EMIRA PROPERTY FUND

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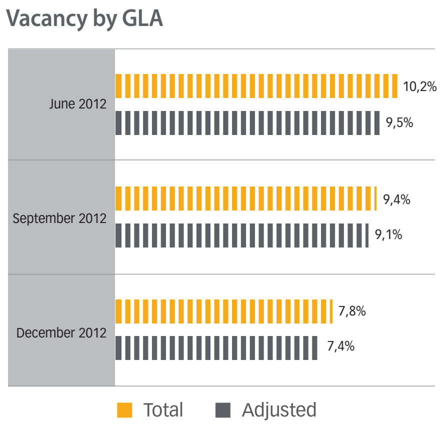
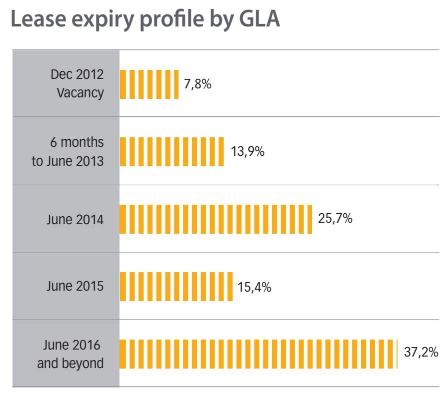
(A property fund created under the Emira Property Scheme, registered in terms of the Collective Investment Schemes Control Act)
Share code: EMI ISIN: ZAE000050712 ("Emira" or "the Fund")





Distribution 55,69 cents per PI
Growth in distributions +3,5%
Distributable income R276,9 million
Net asset value rose by 4,4% to 1 249 cents per PI
Vacancies reduced from 10,2% to 7,8%

Unaudited financial results for six months ended 31 December 2012 and income distribution declaration

Commentary

The board of directors of Strategic Real Estate Managers (Pty) Ltd ("STREM") is pleased to announce a distribution of 55,69 cents per Emira participatory interest ("PI") for the six months to 31 December 2012. This is an increase of 3,5% on the previous comparable period and represents a total return of 18,9% comprising a capital return of 14,4% and income return of 4,5%, based on the distributions actually paid out during the period under review. The percentage of weighted average PIs in issue that traded in the six-month period equated to 22%.

Vacancies and tenant renewals: Vacancies decreased from 10,2% at June 2012, to 7,8% by December 2012, due to substantial declines in office and retail vacancies, which included the letting of 5 200 m² at Podium at Menlyn, while the sale of certain non-core buildings also assisted in this regard. On an adjusted basis (excluding properties under refurbishment or redevelopment), vacancies declined from 9,5% to 7,4 %.

Major new leases concluded include: the letting of 20 Anvil Road to a single tenant of 12 248 m² for seven years, the successful conclusion of a lease for 4 094 m² to SARS for five years at Waterkloof House, and the installation of an engineering firm on a 5 year lease for 3 805 m² at 96 Loper Road, Aeroport. During the period the Fund also managed to renew its largest tenant by GLA, RTT Group, which occupies a total of 59 594 m², for a period of approximately 5,5 years from January 2013.

Disposals: The strategy to dispose of non-core buildings continued during the period under review. Three properties totalling R85,9 million which had been sold at 30 June 2012 but not yet transferred – Mutual Mews, 33 Heerengracht and Midrand Business Park, were transferred out of Emira during the period. A further three properties – Montana Value Centre, Worldwear Fashion Mall and Fleetway House, totalling R117,6 million had been unconditionally sold at 31 December 2012 but had not yet been transferred. Ten non-core properties remain on the disposal list, with a value of R339,2 million.

Acquisitions: As was reported previously, the Fund acquired a new 13 782 m² A-grade office development from Eris Property Group on the corner of Corobay and Aramist Avenues in Menlyn, Pretoria, which was substantially complete at 30 June 2012, for R311,5 million. The building is 70% let to Worley Parsons for 10 years, has a one year gross rental warranty on the balance of the vacant space from the developer and is expected to yield 9,0% in the first year.

