



LOUIS NORVAL
Chief Executive



CHIEF EXECUTIVE'S REPORT

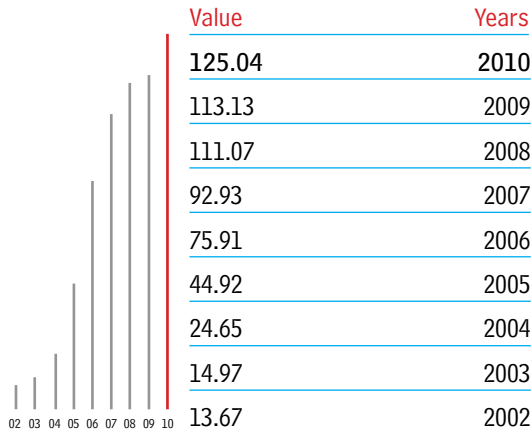
REVIEW OF RESULTS AND OPERATIONS Net asset value per share increased over the past year from R113.13 to R125.04 (10.5% increase). At Attfund's inception on 1 July 2002, the net asset value per share was R13.67, which represents an annual compounded growth rate of 32% per annum over the past eight years as illustrated in [Graph 1](#).

At year-end, gross assets were R9.7 billion, up 12% from R8.6 billion and total equity increased from R5.1 billion to R5.6 billion. Attfund's South African investments amounted to R8.6 billion (89%) and its international investments to R1.1 billion (11%).

Gross income from operations grew from R608.5 million to R655.8 million (7.8% increase) year on year. Property operating costs increased from R93.0 million to R116.5 million (25% increase). On a normalised basis, expenses grew by 13%. The large increase in operating costs was mainly caused by the extraordinarily high increases in electricity charges and municipal rates and taxes. Investment income decreased from R95.6 million to R31.0 million. The decline was largely as a result of the disposal of both Annaly Capital Management Inc. and Simon Property Group Inc. shares, as well as the investment into the Karoo Investment Fund, which does not distribute any dividends. Lastly, Attfund's investment income was negatively affected by a 20% decline in contribution from the shopping centre investment in Germany through the Stenham European Shopping Centre Fund (SESCF), in the face of a 3% lower Euro distribution from the SESCf, combined with the weakness of the Euro, which also negatively affected the distribution received from Deutsche EuroShop AG.

Attfund paid a dividend of R1.7158 per share (R85 million including STC) on 30 November 2009.





NET ASSET VALUE PER SHARE

During the past year, construction has started on major extensions to Clearwater Mall and Woodlands Boulevard.

Clearwater Mall's extensions comprise an additional 24,179 m² gross leasable area (GLA), which, upon completion, will extend Clearwater Mall to 85,197 m². The estimated total costs of the extensions are R393 million with a projected first-year net income return of 8.5%. The retail space in the extensions is fully pre-let and the tenants in these extensions will commence trading on 28 October 2010.

The extensions to Woodlands Boulevard will add 29,642 m² GLA. When complete, the total GLA of the centre will comprise 70,164 m². At a total cost of R445 million, the project should yield a first-year net income return of 8.3%. The opening trading date for this project is 7 October 2010.

At Centurion Mall, where Attfund owns a 25% undivided share, the 2,024 m² GLA addition to Edgars has been completed and trading started in November 2009. Ster Kinekor commenced trading in the upgraded existing cinemas in November 2009 and trading in the additional two new cinemas started in March 2010.

Hermans & Roman took occupation of the entire Building 2 of Phase 6 in Tygerberg Office Park in September 2009. Practical completion for the third building of Phase 6 was achieved at the end of February 2010. Post-year-end, of the 3,540 m² GLA of this building, 1,004 m² has been let and occupied. Rental income on the unlet space has been secured by means of a rental shortfall guarantee issued by the developers.

Tyger Hills Office Park (Pty) Limited (Phases 1, 2 and 4 of Tygerberg Office Park)

was sold to Sycom Property Unit Trust for R164.6 million with an effective date of 30 March 2010. As payment for the transaction, Attfund received 8,897,297 Sycom Property Unit Trust units at a price of R18.50 per unit.

Acucap Properties Limited purchased Tyger Hills Investments (Pty) Limited (Phases 3, 5 and 6 of Tygerberg Office Park) from Attfund for R276.8 million. The purchase price was settled post-year-end in July 2010 with the allotment of 2,610,430 Acucap shares (at R30.00 per share) to the value of R78.3 million and the balance with R198.5 million cash.

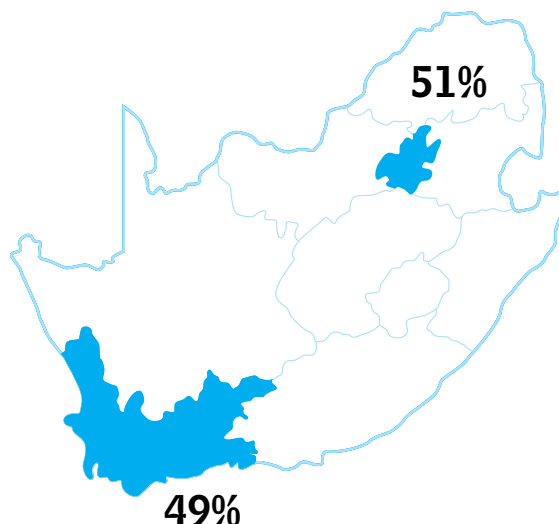
In an effort to streamline international investments, it was decided to consolidate all international investments into the Karoo Investment Fund (KIF) and the investment in the Nova Eventis Shopping Centre in Germany, held through an investment in Stenham European Shopping Centre Fund IC. To that extent, all the shares (127,958 shares) held in Simon Property Group Inc, as well as the remaining shares (788,950 shares) in Annaly Capital Management Inc, were sold. As a result of Attfund following its rights in a capital raising in Deutsche EuroShop AG (DES), a further 208,262 shares were purchased in January 2010. Through the year, 2,033,318 shares in DES were swapped for a further €45.4 million investment in specie into KIF. Post-year-end the remaining 166,676 shares in DES were sold.

