered Auditors
Per Z Jasper
Partner
7 November 2012

Riverwalk Office Park, Block B, 41 Matroosberg Road, Ashlea Gardens X6, Pretoria, 0081, South Africa, PO Box 11007, Hatfield, 0028

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2012

The Group's Audit Committee is a committee of the board of directors. The activities of the Audit Committee are determined by its terms of reference as approved by the board and its statutory responsibilities as per the Companies Act 2008.

During the year the membership of the Audit Committee comprised of three non-executive directors of which one is independent. They are:
- Pierre Tredoux (Chairman)
- Pieter Faure
- Lucas Ndala

The Audit Committee consists of three non-executive directors, two of whom are not independent as defined by the new Companies Act 2008. Stewart Shaw-Taylor was appointed as non-executive independent director to the audit committee after year end. The board continues to look at further addressing this matter to comply with the Companies Act.

Pierre Tredoux, an independent non-executive director, was the chairman of the committee during the year under review. With his appointment as chairman of the Group, he stepped down from the Audit Committee. At the next Audit Committee meeting, a new chairman will be elected.

Statutory Duties
In the execution of its statutory duties during the past financial year, the Audit Committee:
- Nominated for appointment as auditor, Deloitte & Touche ("Deloitte") (engagement partner: Z Jasper), who, in our opinion, is independent of the Group.
- Determined the fees to be paid to Deloitte.
- Determined Deloitte's terms of engagement.
- Defined the non-audit services Deloitte may provide on a pre-approved basis.
- Approved the non-audit services provided by Deloitte during the year.
- Received no complaints relating to the accounting practices of the Group, the content or auditing of its financial statements, the internal financial controls or any other related matter.
- Recommended for approval the annual financial statements and annual report for the year ended 30 June 2012.

Delegated Duties
The Audit Committee also assisted the board with the following duties:
- Reviewed the key risks facing the Group and the risk management processes implemented.

External Audit
The Audit Committee is satisfied with the independence of the external auditor, Deloitte, including the provision of non-audit services and compliance with the company policy in this regard.

We have recommended to the board that Deloitte be retained as independent external auditors for the financial year ending 30 June 2013.

Finance Function
We are satisfied that:
- The Group's CFO, Flip Smit, has the necessary expertise and experience to carry out his duties and meet his responsibilities.
- The Group's accounting practices are effective and adhered to.

The committee has reviewed and recommended for approval to the board the Group annual financial statements.

On behalf of the Audit Committee

Pierre Tredoux
Chairman (during the financial year ended 30 June 2012)
7 November 2012

The directors have pleasure in submitting their annual report for the year ended 30 June 2012, the 6th annual report since the 2006 restructuring.

1. Nature of business

Atterbury Investment Holdings Limited ('AIH') 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.

AIH is managed by Atterbury Asset Managers (Pty) Ltd, appointed in terms of an evergreen contract, subject to strict performance criteria set by the board. The following directors and officers of the Group have an interest, directly or indirectly, in the asset manager: LLS van der Watt, GJ Oosthuizen, PH Faure, BF van Niekerk, F Smit and T Smith.

The business of the Group is to invest in and develop quality A-grade properties as long-term investments which generate quality rental income and sustainable long term capital growth for its shareholders over the long term.

Special resolutions

The following decisions were approved at special general meetings held during the financial year under report and filed with CIPC:

Meeting held on 22 July 2011 and resolutions filed with CIPC:

1. That the Company provides direct or indirect financial assistance to a related or inter-related company and/or to a member of a related or inter-related company subject to:
   - 1.1 The Board of directors of the Company ("the Board") being satisfied:
   - 1.1.1 that immediately after providing such direct or indirect financial assistance, the Company will satisfy the solvency and liquidity test (as referred to in Section 4 of the Companies Act No. 71 of 2008, as amended ("the Act")); and
     - 1.1.2 that the terms under which such direct or indirect financial assistance is proposed to be given are fair and reasonable to the Company; and
     - 1.1.3 that there is otherwise compliance with the Board Charter, Annexure "A" to the Company's Memorandum of Incorporation; and
     - 1.1.4 that, where applicable, any relevant Board committee member and/or director/s and/or prescribed officers seized with the treasury functions on behalf of the Company (in terms of the powers and authorities delegated to such relevant Board committee and/or director/s and/or prescribed officers) are satisfied insofar as the said financial assistance is concerned and that any such director being a member of such Board committee and/or prescribed officer involved in the treasury function be authorized and empowered to sign all such documents as are necessary to give effect to the resolutions of the Board in accordance with the aforegoing; and
     - 1.1.5 that it has otherwise complied with the provisions of Section 45 (2), read with Section 45 (3) (a) (ii) and other applicable provisions of the said Section 45, read with the other applicable sections of the Act; and
   - 1.2 that the aforegoing resolutions be valid and enforceable for a period being the earlier of 2 (Two) years from the date of this meeting or the second Annual General Meeting of the Company occurring after the date of this meeting.

2. That the Company ratifies, pursuant to the provisions of Section 45 (and, if applicable, Section 44) of the Act, the grant of options to the non-executive directors Pierre Tredoux and Johannes Hendrik Petrus van der Merwe, as reconfirmed in the minutes of the Board Meeting dated on 23 March 2010, in terms whereof the said option holders shall be entitled to exercise their options to acquire respectively 363,363 (three hundred and sixty three thousand and three hundred and sixty three) and 1,454,545 (one million four hundred and fifty four thousand five hundred and forty five) shares in the Company at a price of R5,50 (Five Rand Fifty Cents) per share, 1,817,908 (one million eight hundred and seventeen and nine hundred and eight) being the aggregate number of the shares, the subject of the aforementioned options, comprising 0.28% (Nil Point Two Eight Percent) of the issued shares in the Company, as at the date of the Notice convening this Meeting.

3. That the Company ratifies the payment of remuneration to non-executive directors for the financial year ending 30 June 2011 as approved by an ordinary resolution of the Company, passed at a Special General Meeting of shareholders on 25 November 2010, as follows:

Chairman	R121 500
Independent non-executive director	R108 000
Other non-executive directors	R81 000
Committee Chairman	R54 000
Sub-committee members	R36 000

4. That the Company, pursuant to the provisions of Section 65 (11) (h), read with Sections 66 (8) and 66 (9) of the Act pays remuneration to its directors for the financial year ending 30 June 2012 and 30 June 2013 on a market related basis, as shall be determined by the Company's remuneration committee (appointed in terms of the Board Charter, Annexure "A" to the Company's Memorandum of Incorporation).

5. That the Memorandum of Incorporation be amended by inserting the following as Article 113:
"Article 113:
113.1 That the Company indemnifies its directors and prescribed officers insofar as any claims, losses or damages (including costs and interest) they may suffer or sustain in consequence of the rendering of services on behalf of the Company, save to the extent that any such claims, losses or damages are suffered or sustained in consequence of any such director or prescribed officer's conduct, being ultra vires to such director and/or prescribed officer's authority, and/or is the result of any gross negligence (act or omission) or conduct involving any element of dishonesty.
113.2 The Company shall procure Directors' and Officers' indemnity insurance in such amount as the Board may determine, from time to time, in consultation with its brokers."

Meeting held on 28 November 2011 and resolutions filed with CIPC:

1. That the Company's Memorandum of Incorporation (Articles of Association) be amended by inserting Article 114 that states: " The obligations of the Company and its Board, pursuant to the provisions of Section 45(5) of the Companies Act No. 71 of 2008, as amended ("the Act") be amended, the Board being obliged within 10 (ten) business days after completion by its auditors of its audited financial statements for a financial year, provide written notice of all Board resolutions adopted pursuant to the provisions of Section 45(2) of the Act to all shareholders, reflecting the aggregate value of all loans, debts, obligations or financial assistance contemplated in such resolutions, to the extent that the value, in aggregate exceeds 5% (five percent) of the Company's net asset value as reflected in the audited financial statements".

2. That the Board is authorised, on behalf of the Company, pursuant to the provisions of Article 109 of the Company's Memorandum of Incorporation, read together with the relevant provisions of the Act, to repurchase issued shares of the Company, subject to the Board, save as provided in the Proposed Special Resolution 3 below, complying with the following protocols:
   - Within the aforementioned period culminating at the next Annual General Meeting of the Company, no more than 10% (ten percent) of the shares in issue, in aggregate, may be acquired by the Company; and
   - No more than 3% (three percent) in aggregate of the shares in issue may be acquired from any one shareholder;
   - With regard to any of the transactions contemplated for the repurchase of shares by the Company, the maximum price per share, with regard to any such repurchase, is limited to 90% of the net asset value per share, determined with reference to the latest available consolidated annual financial statements of the Group for the period either ending 30 June, or 31 December, as the case may be, in the affected year, without any adjustment with respect to any potential increase in such net asset value;
   - That these authorities shall terminate on the date of the next Annual General Meeting of the Company, subsequent to the date of the meeting at which this Special Resolution has been passed.

3. That the Company, in terms of a provision entrenched in the shareholders agreement between Savannah Sugar Estate Company Limited ("Savannah") and Atterbury Mauritius Consortium (Pty) Limited, Registration No. 2005/042785/07 ("AMC") (the "Shareholders Agreement"), be authorised to grant to Savannah a put right, in terms of which Savannah shall be entitled to put 10% (ten percent) of its shareholding of 9,448,295 shares (defined as "Phase A Consideration Shares" in the Shareholders Agreement) in the Company annually, however subject to the consents which must necessarily be obtained from the shareholders of the Company, and/or otherwise as referred to in the Shareholders Agreement, the provisions relating to the put right (for convenience referred to as the put option) to be afforded to Savannah, which as hereinafter set out, are subject to such amendments thereto as the Board, in its discretion, may determine (without reference back to a general meeting of shareholders), provided that the Board, in the exercise of its discretion, shall not depart from the following fundamental principles set out in the Shareholders Agreement:

- Savannah (or its associated company, as the case may be) shall be entitled, by written notice to the Company, to require that the Company purchase up to 10% (ten percent) per annum of its shareholding of 9,448,295 Phase A Consideration Shares in the Company which Savannah owns. These shares being put to the Company will be referred to as the Put Shares.
- The Put Option referred to may only be exercised in writing by Savannah (or its Associated Company, as the case may be), on or before 30 June in each year, and payment for the Put Shares so purchased by the Company, shall be effected by no later than 30 September in that year.
- The purchase price payable by the Company for the Put Shares put to it by Savannah (or its Associated Company, as the case may be), shall be as per the directors' valuation, as reflected in the annual consolidated report of the Company for that particular financial year (ending on 30 June of that year).
- The Put Option so afforded to Savannah shall come into effect as from the financial year of the Company ending on 30 June 2012.
- That the Put Option however be subject to an adjustment (reduction) in the number of Put Shares, which may be put by Savannah (or its Associated Company, as the case may be) to the Company, in the event that during any financial year of the Company, in consequence of a general purchase by the Company of its shares (a "general buy back") or such other liquidity event as what was facilitated by the Company, and in circumstances where Savannah (or its Associated Company, as the case may be) have participated in such general buy back or liquidity event, the number of Put Shares which can be put by Savannah (or its Associated Companies, as the case may be) to the Company at 30 June of that year, shall be reduced with the number of shares that Savannah (and/or its Associated Company, as the case may be) have participated in such general buy-back or liquidity event.

4. That the Company is hereby authorized in terms of and subject to the provisions of section 44 of the Companies Act 71 of 2008, as amended ("the Act"), to provide financial assistance by way of a loan, guarantee, security or otherwise to Razorbill Property 91 (Pty) Ltd, Registration No. 2000/006755/07 ("Treasury Co"), a wholly owned subsidiary of the Company to purchase any securities of the Company or a related or inter-related company subject to subsection 3 and 4 of section 44. The funding or assistance will be pursuant to a special resolution approved by the shareholders of the Company approving financial assistance in general and the Board being satisfied that, immediately after the provision of the financial assistance, the Company complies with the solvency and liquidity test referred to in Section 4 of the Act, and the terms under which the financial assistance is proposed to be given to Treasury Co are fair and reasonable.
   - Notwithstanding anything to the contrary in the aforegoing provisions accepted, Treasury Co may not at any time hold more than 10% (ten percent) of the issued shares in the Company;
   - The provisions of aforegoing Special Resolution 2 shall be read in conjunction herewith.

5. That the Company be entitled to provide any further advances to the maximum of R7,5 million to Leipzig Nova Eventis Consortium (Pty) Ltd insofar as may otherwise be required from time to time by Leipzig Nova Eventis Consortium (Pty) Ltd (as shall be duly motivated by that company), for the conduct of its business and the discharge of its obligations, all such further advances and funding to be subject to the approval of the Board on such terms and conditions as the Board may seek to impose.

2. Authorised and issued share capital

AIH has an authorised share capital of 1,000,000,000 ordinary par value shares of R0.0001 each. The total number of issued shares at year end is 522,973,794 shares. If the AIH shares held by AIH subsidiaries (Lynnwood Bridge (Pty) Limited, Abacus Holdings (Pty) Limited and Razorbill Properties 91 (Pty) Limited) are excluded, the total number of issued shares totals 449,390,059 shares. The unissued shares were placed under the control of the directors, subject to certain conditions, during the Annual General meeting. During the 2012 financial year 1,454,545 shares were issued.

AIH has a treasury company called Razorbill Properties 91 (Pty) Ltd ("Razorbill") which holds 43,800,054 shares in AIH. This differs from the 50,868,563 shares held at 30 June 2011 as a result of various transactions concluded during the year. These transactions inter alia include the acquisition of investments in Abacus Holdings (Pty) Limited and Retail Africa Consortium Holdings (Pty) Limited ("Reach") which were paid for with the transfer of 31,939,771 AIH shares. At 30 June 2012, Razorbill acquired 25,237,246 AIH shares from Atterbury Investment Managers (Pty) Ltd as repayment of a loan.

The net asset value per share of the Group at year end is calculated at R10.32 (2011: R9.16) per issued share. This is based on a net asset value of R4,637 billion and the number of issued shares mentioned above.

According to the records of AIH, shareholders registered as holding five percent or more of the issued share capital at 30 June 2012 are as follows:

	Number of shares 2012	2011
Atterbury Investment Managers (Pty) Ltd	6,047,175	33,918,231
BNF Investments (Pty) Ltd	47,282,129	51,067,624
Mergon Foundation (Association incorporated under Section 21)	75,024 045	81,040,091
Sanlam Life Insurance Limited	95,395,536	95,395,536
Razorbill Properties 91 (Pty) Ltd	43,800,054	50,868,563
Lisinfo 222 Investments (Pty) Ltd	67,708,955	67,708,955

The directors' interest in the issued shares of AIH, directly or indirectly, is as follows:

Name	Beneficial Directly	Beneficial Indirectly	Non-beneficial	Total
BF van Niekerk	-	38,846,562	119,238,192	158,084,754
LLS van der Watt	774,283	18,805,271	11,320,980	30,900,534
GJ Oosthuizen	242,350	1,189,906	93,528,250	94,960,506
MC Wilken	-	354,747	-	354,747
PH Faure	-	3,607,589	140,821,634	144,429,223
P Tredoux	-	40,328	-	40,328
JHP van der Merwe	-	591,578	95,395,537	95,987,115
WL Masekela	-	309,082	-	309,082
LM Ndala	-	-	67,708,955	67,708,955
Total 30 June 2012	**1,016,633**	**63,745,063**	**528,013,548**	**592,775,244**
Total 30 June 2011	5,063,511	85,564,457	483,755,957	574,383,925

3. Interest in subsidiaries and associates

Name and nature of business	Issued Capital	Effective % 2012	Effective % 2011	Shares 2012	Shares 2011
Direct subsidiaries and associates					
- Attcorn Property Gauteng (Pty) Ltd *Dormant*	940	-	100	-	940
- Atterbury Attfund Investment Company No.1 (Pty) Ltd *Investment company*	10,000	100	100	10,000	10,000
- Atterbury Attfund Investment Company No.3 (Pty) Ltd *Investment company*	10,000	100	100	10,000	10,000
- Atterbury Mauritius Consortium (Pty) Ltd *Property investment company*	100	80	80	80	80
- Atterbury Property Investments (Pty) Ltd *Investment company*	100	100	100	100	100
- Atterbury Property Johannesburg (Pty) Ltd *Dormant*	100	100	100	100	100
- Atterbury Waterfall Investment Company (Pty) Ltd *Property investment company*	100	80	80	80	80
- De Ville Shopping Centre (Pty) Ltd *Property investment company*	1,000	100	100	1,000	1,000
- Harlequin Duck Properties 204 (Pty) Ltd *Dormant*	400	100	100	400	400
- Highgrove Property Holdings (Pty) Ltd *Investment company*	1	100	100	1	1
- Le Chateau Property Development (Pty) Ltd *Development company*	1,000	100	74	1000	740
- Lord Charles & Lady Brooks Office Park Holdings (Pty) Ltd *Property investment company*	1,000	100	100	1,000	1,000
- Lynnwood Bridge Office Park (Pty) Ltd *Development company*	1,000	100	100	1,000	1,000

Name and nature of business	Issued Capital	Effective % 2012	Effective % 2011	Shares 2012	Shares 2011
Direct subsidiaries and associates (continued)					
- Riverport Trading 143 (Pty) Ltd					
Property investment company	100	51	51	51	51
- Atterbury Parkdev Consortium (Pty) Ltd					
Property investment company	100	100	100	100	100
- Abacus Property Holdings (Pty) Ltd					
Property investment company	659,955	75	-	495,663	-
- Mantrablox (Pty) Ltd					
Property investment company	100	80	-	80	-
- Lynnaur Investments (Pty) Ltd					
Property investment company	100	75	-	75	-
Associates					
- Attfund Limited					
Property investment company	45,037,672	-	43	-	19,327,602
- Attvest Property Development JV (Pty) Ltd					
Property investment company	100	33	33	33	33
- Brooklyn Bridge (Pty) Ltd					
Property investment company	1,000	25	25	250	250
- Geelhoutboom Estate (Pty) Ltd					
Property investment company	1,200	37	37	440	440
- Keysha Investments 213 (Pty) Ltd					
Property investment company	1,000	50	50	500	500
- Rapfund Holdings (Pty) Ltd					
Property loan stock company	21,172,139	-	23	-	4,801,629
- Travenna Development Company (Pty) Ltd					
Property investment company	1,000	36	36	360	360
- Arctospark (Pty) Ltd					
Investment company	100	50	50	50	50
- Pybus (Pty) Ltd					
Property investment company	1,198	31	31	372	372
Indirect subsidiaries and associates					
- Aldabri 96 (Pty) Ltd					
Property investment company	100	100	100	100	100
- Atterbury Attfund Investment Company No.2 (Pty) Ltd					
Investment company	100	100	100	100	100
- Design Square (Pty) Ltd					
Property investment company	9,174,653	100	100	9,174,653	9,174,653
- Mall of Mauritius at Bagatelle Ltd (Mauritian)					
Property investment company	1,000	50	50	499	499
- Bagaprop Ltd (Mauritian)					
Property investment company	1,000	50	-	499	-
- Razorbill Properties 91 (Pty) Ltd					
Dormant	100	100	100	100	100
- Newtown Property (Pty) Ltd**					
Development company	100	50	-	50	-
- Clifton Dunes (Pty) Ltd**					
Development company	100	50	-	50	-
- Waterfall Mall Ltd					
Property investment company	100	25	-	25	-
- Accra Mall Ltd					
Property investment company	345,002	50	-	172,501	-
- Artisan Investment Projects 10 Ltd					
Property investment company	2,400,000	26	-	630,000	-
- Bishopsgate Student Residential Ltd					
Property investment company	4,365,512	30	-	1,309,684	-