Refurbishments and extensions: Several projects totalling approximately R582,9 million are underway, the most significant of which include (i) a major upgrade and extension to Wonderpark Shopping Centre, where the centre is being enlarged from 63 000 m² to 90 000 m² to accommodate existing national tenants such as Game, Woolworths, Jet and Edgars and the introduction of new anchor tenants such as Checkers, Dis-Chem, Stuttafords, Hi Fi Corp, PQ Clothing, Cotton On and The Hub (R513 million), (ii) the upgrading at Hyde Park Lane (R21,3 million), (iii) the replacement of lifts and the refurbishment of Braamfontein Centre (R16,8 million) and (iv) the refurbishment of East Coast Radio House (R10,0 million). The extension of Woolworths at Boskruin Shopping Centre (R9,5 million) was completed during the period.

Repurchases of participatory interests: The board previously approved the implementation of a PI repurchase programme which was confirmed by PI holders at the AGM in November 2012. In terms of the programme a portion of the proceeds from the sale of the properties can be used to repurchase PIs in the open market which would then be cancelled. In September 2012, 3,56 million PIs were repurchased in the open market at a cost of R14,33 per PI. By 31 December 2012, 10,7 million PIs had been repurchased in the open market at a cost of R137,6 million, an average of R12,85 per PI, which would have had a current market value of R158,1 million.

Gearing: In order to take advantage of the lower interest rates available in the debt capital market, Emira issued R400 million of three-month unsecured commercial paper in August 2012. The proceeds raised were used to partly repay a portion of the R650 million Emira commercial mortgage backed securitisation ("CMBS") which was due for repayment in March 2013. The commercial paper was successfully rolled-over in November 2012 at an all-in-rate of 5,385% and is due in February 2013.

Furthermore in November 2012 Emira placed 1 year unsecured commercial paper for R450 million at an all- in- rate of 5,825%. R250 million of the proceeds were used to repay the balance of the Emira CMBS and the balance will be used to fund the capital expenditure noted above.

In December 2012, the Fund restructured its debt swap profile by extending and cancelling swap contracts that were at unfavourable rates and taking out new interest-rate swap agreements at lower rates. After taking into account the funding costs in respect of the cancellation fees paid of R28,7 million, there is an estimated benefit to the Fund of R4,5 million per annum. The cancellation fees paid will not affect distributions.

Growthpoint Australia Limited ("GOZ"): In place of the cash distribution for the six months to 31 December 2012, Emira has elected to receive GOZ stapled securities at a price of AUD 2,18, in terms of GOZ's distribution reinvestment plan. It is estimated that Emira will receive an additional 943 242 new GOZ stapled securities, which is subject to finalisation on the date of issue of the securities. The price as at Wednesday 13 February 2013, was AUD 2,40.

Property management: During the period, it was decided to put the Fund's property management contract out to tender. Three property managers, including the current property manager – Eris Property Group ("Eris") - were requested to submit tenders and after considering the submissions, it was decided to transfer the management of the Fund's retail properties (excluding Wonderpark Shopping Centre) to Broll Property Group, with effect from 1 January 2013. This equates to 26% of the portfolio by GLA and 47% by number of tenants. The management of the remaining properties of the Fund remains with Eris.

Results

The improved global economic outlook, continued local growth, significant leasing progress made during the period and an improved operational performance, has resulted in the Fund achieving an increase in distributable income.

Excluding the straight-lining adjustments in respect of future rental escalations, revenue rose by 4,7% over the comparable period . This was positively impacted by acquisitions and organic growth from the existing portfolio and increased recoveries of municipal expenses, offset by rental reversions on new leases and renewals and the disposal of properties as noted above.

Property expenses declined by 0,3% over the previous comparable period. This was as a result of decreases in expenditure in respect of leasing costs and refurbishments.

Income from the Fund's listed investment in Australia increased due to an increase in the distribution received from GOZ and the depreciation of the rand against the Australian dollar.

Net interest costs rose by 30,7% to R119,4 million as a result of the drawdown of the Fund's available debt facilities for the capital expenditure noted above, while the average interest rate payable declined to 8,9% following the debt facility and interest-rate swap restructuring, as well as the decline in lending rates.

