

UNAUDITED INTERIM FINANCIAL RESULTS

For six months to 31 December 2014 and income distribution declaration

Growth in distributions

+9,0%

Distributable income growth of 13,0% to

R330m

COMMENTARY

 $The \ board\ of\ directors\ of\ the\ manager\ of\ Emira, Strategic\ Real\ Estate\ Managers\ (Pty)\ Ltd$ (``STREM'') is pleased to announce a distribution of 64,65 cents per Emira participatoryinterest (PI) for the 6 months to 31 December 2014. This is an increase of 9,0% on the previous comparable period.

Vacancies and tenant renewals

Over the past two years, vacancies decreased from 7,8% (December 12) to 5,1% (December 13)to 4,9% (December 14). The office sector vacancy of 7,9% remains well below SAPOA national levels of 11,1%. This represents a substantial decline in overall vacancies of $30\,281 m^2\, since\, December\, 2012, which was\, driven\, by \, leasing\, in\, the\, office\, sector\, as\, well$ as strategic sales of certain properties.

 $Tenant\,retention\,by\,GLA\,improved\,to\,77\%\,from\,70\%\,in\,the\,comparable\,period\,last\,year.$

Major leases concluded

The three biggest new leases concluded were at 500 Smuts Drive (5 $374m^2$), Springfield Retail Centre (2 $158m^2$) and Kokstad Main (2 $062m^2$), and the biggest renewals were at Wonderpark Shopping Centre (13 $983m^2$), Cambridge Park (5 $615m^2$) and Brandwag Shopping Centre (4 191m²) - all to high quality tenants such as Pick n Pay and Food

Acquisition of Integri-T Portfolio

With effect from 1 July 2014, the Fund acquired 100% of the share capital of the following companies incorporated in South Africa, known as the Integri-T Portfolio, for a total enterprise value of R836,9m at a forward yield of 9,4%.

- > Omnicron Investments 005 (Pty) Ltd > Lowmer Investments (Ptv) Ltd
- > Monagon Properties (Ptv) Ltd
- Rapidough Properties 509 (Pty) Ltd > Adamass Investments (Pty) Ltd
- Aquarella Investments (Pty) Ltd
- > Libra Investments 5 (Pty) Ltd

These subsidiaries, comprising two retail properties, three office buildings and three industrial properties, contributed a profit of R38,8m for the period from the date of acquisition to 31 December 2014, in line with expectations.

Details of the assets and liabilities acquired are as follows:

	Rm
Investment properties	836,9
Borrowings	(386,3)
Net current liabilities	(2,3)
Fair value of acquired interest in net assets	448,3
Total purchase consideration	448,3

Acquisitions

Acquisitions during the period also comprised a 60% undivided share in Ben Fleur Shopping Centre for a purchase price of R66,5m at a yield of 9,4% which was transferred in October 2014. A further investment of R20m is currently in the process of being spent on the property to accommodate a Woolworths Food store as well as other line shops.

Disposals

The strategy to dispose of non-core buildings continued during the period under review. The following four properties totalling R93,8m, had been sold and transferred out of Emira during the six months to December 2014: Kya Sands (Corner Precision and Staal Streets), Harrogate Park, Woodmead Office Park (50% share) and Executive City. These four were sold at an aggregate forward yield of 8,9%.

A further five buildings with a total value of R535,5m representing an aggregate forward yield of 6,9% and a premium to book value of 40%, were sold at December 2014, but had not yet been transferred.

Refurbishments and extensions

Several projects totalling approximately R819,4m were underway. The most significant of these was the major upgrade and extension to Wonderpark Shopping Centre, where the centre was enlarged at a cost of R551,3m, from $63\,000m^2$ to $90\,000m^2$ to accommodate extensions for existing national tenants and the introduction of new anchor tenants. Also recently completed was the Gateway Landing industrial development for a total capital outlay of R57,4m. Both projects reached practical completion in October 2014.



