INNOVATION REJUVENATION DIVERSIFICATION







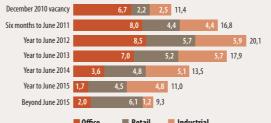
R280,5 million distributable income

55,21 cents distribution per PI

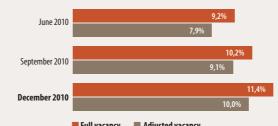
1 130 cents net asset value per PI

+15,7% 6 month total return

Lease expiry profile by sector (% of GLA)



Vacancy movement Jun 2010 - Dec 2010 (% of GLA)



PROPERTY FUND Unaudited financial results for the six months ended 31 December 2010 and income

(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")

Condensed statement of comprehensive income

	Six months	Six months	Year
	ended	ended	ended
R'000	31 Dec 2010	31 Dec 2009	30 Jun 2010
Revenue	610 125	585 204	1 162 179
Operating lease rental income and tenant recoveries	611 484	566 918	1 152 167
Allowance for future rental escalations	(1 359)	18 286	10 012
Income from listed property investment	10 050	-	_
Property expenses	(229 669)	(195 776)	(391 807)
Management expenses Cancellation payment in respect of amendment to existing service charge arrangement	(8 418) (129 150)	(17 478)	(36 171)
Administration expenses	(27 230)	(21 219)	(43 214)
Depreciation	(3 884)	(5 620)	(9 704)
Operating profit	221 824	345 111	681 283
Net fair value adjustments	151 694	(114 313)	42 430
Net fair value gain/(deficit) on investment properties	127 272	(114 313)	39 661
Change in fair value as a result of straight-lining lease rentals	1 359	(18 286)	(10 012)
Change in fair value as a result of amortising upfront lease costs	2 306	820	5 329
Change in fair value as a result of property appreciation/(depreciation) in value	123 607	(96 847)	44 344
Unrealised gain on fair valuation of listed property investment	24 422	-	2 769
Profit before finance costs	373 518	230 798	723 713
Net finance costs	(114 358)	(76 616)	(211 839)
Finance income	7 458	2 574	5 484
Interest received	3 351	2 574	5 484
Claw-back of distribution in respect of participatory interests issued cum distribution	4 107	-	_
Finance costs	(121 816)	(79 190)	(217 323)
Interest paid and amortised borrowing costs	(81 260)	(70 291)	(143 219)
Interest capitalised to the cost of developments	1 808	501	3 065
Preference share dividends paid	(6 183)	(6 854)	(13 351)
Unrealised deficit on interest-rate swaps	(36 181)	(2 546)	(63 818)
Profit before income tax charge	259 160	154 182	511 874
Income tax charge	(7 810)	8 036	2 683
Deferred taxation	(7 192)	8 721	4 018
– Revaluation of investment properties	(6 977)	8 492	1 753
– Other timing differences including allowance for future rental escalations	(215)	229	2 265
STC on preference share dividends paid	(618)	(685)	(1 335)
Profit for the period attributable to equity holders	251 350	162 218	514 557
Total comprehensive income attributable to equity holders	251 350	162 218	514 557

Reconciliation between earnings and headline earnings and distribution

	Unaudited	Unaudited	Audited
	Six months	Six months	Year
	ended	ended	ended
R'000	31 Dec 2010	31 Dec 2009	30 Jun 2010
Profit for the period attributable to equity holders Adjusted for:	251 350	162 218	514 557
Net fair value (gain)/deficit on revaluation of investment properties	(127 272)	114 313	(39 661)
Deferred taxation on revaluation of investment properties	6 977	(8 492)	(1 753)
Headline earnings Adjusted for:	131 055	268 039	473 143
Allowance for future rental escalations	1 359	(18 286)	(10 012)
Amortised upfront lease costs	2 306	820	5 329
Unrealised deficit on interest-rate swaps	36 181	2 546	63 818
Unrealised gain on listed property investment	(24 422)	_	(2 769)
Pre-acquisition income on GOZ units acquired in 2010	4 628	_	_
Cancellation payment in respect of amendment to existing service charge arrangement	129 150	_	_
Deferred taxation – other timing differences	215	(229)	(2 265)
Distribution payable to participatory interest holders	280 472	252 890	527 244
Distribution per participatory interest			
Interim (cents)	55,21	51,84	51,84
Final (cents)	_	_	56,24
	55,21	51,84	108,08
Number of participatory interests in issue at the end of the period	508 010 229	487 827 654	487 827 654
Weighted average number of participatory interests in issue	500 661 139	487 827 654	487 827 654
Earnings per participatory interest (cents)	50,20	33,25	105,48
The calculation of earnings per participatory interest is based on net profit for the period	d of R251.4 million (2	2009: R162.2 millio	n), divided by the