Net asset value increased by 4,3% from 1 153 cents per PI at 30 June 2012 (1 196 cents excluding the deferred tax provision) to 1 202 cents per PI (1 249 cents) at 31 December 2012 as a result of the revaluation of investment properties and the investment in GOZ, offset by the repurchase of PIs, the fees paid to cancel interest rate swap agreements and the deficit on the revaluation of interest rate agreements held at 31 December 2012.

Distribution statement for the six months ended 31 December 2012

R'000	December 2012	December 2011	% change	Year ended 30 June 2012
Operating lease rental income and tenant recoveries excluding straight-lining of leases	**670 935**	640 640	4,7	1 259 787
Property expenses excluding amortised upfront lease costs	**(254 344)**	(255 190)	(0,3)	(475 728)
Per statement of comprehensive income	**(249 798)**	(254 400)	(1,8)	(475 141)
Amortised upfront lease costs	**(4 546)**	(790)		(587)
Net property income	**416 591**	385 450	8,1	784 059
Income from listed investment	**17 288**	15 969	8,3	33 522
Management expenses				
Reimbursement to STREM	**(9 433)**	(8 746)	7,9	(18 061)
Administration expenses	**(22 189)**	(23 572)	(5,9)	(47 037)
Per statement of comprehensive income	**(35 990)**	(32 357)	11,2	(66 764)
Charge in respect of share appreciation rights scheme	**4 347**	—		—
Management expenses incurred by STREM included in the above	**9 454**	8 785	7,6	19 727
Depreciation	**(5 874)**	(5 211)	12,7	(10 739)
Per statement of comprehensive income	**(5 894)**	(5 211)	13,1	(10 757)
Depreciation incurred by STREM included in the above	**20**	—		18
Net finance costs	**(119 437)**	(91 360)	30,7	(184 373)
Finance costs	**(124 084)**	(93 975)	32,0	(189 571)
Interest paid and amortised borrowing costs	**(124 143)**	(99 546)	24,7	(208 205)
Interest capitalised to the cost of developments	**59**	11 925	(99,5)	26 168
Preference share dividends paid	**—**	(5 776)	(100,0)	(6 849)
STC on preference share dividends paid	**—**	(578)	(100,0)	(685)
Investment income	**4 647**	2 615	77,7	5 198
Per statement of comprehensive income	**4 688**	2 654	76,6	5 274
Investment income earned by STREM	**(41)**	(39)	5,1	(76)
Distribution payable to participatory interest holders	**276 946**	272 530	1,6	557 371
Number of units in issue	**497 299 883**	506 466 288	(1,8)	500 864 482
Distribution per participatory interest (cents)	**55,69**	53,81	3,5	110,68

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.

Properties transferred out of Emira during the six months to December 2012

Property	Sector	Location	GLA (m²)	Valuation June 2011 (Rm)	Sale price (Rm)	Exit yield (%)	Effective date
Mutual Mews	Retail	Rivonia Gauteng	1 596	12,0	11,9	11,9	31 July 2012
33 Heerengracht	Office	Cape Town CBD	6 744	19,2	25,0	(1,4)*	3 August 2012
Midrand Business Park	Office	Midrand Gauteng	13 420	52,2	49,0	10,9	31 August 2012
				83,4	**85,9**	**7,4**	

** Building was substantially vacant and had been moth-balled, resulting in operating expenses with minimal income.*

Properties sold but not yet transferred at December 2012

Property	Sector	Location	GLA (m²)	Valuation June 2011 (Rm)	Anticipated effective date
Montana Value Centre	Retail	Montana Gauteng	9 717	39,2	March 2013
Fleetway House	Office	Cape Town CBD	7 090	33,4	May 2013
Worldwear Fashion Mall	Retail	Fairlands Gauteng	14 172	37,0	May 2013

Vacancies

	Number of of buildings	June 2012 GLA (m²)	Vacancy June 2012	%	Number of of buildings	Dec 2012 GLA (m²)	Vacancy Dec 2012	%
Office	69	449 283	83 657	18,6	67	435 159	62 873	14,4
Retail	38	379 741	24 623	6,5	37	377 596	16 260	4,3
Industrial	42	340 244	10 783	3,2	42	339 330	10 154	3,0
Total	149	1 169 268	119 063	10,2	146	1 152 085	89 287	7,8

