



(A property fund created under the Emira Property Scheme, registered in terms of the Collective Investment Schemes Control Act)
Share code: EMI ISIN: ZAE00050712

("EMIRA")

- Total distributions of 34,01 cents
- Distributions up 4,3% on pre-listing forecast
- NAV rises by 6,1% to 526 cents per PI
- Vacancies decline to 6,1%
- Total assets of R1,9 billion

AUDITED FINANCIAL RESULTS FOR THE SEVEN MONTHS ENDED 30 JUNE 2004

Abridged income statement

	Audited results 30 June 2004 R'000	Unaudited One month ended 31 Dec 2003 R'000
Revenue	179 669	23 166
Property expenses	(60 843)	(7 822)
Administration and management expenses	(10 940)	(1 766)
Depreciation	(3 004)	(285)
Net income from property rental operations	104 882	13 293
Change in fair value of investment properties	86 906	—
Maintenance fund expenses	(1 330)	—
Listing costs	(345)	(264)
Operating profit	190 113	13 029
Financing costs	20 669	(2 826)
Interest received	8 046	2 172
Net profit for the period	177 490	12 375
Reconciliation between net profit for the period headline earnings:		
Net profit for the period	177 490	12 375
Adjusted for:		
Change in fair value of investment properties	86 906	—
Headline earnings	90 584	12 375
Reconciliation of headline earnings to distribution per participatory interest:		
Headline earnings	90 584	12 375
Adjusted for:		
Amortised borrowing costs	173	—
Maintenance fund expenses	1 330	—
Interim distributions paid to PI holders	(12 373)	—
Distribution payable to participatory interest holders	79 714	12 375
Distribution per participatory interest	29,29	4,72

Abridged balance sheet at 30 June 2004

	Audited at 30 June 2004 R'000	Unaudited One month ended 31 Dec 2003 R'000
Assets		
Non-current assets		
Investment properties	1 866 799	1 374 902
Furniture and fittings	34 228	18 736
	1 901 027	1 393 638
Current assets		
Accounts receivables and prepayments	4 269	6 963
Maintenance fund	24 104	—
Cash	4 027	332 671
	32 400	339 634
Total assets	1 933 427	1 733 272
Equity		
Participatory interest holders' funds	1 501 747	1 301 207
Non-current liabilities		
Borrowings	310 978	386 784
Current liabilities		
Short-term portion of borrowings	1 867	2 492
Accounts payable	39 121	30 414
Provision for distributions to participatory interest holders	79 714	12 375
	120 702	45 281
Total equity and liabilities	1 933 427	1 733 272

Statement of changes in equity

for the seven months ended 30 June 2004

	Participatory interest R'000	Non- distributable reserve R'000	Retained loss R'000	Total R'000
Issue of participatory interest	1 426 468	—	—	1 426 468
Participatory issue cost	(10 124)	—	—	(10 124)
Net profit for the period	—	—	177 490	177 490
Distribution to PI holders	—	—	(92 087)	(92 087)
Transfer of maintenance fund expenses to non-distributable reserve	—	(1 330)	1 330	—
Transfer of fair value adjustment to non-distributable reserve	—	86 906	(86 906)	—
Balance at 30 June 2004	1 416 344	85 576	(173)	1 501 747

Abridged cash flow statement

for the seven months ended 30 June 2004

	Audited results 30 June 2004 R'000	Unaudited One month ended 31 Dec 2003 R'000
Cash generated by rental operations	141 063	36 458
Net finance cost	(12 623)	(654)
Distribution to participatory interest holders	(12 373)	—
Cash flow from operating activities	116 067	35 804
Purchase of investment properties	(1 779 893)	(1 374 902)
Purchase of furniture and fittings	(37 232)	(18 450)
Increase in maintenance fund	(24 104)	—
Net cash utilised in investing activities	(1 841 229)	(1 393 352)
Issue of participatory interest	1 426 468	1 310 668
Cash utilised for listing costs	(10 124)	(9 725)
Cash raised from borrowings	310 978	389 276
Increase in short-term portion of borrowings	1 867	—
Net cash from financing activities	1 729 189	1 690 219
Net change in cash and cash equivalents	4 027	332 671

Accounting policies

The financial statements are prepared in accordance and comply with South African Statements of Generally Accepted Accounting Practice. The accounting policies are consistent with those used in the preparation of the prelisting statement.

