

Distributions per PI 74,50c representing growth of +10,3%

Net asset value per PI 866c an increase of +38,8%

12-month total return of 205c or 28,4%

EMIRA

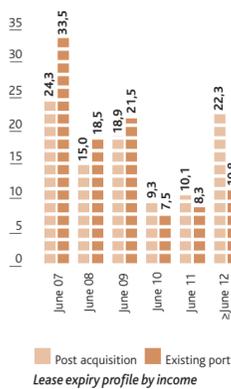
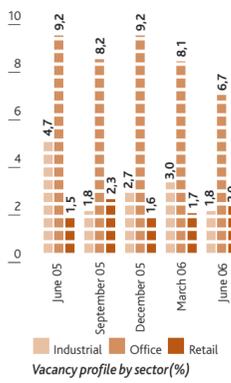
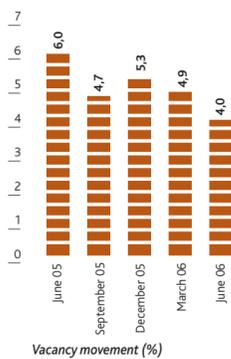
Reviewed financial results for the year ended 30 June 2006

PROPERTY FUND



www.emira.co.za

(A property fund created under the Emira Property Scheme, registered in terms of the Collective Investment Schemes Control Act)
Share code: EMI ISIN: ZAE000050712 ("Emira" or "the Fund")



Abridged income statement

for the year ended 30 June 2006

| | Reviewed Year ended 30 June 2006 R'000 | Restated Audited Year ended 30 June 2005 R'000 |
|--|---|--|
| Revenue | 451 950 | 407 088 |
| Property expenses | (137 778) | (113 292) |
| Management expenses | (15 259) | (10 590) |
| Administration expenses | (13 727) | (12 150) |
| Depreciation | (7 532) | (6 464) |
| Net income from property rental operations | 277 654 | 264 592 |
| Net fair value gains on investment properties | 661 154 | 240 124 |
| Change in fair value as a result of straight-lining lease rental | (18 783) | (32 669) |
| Change in fair value as a result of amortising upfront lease cost | (2 890) | (8 017) |
| Change in fair value as a result of property appreciation in value | 682 827 | 280 810 |
| Profit on disposal of investment property | 1 459 | 11 179 |
| Maintenance fund expenses | (855) | (1 827) |
| Listing costs | (128) | (104) |
| Operating profit | 939 284 | 513 964 |
| Finance costs | (32 365) | (45 662) |
| Investment income | 1 417 | 3 554 |
| Net profit for the period | 908 336 | 471 856 |
| Reconciliation between earnings and headline earnings: | | |
| Net profit for the period | 908 336 | 471 856 |
| Adjusted for: | | |
| Net fair value gains on investment properties | (661 154) | (240 124) |
| Profit on sale of investment property | (1 459) | (11 179) |
| Headline earnings | 245 723 | 220 553 |
| Reconciliation of headline earnings to distribution per participatory interest: | | |
| Headline earnings | 245 723 | 220 553 |
| Adjusted for: | | |
| Allowance for future rental escalations | (18 783) | (32 669) |
| Unamortised upfront lease costs | (2 890) | (8 017) |
| Unrealised (gain)/loss on interest rate swaps | (11 665) | 11 757 |
| Maintenance fund expenses | 855 | 1 827 |
| Amortised borrowing costs | 437 | 296 |
| Distribution payable to participatory interest holders | 213 677 | 193 747 |
| Distribution per participatory interest | | |
| Interim (cents) | 36.44 | 32.63 |
| Final (cents) | 38.06 | 34.92 |
| Total (cents) | 74.50 | 67.55 |

Abridged balance sheet

at 30 June 2006

| | Reviewed Year ended 30 June 2006 R'000 | Restated Audited Year ended 30 June 2005 R'000 |
|---|---|--|
| Assets | | |
| Non-current assets | | |
| Investment properties | 3 025 871 | 2 215 059 |
| Allowance for future rental escalations | 51 452 | 32 669 |
| Unamortised upfront lease costs | 14 936 | 12 046 |
| Current assets | | |
| Accounts receivables and prepayments | 11 688 | 31 757 |
| Cash | 652 | 9 252 |
| Total assets | 3 104 599 | 2 300 783 |
| Equity | | |
| Participatory interest holders' capital | 2 483 265 | 1 788 606 |
| Liabilities | | |
| Non-current liabilities | | |
| Interest-bearing debt | 458 330 | 364 141 |
| Current liabilities | | |
| Short-term portion of long-term interest-bearing debt | 3 224 | 1 867 |
| Accounts payable | 50 531 | 34 257 |
| Derivative financial instruments | 92 | 11 757 |
| Distributions payable to participatory interest holders | 109 157 | 100 155 |
| | 163 004 | 148 036 |
| Total liabilities | 621 334 | 512 177 |
| Total equity and liabilities | 3 104 599 | 2 300 783 |