Headline earnings per participatory interest (cents) 26,18 54,95

The calculation of headline earnings per participatory interest is based on net profit for the period, adjusted for non-trading items, of R131,1 million (2009: R268,0 million), divided by the weighted average number of participatory interests in issue during the period of

Commentary

The Board of directors of Strategic Real Estate Managers (Proprietary) Ltd ("STREM") is pleased to announce a distribution of 55,21 cents per Emira participatory interest (PI) for the six months to 31 December 2010. This represents good growth in distributions of 6,5% on the previous comparable period, in line with the prospects statement in the Fund's final results announcement released in August 2010.

Emira PI holders enjoyed a healthy total return of 15,7% during the six months to 31 December 2010, comprising capital appreciation of 11,2% and an income return of 4,5%, which represents the distributions actually paid out during the period under review. During the period capital values in the listed property sector benefited from a search for yield from investors, while lower than expected domestic inflation also benefited bond yields, to which property yields are closely related. The percentage of weighted average PIs in issue that traded in the 12-month period

The main highlight during the period under review was the announcement by the Fund on 16 September 2010 that the conditions precedent required for the amendments to the Trust Deed had been met. The amendments, which became effective on 15 September 2010, would enable the Scheme to: (i) extend the ambit of the Manager's investment policy so that the Fund can invest in a broader class of assets; (ii) increase the limit of borrowing by the Scheme from the current limit of 30% to 40% of the value of the underlying assets comprising the relevant portfolio and (iii) amend the existing service charge arrangement in respect of the Fund from a monthly charge based on enterprise value, to a monthly charge equal to the actual operating costs incurred by the Manager in administering the Fund, and the payment of a cancellation payment of R197,4 million - R68 million of which is deferred until October 2011 - to the Manager. Not only were the amendments approved by virtually all PI holders who cast their ballots, but, in terms of a general resolution granted at the

Fund's AGM, Emira was able to raise an amount of R244 million to fund the cancellation payment, as well as other capital requirements, through the issue of Pls for cash. Further supporting the Board's view that the amendments were extremely positive for Pl holders, the sharp rise in the Pl price for the period under review meant that the fund benefited immediately from the amendment to the service charge arrangement.

Another highlight during the period was the acquisition of a further 9,175 million stapled securities in Growthpoint Properties Australia (GOZ) for a total consideration of A\$17,43 million (R116,8 million). The increased investment in GOZ, secured via a rights issue that took place in September 2010, results in Emira's stake in GOZ rising to a total of 19,426 million stapled securities, at a total cost of R233,7 million, or 9,1% of the total securities in issue. This investment in GOZ, which had a market value of R256,2 million as at 31 December 2010, represents a small (3,2% of Emira's total assets), passive stake in a high quality, but under-rated, listed Australian REIT, backed by extremely secure, long-term leases with blue-chip tenants at a yield higher than that which is achievable by buying South African commercial property. The transaction was earnings enhancing from the date of purchase and, is expected to be realised on a re-rating of the stapled securities, which is expected to occur in the medium to long-term.

In line with the long-term strategy of the Fund, management continues to improve the quality of the Emira portfolio through: (i) the acquisition of new properties; (ii) the refurbishment of existing assets; as well as (iii) the disposal of those properties deemed to be non-core. Activity in the portfolio, which has been increased in the period under review, comprises the following:

- Acquisitions: In June 2010, Emira, in partnership with the Eris Property Group, agreed to purchase a 50% undivided share in a 12 500m², multi-tenanted office building located at 80 Strand Street, Cape Town for R124 million (Emira's share is R62 million). The property comprises several ground floor retail units, with ten floors of offices above and, when compared to other Cape Town CBD commercial buildings, a high parking ratio of 3,0 bays per 100m². The anticipated yield on transfer (11 October 2010) is expected to be 10,4%;
- In January 2011, the board approved the acquisition of a new 13 782m² A grade office development, on the corner of Corobay Avenue and Aramist Avenue, in Menlyn Pretoria, for R306,9 million. The building, which is 70% pre-let to KV3 Engineers for 10 years and has a 1 year gross rental warranty on the balance of the vacant space from completion, from Eris Property Group, is expected to be complete by 30 June 2012 and to yield 9,1% in the first year. Refurbishments and extensions concluded: Six earnings enhancing projects totalling R134,0 million were concluded during the period, which

consisted of (i) extensions to and the refurbishment of Randridge Mall (R110m) for existing blue-chip tenants including Pick n Pay, Woolworths and Dis-Chem; (ii) the refurbishment of Rigel Park (R14 million); (iii) extensions for Woolworths at Market Square shopping centre (R3,8 million); (iv) refurbishment of WGA Epping for Santam (R3,2 million); as well as smaller projects at One Highveld and Tin Roof for national tenants;

- Refurbishments and extensions underway: A further five projects worth approximately R255,4 million are underway, which include: (i) the
 redevelopment of Podium Office Park in Menlyn, comprising the construction of 9 239m² of prime office space by April 2012 at a total cost of R176,1 million, for which tenants are being sought; (ii) the complete refurbishment of 267 West, located in West Street opposite the Gautrain station in Centurion (R33,7 million); (iii) the construction of a new Audi dealership and refurbishment of the Virgin Active at Cresta Corner (R32,0 million); (iv) the general upgrade of Wesbank House in the Cape Town CBD (R11 million); and (v) the refurbishment of the A-grade Lincolnwood Office Park in Woodmead (R4,0 million);
- Refurbishments and extensions approved: Three further projects totalling R100 million FNB Heerengracht, Gift Acres and Market Square – have been approved by the Board, however have yet to be initiated as the Fund is waiting for the conclusion of certain leases before
- Disposals: The disposal of non-core buildings continued during the period, with four properties being transferred out of the Fund Howick Gardens, Standard Bank Glenwood, QD House and 8 Grader Road for R55,1 million, while Nampak Building was transferred in January 2011 for R20,5 million. Offers have been accepted for Starsky House, Sandgate Office Park and CRB House (all in Kramerville) at in excess of book value, although these sales are still conditional.
- The Board recently approved the disposal of a further 16 non-core properties worth close to R600 million, mainly comprising B-grade office space. The disposal of these properties will significantly improve the quality of the portfolio, reduce vacancies and also allow management to focus on larger buildings, with better income growth prospects. The proceeds from the disposals are expected to be utilised for the Fund's significant capital expenditure project pipeline mentioned above, acquisitions or, in the event that the returns are sufficiently rewarding, PI

buvbacks.

The period under review was characterised by tough underlying trading conditions in the physical portfolio, mitigated by the benefits of the amendments approved by PI holders in September 2010 and the Fund's investment in GOZ.

The period under review was more difficult than expected, with all three sectors of the portfolio being impacted. As a result vacancies rose from 9,2% in June 2010 to 11,4% at December 2010. On an adjusted basis (excluding properties under refurbishment or redevelop rose from 7,9% to 10,0%. Despite the rising vacancies, with a substantial portion of Emira's portfolio on long-term, escalating leases, property

Fund Manager: Strategic Real Estate Managers (Proprietary) Limited

 $Excluding \ the \ straight-line \ adjustments \ from \ future \ rental \ escalations, \ revenue \ rose \ by \ 7,9\% \ over \ the \ comparable \ period. This \ was \ the \ result \ of \ escalations \ for \ escalations \ for \ escalations \$ capital projects in the previous financial year which contributed for the full period under review, as well as increased recoveries of municipal