Attfund received the 2010 IPD (Investment Property Databank) award for the top-performing property fund in the office sector, measured over the past three years, for direct property total return on capital employed.

#2

GEOGRAPHICAL DIAGRAM

Geographically, 51% of the properties (by value) are located in Gauteng with the balance of 49% located in the Western Cape, which is illustrated in [Graph 2](#).



FINANCIAL OVERVIEW Capital and reserves for the group increased by 10.5% from R5.095 billion to R5.632 billion.

This was achieved mainly by increasing non-current assets from R8.517 billion to R9.160 billion and by increasing non-current liabilities from R3.157 billion to R3.568 billion. Non-current liabilities increased from R2.5 billion to R2.9 billion (excluding deferred tax).

Earnings before interest and taxation, including fair value adjustments, increased from R510 million to R1.0 billion (including fair value adjustments).

Investment and interest income decreased from R105 million to R33.8 million and finance costs of the portfolio decreased from R279 million to R272 million.

PROPERTY AND SHARE VALUATIONS

The properties were independently valued by Quadrant Properties (Pty) Ltd on 30 June 2010 as set out in the financial statements. Quadrant Properties valued the fund's properties at an effective average forward net income yield of 7.78%.

The fund's investment portfolio increased in value from R8.515 billion to R9.157 billion. This was achieved mainly by increasing the South African property portfolio, including properties under construction, from R6.253 billion to R7.907 billion. The sale of Tygerberg Office Park (phases 1, 2 and 4) was substituted by shares in the Sycom Property Fund valued at R185.9 million. Due to the expiry of the Nedbank structures (which had a right to receive rental income), investments in Formprops and Fullimput expired, and the value of these rights are now part of the investment property in Glenfield Office Park and SA Value Mart respectively. The investment in Nova Eventis Shopping Centre decreased from R260 million in 2009 to R192 million in 2010. A withdrawal of R102.9 million was the main contributor to the decrease in the SASFIN Foreign Investment Allowance from R1.028 billion in 2009 to R872 billion in 2010.

The non-current liabilities increased

from R3.157 billion to R3.568 billion. This consisted of non-current borrowings increasing from R2.541 billion to R2.883 billion, mainly as a result of the expansions to Woodlands Boulevard and Clearwater Mall. The deferred tax provision increased from R616.5 million to R684.8 million as a result of the fair value adjustment.

As a result of the abovementioned, Attfund's capital and reserves, after set off of the current assets and liabilities, increased from R5.095 billion to R5.632 billion.

There were 45,037,672 Attfund Limited shares in issue on 30 June 2010 with a value of R125.04 (2009: R113.13) per share, up 10.5% on the previous year.

BORROWINGS AND INTEREST RATES

The group's weighted average cost of debt was 8.87% (2009: 9.47%) at year-end with 39.78% (2009: 82.32%) of borrowings subject to fixed interest rates, with a weighted average fixed rate expiry of approximately 2.5 years (2009: 2 years).

The group's average floating interest rate at year-end was 8.2% (2009: 8.85%).

Total facilities utilised by the group at year-end amounted to R3.051 billion (2009: R2.774 billion).

The gearing ratio of interest-bearing debt: total assets as at 30 June 2010 was 33.85% (2009: 32.1%) and 41.33% (2009: 39.2%), if the gearing ratio includes interest-bearing debt and deferred tax provision: total assets.

The interest cover ratio of net income before interest and tax: interest paid decreased from 2.07 to 1.91 year on year.

The fixed rate expiries are illustrated in [Graph 3](#).

R million	%	Years
336	27.66	2011
215	17.70	2012
210	17.28	2013
210	17.28	2014
244	20.08	2015

11 12 13 14 15

#3

FIXED RATE EXPIRY PROFILE



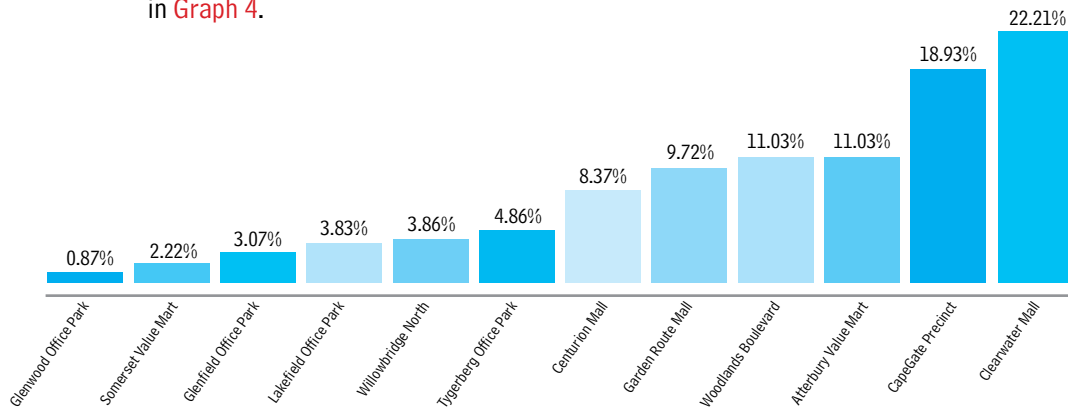
Consumer spending, especially on non-essential goods, remained under pressure and the impact thereof was felt in the retail property sector in the form of increased arrear rentals and vacancies, and a softening of renewal rental levels.