Segmental information

Primary segment	Retail R'000	Office R'000	Industrial R'000	Other R'000	Total R'000
Revenue					
Revenue	55 935	92 165	31 569	—	179 669
Segmental result					
Net income from property rental operations	31 987	55 289	24 662	(7 056)	104 882
Depreciation	420	2 160	424	—	3 004
Change in fair value	37 704	35 962	13 240	—	86 906
Other information					
Investment properties	645 937	953 046	300 051	1 993	1 901 027
Total assets	648 058	955 149	299 207	31 013	1 933 427
Accounts payable	5 509	10 761	2 795	20 056	39 121
Capital expenditure	42 669	21 712	900	—	65 281
Geographical segments					
Revenue					
– Gauteng	38 176	81 380	18 857	—	138 413
– Western and Eastern Cape	4 132	7 404	4 817	—	16 353
– KwaZulu-Natal	—	3 381	7 895	—	11 276
– Free State	13 251	—	—	—	13 251
– North West	376	—	—	—	376
	55 935	92 165	31 569	—	179 669
Total assets					
– Gauteng	442 431	757 753	173 775	26 146	1 400 105
– Western and Eastern Cape	75 301	78 015	49 222	2 987	205 525
– KwaZulu-Natal	—	119 381	76 210	734	196 325
– Free State	110 189	—	—	1 146	111 335
– North West	20 137	—	—	—	20 137
	648 058	955 149	299 207	31 013	1 933 427

Related parties and related party transactions

Emira is controlled by Momentum Group Limited and ultimately by FirstRand Limited. At 30 June 2004, Momentum owned 53% of the fund's participatory interest and the remaining 47% of the participatory interests are widely held. The following transactions were carried out with related parties:

	Audited at 30 June 2004 R'000	Unaudited One month ended 31 Dec 2003 R'000
Strategic Real Estate Managers (Pty) Limited		
Expenditure comprising: asset management fee	5 240	785
<i>Relationship: Fellow subsidiary company of the FirstRand Group</i>		
Rand Merchant Bank, a division of FirstRand Bank Limited		
Expenditure comprising: advisory fee	1 500	1 500
Borrowings	312 845	389 276
Net finance cost	12 450	654
<i>Relationship: Fellow subsidiary company of the FirstRand Group</i>		
RMB Properties (Pty) Limited		
Expenditure comprising: property management fee and letting commissions	9 762	1 364
Promoters fee	4 000	4 000
<i>Relationship: Fellow subsidiary company of the FirstRand Group</i>		
Momentum Group Limited		
Purchase of properties at listing	43 208	43 208
Purchase of Boundary Terraces	56 100	56 100
<i>Relationship: Major PI holder</i>		
Hawley Road Developments (Pty) Limited		
Purchase of properties at listing	57 347	57 347
<i>Relationship: Fellow subsidiary company of the FirstRand Group</i>		
Momentum Property Investments (Pty) Limited		
Purchase of properties at listing	769 620	769 620
Purchase of Strathmore Park	16 300	—
Purchase of Safecash Technologies	1 500	—
<i>Relationship: Fellow subsidiary company of the FirstRand Group</i>		

The above transactions were carried out on commercial terms and conditions no more favourable than those available in similar arms-length dealings at market-related rates.

Comparison to pre-listing forecast

	30 June 2004	Prelisting statement 31 Dec 2003
Revenue	179 669	180 192
Property expenses	(60 843)	(63 035)
Administration and management expenses	(10 940)	(9 841)
Depreciation	(3 004)	(4 552)
Net income from property rental operations	104 882	102 764
Financing costs	20 669	(13 999)
Interest received	8 046	141
Change in fair value of investment properties	86 906	—
Maintenance fund expenses	(1 330)	—
Listing costs	(345)	(197)
Net profit for the period	177 490	88 709
Participatory interests in issue	285 293 684	272 133 684
Participatory interests in issue for distribution	272 133 684	272 133 684
Earnings per participatory interest	65,22	32,60
Headline earnings per participatory interest	33,28	32,60
Distribution earnings per participatory interest	34,01	32,60
Market capitalisation (R'000)	1 483 527	1 360 668
Market value of investment properties (R'000)	1 901 027	1 564 954
Net asset value per participatory interest (cents)	526	496
Listed market price (cents per unit)	520	500
(Discount)/premium to net asset value (%)	(1,1)	1,0
Average vacancy factor (%)	6,1	10,1