Condensed statement of financial position

R'000	31 Dec 2010	31 Dec 2009	30 Jun 2010
Assets Non-current assets	7 521 751	7 353 086	7 655 558
Investment properties Allowance for future rental escalations Unamortised upfront lease costs	7 067 340 161 479 36 713	7 138 446 171 112 43 528	7 334 034 162 838 39 019
Fair value of investment properties Listed property investment	7 265 532 256 219	7 353 086 —	7 535 891 119 667
Current assets	165 708	84 101	103 526
Accounts receivable Derivative financial instruments Cash and cash equivalents	83 347 — 82 361	54 997 4 271 24 833	62 845 — 40 681
Non-current assets held for sale	832 369	346 980	347 039
Total assets	8 519 828	7 784 167	8 106 123
Equity and liabilities Participatory interest holders' capital and reserves Non-current liabilities	5 745 621 1 680 190	5 447 680 1 882 309	5 525 665 1 535 150
Redeemable preference shares Interest-bearing debt Deferred taxation	200 000 1 231 014 249 176	200 000 1 444 929 237 380	200 000 1 093 067 242 083
Current liabilities	1 094 017	454 178	1 045 308
Short-term portion of interest-bearing debt Accounts payable Derivative financial instruments Distributions payable to participatory interest holders	499 298 221 065 93 182 280 472	201 288 — 252 890	498 596 215 357 57 001 274 354
Total equity and liabilities	8 519 828	7 784 167	8 106 123

Condensed statement of cash flows

	Six months	Six months	Year
	ended	ended	ended
R'000	31 Dec 2010	31 Dec 2009	30 Jun 2010
Cash generated from operations	347 714	331 973	691 269
Finance income	7 458	2 574	5 484
Interest paid	(81 260)	(70 291)	(143 219)
Preference share dividends paid	(6 183)	(6 854)	(13 351)
Taxation paid	(652)	(838)	(1 523)
Cancellation payment in respect of amendment to existing service charge arrangement	(129 150)	_	_
Pre-acquisition income on GOZ units acquired in 2010	4 628	_	_
Distribution to participatory interest holders	(274 354)	(255 914)	(508 804)
Net cash (utilised in)/generated from operating activities	(131 799)	650	29 856
Acquisition of investment properties and fixtures and fittings	(148 540)	(89 630)	(139 337)
Proceeds on disposal of investment properties and fixtures and fittings	55 100	5 676	12 189
Acquisition of investment in listed property fund	(116 758)	_	(116 898)
Net cash utilised in investing activities	(210 198)	(83 954)	(244 046)
Participatory interests issued	244 442	_	_
Increase in interest-bearing debt	138 649	71 613	218 347
Cash balance from subsidiary acquired	586	_	_
Net cash generated from financing activities	383 677	71 613	218 347
Net increase/(decrease) in cash and cash equivalents	41 680	(11 691)	4 157
Cash and cash equivalents at the beginning of the period	40 681	36 524	36 524
Cash and cash equivalents at the end of the period	82 361	24 833	40 681

Basis of preparation and accounting policies

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34, and are in compliance with the Listings Requirements of the JSE Limited. The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2010. As a result of the amendment to the service charge arrangements, in terms of IFRS, the risk and rewards of the manager of Emira, Strategic Real Estate Managers (Proprietary) Limited (STREM) are deemed to be attributable to Emira. The financial statements of STREM have therefore been consolidated with those of Emira, with effect from 15 September 2010, even though Emira has no direct or indirect shareholding in STREM. Had the amendment

to the service charge arrangement taken place on 1 July 2010, the net profit after tax of Emira would have increased by R5,3 million

Results (continued)

, nanaged, however growth in net property income was impacted by sharply rising municipal charges increase in building maintenance and higher leasing charges on the comparable period. Tenant arrears also continued to rise, resulting in the actual bad debts charge for the period increasing when compared to the comparable period, however remaining constant when compared to the second half of the previous financial year. The net effect is that property expenses rose by 16,6% and net income from properties was

announced distribution to 31 December 2010. Although the distribution from GOZ to 30 June 2010 was only received in August 2010, Emir. has received advice that this income is attributable to the period in which GOZ trades ex-dividend, being the financial year to 30 June 2010. As a result, income from the listed investment in the current period is higher than expected by an amount of R5,7 million.

Asset management expenses declined as a result of the amendment to the service charge that became effective on 15 September 2010. As per the amendment, after this date, asset management expenses paid only reimburse the manager for the operating costs actually incurred in the management of Emira, resulting in a net saving to Emira. Net interest costs excluding unreaded gains or losses on interest rates wasps rose by 5,5%. This was the result of increased levels of gearing in the Fund, offset by investment income earned from the issue of Pls in September 2010. Net asset value declined marginally (-0,2%) in the six months from 1 133 cents (1 182 cents excluding the deferred tax provision) at 30 June 2010 to 1 130 cents (1 179 cents), largely as a result of the issue of new PIs during the period.