INCOME & area diagrams

#4

ATTFUND PORTFOLIO PER INCOME

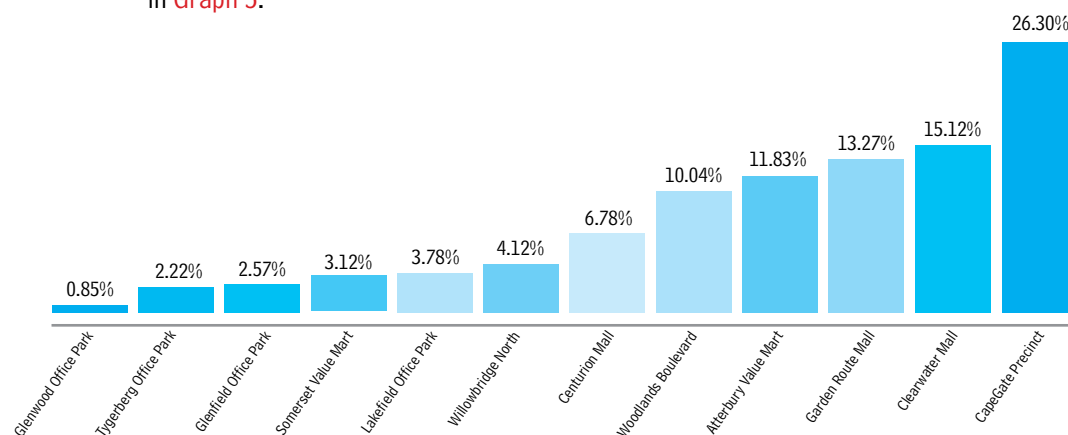
The Attfund portfolio gross income make-up (including 25% of Centurion Mall) is illustrated in [Graph 4](#).



#5

ATTFUND PORTFOLIO PER GLA

The Attfund portfolio GLA make-up (including 25% of Centurion Mall) is illustrated in [Graph 5](#).





#6

EDCON	6.75%
MR PRICE GROUP	5.21%
PICK N PAY GROUP	4.86%
MASSMART GROUP	4.61%
FOSCHINI GROUP	4.52%
WOOLWORTHS GROUP	3.75%
PEPKOR	2.99%
ABSA	2.34%
TRADE CENTRE	1.89%
JD GROUP	1.65%
OTHER	61.43%



#7

EDCON	4.83%
MR PRICE GROUP	4.12%
FOSCHINI GROUP	4.09%
MASSMART GROUP	3.55%
PEPKOR	2.86%
ABSA	2.71%
CLICKS GROUP	2.28%
FAMOUS BRANDS	2.12%
PICK N PAY	2.04%
JD GROUP	1.65%
OTHER	69.75%



↑

TOP 10 TENANT GROUPS

The ten largest tenant groups by share of gross income as in [Graph 6](#) and the ten largest tenant groups by GLA as in [Graph 7](#).



Retail Portfolio

The fruits of the investment into the Retailer Training Programme and increased marketing initiatives, combined with the hospitality approach, delivered a stable platform for sustainable retail in the Attfund portfolio despite the stormy economy experienced during the past financial year. A total of 109 tenants (11% of the total portfolio) were replaced upon expiry of their lease agreements, mainly due to the landlord's election to opt for offering a fresh and exciting new tenant mix and staying abreast with the latest retail trends. The remaining 89% of retail tenants in the portfolio reflected sustainable turnovers with a sound base for future profits.

Atterbury Value Mart 47,712m²

The eastern suburbs of Pretoria are among the areas with the highest oversupply of retail space in the country. Despite this, Atterbury Value Mart remained fully let for the year. The 138m² that was vacant at year-end represents a new tenant's beneficial occupation period. The introduction of Ackermans enhanced the tenant mix. Visitors to the Value Mart grew by 11% year on year.

CapeGate Precinct 106,127m²

Hi-Fi Corporation opened a new generation store in the mall, Ster Kinekor introduced the 3D experience in two of the cinemas and Geen & Richards opened next to Game. This underlines the trust of retailers in the long-term success of the mall. The mall reflected a 4% turnover growth compared to the previous year.

Centurion Mall 109,420m²

The refurbished Ster Kinekor cinemas, plus the additional two new cinemas, opened during the past year and added to the positive growth in the restaurant category. Combined with the opening of the new extended Edgars (6,500m²), the mall reflected a total 5% year on year turnover growth. Mr Price Sport, Dion Wired and the Busby Group recorded interest in the mall and will be included in the future tenant mix.

Clearwater Mall 61,018m²

Despite the construction of the extension, the mall remained fully let during the year and rental tariffs reflected ongoing growth. Retailers in South Africa regard the mall as a sought-after address and demand for space remains high. The 24,179 m² GLA extension to the mall, which will

commence trading on 28 October 2010, was fully let four months in advance.

Garden Route Mall 53,557m²

The mall remains fully let and reflected a record 21% footfall growth combined with 12% turnover growth on the previous financial year. Dischem was introduced as a new tenant and strengthened the dominance of the mall in the area.

Somerset Value Mart 12,571m²

Toys R Us refurbished its store to reflect the latest look and Food Lover's Market remains a popular destination in this Value Mart. The total turnover reflected 15% year on year growth.

Willowbridge North 16,638m²

A lease cancellation with MICA and a new lease agreement with Builders Express have been concluded during the year. Builders Express will open in the second quarter of the next financial year.

Woodlands Boulevard 40,521m²

The construction of the extension, coupled with the oversupply of retail space in the area, resulted in a flat year on year total turnover growth. As a result of the extension, as well as the extended fashion mix, the mall will become dominant in its primary catchment area. Forever New and Guess opened in the mall during the year. First-time stores to Pretoria like Kingsley Heath, Mango, Hip Hop and other exciting fashion stores are included in the extension. Together with Dischem, Game and Builders Warehouse, a 3,500m² new concept Food Lover's Market store will open as well.

