



Emira Property Fund

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

Circular to participatory interest ("PI") holders

relating to

- **the acquisition of a portfolio of properties from related parties;**
- **implementation of a black economic empowerment transaction; and**
- **the specific issue of PIs for cash to related parties**

and including

- **a notice of general meeting; and**
- **a form of proxy (for use by certificated and "own-name" dematerialised PI holders only).**

7 August 2006

**Independent property
valuers**

CBRE
CB RICHARD ELLIS

**Merchant bank and
joint sponsor**

 **RAND
MERCHANT
BANK**
A division of FirstRand Bank Limited

Independent expert

Deloitte.
Deloitte & Touche
Registered Auditors

**Reporting accountants
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Lead sponsor

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This circular is available in English only. Copies may be obtained from the registered office of the Fund at the address set out above.

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Action required by PI holders

This circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, please consult your broker, banker, accountant, attorney or other financial adviser. If you have disposed of your PIs, this circular should be handed to the purchaser of such PIs or the broker or other agent who disposed of your PIs for you.

Please take careful note of the following provisions regarding the actions required by dematerialised and certificated PI holders:

Voting and attendance at the general meeting

A general meeting of PI holders will be held at 09:00 on Tuesday 22 August 2006 at the registered office of Emira. The general meeting will be held to consider and if deemed fit, to pass, with or without modification, the resolutions set out in the notice convening the general meeting attached to this circular.

If you have dematerialised your PIs without “own name” registration:

- If you have not been contacted by your CSDP/broker, it would be advisable for you to contact your CSDP/broker and furnish them with your voting instructions.
- If your CSDP/broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/broker.
- You must **not** complete the attached form of proxy (blue).
- In accordance with the agreement between you and your CSDP/broker, you must advise your CSDP/broker if you wish to attend the general meeting in person, or if you wish to send a proxy to represent you at the general meeting, and your CSDP/broker will issue the necessary letter of authority for you or your proxy to attend the general meeting.

If you have not dematerialised your PIs or have dematerialised your PIs with “own-name” registration:

- You may attend and vote at the general meeting in person.
- Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy (blue) in accordance with the instructions it contains, which form must be lodged with or posted to the transfer secretaries to be received by no later than 09:00 on Friday 18 August 2006.

If you wish to dematerialise your PIs, please contact your broker.

Important dates and times

2006

Last day to lodge form of proxy by 09:00 on	Friday 18 August
General meeting at 09:00 on	Tuesday 22 August
Results of general meeting released on SENS on	Tuesday 22 August
Results of general meeting published in the press on	Wednesday 23 August

Notes:

1. All or any of the above dates and times are subject to change.
2. Any material change to the above dates and times will be released on SENS and published in the press.

Definitions

In this circular, unless otherwise stated or the context otherwise indicates, reference to the singular shall include the plural and *vice versa* and words denoting one gender include the others. Expressions denoting natural persons include juristic persons and associations of persons and the words in the first column have the meanings stated opposite them in the second column, as follows:

“acquisition”	the acquisition by Emira of the property portfolio in terms of the acquisition agreements, details of which are included in paragraph 4 of this circular;
“acquisition agreements”	collectively, <ul style="list-style-type: none">– the sale of letting enterprise agreement between RMB Properties and Emira in respect of Newlands Terraces;– the cession and assignment agreement between RMB Properties and Emira in respect of the RTT development on airport land;– the letting enterprise purchase agreement between Emira and Momentum in respect of WesBank House;– letting enterprise purchase agreement (Wonderpark Shopping Centre) between Emira and the Hawley Road Developments in respect of Wonderpark Shopping Centre; and– agreement of cession and assignment between RMB Properties and Emira in respect of WorldWear;
“Avuka”	Avuka Investment Holdings (Proprietary) Limited (registration number 2005/037666/07), a company with limited liability duly incorporated according to the laws of South Africa;
“BBBEE Act”	the Broad-Based Black Economic Empowerment Act, 53 of 2003, including all regulations, Codes and the like published in terms thereof;
“BEE”	Black Economic Empowerment;
“BEE agreements”	collectively, <ul style="list-style-type: none">– the agreement for sale of rights in terms of the renouncable letters of allotment (WesBank PIs) between Momentum, Emira and Tiso Property;– the agreement for sale of rights in terms of the renouncable letters of allotment (WesBank PIs) between Momentum, Emira and BNewco;– the subscription agreement between Emira Property Fund and BNewco;– the agreement for sale of rights in terms of the renouncable letters of allotment (Wonderpark PIs) between Momentum, Emira and Tiso Property; and– the relationship agreement;
“BEE entity”	a black person and includes any company, close corporation or other legal entity which is controlled by a black person qualifying as a BEE entity in terms of the BBBEE Act and/or the Codes;
“BEE parties”	collectively, Tiso and the broad-based BEE parties;
“BEE issue for cash”	the issue of 13 698 671 PIs by Emira to BNewco, in terms of a specific issue for cash at R8.03 per PI, for an aggregate subscription price of R110 million;
“BEE transaction” or “empowerment transaction”	the transaction whereby black persons or BEE entities will acquire 14.2% of Emira’s issued capital, encompassing the vendor consideration placing and BEE issue for cash in terms of the BEE agreements;
“black person”	black person as defined in the BBBEE Act and “black people” has a corresponding meaning;

“BNewco”	Micawber 410 (Proprietary) Limited (registration number 2005/000809/07), a company with limited liability duly incorporated according to the laws of South Africa, which is the vehicle through which the broad-based BEE parties will hold their investment in Emira and will be a wholly owned subsidiary of Makalani until such a time as the broad-based BEE parties are in a position take transfer of their respective shares in BNewco;
“broad-based BEE parties”	collectively, Shamaluka Foundation, Avuka, Ben van der Ross and black employees of RMB Properties;
“Charter”	Property Sector Transformation Charter (as amended from time to time);
“circular”	all the documents and annexures, including the notice of general meeting and form of proxy (blue) contained in this bound circular, dated 7 August 2006;
“CISC Act”	the Collective Investment Schemes Control Act 45 of 2002;
“Code”	Code of Conduct applicable to the South African Property Sector published in accordance with the BBBEE Act from time to time;
“Computershare”	Computershare Investor Services 2004 (Proprietary) Limited (registration number 2004/003647/07), a company with limited liability duly incorporated according to the laws of South Africa;
“CSDP”	Central Securities Depository Participant;
“Deed”	Scheme Deed made and entered into between STREM and the Trustee to establish a collective investment scheme in property, approved by the Registrar on 15 September 2003;
“directors”	members of the STREM board;
“Emira portfolio”	portfolio of properties held by Emira;
“Emira Property Scheme”	Emira Property Scheme, registered in terms of the CISC Act;
“Emira” or “the Fund”	Emira Property Fund created under the Emira Property Scheme, the PIs of which are listed on the JSE;
“FirstRand”	FirstRand Limited (registration number 1929/001225/06), a public company listed on the JSE;
“FSB”	Financial Services Board;
“GRA”	the rentable area of the property portfolio as determined by the guidelines set out by the South African Property Owners’ Association;
“Hawley Road Developments”	Hawley Road Developments (Proprietary) Limited (registration number 1986/000771/07), a company with limited liability duly incorporated according to the laws of South Africa and a subsidiary of FirstRand;
“JSE”	JSE Limited (registration number 2005/022939/06), a company with limited liability duly incorporated according to the company laws of South Africa, licensed as an exchange under the Securities Services Act, 36, as amended;
“last practicable date”	1 August 2006, the last practicable date prior to finalisation of this circular;
“Listings Requirements”	Listings Requirements of the JSE;
“Makalani”	Makalani Holdings Limited (registration number 2005/000726/06), a company with limited liability duly incorporated according to the laws of South Africa, listed on the JSE and the interim holder of the issued share capital of BNewco;
“Manager”	STREM;
“Momentum”	Momentum Group Limited (registration number 1904/002186/06), a company with limited liability duly incorporated according to the laws of South Africa and a wholly-owned subsidiary of FirstRand;

“Momentum issue for cash”	the issue of 3 187 331 PIs by Emira to Momentum in terms of a specific issue for cash at R10.50 per PI, for an aggregate subscription price of R33.5 million;
“Penreach Programme”	a school-based outreach programme, based in Mpumalanga, with the goal of uplifting the standard of education in under-resourced communities;
“PI” or “participatory interest”	participatory interest in the capital of Emira;
“PI holders”	holders of PIs;
“practical completion”	the state where the completion of the building has substantially been reached and the building can be effectively used for the purposes intended;
“property portfolio”	the portfolio of properties to be acquired by Emira in terms of the acquisition, details of which are set out in paragraph 3 of this circular;
“Registrar”	Registrar of Collective Investment Schemes;
“relationship agreement”	relationship agreement entered into between the BEE Parties, Makalani and Emira regulating the rights and obligations of these parties relating to the holding of PIs by Tiso Property and BNewco in Emira;
“reporting accountants”	PricewaterhouseCoopers Inc, Chartered Accountants (SA), Registered Accountants and Auditors (registration number 1998/012055/21);
“RMB Properties”	RMB Properties (Proprietary) Limited (registration number 1984/000319/07), a company with limited liability duly incorporated according to the laws of South Africa and a wholly-owned subsidiary of FirstRand;
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06);
“Shalamuka Foundation”	a trust to be registered with the Master of the Supreme Court on behalf of the Penreach Programme;
“South Africa”	Republic of South Africa;
“STRATE”	the settlement and clearing system utilised by the JSE for all transactions concluded on the JSE, managed by STRATE Limited (registration number 1998/022242/06);
“STREM”	Strategic Real Estate Managers (Proprietary) Limited (registration number 1997/020911/07), a management company approved by the Registrar to manage Emira and a wholly-owned subsidiary of FirstRand;
“STREM board”	board of directors of STREM;
“Tiso”	Tiso Group (Proprietary) Limited (registration number 1999/010875/07), a company with limited liability duly incorporated according to the laws of South Africa;
“Tiso Property”	Tiso Property (Proprietary) Limited (registration number 2006/001375/07), a company with limited liability duly incorporated according to the laws of South Africa and a wholly-owned subsidiary of Tiso;
“Trustee”	ABSA Bank Limited (registration number 1986/004794/06), the party appointed in terms of the CISC Act to act as trustee of Emira’s assets and ensure compliance by the Manager with the Deed;
“vendors”	collectively, RMB Properties, Momentum and Hawley Road Developments, the vendors of the property portfolio; and
“vendor consideration placing”	the vendor consideration placing by Momentum and Hawley Road Developments of 37 484 433 of the PIs they are to receive as consideration for the disposal of the property portfolio, in terms of which: <ul style="list-style-type: none"> – Tiso Property will acquire 35 491 905 PIs; and – BNewco will acquire 1 992 528 PIs, at R8.03 per PI, for an aggregate subscription price of R301 million.



Emira Property Fund

A property fund created under the Emira Property Scheme,
registered in terms of the Collective Investment Schemes Control Act
JSE code: EMI ISIN ZAE000050712

Directors of the Manager

Executive

J W A Templeton (*Chief Executive Officer*)
W K Schultze

Non-executive

B J van der Ross (*Chairman*)
L Barnard
L Basson
M S B Nesor

Circular to PI holders

1. Introduction

PI holders were advised in an announcement dated 5 June 2006 that Emira had entered into agreements to acquire the property portfolio and had also entered into an empowerment transaction which will result in 14.2% of the Fund's PIs being placed with historically disadvantaged South Africans.

This circular sets out further information on the acquisition and BEE transaction, as well as the proposed issue of PIs for cash to Momentum and convenes a general meeting of PI holders to approve the resolutions necessary to implement the acquisition and the BEE transaction.

2. Rationale

2.1 The acquisition

It is Emira's strategy to increase the size and quality of its portfolio through the acquisition of properties at market-related prices that will enhance the net income growth of the Fund over the medium to long term.

The acquisition will reduce Emira's reliance on office properties and increase the retail component of the Fund's asset base, such that these two sectors will each comprise slightly in excess of 40% of the Emira portfolio, with the balance of the Emira portfolio consisting of industrial properties.

The acquisition will also result in Emira acquiring a regional shopping centre. Regional and super regional shopping centres have outperformed all other categories of immovable property over the past ten years on a total return basis.

2.2 The BEE transaction

Emira recognises that there are a number of compelling reasons to introduce BEE partners into the Fund. These include, but are not limited to:

- transferring ownership of land to people who were previously denied access to land through discriminatory policy and legislation;
- empowering previously disadvantaged individuals in order to redress the imbalances of the past;
- achieving a change in the racial and gender composition of ownership, control and management within the property sector.

The Charter entered into between representatives of the South African property industry and the Department of Public Works lists these reasons amongst its objectives and Emira believes that the BEE transaction is the first step towards achieving the targets as set out in the Charter.