Commentary

Results

Emira listed on the JSE Securities Exchange South Africa ("JSE") on 28 November 2003, and Strategic Real Estate Managers is pleased to announce that the pre-listing forecast for the period under review has been exceeded. Total distribution achieved of 34,01 cents per participatory interest compared to the forecast of 32,60 cents contained in Scenario A of the pre-listing statement. This was achieved despite a delay in the transfer of a number of properties. All properties contained in the prelisting statement have now been transferred to the fund.

Acquisitions

During the period under review the fund concluded acquisitions totalling R181 million, at an average ungeared yield of 12,3%. These acquisitions were settled by way of cash raised on listing, debt, as well as the issue of new participatory interests of 13 160 000 at an issue price of 500 cents. These acquisitions are in line with the objectives of the fund of acquiring properties that are yield-enhancing as well as achieving a greater geographical spread.

Letting

Approximately 20 552 m² has been let in the past seven months. The overall vacancy has improved to 6,1% from 10,1% at listing. Reduced vacancies should contribute positively to the fund in the ensuing period.

Vacancy spread:

	December 2003		June 2004	
	GLA* m ²	% Vacant	GLA* m ²	% Vacant
Industrial	25 303	13,6	14 015	7,6
Offices	24 783	11,0	16 532	7,0
Retail	4 973	3,7	3 959	2,8
Total	55 059	10,1	34 506	6,1

*GLA – gross lettable area

Revaluation of investment properties

The fund obtained directors' valuations, performed by registered valuers employed by RMB Properties (Pty) Ltd. The valuation of R1,901 million has given rise to a change in fair value in the income statement totalling R86,9 million or 4,6%. The fund is committed in having all properties valued externally on a rotational basis once every three years. The first external valuations are scheduled for December 2004.

Debt

In terms of the trust deed, the fund's aggregated indebtedness may not exceed an amount equal to 30% of the gross value of the underlying assets of the fund. At year-end, total borrowings were at R311 million, equal to 16,4% of total assets. Of the total borrowings, R226 million (73%) is fixed at an average rate of 9,98% expiring in two and four years. The remaining floating portion attracts interest at prime less 2%.

The fund has recently secured additional facilities totalling R151 million for further acquisitions.

Prospects

The outlook for the coming year is positive. Refurbishments undertaken at certain retail properties have now been completed and are expected to deliver enhanced returns. Reduced vacancies in the industrial and office sectors will also contribute positively to further growth.

Acquisitions concluded to date have been yield-enhancing and have also enhanced the fund's composition on a geographical and sectoral basis. Management will continue with this acquisition strategy where possible.

Audited opinion by independent auditors

The funds' financial statements have been audited by PricewaterhouseCoopers Inc. whose unqualified audit opinion is available for inspection at Emira's registered address.

Distribution

Notice is hereby given that a cash distribution of 29,29 cents per participatory interest has been declared payable to participatory interest holders on Monday, 4 October 2004.

Last day to trade cum distribution	Thursday, 23 September 2004
Participatory interest trade ex distribution	Monday, 27 September 2004
Record date	Friday, 1 October 2004
Payment date	Monday, 4 October 2004

Share certificates may not be dematerialised or rematerialised between Monday, 27 September 2004 and Friday, 1 October 2004, both days inclusive.

By order of the Board

C Middlemiss

Company secretary

James Templeton

Chief Executive Officer

Ben van der Ross

Chairman

Sandton

6 September 2004

Property Fund Manager

Strategic Real Estate Managers (Pty) Limited

Directors of the fund manager

B J van der Ross (Chairman)*, J W A Templeton (Chief executive officer), L Barnard*, L Basson*, B T Jackson*, M S B Nester*, W K Schultze

*Non-executive director

Registered address: 6 Protea Place South, Sandton, 2146

Transfer secretaries: Computershare Investor Services 2004 (Pty) Ltd
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Merchant bank and sponsor