Commercial Portfolio

Atfund disposed of Tygerberg Office Park in Cape Town. The remaining office parks in the portfolio include Glenfield and Glenwood Office Parks in the east of Pretoria and Lakefield Office Park in Centurion. Total GLA of the portfolio amounts to 29,037m². The total vacancy at year-end reflected as 5,188m² (17.9%) after the termination of the Department of Minerals and Energy's lease agreement over 4,702m² in Lakefield Office Park at the end of May 2010.

South African retail portfolio performance

The total retail turnover reported by tenants for the past year amounted to R1.6 billion, which equates to an annual growth of 4.4%. Foot count showed a 2.6% year on year growth for the portfolio.



CATEGORY % OF TOTAL ATTFUND PORTFOLIO TURNOVER

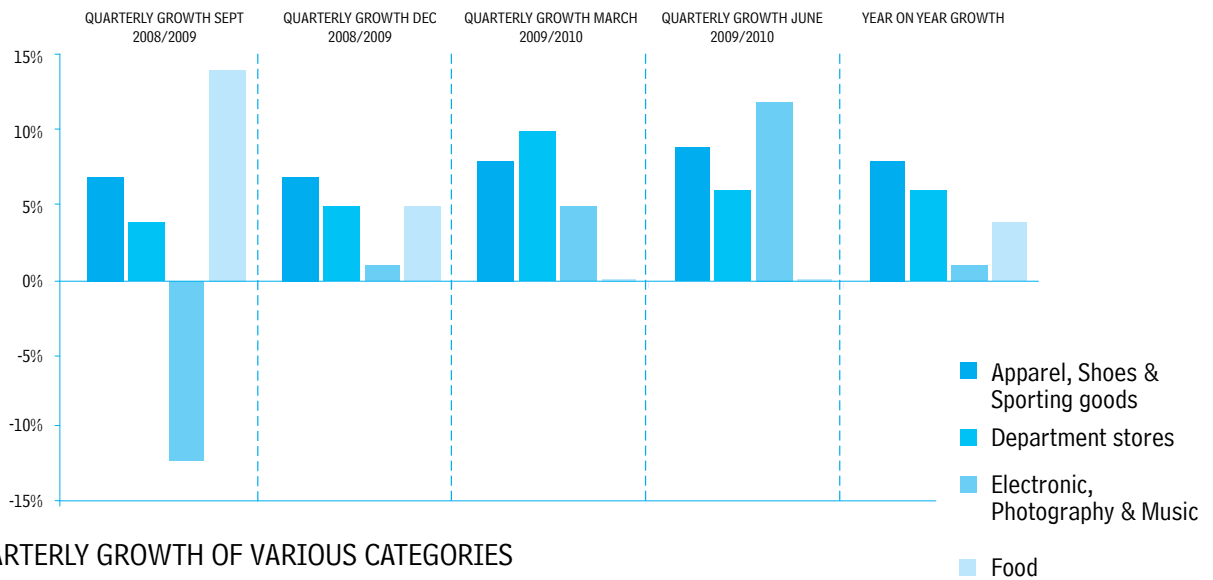
The turnover allocated to the retail categories is shown in Graph 8. The four major categories, consisting of apparel, department stores, electronics and food, contributed 73% of the total. The growth trends of the four categories, measured on a quarterly basis, are indicated on Graph 10.



PROPERTY % OF TOTAL ATTFUND PORTFOLIO TURNOVER

Graph 8 indicates the retail turnover achieved by the various shopping centres. Almost 75% of turnover is generated by the four major retail shopping centres, which will increase when the extensions to Clearwater Mall and Woodlands Boulevard are included.





#10

QUARTERLY GROWTH OF VARIOUS CATEGORIES

Other than food, which did not show any growth in the last two quarters, the other three categories all reflect an upward trend, which should continue and will benefit the portfolio performance going forward.

Lease expiry and renewals over the last 12 months

A total of 84,957m² expired during the financial year at an average rental of R157.98/m². Of the expired leases, 83,032m² was renewed or replaced at an average rental of R152.97/m². The 3% decline in rental tariffs highlights the impact of the economy, cannibalisation and oversupply of retail space. Exuberant electricity and municipal services increases, coupled with the

abovementioned factors, forced rentals in a downward trend.

If the additional 29,642m² of the Woodlands Boulevard extension and the 24,179m² of the Clearwater Mall extension are included, a total of 133,000m² of retail space was let during the past financial year.

The profile of lease expiry dates by GLA is illustrated in Graph 11.

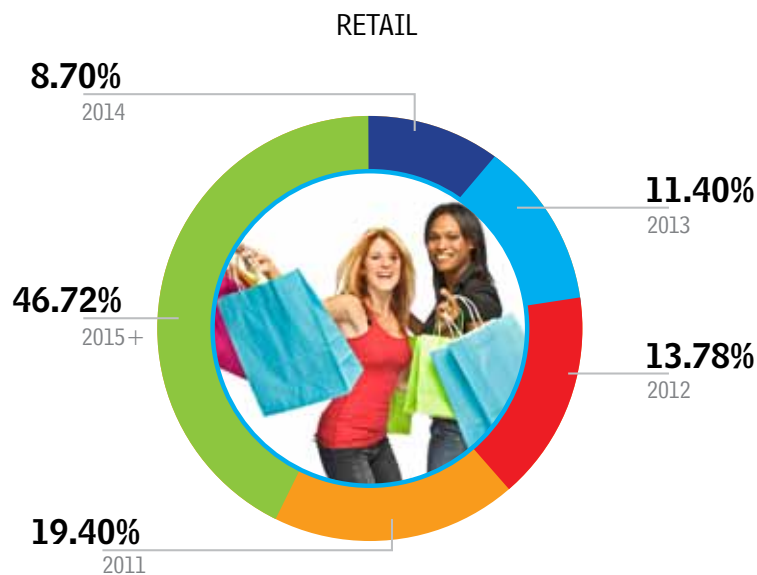
Forward lease expiries

Some 19.4% total income in the retail portfolio must be renewed or replaced in the next financial year. This reduces to 13.8% in 2012 and 11.4% in 2013. Of total income of the commercial portfolio, 53% must be renewed or replaced in the next year, which reduces to 20% in 2012 and 4.8% in 2013. The profile of lease expiries by income is illustrated in Graph 12.