3. Details of the property portfolio

Details of the properties to be acquired by Emira in terms of the acquisition are set out below:

3.1 Description of the properties

3.1.1 Newlands Terraces

Address: Diagonally opposite the corner of Lower Kelvin and Boundary Roads, Newlands, Cape Town
 Description: Multi-storey office building and parking garage located adjacent to the Newlands Rugby Stadium with a GRA of 4 262 square metres
 Tenants: Western Province Rugby Football Union, UCS Software

3.1.2 RTT Warehouse

Address: Corner Jones and Springbok Roads, Bartlett, Johannesburg
 Description: Warehouse and office development located adjacent to the Johannesburg International Airport with a total GRA of 44 085 square metres, comprising 9 454 square metres of office space and the remainder being warehouse facilities
 Tenants: Railit Total Transportation ("RTT")

3.1.3 WesBank House

Address: Corner Riebeeck, Long and Waterkant Streets, Cape Town
 Description: Multi-storey office building with retail space on the ground floor, located in the Cape Town CBD with a total GRA of 9 206 square metres (617 square metres being retail and 8 589 square metres being offices)
 Tenants: Department of Labour, WesBank

3.1.4 Wonderpark Shopping Centre

Address: Corner R513 Brits Road and Heinrich Avenue, Karenpark, Pretoria
 Description: Regional shopping centre north-west of Pretoria with a total GRA of 58 109 square metres
 Tenants: Pick 'n Pay, Game, Virgin Active, Edgars, Cashbuild, Woolworths

3.1.5 WorldWear

Address: Corner Beyers Naude Drive and Wilson Street, Fairlands, Johannesburg
 Description: Specialist, branded shopping centre with a total GRA of 13 284 square metres
 Tenants: Mr Price Home, The Pro Shop, Seemans, Adidas, JB Rivers, Cape Storm

3.2 Details of the properties

Property	Purchase price (R'000)	Valuation ¹ (R'000)	GRA (m ²)	Forecast net rental (R/m ²)	Vacancy (% rentable area)	Forward yield (%)
Newlands Terraces	43 750	50 800 ²	4 262	85.00	0.0 ⁴	9.9
RTT Warehouse	217 117	220 000	44 085	39.06	0.0 ⁴	9.7
WesBank House	44 000	44 000	9 206	43.51	4.0	10.9
Wonderpark Shopping Centre	406 400	406 400 ³	58 109	50.77	3.7	9.0
WorldWear	133 090	154 000 ²	13 284	86.22	0.0 ⁴	10.3
	844 357	875 200	128 946			9.5

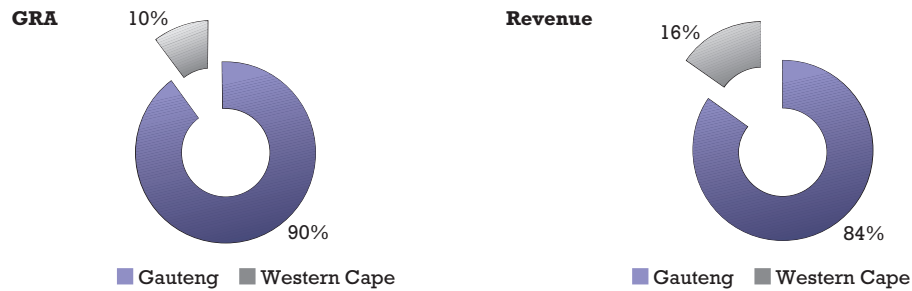
Notes

- The summarised valuation report of the independent valuer on the property portfolio is set out in Annexure 1.
- The independent valuations of Newlands Terraces and WorldWear are in excess of 10% above the purchase price for the respective properties. This is attributable to the decline in discount and capitalisation rates between the conclusion of negotiations between Emira and the vendors and the date at which the independent valuations were carried out. This was particularly evident in the Cape Town property market – in the case of Newlands Terraces – and the retail sector – in the case of WorldWear.
- The independent valuation of Wonderpark Shopping Centre in Annexure 1 of R408.6 million includes the available bulk on the site, which has been independently valued at R2.2 million. Emira will not be purchasing this bulk and hence the actual purchase price to Emira is R406.4 million.
- In the case of the three new developments to be purchased from RMB Properties, namely Newlands Terraces, RTT Warehouse and WorldWear, RMB properties has provided Emira with a one-year gross rental warranty from the date of purchase of each property. The budgeted income from any space that is vacant at this date will be paid to Emira by RMB Properties until such time as this space is let.

3.3 Profiles of the property portfolio

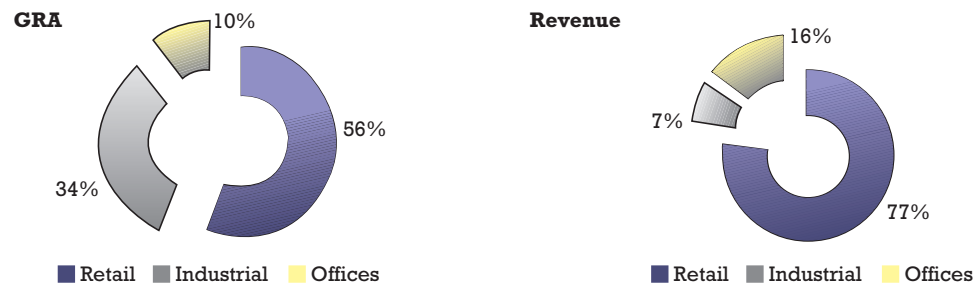
3.3.1 Geographical profile

The geographical profile of the property portfolio, based on GRA and forecast revenue for the period ending 30 June 2007, is as follows:



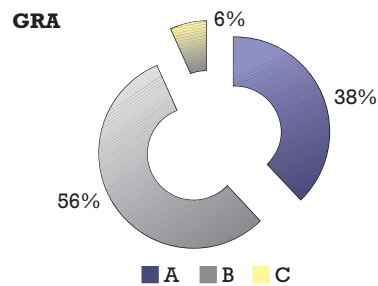
3.3.2 Sectoral profile

The sectoral profile of the property portfolio, based on GRA and forecast revenue for the period ending 30 June 2007, is as follows:



3.3.3 Tenant profile

The tenant profile of the portfolio, based on existing leases, is as follows:



The tenants have been graded as follows:

- “A” grade: Large national tenants, large listed tenants, Government and major franchisees. These include, *inter alia*, The Department of Labour, Edgars Consolidated Stores, FirstRand Bank, Pepkor, Pick ‘n Pay Stores, The Standard Bank Group, Ster-Kinekor, Truworths International and Virgin Active
- “B” grade: National tenants, listed tenants, franchisees and medium to large professional firms. These include, *inter alia*, Debonairs Pizza and Fishaways, John Dory’s, Mikes Kitchen, Rage Distribution, Torga Optical, UCS Group, Vodacom and Wimpy
- “C” grade: Other tenants comprise all other tenants that do not fall into the above two categories

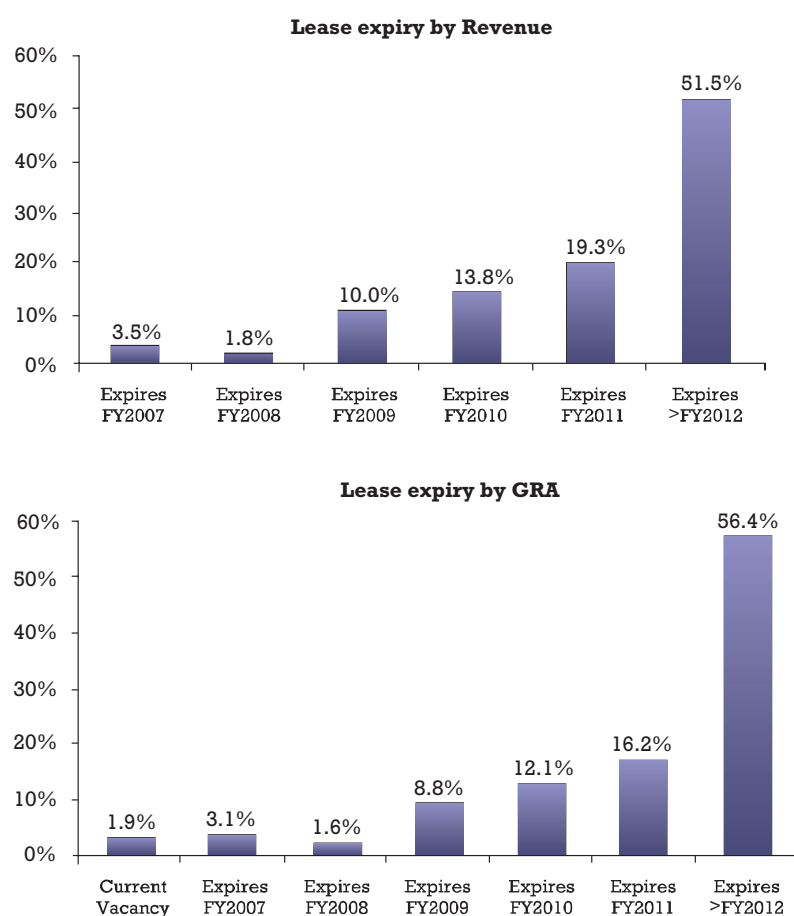
3.3.4 Vacancy profile

The current vacancy profile of the property portfolio is set out below:

	Vacancy (% rentable area)
Offices	0.3
Retail	1.7
Industrial	-
Total property portfolio	2.0

3.3.5 Lease expiry profile

The lease expiry profile of the property portfolio, based on existing leases, by revenue and GRA, is set out below:



3.3.6 Rental escalation profile

The average rental escalation of the property portfolio, weighted on the basis of GRA, excluding leases which are due to expire, is 7.3%. This comprises an escalation of 6.9% in the retail sector of the portfolio, 9.5% in the office sector and 7.5% in the industrial sector.

3.4 Properties under development

Newlands Terraces, RTT Warehouse and WorldWear are currently in the process of being developed. The acquisition of these properties is conditional upon the properties reaching practical completion. Until such a time as the buildings reach practical completion, all the development risk is borne by the vendors of the properties. The properties have been valued by the independent valuer based on the assumption that the properties reach a state of practical completion.

3.5 Profit forecasts

The profit forecasts presented below are the responsibility of the directors. The reporting accountants' report on the profit forecasts are included as Annexure 2 to this circular.

3.5.1 Property portfolio

The forecast financial information attributable to the property portfolio is set out below:

	Year ending 30 June 2007 (R'000)	Year ending 30 June 2008 (R'000)
Revenue – on a cash basis	70 754	116 822
Revenue accrual – straight-line basis	6 642	7 713
Total revenue	77 396	124 535
Property expenses	(18 779)	(28 909)
Administration expenses	(2 607)	(4 057)
Management expenses	(2 534)	(4 608)
Depreciation	(1 448)	(2 036)
Operating profit	52 028	84 925

The forecast has been prepared based on the following assumptions:

- revenue from the property portfolio has been included in the forecast from the anticipated effective date of acquisition of each property acquired;
- in the case of Wonderpark and WesBank House, revenue is based on existing lease agreements, with conservative assumptions being applied in estimating lease renewals. For RTT Warehouse, WorldWear and Newlands Terraces, revenue has been based on the leases that are currently in place, where applicable, as well as letters of consent from potential tenants;
- vacant space at the date of transfer is assumed to remain unlet for the period of the forecast. However management is confident that a portion, if not all, of this vacant space will be let during the forecast period and consequently this is a conservative approach;
- RMB Properties has provided gross rental warranties for Newlands Terraces and WorldWear for 12 months from the effective date of each property purchase. Uncontracted revenue is therefore comprised two components: (i) existing leases that expire during the financial periods to 30 June 2007 and 30 June 2008 at Wonderpark and WesBank House and (ii) the portion of income at Newlands Terraces and WorldWear that has not currently been finalised that is forecast to be earned after the expiry of the gross rental warranties from RMB Properties. As such, uncontracted revenue constitutes 4.6% of the property portfolio revenue in the year ending 30 June 2007 and 5.4% of revenue for the year ending 30 June 2008. It has been assumed that this will be contracted at market-related rentals;
- leases in respect of approximately 4.6% of the property portfolio's GRA which will expire during the forecast period will be renewed at market-related rentals;
- in the case of Wonderpark and WesBank House, cost assumptions have been based on the historic performance of the properties, while for RTT Warehouse, WorldWear and Newlands Terraces costs have been forecast based on the historic performance of properties of a similar nature and size;
- property management fees are calculated at market-related rates based upon a percentage of collections; and
- in terms of the Deed, asset management fees are calculated based on the average daily closing PI price. As it is not possible to forecast the average daily PI price, the asset management fees have been forecast assuming that the PI price remains constant at 950 cents.

The profit forecast for the property portfolio includes the following material expenditure items (being a category of expenditure exceeding 10% of the total expenditure):

	Year ending 30 June 2007 (R'000)	Year ending 30 June 2008 (R'000)
General expenses	4 894	5 283
Municipality expenses	14 775	15 684

General expenses are forecast to increase by more than 10% in 2007 due to higher insurance charges, increased collection commissions and higher administration charges. These increases are in line with the changes in income as a result of the extension of the Wonderpark Shopping Centre.

The municipality charges are expected to increase by more than 10% in 2007, mainly due to the extension of the Wonderpark Shopping Centre.

3.5.2 RTT Warehouse

The forecast financial information attributable to the RTT Warehouse is set out below:

	Year ending 30 June 2007 (R'000)	Year ending 30 June 2008 (R'000)
Revenue – on a cash basis	5 250	21 396
Revenue accrual – straight-line basis	842	3 107
Total revenue	6 092	24 652
Property expenses	(6)	(26)
Administration expenses	(79)	(321)
Operating profit	6 007	24 156

The forecast has been prepared based on the following assumptions:

- revenue from the RTT Warehouse property has been included in the forecast from the anticipated effective date of acquisition of the property, being 1 April 2007;
- revenue is based on existing lease agreements; and
- property management fees are calculated at market-related rates based upon a percentage of collections.

The profit forecast for RTT Warehouse includes the following material expenditure items (being a category of expenditure exceeding 10% of the total expenditure):

	Year ending 30 June 2007 (R'000)	Year ending 30 June 2008 (R'000)
Collection commissions	79	321

Due to the fact that RTT Warehouse is only due for completion in April 2007, there are no material variances in any of the material expenditure items which can be disclosed.

3.5.3 Wonderpark Shopping Centre

The forecast financial information attributable to the Wonderpark Shopping Centre is set out below:

	Year ending 30 June 2007 (R'000)	Year ending 30 June 2008 (R'000)
Revenue – on a cash basis	41 141	58 980
Revenue – straight-line basis	2 988	2 445
Total revenue	44 129	61 425
Property expenses	(11 999)	(18 244)
Administration expenses	(1 759)	(2 591)
Depreciation	(1 127)	(1 607)
Operating profit	29 244	38 983

The forecast has been prepared based on the following assumptions:

- revenue from the Wonderpark Shopping Centre has been included in the forecast from the anticipated effective date of acquisition, being 1 October 2006;
- revenue is based on existing lease agreements, with conservative assumptions being applied in estimating lease renewals;
- vacant space at the date of transfer is assumed to remain unlet for the period of the forecast. However management is confident that a portion, if not all, of this vacant space will be let during the forecast period and consequently this is a conservative approach; and
- property management fees are calculated at market-related rates based upon a percentage of collections.

The profit forecast for Wonderpark Shopping Centre includes the following material expenditure items (being a category of expenditure exceeding 10% of the total expenditure):

	Year ending 30 June 2007 (R'000)	Year ending 30 June 2008 (R'000)
General expenses	2 133	3 119
Municipality expenses	6 785	10 565

General expenses are forecast to increase by more than 10% mainly due to higher insurance charges, increases in collection commissions and higher administration charges. These increases are in line with the increase in income as a result of the extension of the Wonderpark Shopping Centre.

Municipality expenses are forecast to increase by more than 10% in 2007, mainly due to the extension of the Wonderpark Shopping Centre. Rates and taxes are variable in accordance with the value of the Wonderpark Shopping Centre and electricity, water and sewerage are variable in accordance with the activities of the Wonderpark Shopping Centre.

The leasing expenses are forecast to decrease by more than 10% in 2007 due to the fact that the 2006 expense includes a non-recurring amount in respect of additional space created by the extension of the Wonderpark Shopping Centre.

3.6 Net asset statement

It is not considered meaningful to disclose a net asset statement in respect of the property portfolio, as such statement is merely an aggregation of the individual valuations of the underlying properties.

3.7 Vendors

Details of the vendors of the property portfolio are given below:

Property	Vendor	Vendor's address
Wonderpark Shopping Centre	Hawley Road Developments	3 Gwen Lane, Sandton, 2196
WesBank House	Momentum	268 West Avenue, Centurion, 0157
Newlands Terraces WorldWear RTT Warehouse	RMB Properties	3 Gwen Lane, Sandton, 2196

The vendors have provided warranties normal for a transaction of this nature.