Name and nature of business	Issued Capital	Effective % 2012	Effective % 2011	Shares 2012	Shares 2011
Indirect subsidiaries and associates (continued)					
- Atterbury Property Holdings (Pty) Ltd					
Development company	9,880,192	25	-	2,470,048	-
- Retail Africa Consortium Holdings Ltd*					
Property investment company	625	20	-	125	-

* Excludes convertible equity loan
** The Group has an effective share of 62.5% via its investment in Atterbury Property Holdings (Pty) Ltd

4. Investment Property

Net additions to investment properties to the value of R2,923 million were made during the current financial year, consisting of:

Property	Held By	Nature of addition	Acquisition value R'000
Brooklyn Mall, Pretoria	Abacus Property Holdings (Pty) Ltd	Capital extension	125,863
Glenfair Centre, Pretoria	Atterbury Investment Holdings Ltd	Refurbishment	4,642
De Ville Centre, Cape Town	De Ville Shopping Centre (Pty) Ltd	Refurbishment	4,668
Harlequins Office Park, Pretoria	Atterbury Parkdev Consortium (Pty) Ltd	Capital extension	213
Great Westerford, Cape Town	Atterbury Investment Holdings Ltd	Capital extension	1,738
Hampton Office Park, Gauteng	Atterbury Investment Holdings Ltd	Capital extension	393
Sanridge Square, Midrand	Atterbury Investment Holdings Ltd	Capital extension	1,185
Atterbury House, Cape Town	Atterbury Investment Holdings Ltd	Capital extension	3
Le Chateau, Hartbeespoort Dam	Le Chateau Property Development (Pty) Ltd	Capital extension	690
Lynnwood Bridge Office Park	Lynnwood Bridge Office Park (Pty) Ltd	Development	57,227
Garden Route Mall, George	Mantrablox (Pty) Ltd	Acquisition	888,000
Mooirivier Mall, Potchefstroom	Abacus Property Holdings (Pty) Ltd	Acquisition	724,000
Andringa Walk, Stellenbosch	Abacus Property Holdings (Pty) Ltd	Acquisition	300,507
Eikestad Mall, Stellenbosch	Abacus Property Holdings (Pty) Ltd	Acquisition	354,249
Newtown Junction, Newtown	Newtown Property (Pty) Ltd	Acquisition	176,103
Majestic, Newtown	Clifton Dunes (Pty) Ltd	Acquisition	19,726
Waterfall, Gauteng	Atterbury Waterfall Investment Company (Pty) Ltd	Development	263,574
			2,922,781

The Group entered into disposal agreements for the following investment properties and with the relevant transfer dates as indicated below:

Property	Held By	Disposal value R'000	Date of transfer
Lord Charles	Lord Charles & Lady Brooks Office Park Holdings (Pty) Ltd	82,000	13 Feb 2012
Lady Brooks	Lady Brooks (Pty) Ltd	38,000	13 Feb 2012
Centurion Gate	Atterbury Investment Holdings Ltd	193,000	24 Aug 2011
Hampton Office Park	Atterbury Investment Holdings Ltd	342,541	30 March 2012
Digistics Building	Atterbury Waterfall Investment Company (Pty) Ltd	76,435	Still to transfer
Investec Building	Riverport Trading 143 (Pty) Ltd	142,156	Still to transfer
Building G	Atterbury Investment Holdings Ltd	148,000	Still to transfer
		1,022,132	

As at 30 June 2012 the Digistics Building, Investec Building and Building G transfers had not yet taken place, hence the properties are disclosed as assets held for sale.

THE ATTERBURY TEAM

Photographed at Atterbury Building, Lynnwood Bridge Office Park

100 not out, Pretoria 2012

5. Post year-end transactions

The following notable transactions occurred since 30 June 2012:

Atterbury Retail Fund (Pty) Limited
AIH has reached an agreement in principal with Sanlam Limited ("Sanlam") in terms of the formation of an income producing focused retail fund which will be called Atterbury Retail Fund ("The Fund"). The Fund will initially have the following retail assets:

- 80% of Garden Route Mall in George;
- Glenfair Retail Centre in Pretoria;
- 49.9% shares in the Mall of Mauritius at Bagatelle; and
- ± 32% shareholding in Retail Africa Wingspan Investments (Proprietary) Limited ("Wingspan"). Wingspan is a retail fund which owns the following retail centres namely Irene Village Mall – Pretoria, Westwood Mall – Durban, Weskus Mall – Vredenburg, Fountains Mall – Jeffreys Bay and Village Mall – Hartbeespoort Dam.

AIH will be introducing the properties/assets and Sanlam will match the net equity with cash. AIH and Sanlam will co-own the fund in a 50/50 shareholding. The fund will have gross assets of R2,245 billion and net equity of R1,286 billion. The intention is to grow the fund over the next few years mainly via acquisitions of retail assets from AIH and the Atterbury Group. The fund will not be allowed to take development risks. AIH will be allowed to borrow money from the fund, against acceptable security, for the development of retail assets on condition the Fund purchase the property on completion at a predetermined yield.

MAS plc
AIH has agreed to invest a further R50 million in MAS plc, a Luxembourg listed property fund with a secondary listing on the Alt-X, of which AIH currently owns 23.7%. This is in line with the diversification strategy in which AIH would like to increase its international exposure to a minimum of 20% of the nett asset value (NAV) or 10% of its gross assets. Indications are that all parties will be following their rights.

50% undivided share in Great Westerford, Cape Town
AIH reached an agreement with Leaf Property Trust to sell a 50% undivided share in Great Westerford for the amount of R282,800,000. The transaction is still suspensive to Competition Commission approval.

De Ville Shopping Centre, Cape Town
AIH reached an agreement with Colam Property Portfolio (Pty) Ltd to sell the De Ville Shopping Centre in Durbanville for the amount of R244,500,000. The transaction is still suspensive to a number of conditions.

Atterbury House, Cape Town
AIH has entered into an option agreement with Ascension Properties Limited to sell Atterbury House in Cape Town for the amount of R333,641,603. Ascension Properties Limited has the right to exercise the option until 1 April 2013.

Building G, Pretoria
Prior to 30 June 2012, AIH and Parkdev (SA) Pty reached an agreement with Hestitrix (Pty) Ltd to sell Building G for the amount of R195,086,769. The transaction is still suspensive to a number of conditions.

Waterfall Development
Atterbury Waterfall Investment Company (Pty) Ltd ("AWIC") has reached an agreement with the following prospective tenants on the development of the following facilities at Waterfall:

- Group 5 Head Offices – AWIC has secured a 12 year lease with Group 5 Construction (Pty) Ltd for the development of a 23,139m^2 new Head Office for occupation in December 2013. Group 5 will be consolidating all its Gauteng operations at this new head office;
- Cell C Campus – AWIC has secured a 15 year lease with Cell C (Pty) Ltd for the development of a 44,200m^2 new Cell C Campus for occupation in December 2013. The Campus will consist of a warehouse, customer walk-inn centre and office block; and
- Golders and Associates Head Office – AWIC has secured a 10 year lease with Golders and Associates Africa (Pty) Ltd for the development of a 6,058m^2 new Head Office for occupation in February 2014.

6. Dividends

No dividends were declared by the holding company.

7. Directors

BF van Niekerk	Chairman (retired as chairman on 30 June 2012)
MC Wilken	Chief Executive Director
GJ Oosthuizen	Executive director
LLS van der Watt	Executive director
PH Faure	Non-Executive Director
LM Ndala	Non-Executive Director
WL Masekela	Non-Executive Director
P Tredoux	Non-Executive Director (Chairman effective from 1 July 2012)
JHP van der Merwe	Non-Executive Director
TJA Reily	Alternative director to JHP van der Merwe (appointed 9 November 2011)

8. Secretary

The secretary of AIH is T Smith.

Business Address:	Atterbury Building, Lynnwood Bridge Office Park, 4 Daventry Road, Lynnwood Manor
Postal Address:	Postnet Suite 205, Private Bag x20009, Garsfontein, 0043

9. Auditors

Deloitte will continue in office in accordance with the Companies Act, 71 of 2008, subject to the approval of the appointment at the Annual General Meeting of shareholders.

Quintin van der Merwe, a final year Atterbury Trust bursary student and Francois van Niekerk at the annual Atterbury Trust bursary student function held on 27 February 2012

WATERFALL BUSINESS ESTATE –
A NEW HOME FOR GROUP FIVE

Group 5's entire Johannesburg operation is consolidated at Waterfall. The headquarters comprises approximately 20 650sqm of bulk, spread over 4 floors of office space. The space is arranged in 5 main wings that are linked by a central covered street that will house the main horizontal and vertical circulation space, public functions and staff restaurant. The street also provides access to the main training rooms and an open terrace that leads onto a landscaped garden.

The facades of the building have been specifically designed to encourage natural light to penetrate the internal spaces, whilst taking advantage of the views of the nearby river, courtyards and garden space. Due to the lower scale of the area, the format of the windows was designed in such a way to lower the look of the building to better fit in with the surrounding developments and the separate wings break up the overall mass of the structure, into courtyards and smaller scale building components. The building has a single basement that houses the main service rooms and 470 undercover parking bays, with the remaining 361 required parking bays been provided on grade in a landscaped open parking area.

Leasing enquiries: Natasha de Villiers
natasha@atterbury.co.za or 011 706 1176

GROUP FIVE
structured ingenuity

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Group 2012 R'000	Group 2011 R'000
Assets			
Non-current Assets			
Property, plant and equipment	2	2 367	864
Investment properties	3	8 497 139	4 840 709
Per valuation		8 607 082	4 914 899
Straight line lease debtor		(109 943)	(74 190)
Straight line lease debtor		109 943	74 190
Deferred initial lease expenditure		4 351	5 349
Goodwill	4	16 929	17 961
Investment in associates	6	1 047 378	3 418 444
Other investments	7	586 562	72 051
Other financial assets	10	-	230 783
Deferred tax assets	12	4 194	9 124
		10 268 863	**8 669 475**
Current Assets			
Inventories	5	41 644	-
Taxation receivable		711	1 619
Trade and other receivables	15	81 351	44 752
Loans to shareholders	9	6 308	21 587
Loans to associates and joint ventures	8	621 652	36 482
Other financial assets	10	104 199	88 223
Cash and cash equivalents	11	200 501	36 141
		1 056 366	**228 804**
Non-current assets classified as held for sale	3 & 13.1	**262 122**	**651 033**
Total Assets		**11 587 351**	**9 549 312**
Equity and Liabilities			
Issued capital, share premium and stated capital	16	2 196 596	2 424 906
Distributable reserves		2 442 040	1 883 037
Foreign currency translation reserve		(668)	-
Equity attributable to owners of the holding company		**4 637 968**	**4 307 943**
Minority Interest		**395 348**	**150 329**
Total Equity		**5 033 316**	**4 458 272**
Non-Current Liabilities			
Long-term borrowings	17	3 560 378	2 282 728
Deferred tax liabilities	12	591 838	537 925
Other financial liabilities	10	127 331	44 943
Provision for impairment of associates	6	58 202	37 635
Provision for impairment of other investments	7	9 049	4 877
Finance lease liability	14	440 148	435 904
		4 786 946	**3 344 012**
Current Liabilities			
Loans from shareholders	9	-	68 898
Loans from associates and joint ventures	8	9 284	12 245
Other financial liabilities	10	293 177	5 352
Finance lease liability	14	114 018	-
Taxation payable		7 198	237
Trade and other payables	18	150 231	82 816
Provisions	19	-	15 153
Current portion of long-term borrowings	17	1 062 004	1 326 411
		1 635 912	**1 511 112**
Non-current liabilities classified as held for sale	13.2	**131 177**	**235 916**
Total Liabilities		**6 554 035**	**5 091 040**
Total Equity and Liabilities		**11 587 351**	**9 549 312**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Group 2012 R'000	2011 R'000
Continued operations			
Gross rental income		**639 856**	**256 277**
Rental income		603 577	234 291
Straight line lease income adjustments		36 279	21 986
Property expenses		(241 288)	(63 912)
Net rental income		**398 568**	**192 365**
Other income		93 371	13 937
Operating and other expenses	20	(2 999 593)	(145 372)
Operating (loss) / profit	**20**	**(2 507 654)**	**60 930**
Fair value adjustments		1 006 497	402 579
Investment properties	3	1 020 769	441 872
Other financial assets	10	(83 138)	(19 722)
Other investments	7	68 866	(19 571)
Net income from associates	6 & 24	(52 773)	613 079
Investment income	25	2 791 701	47 414
Finance costs	26	(492 349)	(279 366)
Profit before taxation		**745 422**	**844 636**
Taxation	23	(185 041)	(87 378)
Profit for the year from continued operations		**560 381**	**757 258**
Discontinued operations			
Profit from discontinued operations	13.3	24 436	61 429
Total comprehensive income for the year		**584 817**	**818 687**
Attributable to:			
Owners of the company		559 003	724 049
Non-controlling interests		25 814	94 638
		584 817	**818 687**

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Share capital R'000	Share premium R'000	Foreign currency translation reserve R'000	Distributable reserves R'000	Attributable to equity holders of the company R'000	Non-controlling interest R'000	Total R'000
Balance at 1 July 2010	**57**	**2 304 421**	**-**	**2 047 409**	**4 351 887**	**70 098**	**4 421 985**
Total comprehensive income	-	-	-	724 049	724 049	94 638	818 687
Purchase of non-controlling interest	-	-	-	-	-	(14 407)	(14 407)
Treasury shares held	(5)	(376 664)	-	-	(376 669)	-	(376 669)
Buy back of shares	(12)	(3 419)	-	(888 421)	(891 852)	-	(891 852)
Issue of shares	7	500 521	-	-	500 528	-	500 528
Balance at 30 June 2011	**47**	**2 424 859**	**-**	**1 883 037**	**4 307 943**	**150 329**	**4 458 272**
Total comprehensive income	-	-	-	559 003	559 003	25 814	584 817
Originating from business combinations	-	-	-	-	-	219 205	219 205
Foreign currency translation	-	-	(668)	-	(668)	-	(668)
Treasury shares held	(1)	(236 310)	-	-	(236 311)	-	(236 311)
Issue of shares	1	8 000	-	-	8 001	-	8 001
Balance at 30 June 2012	**47**	**2 196 549**	**(668)**	**2 442 040**	**4 637 968**	**395 348**	**5 033 316**

Note 16.

Distribution Campus,
Massmart Warehouse,
Land parcel 8

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Group 2012 R'000	2011 R'000
Cash flow from operating activities			
Cash generated from operating activities	32.1	437 979	115 173
Investment income		64 449	47 414
Interest paid		(492 349)	(164 656)
Taxation paid		(122 928)	(26 083)
Cash flow relating to non-current assets held for sale		(34 573)	53 168
Net cash (utilised in) / generated from operating activities		**(147 423)**	**25 016**
Cash flow from investing activities			
Expenditure to maintain operating capacity			
Proceeds from disposal of associates		681 045	8 897
Proceeds from disposal of investment properties		95 713	60 997
Property, plant and equipment acquired		(2 100)	154
Expenditure to expand operating capacity			
Subsidiaries acquired	32.2	(9 585)	(36 048)
Property, plant and equipment acquired		-	(465)
Investment properties acquired		(617 163)	(634 915)
Loans receivable repaid / (granted)		125 841	(105 759)
Loans to shareholders (granted) / repaid		-	(9 641)
Investment in associates		(320 729)	(155 269)
Proceeds from disposal of other assets		1 377 956	-
Investments acquired		(110 678)	(19 403)
Cash flow relating to non-current assets held for sale		575 470	(2 648)
Net cash generated from / (utilised in) investing activities		**1 795 770**	**(894 100)**
Cash flow from financing activities			
Capital raised		8 001	500 528
Capital redeemed - share buy-back		-	(1 268 520)
Loans raised		1 888 786	2 502 669
Loans (repaid)		(2 646 513)	(867 318)
Loans from shareholders raised / (repaid)		(88 109)	68 898
Loans from group companies raised / (repaid)		(2 961)	12 054
Loans to group companies (advanced) / repaid		(585 170)	(24 657)
Cash flow relating to non-current assets held for sale		(104 739)	(1 614)
Net cash (utilised in) / generated from financing activities		**(1 530 705)**	**922 040**
Total cash movement for the period		117 643	52 956
Cash at the beginning of the period		36 141	(19 466)
Cash acquired with subsidiaries		46 717	2 651
Total cash at the end of the period	11	**200 501**	**36 141**

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, 2008. The financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and financial instruments at fair value or amortised cost, 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.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the financial statements of the company and all entities, including special purpose entities, which are controlled by the company. Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the company's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

The company accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Business consolidations

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date. On acquisition, the company assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for company purposes.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed. If a bargain purchase is calculated, this amount is accounted for directly in the statement of comprehensive income.

Investment in associates

An associate is an entity over which the company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the company's interest in that associate are recognised only to the extent that the company has incurred a legal or constructive obligation to make payments on behalf of the associate.

Hashim Bam

Founder member and Director
BTKM Quantity Surveyors

PHOTOGRAPHED at Woodmead North Office Park, Altech Building, Land parcel 20

How and when did your business start?
July 1984.

What was the first job that you did for Atterbury? When was that?
DTI campus – probably about 10 years ago.

What is the biggest challenge in doing business in SA today?
Endeavour to continue doing business with integrity and honesty in an environment of increasing corruption.

What makes Johannesburg a world-class African city?
Excellent amenities, services and facilities comparative to any major city in the world.

What do you love most about your job?
The challenges posed by every new project as well the friends and associations that are developed in the process of interaction on our projects.

Who is your all-time sporting hero?
Definitely Tiger Woods.

What do you do to relax?
Reading and playing golf.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the company and an associate are eliminated to the extent of the company's interest therein.

1.2 Investment property

Investment properties are properties held to earn rentals and/or capital appreciation (including property under construction for such purposes).

Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Costs include costs incurred initially, transaction costs and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Where a property is under construction with the purpose of holding the completed property for long-term rental yields or for capital appreciation, such property is classified as investment property under construction. Maintenance and repairs, which neither materially add to the value of the properties nor prolong their useful lives, are charged against income.

Tenant installations are cost paid by the lessor on behalf of the lessee on signature of the lease agreement for cost spent by the lessor to ensure the building is in the condition suitable for the lease. Tenant installations on the first lease are capitalised against the project, while tenant installations on subsequent leases signed are capitalised and expensed through the statement of comprehensive income over the lease period.