Distribution statement

	Six months ended	Six months ended	96	Year ended
	31 Dec 2010	31 Dec 2009	change	30 Jun 2010
Operating lease rental income and tenant recoveries excluding straight-lining of leases	611 484	566 918	7,9	1 152 167
Property expenses excluding amortised upfront lease costs	(227 363)	(194 956)	16,6	(386 478)
Net property income Income from listed property investment	384 121 14 678	371 962 —	3,3	765 689 —
Per statement of comprehensive income Income earned prior to acquisition of stapled securities	10 050 4 628	_	_	_
Management expenses	(12 992)	(17 478)	(25,7)	(36 171)
Management expenses per statement of comprehensive income Reimbursement to STREM in respect of management expenses	(8 418) (4 574)	(17 478)	_	(36 171)
Administration expenses	(22 605)	(21 219)	6,5	(43 214)
Administration expenses per statement of comprehensive income Management expenses incurred by STREM included in the above	(27 230) 4 625	(21 219)	-	(43 214)
Depreciation [(3 884)	(5 620)	(30.9)	(9 704)
Net interest cost	(78 846)	(74 755)	5.5	(149 356)
Interest paid and amortised borrowing costs Interest capitalised to the cost of developments Preference share dividends paid STC on preference share dividends paid Investment income	(81 260) 1 808 (6 183) (618) 7 407	(70 291) 501 (6 854) (685) 2 574	15,6 260,9 (9,8) (9,8) 187,8	(143 219) 3 065 (13 351) (1 335) 5 484
Investment income per statement of comprehensive income Investment income earned by STREM Claw-back of distribution in respect of participatory interests	3 351 (51)	2 574 —	_	5 484 —
issued cum distribution	4 107	_	_	_
Distribution payable to participatory interest holders	280 472	252 890	10,9	527 244
Number of units in issue	508 010 229	487 827 654	4,1	487 827 654
Distribution per participatory interest (cents)	55,21	51,84	6,5	108,08

Fund's auditors.

ying conditions in the commercial property sector were tougher than expected in the period under review. Indications are that tenant est has picked up in 2011, however this has yet to be translated into a reduction in vacanc Emira PI holders are, nevertheless, expected to continue to benefit from the amendment to the service charge implemented in September 2010. As a result, the level of growth in distributions from the Fund for the financial year is expected to be similar to that achieved in the six months to 31 December 2010. The forecast financial information on which this statement has been based has not been reviewed or reported on by the

Income distribution declaration

Notice is hereby given that an interim cash distribution of 55,21 cents (2010: 51,84 cents) per participatory interest has been declared payable to participatory interest holders on 14 March 2011. The source of the distribution comprises: Net income from property rentals; income earned from the Fund's listed property investment and interest earned on cash on deposit. Please refer to the statement of comprehensive income for

Friday, 4 March 2011 Last day to trade cum distribution ests trade ex distribution Friday, 11 March 2011 Monday, 14 March 2011

Participatory Interest certificates may not be dematerialised or rematerialised between Monday, 7 March 2011 and Friday, 11 March 2011, both days inclusive.

By order of the STREM Board

Martin Harris

Ben van der Ross

James Templeto

Related parties and related party transactions

distribution declaration

Momentum Group ("Momentum") is the major participatory interest holder. At 31 December 2010, Momentum owned 14,7% of the Fund's participatory interests and the Fund's BEE partners – The Tiso Group, The Shalamuka Foundation, Avuka Investments, The RMBP Broad Based Empowerment Trust and Mr B van der Ross – held 12,0%. The remaining 73,3% were widely held.