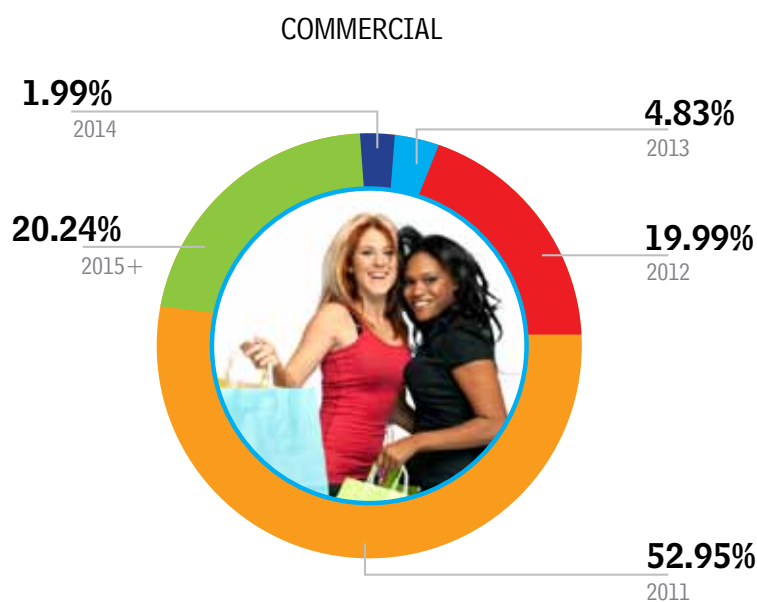
#11

LEASE EXPIRY PROFILE BY GLA





LEASE EXPIRY PROFILE BY INCOME



BAD DEBT & — *vacancies*

The total bad debt written off during the financial year amounted to R5.2 million or 0.8% of gross contractual income.

Some 10,026m² (2.2%) of the total 447,564m² in the retail portfolio reflected as vacant at year end. Of this, 9,744m² occurs in CapeGate Precinct and Centurion Mall. Retail space in CapeGate Regional Shopping Centre is in demand and remains let. The destination retail areas in the Lifestyle Centre and the office space in the Décor Centre opposite the regional centre are affected by the oversupply and cannibalisation in the area coupled with the slowed down residential growth of the area. The vacant area in Centurion Mall represents office space and secondary retail space.

Property expenses & costs ratios

Total property expenses increased by 25.2% from the previous financial year. Normalised increases amount to 12.9%. Extraordinary costs such as the complete repainting of Woodlands Boulevard and Centurion Mall, as well as the substantial additional marketing costs (R1.2 million) to combat the challenges of the prevailing economy, are deducted to calculate the normalised increase. The 12.9% increase is significantly higher than inflation with the major contributing factor being a 25.9% overall increase in municipal increases (mainly assessment rates and electricity).

The operating expense ratio to gross rental income reflects as 16.3%. The normalised operating expense ratio to gross rental reduces to 15.5% vs 15.6% in the previous financial year.



Los Angeles



New York



London



Tokyo

INTERNATIONAL investments

The group held, as part of a Sasfin Securities (Pty) Ltd Foreign Investment Allowance, the following investments:

● **Simon Property Group Inc**

Attfund sold its entire holding of 127,958 units in Simon Property Group Inc in April 2010 for a total of 10,956,674 USD (after costs).

● **Deutsche EuroShop AG**

At year end, Attfund had 166,676 units in Deutsche Euroshop AG, which were sold after year-end. The group's investment in Deutsche EuroShop AG was R34.7 million (2009: R496 million) at €22.21 per unit (2009: €22.15 per unit) and at R9.38/€ (2009: R10.87/€). Deutsche EuroShop AG is Germany's only public company that invests solely in shopping centres in prime locations. The company's stock is traded on the official market with admission to trading on the Prime Standard on the Frankfurt Stock Exchange and on Xetra and also on the OTC markets on the Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart stock

exchanges. The company currently holds equity interests in 16 European shopping centres in Germany, Austria, Hungary and Poland. The investment in Deutsche EuroShop AG performed well.

● **Annaly Capital Management Inc**

Attfund sold its entire holding of 788,950 units in Annaly Capital Management Inc in July for a total of US\$ 12,052,790 (after costs), which resulted in an overall positive return of 4.07% over 13 months.

● **Karoo Investment Fund**

Karoo Investment Fund is a Luxembourg-incorporated fund with a fixed life currently pursuing the best opportunities in the UK and Western European real estate capital markets. The fund is structured as a Luxembourg semi open-ended specialised investment fund, organised as an investment company with variable capital in the form of a partnership limited by shares. The fund is managed by Karoo Investment Sarl, which is in turn advised by Parkdev (Pty) Ltd,

Clearance Capital (Pty) Ltd and Stenham Property Limited. The fund is listed on the Luxembourg Euro MTF Market. Attfund has 74,389.084 (2009: 50,829.591) units in Karoo Investment Fund with a total value of R837.7 million (2009: R386.6 million).