The acquisition agreements do not preclude the vendors from carrying on any business in competition with Emira or impose any other restrictions on the vendors and no restraint of trade agreement has been entered into between Emira and the vendors.

Emira has no liability for accrued taxation in terms of the acquisition agreements.

No director has any beneficial interest in any of the vendors.

The expected dates of transfer of the properties constituting the property portfolio are set out in paragraphs 4.1 to 4.5 below.

To the best of Emira's knowledge and belief, the costs of the properties acquired by the vendors in the three-year period ended on the last practicable date were as follows:

- the vendor of Newlands Terraces acquired the land on which Newlands Terraces is constructed on 31 October 2005 for an amount of R4.95 million;
- the vendor of WorldWear paid, as a lease premium, a sum of R4.9 million for a 30-year lease over the proposed Portion 3 of Erf 1226 Fairland Township; and
- the vendor of the RTT Warehouse paid, as a lease premium, a sum of R20.9 million for a 40-year lease over a portion of the remaining extent of portion 7 of the farm Witkoppie No. 64, registration division IR, Province of Gauteng.

3.8 Related parties

The vendors are related parties in terms of the Listings Requirement, as they are indirect subsidiaries of FirstRand. FirstRand holds an indirect interest of 38.5% in Emira through Momentum. FirstRand also indirectly holds 100% of the issued share capital of the Manager.

Accordingly, the acquisition will be implemented in accordance with the related party provisions of the Listings Requirements.

Makalani, which is the party which will be the initial shareholder of BNewco in terms of the relationship agreement until such a time as the broad-based BEE parties are in a position to take transfer of the shares in BNewco, is managed by FirstRand.

Accordingly, the BEE issue for cash will be implemented in terms of the related party provisions of the Listings Requirements.

Momentum is a subsidiary of FirstRand. FirstRand holds an indirect interest of 38.5% in Emira through Momentum. FirstRand also indirectly holds 100% of the issued share capital of the Manager.

Accordingly, the Momentum issue for cash will be implemented in terms of the related party provisions of the Listings Requirements.

Mr Warren Schultze is a director of the Manager and is also a director of RMB Properties.

Mr Ben van der Ross is a director of the Manager and will hold 15.9% of the issued share capital of BNewco.

4. Terms of the acquisition

The aggregate purchase consideration of R844.4 million payable to the vendors in terms of the acquisition will be settled through cash payments totalling R394.0 million and the balance of R450.4 million will be settled through the issue of 55 506 146 PIs. Details of the individual property acquisitions are set out below:

4.1 Newlands Terraces

The Newlands Terraces Sale of Letting Enterprise Agreement contains the following salient provisions:

- RMB Properties is the registered owner of the property and has commenced development of Newlands Terraces.
- Subject to the fulfilment of the conditions precedent, Emira will acquire Newlands Terraces from RMB Properties for R43 750 000.
- RMB Properties shall use reasonable endeavours to conclude lease agreements for vacant space of the property on terms satisfactory to Emira.
- RMB Properties has warranted that the gross income for a period of 12 months from the effective date shall be no less than R5 449 536 (excluding the VAT portion of rentals).
- RMB Properties shall ensure that the development of Newlands Terraces is diligently proceeded with and completed as soon as possible.
- The effective date of the acquisition is the later of practical completion, which is anticipated to be 1 September 2006, or registration of transfer.
- If practical completion is not completed within 60 days of the intended practical completion date, RMB Properties shall pay to Emira a penalty in the sum of R4 150 per day until practical completion is achieved.
- The purchase consideration will be settled in cash upon the later of final completion date or the date of registration of transfer.

4.2 RTT Warehouse

The RTT Warehouse Cession and Assignment Agreement contains the following salient provisions:

- RMB Properties has secured the right to the land on which RTT Warehouse is constructed in terms of a lease with ACSA ("the ACSA lease") for a period of 40 years.
- RMB Properties commenced with the construction of RTT Warehouse, at its cost, in terms of a lease with the RTT Warehouse tenant ("the RTT lease").
- RMB Properties shall ensure that the development project is diligently proceeded with and completed as soon as possible.

- Subject to the fulfilment of the conditions precedent, Emira will acquire the right, title and interest in and to the ACSA lease and the RTT lease (other than RMB Properties' development obligations in terms thereof) on the effective date for R217 117 358.
- The effective date of the acquisition is the later of practical completion, which is anticipated to be 1 April 2007, or registration of the lease.
- If practical completion is not completed within 60 days of the intended practical completion date, RMB Properties shall pay to Emira a penalty in the sum of R20 400 per day until practical completion is achieved.
- The purchase consideration will be settled in cash on the effective date.

4.3 WesBank House

The WesBank House Letting Enterprise Purchase Agreement contains the following salient provisions:

- Momentum is the registered owner of WesBank House, which Emira wishes to acquire.
- Subject to the fulfilment of the conditions precedent, Emira will acquire WesBank House from Momentum for R44 000 000.
- The effective date is the date on which the condition precedent, being PI holder approval for the acquisition, is fulfilled.
- The purchase price is payable to the seller upon the date of registration of transfer.
- The purchase consideration will be settled through the issue of 5 479 452 PIs at R8.03 per PI, which will be entitled to *pro rata* distributions from the date of registration of transfer.

4.4 Wonderpark Shopping Centre

The Wonderpark Shopping Centre Letting Enterprise Purchase Agreement contains the following salient provisions:

- Hawley Road Developments is the registered owner of Wonderpark Shopping Centre, which Emira wishes to purchase.
- Subject to the fulfilment of the conditions precedent, Emira will acquire Wonderpark Shopping Centre from Hawley Road Developments for R406 400 000.
- The effective date is the date on which the condition precedent, being PI holder approval for the acquisition, is fulfilled.
- The purchase consideration will be settled through the issue of 50 026 694 PIs at R8.12 per PI, which will be entitled to *pro rata* distributions from the date of registration of transfer.
- The purchase price is payable to the seller upon registration of transfer.

4.5 WorldWear

The WorldWear Cession and Assignment Agreement contains the following salient provisions:

- RMB Properties has secured the right to the land in terms of a lease with the City of Johannesburg Metropolitan Municipality for a period of 30 years with a right to renew the lease for a further period of 19 years and 11 months.
- Subject to the fulfilment of the conditions precedent, Emira will acquire the right, title and interest in and to the lease (other than RMB Properties' development obligations in terms thereof) on the effective date for R133 090 000.
- RMB Properties shall ensure that the development of WorldWear is diligently proceeded with and completed as soon as possible.
- The effective date of the acquisition is the later of practical completion, which is anticipated to be 1 November 2006, or registration of the lease.
- If practical completion is not achieved within 60 days of the intended practical completion date, RMB Properties shall pay to Emira a penalty in the sum of R13 350 per day until practical completion is achieved.
- The purchase consideration will be settled in cash on the effective date.

5. The BEE transaction

5.1 The BEE parties

The BEE transaction will result in the following BEE parties acquiring a total interest of 14.2% in Emira's issued capital:

BEE party	Effective interest (%)
Tiso	9.9
BNewco ¹	4.3
Shalamuka Foundation	1.3
Avuka	1.0
Ben van der Ross	0.7
Black employees	1.3
	14.2

Note 1: BNewco is the vehicle which will hold the interests of the broad-based BEE parties. BNewco is currently 100% held by Makalani, which is providing the funding for the broad-based BEE parties. Makalani has undertaken to dispose of the shares in BNewco to the broad-based BEE parties once the empowerment transaction has been implemented and the broad-based BEE parties are in a position to take transfer of the shares in BNewco.

5.1.1 Tiso

Tiso is a leading black-owned, controlled and managed investment company investing in the natural resources, financial services and industrial services, employing in excess of 20 individuals with a diverse but complementary set of business and entrepreneurial skills. Tiso is predominantly controlled by its management (43%) and the Tiso Foundation (16%), a registered public benefit organisation created for the purpose of ensuring broad-based equity participation in Tiso beyond that of its employees. Other shareholders include Investec, Standard Bank and RMB.

Established in 2001 by Fani Titi, David Adomakoh and Nkululeko Sowazi, Tiso's strategy is to:

- acquire investments in and/or control of enterprises in the natural resources, financial services and industrial services selected sectors of the economy; and
- to enter into a limited number of strategic BEE partnerships with select partners.

Tiso is the controlling shareholder of Idwala Industrial Holdings, whilst strategic partnerships include Aveng, AECI and Investec.

5.1.2 The Shalamuka Foundation

The Shalamuka Foundation is a trust that is to be registered on behalf of the Penreach Programme, a school-based outreach programme, with the goal of uplifting the standard of education in under-resourced communities.

Penreach was established in 1993 as a school-based outreach programme, with the goal of uplifting the standard of education in under-resourced communities. Based in Nelspruit and servicing the surrounding areas of Mpumalanga, it is currently the largest such programme in Africa, assisting approximately 2 000 teachers and 900 schools each year. Penreach is managed by full-time staff and governed by a board of trustees.

The establishment of the Shalamuka Foundation will ensure that this important programme continues to benefit the communities it serves. Shalamuka's trustees will include: Mr Paul Harris, Ms Phutumile Dumisa, Mrs Leah Gcabashe, Mrs Yvonne Chaka Chaka-Mhinga and Justice Phineas Mojapelo.

5.1.3 Avuka

Avuka is a black controlled company established in 2005. The company is wholly-owned by the following black women:

- Dr Lulu Gwagwa: ex-Deputy Director General in the Department of Public Works and a non-executive director on the boards of the Airports Company of South Africa ("ACSA"), FirstRand, the Development Bank of Southern Africa ("DBSA") and the Mineworkers Investment Company;

- Mrs Nocawe Makiwane: Managing Director of Avuka Investments and non-executive director of National Housing Finance Corporation (“NHFC”);
- Nhlanhla Mjoli Mncube: Economic adviser to the Deputy President of South Africa and a board member of Pioneer Foods, Capitec Bank, Cadiz Holdings and the NHFC; and
- Ms Monhla Hlahla: Chief executive of ACSA and an ex-executive of Old Mutual, the DBSA and the Commonwealth Africa Investment Fund. Ms Hlahla was voted South Africa’s Business Woman of the Year for 2005.

5.1.4 Mr Ben van der Ross

Mr Ben van der Ross is the Chairman of STREM. Mr van der Ross also serves on the boards of FirstRand, Naspers and Momentum.

5.1.5 Black employees

In terms of the existing contracts between STREM and RMB Properties, all asset and property management functions are currently outsourced to RMB Properties. RMB Properties employs approximately 113 black individuals, many of whom are responsible for the administration of the Fund and the day-to-day management of properties owned by Emira.

It is proposed that a portion of the PIs to be issued in terms of the BEE transaction will be utilised to retain and incentivise existing black employees and to attract future black executives.

5.2 Mechanics of the BEE transaction

5.2.1 Vendor consideration placing

Momentum and Hawley Road Developments have agreed to place 37 484 433 of the PIs they are to receive as consideration in terms of the acquisition with the BEE parties in terms of a vendor consideration placing.

In terms of the vendor consideration placing:

- Tiso, through Tiso Property, will acquire 32 004 981 PIs from Hawley Road Developments and 3 486 924 PIs from Momentum; and
- the broad-based BEE parties, through BNewco, will acquire 1 992 528 PIs from Momentum.

All vendors had an equal opportunity to participate in the vendor consideration placing.

5.2.2 BEE issue for cash

Emira will issue a further 13 698 671 PIs to BNewco in terms of the BEE issue for cash. The cash raised through the BEE issue for cash will be used to repay existing short-term debt and fulfil Emira’s obligations in terms of the acquisition.

BNewco is a non-public PI holder in terms of the Listings Requirements.

As BNewco is initially controlled by Makalani, which is a related party in respect of Emira, the Fund has obtained an opinion from the independent expert that the terms of the Momentum issue for cash are fair and reasonable to PI holders. The opinion of the independent expert is set out in Annexure 3 to this circular.

5.2.3 BEE transaction pricing

The BEE parties will pay R8.03 per PI in terms of the vendor consideration placing and the BEE issue for cash. This purchase consideration amounts to:

- a 6% discount to the volume weighted average Emira PI traded price at 18 January 2006, ex the entitlement to any dividends relating to profits earned up to that date, being the date of approval of the transaction by the STREM board;
- a 3% discount to the Emira PI traded price at the last practicable date, ex the entitlement to any dividends relating to profits earned up to that date.

The BEE parties have raised third party funding totalling R391 million and will fund the balance of R20 million through equity.

5.3 Appointments to the STREM board

As anchor empowerment partner, Tiso will be entitled to nominate one director to the STREM board, while the broad-based BEE parties will also be entitled, collectively, to nominate one director to the STREM board.

5.4 Relationship agreement

The salient terms of the relationship agreement are as follows:

5.4.1 *Undertakings by Tiso*

Provided that Tiso Property qualifies as a PI holder, Tiso undertakes to and in favour of Emira that until the fifth anniversary it will:

- not dispose of any shares in the capital of Tiso Property or shareholder claims against Tiso Property held by it; and/or
- not allow any transfer of shares in its capital as will result in the percentage shareholding in Tiso held by black people or BEE entities being materially reduced from the percentage shareholding at the effective date,

without the prior written consent of Emira which consent will not be unreasonably withheld or delayed; and

from the fifth anniversary until the eighth anniversary it will:

- not dispose of any of the any shares in the capital of Tiso Property or shareholder claims against Tiso Property held by it, other than to BEE entities; and
- not allow any transfer of shares in its capital as will result in the percentage shareholding in Tiso held by black people or BEE entities being materially reduced,

without the prior written consent of Emira which consent shall not be unreasonably withheld or delayed.

5.4.2 *Undertakings by BNewco shareholders*

The shareholders of BNewco agree and undertake to and in favour of Emira that, until the fifth anniversary, they will:

- not dispose of any of the shares in the capital of BNewco or shareholder claims in BNewco held by them; and/or
- if they are companies or close corporations they will not allow any transfer of shares and/or members' interests in their respective capitals as will result in the percentage shareholding and/or members' interests held by black people and/or BEE entities being materially reduced,

without the prior written consent of Emira which consent shall not be unreasonably withheld or delayed; and

from the fifth anniversary until the eighth anniversary they will:

- not dispose of any of the shares in the capital of BNewco or shareholder claims in BNewco held by them to any person or entity which is not a black person and/or BEE entity; and
- if they are companies or close corporations they will not allow any transfer of shares and/or members' interests in their respective capitals as will result in the percentage shareholding and/or members' interests held by black people and/or BEE entities being materially reduced from the percentage shareholding and/or members' interests at the effective date,

without the prior written consent of Emira which consent shall not be unreasonably withheld or delayed.

5.4.3 *Undertakings by Makalani*

Makalani agrees and undertakes to and in favour of Emira that it will not dispose of any of its shares in BNewco, other than to black persons and/or BEE entities who have agreed in writing to be bound by the terms of the relationship agreement and, provided that Emira and Tiso have consented in writing to such disposal.

