

Press Release

For immediate distribution

15<sup>th</sup> February 2007

### **Active six months for Emira Property Fund**

The Emira Property Fund has declared a distribution of 40.10 cents per participatory interest for the six months ended on the 31<sup>st</sup> December 2006 – 10% up on the comparable period in 2005.

The inherent growth in the fund's existing portfolio, the property acquisitions made during the period under review, as well as the contribution for the full period from acquisitions made in the previous financial year, were largely responsible for the good result.

Emira participatory interest holders earned a total return of 21.8% during the period, comprising capital appreciation of 17.1% and an income return of 4.7%.

During the period five properties – Wonderpark Shopping Centre in Pretoria; Wesbank House in the Cape Town CBD; Newlands Terraces office complex in Newlands, the WorldWear Shopping Centre in Fairlands and Umhlanga Ridge office complex in Umhlanga – were acquired by the fund and a further new property development, RTT Warehouse in the industrial area of Bartlett, should be completed by the middle of next month.

A further 51.2m new Emira participatory interests were issued to black economic empowerment entities to partly fund these acquisitions, bringing Emira's total BEE participatory interest holding to 14.25%.

In line with its policy of improving the quality of its portfolio and the sustainability of its income stream, Emira agreed to dispose of its Fourways Game property to Fourways Precinct (Pty) Ltd for the sum of R120m – a substantial profit on the acquisition price.

Total fund revenue for the period grew 19.1%, driven largely by declining vacancies and rising rentals in the office portfolio. Total vacancies in the office portfolio now stand at 6.5% - down from 6.7% in June 2006. Demand for space in the retail and industrial sectors remains high with vacancies levels of 1.8% and 3.2% respectively in these portfolios.

Emira Property Fund CEO, James Templeton, says the recent rise in short term interest rates has done little to dampen the strength of the commercial property market. Although the fund's weighted average interest rate rose slightly, this did not have a significant impact on the business as 80% of the company's debt is fixed for periods ranging from seven months to five years.

According to Templeton, the "unbudgeted extension of two major leases within the portfolio as well as the beneficial earnings impact of the disposal of Fourways Game, bodes well for the remaining half of the financial year."

However, he notes that this could be largely offset by the dilutionary effect of the recent portfolio acquisitions and BEE transaction.

Templeton says Emira's offer to acquire all the linked units in the Freestone Property Fund is proceeding according to plan. A circular is expected to be posted to Emira participatory interest holders within the next two weeks with a meeting of Emira participatory interest holders scheduled to be held in the middle of March.

Assuming a stable economic environment and excluding the impact of the Freestone acquisition, he says Emira's management believes that a total distribution of between 81.5 cents and 82 cents per participatory interest is achievable for the 2007 financial year.

Ends