The group held, as part of an Investec Securities (Pty) Ltd Foreign Investment Allowance, the following investment:

● **Stenham European Shopping Centre Fund IC (SESCF)**

SESCF owns a single asset, the 97,000m² Nova Eventis shopping centre situated in Leipzig, Germany. Attfund retained its investment of 22.509% interest in SESCOF.

At 30 June 2010, Attfund's investment in SESCOF was valued at R192 million (2009: R260 million). The decline in value over this period was due principally to the lower property valuation, amplified by the effect of gearing in SESCOF.

Management of Attfund

OTHER investments

The SA Value Mart and the Glenfield Office Park structures, which have been in place for a number of years, expired in August 2009 and the outstanding amounts were settled. In terms of these structures, the group had the right to receive rental income where investments were made, whereby the rights and obligations of buildings owned by share block companies were obtained.

Attfund further retained its investment in Movies at Woodlands (Pty) Ltd, the cinema complex at Woodlands Boulevard in Pretoria. The investment again performed above expectation.



Parkdev (Pty) Ltd is the appointed asset manager for the fund. To achieve Attfund's primary objective of growing and enhancing long term net asset share value, Parkdev, through active asset and property management, manages the fund. When applicable, Parkdev recommends to Attfund's board of directors the acquisition and disposal of investments or capital expenditure on existing investments. As asset manager Parkdev advises on interest rate and currency hedging strategies as well as international investment strategies.

An asset management fee of 0.5% of gross assets, excluding the value of the investments in Stenham European Shopping Centre Fund IC and Karoo Investment Fund S.C.A SICAV-SIF, of the fund is paid.

The property administration and management of the portfolio, excluding Centurion Mall, is contracted to Parkdev. A management fee of 3.5% of gross collections for retail properties and 2.5% for office properties is paid.

Parkdev team

top to bottom _

Louis Norval: Chief Executive

Neno Haasbroek: Executive Director

Susjan Wentzel: Executive Director

Mareli Vorster: Director Operations

Leon Howell: Director Finance,
Compliance and Administration

STATEMENT ON

— corporate governance

THE BOARD OF DIRECTORS is committed to conducting the business of the company in accordance with good corporate governance practice as recommended in the third King Report and the Code of Corporate Practices and Conduct. The directors therefore recognise the importance to conduct the affairs of the company and the group with integrity and accountability in accordance with the Code, and further recognise that they are ultimately accountable and responsible for the performance of the company and the group.

Composition of the board of directors

At financial year-end, the board of directors consisted of two executive and eight non-executive directors, six of whom are independent.

The composition of the board ensures the necessary professional skills and experience needed to provide objective judgment in terms of the strategic and business direction of the company.

All directors are subject to retirement by rotation and re-election at the general meeting of the members.

Role and function of the board of directors

The board of directors is responsible for

the proper management and ultimate control of the group and is ultimately responsible to maintain a strong control environment. To enable the directors to meet these responsibilities, the board is responsible to set standards for internal controls aimed at reducing risk in error; to set strategic objectives for the company, to approve all acquisitions, disposals and funding of developments, and to manage the company with fairness, while operating with the highest levels of ethics. All directors have access to the advice and services of the company secretary, who is responsible for ensuring that the board procedures are followed and that applicable regulations are adhered to. The board of directors meets at least four times per year, with additional meetings being convened when necessary. The directors have, accordingly, established systems and policies that are appropriate to the business and risks of the group and that will ensure compliance with the principles of responsible corporate governance and the continuous reassessment of the quality of the group's corporate governance practices.

Audit committee

The board of directors is responsible for the company's system of internal control and for maintaining proper operating and financial systems to ensure the

safeguarding of assets, compliance with statutory laws and regulations, and to ensure timely and accurate reporting. The audit committee and the external professionals review these matters regularly on behalf of the board. The external auditors report to the audit committee. The minutes of audit committee meetings are open for inspection by members of the board of directors. The audit committee comprises Messrs. Vogelmann, an independent non-executive director, as chairman, Gouws, an independent non-executive director, Berkeley, an independent non-executive director, Howell, the company's chief financial officer, and, by invitation, the external auditors. Close communication exists between the board, the audit committee and the external auditors. The audit committee meets at least twice a year. The committee reviews the financial statements before they are presented to the board, as well as the ongoing effectiveness of the internal control systems, the adequacy of accounting policies and any material audit recommendations. Areas of control weakness will be brought to the attention of relevant parties and remedial action will be taken immediately to ensure no loss or misstatement due to the inadequacy of the internal control environment.



Remuneration committee

The committee, consisting of Messrs. Haasbroek, van Niekerk and Norval, meets when required and is responsible for making recommendations to the board of directors for determining the remuneration of the directors of the company.

Directors' attendance at meetings

	Number of Meetings	Board Meetings	Audit Committee Meetings	12 months 30 June 2010 R	12 months 30 June 2009 R
	8	6	2		
Executive director					
Louis Norval	6	6	-	80,000	75,000
Neno Haasbroek	6	6	-	80,000	70,000
Non-executive director					
Blignault Gouws*	7	5	2	171,625	147,500
Francois van Niekerk	6	6	-	80,000	75,000
Frank Berkeley	7	5	2	96,000	95,000
Louis van der Watt	6	6	-	80,000	82,500
Gary Steinberg	4	4	-	80,000	75,000
Sisa Ngebulana	3	3	-	80,000	56,250
Nazeem Khan	5	5	-	80,000	75,000
Gary Vogelmann ⁺	8	6	2	119,500	87,500

* Chairman: Board of Directors + Chairman: Audit Committee

#13

COMPANY SHAREHOLDERS' STRUCTURE

Village Trust
Y3K Investments (Pty) Ltd

28%
(2009: 28%)

Atterbury Investment Holdings Limited
Atterbury Attfund Investment Company Number 1 (Pty) Ltd
Atterbury Attfund Investment Company Number 2 (Pty) Ltd
Atterbury Attfund Investment Company Number 3 (Pty) Ltd
Wattchat (Pty) Ltd