5.4.4 *Restriction on disposal and encumbrance of PIs*

Neither Tiso Property and/or BNewco shall be entitled, at any time before the fifth anniversary to dispose of or encumber, other than in terms of or pursuant to a financing agreement, any of the participatory interests held by them.

After the fifth anniversary and until the eighth anniversary Tiso Property and/or BNewco shall be entitled to dispose of or encumber participatory interests held by them, only if:

- the pre-emptive rights referred to in paragraph 5.4.6 below have been complied with;

- if the person to whom the participatory interest is to be disposed of or encumbered (“transferee”) is a black person or a BEE entity; and
- it is a suspensive condition to any such disposal or encumbrance that the transferee agrees in writing to be bound by the terms and conditions of the relationship agreement.

5.4.5 Compulsory sale of PIs

If Tiso Property and/or BNewco:

- enters into or attempts to enter into any transaction that will constitute a breach of clause 7, 8 or 9 of the relationship agreement (clause 9 being summarised in paragraph 5.4.4 above) and fails to cancel or terminate such transaction upon being called in writing do so within 7 days; or
- if any resolution is passed for the winding-up, liquidation or judicial management of Tiso Property and/or BNewco whether provisionally or finally; or
- if Tiso Property and/or BNewco enters into or attempts to enter into a compromise with its general body of creditors; or
- if security is furnished to the Master of the High Court by any creditor of Tiso Property and/or BNewco or other person in relation to any proposed application for the liquidation or winding-up of Tiso Property and/or BNewco; or
- if Tiso and/or the shareholder of BNewco commits a breach of any of the provisions of clause 5 of the relationship agreement, as summarised in paragraph 5.4.1 and 5.4.2 above and fails to remedy such breach within 30 days after receipt of written notice calling upon it to do so,

then Tiso Property or BNewco, as the case may be, will be deemed to have offered to sell all of the PIs held by it to the other of them on the terms set out in the relationship agreement.

5.4.6 Pre-emptive rights in respect of PIs

Tiso Property and/or BNewco will only be entitled to dispose of their PIs in terms of the relationship agreement if such subject PIs have first been offered in writing to the other of them in accordance with the provisions of clause 11 of the relationship agreement.

5.4.7 Pre-emptive rights in respect of Tiso Property

Tiso shall be entitled to dispose of its shares in the capital of Tiso Property and shareholding claims against Tiso Property only if such shares and shareholding claims have first been offered in writing to the BNewco shareholders in accordance with the provisions of clause 12 of the relationship agreement.

5.4.8 Pre-emptive rights in respect of BNewco

A BNewco shareholder shall be entitled to dispose of shares in the capital of BNewco and shareholding claims against BNewco only if the shares and shareholding claims have first been offered in writing to the other BNewco shareholders in accordance with the provisions of the relationship agreement. In the event that the other BNewco shareholders do not purchase the shares and shareholding claims in terms of the relationship agreement then the BNewco shareholder, concerned, shall be entitled to sell the shares and shareholding claims to Tiso on the same terms as those offered to the other BNewco shareholders, whereafter the BNewco shareholder concerned shall be entitled to sell the unsold shares and shareholding claims to any third party but on terms and conditions not more favourable than those offered to BNewco.

The relationship agreement is available for inspection as set out in paragraph 23 below.

6. Momentum issue for cash

In terms of the Momentum issue for cash, Emira will issue 3 187 331 PIs to Momentum at R10.50 per PI for a total consideration of R33 466 975. Momentum is a non-public PI holder in terms of the Listings Requirements.

The proceeds from the Momentum issue for cash will be used to fulfil Emira’s obligations in terms of the acquisitions and to reduce its existing debt facilities.

As Momentum is a related party, Emira has obtained an opinion from the independent expert that the terms of the Momentum issue for cash are fair and reasonable to PI holders. The opinion of the independent expert is set out in Annexure 3 to this circular.

7. PI holder approval

The vendors of the property portfolio are related parties in terms of the Listings Requirements, as they are subsidiaries of FirstRand, which holds 38.5% of Emira through Momentum. Accordingly, the acquisition is subject to a simple majority of the votes of PI holders, other than the related parties and their associates, being cast in favour of the resolution approving the acquisition.

The vendor consideration placing is subject to the passing by PI holders of a resolution, by a 75% majority, excluding the vendors and their associates and the participants in the vendor consideration placing and their associates, approving such vendor consideration placing.

The BEE issue for cash and the Momentum issue for cash are subject to the passing by PI holders of resolutions, by a 75% majority, excluding Momentum, BNewco and their associates, approving the BEE issue for cash and the Momentum issue for cash.

8. Condition precedent

The acquisition, the BEE transaction and the Momentum issue for cash are subject to the approval by PI holders, as set out in paragraph 7 above.

9. Financial information

9.1 Unaudited *pro forma* financial effects

The unaudited *pro forma* financial effects of the BEE transaction, Momentum issue for cash and the acquisition, for which the STREM board is responsible, are presented for illustrative purposes only and may not give a fair reflection of Emira's financial position or future performance.

The independent reporting accountants' report on the *pro forma* financial effects is set out in Annexure 4 to this circular.

9.1.1 *Income statement effects*

The table below sets out the unaudited *pro forma* financial effects of the BEE issue for cash and the Momentum issue for cash on Emira based on the published financial results of Emira for the six months ended 31 December 2005 and on the assumptions that the BEE issue for cash and Momentum issue for cash had been implemented on 1 July 2005:

	Before the BEE issue for cash and Momentum issue for cash	<i>Pro forma</i> after the BEE issue for cash and Momentum issue for cash	Percentage change
Earnings per PI (cents)	35.3	34.4	(2.5)
Headline earnings per PI (cents)	38.5	37.5	(2.6)
Distribution per PI (cents)	36.4	36.5	0.3

9.1.2 *Balance sheet effects*

The table below sets out the unaudited *pro forma* financial effects of the issue for cash and acquisition on Emira based on the published balance sheet of Emira at 31 December 2005 and on the assumptions that the acquisition, BEE issue for cash and Momentum issue for cash had been implemented on that date:

	Before the acquisition, BEE issue for cash and Momentum issue for cash	<i>Pro forma</i> after the acquisition, BEE issue for cash and Momentum issue for cash	Percentage change
NAV and NTAV per PI (cents)	622	662	6.4

9.1.3 *Assumptions*

Assumptions underlying the unaudited *pro forma* financial effects are set out in the notes to the unaudited *pro forma* income statement and balance sheet included in Annexure 5 to this circular.

9.2 *Pro forma* financial information

The *pro forma* balance sheet of Emira at 31 December 2005, showing the effects of the acquisition, BEE issue for cash and the Momentum issue for cash, based on the assumption that they had been implemented on 31 December 2005, is included as Annexure 5 to this circular.

The *pro forma* income statement of Emira for the six months ended 31 December 2005, showing the effects of the BEE issue for cash and the Momentum issue for cash, based on the assumption that they had been implemented on 1 July 2005, is included as Annexure 5 to this circular.

The independent reporting accountants' report on the unaudited *pro forma* balance sheet and income statement of Emira is set out in Annexure 4 to this circular.

10. Salient information on Emira

10.1 Incorporation and listing

Emira is a collective investment scheme in property created under the Emira Property Scheme, registered in terms of the CISC Act in Pretoria by the Registrar on 15 September 2003. Emira listed in the "Real Estate" sector of the JSE lists on 28 November 2003.

10.2 Nature of business

Emira is a collective investment scheme in property, managed by STREM, which is approved by the Registrar to manage the Fund.

In terms of the CISC Act, the Fund is obliged to distribute all income earned to its participatory interest holders. As a result of its distribution obligations, no income tax or Capital Gains Tax is payable by the Fund.

The Fund's principal objective is to grow earnings from a quality-based property portfolio. Growth will be sought by making strategic investments where yields are enhancing in the medium to long term. Management will further maintain the quality of the portfolio by disposals of assets, which no longer meet the strategic objectives of the Fund.

The strategic objectives of the Fund are to:

- optimise net income and growth in distributions;
- apply gearing to the portfolio to the extent that it enhances returns, limited to 30% as provided for in the CISC Act;
- increase market capitalisation, liquidity and spread of investors through selective acquisitions and capital raising;
- selectively recycle assets;
- broaden the Fund's geographic exposure to KwaZulu-Natal, the Western and Eastern Cape;
- increase exposure to the retail sector;
- dispose of non-performing or potentially under-performing properties; and
- reduce vacancies and smooth the lease expiry profile of the portfolio.

10.3 Prospects

Market conditions in the retail property sector remain buoyant, although the rate of growth in retail sales has slowed in recent months. The low vacancies in the industrial sector, coupled with the strong GDP growth and lack of availability of developable land bode well for this sector. National vacancies in the office sector have been declining consistently, and this, together with rising building costs, indicates that office rentals are poised for real growth in the near future. These strong fundamentals in the physical market, mean that income growth from investment properties is likely to continue to remain at robust levels for the foreseeable future.

Economists remain divided over the outlook for local interest rates over the short to medium term. Should prime rates rise by a further 50 to 100 basis points (on top of the recent 50 basis point increase in the prime rate), then it is not expected that the income streams from investment properties will be significantly impacted, although debt costs could rise proportionately. Should interest rates rise by more than this, however, there may be an adverse impact on property income streams.

The acquisition will reduce Emira's reliance on office properties and increase the retail component of the Fund's asset base, such that these two sectors will each comprise slightly in excess of 40% of the Emira portfolio, with the balance of the Emira portfolio consisting of industrial properties and will enhance the net income growth of the Fund over the medium to long term.

10.4 Capital of the Fund

The table below shows the issued capital of the Fund, before and after the acquisition, BEE issue for cash and Momentum issue for cash, based on the issued capital at the last practicable date and on the assumption that all PIs have been issued in terms of the acquisition, BEE issue for cash and Momentum issue for cash:

	R'000
Issued capital before the acquisition and BEE transaction	
286 828 772 PIs	1 425 094
Issued capital after the acquisition and BEE transaction	
359 220 921 PIs	2 018 961

The following PIs have been issued by Emira between the date of its listing and the last practicable date:

Date	Issued to	Number	Price (Rand)
June 2004	Simmetry Income Fund	230 500	5.00
	National Fund for Municipal Workers	92 800	5.00
	Momentum International Multi-managers	52 400	5.00
	Property Equity Fund	5 316 700	5.00
	Property Income Fund	5 857 300	5.00
	SIS Property Income Fund	1 127 100	5.00
	Investment Solutions	483 200	5.00
February 2005	AECI	383 772	5.16
	BoE Property Performer	383 772	5.16
	M-Cubed	383 772	5.16
	One sta	383 772	5.16

10.5 PI price history

The price history of Emira PIs on the JSE is set out in Annexure 6 to this circular.

10.6 Material loans

At the last practicable date Emira had total debt facilities of R585 million available, of which R522 million had been utilised, split into five tranches:

	Facility provider	Security	Rate	Term	Amount R'm	Percentage of debt
1.	Debt – Floating	The Standard Bank of South Africa Limited	Prime –2%	N/A	107.4	20.6%
2.	Debt – Swap	The Standard Bank of South Africa Limited	9.24%	September 2007	100.0	19.2%
3.	Debt – Fix	FirstRand Bank Limited	9.76%	November 2006	126.1	24.2%
4.	Debt – Fix	FirstRand Bank Limited	10.21%	November 2008	100.0	19.2%
5.	Debt – Swap	FirstRand Bank Limited	11.26%	October 2009	88.5	17.0%
			9.84%*		522.0	100%

* Weighted average cost of debt assuming prime at 11%.

The loan amount under facility 3 above is due to be repaid on 30 November 2006. This will be financed through additional borrowings, on terms to be finalised, against the lease agreements and insurances of the Emira portfolio.

Emira has entered into additional interest rate swaps to extend facility 3 above:

	Facility provider	Security	Rate	Term	Amount R'm	Percentage of debt
6.	Debt – Swap	FirstRand Bank Limited	10.76%	December 2006 to November 2011	63.0	12.1%
		FirstRand Bank Limited	10.41%	December 2006 to November 2011	63.1	12.1%

The acquisition is to be partially financed through a new loan of R366.1 million as follows:

	Facility provider	Security	Rate	Term	Amount R'm
7.	New Debt Facility FirstRand Bank Limited	Right, title and interest in and to lease agreements and insurances of the Emira portfolio	Emira will engage in swap arrangements with FirstRand Bank Limited to fix the cost of the new loan, the exact duration and cost of which are yet to be determined	Emira will engage in swap arrangements with FirstRand Bank Limited to fix the cost of the new loan, the exact duration and cost of which are yet to be determined	366.1

10.7 Major PI holders

At the last practicable date, based on information available to the directors, the following PI holders held direct and indirect beneficial interests of more than 5% in the issued capital of Emira:

	Number of PIs held	Percentage of PIs held
Momentum Life Assurers Limited	110 308 934	38.5
Stanlib Property Income Fund	22 170 961	7.7
	132 479 895	46.2

Based on the assumption that the empowerment transaction and acquisition are implemented and on information available to the directors at the last practicable date, the following PI holders will hold direct and indirect beneficial interests of more than 5% in the issued capital of Emira:

	Number of PIs held	Percentage of PIs held
Momentum Life Assurers Limited	129 716 368	36.1
Tiso Property	35 491 905	9.9
Stanlib Property Income Fund	22 170 961	6.2
	203 070 433	56.5

There has been no change in controlling PI holder of the Fund since its creation on 14 September 2003.

10.8 Information on the Manager

STREM has been approved by the Registrar to manage Emira in terms of the Deed. STREM receives an amount equal to 0.5% of the total market capitalisation of the Fund, calculated monthly on the average daily closing price of the Fund as recorded by the JSE, plus the total long-term borrowings.

The Manager shall be subject to dismissal if: (i) the Manager is placed under provisional or final liquidation, or if the Manager passes a resolution for voluntary liquidation or (ii) if the Registrar cancels the registration of the Manager in terms of the CISC Act.

In terms of the asset management agreement concluded between STREM and RMB Properties on 31 October 2003, STREM appointed RMB Properties to attend to the administration of the Emira Property Scheme. RMB Properties is a recognised property asset manager with over 20 years' experience in the property sector.

The agreement has been concluded for a five-year period with an automatic extension for a further five-year period in the event that neither party terminates the agreement after the initial five-year period.

In terms of the management agreement, RMB Properties shall receive an asset management fee equal to the remuneration received by STREM in terms of the Deed concluded between the trustee and STREM less statutory administration costs and staff salaries, amounting to no more than 20% of the remuneration.

11. Corporate Governance

The directors acknowledge the importance of the principles of good corporate governance and support the Code of Corporate Practices and Conduct contained in the King II Report (“Code”). They recognise their responsibility to conduct the affairs of Emira with integrity, openness and accountability in accordance with generally accepted corporate practices. Although Emira is listed on the JSE and therefore subject to the Code, it is not a legal entity and is regulated in terms of the CISC Act. Certain requirements of the Code are therefore not directly applicable to the Fund. However, the Managers have adopted the principles of the Code, being fairness, accountability, responsibility and transparency.

