

Press Release

For immediate
release

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Emira Property Fund buys the Corobay Corner development in Menlyn

Emira Property Fund is adding to its portfolio of properties in the prestigious Menlyn area of Pretoria. It has just concluded an agreement with Eris Property Group to acquire its proposed 14 000 m² Corobay Corner office development on the western edge of the greater Menlyn Main development.

The news comes after Emira announced last month that it has given the green light to its Podium at Menlyn development - a 16 000m² A-Grade office project which is to be developed in two phases and is likely to become the gateway to the fast-developing Menlyn commercial node.

Podium at Menlyn is located at the intersection of Atterbury and Lois Streets, directly across the street from Menlyn Mall and close to the proposed Corobay Corner development.

Menlyn is being developed as an A-Grade business hub with in excess of 300 000m² of mixed use development, including retail, offices, hotels and residential units being planned.

Templeton says the decision to purchase the prime Corobay Corner property will enhance the Fund's profile in the sought after Menlyn development node and give additional critical mass to its physical presence there.

Work on Corobay Corner has just started and a total of 9 600 m² of the two-block, single phase, development has already been let to KV3 Engineers on a ten-year lease at a market-related rental.

In addition, Emira has secured a 12-month rental guarantee from Eris for the remainder of the space from the date of completion. The purchase of the property should yield a return of 9% for Emira.

Because of its ready access to cost effective capital, Emira has struck an agreement with Eris to fund the development costs on the Corobay Corner project through the building phase rather than purchase the building outright on completion in July 2012.

In order to help fund the Podium and Corobay developments, Emira recently announced that it will be seeking to dispose of 16 underperforming properties in its portfolio.

The properties targeted for disposal are expected to yield around R690m for Emira. Last year the Fund raised some R80m by disposing of six other properties in its portfolio identified as non-core.

Says Templeton:

“By selling these properties the quality of the underlying properties in the Fund will be improved. It should also significantly improve the quality of Emira’s income growth.

“In addition, the proceeds from the sales will be used to fund Emira’s current property development projects as well as any new acquisitions or any further property developments the Fund chooses to embark upon in future.”

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