VACANCY PROFILE BY SECTOR (% OF GLA)



Distribution

64,65c

Net asset value growth per PI of 14,0% to

1 650c

 $Even though the liquidity in the debt capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, end \, of \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, up \, towards \, the \, capital \, markets \, tightened \, tightened \, the \, capital \, markets \, tightened \, the \, capital \, the \, capi$ year, Emira was successful in accessing funding at competitive rates

Funding activities during the six month period included:

Date		Amount (Rm)	All-in-rate (%)
15 Aug 14	Drawdown of Nedbank 3-year facility	270	7,74
18 Aug 14	Drawdown of Standard Bank 4 year facility	200	7,70
12 Sep 14	Repayment of 12-month commercial paper	230	6,54
12 Sep 14	Issue of 2-year domestic medium term notes	270	7,43
15 Sep 14	Drawdown of RMB 3-year 8th Term Loan	200	7,83
10 Oct 14	Drawdown of RMB 3-year 8th Term Loan	66	7,83
6 Nov 14	Repayment of 12-month commercial paper	450	6,72
6 Nov 14	Issue of 12-month commercial paper	250	7,03
6 Nov 14	Issue of 2-year domestic medium term notes	100	7,43
6 Nov 14	Issue of 3-year domestic medium term notes	100	7,73
19 Nov 14	Repayment of 12-month commercial paper	100	6,78
19 Nov 14	Issue of 6-month fixed rate commercial paper	50	7,12

Total debt as at 31 December 2014 was R4,6bn with a weighted average duration to expiry

Fixed interest rate hedges were in place for a total R3 985m amounting to 85,4% of the

 $The interest \, rate \, swap \, expiries \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, the \, weighted \, average \, duration \, range \, from \, 1-10 \, years \, with \, years \, duration \, range \, from \, 1-10 \, years \, with \, years \, duration \,$ being 4.1 years.

R420m of interest rate hedges with 2018 expiries were restructured during November 2014 at a cost of R31m, reducing the average interest rate payable on those swaps from 8,97% to the prevailing market rate at the time of 6,66%, with the duration of the swaps remaining the same as previously. This restructuring will result in a positive impact of an annualised R8m net to the distributable income of the Fund for the duration of those swaps

Growthpoint Australia Limited (GOZ)

At 31 December 2014, GOZ's unit price was AUD2,75 resulting in Emira's investment of 27 225 813 units, comprising 4,9% of the total units in issue, being valued at R707,3m compared to a cost price of R372,0m.

The acquisitions, contractual escalations on the bulk of the portfolio, significant leasing progress made during the period as well as the stringent cost control all contributed to the Fund achieving a meaningful increase in distributable income during the period.

Excluding the straight-lining adjustments in respect of future rental escalations, revenue $rose\ by\ 16,9\%\ over\ the\ comparable\ period.\ This\ was\ positively\ impacted\ by\ the\ leasing\ of$ $vacant\, space, acquisitions\, and\, organic\, growth\, from\, the\, existing\, portfolio\, and\, increased$ recoveries of municipal expenses, offset by disposals.

Property expenses increased by just 1,7% over the previous comparable period, mainly due to stringent cost control, a reduction in leasing expenses as well as lower maintenance costs from historical high levels

Depreciation was no longer taken into account for distribution purposes, and this resulted in the comparable distribution being R7,1m higher than the corresponding period.

Income from the Fund's listed investment in Australia increased by 16,0% due to an increase in the distribution per unit received from GOZ and the depreciation of the rand against the Australian dollar.

Net finance costs increased by 64.4% as a result of the increased utilisation of debt facilities to fund the acquisitions and new developments of the Fund.

Net asset value increased by 14,0% from 1 447 cents per PI at 30 June 2014, to 1 650 cents $per\,PI\,at\,31\,December\,2014, the\,most\,significant\,contributors\,to\,this\,being\,the\,revaluation$ of investment properties (+137 cents) and the reduction in the liability for the income distribution at the reporting period date (+65 cents).

DISTRIBUTION STATEMENT			
R'000	Half year ended 31 Dec 2014	Half year ended 31 Dec 2013	% change
Operating lease rental income and tenant recoveries excluding straight-lining of leases	837 473	716 721	16,9
Property expenses excluding amortised upfront lease costs	(290 600)	(285 778)	1,7
Net property income	546 873	430 943	26,9
Income from listed investment	23 570	20 322	16,0
Management expenses			
Reimbursement to STREM	(16 252)	(12 867)	26,3
Administration expenses	(26 678)	(20 866)	27,7
Depreciation	_	(7 134)	(100)
Net finance costs	(197 443)	(118 341)	66,8
Finance costs	(203 094)	(123 530)	64,4
Interest paid and amortised borrowing costs	(208 204)	(131 313)	58,6

No of units in issue

Interest capitalised to the cost of developments

Distribution per participatory interest (cents)

Distribution payable to participatory interest holders

 $In \, accordance \, with \, the \, strategy \, of \, the \, Fund, \, certain \, properties \, that \, are \, underperforming \, and \, constant \, are \, underperforming \, are \, constant \, are \, c$ or pose excessive risk to the Fund are earmarked and disposed of.

