

Press Release

For immediate release

16th September 2010

Emira investors vote in favour of proposed amendments to the Trust Deed

Emira Property Fund participatory interest (PI) holders have voted overwhelmingly in favour of recently proposed amendments to the fund's Trust Deed.

Over 70% of all Emira PI holders cast their votes in the ballot which, along with a memorandum explaining the proposed amendments, was circulated to PI holders on 14 July 2010. The level of approval for the three amendments ranged between 94% and 98% of those PI holders that actually voted.

The agreed upon changes to the fund's Trust Deed, among other things, alters the nature of the service charge arrangement between Emira and the fund's manager, Strategic Real Estate Managers (Pty) Ltd (STREM).

From 15 September 2010 the service charge payable to STREM is changed from a monthly charge based on the fund's enterprise value, to a monthly charge that equates to the actual monthly cost of administering the fund.

As the amendment results in the shareholders of STREM no longer earning a profit out of managing the fund into the future, Emira is obliged to pay STREM a once-off cancellation fee of R197.4m to compensate it for the cancellation of the original service charge contract.

Other amendments approved by PI holders include an increase in the Fund's borrowing capability from 30% to 40% of the value of the Fund's underlying assets and an extension of the Fund's investment parameters to allow it to invest in a broader class of assets.

Emira CEO, James Templeton, says he was heartened by the fact that Emira PI holders had voted so positively in favour of the changes that had been proposed, especially the amendment to the service charge arrangement, given that this was a pioneering move within the Property Unit Trust sector. He noted that the service charge amendment was likely to be earnings enhancing for PI holders going forward.

There were several conditions precedent set by the regulators before the amendments could be approved. All of these have been met – including the issuing of 20.2m new Emira PI's at an issue price of R12,88 each to raise R260m which will be used, in part, to settle the R197.4m STREM cancellation fee.

The Registrar of Collective Investment Schemes granted its approval for the proposed changes to be implemented with effect from 15th September.

Ends

ISSUED BY: GRAY CORPORATE & INVESTOR RELATIONS
Graham Fiford Tel: (011) 442 9019; Cell 083 391 2459

ON BEHALF OF: EMIRA PROPERTY FUND
James Templeton Tel: (011) 775 1320