

Press Release

For immediate release

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### **Emira Property Fund is in a buying mood**

Emira Property Fund has committed itself to further growth of its property portfolio this year, says CEO James Templeton.

Emira's property portfolio was valued at around R7,7bn last December, but Templeton says the intention is to grow that in the next twelve months.

Although not yet at distressed levels, desirable properties are coming on to the market at increasingly attractive prices and Emira is in the fortunate position of having low gearing and access to relatively cheap debt.

"As a result of the securing of a facility of in excess of R650m from RMB, and the attractive margins on that debt, we are in the enviable position of being able to seriously consider acquisitions," Templeton says.

"Very few of our listed and unlisted competitors are able to raise funds at the moment – let alone at these levels – so we need to take advantage of this opportunity to purchase well located office, industrial and retail properties with secure cash flows from quality tenants."

Templeton says Emira has one of the lowest costs of debt in the listed property sector at the moment – largely through a series of debt securitisation transactions carried out by the Freestone Property Fund (absorbed into Emira last year) in 2006 and by the Emira Property Fund last year.

He says Emira is currently actively trying to increase its gearing, hence the securing of the new facility. Some R80m of that is already allocated for various projects, while the balance will be available for acquisitions.

So far this year the fund has already purchased two commercial properties in Highveld Techno Park, Centurion, for a combined price of R80m on very attractive forward yields and with secure, long term, escalating income streams.

This brings the Fund's exposure to the robust Centurion property market to in excess of R350m, or roughly 4,7% of the Fund's existing property assets countrywide.

In addition to property purchases, the Fund is hoping to grow through the commissioning of several brownfields redevelopment or refurbishment projects. In the past few years it has been successfully involved in a number of these types of developments – including extensions at Quagga Shopping Centre, Lynnridge Mall and the refurbishment of Lake Buena Vista and Hurlingham Office Park.

Templeton says planning approval for two further such developments, one in Cape Town's city centre and one in Menlyn, Pretoria, is close to finalisation. The decision on whether or not to proceed with these projects will be taken after careful consideration by the Emira management team as well as the company's Board, having due regard to the type of development envisaged, the projected return on each project and the level of tenant demand, Templeton says.

Ends

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