5 1 1 0

5 6 5 1

330 070

510 550 084

7783

5 189

59,31

13,0

292 057

492 423 583

PROPERTIES TRANSFERRED OUT OF EMIRA DURING THE 6 MONTHS TO DEC 2014

Property	Sector	Location	GLA (m²)	Valuation Jun 2014 (Rm)	Sale price (Rm)	Exit yield (%)	Effective date
Kya Sands (Cnr Precision & Staal Street) (Siliconics)	Industrial	Kya Sands, Randburg	1 452	5,1	5,1	14,1	Sep 2014
Harrogate Park	Office	Hatfield, Pretoria	1711	17,5	17,5	11,6	Nov 2014
Woodmead Office Park (50%)	Office	Woodmead, Johannesburg	8 162	60,4	60,0	5,1	Jul 2014
Executive City	Industrial	Kya Sands, Randburg	4 558	11,2	11,2	10,8	Jul 2014
			15 883	94,2	93,8	8,9	

PROPERTIES SOLD BUT NOT YET TRANSFERRED OUT OF EMIRA AT DEC 2014

			46 941	202 5	E2E E	
Brandwag Shopping Centre + Kosmos Woonstelle	Retail	Bloemfontein CBD	12 328	159,0	250,0	Apr 2015
Braamfontein Centre	Office	Braamfontein, Johannesburg	21 310	128,0	150,0	May 2015
500 Smuts Drive (Oracle House)	Office	Midrand, Gauteng	5 201	43,5	43,5	Jun 2015
Tokai Shopping Centre	Retail	Ferndale, Johannesburg	2603	16,0	16,0	Jun 2015
122 Pybus Road	Office	Sandton, Johannesburg	5 399	36,0	76,0	Jan 2015
Property	Sector	Location	GLA (m²)	Valuation Jun 2014 (Rm)	Sale Price (Rm)	Effective/ Anticipated effective date

Vacancies

	Number of buildings Jun 2014	GLA Jun 2014 (m²)	Vacancy Jun 2014 (m²)	%	Number of buildings Dec 2014	GLA Dec 2014 (m²)	Vacancy Dec 2014 (m²)	%
Office	63	435 299	38 420	8,8	63	421 751	33 444	7,9
Retail	34	352 969	9 558	2,7	39	405 693	11 160	2,8
Industrial	44	348 393	3 510	1,0	46	378 992	14 403	3,8
Total	141	1 136 661	51 488	4,5	148	1 206 436	59 007	4,9

Valuations

TOTAL PORTFOLIO MOVEMENT

Sector	Jun 2014 (R'000)	R/m^2	Dec 2014 (R'000)	R/m^2	Difference (%)	Difference (R'000)
Office	5 381 621	12 363	5 715 538	13 550	6,2	333 917
Retail	3 669 868	10 397	4860610	11 981	32,4	1 190 742
Industrial	1 707 515	4 901	1 899 598	5 012	11,3	192 083
	10759004		12 475 746		16,0	1 716 742

The valuation movement on a like-for-like basis was 4.8%

 $Emira\ has\ a\ moderate\ level\ of\ gearing\ with\ interest\ bearing\ debt\ to\ total\ property\ assets$ of 35,4% as at 31 December 2014.

	Weighted average rate %	Weighted average term	Amount (Rm)	% of debt
Debt — Swap	8,8	4,1 years	3 984,6	85,4
Debt — Floating	7,5		682,0	14,6
Total	8,6		4 666,6	100,0
Less: Costs capitalised not yet amortised			(6,2)	
Per statement of financial position			4 660,4	

Issue of participatory interests (PIs)

During the period, the Fund issued the following PIs to raise a total of R376,5m to partly fund the purchases of the Integri-T Portfolio and the Ben Fleur Boulevard:

> 17 July 2014 22 222 222 PIs at R13,95 > 22 October 2014 4 446 822 PIs at R14,95

Change in distribution policy — depreciation

Historically Emira provided for depreciation in respect of certain fixed assets, in line with tax allowances. As previously disclosed to investors, from FY15, Emira no longer includes the depreciation charge in its distributable income.