Fair value

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises. If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

1.3 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided on all property, plant and equipment to write down the cost, less residual value, using the straight line method of depreciation, over the items' estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater that its estimated recoverable amount.

1.4 Investment in joint ventures

In respect of its interest in jointly controlled assets, the Group recognises in its financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

1.5 Financial instruments

Initial recognition and measurement

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added to the fair value. For financial assets carried at fair value, the change in fair value is recognised in profit or loss or in equity, as appropriate.

Subsequent measurement
Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and reference to the proportionate interest held by the Group and the net equity of the investee.

Impairment of financial assets
At each reporting date the Group assesses all financial assets, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Loans to (from) group companies
These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables. Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees
These financial assets are classified as loans and receivables.

Inventories
Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Trade and other receivables
Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method to the extent that significant differences occur. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method to the extent that significant differences occur.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Cash from financing activities and cash from investing activities are calculated as the gross amount in the respective accounts.

Bank overdraft and borrowings
Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derivatives
Derivative financial instruments, which are not designated as hedging instruments, consisting of interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives are classified as financial assets at fair value through profit or loss.

1.6 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

The Group as lessor – operating leases
Rental income from operating leases is recognised on a straight- line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight- line basis over the lease term.

The Group as lessee – finance leases
Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are appointed between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (See 1.13). Contingent rentals are recognised as expenses in the periods in which they are incurred.

1.8 Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.9 Impairment of assets
The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

1.10 Share capital and equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. If the Group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.11 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes 28 and 29.3.

1.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the Group's right to receive payment has been established.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates
The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

1.15 Critical accounting judgements and key sources of estimation uncertainty
In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions and judgements concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Trade receivables, Held to maturity investments and Loans and receivables
The Group assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Effective date of property transactions
In the event of an investment property being disposed/acquired, the effective date of the transaction is generally treated as the date when all suspensive conditions have been met, and the buyer becomes contractually entitled to the income and expenses associated with the property, and not when the property is transferred.

Fair value estimation
The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Impairment testing
The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including industry specific and macro-economic variances.

For direct and indirect foreign investments and loans, the group also takes into account foreign currency fluctuations and international markets.

Provisions
Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the provision.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 19 - Provisions.

Expected manner of realisation for deferred tax
Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer note 12 – Deferred tax.

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Useful lives of property, plant and equipment
The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Item	Useful life
• Cleaning equipment	3 years
• Computer equipment	3 years
• Motor vehicles	5 years
• Kitchen equipment	3 years
• Other fixed assets	5-10 years

Valuation of financial instruments
The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. The note on Financial instruments provides detailed information about the key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions.

The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

1.16 New accounting pronouncements

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

Accounting standard / interpretation		Effective date
IAS 1	Presentation of Financial Statements	01 July 2012
IAS 12	Income Taxes: Amendment: Deferred Tax: Recovery of Underlying Assets	01 January 2013
IAS 19	Employee Benefits	01 January 2013
IAS 27	Consolidate and Separate Financial Statements	01 January 2013
IAS 28	Investments in Associates	01 January 2013
IAS 32	Financial Instruments: Presentation	01 January 2014
IFRIC 20	Stripping Cost in the Production Cost of a Surface Mine	01 January 2013
IFRS 7	Financial Instruments: Disclosures	01 January 2013
IFRS 9	Financial Instruments	01 January 2015
IFRS 10	Consolidated Financial Statements	01 January 2013
IFRS 11	Joint Arrangements	01 January 2013
IFRS 12	Disclosure of Interests in Other Entities	01 January 2013
IFRS 13	Fair Value Measurement	01 January 2013

The Group is in the process of assessing the potential impact that the adoption of these Standards and interpretations may have on its future financial performance or disclosures in the annual financial statements.

AD Smit (Skyscape Architects) and Frans de Jager (Pentad QS) at Golder sod-turning, held on 21 November 2012 at Waterfall Landmark Office Park

Maxwell Office Park
– work in a park!

Maxwell Office Park is situated on the corner of Allandale Road and Maxwell Drive in Midrand. This office park comprising seven individual office blocks will have access via Magwa Crescent which circles Waterfall City.

Office buildings will vary between 4 500m² and 6 000m², pending on the tenants requirements and needs. Basement parking will be available to all office blocks as well as surface bays at a ratio 4.5 bays / 100 GLA. Carefully selected landscaped gardens and planters will surrounding the building. Construction of a 6 000m² new Head Office for Golder & Associates recently commenced.

Prime office space 5 036m² is available for the multi-tenant market. The smallest area available is ± 450m² / GLA.

The new office park is being developed in association with the Moolman Group.

Leasing enquiries: Natasha de Villiers – natasha@atterbury.co.za or 011 706 1176

Golder Associates

2. Property, plant and equipment

	Group					
		2012			2011	
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Other fixed assets	2 279	(349)	1 930	255	(39)	216
Cleaning equipment	484	(181)	303	484	(73)	411
Kitchen equipment	139	(139)	1	139	(105)	34
Computer Equipment and software	96	(96)	-	21	(14)	7
Motor vehicles	277	(144)	133	277	(81)	196
Total	**3 275**	**(909)**	**2 367**	**1 176**	**(312)**	**864**

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

	Group				
	Carrying value at beginning of the year R'000	Acquisitions R'000	Disposals R'000	Depreciation and impairment R'000	Carrying value at end of the year R'000
2012					
Other fixed assets	216	2 025	-	(310)	1 930
Cleaning equipment	411	-	-	(108)	303
Kitchen equipment	34	-	-	(34)	-
Computer Equipment and software	7	75	-	(82)	-
Motor vehicles	196	-	-	(63)	133
	864	**2 100**	**-**	**(597)**	**2 367**
2011					
Other fixed assets	231	24	-	(39)	216
Cleaning equipment	43	441	-	(73)	411
Kitchen equipment	139	-	-	(105)	34
Computer Equipment	21	-	-	(14)	7
Motor vehicles	330	-	(53)	(81)	196
	764	**465**	**(53)**	**(312)**	**864**

Motor vehicles are encumbered as per note 17.

Louis van der Watt and Paul Labuschagne (Managing Director: Labucon Construction) at Waterfall City, Mall of Africa site

3. Investment properties (including assets transferred to held for sale)

	Group 2012 R'000	Group 2011 R'000
Fair value		
Balance at beginning of the year	4 840 709	4 233 574
Additions	795 700	927 771
Additions via business combinations and acquisition of subsidiaries	2 127 079	-
Provision for tenant installations	(9 119)	13 126
Net gain from fair value adjustment	1 047 720	484 214
Continued operations	1 020 769	441 872
Discontinued operations	26 951	42 342
Transfer to inventory	(41 627)	-
Transfers to held for sale and disposal	(263 323)	(817 976)
Balance at end of the year	**8 497 139**	**4 840 709**
Reconciled as follows:		
Cost	6 972 683	4 049 904
Fair value adjustment	2 643 374	1 595 654
Provision for tenant installations	4 006	13 126
Transfers and disposals	(1 122 924)	(817 975)
Total value	**8 497 139**	**4 840 709**

Investment properties consist of:

Commercial

Building G, DTI Campus (50% undivided share, Pretoria)		
Balance at the beginning of the year	-	61 605
Net gain from fair value adjustment	7 000	15 400
Straight line lease income adjustment against fair value	1 304	(1 442)
Transfer to assets held for sale	(8 304)	(75 563)
Balance at the end of the year	-	-
Reconciled as follows:		
Cost	38 418	38 418
Fair value adjustments	58 083	51 083
Straight line lease income adjustment against fair value	(12 634)	(13 938)
Transfer to assets held for sale	(83 867)	(75 563)
	-	-
Kumba Head Office (Centurion Gate)		
Balance at beginning of the year	-	165 346
Additions	-	37
Net gain from fair value adjustment	7 084	21 963
Straight line lease income adjustment against fair value	-	(1 430)
Transfer to assets held for sale / Disposal	(7 084)	(185 916)
Balance at end of the year	-	-
Reconciled as follows:		
Cost	143 847	143 847
Fair value adjustments	56 237	49 153
Straight line lease income adjustment against fair value	(7 084)	(7 084)
Transfer to assets held for sale / Disposal	(193 000)	(185 916)
	-	-

3. Investment properties (including assets transferred to held for sale) (continued)

	Group 2012 R'000	Group 2011 R'000
Harlequins Office Park (Pretoria)		
Balance at beginning of the year	107 367	-
Additions	213	7 891
Net gain from fair value adjustment	4 787	737
Transferred from associates	-	100 160
Straight line lease income adjustment against fair value	1 259	(1 421)
Balance at end of the year	113 626	107 367
Reconciled as follows:		
Cost	69 081	68 868
Fair value adjustments	47 919	43 132
Straight line lease income adjustment against fair value	(3 374)	(4 633)
	113 626	107 367
Great Westerford (Cape Town)		
Balance at beginning of the year	502 593	473 591
Additions	1 737	16 204
Net (loss) / gain from fair value adjustment	(19 157)	14 191
Straight line lease income adjustment against fair value	827	(1 393)
Balance at end of the year	486 000	502 593
Reconciled as follows:		
Cost	342 133	340 395
Fair value adjustments	148 884	168 041
Straight line lease income adjustment against fair value	(5 017)	(5 843)
	486 000	502 593
Hampton Office Park (Johannesburg)		
Balance at beginning of the year	-	270 655
Additions	392	2 611
Net gain from fair value adjustment	59 746	5 791
Straight line lease income adjustment against fair value	3 222	123
Transfer to assets held for sale / Disposal	(63 360)	(279 180)
Balance at end of the year	-	-
Reconciled as follows:		
Cost	161 645	161 253
Fair value adjustments	180 895	121 149
Straight line lease income adjustment against fair value	-	(3 222)
Transfer to assets held for sale / Disposal	(342 540)	(279 180)
	-	-
Investec Pretoria Offices (Pretoria)		
Balance at beginning of the year	121 330	127 073
Net gain / (loss) from fair value adjustment	8 157	(5 300)
Straight line lease income adjustment against fair value	490	(443)
Transfer to assets held for sale	(129 977)	-
Balance at end of the year	-	121 330
Reconciled as follows:		
Cost	69 147	69 147
Fair value adjustments	73 011	64 854
Straight line lease income adjustment against fair value	(12 181)	(12 671)
Transfer to assets held for sale	(129 977)	-
	-	121 330

3. Investment properties (including assets transferred to held for sale) (continued)

	Group 2012 R'000	Group 2011 R'000
Lady Brooks Offices (Pretoria)		
Net gain from fair value adjustment	-	2 472
Transfer to assets held for sale	-	(2 472)
Balance at end of the year	-	-
Reconciled as follows:		
Cost	12 511	12 511
Fair value adjustments	23 161	23 161
Straight line lease income adjustment against fair value	(140)	(140)
Transfer to assets held for sale	(35 532)	(35 532)
	-	-
Lord Charles Office Park (Pretoria)		
Net (loss) from fair value adjustment	-	(536)
Transfer to assets held for sale	-	536
Balance at end of the year	-	-
Reconciled as follows:		
Cost	35 095	35 095
Fair value adjustments	40 369	40 369
Straight line lease income adjustment against fair value	(622)	(622)
Transfer to assets held for sale / Disposal	(74 842)	(74 842)
	-	-
Atterbury House (Cape Town)		
Balance at beginning of the year	282 877	333 949
Additions	3	103
Net gain / (loss) from fair value adjustment	10 792	(61 428)
Provision for future tenant installations	(8 519)	8 517
Straight line lease income adjustment against fair value	143	1 736
Balance at end of the year	285 296	282 877
Reconciled as follows:		
Cost	134 693	134 690
Fair value adjustments	152 874	142 082
Provision for future tenant installations	(2)	8 517
Straight line lease income adjustment against fair value	(2 269)	(2 412)
	285 296	282 877
Retail		
Brooklyn Mall (25% undivided share, Pretoria) ***		
Balance at beginning of the year	298 676	254 785
Additions	125 863	190 047
Net gain from fair value adjustment	88 406	125 512
Straight line lease income adjustment against fair value	(4 577)	3 712
Disposal	-	(275 380)
Balance at end of the year	508 368	298 676
Reconciled as follows:		
Cost	315 386	464 903
Fair value adjustments	197 559	109 153
Disposal	-	(275 380)
Straight line lease income adjustment against fair value	(4 577)	-
	508 368	298 676

In 2010 the Group owned 100% of Design Square. During the prior year this asset was combined with Brooklyn Mall to give the Group a 18% undivided share in the combined mall. The effective date was 1 May 2011. During the current year another 7% was acquired increasing the group share to a 25% undivided share in Brooklyn Mall.

3. Investment properties (including assets transferred to held for sale) (continued)

	Group 2012 R'000	Group 2011 R'000
De Ville Shopping Centre (Cape Town)		
Balance at beginning of the year	172 297	101 260
Additions	4 668	73 648
Net gain (loss) from fair value adjustment	20 088	(3 663)
Provision for future tenant installations	(3 709)	3 709
Straight line lease income adjustment against fair value	225	(2 657)
Balance at end of the year	193 569	172 297
Reconciled as follows:		
Cost	189 901	185 233
Fair value adjustments	6 100	(13 988)
Provision for future tenant installations	-	3 709
Straight line lease income adjustment against fair value	(2 432)	(2 657)
	193 569	172 297
Glenfair Boulevard Shopping Centre (Pretoria)		
Balance at beginning of the year	247 966	167 311
Additions	4 642	53 412
Net gain from fair value adjustment	39 470	27 377
Provision for future tenant installations	(469)	899
Straight line lease income adjustment against fair value	(2 334)	(1 033)
Balance at end of the year	289 275	247 966
Reconciled as follows:		
Cost	249 440	244 798
Fair value adjustments	46 395	6 925
Provision for future tenant installations	430	899
Straight line lease income adjustment against fair value	(6 990)	(4 656)
	289 275	247 966
San Ridge Square (50% undivided share, Midrand)		
Balance at beginning of the year	80 000	78 000
Additions	1 185	-
Net gain from fair value adjustment	13 565	2 000
Straight line lease income adjustment against fair value	(1 952)	-
Balance at end of the year	92 798	80 000
Reconciled as follows:		
Cost	66 996	65 811
Fair value adjustments	27 754	14 189
Straight line lease income adjustment against fair value	(1 952)	-
	92 798	80 000
Lynnwood Bridge (Pretoria)		
Balance at beginning of the year	1 122 539	806 945
Additions	43 980	436 502
Net gain (loss) from fair value adjustment	135 964	(104 730)
Straight line lease income adjustment against fair value	(14 210)	(16 178)
Transfer to inventory	(41 627)	-
Transfer to separate disclosure - Aurecon Building	(449 952)	-
Balance at end of the year	796 694	1 122 539
Reconciled as follows:		
Cost	1 156 450	1 112 470
Disposal	(449 952)	-
Fair value adjustments	162 580	26 616
Transfer to inventory	(41 627)	-
Straight line lease income adjustment against fair value	(30 757)	(16 547)
	796 694	1 122 539

3. Investment properties (including assets transferred to held for sale) (continued)

	Group 2012 R'000	Group 2011 R'000
During the current year the transaction was implemented where the Aurecon building was transferred from the wholly owned subsidiary Lynnwood Bridge Office Park (Pty) Ltd to Lynnaur Investments 10 (Pty) Ltd in which the Group has a 75% share. Also refer note 19.		
Lynnwood Bridge - Aurecon Building (Pretoria)		
Transfer from Lynnwood Bridge for separate disclosure	449 952	-
Additions	13 248	-
Net gain from fair value adjustment	167 800	-
Straight line lease income adjustment against fair value	(5 701)	-
Balance at end of the year	625 299	-
Reconciled as follows:		
Cost	-	-
Additions	463 200	-
Fair value adjustments	167 800	-
Straight line lease income adjustment against fair value	(5 701)	-
	625 299	-
Garden Route Mall (George)		
Acquired via business combination	888 000	-
Net gain from fair value adjustment	84 000	-
Straight line lease income adjustment against fair value	(14 577)	-
Balance at end of the year	957 423	-
Reconciled as follows:		
Cost	888 000	-
Fair value adjustments	84 000	-
Straight line lease income adjustment against fair value	(14 577)	-
	957 423	-
Mooirivier Mall (Potchefstroom)		
Acquired via acquisition of subsidiary	724 000	-
Net gain from fair value adjustment	74 000	-
Straight line lease income adjustment against fair value	(4 369)	-
Balance at end of the year	793 631	-
Reconciled as follows:		
Cost	724 000	-
Fair value adjustments	74 000	-
Straight line lease income adjustment against fair value	(4 369)	-
	793 631	-
Andringa Walk (Stellenbosch) ***		
Acquired via business combination	180 265	-
Additions	120 242	-
Net loss from fair value adjustment	(158 916)	-
Straight line lease income adjustment against fair value	(32)	-
Balance at end of the year	141 559	-
Reconciled as follows:		
Cost	300 507	-
Fair value adjustments	(158 916)	-
Straight line lease income adjustment against fair value	(32)	-
	141 559	-

3. Investment properties (including assets transferred to held for sale) (continued)

	Group 2012 R'000	Group 2011 R'000
Eikestad Mall (Stellenbosch) ***		
Acquired via business combination	334 814	-
Additions	19 434	-
Net gain from fair value adjustment	100 115	-
Straight line lease income adjustment against fair value	(3 082)	-
Balance at end of the year	451 281	-
Reconciled as follows:		
Cost	354 248	-
Fair value adjustments	100 115	-
Straight line lease income adjustment against fair value	(3 082)	-
	451 281	-
Development		
Le Chateau **		
Balance at beginning of the year	15 048	14 985
Additions	690	313
Net gain (loss) from fair value adjustment	(738)	(250)
Balance at end of the year	15 000	15 048
Reconciled as follows:		
Cost	37 508	36 818
Fair value adjustments	(22 508)	(21 770)
	15 000	15 048
Newtown (Johannesburg) *		
Acquired via investment in subsidiary	159 227	-
Additions	16 875	-
Net (loss) from fair value adjustment	(2 828)	-
Balance at end of the year	173 274	-
Reconciled as follows:		
Cost	176 102	-
Fair value adjustments	(2 828)	-
	173 274	-
Clifton Dunes (Johannesburg) *		
Acquired via investment in subsidiary	19 310	-
Additions	416	-
Net gain from fair value adjustment	4 525	-
Balance at end of the year	24 251	-
Reconciled as follows:		
Cost	19 726	-
Fair value adjustments	4 525	-
	24 251	-
Waterfall (Midrand) *		
Balance at beginning of the year	1 890 013	1 378 067
Additions	263 574	46 843
Net gain from fair value adjustment	447 224	465 103
Provision for future tenant installations	3 578	-
Disposal	(7 350)	-
Transferred to assets held for sale	(47 247)	-
Balance at end of the year	2 549 792	1 890 013
Reconciled as follows:		
Cost	1 192 228	983 251
Fair value adjustments	1 357 564	906 762
	2 549 792	1 890 013
	8 497 139	**4 840 709**

3. Investment properties (including assets transferred to held for sale) (continued)

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

Investment properties are encumbered as described in note 17.