Valuations

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

Sector	June 2012 (R'000)	R/m²	Dec 2012 (R'000)	R/m²	Difference (%)	Difference (R'000)
Office	3 884 752	8 647	4 378 957	10 063	12,7	494 205
Retail	3 027 980	7 974	3 241 977	8 586	7,1	213 997
Industrial	1 446 640	4 252	1 495 140	4 406	3,4	48 500
Property under development	454 346		—			(454 346)
	8 813 718		9 116 074		3,4	302 356

Investment properties increased by R302,3 million made up of capital expenditure including capitalised interest of R111,8 million, less disposals of R85,9 million, depreciation of R5,9 million and a net upward revision in property values of R282,3 million.

Debt

Emira has a moderate level of gearing with debt to total assets at 31 December 2012 equating to 28,4%.

In order to take advantage of the current prevailing low interest rate environment, Emira raised R400 million through the issue of three-month commercial paper into the market in August 2012 at an all in rate of 5,425%. The funds were utilised to redeem part of the Emira securitisation of R650 million. The paper was successfully rolled-over for a further three months in November 2012, at an all in rate of 5,385%. A further R450 million was raised in November 2012 through the issue of one-year commercial paper at an all in rate of 5,825%. These funds were used to repay the balance of the Emira securitisation (R250 million) and to fund the extensions being undertaken at Wonderpark Shopping Centre.

In December 2012 the Fund restructured its debt swap profile by extending, cancelling and re-entering into certain interest-rate swap agreements. After taking into account funding costs in respect of the cancellation fees of R28,7 million that were incurred, there is an estimated net benefit to the Fund of R4,5 million per annum. The cancellation fees paid will not effect distributions.

As at 31 December 2012, 80,1% of the Fund's debt had been fixed for periods of between three and 12 years. After the restructuring mentioned above, at 31 December 2012, the weighted average cost of debt equated to 8,9%.

	Weighted average rate %	Weighted average term	Amount (R'm)	% of debt
Debt – Swap	9,5	6 years, 4 months	2 216,6	80,1
Debt – Floating	6,3		549,3	19,9
Total	8,9		2765,9	100,0
Less: Costs capitalised not yet amortised			(4,3)	
Per statement of financial position			2 761,6	

Prospects

The outlook for distributions has improved during the period as a result of various operational improvements, the sale of non-core buildings, earnings enhancing acquisitions, debt restructuring and the repurchase of PIs. The rate of growth in distributions for the 12 months to June 2013 is therefore expected to approximate that achieved for the period under review. The forecast financial information on which this statement has been based has not been reviewed or reported on by the Fund's auditors.

Income distribution declaration

Notice is hereby given that an interim cash distribution of 55,69 cents (2012: 53,81 cents) per participatory interest has been declared, payable to participatory interest holders on 11 March 2013. 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 further details. The distribution is not regarded as a dividend and therefore no dividend withholding tax is payable on the distribution amount.

Last day to trade *cum* distribution	Friday, 1 March 2013
Participatory interests trade *ex* distribution	Monday, 4 March 2013
Record date	Friday, 8 March 2013
Payment date	Monday, 11 March 2013

PI certificates may not be dematerialised or rematerialised between Monday, 4 March 2013 and Friday, 8 March 2013, both days inclusive.

By order of the STREM Board

Martin Harris, *Company Secretary*
Ben van der Ross, *Chairman*
James Templeton, *Chief Executive Officer*