Liability for income distribution

In order to comply with best practice and to be comparable to its peers, Emira no longer recognises the liability, as at the report period date, for the income distribution amount to be distributed after the reporting period date.

As previously announced, Peter Thurling retired as Chief Financial Officer of the Fund with effect from 31 December 2014 and Geoff Jennett, CA (SA), was appointed as his replacement with effect from 1 January 2015.

The benefit of the improved occupancies, together with the property acquisitions and tight cost control, should continue to result in a similar healthy improvement in

distribution growth per PI for the twelve months to June 2015.

Any forecast financial information contained herein has not been reviewed or reported on by the Fund's external auditors.

Notice is hereby given that an interim cash distribution of 64,65 cents (2014: 59,31 cents) per PI has been declared, payable to PI holders on 16 March 2015. The source of the distribution comprises net income from property rentals, income earned from the Fund's listed property investment and interest earned on cash on deposit. Please refer to the Statement of Comprehensive Income for further details

In accordance with Emira's status as a REIT, PI holders are advised that the distribution $meets\,the\,requirements\,of\,a\," qualifying\,distribution"\,for\,the\,purposes\,of\,section\,25BB$ of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). Accordingly, qualifying distributions received by local tax residents must be included in the gross income of such PI holders (as a non-exempt dividend in terms of section 10(1) (k) (aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the PI holder. These qualifying distributions are, however, exempt $from\ dividend\ withholding\ tax\ in\ the\ hands\ of\ South\ African\ tax\ resident\ PI\ holders,$ provided that the South African resident PI holders have provided the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated PIs, or the Transfer Secretaries, in respect of certificated PIs:

- a) a declaration that the distribution is exempt from dividends tax; and
- b) a written undertaking to inform the CSDP, broker or the Transfer Secretaries, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. PI holders are advised to contact their CSDP, broker or the Transfer Secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted

Qualifying distributions received by non-resident PI holders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1) (k) of the Income Tax Act. It should be noted that until 31 December 2013 qualifying distributions received by non-residents were not subject to dividend withholding tax. From 1 January 2014, any qualifying distribution received by a non-resident from a REIT will be subject to $dividend\ withholding\ tax\ at\ 15\%, unless\ the\ rate\ is\ reduced\ in\ terms\ of\ any\ applicable$ agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the PI holder. Assuming dividend withholding tax will be withheld at a rate of 15%, the net amount due to non-resident PI holders will be 54,9525 cents per PI. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident PI holder has provided the following forms to their CSDP or broker, as the case may be, in respect of the uncertificated PIs, or the $Transfer\ Secretaries, in\ respect\ of\ certificated\ PIs:$

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- b) a written undertaking to inform their CSDP, broker or the Transfer Secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident PI holders are advised to contact their CSDP, broker or the Transfer Secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted,

Local tax resident PI holders as well as non-resident PI holders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

Friday, 6 March 2015
Monday, 9 March 2015
Friday, 13 March 2015
Monday, 16 March 2015

 $PI\,certificates\,may\,not\,be\,dematerialised\,or\,rematerialised\,between\,Monday, 9\,March\,Monday, 9\,March\,Monday,$ 2015 and Friday, 13 March 2015, both days inclusive.

By order of the STREM Board

Martin Harris

Company Secretary Ben van der Ross

Chairman

James Templeton

Bryanston, 18 February 2015

Basis of preparation and accounting policies

 $These \, unaudited \, condensed \, consolidated \, interim \, financial \, statements \, of \, Emira \, Property \, and \, condensed \, consolidated \, interim \, financial \, statements \, of \, Emira \, Property \, and \, condensed \, consolidated \, condensed \, consolidated \, condensed \, consolidated \, condensed \, condensed \, consolidated \, condensed \, cond$ Fund ("Emira" or "the Fund") have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34, and are in compliance with the Listings Requirements of the JSE Limited. The accounting policies used in the $preparation\, of\, these\, financial\, statements\, are\, consistent\, with\, those\, used\, in\, the\, audited\, and\, the\, consistent\, with\, those\, used\, in\, the\, consistent\, with\, tho\, consist$ annual financial statements for the year ended 30 June 2014.

