



THE INVESTMENT WEEK

ATTACQ

Mall mania continues

Gauteng shoppers still have plenty of appetite for retail therapy, judging by the 84,000 people who streamed through the Mall of Africa's doors on the first day of trade last Thursday.

But JSE-listed Attacq's new 131,000 m² mega-mall at Waterfall City near Midrand, 4½ years in the making, hasn't just created excitement among shoppers. It's also a milestone for shareholders.

The R4.9bn mall, which is co-owned by Attacq (80%) and unlisted developer Atterbury (20%), is now the company's largest asset by far, representing about 15% of total assets of close to R28bn.

Mall of Africa is expected to boost Attacq's NAV and rental income strongly over the next few years. Attacq CEO Morne Wilken says the mall should lure

15m shoppers a year and generate sales turnover of about R4bn/year. Attacq will earn rental income of R78m in the first year of the mall's operation.

But Wilken says there's plenty of upside potential in the income and valuation projections as turnover rentals kick in and additional revenue sources such as parking are included.

More importantly, he says, the mall will be a catalyst for the development of the rest of the 323 ha Waterfall precinct over the next 10-15 years.

Attacq's portfolio includes Garden Route Mall in George, MooiRivier Mall in Potchefstroom and Eikestad Mall in Stellenbosch.

The counter has a R6.5bn offshore portfolio including stakes in seven malls in Serbia, two in Cyprus as well as properties in



Morne Wilken

Mall should stimulate development of precinct

Ghana, Zambia and Nigeria. Attacq also owns a 48% stake in rand hedge counter MAS Real Estate.

Despite Attacq's share price recovering some 18% in the year to date, the stock is still trading 20% below its March 2015 peak.

Anchor Capital CEO Peter Armitage says Attacq is an attractive buy-and-hold investment. "We like the high quality of its assets and the diversification between local and offshore markets."

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