Fair valuations
The effective date of the revaluations were 30 June 2012. The previous valuations were done on 30 June 2011.

Investment properties and properties under construction
The revaluations for investment property buildings were performed by the Valuation & Professional Services Division of Old Mutual Investment Group South Africa, a registered independent valuer. The independent valuer at Old Mutual, Bruce Eastman (ND Property Valuation), 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.

Cap rates used for valuations done ranged between 7.25% to 10% (2011: 8.5% tot 10%)

Except for the directors valuations that were done on Keysha, Le Chateau and the Investec Building, the revaluations for the development land was performed by an independent valuer Amanda de Wet (B. Proc LLB (UP), Nat Dip in REES (Unisa), a member of the SA Institute of Valuers, who is not connected to the Group and has recent experience in the location and category of the investment properties being valued. Her valuations were also used on Clifton Dunes and Newtown to adjust the finance lease asset to the fair value as determined at year end.
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 Waterfall 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 (it is anticipated that all the lease agreements will be registered within the foreseeable future). These agreements are treated as finance leases in which the investment property is recognised and measured at fair value, and a liability is recognised based on the terms set out below.

For both years presented, Waterfall comprise development rights obtained relating to:
- pockets 3, 8, 9,10 ,12 and 24 of portion 1/RE on the Farm Waterfall No.5;
- pocket 15 on portion 62 of the Farm Waterfall No.5;
- pocket 20 on portion 706 of the Farm Waterfall No.5;
- pocket 21 on portion 75 of the Farm Waterfall No.5; and
- pocket 22 on portion 78 of the Farm Waterfall No.5.

The valuation method used on Woodmead office park (pocket 20) was the capitalised net income method, as this property was already completed. The valuation included in the annual financial statements is also only 50% of the value as 50% of pocket 20 was sold to the Moolman group during the year.

The valuation done on the rest of the Waterfall project was 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 R450 and R3 500 (2011: R450 to R3 000) 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% (2011: 10%) per annum;
- discount rates for present value calculations between 15% and 22% (2011: 15% to 22%)

Refer to note 14 for description of the finance lease liability linked to this investment property.

3. Investment properties (including assets transferred to held for sale) (continued)

The acquisition of the Waterfall leasehold and development rights were subject thereto that 20% thereof vests in the Atterbury Property Holdings (Pty) Ltd group, as developer of the infrastructure and improvements on the pockets referred to above. To facilitate the vesting of the said 20%, the leasehold and development rights were transferred applying Section 45 of the Income Tax Act (with the effect that the original base cost remains unchanged) to Atterbury Waterfall Investment Company (Pty) Ltd (AWIC), effective 31 May 2009. The transfer price of R804,624,817 (initial transfer value of R750,000,000 escalating at a rate equal to the prime interest lending rate from 27 October 2008 to 31 May 2009) was settled by way of an intercompany loan raised between AWIC and Atterbury Investment Holdings Ltd (refer note 8).

4. Goodwill

	Group	
	2012 R'000	2011 R'000
Carrying value at the beginning of the year	17 961	12 475
Transferred to assets held for sale	(1 032)	-
Additions	-	5 486
Carrying value at the end of the year	**16 929**	**17 961**

The goodwill balance can be allocated to investments that represent cash-generating units. These investments are Highgrove (Pty) Ltd, the Investec Building and De Ville Shopping Centre. The addition to goodwill in the previous year relates to the acquisition of an additional 50% share in Atterbury Parkdev Consortium (Pty) Ltd, consisting of the Harlequins Office Park. The portion transferred to assets held for sale in the current year relates to the Investec Pretoria Offices building which was held for sale at year end.

Goodwill is tested for impairment annually, or when there is an indication of impairment. For impairment testing purposes, goodwill is allocated to a cash-generating unit, of which the recoverable amount is determined based on value in use.

Management has assessed the cash flows of the cash-generating units that the goodwill can be allocated to, and are satisfied that there is no indication of impairment. Management believes the goodwill represents future value to be unlocked in the assets that is currently not reflected in the fair value as determined in the valuations.

5. Inventories

	Group	
	2012 R'000	2011 R'000
Carrying value at the beginning of the year	-	-
Additions	41 644	-
- Diesel	16	-
Transfer from investment property		
- Lynnwood Bridge - Atterbury Theatre	41 628	-
Carrying value at the end of the year	**41 644**	**-**

Additions to inventories are made up of consumables held at Mooirivier Mall at year end. The Atterbury theatre was constructed with the intent to be sold to the Atterbury Trust. Inventory is valued at the lower of cost and net realisable value.

6. Investment in associates

	Group 2012 R'000	Group 2011 R'000
Fair value		
Balance at the beginning of the year	3 380 809	2 650 513
Additions	437 808	155 269
Transfers from other investments	23 450	-
Disposals	(2 800 850)	(11 174)
Share in retained (losses) / profit	(52 773)	613 079
Transfer to investment in subsidiary	-	(18 515)
Foreign currency effect	732	-
Impairment	-	(8 363)
Balance at the end of the year - net of provision for impairment	**989 176**	**3 380 809**
Reconciled as follows:		
Cost	436 501	2 776 093
Share of net retained profits since acquisition	552 675	604 716
Balance at the end of the year - net of provision for impairment	**989 176**	**3 380 809**

Investments in associates comprise the following:

Attfund Limited (and Attfund Retail) (42.5%)		
Balance at the beginning of the year	2 800 850	2 416 546
Disposals	(2 800 850)	(11 174)
Share of retained profits for the year	-	395 478
Gross income from associates	-	430 243
Dividends received	-	(34 765)
Balance at the end of the year	-	2 800 850

During the year the Group received a distribution in specie in the form of Attfund Retail Limited shares.

Hyprop Properties Limited (Hyprop) acquired all the shares in Attfund Retail Limited from the existing Attfund Retail Limited shareholders. Payment was part in cash and part in Hyprop shares (refer note 7).

Rapfund Holdings (Pty) Ltd (22.7%)		
Balance at the beginning of the year	82 025	69 490
Transfer to associate investment (REACH)	(82 025)	-
Share of retained profits for the year	-	12 535
Gross income from associates	-	15 094
Debenture interest received	-	(2 559)
Balance at the end of the year	-	82 025
Attvest Property Development JV (Pty) Ltd (33.3%)		
Balance at the beginning of the year	(108)	(19)
Share of retained (losses) for the year	(239)	-
Impairment	-	(89)
Balance at the end of the year	(347)	(108)
Keysha Investments 213 (Pty) Ltd ('Val de Vie') (50%)		
Balance at the beginning of the year	(20 499)	(20 889)
Share of retained (losses) / profit for the year	(3 931)	390
Balance at the end of the year	(24 430)	(20 499)
Atterbury Parkdev Consortium (Pty) Ltd (50%)		
Balance at the beginning of the year	-	15 933
Share of retained profits for the year	-	2 582
Transfer to investment in subsidiary	-	(18 515)
Balance at the end of the year	-	-

Liezl Niewoudt

Manager: Bank Funding and Loan Implementation Atterbury Finance Department

PHOTOGRAPHED at the Group 5 site, Land parcel 15, Waterfall

What excites you most about your job?
I get the most excited about my work on Waterfall, which is a challenging development in terms of funding, lease hold ownership, township establishment processes and the various aspects of making it happen. It is such a rewarding feeling to be part of a team that is developing a whole new city precinct! I can compare it to the upbringing of a baby.

How do you envisage the Waterfall precinct in 5 year's time?
A brand new and modern city would have started to come to life! You will drive past beautifully designed buildings and exciting architectural land marks (to be compared to the likes of the Champs-Elysées). People will live, work, shop and relax in the new phases of the Waterfall city precinct. The infrastructure in terms of roads, public transport systems, walk ways and parks will cater for the needs of the modern person enjoying all aspects of life.

How has Atterbury changed since you started working there 6/7 years ago?
We have tripled in the number of employees! Our staff component is currently standing on about 100 employees. Our look, feel and identity have become more corporate – in a good way! Our business partner alliances have grown to very valued and treasured relationships. The deals that we do have become more complex and involved. The pace is faster and the work load heavier.

How did motherhood change your life?
It has turned my life upside down… for the better! I love being a mother! I am continuously reminded by my kids of the important things in life. I am introduced to a wonderful world of butterflies, spiders, frogs, flowers, singing, bright colours, paint, mud, super heroes, fairies and princesses in a way that I have almost forgotten. Motherhood has learned me a lot about myself and my own capabilities. Now, I know what unconditional love is.

What is your favourite restaurant?
A moving target, but two old time favourites of mine are La Pentola and Tutti Pasta. I have fantastic memories of special occasions and celebrations at both these restaurants and I regularly go back for more. La Pentola buzzes with energy and creativity, serving international cuisine with South African flavours prepared by chef Shane Sauvage. Tutti Pasta is an informal restaurant, serving the nicest homemade pastas, pizzas, lasagne and other great Italian food and the singing Italian owner, Pierro, always ensures that you have a fun time.

6. Investment in associates (continued)

	Group 2012 R'000	Group 2011 R'000
Brooklyn Bridge Office Park (Pty) Ltd (25%)		
Balance at the beginning of the year	43 477	36 056
Additions	-	5 936
Share of retained profits for the year	7 060	1 485
Balance at the end of the year	50 537	43 477
Travenna Development Company (Pty) Ltd (36%)		
Balance at the beginning of the year	53 640	43 890
Share of retained profits for the year	2 896	9 750
Balance at the end of the year	56 536	53 640
Geelhoutboom Estate (Pty) Ltd (36.7%)		
Balance at the beginning of the year	(15 346)	(7 072)
Share of retained (losses) for the year	(1 619)	-
Impairment	-	(8 274)
Balance at the end of the year	(16 965)	(15 346)
Pybus (Pty) Ltd (31%)		
Balance at the beginning of the year	(1 682)	-
Share of retained (losses) for the year	(128)	(1 682)
Balance at the end of the year	(1 810)	(1 682)
Mall of Mauritius at Bagatelle Ltd (Mauritius) (49.9%)		
Balance at the beginning of the year	438 451	96 577
Additions	-	149 333
Transfer to Bagaprop Ltd	(104 595)	-
Share of retained (losses) / profit for the year	(111 877)	192 541
Balance at the end of the year	221 979	438 451
The shareholding in Mall of Mauritius at Bagatelle Ltd is held via a subsidiary company Atterbury Mauritius Consortium (Pty) Ltd.		
Bagaprop Ltd (Mauritius) (49.9%)		
Balance at the beginning of the year	-	-
Transfer from Mall of Mauritius at Bagatelle Ltd	104 595	-
Share of retained profits for the year	77 158	-
Balance at the end of the year	181 753	-
The shareholding in Bagaprop Ltd is held via a subsidiary company Atterbury Mauritius Consortium (Pty) Ltd.		
Waterfall Mall Ltd (Zambia) (25%)		
Balance at the beginning of the year	-	-
Additions	10 330	-
Share of retained (losses) for the year	(908)	-
Foreign currency effect	(50)	-
Balance at the end of the year	9 372	-
Accra Mall Ltd (Ghana) (50%)		
Balance at the beginning of the year	-	-
Additions	141 923	-
Share of retained (losses) for the year	(5 015)	-
Foreign currency effect	(275)	-
Balance at the end of the year	136 633	-

6. Investment in associates (continued)

	Group 2012 R'000	Group 2011 R'000
Artisan Investment Projects 10 Ltd - Caltongate (Edinburgh) (26.3%)		
Balance at the beginning of the year	-	-
Additions	12 982	-
Transfer to other associate - Bishopsgate Student Residential Ltd	(5 926)	-
Share of retained profits for the year	965	-
Foreign currency effect	1 056	-
Balance at the end of the year	9 077	-
Bishopsgate Student Residential Ltd (Scotland) (30%)		
Balance at the beginning of the year	-	-
Transfer from other associate - Artisan Investment Projects 10 Ltd	5 926	-
Additions	11 509	-
Balance at the end of the year	17 435	-
Retail Africa Consortium Holdings Ltd (REACH) (50%)		
Balance at the beginning of the year	-	-
Transfer from other investments	23 450	-
Transfer from associate investment (Rapfund)	82 025	-
Additions	158 467	-
Share of retained (losses) for the year	(2 486)	-
Balance at the end of the year	261 456	-
Arctospark (Pty) Ltd - Attfund International (50%)		
Balance at the beginning of the year	-	-
Additions	-	-
Share of retained (losses) for the year	(14 649)	-
Balance at the end of the year	(14 649)	-
Atterbury Property Holding (Pty) Ltd (25%)		
Balance at the beginning of the year	-	-
Additions	102 600	-
Balance at the end of the year	102 600	-
Total investment in associates	**1 047 378**	**3 418 444**
Provision for impairment of associates	**(58 202)**	**(37 635)**
Total value	**989 176**	**3 380 809**

Edinburgh skyline from Calton Hill, Scotland UK

6. Investment in associates (continued)

	Proportion Owned Group 2012 %	2011 %
Proportion interest held in associates:		
Attfund Limited	-	42.5
Rapfund Holdings (Pty) Ltd	-	22.7
Atterbury Parkdev Consortium (Pty) Ltd	-	50.0
Attvest Property Development JV (Pty) Ltd (33.3%)	33.3	33.3
Keysha Investments 213 (Pty) Ltd ('Val de Vie')	50.0	50.0
Mall of Mauritius at Bagatelle Ltd	49.9	49.9
Brooklyn Bridge Office Park (Pty) Ltd	25.0	25.0
Travenna Development Company (Pty) Ltd	36.0	36.0
Geelhoutboom Estate (Pty) Ltd	36.7	36.7
Pybus (Pty) Ltd	31.0	31.0
Waterfall Mall Ltd	25.0	-
Accra Mall Ltd	50.0	-
Artisan Investment Projects 10 Ltd	26.3	-
Retail Africa Consortium Holdings Ltd	50.0	-
Arctospark (Pty) Ltd - Attfund International	50.0	-
Bagaprop Ltd	49.9	-
Atterbury Property Holding (Pty) Ltd	25.0	-
Bishopsgate Student Residential Ltd	30.0	

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

Name	Assets R'000	Liabilities R'000	Revenue R'000	Profit / (loss) R'000
2012				
Attvest Property Development JV (Pty) Ltd (33.3%)	26 074	26 837	-	(439)
Keysha Investments 213 (Pty) Ltd ('Val de Vie')	33 045	81 905	16	(1 074)
Mall of Mauritius at Bagatelle Ltd	513 160	68 311	913 646	11 185
Brooklyn Bridge Office Park (Pty) Ltd	627 058	421 950	46 813	11 228
Travenna Development Company (Pty) Ltd	423 614	266 775	28 223	7 838
Geelhoutboom Estate (Pty) Ltd	16 488	62 752	-	8 045
Pybus (Pty) Ltd	202 050	202 189	9 500	(10 422)
Waterfall Mall Ltd	60 578	22 291	-	(2 789)
Accra Mall Ltd	620 969	299 010	18 977	8 197
Artisan Investment Projects 10 Ltd	108 617	75 334	-	(2 291)
Retail Africa Consortium Holdings	608 542	54 538	-	(120 079)
Arctospark (Pty) Ltd - Attfund International	1 303 865	1 333 164	-	(112 245)
Bagaprop Ltd	1 079 852	692 401	278 507	(582 793)
Atterbury Property Holding (Pty) Ltd	397 738	229 025	32 656	(597)
Bishopsgate Student Residential Ltd	116 831	59 719	-	(405)
2011				
Attfund Limited	11 087 479	4 487 446	773 294	350 804
Rapfund Holdings (Pty) Ltd	655 981	531 858	76 558	(18 136)
Attvest Property Development JV (Pty) Ltd	6 380	9 795	-	(986)
Keysha Investments 213 (Pty) Ltd ('Val de Vie')	77 592	159 586	-	1 559
Mall of Mauritius at Bagatelle Ltd	1 249 639	370 632	87 823	298 832
Brooklyn Bridge Office Park (Pty) Ltd	2 418 724	1 825 787	197 459	149 480
Travenna Development Company (Pty) Ltd	1 170 650	756 760	65 135	75 231
Geelhoutboom Estate (Pty) Ltd	39 569	153 704	-	(24 276)
Pybus (Pty) Ltd	377 194	385 092	2 842	3 872

6. Investment in associates (continued)

In the prior year the Group held a total number of 19,133,216 Attfund Limited shares, of which 18,095,667 were pledged as per note 29.1.

During the current year, the Group disposed of its Attfund Ltd shares as part of an unbundling exercise, in which shareholders received cash and Hyprop Linked Units in turn for their Attfund shares.

The prior year investment in Rapfund Holdings (Pty) Ltd ('Rapfund') comprised 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 was considered by management to equal the net asset value of Rapfund as at 30 June 2012. This investment was transferred as part of the consideration for the investment in Retail Africa Consortium Holdings (Pty) Ltd during the current year.

7. Other Investments

	Group	
	2012 R'000	2011 R'000
Fair value		
Balance at the beginning of the year	67 174	67 342
Additions	1 865 838	19 403
Disposals	(1 400 914)	-
Transfer to associates	(23 450)	-
Net gain / (loss) from fair value adjustment	68 866	(19 571)
Balance at the end of the year	**577 514**	**67 174**
Reconciled as follows:		
Cost	528 219	86 745
Fair value adjustment	49 295	(19 571)
Balance at the end of the year	**577 514**	**67 174**
Other investments comprise the following:		
Rainprop (Pty) Ltd		
Balance at the beginning of the year	4 242	5 396
Net gain / (loss) from fair value adjustment	2 499	(1 154)
Balance at the end of the year	6 741	4 242
Fountains Regional Mall (Pty) Ltd		
Balance at the beginning of the year	(4 878)	(5 880)
Net (loss) / gain from fair value adjustment	(4 171)	1 002
Balance at the end of the year	(9 049)	(4 878)
Isibaya House (Pty) Ltd		
Balance at the beginning of the year	86	85
Net (loss) / gain from fair value adjustment	(86)	1
Balance at the end of the year	-	86
Retail Africa Wingspan Investments (Pty) Ltd		
Balance at the beginning of the year	23 450	30 923
Transfer to investment in associates (REACH)	(23 450)	-
Net (loss) from fair value adjustment	-	(7 473)
Balance at the end of the year	-	23 450
Investment through Foreign Investment Allowance		
Investec Securities Limited		
Balance at the beginning of the year	44 273	36 817
Additions	-	10 594
Net gain / (loss) from fair value adjustment	4 211	(3 138)
Balance at the end of the year	48 484	44 273

7. Other Investments (continued)

	Group	
	2012 R'000	2011 R'000
Hyprop Ltd		
Balance at the beginning of the year	-	-
Additions	1 765 838	-
Disposals	(1 400 914)	-
Net gain from fair value adjustment	56 847	-
Balance at the end of the year	421 771	-
MAS plc		
Balance at the beginning of the year	-	-
Additions	100 000	-
Net gain from fair value adjustment	9 565	-
Balance at the end of the year	109 565	-
Total investments	586 562	72 051
Provision for impairment	(9 049)	(4 877)
Total value	**577 513**	**67 174**

	Group	
	2012 R'000	2011 R'000
The Group held investments in the following companies:		
Unlisted		
Isibaya House (Pty) Ltd	18.75	18.75
Fountains Regional Mall (Pty) Ltd	9.50	9.50
Rainprop (Pty) Ltd	2.00	2.00
Stenham European Shopping Centre Fund IC	4.50	4.50
Retail Africa Wingspan Investments (Pty) Ltd	-	8.84
Listed		
Hyprop Ltd	2.22	-
MAS plc	23.70	-

Investment through Foreign investment allowance
During 2008, the Group acquired an investment in Stenham European Shopping Centre Fund IC ("SESCF"), an entity listed on the Channel Island Stock Exchange, by way of an asset swap agreement with Investec Securities Limited. The underlying asset of SESCF is Nova Eventis Regional Shopping Centre, a 96,000m^2 regional mall located near Leipzig, Germany.