As a result of the amendment to the service charge arrangements, in terms of IFRS, the risk and rewards of the manager of Emira, Strategic Real Estate Managers (Pty) Limited ("STREM") are deemed to be attributable to Emira. The financial statements of STREM have therefore been consolidated with those of Emira, even though Emira has no direct or indirect shareholding in STREM. This report was compiled under the supervision of Geoff Jennett CA (SA), the Chief Financial Officer of Emira.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
R'000	Unaudited 31 Dec 2014	Unaudited 31 Dec 2013	Audited 30 Jun 2014
Assets			
Non-current assets	12 656 493	9 902 819	11 259 150
Investment properties	11 707 105	9 066 575	10 371 073
Allowance for future rental escalations	186 188	155 569	162 190
Unamortised upfront lease costs	40 553	43 972	45 413
Fair value of investment properties	11 933 846	9 266 116	10 578 676
Listed property investment	707 306	626 312	665 992
Derivative financial instruments	15 341	10 391	14 482
Current assets	307 349	240 531	199 523
Accounts receivable	219 629	198 621	148 048
Derivative financial instruments	11 632	12 567	6 172
Cash and cash equivalents	76 088	29 343	45 303
Non-current assets held for sale	541 900	476 425	180 328
Total assets	13 505 742	10 619 775	11 639 001
Equity and liabilities	,		
Participatory interest holders' capital and reserves	8 424 367	6 684 653	7003785
Non-current liabilities	3 302 627	1 424 920	2617964
Interest-bearing debt	3 260 617	1 363 914	2 573 916
Derivative financial instruments	42 010	49 981	44 048
Deferred taxation	_	11 025	_
Current liabilities	1 778 748	2 510 202	2 017 252
Short-term portion interest-bearing debt	1 399 738	1 893 170	1 379 864
Accounts payable	364 200	307 670	313 316
Derivative financial instruments	14 810	17 306	15 017
Distributions payable to participatory interest holders	_	292 056	309 055
Total equity and liabilities	13 505 742	10 619 775	11 639 001
		1	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHDENCED CONCOLIDATED CIA	I EL I EL I UI V	MINITOLO II	Lacini		
R'000	Participatory interest	Revaluation and other reserves	Retained earnings	Non- controlling interest	Total
Balance at 30 June 2013	3 618 255	2 976 706	(1 287)	(3 512)	6 590 162
Participatory interests repurchased	(68 135)				(68 135)
Total comprehensive income For the period			457 285	(2 602)	454 683
Distribution to participatory nterest holders			(292 057)		(292 057)
Fransfer to fair value reserve net of deferred taxation)		165 228	(165 228)		_
Balance at 31 December 2013	3 550 120	3 141 934	(1 287)	(6 114)	6 684 653
Balance at 1 July 2014	3 435 434	3 573 200	(3 549)	(1 300)	7 003 785
Participatory interests issued	374 268		(14 193)		360 075
Total comprehensive income for the period			1 062 734	(2 227)	1 060 507
Γransfer to fair value reserve		737 934	(737 934)		_
Balance at 31 December 2014	3 809 702	4 311 134	307 058	(3 527)	8 424 367