Sandton
12 February 2013

Condensed consolidated statement of comprehensive income

	Unaudited Six months ended 31 Dec 2012 R'000	Unaudited Six months ended 31 Dec 2011 R'000	Audited Year ended 30 Jun 2012 R'000
Revenue	**658 566**	637 051	1 253 379
Operating lease rental income and tenant recoveries	**670 935**	640 640	1 259 787
Allowance for future rental escalations	**(12 369)**	(3 589)	(6 408)
Income from listed property investment	**17 288**	15 969	33 522
Property expenses	**(249 798)**	(254 400)	(475 141)
Payment in respect of amendment to existing service charge arrangement	**—**	(68 250)	(68 250)
Fee paid on cancellation of interest-rate swap agreements	**(28 713)**	—	—
Administration expenses	**(35 990)**	(32 357)	(66 764)
Depreciation	**(5 894)**	(5 211)	(10 757)
Operating profit	**355 459**	292 802	665 989
Net fair value adjustments	**341 288**	39 803	307 127
Net fair value gain/(deficit) on investment properties	**290 157**	(12 873)	218 242
Change in fair value as a result of straight-lining lease rentals	**12 369**	3 589	6 408
Change in fair value as a result of amortising upfront lease costs	**(4 546)**	(790)	(587)
Change in fair value as a result of property appreciation/(depreciation) in value	**282 334**	(15 672)	212 421
Revaluation of derivative financial instrument relating to share appreciation rights scheme	**4 604**	—	(243)
Unrealised gain on fair valuation of listed property investment	**46 527**	52 676	89 128
Profit before finance costs	**696 747**	332 605	973 116
Net finance costs	**(148 431)**	(174 981)	(325 175)
Finance income	**4 688**	2 654	5 274
Interest received	**4 688**	2 654	5 274
Finance costs	**(153 119)**	(177 635)	(330 449)
Interest paid and amortised borrowing costs	**(124 143)**	(99 546)	(208 205)
Interest capitalised to the cost of developments	**59**	11 925	26 168
Preference share dividends paid	**—**	(5 776)	(6 849)
Unrealised deficit on interest-rate swaps	**(29 035)**	(84 238)	(141 563)
Profit before income tax charge	**548 316**	157 624	647 941
Income tax charge	**(16 000)**	(248)	(68 669)
SA normal taxation	**—**	(8 861)	(9 796)
Deferred taxation	**(16 000)**	9 191	(58 188)
– Revaluation of investment properties	**(14 010)**	12 613	(53 201)
– Other timing differences including allowance for future rental escalations	**(1 990)**	(3 422)	(4 987)
STC on preference share dividends paid	**—**	(578)	(685)
Profit for the period	**532 316**	157 376	579 272
Attributable to Emira equity holders	**536 736**	157 376	581 037
Attributable to non-controlling interests	**(4 420)**	—	(1 765)
	532 316	157 376	579 272
Total comprehensive income			
Attributable to Emira equity holders	**536 736**	157 376	581 037
Attributable to minority interests	**(4 420)**	—	(1 765)
	532 316	157 376	579 272

Condensed consolidated statement of cash flows

	Unaudited Six months ended 31 Dec 2012 R'000	Unaudited Six months ended 31 Dec 2011 R'000	Audited Year ended 30 Jun 2012 R'000
Cash generated from operations	**395 482**	387 590	770 266
Finance income	**4 688**	2 654	5 274
Interest paid	**(124 143)**	(99 546)	(208 205)
Preference share dividends paid	**—**	(5 776)	(6 849)
Taxation paid	**—**	(3 774)	(9 770)
Cancellation payment in respect of amendment to existing service charge arrangement	**—**	(68 250)	(68 250)
Fee paid on cancellation of interest-rate swap agreements	**(28 713)**	—	—
Distribution to participatory interest holders	**(284 842)**	(296 221)	(568 750)
Net cash utilised in operating activities	**(37 528)**	(83 323)	(86 284)
Acquisition of, and additions to, investment properties and fixtures and fittings	**(111 756)**	(182 675)	(675 077)
Proceeds on disposal of investment properties and fixtures and fittings	**85 900**	210 645	266 400
Acquisition of investment in listed property fund	**(17 288)**	(61 096)	(61 096)
Net cash utilised in investing activities	**(43 144)**	(33 126)	(469 773)
Participatory interests re-purchased	**(51 141)**	(18 110)	(86 530)
Interest in interest-bearing debt	**136 655**	79 131	574 171
Derivative acquired in respect of share appreciation rights scheme	**(3)**	—	(3 908)
Net cash generated from financing activities	**85 511**	61 021	483 733
Net increase/(decrease) in cash and cash equivalents	**4 839**	(55 428)	(72 324)
Cash and cash equivalents at the beginning of the period	**22 188**	94 512	94 512
Cash and cash equivalents at the end of the period	**27 027**	39 084	22 188