11.1 The STREM board

STREM has a unitary board structure. The roles of Chairman and Chief Executive Officer are completely separated. The directors have a wide range of skills, all with property experience in common.

The STREM board schedules to meet at least four times per year. All directors have unrestricted access to the advice and services of the Fund’s public officer and to the Fund’s records, information, documents and property. Non-executive directors also have unfettered access to management at any time.

The STREM board will ensure that it has the expertise, independence and diversity it needs to function independently. Independence of the STREM board from the management team will be maintained by:

- maintaining a non-executive chairperson;
- maintaining a balance of executive and non-executive directors;
- the remuneration of the non-executive directors being unrelated to the financial performance of Emira;
- all directors being entitled to seek independent professional advice concerning the affairs of Emira at the Fund’s expense.

The STREM board sets the strategic objectives of the Fund and determines the investment and performance criteria as well as being responsible for the proper management, control compliance and ethical behaviour of the business under its direction.

Unless recommended by the STREM directors, the election of a director requires:

- a notice of a meeting not more than 14, but at least seven days prior to the meeting in question;
- a notice setting out a member’s intention to propose a specific person for election as a director;
- a notice in writing by the proposed person of his willingness to be elected,

STREM shall have the power at any time to appoint any person as director either to fill a casual vacancy or as an additional director, but the total number of directors at any time shall not at any time exceed ten.

11.2 Committees

11.2.1 Audit Committee

The Audit Committee comprises five members of which the chairman is non-executive. The Audit Committee meets at least three times per year with the Fund’s external auditors and executive management as well as the executives responsible for finance, the compliance officer and internal auditors. The primary objectives of the Audit Committee are to provide the STREM board with additional independent and objective assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The Audit Committee sets the principles for recommending the use of external auditors for non-audit services.

The Audit Committee is required to provide reasonable assurance to the STREM board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed and that satisfactory standards of governance, reporting and compliance are in operation. The Audit Committee also monitors proposed changes in accounting policies and discusses and advises the STREM board on the accounting implications of major transactions. The STREM board is responsible for the group’s system of internal and operational control. The executive directors will be charged with the responsibility of ensuring that assets are protected, systems operate effectively and all valid transactions are recorded properly.

Comprehensive reviews and testing of the effectiveness of the internal control systems in operation will be performed by internal auditors, who report to the Audit Committee. The internal audit function will co-ordinate with other internal and external providers of assurance to ensure proper coverage of financial, operational and compliance controls. The Audit Committee has the co-operation of all directors, management and staff and is satisfied that controls and systems within the Fund have been adhered to and, where necessary, improved during the period under review.

11.2.2 Remuneration Committee

Due to the minimal staff employed by the Manager, it is not deemed necessary for the STREM board to establish a Remuneration Committee.

11.2.3 Investment Committee

The Investment Committee comprises two executive directors and four senior staff employed by RMB Properties with the appropriate skills and experience. The Investment Committee meets on an *ad hoc* basis to assess acquisitions and disposals and makes recommendations to the STREM board.

11.3 Risk management

The STREM management philosophy on risk recognises that managing risk is an integral part of generating sustainable value for PI holders and enhancing stakeholder interest. It also recognises that an appropriate balance should be struck between entrepreneurial endeavour and sound business practice. The underlying premise of STREM's enterprise risk management framework is that every entity exists to provide value for its stakeholders. All entities face uncertainty and the challenge for management is to determine how much uncertainty to accept as it strives to grow stakeholder value.

Value is maximised when management sets strategies and objectives to strike an optimal balance between growth and return goals and related risks and efficiently and effectively deploys resources in pursuit of the entity's objectives.

Enterprise Risk Management in STREM encompasses:

- aligning risk appetite and strategy which considers the risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks;
- enhancing risk response decisions by selecting alternative risk response, which includes risk avoidance, reduction, sharing or acceptance;
- reducing operational surprises and losses by gaining enhanced capabilities to identify potential events and establish responses;
- identifying and managing multiple cross-enterprise risks;
- seizing opportunities by identifying a full range of potential events; and
- improving deployment of capital by obtaining robust risk information to allow management to effectively assess overall capital needs and enhance capital allocation.

These capabilities inherent in enterprise risk management help management achieve the Fund's performance and profitability targets and prevent loss of resources. Enterprise risk management helps to ensure effective reporting and compliance with laws and regulations and helps avoid damage to the Fund's reputation and associated consequences.

12. Details relating to the directors

12.1 Details of directors

As Emira is a Collective Investment Scheme in Property, it does not have a board of directors. The disclosures made below relate to the STREM board, which is the manager of the Fund in terms of the Deed.

The full names, age, qualifications, business address, occupation and profile of the directors are set out below:

12.1.1 Benedict James van der Ross (58)

(Non-executive Chairman)

Qualifications: Dip Law

Occupation: Company director

Business address: 4 Merchant Place, Sandton

Mr van der Ross was admitted to the Cape Bar as attorney in 1970 and practiced law in his own capacity until 1988. He has served as director of various companies including Executive Director for the Urban Foundation and Independent Development Trust.

He was appointed Commissioner to the First Independent Electoral Commission by the State President on the advice of the Transitional Executive Council and subsequently served as Deputy Chief Executive Officer of the Independent Development Trust.

He currently serves on the boards of FirstRand, Naspers, Momentum Group and is the chairman of RMB Asset Management.

12.1.2 James William Andrew Templeton (33)

(Chief Executive Officer)

Qualifications: BCom (Hons), CFA

Business address: 3 Gwen Lane, Sandton

Mr Templeton joined RMB Properties in April 2004 as Business Development Executive. Previously he was employed at Barnard Jacobs Mellet Securities as an Equities Analyst for seven years.

He was the top-ranked analyst in the Real Estate sector according to the *Financial Mail* in 2002 and 2003 and was appointed CEO of STREM in July 2004.

12.1.3 Liliane Barnard (42)

(Independent non-executive director)

Qualifications: BCom

Occupation: Consultant

Business address: 319 Neptune Isle, Lagoon Beach, Milnerton

Ms Barnard has 17 years' experience in the asset management industry. She headed the asset management of Old Mutual Properties and had 11 years' experience in managing listed property portfolios for Old Mutual Asset Managers. She now acts as consultant and independent adviser to the listed property industry and its investors.

She is also an independent non-executive director of Redefine Income Fund.

12.1.4 Leon Basson (37)

(Non-executive director)

Qualifications: BCom (Hons), CTA, CA(SA)

Occupation: Chief Financial Officer of Momentum Retail Insurance

Business address: Momentum Building, 268 West Avenue, Centurion

Mr Basson has been with Momentum since January 1995. He served his articles at Price Waterhouse from 1991 to 1993 and subsequently worked for Price Waterhouse until the end of 1994.

12.1.5 Mattys Stefanus Benjamin Nesor (50)

(Independent non-executive director)

Qualifications: BSc (Building Management), MBA

Occupation: Company director

Business address: Abcon House, 52 Grosvenor Road, Fairways Office Park, Bryanston

Mr Nesor has been involved with the Abcon group of companies since 1981 and has acted as Chief Executive Officer for various companies in the group since the early 1990s. He is active in the residential and commercial property field as well as in the juice, mushroom, flower and service station industries.

12.1.6 Warren Kirkwood Schultze (47)

(Executive director)

Qualifications: BCom, BAcc, CA(SA)

Occupation: Chief Executive Officer of RMB Properties

Business address: 3 Gwen Lane, Sandton

Prior to joining RMB Properties, Mr Schultze served his articles with Arthur Young and was later appointed as financial director for two property financing and property trading companies. During this time he gained extensive experience in property asset management, property financing and property trading activities.

He was appointed as Chief Operating Officer of RMB Properties in 2000 and Chief Executive Officer in 2004.

All directors are South African citizens.

12.2 Directors' interests

At the last practicable date, the directors owned the following Emira PIs:

Director	Beneficial		Non-beneficial		Total	Percentage of total issued PIs
	Direct	Indirect	Direct	Indirect		
Non-executive						
Thys Nesor		40 000				<0.1
Executive						
Warren Schultze		301 000				0.1
James Templeton	89 800					<0.1

12.3 Directors' interests in transactions

Mr Ben van der Ross will acquire 15.9% of the issued share capital in BNewco, the vehicle which will hold the interests of the broad-based BEE parties. Mr van der Ross therefore has an indirect beneficial interest in the issue of PIs for cash to BNewco.

Other than as set out above, the directors have no interests, whether direct or indirect, in transactions which are or were either unusual in their nature or conditions or material to the business of Emira during the current financial year, the financial year ended 30 June 2005 or in any earlier financial year which remain in any respect outstanding or unperformed.

12.4 Directors' remuneration

Emira makes no payments to the directors, who are remunerated by STREM out of the management fee paid by Emira. There will be no variation to the remuneration receivable by any of the directors of the Manager as a consequence of the acquisition and the BEE transaction.

The amount payable to the Manager in terms of the Deed will increase as a result of the fact that the Manager's remuneration is based on Emira's market capitalisation and outstanding debt balance.

13. Litigation statement

There are no legal or arbitration proceedings, which may or have during the 12 months preceding the date of this circular, had a material effect on the financial position of the Fund. STREM is not aware of any proceedings that would have a material effect on the financial position of the Fund or the property portfolio or which are pending or threatened against the Fund or the property portfolio.

14. Material contracts

Other than the agreements referred to in this circular relating to the BEE transaction and the acquisition, Emira has not entered into any material contracts within the two-year period prior to the last practicable date or at any time which contain an obligation or settlement that is material to the Fund at the last practicable date.

15. Material changes

Other than for the acquisition, there has been no material change in the financial or trading position of the Fund since 31 December 2005 and the last practicable date. There has been no material change in the financial or trading position of the property portfolio since 31 December 2005 and the last practicable date.

There has been no change in the trading objects of the Fund since its creation on 15 September 2003.

16. Expenses

The estimated expenses payable by Emira in relation to acquisition and BEE transaction are estimated at R2.1 million (excluding VAT) as set out in the table below:

Cost	Payable to	R'000
Sundry expenses	Various parties	90
Bond fees	Schulz Clarke Inc.	400
Corporate finance advisory fees	Rand Merchant Bank	575
Independent advisers' fees	Deloitte & Touche	200
JSE documentation fees	JSE	39
JSE listing fees	JSE	134
Legal fees	Werksmans	400
Reporting accountants	PricewaterhouseCoopers	150
Valuation fees	CB Richard Ellis	150
		2 138

Emira incurred the following expenses in relation to the listing of the Fund on the JSE on 28 November 2003:

Cost	Payable to	R'000
Promoters fees	RMB Properties	4 000
Stamp duty on issue of PIs	South African Revenue Services	3 374
Bond registration fees	Deneys Reitz	3 000
Conveyancing fees	Hofmeyr, Herbstein & Gihwala	2 620
Corporate finance advisory fees	Rand Merchant Bank	1 500
Capital raising fees	RMB Properties	935
Legal fees	Hofmeyr	598
Sundry expenses	Various parties	2 359
		18 386

17. Experts' consents

Each of the merchant bank and joint sponsor, lead sponsor, independent property valuers, independent expert, reporting accountants and auditors and attorneys have consented in writing to act in the capacities stated and to their names appearing in this circular and have not, prior to the publication of this circular, withdrawn their consent.

The reporting accountants and independent expert have given and have not, prior to the publication of this circular, withdrawn their consents to inclusion of their reports in this circular, in the form and context in which they appear.

18. Opinions and recommendations

The independent expert, Deloitte & Touche, has considered the terms and conditions of the acquisition and is of the opinion that such terms and conditions are fair and reasonable to PI holders. The independent expert's report is included as Annexure 7 to this circular.

The STREM board has considered the terms and conditions of the acquisition and are of the opinion that the acquisition is in the best interests of the Fund and the PI holders.

Those directors who own PIs accordingly intend voting in favour of the resolutions necessary to effect the acquisition in respect of their own holdings and recommend that PI holders do likewise.

19. Adequacy of working capital

The Emira board has considered the effects of the proposed acquisition, BEE issue for cash and Momentum issue for cash and is of the opinion that:

- Emira will be able to pay its debts in the ordinary course of business for a period of 12 months after the date of issue of this circular;
- the assets of Emira will be in excess of the liabilities of Emira for a period of 12 months after the date of issue of this circular. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited results of the Fund for the six months to 31 December 2005;

- the capital and reserves of Emira will be adequate for its requirements for a period of at least 12 months after the date of issue of this circular; and
- the working capital available to Emira will be sufficient for its requirements for a period of at least 12 months after the date of issue of this circular.

20. Directors' responsibility statement

The directors, whose names are set out in paragraph 12 above, collectively and individually, accept full responsibility for the accuracy of the information given in this circular in relation to Emira and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by the Listings Requirements.

21. General meeting and PI holder approval

The PI holders' general meeting will be held at 09:00 on Tuesday 22 August 2006 at the registered office of Emira, 3 Gwen Lane, Sandton for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions required to approve and implement the acquisition and the BEE transaction. The notice convening the general meeting is attached hereto and contains the resolutions to be considered at the general meeting.

22. Approval by the Trustee

The Trustee has given its written consent to the acquisition, BEE transaction and Momentum issue for cash in terms of the Deed. A copy of their consent letter is available for inspection in terms of paragraph 23 below.

23. Documents available for inspection

Copies of the following documents will be available for inspection by PI holders at the registered office of the Fund situated at 3 Gwen Lane, Sandton during normal business hours from the date of issue of this circular until the day of the general meeting:

- the Deed;
- the acquisition agreements;
- the relationship agreement;
- the BEE agreements;
- the audited annual financial statements of Emira for each of the last three financial years ended 30 June 2005 and the interim financial statements of Emira for the six months ended 31 December 2005;
- the fair and reasonable opinion letters of Deloitte & Touche;
- the report of the reporting accountants on the *pro forma* financial information and financial effects and profit forecast;
- the valuation reports on the property portfolio prepared by the independent property valuers;
- the Trustee's consent to the acquisition, BEE transaction and Momentum issue for cash;
- the consent letters from the merchant bank and joint sponsor, lead sponsor, independent property valuers, independent expert, reporting accountants and auditors and attorneys; and
- a signed copy of this circular.

For and on behalf of

EMIRA PROPERTY FUND

J W A Templeton

Chief Executive Officer

Strategic Real Estate Managers – Managers of Emira Property Fund

Sandton
7 August 2006

Independent valuers' report on the property portfolio

“Emira Property Fund
c/o Strategic Real Estate Managers (Proprietary) Limited
3rd Floor 3 Gwen Lane
Sandton
2196

2 August 2006

Attention: Mr James Templeton

SUMMARY VALUATION REPORT RELATING TO A PORTFOLIO OF PROPERTIES TO BE ACQUIRED BY EMIRA PROPERTY FUND

1. Instruction

We have been instructed to perform a market valuation of the properties constituting the portfolio of properties to be acquired by Emira, as set out in the circular to holders of Emira participatory interests of which this report forms part. This summary valuation report has been prepared for inclusion in the circular to PI holders in terms of the Listings Requirements of the JSE Limited (“JSE”). The full valuation reports are available for inspection at the registered office of Emira.