Statement of changes in equity

for the year ended 30 June 2006

| | Participatory Interest R'000 | Fair value reserve R'000 | Retained earnings R'000 | Total R'000 |
|--|------------------------------------|--------------------------------|-------------------------------|------------------|
| Balance at 1 July 2004 | 1 416 344 | 85 576 | (173) | 1 501 747 |
| Issue of participatory interest | 8 750 | — | — | 8 750 |
| Net profit for the year | — | — | 471 856 | 471 856 |
| Distribution to PI holders | — | — | (193 747) | (193 747) |
| Allowance for future rental escalations | — | 32 669 | (32 669) | — |
| Unamortised upfront lease costs | — | 8 017 | (8 017) | — |
| Net fair value gains on investment properties | — | 240 124 | (240 124) | — |
| Profit on sale of investment property | — | 11 179 | (11 179) | — |
| Unrealised loss on interest rate swaps | — | (11 757) | 11 757 | — |
| Maintenance fund expenses | — | (1 827) | 1 827 | — |
| Balance at 30 June 2005 | 1 425 094 | 363 981 | (469) | 1 788 606 |
| Balance at 1 July 2005 | 1 425 094 | 363 981 | (469) | 1 788 606 |
| Net profit for the year | — | — | 908 336 | 908 336 |
| Distribution to PI holders | — | — | (213 677) | (213 677) |
| Allowance for future rental escalations | — | 18 783 | (18 783) | — |
| Net fair value gains on investment properties | — | 661 154 | (661 154) | — |
| Profit on sale of investment property | — | 1 459 | (1 459) | — |
| Unamortised upfront lease costs | — | 2 890 | (2 890) | — |
| Unrealised gains/(loss) on interest rate swaps | — | 11 665 | (11 665) | — |
| Maintenance fund expenses | — | (855) | 855 | — |
| Balance at 30 June 2006 | 1 425 094 | 1 059 077 | (906) | 2 483 265 |

Abridged cash flow statement

for the year ended 30 June 2006

| | Reviewed Year ended 30 June 2006 R'000 | Restated Audited Year ended 30 June 2005 R'000 |
|--|---|--|
| Cash generated by rental operations | 298 459 | 196 087 |
| Net interest charge | (42 176) | (30 351) |
| Distribution to participatory interest holders | (204 675) | (173 306) |
| Cash flow from operating activities | 51 608 | (7 570) |
| Acquisition of investment properties | (166 656) | (104 693) |
| Acquisition of furniture and fittings | (6 497) | (8 984) |
| Proceeds on sale of investment property | 17 399 | 40 455 |
| Decrease in maintenance fund | — | 24 104 |
| Net cash utilised in investing activities | (155 754) | (49 118) |
| Issue of participatory interest | — | 8 750 |
| Increase in borrowings | 95 546 | 53 163 |
| Net cash from financing activities | 95 546 | 61 913 |
| Net change in cash and cash equivalents | (8 600) | 5 225 |
| Cash and cash equivalents at beginning of year | 9 252 | 4 027 |
| Cash and cash equivalents at end of year | 652 | 9 252 |