Condensed consolidated statement of financial position

	Unaudited 31 Dec 2012 R'000	Unaudited 31 Dec 2011 R'000	Audited 30 Jun 2012 R'000
Assets			
Non-current assets	**9 147 203**	7 886 284	8 603 145
Investment properties	**8 489 374**	7 327 848	8 006 870
Allowance for future rental escalations	**128 863**	142 254	140 296
Unamortised upfront lease costs	**39 037**	34 087	33 855
Fair value of investment properties	**8 657 274**	7 504 189	8 181 021
Listed property investment	**482 274**	382 007	418 459
Derivative financial instrument	**7 655**	—	3 665
Deferred taxation	**—**	88	—
Current assets	**115 401**	154 696	126 504
Accounts receivable	**88 374**	115 612	104 316
Cash and cash equivalents	**27 027**	39 084	22 188
Non-current assets held for sale	**458 800**	636 092	632 697
Total assets	**9 721 404**	8 677 072	9 362 346
Equity and liabilities			
Participatory interest holders' capital and reserves	**5 979 450**	5 706 586	5 775 221
Non-current liabilities	**2 299 656**	2 078 561	2 317 506
Interest-bearing debt	**1 911 574**	1 929 879	1 974 919
Derivative financial instruments	**156 108**	—	126 614
Deferred taxation	**231 974**	148 682	215 973
Current liabilities	**1 442 298**	891 925	1 269 619
Short-term portion of interest-bearing debt	**850 000**	200 000	650 000
Accounts payable	**246 650**	280 945	265 616
Derivative financial instruments	**68 702**	138 450	69 161
Distribution payable to participatory interest holders	**276 946**	272 530	284 842
Total equity and liabilities	**9 721 404**	8 677 072	9 362 346

Reconciliation between earnings and headline earnings and distribution

	Unaudited Six months ended 31 Dec 2012 R'000	Unaudited Six months ended 31 Dec 2011 R'000	Audited Year ended 30 Jun 2012 R'000
Profit for the period attributable to equity holders	**532 316**	157 376	579 272
Adjusted for:			
Net fair value (gain)/deficit on revaluation of investment properties	**(290 157)**	12 873	(218 242)
Deferred taxation on revaluation of investment properties	**14 010**	(12 613)	53 201
Headline earnings	**256 169**	157 636	414 231
Adjusted for:			
Allowance for future rental escalations	**12 369**	3 589	6 408
Amortised upfront lease costs	**(4 546)**	(790)	(587)
Unrealised deficit on interest-rate swaps	**29 035**	84 238	141 563
Revaluation of derivative financial instrument relating to share appreciation rights scheme	**(4 604)**	—	243
Unrealised gain on listed property investment	**(46 527)**	(52 676)	(89 128)
Payment in respect of amendment to existing service charge arrangement	**—**	68 250	68 250
Charge in respect of leave pay provision and share appreciation rights scheme	**4 347**	—	1 608
Fee paid on cancellation of interest-rate swap agreements	**28 713**	—	—
SA normal taxation	**—**	8 861	9 796
Deferred taxation – other timing differences	**1 990**	3 422	4 987
Distribution payable to participatory interest holders	**276 946**	272 530	557 371
Distribution per participatory interest			
Interim (cents)	**55,69**	53,81	53,81
Final (cents)	**—**	—	56,87
	55,69	53,81	110,68
Number of participatory interests in issue at the end of the period	**497 299 883**	506 466 288	500 864 482
Weighted average number of participatory interests in issue	**498 587 863**	507 828 350	506 806 636
Earnings per participatory interest (cents)	**106,76**	30,99	114,30
The calculation of earnings per participatory interest is based on net profit for the period of R532,3 million (2011: R157,4 million), divided by the weighted average number of participatory interests in issue during the period of 498 587 863 (2011: 507 828 350).			
Headline earnings per participatory interest (cents)	**51,38**	31,04	81,73
The calculation of headline earnings per participatory interest is based on net profit for the period, adjusted for non-trading items, of R256,2 million (2011: R157,6 million), divided by the weighted average number of participatory interests in issue during the period of 498 587 863 (2011: 507 828 350).			