2. Definition of market value

The international definition of market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The JSE definition of market value is the amount, as determined by the external valuer, that a property would realise if sold on the date of valuation in the open market by a willing seller to a willing buyer.

3. Value calculation

In determining the market value of the various properties, we have adopted the discounted cash flow method of valuation. The net income derived from the properties is discounted at market-related rates after consideration of the tenant profile, lease duration and aspects of the properties. The discount rate is linked to the base rate or long bond yield rate, to which a risk premium for property is added in order to reflect a discount rate indicative of the return an investor would require for property.

4. Source and verification of information

The valuation of the properties has been based on copies of the Title Deeds, information provided by Strategic Real Estate Managers (Proprietary) Limited, the manager of Emira (“the Manager”), information obtained from the local authorities, physical inspection of the properties, as well as research on property sales and lettings within the areas in which the properties are situated. Where appropriate, we have satisfied ourselves that the information on which we have based our valuation is accurate.

5. Intra-group leases

None of the properties have Emira or the Manager as a tenant.

6. Qualifications

The valuations in respect of the properties contain no qualifications.

7. Beneficial interests of directors

The directors of the Manager have no beneficial interest in the acquisition.

8. Options for party to purchase

We are not aware of any agreements in terms of which any party has an option to acquire any of the properties.

9. Statutory requirements, town planning restrictions and conditions

To the best of our knowledge there are no material contraventions of any statutory requirements, except for the RTT Warehouse where the land lease is yet to be registered over the property, being 17 4674ha and that the proposed buildings are approved by the local authority.

The planning requirements vary from property to property. Each property complies with the relevant municipal planning requirements.

10. Limiting statements

The property has been valued as if wholly owned, no account being taken of any outstanding monies due, in respect of mortgage bonds, loans or other charges.

The valuer has not measured the property and has accepted the areas supplied by the property developer. Should these areas prove to be different the valuer reserves the right to change the valuation.

Lost income due to time delays has been taken into account by way of provisions for vacancies prior to premises being let.

Where appropriate, ongoing capital expense items relating to refurbishments have been taken into account.

With respect to the new developments, neither The Rode Report nor South African Property Index cover the properties specifically due the generality of The Rode Report and the South African Property Index. In addition both reports are based on historical information whilst the values of the developments are based at a future date and thus direct market research is more relevant. Where a comparison is available, the average rental being achieved is within 5% of the mean, which is insignificant.

All figures within the valuation report exclude Value-Added Tax ("VAT") at 14% or transfer duty and agents' commission, if applicable. If the owner is a registered vendor it may be necessary to add VAT to our valuation to determine the sale price. If the purchaser of the asset is also a registered vendor, the VAT payment should be treated as an Input Tax and thus balanced against the Output Tax payable in the course of its enterprise.

The properties being developed, namely WorldWear, Newlands Terraces and RTT Warehouse, are valued based on the assumption that such properties are practically completed at the date of valuation, and the specifications, layout, lettable area and number of parking bays are as supplied by the property developer.

The valuations are based on assumptions regarding market conditions, including rentals, capitalisation rates, discount rates and vacancies, at the date of the property inspection. There have been no material changes in circumstances which would affect the valuation between the date of the property inspection and the date of this valuation report. The valuer has no obligation to update the valuation should there be a material change in market conditions subsequent to the date of this valuation report.

11. Valuation

We are of the opinion that the value of the properties is R875.2 million, as follows.

Property	Valuation (R'000)
Newlands Terraces	50 800
RTT Warehouse	220 000
WesBank House	44 000
Wonderpark Shopping Centre	408 600 ¹
WorldWear	154 000
	877 400

Note:

1. The Wonderpark Shopping Centre valuation of R408.6 million includes certain bulk rights, valued at R2.2 million, which are not being purchased by Emira. The value of the property being acquired is therefore R406.4 million.

Our summary of the individual valuations is attached.

FOR AND BEHALF OF CB RICHARD ELLIS

S A WOLFFS

Associate Valuer NAT. DIP. PROP. VAL. M.I.V. (SA).

Registered in terms of section 19 of the Property Valuers Profession Act (Act No. 47 of 2000)

Registration number 2604

CB Richard Ellis (Pty) Limited
8th Floor, The Terraces
34 Bree Street, Cape Town, 8001
(PO Box 3052, Cape Town, 8000)"

Summarised valuation reports

	Newlands Terraces	RTT Warehouse	WesBank House	Wonderpark Shopping Centre	World Wear
Market valuation	R50 800 000	R220 000 000	R44 000 000	R408 600 000	R154 000 000
Address	Diagonally opposite the corner of Lower Kelvin and Boundary Roads Newlands	Corner Jones and Springbok Roads Bartlett	Corner Riebeeck, Long and Waterkant Streets, Cape Town	Corner of the R513 Brits Road and Heinrich Avenue Karenpark	Corner Beyers Naude Drive and Wilson Street, Fairland Johannesburg
Registered description	Remaining extent of Stand 96678, Newlands	Portion 7 of the farm Witkoppie 64 Registration division IR, Province of Gauteng	Stand 9596 Cape Town	Stand 900, Karenpark Ext 9 Registration Division J.R. Province of Gauteng	Proposed Portion 3 of Stand 1226 Fairland
Date of physical inspection	January 2006	January 2006	October 2005	November 2005	October 2005
Date of valuation	31 August 2006	31 March 2007	1 February 2006	1 February 2006	1 November 2006
Description	The subject property as at the date of valuation will comprise a multi-storey parking garage and office building. The parking garage is constructed on basement, ground and four upper floor levels, whilst the new office building will be located on the fifth, sixth and seventh floor level	The subject property is improved with a lofty warehouse building, four office buildings (three being attached to the lofty warehouse building), workshop, spray booth and trailer manufacturing buildings, wash bay building, change rooms and ablution building, canteen and dining room building, crèche, gazebo, two gatehouses, an archive store, a covered entrance and a sub-station	The subject property is a multi-storey building constructed on basement, lower ground floor level, ground, first to eighth floor levels	The subject property comprises a mainly single storey and part double storey modern and well laid out regional shopping centre	The subject property is a double volume part single storey and part double storey pure-brand retail shopping centre
GRA (square metres)	4 262	44 085	9 206	58 109	13 284

	Newlands Terraces	R/T Warehouse	WesBank House	Wonderpark Shopping Centre	World Wear
Existing use	Parking garage and office block	The property is developed with a distribution centre	The property is developed with a ten-storey office, retail and parking building as well as a basement parking level	Regional shopping centre and a Caltex petrol filling station	Pure-brand retail shopping centre
Tenure	Freehold	Leasehold – 40 years	Freehold	Freehold	Leasehold – 30 years
Major tenants	Western Province Rugby Football Union, UCS Software	Fuel Logistics Group (Pty) Limited	Department of Labour WesBank	Pick 'n Pay, Game, Virgin Active, Edgars, Cashbuild, Woolworths	Mr Price Home, The Pro Shop, Seemans, Adidas, JB Rivers, Cape Storm
Type of leases	Net Rental, Operating cost Recoveries and Rates Recoveries	Triple-net	Net Rental, Operating cost Recoveries and Rates Recoveries	Net Rental, Operating Cost Recoveries and Rates Recoveries	Net Rental, Operating cost Recoveries and Rates Recoveries
Length of leases	New leases of between 5 and 10 years	New lease of 6 years and 4 months	Ranging from 1 to 5 years	Ranging from 3 to 10 years	New leases of between 3 and 10 years
Escalation rates	8.5% to 9%	7.5%	9% to 12%	5% to 10%	7% to 9%
Age of buildings	The building at the date of valuation is assumed to be completely refurbished and extended. The current existing parking garage is approximately 19 years' old	The subject property is in the process of being developed and its intended completion date is April 2007	Approximately 30 years	The building at the date of valuation is assumed to be completely refurbished and extended. However the original shopping centre is approximately 23 years' old	The subject property is in the process of being developed and its intended completion date is 31 October 2006
Other matters which could materially affect value	None	None	None	None	None
Assumed market rental growth rate	5.5%	5.5%	5.0%	5.5%	6.0%
Discount rate	1.4%	14.5%	15.5%	14.5%	15.0%
Assumed effective vacancy factor	1.64%	1.64%	3.18%	2.78%	1.86%

Reporting accountants' report on the profit forecasts

“The Directors
Strategic Real Estate Managers (Proprietary) Limited
PO Box 788130
Sandton
2196

2 August 2006

Dear Sirs

Independent reporting accountants' assurance report on the profit forecast of the property portfolio to be acquired by Emira Property Fund (“Emira”)

We have examined the profit forecast and the related assumptions of the property portfolio to be acquired by Emira set out in the circular to Emira participatory interest holders, to be dated on or about 7 August 2006 (“the Circular”), for the financial years ending 30 June 2007 and 30 June 2008, amounting to an attributable operating profit before distribution to PI holders of R52 028 000 and R84 925 000, respectively, as set out in paragraph 3.5.1 of the Circular, the forecast vacancy profile, by sector, by gross lettable area and the forecast lease expiry profile based on existing lease agreements, as set out in paragraphs 3.3.4 and 3.3.5 of the Circular (collectively, “forecast information”).

Directors' responsibility

The directors of Strategic Real Estate Managers (“STREM”) are responsible for the forecast information, including the assumptions set out in paragraph 3.5.1 of the Circular, on which it is based and for the financial information from which it has been prepared. This responsibility, arising from compliance with of the Listings Requirements of the JSE Limited (“JSE”), includes:

- determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast;
- whether the forecast information has been properly compiled on the basis stated;
- whether the forecast information, is presented on a basis consistent with the accounting policies of Emira.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the JSE Listings Requirements and for inclusion in the Circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *The Examination of Prospective Financial Information*. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- the forecast is properly prepared on the basis of the assumptions;
- the forecast is properly presented and all material assumptions are adequately disclosed;
- the forecast information is prepared and presented on a basis consistent with the accounting policies of Emira for the period concerned.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Information and sources of information

In arriving at our conclusion, we have relied upon forecast financial information prepared by management of Emira and STREM and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- the audited historical financial information of the underlying properties for the year ended 2005 where available;
- management prepared forecasts for the period ending 30 June 2007 and year ending 30 June 2008;
- discussions with the management of STREM regarding the forecasts presented;
- discussions with management of STREM regarding the prevailing market and economic conditions;
- discussion with the property valuers and property managers with regard to the forecast expenses;
- lease agreements for a sample of the properties;
- valuation reports, in respect of the properties;
- the property management agreement, the asset management agreement, the acquisition agreements; and
- loan agreements from FirstRand Bank Limited.

Procedures

In arriving at our conclusion we have performed the following procedures:

Rental income

The forecast contracted rental income streams per the profit forecast, were selected from a sample of properties and agreed to the underlying lease agreements. The total coverage obtained was in excess of 70% of the forecast contracted rental income:

- the rental income streams from the above sample were recalculated to ensure accuracy of the information contained in the profit forecast;
- the rental income streams from the above sample were recalculated to ensure accuracy of the information contained in the profit forecast;
- for a sample of properties, forecast recoveries were compared to historical recoveries and the forecast operating expenditure for reasonableness. The terms of the leases were considered so as to ensure that the basis of the recoveries was correct;
- existing lease agreements that will expire during the period under review were discussed individually with the property managers. Unless the existing tenant has indicated that it intends to vacate the premises, it has been assumed that the existing tenant will renew the lease agreement and the resultant uncontracted rental income has been included in the forecast;
- space that is currently empty has been excluded from the forecast; and
- the vacancy levels per the forecast model were compared to the historical vacancy levels for reasonableness. Uncontracted rental income comprises 4.6% and 5.4% of the total forecast revenue for the years ended 30 June 2007 and 30 June 2008 respectively.

Rental income (development properties)

- The business plans in connection with the development properties was discussed with the property developers.
- Letters of consent from potential tenants were reviewed and discussed with the property developers and the future property manager.
- The forecast rental income was compared to the historical revenues of similar companies for reasonableness and explanations were obtained for significant differences.

Expenses

For a sample of properties, forecast expenses were compared to the historical expenses or discussed with the independent valuer. Explanations were obtained for any significant differences. The total expenses tested were in excess of 70% of the total forecast expenses.

The detailed forecast expenditure was reviewed to ensure that all material expenditure items, as required by paragraph 13.6(a)(v) of the JSE Listings Requirements, were disclosed. The explanations for variances of 10% or more between the historic and forecast expenditure line items were assessed for reasonableness.

Portfolio expenses

The forecast interest income, interest expense, property management fees and other portfolio expenses were assessed for reasonableness and, where applicable, recalculated. Certain expenses were also compared to similar expenses of other Funds in order to assess their reasonableness.

Application of accounting policies

We ascertained that the accounting policies to be applied by Emira in the future were applied consistently in arriving at forecast income, and agreed to the disclosed accounting policies and International Financial Reporting Standards for the respective accounting period.

Model review

In order to ensure that the forecast model for the property income and expenses was accurate and reliable we performed a high level review to determine the consistency and mathematical accuracy of the model.

Vacancy profile and lease expiry profile

We reviewed the individual property worksheets to ascertain that the vacancy profile and the lease expiry profile included in the model was derived from the correct sources.

We compared the vacancy profile and lease expiry profile included in paragraphs 3.3.4 and 3.3.5 of the Circular to the vacancy profile and lease expiry profile in the model and found them to be in agreement.

Accuracy of the information

We have relied upon and assumed the accuracy and completeness of the information provided to us in writing, or obtained through discussions with the management of STREM and the independent valuer. While our work has involved an analysis of the historical financial information and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with International Auditing Standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us, in respect of the property forecast and relevant information included in the Circular.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;
- the forecast information has not been properly compiled on the basis stated;
- the forecast has been properly presented and all material assumptions are not adequately disclosed;
- the forecast information is not presented on a basis consistent with the accounting policies of Emira.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast.

Our report and the conclusion contained herein is provided solely for the benefit of the board of directors of Emira and existing and prospective PI holders of the issuer for the purpose of their consideration of the acquisition. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

PricewaterhouseCoopers Inc
Registered Accountants and Auditors
Chartered Accountants (SA)

2 Eglin Road
Sunninghill
2157

**Opinion of the independent expert on the BEE issue for cash and
the Momentum issue for cash**

“Emira Property Fund
3 Gwen Lane
Sandton
2196

2 August 2006

Attention: The Participatory Interest Holders

Dear Sirs

Proposed issue for cash by Emira Property Fund (“Emira” or “the Fund”) of participatory interests to related parties

Introduction

Emira is considering acquiring fixed properties for an aggregate purchase consideration of R844.4 million (“the proposed transaction”). Part of the purchase consideration is to be settled in cash from the proceeds of a specific issue of participatory interests for cash to Momentum Group Limited (“Momentum”) and Micawber 410 (Proprietary) Limited (“BNewco”).