43.4%
(2009: 46.2%)

Other

17.5%
(2009: 14.7%)

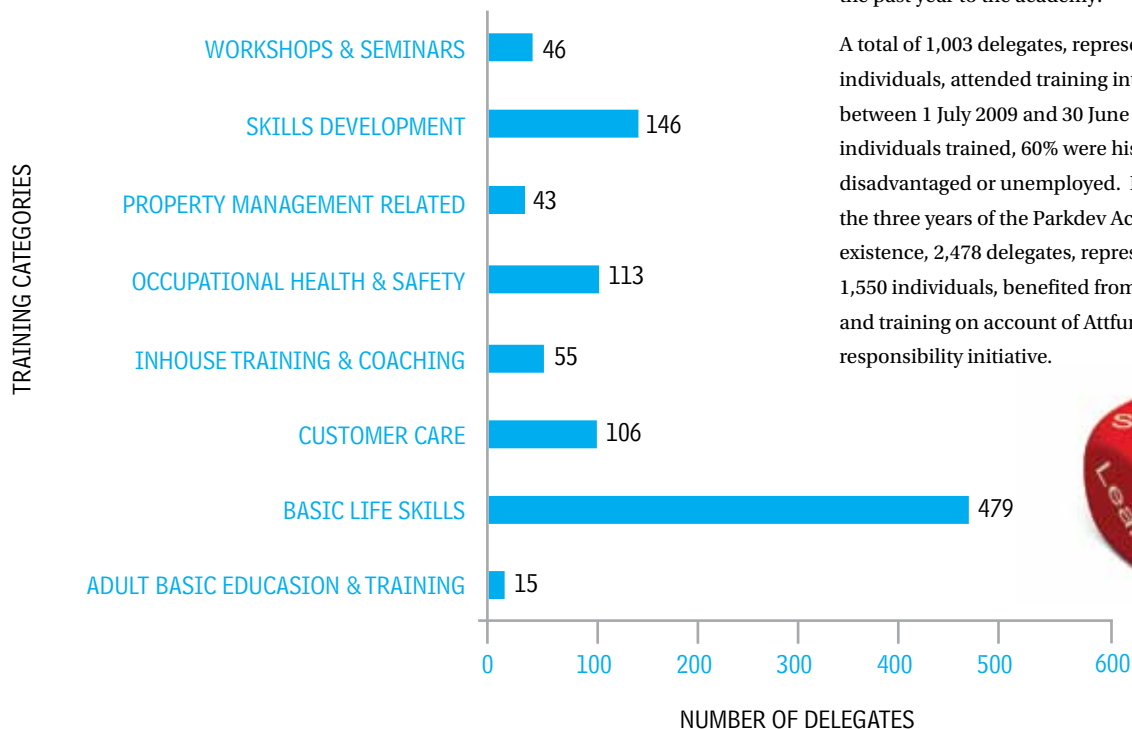
Clidet No 683 (Pty) Ltd - Nedbank

11.1%
(2009: 11.1%)



#14

Delegates attending various training categories



Attfund's social responsibilities

are focused around training and the development of skills in the property industry serving the fund's portfolio. To this extent, the Parkdev Academy - An Attfund Initiative was established. Attfund granted R2 million over the past year to the academy.

A total of 1,003 delegates, representing 727 individuals, attended training interventions between 1 July 2009 and 30 June 2010. Of all individuals trained, 60% were historically disadvantaged or unemployed. During the three years of the Parkdev Academy's existence, 2,478 delegates, representing 1,550 individuals, benefited from education and training on account of Attfund's social responsibility initiative.



RESTRUCTURING

— of Attfund post-year-end

AT AN ANNUAL GENERAL MEETING

of Attfund Limited (the company) held on 6 December 2007, the shareholders resolved, by special resolution, that Article 130 of the articles of the association of the Company be amended by replacing it with the following new Article 130:

“130: The company shall procure a listing on the Johannesburg Securities Exchange or any other security exchange by no later than 30 November 2011 and shall, in order to facilitate such a listing, procure an amendment to the Memorandum of Association and/or these Articles, if necessary, to ensure compliance with the requisite and regulatory requirements of the Johannesburg Securities Exchange or any other securities exchange.”

As a first step towards improving the liquidity of the company’s shares, the board of directors resolved to merge the South African property assets of the company with the Parkdev asset and

property management business in respect of the company’s South African assets, as well as the Willowbridge South Lifestyle Centre, which is co-owned by Siyathenga Properties Two (Pty) Limited and Mini-Cape Property Holdings (Pty) Limited.

To facilitate the merger, the company will dispose of its South African property assets to Attfund Retail Limited, a wholly-owned subsidiary of the company.

In consideration for the company’s South African property assets, inter alia, Attfund Retail is to issue shares to the company on the transfer date.

To this extent, the company issued a circular to the shareholders of Attfund Limited regarding the proposed distribution, in specie, to the shareholders of the company, in terms of section 90 of the Companies Act, of the company’s shares in Attfund Retail Limited (which disposals will constitute disposals of all of the assets of the company in accordance with the provision of section 228 of the Companies Act); and incorporating:

- a notice of a general meeting of shareholders of the company; and
- a form of proxy.

On 7 September 2010, the shareholders of the Company voted 92.8% in favour of both Special resolution No. 1 – Distribution of Attfund Retail Shares and Ordinary Resolution No. 1 – Authorisation of Directors, with no votes abstaining or voting against the two resolutions.

The merger is subject to approval by the relevant competition authorities and Attfund Retail being granted, in principle, sufficient finance from registered banks or other registered financial institutions.