Segmental information

| | Retail R'000 | Office R'000 | Industrial R'000 | Corporate R'000 | Total R'000 |
|---|------------------|------------------|---------------------|--------------------|------------------|
| Revenue | 164 706 | 221 316 | 65 928 | — | 451 950 |
| Revenue | 155 159 | 215 904 | 62 104 | — | 433 167 |
| Allowance for future rental escalation | 9 547 | 5 412 | 3 824 | — | 18 783 |
| Segmental result | 105 643 | 141 569 | 46 540 | (16 098) | 277 654 |
| Net income from property rental operations | 1 377 | 5 301 | 854 | — | 7 532 |
| Depreciation | 211 706 | 324 796 | 124 652 | — | 661 154 |
| Change in fair value of investment properties | — | — | — | — | — |
| Other information | 1 023 305 | 1 545 197 | 457 369 | — | 3 025 871 |
| Investment properties | 1 060 511 | 1 573 153 | 469 629 | 1 306* | 3 104 599 |
| Total assets | 13 033 | 21 250 | 4 662 | 11 586* | 50 531 |
| Accounts payable | — | — | — | — | — |
| Geographical segments | 164 706 | 221 316 | 65 928 | — | 451 950 |
| Revenue | 119 168 | 178 188 | 36 916 | — | 334 272 |
| — Gauteng | 13 273 | 12 594 | 10 596 | — | 36 463 |
| — Western and Eastern Cape | — | 30 534 | 18 416 | — | 48 950 |
| — KwaZulu-Natal | 26 563 | — | — | — | 26 563 |
| — Free State | 5 702 | — | — | — | 5 702 |
| — North West | — | — | — | — | — |
| Total assets | 764 855 | 1 233 162 | 271 647 | 1 306 | 2 270 970 |
| — Gauteng | 98 140 | 111 831 | 90 279 | — | 300 250 |
| — Western and Eastern Cape | — | 228 160 | 107 703 | — | 335 863 |
| — KwaZulu-Natal | 174 121 | — | — | — | 174 121 |
| — Free State | 23 395 | — | — | — | 23 395 |
| — North West | — | — | — | — | — |
| Total | 1 060 511 | 1 573 153 | 469 629 | 1 306 | 3 104 599 |

*Includes asset management fees and other corporate related expenses
*Other sundry debtors
*All centralised creditors

Related parties and related-party transactions

Momentum Group ("Momentum") is the majority participatory interest holder. At 30 June 2006, Momentum owned 38,48% of the Fund's participatory interests and the remaining 61,52% were widely held. The following transactions were carried out with related parties:

| | Reviewed Year ended 30 June 2006 R'000 | Restated Audited Year ended 30 June 2005 R'000 |
|---|---|--|
| Strategic Real Estate Managers (Pty) Limited | | |
| Expenditure comprising: asset management fee | 15 259 | 10 590 |
| Relationship: Associated company of the FirstRand Group | | |
| Rand Merchant Bank a division of FirstRand Bank Limited | | |
| Borrowings | 304 125 | 226 125 |
| Net finance cost | 30 359 | 23 166 |
| Relationship: Associated company of the FirstRand Group | | |
| RMB Properties (Pty) Limited | | |
| Expenditure comprising: property management fee and letting commissions | 52 590 | 90 855 |
| Development of Gift Acres Shopping Centre | 23 722 | 22 683 |
| Development of Faerie Glen Phase 2 | 10 000 | 68 172 |
| | 18 868 | — |

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

Acquisitions

The following properties were transferred to Emira during the financial year:

| Transferred to Emira in FY06 | Sector | Location | GLA (m ²) | Purchase price (Rm) | Forward yield (%) | Effective date | Key tenants |
|------------------------------|--------|----------------|-----------------------|---------------------|-------------------|----------------|---|
| 100 Armstrong | Office | La Lucia Ridge | 2 880 | 25,00 | 11,1 | 11 Jul 05 | Imperial Bank, SAP, RMB Asset Management |
| 122 Pybus Road | Office | Sandton CBD | 5 299 | 15,75 | 11,1 | 20 Oct 05 | Multi-tenanted SA Rail |
| Lincolnwood Office Park | Office | Woodmead | 10 991 | 55,75 | 12,2 | 20 Oct 05 | Commuter Corporation |
| Century Gate | Office | Century City | 1 369 | 10,00 | 10,0 | 25 Nov 05 | Tricon Consulting Engineers (Pty) Limited |
| Gift Acres* | Retail | Lynnwood Ridge | 9 363 | 78,68 | 11,8 | 22 Jun 06 | FirstRand Bank Limited Woolworths, Mr Price Group First National Bank |
| Total | | | 29 902 | 185,2 | | | |

*Note that although the transfer of Gift Acres only took place in June 2006, the development consideration was paid in accordance with the agreement with RMB Properties and income from the centre was accrued to the Fund since opening in May 2005.

Emira also reached agreement with RMB Properties to purchase the newly developed Phase 2 of an office park located in Sprite Avenue, Faerie Glen, Pretoria. This was funded by short-term debt, with the income accruing to Emira from 1 June 2006. With the Fund being the legal owner of the land, no transfer was required.

| Income accruing to Emira in FY06 | Sector | Location | GLA (m ²) | Purchase price (Rm) | Forward yield (%) | Effective date | Key tenants |
|----------------------------------|--------|-------------|-----------------------|---------------------|-------------------|----------------|----------------|
| Faerie Glen Phase 2 | Office | Faerie Glen | 1 937 | 18,9 | 10,2 | 1 June 2006 | Sanlam, Simeka |
| Total | | | 1 937 | 18,9 | 10,2 | | |

At the general meeting of PI holders held on 22 August 2006, Emira received approval to purchase five properties from Momentum and RMB Properties through a combination of debt and equity. Of these five buildings, Newlands Terraces is expected to be transferred to Emira on 1 September 2006. The remaining properties are expected to contribute to the Fund's income from transfer – in the case of Wonderpark and WesBank House – and the later of practical completion or registration – in the case of WorldWear and RTT.