R'000 The following transactions were carried out with related parties:	Unaudited	Unaudited	Audited
	Six months	Six months	Year
	ended	ended	ended
	31 Dec 2010	31 Dec 2009	30 Jun 2010
Strategic Real Estate Managers (Proprietary) Limited Expenditure comprising asset management fees Cancellation payment in respect of amendment to existing service charge arrangement Relationship: Manager of Emira Property Fund	8 418	17 478	36 171
	129 150	—	—
Rand Merchant Bank a division of FirstRand Bank Limited Long-term interest-bearing debt Net finance cost in respect of long-term interest-bearing debt Cash on call Cash reserve Finance income on cash on call Eris Property Group (Proprietary) Limited	_* _* _* _*	954 475 44 841 — 2 000 701 29 550	1 099 475 93 617 5 000 2 000 1 572 58 773
Expenditure comprising: property management fee and letting commissions	_*	27 402	53 409
Development fees relating to refurbishments and extensions	_*	2 148	5 364

*As a result of the disposal of Momentum Group Limited by FirstRand Bank Limited and the subsequent unbundling of the shares in MMI Holding: Limited, FirstRand Bank Limited and Eris Property Group (Proprietary) Limited are no longer associates of Emira.

The above transactions were carried out on commercial terms and conditions no more favourable than those available in similar arm's lengt

dealings at market-related rates.

Segmental information

R'000	Office	D-4-il	lu dinatulal	trative and	Total
Sectoral segments	Отпсе	Retail	Industrial	corporate	Total
Revenue	269 799	245 410	94 916	_	610 125
Revenue	274 265	240 946	96 273	_	611 484
Allowance for future rental escalations	(4 466)	4 464	(1 357)	_	(1 359)
Segmental result					
Net income from property rental operations	157 493	133 714	65 973	(135 356)	221 824
Investment properties	3 789 482	2 948 409	1 360 010	_	8 097 901
Geographical segments					
Revenue					
- Gauteng	199 790	161 818	70 497	_	432 105
– Western and Eastern Cape	35 936	21 326	10 603	_	67 865
– KwaZulu-Natal	22 926	40 367	13 816	_	77 109
– Free State	11 147	21 899	_	_	33 046
	269 799	245 410	94 916	_	610 125
Investment properties					
– Gauteng	2 788 006	1 965 104	1 033 510	_	5 786 620
– Western and Eastern Cape	576 124	271 163	160 100	_	1 007 387
– KwaZulu-Natal	304 600	476 000	166 400	_	947 000
– Free State	117 100	239 794	_	_	356 894
	3 785 830	2 952 061	1 360 010	_	8 097 901

Condensed statement of changes in equity

R'000	Participatory interest	and other reserves	Retained earnings	controlling interest	Total
Balance at 1 July 2009	3 511 484	2 028 213	(1 345)	_	5 538 352
Total comprehensive income for the period	_	_	162 218	_	162 218
Distribution to participatory interest holders	_	_	(252 890)	_	(252 890)
Transfer to fair value reserve (net of deferred taxation)	_	(90 672)	90 672	_	_
Balance at 31 December 2009	3 511 484	1 937 541	(1 345)	_	5 447 680
Balance at 1 July 2010	3 511 484	2 015 526	(1 345)	_	5 525 665
Participatory interests issued	244 442	_	_	_	244 442
Non-controlling interest in subsidiary acquired	_	_	_	4 636	4 636
Total comprehensive income for the period	_	_	251 350	_	251 350
Distribution to participatory interest holders	_	_	(280 472)	_	(280 472)
Transfer to fair value reserve (net of deferred taxation)	_	104 656	(104 656)	_	_
Balance at 31 December 2010	3 755 926	2 120 182	(135 123)	4 636	5 745 621

Properties purchased and transferred to Emira during the six months to December 2010

Property	Sector	Location	GLA (m²)	Purchase price (Rm)	Forward yield (%)	Effective date	Tenants
80 Strand Street (50% undivided share)	Office	Cape Town CBD	12 500	62,0	10,4	11 Oct 2010	De Vries Inc CK Friedlander Medway Holding:

 $In \ accordance \ with the \ strategy \ of \ the \ Fund, \ certain \ properties \ that \ are \ underperforming \ or \ pose \ excessive \ risk \ to \ the \ Fund \ are \ earmanked$

and disposed of Properties transferred out of Emira during the six months to December 2010