The fair value of the foreign investment allowance, as determined by the directors and based on the equity of Stenham European Shopping Centre Fund IC ('SESCF') were calculated on 20,517 shares held by the Group in SESCF revalued at €224,9 (2011 :€219.74) per share at currency exchange rate of R10.50/€ (2011: R9.82/€).

During 2009 the Group entered into an option agreement with Wattchatt (Pty) Ltd (a related entity), to acquire Leipzig Nova Eventis Consortium (Pty) Ltd, which holds an additional 17,374 shares (3.81% shareholding) in SESCF. This option was still in place at year end.

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

	Group					
	Loan amount 2012 R'000	Impairment 2012 R'000	Total 2012 R'000	Loan amount 2011 R'000	Impairment 2011 R'000	Total 2011 R'000
Loans have been made to / (received from) the following associates and joint ventures:						
Associates						
- Attvest Property Development JV (Pty) Ltd	4 046	(12)	4 034	713	(12)	701
- Brooklyn Bridge Office Park (Pty) Ltd	2 305	-	2 305	165	-	165
- Keysha Investments 213 (Pty) Ltd	25 058	(20 789)	4 269	23 348	(20 789)	2 559
- Geelhoutboom Estate (Pty) Ltd	10 947	(4 119)	6 828	7 362	(4 119)	3 243
- Fountains Regional Mall (Pty) Ltd	10 579	(3 502)	7 077	3 502	(3 502)	-
- Pybus 106 (Pty) Ltd	40 836	(9 387)	31 449	39 201	(9 387)	29 814
- Travenna Development Company (Pty) Ltd	(9 284)	-	(9 284)	(12 245)	-	(12 245)
- Arctospark (Pty) Ltd - Attfund International	495 562	-	495 562	-	-	-
- Atterbury Property Holding (Pty) Ltd	49 603	-	49 603	-	-	-
- Artisan Investment Projects 10 Limited	20 525	-	20 525	-	-	-
Current assets			**621 652**			**36 482**
Current liabilities			**(9 284)**			**(12 245)**
Total	**650 177**	**(37 809)**	**612 368**	**62 046**	**(37 809)**	**24 237**

For both years presented, 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:
- Keysha Investments 213 (Pty) Ltd
- Arctospark (Pty) Ltd - Attfund International

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 and have no fixed terms of repayment. In terms of the group policy, intercompany loans within the Group bear no interest.

9. Loans to / (from) shareholders

	Group	
	2012 R'000	2011 R'000
- Atterbury Property Developments (Pty) Ltd	6 308	17 828
- Atterbury Property Cape (Pty) Ltd	-	3 759
- Atterbury Property Holding (Pty) Ltd	-	(68 898)
The loans are interest free, unsecured and have no specific terms of repayment except for the loan with Atterbury Property Holdings (Pty) Ltd, which beared interest at prime.		
Current assets	**6 308**	**21 587**
Current liabilities	**-**	**(68 898)**

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.

10. Other financial assets / liabilities

	Group					
	Loan amount 2012 R'000	Impairment 2012 R'000	Total 2012 R'000	Loan amount 2011 R'000	Impairment 2011 R'000	Total 2011 R'000
Loans and receivables / (payables)						
Abacus Investment Holdings (Pty) Ltd	-	-	-	1 096	-	1 096
Atterbury Investment Managers (Pty) Ltd	-	-	-	230 033	-	230 033
Atterbury Property Development (Pty) Ltd in respect of Beau Rivage residential development	10 677	(10 677)	-	10 677	(10 677)	-
Atterbury Waterfall Pocket 22A (Pty) Ltd	3	-	3	3	-	3
Atterbury Waterfall City (Pty) Ltd	(4 275)	-	(4 275)	(3 908)	-	(3 908)
Association for People with Disabilities	88	(88)	-	88	(88)	-
Circlevest Properties (Pty) Ltd	-	-	-	(52)	-	(52)
Fountains regional Mall (Pty) Ltd	-	-	-	1 580	-	1 580
Isibaya House (Pty) Ltd	-	-	-	(78)	-	(78)
Leipzig Nova Eventis Consortium (Pty) Ltd	83 288	(7 963)	75 325	77 560	(7 963)	69 597
Lynx Golfing	-	-	-	(73)	-	(73)
Rainprop (Pty) Ltd	316	(244)	72	(33)	(244)	(277)
Scarlett Sky Investment 36 (Pty) Ltd	3 613	(3 013)	600	5 070	(3 013)	2 057
TTA Shares (Pty) Ltd	1	-	1	1	-	1
Retail Africa Wingspan Investments (Pty) Ltd	-	-	-	13 889	-	13 889
Village Trust	-	-	-	(964)	-	(964)
Zwelinzima Holdings (Pty) Ltd	263	(263)	-	263	(263)	-
Atterbury Foundation	1 641	-	1 641	-	-	-
Waterfalls Zambia Limited (AA)	76	-	76	-	-	-
Waterfalls Mall Limited (AA)	1 388	-	1 388	-	-	-
Accra Mall Limited (AA)	14 795	-	14 795	-	-	-
Loan receivable - Nasek Investments Ltd (AA)	10 140	-	10 140	-	-	-
Loan - Sanlam Capital Markets (AA)	(78 288)	-	(78 288)	-	-	-
Nedbank Limited	(304)	-	(304)	-	-	-
Abacus Trust	(412)	-	(412)	-	-	-
Hyprop Ltd	(117 600)	-	(117 600)	-	-	-
Atterbury Property Holdings International (AIHI)	(12 298)	-	(12 298)	-	-	-
Atterbury Property Holdings International (AA)	15	-	15	-	-	-
Loan - West Hills Mall Ltd	143	-	143	-	-	-
Loan Sanlam	(80 000)	-	(80 000)	-	-	-
Loans and receivables			**104 199**			**318 256**
Current liabilities			**(293 177)**			**(5 352)**
Total	**(151 730)**	**(37 248)**	**(188 978)**	**335 152**	**(22 248)**	**312 904**

Unless specified, the loans are unsecured and indefinite, and terms are the same for both years presented. Furthermore, the loans bear no interest except those listed below:

A portion of the loan to Atterbury Property Development (Pty) Ltd relates to an advance with regard to the Beau Rivage development. The repayment thereof is linked to the sale of residential stands on this development. Due to the uncertainty pertaining the timing of recovery of the loan on the short term, the loan has been fully impaired during the previous year.

The following loans bear interest at prime:
- Atterbury Property Development (Pty) Ltd
- Leipzig Nova Eventis Consortium (Pty) Ltd
- Isibaya House (Pty) Ltd
- Atterbury Waterfall City (Pty) Ltd
- Sanlam

The loan to Atterbury Investment Managers (Pty) Ltd beared interest at 12%, which was considered to be market related.

The loan to Hyprop Ltd bears interest at 8.5%.

10. Other financial assets / liabilities (continued)

In the prior year the loan to Atterbury Investment Managers (Pty) Ltd was in respect of 50% of a guarantee issued by Rand Merchant Bank Limited payable 30 June 2012 and carried terms correlating to that of the guarantee. The loan was secured by a cession of Atterbury Investment Holdings Limited shares by Atterbury Investment Managers (Pty) Ltd in favour of the Group to the value of R255,000,000. The loan has been repaid during current year by transfer of shares in Atterbury Investment Holdings Ltd at NAV price at year end to the treasure company of the Group - refer note 16.

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 in the prior year) and neither party has deferred payment of the loans.

Due to the uncertainty pertaining the timing of the recovery thereof some loans have been impaired as disclosed above.

	Group	
	2012 R'000	2011 R'000
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	(44 193)	(24 471)
Fair value adjustment	(83 138)	(19 722)
Derivative financial assets	**-**	**750**
Derivative financial liabilities	**(127 331)**	**(44 943)**

The derivatives are interest rate swap agreements entered into by the Group with various financial institutions (refer to note 31). The derivatives were valued by each financial institution involved by referring to the market swap curve as at 30 June 2012 and on 30 June 2011. 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	**-**	**230 783**
Total current financial assets	**104 199**	**88 223**
Total non current financial liabilities	**(127 331)**	**(44 943)**
Total current financial liabilities	**(293 177)**	**(5 352)**

11. Cash and cash equivalents

	Group	
	2012 R'000	2011 R'000
Bank accounts and cash on hand	200 501	36 141

The Group has an overdraft facility to the amount of R45,000,000 (2011: R45,000,000) with Nedbank Ltd. Security provided by the Group for the overdraft facility in the prior year was in the form of a pledge of 536,993 Attfund Limited shares in favour of Nedbank Ltd. This security released during the 2012 financial year. A letter of undertaking for the amount of R20,000,000 (2011: R20,000,000) for Atterbury Investment Holdings Ltd and R5,000,000 (2011: R5,000,000) for Atterbury Waterfall Investment Company (Pty) Ltd issued by Nedbank Property Partners relating to the Waterfall development has also been provided as security.

12. Deferred tax

	Group 2012 R'000	Group 2011 R'000
The balance comprises:		
Deferred tax asset		
- Advance receipts	-	(58 290)
- Assessed losses	(17 597)	1
- Prepayments	-	8 403
- Wear and Tear allowance	1 240	5 378
- Straight line debtor	681	-
- Deferred initial lease expenditure	-	37 707
- Pre-production interest	1 773	(113)
- Bad debt allowance	(201)	(5 932)
- Unutilised interest expense on foreign investments	-	(9 127)
- Fair value adjustment on derivatives	-	12 849
- Capital gains on fair value adjustments & equity accounting	2 345	-
- Assessed loss not recognised	7 565	-
	(4 194)	**(9 124)**
Deferred tax liability		
- Advance receipts	2 315	57 339
- Assessed losses	(100 290)	(76 734)
- Prepayments	1 346	(8 325)
- Wear and Tear allowance	26 275	22 415
- Straight line debtor	26 032	20 773
- Deferred initial lease expenditure	(13 502)	(36 195)
- Pre-production interest	46 937	42 147
- Bad debt allowance	(380)	5 374
- Unutilised interest expense on foreign investments	(13 023)	(2 682)
- Fair value adjustment on derivatives	(26 120)	(25 223)
- Capital gains on fair value adjustments & equity accounting	644 326	539 036
- Other	(2 078)	-
	591 838	**537 925**

Use and Sales rate

The deferred tax rate applied to the fair value adjustments of investment property / financial asset 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 18.67% (2011: 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.

12. Deferred tax (continued)

There is thus no benefit to value land separately for determining deferred tax consequences.

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.

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:

	Group 2012 R'000	Group 2011 R'000
- Digistics building LP 8 Waterfall development	47 246	-
- Investec building	129 977	-
- Building G	83 867	75 563
- Centurion Gate (Kumba head office)	-	185 916
- Hampton	-	279 180
- Lady Brooks Offices	-	35 532
- Lord Charles Office Park	-	74 842
	261 090	651 033
Goodwill relating to the Investec Building	1 032	-
	262 122	**651 033**

13.2 Non-current liabilities held for sale

Mortgage bonds over investment properties presented as held for sale:

- Digistics Building LP 8, in favour of Waterfall Investment Company (Pty) Ltd	22 867	-
- Investec building, in favour of Investec Bank Ltd	52 436	-
- Lady Brooks Offices, in favour of Standard Bank Limited	-	6 556
- Lord Charles Office Park, in favour of Standard Bank Limited	-	24 243
- Building G, in favour of Rand Merchant Bank Ltd	55 874	57 620
- Centurion Gate (Kumba head office), in favour of Standard Bank Ltd	-	108 042
- Hampton, in favour of Rand Merchant Bank Ltd	-	39 455
	131 177	**235 916**

13.3 Discontinued operations of non-current assets held for sale

Profit and loss		
Income	23 135	71 612
Fair value adjustments on investment properties	26 951	42 342
Expenses	(18 028)	(36 867)
Net Profit before tax	32 058	77 087
Tax	(7 622)	(15 658)
	24 436	**61 429**
Other assets and liabilities	424	3 273
Trade and other receivables	329	1 595
Trade and other payables	2 468	14 390

The Digistics building is situated on Land Parcel 8 on the Waterfall development of which the anticipated date of sale is November 2012. The Investec building is situated in Pretoria. The transaction was concluded in July 2012. Building G is situated on the DTI Campus in Pretoria and the anticipated date of sale is November 2012. Offers of purchase have been received for these properties and due diligence is currently being undertaken by the potential purchaser.

14. Finance lease liability

	Group 2012 R'000	Group 2011 R'000
Atterbury Waterfall Investment Company (Pty) Ltd	501 373	435 904
Clifton Dunes Investments 80 (Pty) Ltd	4 572	-
Newtown Property (Pty) Ltd	48 221	-
	554 166	435 904
The figures above are reconciled as follows:		
Atterbury Waterfall Investment Company (Pty) Ltd		
Lessor: Waterfall Development Company (Pty) Ltd		
Minimum lease payments due:		
- within one year	128 287	-
- in second to fifth year inclusive	394 319	544 532
- later than five years	429 121	57 748
	951 727	602 280
less: future finance charges	(450 354)	(166 376)
Present value of minimum lease payments	501 373	435 904
Present value of minimum lease payments due:		
- within one year	113 236	-
- in second to fifth year inclusive	239 171	370 440
- later than five years	148 966	65 464
	501 373	435 904
Clifton Dunes Investments 80 (Pty) Ltd		
Lessor: City of Johannesburg		
Minimum lease payments due:		
- within one year	190	-
- in second to fifth year inclusive	923	-
- later than five years	20 970	-
	22 083	-
less: future finance charges	(17 510)	-
Present value of minimum lease payments	4 573	-
Present value of minimum lease payments due:		
- within one year	181	-
- in second to fifth year inclusive	700	-
- later than five years	3 692	-
	4 573	-
Newtown Property (Pty) Ltd		
Lessor: City of Johannesburg		
Minimum lease payments due:		
- within one year	641	-
- in second to fifth year inclusive	4 585	-
- later than five years	12 285 150	-
	12 290 376	-
less: future finance charges	(12 242 156)	-
Present value of minimum lease payments	48 220	-
Present value of minimum lease payments due:		
- within one year	601	-
- in second to fifth year inclusive	3 477	-
- later than five years	44 142	-
	48 220	-
Non-current liabilities	**440 148**	**435 904**
Current liabilities	**114 018**	**-**

14. Finance lease liability (continued)

The Group entered into a finance lease agreement in the name of Clifton Dunes Investments 80 (Pty) Ltd with the City of Johannesburg for a 90 year lease on erf 591, Newtown, Johannesburg. The effective finance lease starting date was 3 February 2011 with the basic monthly instalment starting at R15,000 (escalating at 8% compounded annually). Once the development is completed the basic rental changes to 2.5% of rental income for the year.

The Group entered into a finance lease agreement in the name of Newtown Property (Pty) Ltd with the City of Johannesburg for a 90 year lease on Erf 45, 46, 47, 56, 57 and 58 Newtown, Johannesburg. The effective finance lease starting date is 16 September 2010 with the basic monthly instalment starting at R80,000 (escalating with 8% compounded annually). Once the development is completed the basic rental is payable as follows: 1.75% of rental income for year 1-30, 1.9% of rental income for year 31 to 60 and 2% of rental income for year 61 to 90.

In 2009 the group entered into a sale of development rights and lease agreements with Waterfall Development Company (Pty) Ltd in terms whereof it obtained the right to develop the relevant pockets of land and call for the registration of long-term lease agreements against the title deeds of these pockets (it is anticipated that all the lease agreements will be registered within the foreseeable future). These agreements are treated as finance leases in which the Investment property is recognised and measured at fair value, and a liability is recognised based on the terms set out below.

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, and is treated as a finance lease liability as mentioned above.

The 6% net rental obligation is calculated based on:
- anticipated market rentals for commercial-, retail- and industrial- leasehold improvements, with annual escalations of 6% p.a;
- 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.

Also refer to note 3 for further description of the Waterfall investment property.

15. Trade and other receivables

	Group	
	2012 R'000	2011 R'000
Deposits	708	391
Sundry receivables	41 011	22 910
Trade debtors	5 604	3 490
Value Added Tax receivable	34 028	17 961
	81 351	**44 752**

The fair value of deposits, sundry receivables, VAT and trade debtors are 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 2012, R2,561,510 (2011: R3,131,428) were not past due. Trade receivables with a total value of R4,903,709 (2011: R3,255,023) were past due at year-end. The maximum credit risk exposure on overdue accounts, taking into consideration deposits and irrevocable bank guarantees, amounted to R6,293,987 (2011: R797,478).

Trade and other receivables impaired
As of 30 June 2012, trade and other receivables of R1,861,604 (2011: R2,896,108) were impaired and provided for.

Trade receivables ageing analysis:		
- Current	2 562	3 131
- 30 Days	941	(290)
- 60 Days	2 605	2 211
- 90 Days	749	(69)
- 120 Days	609	1 403

15. Trade and other receivables (continued)

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of comprehensive income. 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 deposit held, bank guarantees issued by the debtor, additional sureties provided by the principals of the debtors and running Transunion (ITC) checks on debtors and their principals.