Furthermore, Phase 3 of Faerie Glen, which is currently under development, is on target to be completed by 1 December 2006 and is expected to be funded by debt.

| Income yet to accrue to Emira | Sector | Location | GLA (m ²) | Purchase price (Rm) | Forward yield (%) | Anticipated effective date | Tenants |
|-------------------------------|--------|-------------|-----------------------|---------------------|-------------------|----------------------------|---------|
| Faerie Glen Phase 3 | Office | Faerie Glen | 2 594 | 26,7 | 10,2 | 1 December 2006 | VIP |

Disposals

In accordance with the strategy of the Fund, certain properties that are underperforming or pose excessive risk to the Fund are earmarked and disposed of. With this strategy in mind, Emira disposed of: Motorola, a mixed office/industrial building in Halfway Gardens; Piling, an office building in Parktown, and Grinaker Electronics, an office building in Samrand.

| Transferred out of Emira in FY06 | Sector | Location | GLA (m ²) | Valuation June 2005 (R'000) | Sale price (R'000) | Yield (%) | Effective date |
|----------------------------------|--------|-----------------|-----------------------|-----------------------------|--------------------|-----------|----------------|
| Motorola | Office | Halfway Gardens | 719 | 3 001 | 3 001 | 11,1 | 11 Aug 05 |
| Piling | Office | Parktown | 2 027 | 5 990 | 7 400 | 8,5 | 28 Mar 06 |
| Grinaker Electronics | Office | Samrand | 3 261 | 7 000 | 7 000 | 1,6 | 01 Jun 06 |
| Total | | | 6 007 | 15 991 | 17 401 | | |

Delays in the transfer of Mafikeng Game have resulted in this property still being owned by Emira, although it is expected to be transferred before the end of December 2006.

Properties sold during the financial year, but yet to be transferred out of Emira

| Building | Sector | Location | GLA (m ²) | Valuation June 2004 (Rm) | Sale price (Rm) | Yield (%) |
|---------------|--------|----------|-----------------------|--------------------------|-----------------|-----------|
| Mafikeng Game | Retail | Mafikeng | 5 218 | 20,1 | 20,7 | 15,9 |

Vacancies

Vacancies dropped sharply from 6,0% (33 624 m²) in June 2005 to 4,0% in June 2006 (23 262 m²). The largest improvement came within the industrial sector, which saw vacancies decline from 4,7% in June 2005 to 1,8% by end June 2006. Office vacancies declined to 6,7%, while vacancies in the retail sector rose slightly from 1,5% to 2,0%.

Valuations and Net Asset Value

The Fund has elected to have independent valuations of its entire portfolio at least every three years. To achieve this, independent valuers value approximately one-third of the portfolio each year. These valuations are included as part of the Fund's overall movement below. As a result of the continued firming in the capitalisation rates, advantageous renewals in a number of properties and rising rentals in the majority of areas, portfolio values improved markedly in all three sectors.

| | June 2005 (R'000) | R/m ² | June 2006 (R'000) | R/m ² | Difference (%) | Difference (R'000) |
|--|-------------------|------------------|-------------------|------------------|----------------|--------------------|
| Industrial | 337 618 | 1 948 | 469 190 | 2 691 | 39,0 | 131 782 |
| Office | 1 111 646 | 4 671 | 1 572 429 | 6 124 | 41,5 | 460 783 |
| Retail | 810 277 | 5 364 | 1 050 640 | 6 952 | 29,7 | 240 363 |
| General* | 233 | — | 0 | — | 100 | (233) |
| Total | 2 259 774 | 4 018 | 3 092 259 | 5 311 | 36,8 | 832 485 |
| Adjustment to fair value as per IAS 17/IAS 40 | (32 669) | — | (51 452) | — | 57,5 | (18 783) |
| Unamortised upfront lease costs as per IAS 17/IAS 40 | (12 046) | — | (14 936) | — | 24,0 | (2 890) |
| As reported | 2 215 | | | | | |