			51.1 (2)	Valuation Jun '10	Sale price	Exit	Effective
Property	Sector	Location	GLA (m²)	(Rm)	(Rm)	yield (%)	date
Howick Gardens Standard Bank Glenwood	Office Retail	Midrand Durban	3 075 368	20,7 4.5	21,0 5,0	9,4 11.6	30 August 2010 22 September 2010
QD House	Industrial	Kyalami	3 470	14,9	16,6	11,7	30 September 2010
8 Grader Road	Industrial	Spartan	3 437	10.3	12.5	9,0	13 December 2010

				Valuation			
Property sold, not yet tra	nsferred out	of Emira at De	ecember 2010	ı			
8 Grader Road	Industrial	Spartan	3 437	10,3	12,5	9,0	13 December 2010
QD House	Industrial	Kyalami	3 470	14,9	16,6	11,7	30 September 2010
Standard Bank Glenwood	Retail	Durban	368	4,5	5,0	11,6	22 September 2010
Howick Gardens	Office	Midrand	3 075	20,7	21,0	9,4	30 August 2010

Vacancies increased from 9,2% in June 2010 to 11,4% by December 2010, with all three sectors of the portfolio experiencing tougher letting conditions. If the vacancies in four buildings that are currently either under refurbishment or pending refurbishment (FNB Heerengracht (office), Podium Office Park (office), 267 West (office) and Cresta Corner (retail)) are removed, adjusted portfolio vacancies drop to 10,0%.

(Rm)

(Rm)

yield (%) date

Office vacancies rose from 16,2% to 18,0% (15,1% adjusted), with the major vacancies, besides those mentioned above, being located in Knightsbridge Manor (4 331m²), Midrand Business Park (4 080m²) and Fleetway House (4 027m²).

Industrial vacancies rose from 5,1% to 8,0% – Isando Unitrans (4 970m²), Fosa Park (4 200m²) and Aeroport Fulcrum (3 805m²) – although there is tenant interest in certain portions of this space.

Retail vacancies increased fractionally from 5,3% to 6,9% (6,2% adjusted).

Sector (m²)	GLA Jun 10	Vacancy Jun 10	%	GLA Dec 10	Vacancy Dec 10	%
Office	447 289	72 293	16,2	448 851	80 855	18,0
Retail	384 640	20 454	5,3	386 563	26 690	6,9
Industrial	386 061	19 746	5,1	379 308	30 354	8,0
Total	1 217 990	112 493	9,2	1 214 722	137 899	11,4

One-third of Emira's portfolio is valued by independent valuers at the end of every financial year, with the balance being valued by the directors At the interim stage, director's valuations are used.

Total portfolio movement 00)

	Jun 2010		Dec 2010		Difference	Difference
Sector	(R'000)	R/m ²	(R'000)	R/m ²	(%)	(R'000
Office	3 696 931	8 265	3 785 830	8 434	2,4	88 899
Retail	2 846 316	7 400	2 952 061	7 637	3,7	105 745
Industrial	1 339 683	3 470	1 360 010	3 586	1,5	20 327
Total	7 882 930		8 097 901			214 971

After capital expenditure and capitalised interest of R150,4 million, disposals of R55,1 million and depreciation of R3,9 million, investment properties increased in value by R215,0 million, implying a slight upward revision in property values of R123,6 millio

15 February 2011

Emira has a relatively low level of gearing, with available debt facilities at attractive margins which will enable the Fund to acquire good quality properties with sustainable income streams. Emira has entered into various swap agreements as set out below. As a result, 95,9% of the Fund's debt has been fixed for periods of between

three and 13 years. As at 31 December 2010, the weighted average cost of debt equated to 9,43%

	Weighted average rate %	Weighted average term	Amount (Rm)	% of debt
Debt – Swaps Debt – Floating	9,53 7,08	8,3 years	1 856,6 79,9	95,9 4,1
Total	9,43		1 936,5	100,0
Less: Costs capitalised not yet amortised			(6,2)	

Registered address: 3 Gwen Lane, Sandton, 2146 **Sponsor:** Rand Merchant Bank (a division of FirstRand Bank Limited) Transfer secretaries: Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001

Directors of the Fund manager: BJ van der Ross (Chairman)*, JWA Templeton (Chief executive officer), MS Aitken*, BH Kent*, V Mahlangu*, NE Makiwane*, W McCurrie*, MSB Neser*, WK Schultze, NL Sowazi*, PJ Thurling

www.emira.co.za