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended	Unaudited six months ended	Audited year ended
R'000	31 Dec 2014	31 Dec 2013	30 Jun 2014
Revenue	864 403	741 135	1 476 358
Operating lease rental income and tenant recoveries	837 473	716 721	1 448 914
Allowance for future rental escalations	26 930	24414	27444
Income from listed property investment	23 570	20 322	44 225
Property expenses	(294 882)	(281 780)	(559 216)
Acquisition costs	_	_	(2 262)
Fee paid on cancellation of interest-rate swap agreements	(31 839)	_	_
Administration expenses	(45 157)	(31 886)	(68 178)
Depreciation	(5 271)	(7 211)	(11 637)
Operating profit	510824	440 580	879 290
Net fair value adjustments	745 377	113 946	529 891
Net fair value gain on investment properties	699 133	86 072	461 603
Change in fair value as a result of straight-lining lease rentals	(26 930)	(24 414)	(27 444)
Change in fair value as a result of amortising upfront lease costs	4 282	(3 998)	(4 257)
Change in fair value as a result of property appreciation in value	721 781	114 484	493 304
Revaluation of derivative financial instrument relating to share appreciation rights scheme	4 930	(4416)	(3 682)
Unrealised gain on fair valuation of listed property investment	41 314	32 290	71 970
Profit before finance costs	1256201	554 526	1409181
Net finance costs	(195 694)	(104 041)	(226 849)
Finance income	5 651	5 233	13 546
Interest received	5 651	5 233	13 546
Finance costs	(201 345)	(109 274)	(240 395)
Interest paid and amortised borrowing costs	(208 204)	(131 313)	(276 019)
Interest capitalised to the cost of developments	5 110	7 783	15 945
Unrealised surplus on interest-rate swaps	1 749	14 256	19 679
Profit before income tax credit	1 060 507	450 485	1 182 332
Income tax credit	_	4 198	15 223
SA normal taxation	-	_	_
Deferred taxation	_	4 198	15 223
Revaluation of investment properties	-	_	_
 Other timing differences including allowance for future rental escalations 	_	4 198	15 223
Profit for the year	1 060 507	454 683	1 197 555
Attributable to Emira equity holders	1 062 734	457 285	1 195 343
Attributable to minority interests	(2 227)	(2602)	2 212
	1 060 507	454 683	1 197 555
Total comprehensive income			
Attributable to Emira equity holders	1 062 734	457 285	1 195 343
Attributable to minority interests	(2227)	(2602)	2 212
,	1.000.505	45.4.600	1 105 555

RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS AND DISTRIBUTION

1 060 507

454 683

1 197 555

R'000	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 Jun 2014
Profit for the period attributable to equity holders	1 060 507	454 683	1 197 555
Adjusted for:			
$Net fair value \ gain \ on \ revaluation \ of \ investment \ properties$	(699 133)	(86 072)	(461 603)
Headline earnings	361 374	368 611	735 952
Adjusted for:			
$Fee \ paid \ on \ cancellation \ of \ interest-rate \ swap \ agreements$	31 839	_	_
Depreciation	5 271	_	_
Allowance for future rental escalations	(26 930)	(24 414)	(27 444)
Amortised upfront lease costs	4 282	(3 998)	(4 257)
$Revaluation of share appreciation rights scheme \\ derivative financial instrument$	(4 930)	4 416	3 682
Unrealised gain on listed property investment	(41 314)	(32 290)	(71 970)
Unrealised surplus on interest-rate swaps	(1 749)	(14 256)	(19 679)
Charge/(credit) in respect of leave pay provision and share appreciation rights scheme	2 227	(1 814)	(2 212)
Acquisition costs	_	_	2 262
Deferred taxation — other timing differences	_	(4 198)	(15 223)
Distribution payable to participatory interest holders	330 070	292 057	601 111
Distribution per participatory interest			
Interim (cents)	64,65	59,31	59,31
Final (cents)	_	_	63,87
	64,65	59,31	123,18
Number of participatory interests in issue at the end of the period $$	510 550 084	492 423 583	483 881 040
Weighted average number of participatory interests in issue	505 886 788	493 816 182	490 270 328
Earnings per participatory interest (cents)	209,63	92,08	244,26
The calculation of earnings per participatory interest is based on net profit for the period of R1 060,5 million (2013: R454,7 million), divided by the weighted average number of participatory interest in issue during the period of 505 886 788 (2013: 493 816 182).	od		
Headline earnings per participatory interest (cents)	71,43	74,65	150,11
The calculation of headline earnings per participatory in is based on net profit for the period, adjusted for non-tracitems, of R361,4 million (2013: R368,6 million), divided by weighted average number of participatory interests in iss during the period of 505 886 788 (2013: 493 816 182).			

71,43

150,11

74,65

 $Diluted\ head line\ earnings\ per\ participatory$

interest (cents)