16. Issued Capital, Share Premium and Stated Capital

	Group	
	2012 Shares	2011 Shares
Reconciliation of number of shares issued:		
Reported at the beginning of the year	521 519 249	577 210 515
Issue of share capital	-	67 708 955
Buy back of shares	-	(123 400 221)
Total issued shares i.t.o. share capital	**521 519 249**	**521 519 249**
Stated Capital		
Issue of stated capital	1 454 545	
Adjust for treasury shares held by:		
Razorbill Properties 91 (Pty) Ltd	(43 800 054)	(50 868 563)
Abacus Holdings Ltd	(29 726 516)	-
Lynnwood Bridge Office Park (Pty) Ltd	(57 165)	(159 668)
Total adjusted issued shares	**449 390 059**	**470 491 018**

	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	52	57
Issue of share capital	2	7
Buy back of shares	-	(12)
Total issued shares	**54**	**52**
Adjust for treasury shares held by:		
Razorbill Properties 91 (Pty) Ltd	(4)	(5)
Abacus Holdings Ltd	(3)	-
Total adjusted issued shares	**47**	**47**
Issued		
Ordinary	47	47
Share premium	2 196 549	2 424 859
	2 196 596	**2 424 906**

477 026 206 (2011: 478 480 781) 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			
	2012		2011	
	Loan amount R'000	Short-term portion R'000	Loan amount R'000	Short-term portion R'000
Held at amortised costs				
Long-term borrowing are secured by way of mortgage bonds registered over investment properties (refer note 3), pledged Hyprop Ltd shares (Attfund Ltd shares in the 2011 year) (refer note 29.1) and suretyship provided by the Group (refer note 29.3). Additional security provided on individual loans are specifically indicated below. Information on each loan is the same for both years presented, unless specified otherwise.				
Investec Bank Limited	**6 795**	**6 795**	**65 255**	**13 307**
Atterbury Investment Holdings Limited	6 795	6 795	65 255	13 307
Riverport Trading 143 (Pty) Ltd *Investec Pretoria Office* Loans 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.	52 436	7 139	57 759	5 811
Transferred to held for sale liabilities.	(52 436)	(7 139)	-	-
Le Chateau Property Development (Pty) Ltd Loan bearing interest at prime and repayable in July 2013 with a residual of R4,845,368. Atterbury Investment Holdings Ltd pledge of R7.5 mil. Additional joint and several surety by Atterbury Property Development (Pty) Ltd and Atterbury Property Holdings (Pty) Ltd limited of R25 mil.	6 795	6 795	7 496	7 496
Nedbank Limited	**2 342 132**	**21 145**	**1 108 833**	**174 150**
Atterbury Investment Holdings Limited Overdraft facility secured by Waterfall land parcel 20.	-	-	20 000	20 000
Lynnwood Bridge Office Park (Pty) Ltd Fixed instalment servicing interest and capital until July 2021 with a residual of R200 mil. Surety provided of R250 mil, bearing interest at between prime minus 1% and prime minus 0.5% per annum. An interest rate swap agreement has been entered into with respect to the abovementioned secured loans with a value between R93,946,742 and R300 mil and interest rates ranging between 11.08% and 11.43%. Maturity dates range between March 2014 and May 2021.	548 902	9 580	956 866	124 148
De Ville Shopping Centre (Pty) Ltd Loans bearing interest at prime and 10.5% per annum and repayable in structured monthly payments. The maturity date of the loan is June 2021. Joint and several suretyship provided by Atterbury Investment Holdings Ltd.	120 042	11 264	111 819	9 855

17. Long-term borrowings (continued)

	Group			
	2012		2011	
	Loan amount R'000	Short-term portion R'000	Loan amount R'000	Short-term portion R'000
Atterbury Waterfall Investment Company (Pty) Ltd - Pocket 22	39 854	-	20 148	20 148
Total available facility of R78 mil bearing interest at prime, with a interest roll-up of R2,050,000.				
Abacus Holdings Ltd	1 633 334	301	-	-
Brooklyn Mall	344 734	-	-	-
During the year the Group obtained a new facility bearing interest at prime - 1%. The facility has to be settled in 5 years time.				
Mooirivier Mall	478 903	-	-	-
During the year the Group obtained a new facility bearing interest at prime - 1%. The facility has to be settled in 5 years time.				
Andringa Walk	284 004	123	-	-
During the year the Group obtained a new facility bearing interest at prime - 0.35%, while development is taking place, and prime -1% after completion of development. Repayment of the capital amount has to take place 120 months after development has been completed. Construction is still on-going.				
Eikestad Mall	424 309	178	-	-
During the year the Group obtained a new facility bearing interest at prime, and is repayable 5 years after the date of completion of the development. Construction is still on-going.				
Abacus Holdings Ltd	101 384	-	-	-
During the year the Group obtained a new facility bearing interest at prime - 0.75%. Interest has to be serviced for the first 36 months, where after capital and interest has to be paid for the remaining 84 months.				
All Abacus Holdings Ltd bonds are secured by the properties held in the fund, cash of R50 million and Hyprop Ltd shares.				
Rand Merchant Bank (RMB)	**917 032**	**368 791**	**496 475**	**450 157**
Atterbury Investment Holdings Limited	358 407	358 407	433 099	446 603
Building G, DTI Campus				
Loans bearing fixed interest rates between 9.25% and 9.33% per annum. Facilities are repayable in monthly instalments and are settled at dates ranging between February and May 2021.	-	-	57 620	1 738
Transferred to held for sale liabilities	-	-	(57 620)	-
Atterbury House, Great Westerford and Hampton Office Park				
Loans bearing interest rates between prime less 1.25% and 11.16% per annum. Facilities are repayable in monthly instalments and fully repayable by June 2012.	-	-	150 324	122 635

17. Long-term borrowings (continued)

	Group			
	2012		2011	
	Loan amount R'000	Short-term portion R'000	Loan amount R'000	Short-term portion R'000
The facilities are secured as follows:				
First mortgage bond registered over the following properties: - Remaining extent of Erf 134205, Cape Town, with office buildings thereon known as "Great Westerford". - Section 1 of the Sectional Title Scheme 747/2006, situated on the remaining extent of Erf 160462, Cape Town Central with office buildings thereon known as "Atterbury House". - Remaining extent of Erf 17, Bryanston Ext 5, with office buildings thereon known as "Hampton Office Park". - Cession of lease agreements and insurances in respect of the above 3 properties.				
Pledge of 7,678,575 Attfund Limited shares held by Atterbury Investment Holdings Limited.				
Several interest rate swap agreements have been entered into with respect to the abovementioned secured loans with values between R20,000,000 and R64,000,000 and interest rates ranging between 9.75% and 11.07%. Maturity dates range between June 2012 and 15 December 2013.				
Transferred to held for sale liabilities	-	-	(39 455)	-
Guarantee facility issued at a fixed interest rate of 12% per annum, capitalised, with a settlement in April 2012. A fee of 1.8% p.a. of the guarantee amount is also charged and paid monthly.	-	-	462 230	462 230
Momentum Guarantee facility issued at a fixed interest rate of prime and serviced, with a settlement in December 2012.	358 407	358 407	-	-
Funds on call for part settlement of Atterbury House, Great Westerford and Hampton Office Park - Loan with RMB.	-	-	(140 000)	(140 000)
Lynnaur Investments (Pty) Ltd Two loans secured with RMB. This first of R450 mil fixed and fully payable by April 2023. The second of R50 mil servicing interest monthly, linked to monthly Jibar rate and capital amount due February 2016.	494 326	614	-	-
Clifton Dunes (Pty) Ltd A loan facility for the development of the property known as Majestic to the value of R12 mil carrying interest at the highest of repo plus 2% or prime plus 2%. The loan is past repayment date and therefore currently being restructured.	4 571	4 571	-	-
Atterbury Parkdev Consortium (Pty) Ltd A loan facility bearing interest at 10.85% . The facility has annual capital instalments and is fully repayable by February 2016.	59 728	5 199	63 376	3 554

17. Long-term borrowings (continued)

	Group			
	2012		2011	
	Loan amount R'000	Short-term portion R'000	Loan amount R'000	Short-term portion R'000
Standard Bank Limited	**1 300 509**	**609 359**	**1 938 357**	**688 578**
Atterbury Investment Holdings Limited	963 546	572 512	1 938 357	688 578
Interim operational loan During the year a loan was provided at a rate of JIBAR +1.44 payable monthly until the overdraft facility has been activated.	80 000	80 000	-	-
Centurion Gate (Kumba head office) Loan bearing interest at rates between 1-month JIBAR plus 0.8%, and costs, and 11.55% per annum. The facility has annual capital instalments and the maturity date is September 2013.	-	-	108 042	108 042
Transferred to held for sale liabilities	-	-	(108 042)	-
Brooklyn Mall (previously Design Square) Loan bearing interest at JIBAR plus 1.4% and 1-month JIBAR plus 3%, and costs. The facility has annual capital instalments payable in Feb and the maturity date is February 2016. The loan was settled during the current year.	-	-	165 270	23 696
Glenfair Boulevard Shopping Centre Loan bearing interest at 1-month JIBAR plus 1.4% and 1-month JIBAR plus 3%, and costs. The facility has annual capital instalments and the maturity date is February 2016.	99 190	2 719	186 369	2 082
Garden Route Mall Interest serviced monthly linked to JIBAR including spread of 0.88% and reserve of 0.56% annual capital payment. This loan expires September 2013.	258 000	8 011	-	-
San Ridge Square Loan bearing interest at 1- month JIBAR plus 1.5%, and costs. The facility has annual capital instalments and the maturity date is May 2015. The loan was settled during the current year.	-	-	37 982	1 451
Standard Bank Limited - Bridging facility Loan facility bearing interest at JIBAR + 1.3%. The facility has minimum fixed repayment terms and the maturity date is December 2012.	419 458	419 458	1 523 732	528 303
Atterbury Waterfall Investment Company (Pty) Ltd - Pocket 8 Loan facility bearing interest at 1-month JIBAR and the maturity date is April 2013.	106 898	62 324	25 004	25 004
Mantrablox (Pty) Ltd Bond of R300 mil servicing interest until September 2013 at J-bar rates including spread.	300 116	-	-	-
Newtown Property (Pty) Ltd Development loan at JIBAR + 1.2% service interest. The loan is past repayment date and therefore currently being restructured.	36 847	36 847	-	-

17. Long-term borrowings (continued)

	Group			
	2012		2011	
	Loan amount R'000	Short-term portion R'000	Loan amount R'000	Short-term portion R'000
Sanlam	**55 758**	**55 758**	**-**	**-**
Atterbury Waterfall Investment Company (Pty) Ltd Development loan facility of R200 mil, a R12 mil interest roll-up facility and a Vat facility of R8 mil. Interest roll-up at prime interest rate.	55 758	55 758	-	-
Waterfall Investment Company (Pty) Ltd	**-**	**-**	**-**	**-**
Atterbury Waterfall Investment Company (Pty) Ltd Development loan bearing interest at prime. Loan is repayable on demand.	22 866	22 866		
Transferred to held for sale liabilities	(22 866)	(22 866)		
Wesbank (Pty) Ltd	**157**	**157**	**219**	**219**
Atterbury Investment Holdings Limited Hire purchase facility repayable over a period of 12 (2011:24) remaining monthly instalments bearing interest charged at prime rate. The facility is secured over the motor vehicle as per note 2.	157	157	219	219
Non-current liabilities	**3 560 378**	**-**	**2 282 728**	**-**
Current liabilities	**-**	**1 062 004**	**-**	**1 326 411**
Total	**4 622 382**		**3 609 139**	

The fair value of the borrowings listed above 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.

18. Trade and other payables

	Group	
	2012 R'000	2011 R'000
Trade payables	52 061	34 701
Deposits held	16 155	13 859
Amounts received in advance	4 592	5 342
Value Added Tax payable	7 613	1 139
Sundry payables	69 810	27 775
	150 231	**82 816**

The fair value of trade payables, deposits held, VAT, amounts received in advance and sundry payables are deemed to be the same as the carrying value.

19. Provisions

	Group 2012 R'000	Group 2011 R'000
Provision for the transfer of an undivided share of a building within the Lynnwood Bridge development to third a party		
Opening balance	15 153	15 153
Utilised during the year	(15 153)	-
	-	**15 153**

The provision related to the Group entering into an agreement with a third party which would result in the transfer of an 25% undivided share in one of the office buildings in the Lynnwood Bridge development. This transaction was implemented during the current year.

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

	Group 2012 R'000	Group 2011 R'000
Other income		
Excess of acquirer's interest in the net fair value of acquiree's assets and liabilities over cost	41 333	2 360
Profit on disposal of property, plant and equipment	-	101
Reversal of impairment of loans	10 993	11 088
Sundry income	41 045	388
	93 371	**13 937**
Property expenses		
Bad debt written off	(33)	(707)
Depreciation and assets written off	(597)	(312)
Provision for bad debts	1 035	(114)
	405	(1 133)
Operating and other expenses		
Auditors' remuneration	(4 082)	(919)
Audit fees	(4 082)	(919)
Other professional fees	-	-
Reversal / (Impairment) of loans	10 993	-
Write-down of Attfund investment*	(2 800 851)	-
Loss on disposal of associate	(20 752)	(2 277)
Loss on disposal of investment property	(6 556)	(86 380)
	(2 820 843)	**(90 709)**

* During the year the Group received a distribution in specie in the form of Attfund Retail Limited shares.

Hyprop Properties Limited (Hyprop) acquired all the shares in Attfund Retail Limited from the existing Attfund Retail Limited shareholders. Payment was part in cash and part in Hyprop shares (refer note 7).

21. Operating lease receivables

	Group 2012 R'000	Group 2011 R'000
Value of minimum lease payments receivable		
- within one year	345 755	256 223
- in second to fifth year inclusive	894 153	605 119
- later than 5 years	626 064	645 407
	1 865 972	**1 506 749**

Lease agreements are entered into with tenants on variable terms depending on the location and nature of the lettable area. The lease term for office buildings are generally longer than for retail outlets.

22. Directors' and prescribed officers' emoluments

	Group 2012 R'000	Group 2011 R'000
Emoluments received		
Non-executive		
- Services as directors	1 077	836

Executives and prescribed officers
Executive directors and prescribed officers are not remunerated by Atterbury Investment Holdings Ltd. Their services are deemed to be outsourced and are therefore disclosure as required by the Companies Act is not necessary.

23. Taxation

	Group 2012 R'000	Group 2011 R'000
Income tax relating to continued operations		
Income tax recognised in profit or loss		
Current		
Local income tax - recognised in current tax for current periods	(58 554)	(847)
Deferred	(46 621)	(86 531)
- Current year	(46 621)	(79 170)
- Prior year	-	(7 361)
Secondary tax on companies		
Charge for the year	(79 866)	-
The STC charge relates to the buy-back of shares in the prior year. Refer note 16.		
	(185 041)	**(87 378)**
Reconciliation of the tax expense		
Applicable tax rate	28.00%	28.00%
Adjusted for:		
- Non-deductible expenditure	106.24%	0.03%
- Dividends received	(137.71%)	(4.47%)
- Fair value adjustments	(10.41%)	(13.55%)
- Tax rate adjustment	22.79%	-
- Section 42 base cost roll over	15.94%	-
- Other	7.66%	1.17%
Net increase / (reduction)	4.52%	(16.82%)
Effective rate	32.52%	11.18%

24. Share of associated companies retained profit

	Group 2012 R'000	Group 2011 R'000
Attributable share of retained profit for the year excluding extraordinary items		
Net profit for the year	(52 773)	650 402
Less: Dividends and debenture interest received from associates	-	(37 323)
	(52 773)	**613 079**

25. Investment income

	Group 2012 R'000	Group 2011 R'000
Dividend revenue		
Dividends (including distribution from Attfund)	2 742 107	40 385
Interest revenue		
Loans and receivables	49 594	7 029
	2 791 701	**47 414**

26. Finance cost

	Group 2012 R'000	Group 2011 R'000
Long-term borrowings	297 098	158 676
Bank overdrafts	1 256	493
Interest on finance lease liability	94 068	114 709
Interest on swaps	45 406	-
Other interest	54 521	5 488
	492 349	**279 366**

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

Direct subsidiaries and associates

Attcorn Property Gauteng (Pty) Ltd
Atterbury Attfund Investment Company No.1 (Pty) Ltd
Atterbury Attfund Investment Company No.3 (Pty) Ltd
Atterbury Mauritius Consortium (Pty) Ltd
Atterbury Property Investments (Pty) Ltd
Atterbury Property Johannesburg (Pty) Ltd
Atterbury Waterfall Investment Company (Pty) Ltd
De Ville Shopping Centre (Pty) Ltd
Harlequin Duck Properties 204 (Pty) Ltd
Highgrove Property Holdings (Pty) Ltd
Le Chateau Property Development (Pty) Ltd
Lord Charles & Lady Brooks Office Park Holdings (Pty) Ltd
Lynnwood Bridge Office Park (Pty) Ltd
Riverport Trading 143 (Pty) Ltd
Atterbury Parkdev Consortium (Pty) Ltd
Abacus Property Holdings (Pty) Ltd
Mantrablox (Pty) Ltd
Lynnaur Investments (Pty) Ltd

Associates

Attfund Limited
Attvest Property Development JV(Pty) Ltd
Brooklyn Bridge (Pty) Ltd
Geelhoutboom Estate (Pty) Ltd
Keysha Investments 213 (Pty) Ltd
Rapfund Holdings (Pty) Ltd
Travenna Development Company (Pty) Ltd
Pybus (Pty) Ltd
Arctospark (Pty) Ltd

27. Related parties (continued)

Indirect subsidiaries and associates
Aldabri 96 (Pty) Ltd
Atterbury Attfund Investment Company No.2 (Pty) Ltd
Design Square (Pty) Ltd
Mall of Mauritius at Bagatelle Ltd (Mauritian)
Bagaprop Ltd (Mauritian)
Razorbill Properties 91 (Pty) Ltd
Newtown Property (Pty) Ltd
Clifton Dunes (Pty) Ltd
Waterfall Mall Ltd
Accra Mall Ltd
Artisan Investment Projects 10 Ltd
Bishopsgate Student Residential Ltd
Atterbury Property Holding (Pty) Ltd
Retail Africa Consortium Holdings Ltd

Directorships
BF van Niekerk
LLS van der Watt
GJ Oosthuizen
MC Wilken
PH Faure
P Tredoux
JHP van der Merwe
WL Masekela
L Ndala

Management
Key management and Prescribed officers
A person who exercises general executive control over and management of the business, or regularly participates, to a material degree, in the exercise of general executive control over and management of the business.

Transactions between group companies which are eliminated on consolidation are not disclosed. All transactions with related parties are considered to be market related.

