

Caption: Emira's Wonderpark shopping centre in Pretoria

Press Release  
For immediate

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### **Emira Property Fund expects benefits from property management tender**

After deciding to seek tenders for the property management contract of its R8.8bn portfolio, the Emira Property Fund board has outsourced the property management of its commercial and industrial portfolio to Eris Property Group and virtually its entire retail portfolio to Broll Property Group.

Since listing in 2003 the Fund's entire portfolio of retail, commercial and industrial property has been managed by the Eris Property Group, but last month Emira decided to put the management of its property assets out to tender.

Eris successfully tendered for the two year contract on the Fund's commercial and industrial portfolio, as well as Wonderpark Shopping Centre, which totals R6.4bn or 74% of the portfolio, while Broll was awarded the two-year management contract for the balance of the Fund's retail assets countrywide, which are valued at R2.3bn, or 26% of the Emira portfolio by value. Wonderpark Shopping Centre in Pretoria was retained by Eris as Emira has just commenced a R500m upgrade and believes it would provide more stability to keep the existing property management team in place.

The change should result in substantial costs savings for Emira – estimated to be in the region of at least R10m in the first year – in terms of its property administration, leasing and staff costs, and hence will be positive for the fund's earnings and Participatory Interest Holders in the short and longer term.

Says James Templeton, CEO of Emira Property Fund:

"We believe that the long-standing relationship between Emira and Eris has benefited both parties and we expect this to continue, while Broll is considered to be among the best retail property managers in the country, and look forward to the benefits that this will bring Emira PI holders. We feel that having two property managers for the portfolio will improve the performance of the Fund by ensuring it has access to the best property management skills in the country.

"In addition, the change should be able to offer an improved service to our existing and potential new tenants as well as cost savings for the Emira Property Fund itself."

The new two year property management contract with Eris and Broll is effective from the 1<sup>st</sup> January next year and is potentially renewable after two years.

Ends

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