



## EMIRA PROPERTY FUND

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")

# Unaudited interim results for the one month period ended 31 December 2003

## Unaudited income statements

For the one month period ended 31 December 2003

	Actual unaudited results R'000	Forecast results in the prelisting statement on 18 November 2003 R'000	Forecast results on the date of listing on 28 November 2003 R'000
Revenue	23 166	25 415	19 307
Net income from property rental operations	13 293	14 623	11 109
Net finance costs	(654)	(2 051)	(176)
Listing costs	(264)		
Net income for the one month period	12 375	12 572	10 933
Headline earnings reconciliation			
Net income for the one month	12 375	12 572	10 933
Add: Listing costs	264	-	-
Headline earnings	12 639	12 572	10 933
Weighted average number of participatory interests in issue ('000)	262 134	272 134	262 134
Headline earnings per participatory interest (cents)	4,82	4,62	4,17
Earnings per participatory interest (cents)	4,72		
Distribution per participatory interest (cents)	4,72	4,62	4,10

### Notes:

- The actual results reflect the revenue and earnings from the 56 properties transferred by listing date, the additional 12 properties transferred in December 2003 and the new property acquired as detailed in the press announcement on 10 February 2004.
- The forecast contained in the pre-listing statement on 18 November 2003 reflects forecast revenue and earnings for the 77 properties acquired pursuant to Emira's listing.
- The forecast at listing date reflects forecast revenue and earnings from the 56 properties acquired as at listing date only.

## Unaudited balance sheet

as at 31 December 2003

	31 December 2003 Unaudited R'000	18 November 2003 Pre-listing forecast for the listing date balance sheet R'000	28 November 2003 Listing date balance sheet R'000
<b>Assets</b>			
Investment properties	1 374 902	1 548 622	1 086 509
Fixed assets	18 736	16 332	16 332
Long-term assets	1 393 638	1 564 954	1 102 841
Accounts receivable and prepayments	6 963	-	-
Cash and cash equivalents	332 671	82 494	497 608
Current assets	339 634	82 494	497 608
Total assets	1 733 272	1 647 448	1 600 449
<b>Capital and liabilities</b>			
Participatory interest holders' capital	1 301 207	1 349 323	1 299 323
Long-term interest bearing liabilities	386 784	298 125	301 126
Short-term portion of long term interest bearing liabilities	2 492	-	-
Accounts payable	30 414	-	-
Provision for distributions to participatory interest holders	12 375	-	-
	45 281	-	-
Total fund holders' capital and long-term liabilities	1 733 272	1 647 448	1 600 449

## Unaudited cash flow statement

For the one month period ended 31 December 2003

	One month ended 31 December 2003 Unaudited R'000
Cash generated from rental operations	36 458
Cash generated from investment income	2 172
Cash utilised to pay financing costs	(2 826)
Cash utilised for property and associated asset investing activities	(1 393 352)
Cash raised from borrowings	389 276
Cash raised from private placements upon listing	1 310 668
Cash utilised for listing costs	(9 725)
Net change in cash and cash equivalents	332 671

## Unaudited statement of changes in participatory interest holders' funds

For the one month period ended 31 December 2003

	Distributable reserves R'000	Participatory interests R'000
Issue of 262 133 684 participatory interests at 500 cents each		1 310 668
Headline earnings for the year	12 639	
Listing costs	(264)	(9 461)
Provision for distributions to participatory interest holders	(12 375)	
	-	1 301 207

## Additional unaudited financial information as at 31 December 2003

Outstanding capital commitments as at 31 December 2003:	
Properties acquired prior to listing but subject to transfer which were still outstanding as at 31 December 2003	81 445
Properties acquired prior to listing subject to competition authority approval which were still to be transferred as at 31 December 2003	181 900
Total commitments as at 31 December 2003	263 345
Less commitments to be paid for by the issue of participatory interests	(50 000)
Cash commitments as at 31 December 2003	213 345
Leasehold property commitments due within one year	1 515
Leasehold property commitments due thereafter	136 002
Capital expenditure commitments as at 31 December 2003	47 431
Depreciation for December 2003	286
Management fees and service charges	785

## Chief executive officer's review

### Financial review

Emira Property Fund ("Emira") listed on the JSE Securities Exchange South Africa ("JSE") on 28 November 2003 and is pleased to report its results and maiden distribution of 4.72 cents per participatory interest for the period 28 November 2003 to 31 December 2003. The earnings per participatory interest are ahead of the forecast for the fund despite the loss of rental income caused by delays in the transfer of properties to Emira.