		Shares issued	Sales and services to / (Purchases and services from)	Dividends received from / (paid to)	Interest received from / (paid to)	Balances owing by / (to) (net of impairment)
Abacus Trust	**2012**	-	-	-	-	(412)
	2011	-	-	-	-	-
Atterbury Asset Managers (Pty) Ltd	**2012**	-	(27 722)	-	-	(1 717)
	2011	-	(38 510)	-	-	-
Atterbury Investment Managers (Pty) Ltd	**2012**	-	-	-	-	-
	2011	-	3 914	-	23 797	230 033
Atterbury Property Cape (Pty) Ltd	**2012**	-	-	-	-	-
	2011	-	(1)	-	1	3 759
Atterbury Property Developments (Pty) Ltd	**2012**	-	-	-	229	6 308
	2011	-	(15 489)	-	2 444	17 828
Atterbury Property Holdings (Pty) Ltd	**2012**	-	-	-	3 158	49 603
	2011	-	(1 806)	-	(6 064)	(68 898)
Atterbury Property Holdings International	**2012**	-	-	-	-	2 427
	2011	-	-	-	-	-
Atterbury Property Foundation (Pty) Ltd	**2012**	-	-	-	140	1 641
	2011	-	-	-	-	-
Atterbury Trust	**2012**	-	-	-	-	-
	2011	-	(319)	-	-	-
Attfund Limited	**2012**	-	-	-	-	-
	2011	-	-	34 765	-	-

27. Related parties (continued)

		Shares issued	Sales and services to / (Purchases and services from)	Dividends received from / (paid to)	Interest received from / (paid to)	Balances owing by / (to) (net of impairment)
Attvest Property Development JV (Pty) Ltd	**2012**	-	-	-	-	4 035
	2011	-	-	-	-	701
Atterbury Waterfall City (Pty) Ltd	**2012**	-	-	-	(367)	(4 275)
	2011	-	-	-	-	(3 908)
BNF Trust	**2012**	-	-	-	-	-
	2011	-	(279)	-	-	-
Brooklyn Bridge Office Park (Pty) Ltd	**2012**	-	-	-	156	2 305
	2011	-	-	-	18	165
Circle Vest (Pty) Ltd	**2012**	-	-	-	-	(52)
	2011	-	-	-	-	(52)
Fountains Regional Mall (Pty) Ltd	**2012**	-	-	-	189	7 077
	2011	-	-	-	38	1 580
Geelhoutboom (Pty) Ltd	**2012**	-	3 586	-	-	6 828
	2011	-	-	-	-	3 243
Isibaya House (Pty) Ltd	**2012**	-	-	1 814	-	-
	2011	-	-	34	(7)	(78)
Keysha Investments 213 (Pty) Ltd ("Val de Vie")	**2012**	-	-	-	110	4 269
	2011	-	-	-	-	2 559
Mergon Trust	**2012**	-	-	-	-	-
	2011	-	(79)	-	-	-
Pybus (Pty) Ltd	**2012**	-	-	-	1 635	31 449
	2011	-	-	-	4	29 814
Rapfund Holdings (Pty) Ltd	**2012**	-	-	-	-	-
	2011	-	-	-	2 559	-
Rainprop D&C Joint Venture	**2012**	-	-	-	-	(168)
	2011	-	-	-	-	(277)
Rainprop (Pty) Ltd	**2012**	-	(4)	-	-	240
	2011	-	-	-	-	244
Sanlam Capital Markets (Pty) Ltd	**2012**	-	-	-	(861)	(78 288)
	2011	-	-	-	-	-
Sanlam Ltd	**2012**	-	-	-	-	(80 000)
	2011	-	(81)	-	-	-
Stenham European Shopping Centre Fund IC	**2012**	-	-	1 355	-	-
	2011	-	-	3 006	-	-
Scarlet Sky (Pty) Ltd	**2012**	-	-	-	-	601
	2011	-	-	-	-	2 057
Travenna Development Company (Pty) Ltd	**2012**	-	-	-	(1 239)	(9 284)
	2011	-	-	-	(936)	(12 245)
TTA Shares (Pty) Ltd	**2012**	-	-	-	-	1
	2011	-	-	-	-	1
Village Trust	**2012**	-	-	-	-	-
	2011	-	-	-	-	(964)
West Hill	**2012**	-	143	-	-	143
	2011	-	-	-	-	-
Retail Africa Wingspan Investments (Pty) Ltd	**2012**	-	-	-	-	-
	2011	-	-	-	248	13 889
Tredoux Family Holdings	**2012**	2 000	-	-	-	-
	2011	-	-	-	-	-
JHP van der Merwe	**2012**	1 455	-	-	-	-
	2011	-	-	-	-	-
	2012	3 455	(23 997)	3 169	3 150	(57 269)
	2011	-	(52 650)	37 805	22 102	210 451

28. Contingent liabilities

	Group 2012 R'000	Group 2011 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 en 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. The short term portion of the contingent liability would therefore be 20% of the disclosed amount.	984 538	873 468
The Group entered into a put option agreement with Lisinfo 222 Investments (Pty) Ltd. (Royal Bafokeng Holdings - RBH) Ltd 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 RBH. The agreement lapses should RBH dispose of the related shares held, in the event the Group lists on the Johannesburg Securities Exchange, or on mutual agreement between RBH and the Group. The amount disclosed reflects the value of all shares which can be put by RBH in terms of the put option agreement, although RBH has agreed to limit the put to no more than 20% of the applicable shares held per year. The short term portion of the contingent liability would therefore be 20% of the disclosed amount.	698 796	619 962
The agreement entered into by the Group to purchase shares in the subsidiary Lynnwood Bridge Office Park (Pty) Ltd provided for an adjustment to the purchase price based on the final cost of the project once determined. As at 30 June 2012 management were still in process to finalise this amount.	24 619	-
	1 707 953	**1 493 430**

29. Commitments

29.1 Shares pledged

	Group 2012 Number of shares	Group 2011 Number of shares
Shares held by the Group in Hyprop Limited were pledged as security in respect of the obligations towards Standard Bank Limited on the bridging loan facility as per note 17.	334 627 325	-
Shares held by the Group in Hyprop Limited were pledged as security in respect facilities with Nedbank on the Abacus portfolio, as per note 17.	87 143 684	-
Shares held by the Group in Attfund Limited were pledged as security in respect of the obligations towards Nedbank Limited as per note 17.	-	625 356
Shares held by the Group in Attfund Limited were pledged as security in respect of the obligations towards Standard Bank Limited as per note 17.	-	17 470 311
	421 771 009	**18 095 667**

During the year all pledged Attfund shares were released by way of settling the respective loans.

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Sebastian Noeth
Basil Bezuidenhout
Leahné de Villiers
Jahnell de Villiers
Isabella Noeth

29. Commitments (continued)

29.2 Capital commitments

	Group 2012 R'000	Group 2011 R'000
Already contracted but not provided for		
Investment properties		
The Waterfall lease hold and development rights relates to at least 1,861,102m² 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.	1 600	20 580
The Group entered into an agreement whereby it has to purchase a 80% share in Garden Route Mall (located in George) for R710.4 million, suspensive upon the successful implementation of the Attfund/Hyprop transaction. This condition was met on 1 September 2011. This transaction was concluded during the current year.	-	710 400
The Group entered into an agreement whereby it has to purchase a 50% share in Attfund International (Pty) Ltd for R470 million, suspensive upon the successful implementation of the Attfund/Hyprop transaction. This condition was met on 1 September 2011. This transaction was concluded during the current year.	-	470 000
The Group made the decision to install services on Pocket 22 - Waterfall Commercial District during the year as a strategy to attract more potential investors. The project was completed during the current year.	-	19 000
The Group entered into an agreement to develop Waterfall - Pocket 21 into a corporate and retail campus for Cell C.	596 000	-
During the year the Group developed a warehousing facility referred to as the "Digistics Building" on Waterfall - Pocket 8 to be sold to Waterfall Investment Company (Pty) Ltd upon completion.		
At year end the remaining committed capital outlay was:	30 000	-
During the year the Group developed a warehousing facility referred to as the "Massbuild Building" on Waterfall - Pocket 8 to be held as investment property for leasing purposes. At year end the remaining committed capital outlay was:	150 000	-
Due to increased development activity and top structures reaching the completion stage on Waterfall - Pocket 8, the surrounding infrastructure has to be developed.	40 000	-
Development of the infrastructure on Waterfall - Pocket 10 commenced during the current year in preparation for the construction of various retail and commercial buildings.	200 000	-
The Group entered into an agreement to development an office building on Waterfall - Pocket 15, referred to as the "Group 5 building", for leasing purposes. Committed capital outlay at year end is:	408 000	-
Already contracted but not provided for (continued)		
Attvest Property Development JV entered into a sale agreement with Papilio Investments 33 (Pty) Ltd for the acquisition of residential property, referred to as Paradise Coast, near Mossel Bay, for a consideration of R20,000,000 (2010: R55,436,200). Attvest Property Development JV, in which the Group has a 33% (2010: 25%) interest, is obligated to issue a guarantee equal to the consideration amount, in favour of Papilio Investments 33 (Pty) Ltd.	6 600	6 600

29. Commitments (continued)

29.2 Capital commitments

	Group 2012 R'000	Group 2011 R'000
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.	(8 800)	(8 800)
	1 423 400	1 217 780
Approved but not contracted		
The Group has approved capital expenditure, for the financial year ending 30 June 2012, to investment properties (prior year excluding Eikestad Mall, Mooirivier Mall and Garden Route Mall).	30 466	11 423
The Group made the decision to invest R100,000,000 in MAS plc, a listed offshore property income fund, as part off its strategy to have 15% of its total assets offshore.	-	100 000
The Group has approved a deal where it will enter into a 50% joint venture agreement with East and West Investments (Pty) Ltd (the "Moolman Group") on Pocket 20 of Waterfall in Midrand, to develop offices. Total estimated development cost is R53,024,150. The development was completed during the year.	-	26 512
The Group made the decision to fund its investment in Retail Africa Consortium Holdings in order to follow the rights issue of Retail Africa Wingspan Investments (Pty) Ltd.	49 052	-
Arctospark (Pty) Ltd announced a rights issue during the year in order to follow a rights issue of its investment in Stenham European Shopping Centre Fund Ltd, and to cover operational shortfalls for the next 3 years. The Group elected to follow its rights at a discount of 15% to the net asset value of the company as at 31 May 2012.	38 000	-
The Stenham European Shopping Centre Fund Ltd, a foreign investment in which the Group has a 4.5% direct share, announced a rights issue during the year. The Group elected to follow its rights on the direct investment, as well as via the 3.81% share option with Wattchatt (Pty) Ltd refer note 7).	23 962	-
The Group has approved a further investment in the Atterbury Africa Fund where it will invest another R100,000,000.	100 000	-
	241 480	137 935
	1 664 880	**1 355 715**

29. Commitments (continued)

29.3 Contingent commitments

	Group 2012 R'000	Group 2011 R'000
Sureties given by the Group:		
Surety in respect of loan funds advanced by Investec Bank Limited to Atterbury Property Developments (Pty) Ltd for acquisition and development of "Beau Rivage".	10 000	17 800
Surety in respect of loan funds advanced by Investec Bank Limited to Le Chateau Property Development (Pty) Ltd for development of "Le Chateau".	7 500	38 000
Surety in respect of an interim loan advanced by Nedbank to Eikestad Mall until the implementation of the Abacus transaction.	-	78 195
Surety in respect of loan funds advanced by Nedbank for Arctospark (Pty) Ltd for the acquisition of a further investment in Karoo II.	160 000	160 000
Surety in respect of loan funds advanced by Standard Bank for the installation of services in relation to Pocket 8 at Waterfall Midrand.	77 800	77 800
Surety in respect funds advanced in respect of a bridging loan facility provided by Standard Bank, refer note 17.	710 000	710 000
Surety in respect of loan funds advanced by Investec Bank Limited 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 Limited to Atterbury Investment Holdings Ltd for the investment property known as "Lady Brooks Offices" situated in Menlo Park, Pretoria.	-	22 000
Surety in respect of loan funds advanced by Standard Bank Limited to Atterbury Investment Holdings Ltd for the investment property known as "Lord Charles Office Park" situated in Menlo Park, Pretoria.	-	42 000
Surety in respect of loan funds advanced by Rand Merchant Bank Limited to Atterbury Property One (Pty) Ltd for the acquisition and development of "Kingswood Village".	26 000	41 500
Surety given in respect of loan funds advanced by Standard Bank Limited to Atterbury Investment Holdings Ltd for the investment property known as Design Square.	-	234 118
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 Limited to Lynnwood Bridge Office Park (Pty) Ltd for the development of the Lynnwood Bridge Office Park mixed use development situated in Lynnwood Manor, Pretoria.	-	442 311
Surety in respect of loan funds advanced by Investec Bank Limited 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 Limited to Keysha Investments 213 (Pty) Ltd for the acquisition of vacant land in the Val de Vie Estate, Franschoek.	27 000	27 000
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
Surety in respect of loan funds advanced by Standard Bank Limited for the "Bella Rosa Lifestyle Village" in Tygervalley, Western Cape.	5 000	36 700

29. Commitments (continued)

29.3 Contingent commitments

	Group 2012 R'000	Group 2011 R'000
Surety in respect of loan funds advanced by Investec Bank Limited for the acquisition of 4% shares in Stenham European Shopping Centre in Leipzig.	-	55 300
Surety in respect of loan funds advanced by Standard Bank Limited for the "Kraaibosch Residential Estate" in George, Western Cape.	-	30 000
Surety in respect of loan funds advanced by Investec Bank Limited to Ille Plaisance Investments (Pty) Ltd in respect of the development known as Admiral Island.	-	3 400
Surety in respect of loan funds advanced by ABSA Bank Limited to Atterbury Waterfall Investment Company (Pty) Ltd in respect of Waterfall Land Parcel 15.	-	24 000
Surety in respect of loan funds advanced by Nedbank Limited to Atterbury Waterfall Investment Company (Pty) Ltd in respect of Waterfall Land Parcel 22.	80 000	80 000
Surety in respect of loan funds advanced by Investec Bank Limited to Geelhoutboom Estate (Pty) Ltd in respect of the Geelhoutboom residential development land.	29 000	29 000
Surety in respect of loan funds advanced by Investec Bank Limited to Brooklyn Bridge Office Park (Pty) Ltd in respect of the investment property known as 'Brooklyn Bridge Office Park'.	81 000	81 000
Surety in respect of loan funds advanced by Rand Merchant Bank Limited to Atterbury Parkdev Consortium (Pty) Ltd in respect of the investment property known as 'Harlequin Office Park'.	45 000	45 000
Surety in respect of loan funds advanced and to be advanced by Nedbank Limited (previously Imperial Bank Limited) to De Ville Shopping Centre (Pty) Ltd in respect of the investment property known as 'De Ville Shopping Centre'.	146 000	146 000
Surety in respect of loan funds advanced by Nedbank Limited to Pybus 106 (Pty) Ltd in respect of the mixed use development known as 'Club, Hazelwood'.	69 600	69 600
Surety in respect of loan funds to be advanced by WBHO (Pty) Ltd.	80 000	80 000
Surety in respect of funds advanced by Nedbank Limited for the development of phase 3 of Lynnwood Bridge Office Park (Pty) Ltd.	250 000	-
Surety in respect of funds advanced by Standard Bank for the development of Pocket 20 at Waterfall in Midrand.	10 000	-
Surety in respect of funds advanced by Nedbank Limited to Atterbury Property Development JV (Pty) Ltd for the purchasing of the Paradise Coast properties.	10 000	-
Surety in respect of funds advanced by Firstrand Bank Limited for the purchase of the Aurecon building in Pretoria by Lynnaur Investments.	100 000	-
Surety in respect of funds advanced by The Standard Bank of South Africa Limited for the infrastructure service cost for Waterfall Pocket 10 in Midrand.	120 000	-
Surety in respect of funds advanced by Sanlam Capital Markets for the development of Pocket 8 at Waterfall in Midrand.	48 000	-
Surety in respect of funds advanced by Sanlam Capital Markets for the purchase of Accra Mall in Ghana.	84 140	-
Surety in respect of funds advanced by Sanlam Capital Markets for the Africa fund done in conjunction with Actis Africa Property Holdings Ltd.	33 110	-

29. Commitments (continued)

29.3 Contingent commitments

	Group 2012 R'000	Group 2011 R'000
Surety in respect of funds advanced by Standard bank to East & West Investments (Pty) Ltd.	22 300	-
Surety in respect of an overdraft facility provided by Standard Bank for the developments on Atterbury Waterfall Investment Company (Pty) Ltd.	300 000	-
Surety in respect of funds advanced by Sanlam Investments (Pty) Ltd for the start up of the retail fund.	100 000	-
Guarantee in respect of Delico Achimota Ghana Limited and West Hills Mall Limited.	70 000	-
	2 911 872	**2 862 646**

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.

Categories of financial instruments

	Notes	Total R'000	Cash R'000	At fair value through profit and loss R'000	Loan and receivables R'000	Available for sale financial assets R'000	Financial liabilities at amortised cost R'000	Equity and non-financial instruments R'000
Group 2012								
Assets								
Non-current assets								
Property, plant and equipment	2	2 367	-	-	-	-	-	2 367
Investment properties	3	8 497 139	-	-	-	-	-	8 497 139
Straight line lease income adjustment		109 943	-	-	-	-	-	109 943
Deferred initial lease expenditure		4 351	-	-	-	-	-	4 351
Goodwill	4	16 929	-	-	-	-	-	16 929
Investments in associates	6	1 047 378	-	-	-	1 047 378	-	-
Other investments	7	586 562	-	586 562	-	-	-	-
Deferred tax	12	4 194		-	-	-	-	4 194
Current assets								
Inventories	5	41 644	-	-	-	-	-	41 644
Taxation receivable		711	-	-	-	-	-	711
Trade and other receivables	15	47 323	-	-	47 323	-	-	-
Loans to shareholders	9	6 308	-	-	6 308	-	-	-
Loans to associates and joint ventures	8	621 652	-	-	621 652	-	-	-
Other financial assets	10	104 199	-	-	104 199	-	-	-
Cash and cash equivalents	11	200 501	200 501	-	-	-	-	-
Non-current assets classified as held for sale	3 & 13.1	262 122	-	-	-	-	-	262 122
Total assets		**1 155 323**	**200 501**	**586 562**	**779 482**	**1 047 378**	**-**	**8 939 400**

30. Financial instruments (continued)

	Notes	Total R'000	Cash R'000	At fair value through profit and loss R'000	Loan and receivables R'000	Available for sale financial assets R'000	Financial liabilities at amortised cost R'000	Equity and non-financial instruments R'000
Group 2012								
Liabilities								
Non-current liabilities								
Long-term borrowings	17	3 560 378	-	-	-	-	3 560 378	-
Deferred tax liability	12	591 838	-	-	-	-	-	591 838
Other financial liabilities	10	127 331	-	127 331	-	-	-	-
Provision for impairment of associates	6	58 202	-	-	-	-	-	58 202
Provision for impairment of other investments	7	9 049	-	-	-	-	-	9 049
Finance lease liability	14	440 148	-	-	-	-	440 148	-
Current liabilities								
Finance lease liability	14	114 018	-	-	-	-	114 018	-
Other financial liabilities	10	293 177	-	-	-	-	293 177	-
Taxation payable		7 200		-	-	-	-	7 200
Trade and other payables	18	142 618		-	-	-	142 618	-
Provisions	19	-	-	-	-	-	-	-
Current portion of long-term borrowings	17	1 062 004		-	-	-	1 062 004	-
Loans from associates and joint ventures	8	9 284		-	-	-	9 284	-
Liabilities associated with non-current assets classified as held for sale	13.2	131 177		-	-	-	131 177	-
Total liabilities		**6 546 424**	**-**	**127 331**	**-**	**-**	**5 752 804**	**666 289**
Group 2011								
Assets								
Non-current assets								
Property, plant and equipment	2	864	-	-	-	-	-	864
Investment properties	3	4 840 709	-	-	-	-	-	4 840 709
Straight line lease income adjustment		74 190	-	-	-	-	-	74 190
Deferred initial lease expenditure		5 349	-	-	-	-	-	5 349
Goodwill	4	17 961	-	-	-	-	-	17 961
Investments in associates	6	3 418 444	-	-	-	3 418 444	-	-
Other investments	7	72 051	-	72 051	-	-	-	-
Other financial assets	10	230 783	-	-	230 783	-	-	-
Deferred tax		9 124	-	-	-	-	-	9 124
Current assets								
Taxation		1 619		-	-	-	-	1 619
Trade and other receivables	15	41 261	-	-	41 261	-	-	-
Loans to shareholders	9	21 587	-	-	21 587	-	-	-
Loans to associates and joint ventures	8	36 482	-	-	36 482	-	-	-
Other financial assets	10	88 223	-	-	88 223	-	-	-
Cash and cash equivalents	11	36 141	36 141	-	-	-	-	-
Non-current assets classified as held for sale	13.1	651 033	-	-	-	-	-	651 033
Total assets		**9 545 821**	**36 141**	**72 051**	**418 336**	**3 418 444**	**-**	**5 600 849**