The participating interests are to be issued to BNewco at 803 cents per participatory interest to Momentum at 1 050 cents per participatory interest. Full details of the proposed issue of participating interests for cash to Momentum (“the Momentum issue for cash”) and the BNewco (“the BEE issue for cash”) are contained in the circular to holders of Emira participatory interests (“the circular”), dated on or about 7 August 2006, of which this letter forms part.

Scope

In terms of the JSE Limited (“JSE”) Listings Requirements, BNewco and Momentum are regarded as related parties in relation to Emira. In terms of paragraph 5.51(f) of the JSE Listings Requirements, an opinion is required from an independent professional expert, acceptable to the JSE, indicating whether or not the specific issue for cash to the related parties is fair and reasonable to the holders of Emira participatory interests.

As a consequence of the above, the trustees of Emira have appointed the Corporate Finance division of Deloitte & Touche to act as an independent professional expert to advise whether the Momentum issue for cash and BEE issue for cash (collectively, “the issues for cash”) are fair and reasonable to the holders of Emira participatory interests.

Definition of the terms “fair” and “reasonable”

The assessment of fairness is primarily based on quantitative issues. The issues for cash would be considered fair to holders of Emira participatory interests if the issue price were greater than or equal to the fair market valuation of Emira PIs.

The reasonableness of the issues for cash, however, is determined based on qualitative issues. Hence, a transaction may be unfair but still be reasonable, or *vice versa*, after taking into consideration other significant factors.

The fair and reasonable opinion does not purport to cater for individual holders of PIs but rather the general body of PI holders.

Information utilised and procedures carried out

In arriving at our opinion we have considered information from the following sources:

- a brief review of the Fund including a summary of the history, nature of business, property portfolio and geographic and sectoral spread of properties owned by the Fund. This information was acquired from a variety of sources, including discussions with key management of the Fund and its Manager, Strategic Real Estate Managers (Proprietary) Limited (“STREM”); and

- a strategic analysis of the Fund, including, *inter alia*, a summary of the strengths, weaknesses, opportunities and threats applicable thereto;
- relevant analyst reports dealing with the industry in which the Fund operates and on the Fund itself the audited financial statements for 2004 and 2005;
- the external independent property valuers' reports on the open market value of the properties subject to the proposed transaction;
- the purchase agreements for the properties subject to the proposed transaction;
- the external independent property valuers' reports and trustees valuations on all the properties currently owned by Emira;
- a yield capitalisation and net asset valuation of Emira's participatory interests, which we have prepared;
- the circular;
- a review of the Broad-Based Black Economic Empowerment Act and the development of Black Economic Empowerment ("BEE") Charters in South Africa;
- the price history and trading volumes of Emira's participatory interests on the JSE;
- agreements for the placement of PIs with the BEE parties between Emira, Momentum, RMB and the BEE parties; and
- discussions with key management of the Fund and STREM.

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussion with the managements of Emira and STREM.

Our approach to considering the BEE transaction

In considering the issues for cash, we compared the price at which Emira has agreed to issue its PIs in terms of the Momentum issue for cash and the BEE issue for cash to the fair value of Emira PIs.

We have performed an independent valuation of Emira PIs to determine their fair value. The primary valuation methodology was the yield capitalisation methodology. We corroborated this valuation by comparing to the net asset value of Emira after adjusting the carrying values of its fixed properties to their independently determined open market valuations or the trustees' valuations. We compared our independent valuation of Emira participatory interests to the price at which the trustees intend issuing PIs to Momentum and to the BEE parties.

In addition, we have considered the following qualitative factors:

- the imperative for transformation to be achieved in South Africa
- conforming with the Broad-Based Black Economic Empowerment Act and the development of Black Economic Empowerment ("BEE") charters in South Africa
- that all black employees of RMB will have an interest in the participatory interests of Emira
- increase in the liquidity of Emira participatory interests

Opinion

Based upon the results of our valuations and other information considered, we are of the opinion that the terms and conditions of the Momentum issue for cash and the BEE issue for cash are fair and reasonable to the holders of Emira participatory interests.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

The decision of each holder of Emira participatory interests may be influenced by his or her particular circumstances. We suggest that a holder of participatory interests should consult an independent advisor if in any doubt as to the merits of the issues for cash considering personal circumstances.

Limiting conditions

Forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, forecast information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to projections made by the managements of Emira and STREM and provided to us during the course of our review.

Our procedures and inquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express an audit opinion on the financial data or other information used in arriving at our opinion.

Independence

We confirm that we have no financial interest in Emira. Furthermore, we confirm that our professional fees are not contingent upon the success of the proposed transaction.

Consent

We hereby consent to the inclusion of this letter and references thereto in the circular in the form and context in which they appear.

Yours faithfully

Deloitte & Touche Corporate Finance
Deloitte & Touche Chartered Accountants (SA)
Registered Accountants and Auditors
Woodlands Drive
Woodmead
Sandton
2196”

Reporting accountants' report on the *pro forma* financial information

"The Directors
Strategic Real Estate Managers (Proprietary) Limited
PO Box 788130
Sandton
2196

2 August 2006

Dear Sirs

Independent reporting accountants' assurance report on the *pro forma* financial information of Emira Property Fund ("Emira")

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in Annexure 4 to the circular to be dated on or around 7 August 2006 ("the circular") issued in connection with the acquisition that is the subject of the circular. The *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements ("Listings Requirements"), for illustrative purposes only, to provide information about how the acquisition and specific issue might have affected the reported historical balance sheet presented and showing the effects of the specific issues only on the income statement for the period reported, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors of Strategic Real Estate Managers ("STREM") are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Emira; the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by SAICA.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Emira, the issuer, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate actions that are the subject of the circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of STREM and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of

any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for preparation of the *pro forma* financial information;
- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of the issuer;
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the Sections 8.17 and 8.30 of the Listings Requirements.

PricewaterhouseCoopers Inc

Registered Accountants and Auditors

Chartered Accountants (SA)

2 Eglin Road
Sunninghill
2157

Unaudited *pro forma* financial information of Emira

The unaudited *pro forma* financial information has been prepared in accordance with the format and accounting policies adopted by Emira in presenting its unaudited financial statements for the six months ended 31 December 2005.

The unaudited *pro forma* financial information, for which the STREM board is responsible, is presented for illustrative purposes only and may not give a fair reflection of Emira's financial position nor the effect on future earnings.

1. Unaudited *pro forma* income statement

The unaudited *pro forma* income statement of Emira for the six months ended 31 December 2005, showing the effects of the BEE issue for cash and Momentum issue for cash, based on the assumption that the issue for cash had been implemented on 1 July 2005, is set out below:

	Six months ended 31 December 2005 Unaudited R'000¹	Adjustment BEE issue for cash R'000	Adjustment Momentum issue for cash R'000	Six months ended 31 December 2005 Unaudited <i>Pro forma</i> R'000
Revenue	217 415			217 415
Property expenses	(67 395)			(67 395)
Administration expenses	(6 667)	(3 014) ²		(9 681)
Management expenses	(6 867)			(6 867)
Depreciation	(3 517)			(3 517)
Net income from property rental operations	132 969			129 951
Fair value adjustments	(9 195)			(9 195)
Change in fair value of investment properties				
Change in fair value as a result of deferring upfront lease costs	(1 060)			(1 060)
Change in fair value as a result of future rental escalations	(8 135)			(8 135)
Profit on sale of investment property	5			5
Maintenance fund expenses	(577)			(577)
Operating profit	123 202			120 190
Financing costs	(22 877)	4 950 ³	1 506 ⁴	(16 421)
Interest received	847			847
Net profit for period	101 172			104 614
Earnings per PI (cents)	35.3			34.4
Headline earnings per PI (cents)	38.5			37.5
Distribution per PI (cents)	36.4			36.5

Notes:

1. Extracted from the interim financial statements of Emira at 31 December 2005.
2. The discount on the BEE issue for cash has been based on an assumed market value per PI of R8.25. The discount and any discount on the Momentum issue for cash will be determined on the date of issue on the PIs based on the market price per PI on such date.
3. Reduction in financing costs resulting from the issue of 13 698 671 PIs to BNewco at R8.03 per PI for an aggregate subscription price of R110 million, based on an after-tax cost of debt of 9%.
4. Reduction in financing costs resulting from the issue of 3 187 331 PIs to Momentum at R10.50 per PI for an aggregate subscription price of R33.5 million, based on an after-tax cost of debt of 9%.

The adjustments are directly attributable to the BEE issue for cash and the Momentum issue for cash and are expected to have a continuing effect on Emira.

2. Balance sheet

The unaudited *pro forma* balance sheet of Emira at 31 December 2005, showing the effects of the BEE issue for cash, the Momentum issue for cash and the acquisition, based on the assumption that they had been implemented on 31 December 2005, is set out below:

	At 31 December 2005 Unaudited¹ R'000	BEE issue for cash² R'000	Adjustments Momentum issue for cash³ R'000	Acquisition⁴ R'000	At 31 December 2005 Pro forma Unaudited R'000
ASSETS					
Non-current assets					
Investment properties	2 332 302			844 357	3 176 659
Allowance for future rental escalations	40 834				40 834
Unamortised upfront lease costs	13 105				13 105
	2 386 241			844 357	3 230 598
Current assets					
Accounts receivable	75				75
Cash	4 220				4 220
	4 295				4 295
Total assets	2 390 536			844 357	3 234 893
EQUITY AND LIABILITIES					
PI holders' capital	1 785 255	110 000	33 467	450 400	2 379 122
Non-current liabilities					
Interest bearing debt	444 273	(110 000)	(33 467)	393 957	694 763
Current liabilities					
Short-term portion of long-term interest bearing debt	1 950				1 950
Accounts payable	40 218				40 218
Derivative liabilities	14 317				14 317
Provision for distributions to PI holders	104 523				104 523
	161 008				161 008
Total equity and liabilities	2 390 536			844 357	3 234 893
Net asset value and net tangible asset value per PI (cents)	622				662

Notes:

1. Extracted from the interim financial statements of Emira at 31 December 2005.
2. Issue of 13 698 671 PIs to BNewco at R8.03 per PI for an aggregate subscription price of R110 million.
3. Issue of 3 187 331 PIs to Momentum at R10.50 per PI for an aggregate subscription price of R33.5 million.
4. Acquisition of the property portfolio for an aggregate purchase consideration of R844 million, to be funded through cash and debt facilities totalling R394 million and through the issue of 55 506 146 PIs at an aggregate price of R450.4 million.

The adjustments are directly attributable to the specific issue for cash and acquisition and are expected to have a continuing effect on Emira.

Price history of PIs on the JSE

The price history of Emira PIs on the JSE is set out below:

	High (cents)	Low (cents)	Close (cents)	Volume
Quarterly				
2004				
March	530	500	510	25 211 459
June	530	475	520	21 204 019
September	560	510	515	24 138 597
December	660	515	655	31 070 029
2005				
March	725	635	670	14 361 241
June	740	660	720	30 033 113
Monthly				
2005				
July	760	725	750	10 570 871
August	830	749	825	27 464 819
September	865	780	810	12 781 238
October	875	795	835	14 014 749
November	865	803	835	10 967 606
December	900	830	900	8 556 359
2006				
January	1 010	900	985	11 683 051
February	1 120	936	1 030	12 178 050
March	1 095	1 018	1 081	13 400 571
April	1 100	1 047	1 077	6 334 891
May	1 110	1 001	1 070	7 780 414
June	1 082	800	850	10 032 883
Daily				
2006				
June				
1	-	-	1 070	27 570
2	1 070	1 050	1 065	829 372
5	1 075	1 075	1 075	5 000
6	1 082	1 075	1 075	1 446 055
7	1 050	1 010	1 050	54 600
8	1 052	960	970	354 974
9	975	975	975	30 400
12	963	960	963	43 473
13	960	900	960	278 779
14	975	960	967	121 062
15	980	967	975	628 948
19	975	960	960	742 894
20	960	941	945	76 196
21	945	929	945	37 239
22	940	940	940	62 325
23	926	890	890	247 354
26	880	835	850	130 600
27	875	820	820	468 307
28	812	800	805	1 248 297
29	850	805	830	2 013 121
30	900	850	850	1 186 317

	High (cents)	Low (cents)	Close (cents)	Volume
Daily continued				
2006				
July				
3	870	850	870	5 800
4	870	869	870	688 132
5	870	870	870	138 000
6	850	845	845	145 429
7	850	849	850	365 432
10	840	840	840	242 379
11	825	820	820	233 900
12	820	820	820	145 333
13	825	820	820	14 480
14	821	805	810	236 398
17	810	780	785	294 900
18	785	780	785	255 000
19	820	786	820	561 323
20	890	820	875	630 490
21	880	874	875	882 571
24	878	865	866	136 650
25	865	857	865	33 550
26	865	860	860	702 753
27	870	867	867	406 038
28	869	858	858	456 138
31	858	858	858	620 450
August				
1	854	854	854	4 019 466

Source: I-Net Bridge.

Opinion of the independent expert on the acquisition

“Emira Property Fund
3 Gwen Lane
Sandton
2196

2 August 2006

Attention: The Participatory Interest Holders

Dear Sirs

Fair and reasonable opinion to the holders of participatory interests in Emira Property Fund (“Emira” or “the Fund”) on the proposed acquisition of fixed properties by Emira from related parties

Introduction

Emira is considering acquiring fixed properties from Momentum Group Limited (“Momentum”), Hawley Road Developments (Proprietary) Limited (“Hawley Road Developments”) and RMB Properties Limited (“RMB Properties”) for an aggregate purchase consideration of R844.4 million (“the proposed transaction”). Full details of the proposed transaction are contained in the circular to holders of participatory interest in Emira (“the circular”), dated on or around 7 August, 2006 of which this letter forms part.

Scope

In terms of the JSE Limited (“JSE”) Listings Requirements, Momentum, Hawley Road Developments and RMB Properties are regarded as related parties in relation to Emira, as they are associates of the controlling PI holder of Emira. In terms of paragraph 10.4(f) of the JSE Listings Requirements, an opinion is required from an independent professional expert, acceptable to the JSE, indicating whether or not the proposed transaction is fair and reasonable to the holders of Emira participatory interests.

As a consequence of the above, the trustees of Emira have appointed the Corporate Finance division of Deloitte & Touche to act as an independent professional expert to advise whether the proposed acquisition is fair and reasonable to the holders of Emira participatory interests.

Definition of the terms “fair” and “reasonable”

The assessment of fairness is primarily based on quantitative issues. The proposed transaction would be considered fair to holders of Emira participatory interests if the purchase price payable for the fixed properties were less than or equal to the fair market valuation of the fixed properties taking into account the valuation of Emira participatory interests issued to Momentum in part settlement of the purchase price.