As a result of the abovementioned merger, Attfund shareholders will end up owning shares in Attfund Retail Limited as outlined above, as well as in Attfund International Limited. Attfund International Limited will own all Attfund’s current international assets, as well its non-property South African assets.

The restructuring/merger of Attfund assets after implementation is illustrated in [Graph 15](#).

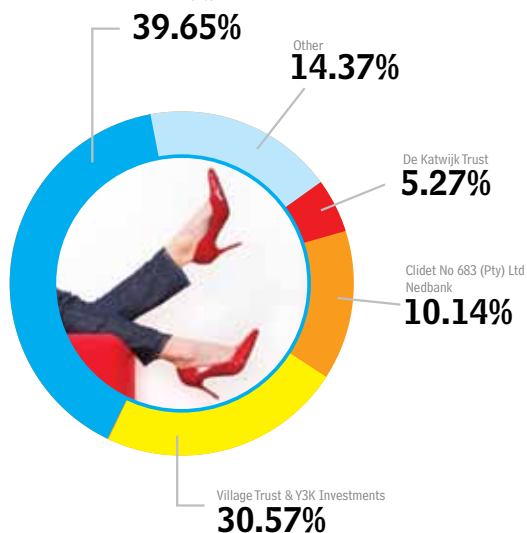
The major shareholders after the restructuring/merger in Attfund Retail Limited and Attfund International Limited are shown in [Graphs 16 & 17](#).

ATTFUND RETAIL LIMITED	ATTFUND INTERNATIONAL LIMITED
Performs own asset management	Investment in:
Owns:	Karoo Investment Fund
Somerset Value Mart	Movies at Woodlands (50%)
Clearwater Mall	Stenham European Shopping Centre Fund
Lakefield Office Park	Owns:
Woodlands Boulevard	CapeGate Bulk
Willowbridge North	
Willowbridge South	
Garden Route Mall	
CapeGate Shopping Precinct	
Centurion Mall (25% undivided share)	
Glenwood Office Park	
Atterbury Value Mart	
Glenfield Office Park	
2,610,430 Acucap Properties Limited shares	
8,897,297 Sycom Property Fund shares	



ATTFUND ASSETS AFTER MERGER/RESTRUCTURING

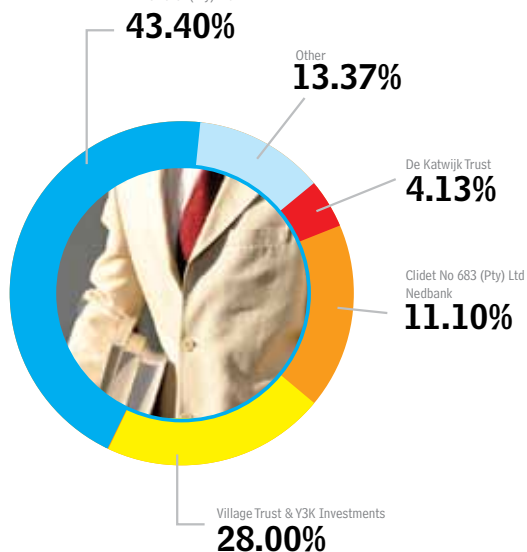
Atterbury Investment Holdings Limited
 Atterbury Attfund Investment Company Number 1 (Pty) Ltd
 Atterbury Attfund Investment Company Number 2 (Pty) Ltd
 Atterbury Attfund Investment Company Number 3 (Pty) Ltd
 Wattchat (Pty) Ltd



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ATTFUND RETAIL LIMITED SHAREHOLDERS AFTER MERGER/ RESTRUCTURING

Atterbury Investment Holdings Limited
 Atterbury Attfund Investment Company Number 1 (Pty) Ltd
 Atterbury Attfund Investment Company Number 2 (Pty) Ltd
 Atterbury Attfund Investment Company Number 3 (Pty) Ltd
 Wattchat (Pty) Ltd



#17

ATTFUND INTERNATIONAL LIMITED SHAREHOLDERS AFTER MERGER/ RESTRUCTURING

Future prospects

While the outlook for the economic recovery remains uncertain, interest rates are expected to remain at the current relative low levels in the medium term. Expected higher disposable income as a result of the lower interest rates and higher GDP growth should lead to higher retail spend.

Attfund's significant investment of R838 million to expand both Clearwater Mall and Woodlands Boulevard, should position the two centres as dominant and centres of first choice in their respective catchment areas. Post-year-end approval has been granted to retille the entire mall of CapeGate Regional Shopping Centre for an amount of R10 million. Construction should be completed by the end of November 2010.

Shopping centres offering a large variety of stores, ease of access and convenience, and most importantly the highest levels of overall shopper satisfaction, will outperform their competition and result in greater investment returns.

Once Attfund International Ltd has been established, Parkdev Investments (Pty) Ltd will be appointed as the asset manager for the fund. A fee of 0.1% of the gross assets of the fund will be payable.

The board of directors has approved a dividend of R1.8166 (R90 million including STC) per share, which, subject to shareholders' approval, will be paid on 28 October 2010 to shareholders who were registered on 1 October 2010.

The board of directors and management are considering various options for listing the shares of Attfund Retail Limited on the Johannesburg Securities Exchange early next year and will be communicating with shareholders in due course.

As this is probably the last Attfund Limited Annual Report that will be published, I would like to take the opportunity of thanking all the members that have served on the board of directors over the past eight years for their invaluable contributions. Also to all our staff, fellow directors of Parkdev, service providers, contractors and all the unsung heroes who have contributed to the remarkable Attfund success story, my sincerest gratitude and appreciation.

The past eight years have been the most rewarding years of my life as we lived the roller coaster ride, at high speed, from humble beginnings to an end result we can all be extremely proud of. For that I would like to salute and thank you, our shareholders, for allowing me the privilege to have served you.

Louis Norval
 Chief Executive

20 September 2010