The results incorporate the profits from the property acquisition announced in the press on 12 February 2004.

The actual unaudited results have been compared to both the forecast contained in Scenario A in the prelisting statement and the listing announcement on 28 November 2003 ("listing announcement"). The listing announcement was published for participatory interest holders information since only 56 of the 77 acquisition properties had been transferred as at the listing date, and provided a forecast for these 56 properties only.

With regards to the actual net financing costs, these were lower than the pre-listing forecast as property transfer delays gave rise to lower borrowings and higher cash reserves over the month of December 2003.

### Operational review

At the time of listing additional capital was raised for the acquisition of further properties. One acquisition was announced in the press on 12 February 2004, and we are currently considering further acquisitions that will utilise a portion of our cash, to enhance the yield and geographical spread of the property portfolio.

Capital expenditure budgeted for at certain key retail properties in order to provide enhanced rental revenues have commenced. The work is expected to be completed according to schedule.

Occupancy rates in the portfolio remain stable and at levels reported at the time of listing.

A further 12 of the original acquisition properties were transferred in December 2003, resulting in the revenue and earnings being materially higher than the forecast reflected in the listing announcement. A further 6 of the original acquisition properties have been transferred since 31 December 2003. The remaining 3 properties listed in the pre-listing statement remain to be transferred. The delays in respect of these properties, relating to the issue of rates clearance certificates and a lost title deed, have now been overcome and transfer of these properties is expected in due course.

### Prospects

Emira's management expects to report profits for the six months to 30 June 2004 in accordance with the forecast contained in Scenario A of the pre-listing statement. This forecast, which includes the results of all 77 property acquisitions detailed in the pre-listing statement dated 18 November 2003, reflects net income per participatory interest for the period from 1 January 2004 to 30 June 2004 of 27,98 cents.

### Accounting policies and financial statements review

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the proforma historical figures and forecasts detailed in the pre-listing statement.

There have been no changes in the fair value of the investment properties during the period under review.

### Notice of distribution

Emira's maiden distribution of 4,72 cents per participatory interest is hereby declared. The distribution is payable on 23 March 2004 to participatory interest holders recorded in the register on 19 March 2004.

Any change in address or distribution instruction to apply to this distribution must be received by Emira's transfer secretaries by no later than 12 March 2004. No dematerialisation or rematerialisation of participatory interests may occur between 15 March 2004 and 19 March 2004, both days inclusive. This announcement will be mailed to all participatory interest holders on or about 27 February 2004.

Last day to trade participatory interests <i>cum</i> distribution	12 March 2004
Participatory interests trade <i>ex</i> distribution from	15 March 2004
Record date	19 March 2004
Payment date	23 March 2004

By order of the Board

### C Wallach

Company secretary

Strategic Real Estate Managers (Proprietary) Limited

This report was approved by the fund manager's Board of Directors and is signed on their behalf by:

**R van der Bos**  
Chief executive officer

**W Schultze**  
Director

Sandton  
26 February 2004

## Property fund manager Strategic Real Estate Managers (Proprietary) Limited

### Directors of the fund manager

B.J. van der Ross (Chairman)\*, R.P.S. van der Bos (Chief executive officer),  
L. Barnard\* L. Basson\*, L.J. Forrester, B.T. Jackson\*, M.S.B. Naser\*,  
W.K. Schultze \* Non-executive director

### Trustee

ABSA Bank Limited

### Transfer secretaries

Computershare Limited  
PO Box 61051, Marshalltown, 2107  
70 Marshall Street, Johannesburg, 2001

## Merchant bank and sponsor



**RAND MERCHANT BANK**

A division of FirstRand Bank Limited

CORPORATE FINANCE