COMPENSED STATEMENT OF CACH ELOWIC

CONDENSED STATEMENT OF CASH FLOWS			
R'000	Unaudited six months ended 31 Dec 2014	Unaudited six months ended 31 Dec 2013	Audited year ended 30 Jun 2014
Cash generated from operations	509 331	396 547	892 472
Finance income	5 6 5 1	5 233	13 546
Interest paid	(208 204)	(131 313)	(276 019)
$Fee \ paid \ on \ cancellation \ of \ interest-rate \ swap \ agreements$	(31 839)	_	_
Acquisition costs	_	_	(2 262)
Distribution to participatory interest holders	(323 248)	(292 910)	(584 966)
Net cash (utilised in)/generated from operating activities	(48 309)	(22 443)	42 771
Acquisition of, and additions to, investment properties and fixtures and fittings	(257 258)	(345 015)	(560 065)
Proceeds on disposal of investment properties and fixtures and fittings	93 828	118 936	313 079
Acquisition of subsidiary	(448 279)	_	(281 232)
$Acquisition\ of\ investment\ in\ listed\ property\ fund$	_	(56 920)	(56 920)
Net cash utilised in investing activities	(611 709)	(282 999)	(585 138)
Participatory interests issued/(re-purchased)	374 268	(68 135)	(182 821)
Increase in interest-bearing debt	1 586 731	384 362	2572782
Interest-bearing debt repaid	(1 266 480)	_	(1 820 000)
Derivative acquired in respect of share appreciation rights scheme	(3 716)	(4 080)	(4 929)
Net cash generated from financing activities	690 803	312 147	565 032
Net increase in cash and cash equivalents	30 785	6 705	22 665
Cash and cash equivalents at the beginning of the period	45 303	22 638	22 638
Cash and cash equivalents at the end of the period	76 088	29 343	45 303

SEGMENTAL INFORMATION

Sectoral segments				
Revenue	393 504	341 825	129074	864 403
Revenue	384 269	328 005	125 199	837 473
Allowance for future rental escalations	9 235	13 820	3 875	26 930
Segmental result				
Operating profit	247077	207921	87 365	(31 539) 510 824
Investment properties	5 715 538	4860610	1899598	12 475 746
Geographical segments				
Revenue				
— Gauteng	284 963	214518	84 809	584 290
 Western and Eastern Cape 	56821	32874	24453	114 148
— KwaZulu-Natal	27 118	49 041	15 937	92 096
— Free State	15 367	31 572		46 939
	384 269	328 005	125 199	837 473
Investment properties				
— Gauteng	4 345 966	3348005	1307748	9 001 719

Free State

Western and Eastern Cape

KwaZulu-Natal

MEASUREMENTS OF FAIR VALUE Financial instruments

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

457 508

606 497

448 600

5 715 538 4 860 610 1 899 598

365 100

226 750

Dec 2014 Dec 2014 Dec 2014 Dec 2013 Dec 2013 Dec 2013

1666480

1 190 847

616 700

12 475 746

 $843\,872$

357600

168 100

Assets						
Investments	707 306			626 312		
Derivative financial instruments		12 076	14 897		14 506	8 452
Total	707 306	12 076	14 897	626 312	14 506	8 452
Liabilities						
Derivative financial instruments		56 820			67 287	
Total	_	56 820	_	_	67 287	
Net fair value	707 306	(44 744)	14 897	626 312	(52.781)	8 452

Measurement of fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

by reference to quoted closing prices at the reporting date.

Derivative financial instruments

The fair values of the interest rate swap contracts are determined using discounted cashflow projections, based on estimates of future cash flows, supported by the terms of the $relevant\ swap\ agreements\ and\ external\ evidence\ such\ as\ the\ ZAR\ 0-coupon\ perfect-fit$ swap curve. The call option contracts to the value of R14,9 million are valued using a Black Scholes option pricing model.

Manager: BJ van der Ross (Chairman)*, JWA Templeton (Chief Executive Officer), MS Aitken*, BH Kent**, GM Jennett, V Mahlangu**, NE Makiwane*, W McCurrie*, MSB Neser**, V Nkonyeni*, U van Biljon, G van Zyl** *Non-executive Director **Independent Non-executive Director Registered address: Optimum House, Epsom Downs Office Park, 13 Sloane Street, Bryanston, 2191 Sponsor: Rand Merchant $Bank \, (a \, division \, of \, First Rand \, Bank \, Limited) \, \, \textbf{Transfer Secretaries:} \, Computer share \, \, \\$ Investor Services (Ptv) Ltd. 70 Marshall Street, Johannesburg, 2001 EMIRA PROPERTY FUND (A property fund created under the Emira Property

Fund Manager: Strategic Real Estate Managers (Pty) Ltd Directors of the Fund

Scheme, registered in terms of the Collective Investment Schemes Control Act No. 45 of 2002) Share code: EMI ISIN: ZAE000050712 ("Emira" or "the Fund") Tax number: 0047/321/15/3 (Approved as a REIT by the JSE)