The reasonableness of the proposed transaction, however, is determined based on qualitative issues. Hence, a transaction may be unfair but still be reasonable, or *vice versa*, after taking into consideration other significant factors.

The fair and reasonable opinion does not purport to cater for individual holders of participatory interests but rather the general body of participatory interests holders.

Information utilised and procedures carried out

In arriving at our opinion we have considered information from the following sources:

- a brief review of the Fund including a summary of the history, nature of business, property portfolio and geographic and sectoral spread of properties owned by the Fund. This information was acquired from a variety of sources, including discussions with key management of the Fund and its Manager, Strategic Real Estate Managers (Proprietary) Limited (“STREM”);

- a strategic analysis of the Fund, including, *inter alia*, a summary of the strengths, weaknesses, opportunities and threats applicable thereto;
- relevant analyst reports dealing with the industry in which the Fund operates and on the Fund itself;
- the audited financial statements for 2004 and 2005;
- the external independent property valuers' reports on the open market value of the properties subject to the proposed transaction;
- the purchase agreements for the properties subject to the proposed transaction;
- the external independent property valuers' reports and trustees' valuations on all the properties currently owned by Emira;
- a yield capitalisation and net asset valuation of Emira's participatory interests, which we have prepared;
- the circular;
- the price history and trading volumes of Emira's participatory interests on the JSE; and
- discussions with key management of the Fund and STREM.

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussion with the managements of Emira and STREM.

Our approach to considering the proposed transaction

In considering the proposed transaction, we compared the price at which Emira has agreed to acquire the individual fixed properties to the external independent property valuer's reports on the open market value of those fixed properties. All of the properties subject to the proposed transaction are [to/not to] be acquired at a price below their independently determined open market valuations. We also compared the total purchase consideration for the property portfolio being acquired to the independent valuer's valuation of the property portfolio.

We have also performed an independent valuation of Emira participatory interests. The primary valuation methodology was the yield capitalisation methodology. We corroborated this valuation by comparing to the net asset value of Emira after adjusting the carrying values of its fixed properties to their independently determined open market valuations or the trustees' valuations. We compared our independent valuation of Emira participatory interests to the price at which the trustees intend issuing participatory interests to the vendors in part settlement of the purchase price.

In addition, we have considered the following qualitative factors:

- that the lease expiry profile of the Fund improves as a result of the proposed transaction
- the increased retail exposure of the Fund
- the increase in the average value per property in the Fund after the proposed transaction
- increase in the liquidity in the Emira participatory interests
- the acquisition of a regional shopping centre in light of the fact that regional shopping centres have outperformed all other categories of physical property over the past ten years on a total return basis

Opinion

Based upon the results of our valuations and other information considered, we are of the opinion that the terms and conditions of the proposed transaction are fair and reasonable to the holders of Emira participatory interests, and that the terms and conditions of the acquisition of each property being acquired by Emira in terms of the proposed transaction are fair and reasonable to the holders of Emira participatory interests.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

The decision of each holder of Emira participatory interests may be influenced by particular circumstances. We suggest that a holder of participatory interests should consult an independent advisor if in any doubt as to the merits of the proposed transaction considering personal circumstances.

Limiting conditions

Forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, forecast information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to projections made by the managements of Emira and STREM and provided to us during the course of our review.

Our procedures and inquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express an audit opinion on the financial data or other information used in arriving at our opinion.

Independence

We confirm that we have no financial interest in Emira. Furthermore, we confirm that our professional fees are not contingent upon the success of the proposed transaction.

Consent

We hereby consent to the inclusion of this letter and references thereto in the circular in the form and context in which they appear.

Yours faithfully

Deloitte & Touche Corporate Finance
Deloitte & Touche Chartered Accountants (SA)
Registered Accountants and Auditors
Woodlands Drive
Woodmead
Sandton
2196



Emira Property Fund

A property fund created under the Emira Property Scheme,
registered in terms of the Collective Investment Schemes Control Act
JSE code: EMI ISIN ZAE000050712

Directors of the Manager

Executive

J W A Templeton (*Chief Executive Officer*)

W K Schultze

Non-executive

B J van der Ross (*Chairman*)

L Barnard

L Basson

M S B Nesor

Notice of general meeting

NOTICE IS HEREBY GIVEN that a general meeting of the holders of Emira participatory interests ("PI holders"), will be held at the registered office of Emira, 3 Gwen Lane, Sandton, 2196 on Tuesday 22 August 2006 at 09:00 for the purpose of considering and, if deemed fit, of passing, with or without modifications, the undermentioned resolutions.

All terms defined in the circular to which this notice of general meeting is attached shall bear the same meanings in this notice of general meeting.

Each resolution, other than for resolution number 9, is subject to the passing of all other resolutions.

Resolution number 1

RESOLVED THAT the Fund be and is hereby authorised to acquire the property known as Newlands Terraces from RMB Properties in terms of the sale of letting enterprise agreement between RMB Properties (Proprietary) Limited ("RMB Properties") and Emira in respect of Newlands Terraces for R43 750 000, which purchase consideration will be settled in cash. The passing of this resolution is subject to a simple majority of the votes of PI holders, other than RMB Properties and its associates, being cast in favour of this resolution approving the acquisition.

Resolution number 2

RESOLVED THAT the Fund be and is hereby authorised to acquire the property known as RTT Warehouse from RMB Properties in terms of the cession and assignment agreement between RMB Properties and Emira in respect of the RTT development on airport land for R217 117 357, which purchase consideration will be settled in cash. The passing of this resolution is subject to a simple majority of the votes of PI holders, other than RMB Properties and its associates, being cast in favour of this resolution approving the acquisition.

Resolution number 3

RESOLVED THAT the Fund be and is hereby authorised to acquire the property known as WesBank House from Momentum Group Limited ("Momentum") in terms of the letting enterprise purchase agreement (WesBank House) between Emira and Momentum for R44 000 000, which purchase consideration will be settled through the issue of 5 479 452 participatory interests ("PIs"). The passing of this resolution is subject to a simple majority of the votes of PI holders, other than Momentum and its associates, being cast in favour of this resolution approving the acquisition.

Resolution number 4

RESOLVED THAT the Fund be and is hereby authorised to acquire the property known as Wonderpark Shopping Centre from Hawley Road Developments (Proprietary) Limited (“Hawley Road Developments”) in terms of the letting enterprise purchase agreement (Wonderpark Shopping Centre) between Emira and Hawley Road Developments for R406 400 000, which purchase consideration will be discharged by the issue of 50 026 694 PIs. The passing of this resolution is subject to a simple majority of the votes of PI holders, other than Hawley Road Developments and its associates, being cast in favour of this resolution approving the acquisition.

Resolution number 5

RESOLVED THAT the Fund be and is hereby authorised to acquire the property known as WorldWear from RMB Properties in terms of the agreement of cession and assignment between RMB Properties and Emira in respect of WorldWear for R133 090 000, which purchase consideration will be settled in cash. The passing of this resolution is subject to a simple majority of the votes of PI holders, other than RMB Properties and its associates, being cast in favour of this resolution approving the acquisition.

Resolution number 6

RESOLVED THAT the Fund be and is hereby authorised, by way of a specific authority, to allot and issue 13 698 671 PIs to Micawber 410 (Proprietary) Limited (“BNewco”) as a specific issue of PIs for cash, in accordance with Section 5.51(g) of the Listings Requirements of the JSE Limited, which PIs are to be allotted and issued to BNewco for an amount of R110 000 328.13. In terms of Section 5.51(g) of the Listings Requirements of the JSE Limited, the passing of this resolution is subject a 75% majority of the votes of PI holders, other than BNewco and its associates, being cast in favour of this resolution approving the specific issue of PIs for cash.

Resolution number 7

RESOLVED THAT the Fund be and is hereby authorised, by way of a specific authority, to allot and issue 3 187 331 PIs to Momentum Group Limited (“Momentum”) as a specific issue of PIs for cash, in accordance with Section 5.51(g) of the Listings Requirements of the JSE Limited, which PIs are to be allotted and issued to Momentum for an amount of R33 466 975. In terms of Section 5.51(g) of the Listings Requirements of the JSE Limited, the passing of this resolution is subject a 75% majority of the votes of PI holders, other than Momentum and its associates, being cast in favour of this resolution approving the specific issue of PIs for cash.

Resolution number 8

RESOLVED THAT the Fund be and is hereby authorised, by way of a specific authority, to implement a vendor consideration placing of 37 484 433 PIs, in terms of which 35 491 905 PIs will be placed with Tiso Property (Proprietary) Limited for a cash consideration of R284 999 997.15 and 1 992 528 PIs will be placed with BNewco for a cash consideration of R15 999 996.99.

In terms of Section 5.62(b) of the Listings Requirements of the JSE Limited, the passing of this resolution is subject to a 75% majority of the votes of PI holders, other than FirstRand Limited, BNewco and Tiso Property (Proprietary) Limited, and their associates, being cast in favour of this resolution approving the vendor consideration placing.

Resolution number 9

RESOLVED THAT any director of Strategic Real Estate Managers (Proprietary) Limited, the Manager of the Fund, be and is hereby authorised to do all such things, sign any document, procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to and/or to the implementation of all of the resolutions which are proposed and passed at the general meeting at which this resolution is proposed.

On a show of hands, every PI holder who, being a natural person, is present in person or by proxy or, being a juristic person, is represented by an authorised representative at the general meeting, shall have one vote. On a poll, every PI holder who, being a natural person, is present in person or by proxy or, being a juristic person, is represented by an authorised representative shall have one vote for every PI of which he is the registered holder.

A PI holder entitled to attend and vote at the general meeting may appoint one or more persons as his proxy to attend, speak and vote in his stead. A proxy need not also be a PI holder.

A form or proxy (blue) is attached for the convenience of any certificated PI holder or dematerialised PI holder with own-name registration who cannot attend the general meeting, but who wishes to be represented thereat. In order to be valid, completed forms of proxy must be received by the transfer secretaries of the Fund, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00 on Friday 18 August 2006.

Dematerialised PI holders without "own-name" registration who wish to attend the general meeting must request their CSDP/broker to issue them with the necessary letter of authority, or, if they do not wish to attend the general meeting, furnish their CSDP/broker with a voting instructions in terms of the agreement concluded between themselves and their CSDP/broker.

By order of the board

Strategic Real Estate Managers (Proprietary) Limited

Sandton
7 August 2006

Transfer secretaries

Computershare Investor Services 2004
(Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



Emira Property Fund

A property fund created under the Emira Property Scheme,
 registered in terms of the Collective Investment Schemes Control Act
 JSE code: EMI ISIN ZAE000050712
 (“Emira” or “the company”)

Form of proxy for use by certificated PI holders and PI holders who have elected “own-name” registration

For completion by certificated PI holders and PI holders who have elected “own-name” registration who are unable to attend the general meeting of the company to be held at 09:00 on Tuesday 22 August 2006 at the registered office of Emira, 3 Gwen Lane, Sandton.

PI holders who have dematerialised their PIs, other than those PI holders who have dematerialised their PIs with “own-name” registration, and who wish to attend the general meeting either in person or by proxy must advise their CSDP/broker of their intention to attend the general meeting in person or to send a proxy to represent them and request their CSDP/broker to issue them or their proxy with the necessary authorisation to attend the general meeting. Such PI holders must **not** complete this form of proxy. If such PI holders do **not** wish to attend the general meeting either in person or by proxy, they must instruct their CSDP/broker as to how they wish to vote.

I/We

(names in full)

of

(address)

being the holder/s of PIs in the capital of Emira, hereby appoint:

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairman of the general meeting,

as my/our proxy to attend, speak, and to vote or abstain from voting on my/our behalf, as indicated below, at the general meeting or any adjournment thereof:

	Insert an “X” or the number of votes exercisable (one vote per PI)		
	For	Against	Abstain
Resolution number 1 <i>Authority to acquire Newlands Terraces</i>			
Resolution number 2 <i>Authority to acquire RTT Warehouse</i>			
Resolution number 3 <i>Authority to acquire WesBank House</i>			
Resolution number 4 <i>Authority to acquire Wonderpark Shopping Centre</i>			
Resolution number 5 <i>Authority to acquire WorldWear</i>			
Resolution number 6 <i>Specific authority, to allot and issue PIs to BNewco</i>			
Resolution number 7 <i>Specific authority, to allot and issue PIs to Momentum</i>			
Resolution number 8 <i>Specific authority, to implement a vendor consideration placing</i>			
Resolution number 9 <i>Authority for directors to sign and act</i>			

Signed at _____ on _____ 2006

Signature _____

Assisted by me (where applicable) _____

Please read the notes and instructions on the reverse side hereof.

Notes:

1. A PI holder entitled to attend and vote at the general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be PI holder of the company.
2. Every PI holder present in person or by proxy and entitled to vote at the general meeting of the company shall, on a show of hands, have one vote only, irrespective of the number of PIs such PI holder holds. In the event of a poll, every PI holder shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the PIs held by such PI holder bears to the aggregate amount of the nominal value of all the PIs issued by the company.

Instructions on signing and lodging this form of proxy:

1. A certificated or "own-name" dematerialised PI holder may insert the name of a proxy or the names of two alternative proxies of the certificated or "own-name" dematerialised PI holder's choice in the space/s provided overleaf, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the certificated or "own-name" dematerialised PI holder. Should this space be left blank, the proxy will be exercised by the chairman of the general meeting. The person whose name appears first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A certificated or "own-name" dematerialised PI holder's voting instructions to the proxy must be indicated by the insertion of an "X", or, the number of votes exercisable by that certificated or "own-name" dematerialised PI holder in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting, as he/she thinks fit in respect of all the certificated or "own-name" dematerialised PI holder's exercisable votes. A certificated or "own-name" dematerialised PI holder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the certificated or "own-name" dematerialised PI holder or by his/her proxy.
3. To be valid the completed forms of proxy must be received at the office of the transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00 on Friday 18 August 2006.
4. This form of proxy shall be valid at any resumption of an adjourned general meeting to which it relates, unless the contrary is stated herein.
5. This form of proxy shall not be used at the resumption of an adjourned general meeting if it could not have been used at the general meeting from which it was adjourned for any reason, other than that it was not lodged timeously for the general meeting from which the adjournment took place.
6. This form of proxy shall not be valid after the expiry of two months after the date when it was signed.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been previously recorded by the transfer secretaries.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the general meeting.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been previously recorded by the transfer secretaries or waived by the chairman of the general meeting.
10. The completion and lodging of this form of proxy will not preclude the relevant certificated or "own-name" dematerialised PI holder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such certificated or "own name" dematerialised PI holder wish to do so.
11. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
12. The chairman of the general meeting may accept any form of proxy which is completed, other than in accordance with these instructions and notes, provided that the chairman is satisfied as to the manner in which a certificated or "own-name" dematerialised PI holder wishes to vote.