30. Financial instruments (continued)

	Notes	Total R'000	Cash R'000	At fair value through profit and loss R'000	Loan and receivables R'000	Available for sale financial assets R'000	Financial liabilities at amortised cost R'000	Equity and non-financial instruments R'000
Group								
2011								
Liabilities								
Non-current liabilities								
Other financial liabilities	17	2 282 727	-	-	-	-	2 282 727	-
Deferred tax liability	12	537 925	-	-	-	-	-	537 925
Other financial liabilities	10	44 943	-	44 943	-	-	-	-
Provision for impairment of associates	6	37 635	-	-	-	-	-	37 635
Provision for impairment of other investments	7	4 877	-	-	-	-	-	4 877
Finance lease liability	3	435 904	-	-	-	-	435 904	-
Current liabilities								
Loans from shareholders	9	68 898	-	-	-	-	68 898	-
Loans from associates and joint ventures	8	12 245	-	-	-	-	12 245	-
Other financial liabilities	10	5 352	-	-	-	-	5 352	-
Taxation		237	-	-	-	-	-	237
Trade and other payables	18	81 677	-	-	-	-	81 677	-
Provisions	19	15 153		-	-	-	-	15 153
Current portion of long-term borrowings	17	1 326 412		-	-	-	1 326 412	-
Bank overdraft	11	-	-					
Liabilities associated with non-current assets classified as held for sale	13.2	- 235 916	-	-	-	-	- 235 916	- -
Total liabilities		**5 089 901**	**-**	**44 943**	**-**	**-**	**4 449 131**	**595 827**

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;
- investment in Atterbury Investment Holdings International and Arctospark (Pty) Ltd (Attfund International), of which the exposure is denominated in USD and Euro; and
- investment in the Bagaprop Ltd and Mall of Mauritius Ltd 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 however 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.

Although the Group has an accounting policy to designate some derivative financial instruments as hedging instruments from time to time, none were designated as such during the current financial year. Although it was not applicable this financial year, the Group also has an accounting policy for hedge accounting.

There have been no significant changes during the year to the types of financial risks the Group has been exposed to 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.

The estimated impact of a 1% increase in interest rates would have a before tax impact of R11,241,000 (2011: R8,905,224) 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 2012.

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

Institution	R'000	Fixed rate	Expiry year	Expiry month	Swap or Fix	Linked
Nedbank	93 177	11.08	2014	3	Swap	Prime
Nedbank	299 411	11.26	2015	3	Swap	Prime
Nedbank	300 000	11.39	2016	3	Swap	Prime
Nedbank	150 000	11.43	2021	5	Swap	Prime
Rand Merchant Bank	25 000	10.77	2013	12	Swap	JIBAR
Rand Merchant Bank	25 000	10.74	2012	12	Swap	JIBAR
Rand Merchant Bank	36 000	11.09	2013	12	Swap	JIBAR
Standard Bank	14 500	10.98	2018	5	Swap	JIBAR
Standard Bank	32 000	11.88	2016	6	Swap	JIBAR
Standard Bank	32 000	11.85	2019	3	Swap	JIBAR
Standard Bank	16 000	11.80	2017	3	Swap	JIBAR
Standard Bank	25 000	11.06	2016	6	Swap	JIBAR
Standard Bank	45 000	10.94	2018	6	Swap	JIBAR
Nedbank	1 100 000					
	2 193 088					

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	
	2012 R'000	2011 R'000
Unrealised losses on revaluation of derivative instruments	(83 138)	(19 722)
	(83 138)	**(19 722)**

31. Risk management (continued)

	Group	
	2012 R'000	2011 R'000
The Group's exposure to fair value interest rate risk and cash flow interest risk can be summarised as follows:		
Financial liabilities		
Bank borrowings at fixed rates	2 615 803	353 193
Bank borrowings at floating rates	2 137 756	1 969 084
Loans received at floating rates	302 461	81 221
Interest rate swaps linked to JIBAR rates (at fair value)	127 331	44 943
	5 183 351	**2 448 441**
Financial assets		
Interest rate swaps linked to JIBAR rates (at fair value)	-	750

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 limited 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 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 on-going 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.

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 and undrawn borrowing facilities. In some cases certain short-term liabilities will be settled as part of pre-determined approved structured deals.

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

31. Risk management (continued)

	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					
2012					
Long-term borrowings	1 062 004	1 342 095	2 218 283	-	4 622 382
Trade and other payables	142 618	-	-	-	142 618
Other financial liabilities	293 177	-	-	-	293 177
Loans from associates and joint ventures	9 284	-	-	-	9 284
Non-current liabilities classified as held for sale	131 177	-	-	-	131 177
Finance lease liability	114 018	243 348	196 800	-	554 166
	1 752 278	**1 585 443**	**2 415 083**	**-**	**5 752 804**
2011					
Long-term borrowings	1 326 411	1 659 299	859 342	-	3 845 052
Trade and other payables	81 677	-	-	-	81 677
Other financial liabilities	44 943	-	-	-	44 943
Loans from shareholders	68 898	-	-	-	68 898
Loans from associates and joint ventures	12 245	-	-	-	12 245
Non-current liabilities classified as held for sale	235 916	-	-	-	235 916
Finance lease liability	-	370 440	65 464	-	435 904
	1 770 090	**2 029 739**	**924 806**	**-**	**4 724 635**

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.

32. Notes to the cash flow statement

32.1 Cash flows from operating activities

	Group	
	2012 R'000	2011 R'000
Profit / (loss) before taxation, including discontinued operations	777 480	921 723
Adjustments for:		
Investment income	(64 449)	(47 414)
Finance costs	492 349	164 656
Depreciation	597	312
(Profit) on disposal of property, plant and equipment	-	(102)
Loss / (profit) on disposal of associates	20 752	2 274
Loss / (profit) on disposal of investment properties	-	85 333
Loss / (profit) on disposal of other investments	(493)	-
Fair value adjustment to investment properties held for sale	-	(42 342)
Net profit relating to assets held for sale	-	(37 510)
Fair value adjustment to other investments	(68 866)	19 571
Fair value adjustment to investment properties	(1 020 769)	(441 872)
Fair value adjustment to other financial instruments	83 138	19 722
Straight line rental adjustment	(35 753)	(21 986)
Deferred initial lease expenditure	998	713
Excess of acquirers interest above fair value	(41 333)	(2 360)
Equity income from associate	52 773	(613 079)
Movement in finance lease liability	66 595	114 710
Impairment of associates	-	8 363
Reversal of loan impairment	-	(11 087)
Movement in provisions	(15 153)	6 612
Provision for impairment of other investments	4 171	-
Impairment of goodwill	147 366	-
Foreign currency translation effect	(1 400)	-
Cash generated by operation before working capital changes	398 003	126 237
Change in working capital:		
Decrease / (increase) in inventories	(17)	-
(Decrease) / increase in accounts receivable	(29 675)	(3 986)
Increase / (decrease) in accounts payable	69 666	(7 078)
	437 979	**115 173**

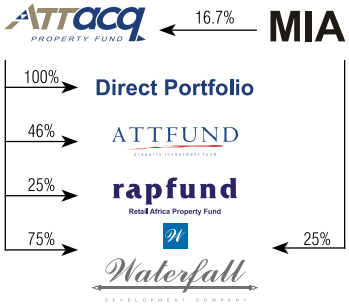
32.2 Subsidiaries acquired

	Group 2012 R'000	Group 2011 R'000
Abacus Holdings (Pty) Ltd		
Acquired 75% of the company on 1 September 2011		
Investment Property	1 551 355	-
Goodwill	207 519	-
Other financial assets	400 000	-
Other financial liabilities	(1 427 270)	-
	731 604	-
Unissued equity	(71 651)	-
Non-controlling interest	(164 291)	-
Purchase price	495 662	-
Paid via equity contribution - Brooklyn Mall	(95 662)	-
Paid via equity contribution - Other financial assets	(400 000)	-
Net cash flow	-	-
Clifton Dunes Investments 80 (Pty) Ltd		
Acquired effective 62.5% of the company on 1 April 2012		
Investment Property	19 310	-
Trade and other receivables	19	-
Cash and cash equivalents	1	-
Other financial liabilities	(5 084)	-
Deferred tax	(1 238)	-
Loans from shareholders	(488)	-
Finance lease obligation	(4 515)	-
Trade and other payables	(5)	-
	8 000	-
Non-controlling interest	(3 000)	-
Goodwill on acquisition / (excess on acquisition)	(5 000)	-
Net cash flow	-	-
Newtown Property Development Company (Pty) Ltd		
Acquired effective 62.5% of the company on 1 April 2012		
Investment Property	159 227	-
Other financial assets	1 502	-
Trade and other receivables	9	-
Cash and cash equivalents	236	-
Other financial liabilities	(36 637)	-
Deferred tax	(3 363)	-
Loans from shareholders	(34 003)	-
Finance lease obligation	(47 152)	-
Trade and other payables	(84)	-
	39 735	-
Non-controlling interest	(14 900)	-
Goodwill on acquisition / (excess on acquisition)	(24 835)	-
Net cash flow	-	-

Waterfall Business

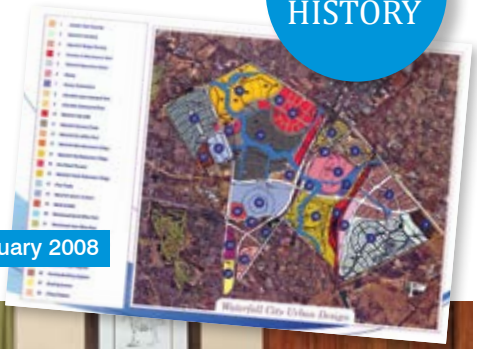
– *the most ambitious commercial*

Where it all started – good old friends, great new deal. Luther van Zyl mentioned the Waterfall development to Zahn Hulme over lunch during December 2007 and she suggested that Atterbury might be interested.



Initial discussions commenced in January 2008

The initial proposal



The HISTORY

In memorium: Teresa Lister
30 October 1974 –
17 December 2009
Teresa was tragically killed in a car accident in December 2009 and is to this day sorely missed. Teresa played an intrical role in the preparation, negotiation and finalisation of the transaction documentation in order to secure the leasehold rights over the Waterfall land for Atterbury.

Representatives from Atterbury, Waterfall Development Company and respective legal teams at the deal signing ceremony at Tintswalo restaurant, Equestrian Estate

Agreement reached – Werner van Rijn (MD: Waterfall Development Company) and Louis van der Watt shake hands

The story breaks in the Financial Mail

The lawyers put in endless hours

An empty slate... Coenie Bezuidenhout is tasked to manage this massive development

A big breakthrough – Massmart chooses the Waterfall Distribution Campus as the site for their massive distribution warehouse

Estate
development in South Africa

WATERFALL Business Estate™

8

Waterfall Distribution Campus™

2010
Industrial and Warehouse rights secured

2012
Massbuild DC under construction 30 000m²
Digistics DC under construction 8 000m²

15

Waterfall Riverpark™

2010
Retail, Office and Gym rights secured

2012
9 000m² Shopping Centre construction to start during the 3rd quarter of 2012, Phase I Office Park construction to start during the 3rd quarter - 7 000m²

22

Waterfall Commercial District™

2010
Commercial and Business rights secured

2012
K101 upgrade and township services installed

The LAUNCH

First brokers' launch held at Tintswalo restaurant, Equestrian Estate. BACK (FLTR): Thabiso Mashugane (Royal Bafokeng Holdings), Sanri van Tonder (Atterbury Leasing), Jim van Eck (Ultra Design) and Catherine Irons (AAM). FRONT (FLTR): Annette Deppe (DA Councillor for the City of Joburg), Boitumelo Ramong (Royal Bafokeng Holdings), Wilhelm Nauta (Royal Bafokeng Holdings) and Katlego Kobue.

Enquiries: Coenie Bezuidenhout 011 706 1176 www.waterfall.co.za

Morné Whitehead

Project Manager
Atterbury Property Developments

PHOTOGRAPHED at the
Waterfall Distribution Campus,
Massmart Warehouse

Why did you decide to accept a job offer at Atterbury?
I have been involved with Atterbury for some time now, as a consultant, and have always enjoyed the Atterbury principals and environment.

Which aspect of your job gives you the most satisfaction?
Being in a position to make a difference in a thought process towards a successful project/idea.

What is the most important life lesson that you have learnt in your life?
If you take/make a decision, believe in it and do whatever it takes to make it work.

Where is your ideal holiday destination?
Anywhere I can spend quality time with my family.

What are your dreams for your children?
That they can live their dreams.

32.2 Subsidiaries acquired (continued)

	Group 2012 R'000	Group 2011 R'000
Mantrablox (Pty) Ltd		
Acquired 80% of the company on 1 September 2011		
Investment Property	888 000	-
Trade and other receivables	6 897	-
Cash and cash equivalents	9 467	-
Other financial liabilities	(300 000)	-
Trade and other payables	(6 779)	-
	597 585	-
Paid via funding through Standard bank	(258 000)	-
Paid via set-off of proceeds in Attfund restructure	(212 400)	-
Paid via shareholder loan to Hyprop Ltd	(117 600)	-
Net cash outflow	9 585	-
Westhills Mall Ltd (Ghana)		
Acquired 60% of the company on 22 February 2012		
Cash and cash equivalents	37 014	-
	37 014	-
Non-controlling interest	(37 014)	-
Net cash flow	-	-
Lynnwood Bridge Office Park (Pty) Ltd		
Acquired additional 15% of the company 4 February 2011 (total holding 100%)		
Non-controlling interest as at beginning of year	-	12 072
Non-controlling interest share in profit for the year	-	2 335
Goodwill on acquisition / (excess on acquisition)	-	(2 360)
Purchase price paid cash	-	12 047
Atterbury Parkdev Consortium (Pty) Ltd		
Acquired additional 50% of the company January 2011 (total holding 100%)		
Investment Property	-	100 160
Straight line rental debtor	-	3 212
Trade and other receivables	-	298
Cash and cash equivalents	-	2 652
Long term loans	-	(62 025)
Deferred tax	-	(6 304)
Trade and other payables	-	(964)
Total net assets at acquisition	-	37 029
Net assets acquired	-	18 515
Goodwill on acquisition / (excess on acquisition)	-	5 486
Purchase price paid cash	-	24 001
Cash flow on acquisition of subsidiaries	**9 585**	**36 048**

33. Business combinations

Mooirivier Mall
On 01 September 2011 the company acquired Mooirivier Mall, situated in Potchefstroom.

Negative Goodwill of R 11 498 561 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the businesses. Goodwill is not deductible for income tax purposes.

	Group	
	2012 R'000	2011 R'000
Fair value of assets acquired and liabilities assumed		
Investment property	724 000	-
Surplus on acquisition	(11 499)	-
	712 501	
Acquisition date fair value of consideration paid		
Nedbank bond	(548 211)	-
Nedbank (Pty) Ltd equity	(119 100)	-
Shareholders loans (equity)	(45 190)	-
	(712 501)	-

Revenue and profit or loss of Mooirivier Mall
Revenue of R 67 474 285 and profit of R 47 125 490 of Mooirivier Mall have been included in the Group results since the date of acquisition.

Eikestad Mall
On 01 September 2011 the Group acquired an 80% undivided share in Eikestad Mall situated in Stellenbosch.
Goodwill of R 178 471 316 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the businesses. Goodwill is not deductible for income tax purposes.

Fair value of assets acquired and liabilities assumed		
Investment property	334 814	-
Goodwill	219 018	-
	553 832	-
Acquisition date fair value of consideration paid		
Nedbank bonds	(404 190)	-
Abacus Trust loan	(100 000)	-
Shareholders loan (equity)	(49 642)	-
	(553 832)	-

Acquisition related costs
The acquisition related costs amounted to R 1 105 175. These costs have been expensed in the previous year of acquisition and are included in comprehensive income.

Revenue and profit or loss of Eikestad Mall
Revenue of R 28 734 466 and profit of R 19 922 658 of Eikestad Mall have been included in the Group results since the date of acquisition.

33. Business combinations (continued)

	Group 2012 R'000	Group 2011 R'000
Garden Route Mall		
On 01 September 2011 the Group acquired an 80% share in Mantrablox (Pty) Ltd (Garden Route Mall) situated in George.		
Fair value of assets acquired and liabilities assumed		
Investment property	888 000	-
Current assets	16 364	-
Other financial liabilities	(300 000)	-
Current liabilities	(6 779)	-
	597 585	-
Acquisition date fair value of consideration paid		
Standard Bank bond	(258 000)	-
Offset in Attfund restructure deal	(212 400)	-
Shareholders loan - Hyprop	(117 600)	-
Cash	(9 585)	-
	(597 585)	-
Revenue and profit or loss of Garden Route Mall		
Revenue of R 85 681 417 and profit of R 33 763 220 of Garden Route Mall have been included in the Group results since the date of acquisition.		

| Garden Route Mall |

Cell C sod-turning, Cell C site – 17 July 2012

A triumphant Alan Knot-Craig at the Cell C sod-turning ceremony

Group 5 sod-turning ceremony – 17 October 2012

Morné Wilken (CEO: AIH), Coenie Bezuidenhout (Director: Atterbury Property Developments), Mike Upton (CEO: Group 5) and Paul le Sueut (Executive Director: Group 5)

Versnit 2012, Rust & Vrede, Stellenbosch – 28 January 2012

SOCIAL PAGES


Massmart


Massmart

Massmart Distribution Warehouse sod-turning, Waterfall Distribution Campus – 20 March 2012


Versnit

Versnit 2012, Rust & Vrede, Stellenbosch – 28 January 2012


Massmart


Versnit


Massmart


Versnit


Massmart

Representatives of Massmart, Atterbury and professional teams

'Men acquire a particular quality by constantly acting in a particular way'

Aristotle

WATERFALL

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ATTERBURY

It's a matter of association

www.atterbury.co.za