Condensed consolidated statement of changes in equity

	Participatory interest R'000	Revaluation and other reserves R'000	Retained earnings R'000	Non-controlling interest R'000	Total R'000
Balance at 1 July 2011	3 755 926	2 081 521	(1 356)	3 759	5 839 850
Participatory interests repurchased	(18 110)				(18 110)
Total comprehensive income for the period			157 376		157 376
Distribution to participatory interest holders			(272 530)		(272 530)
Transfer from fair value reserve (net of deferred taxation)		(115 154)	115 154		-
Balance at 31 December 2011	**3 737 816**	**1 966 367**	**(1 356)**	**3 759**	**5 706 586**
Balance at 1 July 2012	**3 669 396**	**2 105 118**	**(1 287)**	**1 994**	**5 775 221**
Participatory interests repurchased	**(51 141)**				**(51 141)**
Total comprehensive income for the period			**536 736**	**(4 420)**	**532 316**
Distribution to participatory interest holders			**(276 946)**		**(276 946)**
Transfer to fair value reserve (net of deferred taxation)		**259 790**	**(259 790)**		**-**
Balance at 31 December 2012	**3 618 255**	**2 364 908**	**(1 287)**	**(2 426)**	**5 979 450**

Related parties and related party transactions

At 31 December 2012 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 12,2% of the participatory interests in issue. The remaining participatory interests were widely held.

The following transactions were carried out with related parties:

	Unaudited Six months ended 31 Dec 2012 R'000	Unaudited Six months ended 31 Dec 2011 R'000	Audited Year ended 30 Jun 2012 R'000
Strategic Real Estate Managers (Pty) Ltd			
Payment in respect of amendment to existing service charge arrangement	—	68 250	68 250
Relationship: Manager of Emira Property Fund			

Relationship: Strategic Real Estate Managers (Pty) Ltd and Eris Property Group (Pty) Ltd are both subsidiaries of MMI Ltd.

Segmental information

Sectoral segments	Office R'000	Retail R'000	Industrial R'000	Administrative and Corporate R'000	Total R'000
Revenue	**305 191**	**268 067**	**85 308**		**658 566**
Revenue	**298 433**	**267 746**	**104 756**		**670 935**
Allowance for future rental escalations	**6 758**	**321**	**(19 448)**		**(12 369)**
Segmental result					
Operating profit	**180 735**	**146 473**	**56 745**	**(28 494)**	**355 459**
Investment properties	**4 378 957**	**3 241 977**	**1 495 140**		**9 116 074**
Geographical segments					
Revenue					
– Gauteng	**222 900**	**174 553**	**77 827**		**475 280**
– Western and Eastern Cape	**36 997**	**24 231**	**12 192**		**73 420**
– KwaZulu-Natal	**24 479**	**43 234**	**14 737**		**82 450**
– Free State	**14 057**	**25 728**			**39 785**
	298 433	**267 746**	**104 756**		**670 935**
Investment properties					
– Gauteng	**3 397 080**	**2 073 732**	**1 127 540**		**6 598 352**
– Western and Eastern Cape	**553 600**	**361 000**	**171 900**		**1 086 500**
– KwaZulu-Natal	**288 977**	**518 245**	**195 700**		**1 002 922**
– Free State	**139 300**	**289 000**			**428 300**
	4 378 957	**3 241 977**	**1 495 140**		**9 116 074**

Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements of Emira Property Fund ("Emira" or "the Fund") 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 2012.

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 (Pty) Ltd ("STREM") are deemed to be attributable to Emira. The financial statements of STREM have therefore been consolidated with those of Emira, even though Emira has no direct or indirect shareholding in STREM. This report was compiled under the supervision of Peter Thurling CA(SA), the Chief Financial Officer.

Fund Manager: Strategic Real Estate Managers (Pty) Limited **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**, V Nkonyeni*, PJ Thurling, U van Biljon *Non-executive Director **Independent Non-executive Director **Registered address:** 3 Gwen Lane, Sandton, 2146 **Sponsor:** Rand Merchant Bank (a division of FirstRand Bank Limited) **Transfer Secretaries:** Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001