

REVIEWED FINANCIAL RESULTS

For the year ended
30 June 2016 and dividend
distribution declaration

| | |
|---------------------------------------|---------|
| Growth in distributions | +8,8% |
| Final dividend per share | 75,76c |
| Total FY 2016 distributions per share | 146,10c |
| Distributable income | R745,9m |
| Fixed debt | 93,1% |



Results

The recent acquisitions and the contractual escalations on the bulk of the portfolio, together with the good leasing progress and stringent cost control, resulted in the Fund achieving an increase in distributable income during the year.

Excluding the straight-lining adjustments in respect of future rental escalations, revenue rose year-on-year by 5,6%. This was positively impacted by acquisitions and organic growth from the existing portfolio as well as increased recoveries of municipal expenses, offset by disposals and rent reversions.

Rental income includes an accrual of R18,1m in relation to Worley Parsons with whom the Fund is in dispute regarding their premature vacation of their leased premises at Emira's Corobay Corner building in Menlyn, Pretoria. This accrual represents the contractual rental due for the 12 months to 30 June 2016, less rentals achieved on subletting portions of the area previously occupied by Worley Parsons.

Property expenses were well contained with the gross cost-to-income ratio unchanged at 34,4% (June 2015: 34,4%).

Administration expenses, which include staff costs and property management fees, increased by 7,4% to R88,5m (June 2015: R82,4m).

As previously disclosed, from 1 July 2015 lease commission costs are no longer expensed in full in the year in which they are incurred for distribution calculation purposes, but are rather spread over the life of the lease. This resulted in the distribution for the year ended 30 June 2016 being R20,0m higher (3,92 cents per share) than it would have been had this change not taken place.

Income from the Fund's listed investment in GOZ increased by 22,5% due to an increase in the distribution per unit received, the lower dividend withholding tax and the depreciation of the rand against the AUD.

Finance costs increased by 1,4% as a result of higher interest rates and the utilisation of additional debt facilities to fund new developments, refurbishments and acquisitions, and was partially offset by lower funding rates achieved on cross-currency interest-rate swaps.

Net asset value ("NAV") decreased by 0,9% year-on-year, from 1 751 cents per share to 1 735 cents per share mainly due to a reduction in the value of the property portfolio as a result of increased capitalisation and discount rates.

DISTRIBUTION STATEMENT

| R'000 | Year ended 30 Jun 2016 | Year ended 30 Jun 2015 | % change |
|---|---------------------------|---------------------------|-------------|
| Operating lease rental income and tenant recoveries excluding straight-lining of leases | 1 780 516 | 1 686 670 | 5,6 |
| Net property expenses | (613 027) | (580 756) | 5,6 |
| Property expenses excluding amortised upfront lease costs | (633 052) | (580 756) | 9,0 |
| Amortised lease commissions | 20 025 | - | 100,0 |
| Net property income | 1 167 489 | 1 105 914 | 5,6 |
| Income from listed property investment | 58 045 | 47 388 | 22,5 |
| Administration expenses | (88 472) | (82 379) | 7,4 |
| Depreciation | (233) | (217) | 7,4 |
| Net finance costs | (390 915) | (385 190) | 1,5 |
| Finance income | 10 474 | 10 833 | (3,3) |
| Finance costs | (401 389) | (396 023) | 1,4 |
| Interest paid and amortised borrowing costs | (411 767) | (401 133) | 2,7 |
| Interest capitalised to the cost of developments | 10 378 | 5 110 | 103,1 |
| Dividend payable to shareholders | 745 914 | 685 516 | 8,8 |
| Number of shares in issue | 510 550 084 | 510 550 084 | - |
| Dividend per share (cents) | 146,10 | 134,27 | 8,8 |

Disposals

PROPERTIES TRANSFERRED OUT OF EMIRA DURING THE 12 MONTHS TO 30 JUN 2016

| Property | Sector | Location | GLA (m ²) | Book value (Rm) | Sale price (Rm) | Exit yield (%) | Effective date |
|--|--------|------------------|-----------------------|-----------------|-----------------|----------------|----------------|
| Brandwag Shopping Centre and Kosmos Woonstelle | Retail | Bloemfontein CBD | 12 328 | 159,0 | 250,0 | 6,5 | Sep 2015 |
| 1289 Heuwel Avenue | Retail | Centurion | 2 049 | 10,0 | 11,5 | 4,7 | Mar 2016 |
| 284 Oak Avenue | Office | Randburg | 3 787 | 22,0 | 23,0 | 7,7 | Jun 2016 |
| | | | 18 164 | 191,0 | 284,5 | 6,5 | |

Vacancies

| | Number of buildings Jun 2015 | GLA Jun 2015 (m ²) | Vacancy Jun 2015 (m ²) | % | Number of buildings Jun 2016 | GLA Jun 2016 (m ²) | Vacancy Jun 2016 (m ²) | % |
|--------------|------------------------------|--------------------------------|------------------------------------|------------|------------------------------|--------------------------------|------------------------------------|------------|
| Office | 62 | 395 492 | 30 968 | 7,8 | 61 | 404 081 | 42 225 | 10,5 |
| Retail | 37 | 408 275 | 11 237 | 2,8 | 38 | 415 242 | 11 581 | 2,8 |
| Industrial | 46 | 373 292 | 5 284 | 1,4 | 45 | 366 666 | 8 910 | 2,4 |
| Total | 145 | 1 177 059 | 47 489 | 4,0 | 144 | 1 185 989 | 62 716 | 5,3 |

Valuations

TOTAL PORTFOLIO MOVEMENT

| Sector | Jun 2015 (R'000) | R/m ² | Jun 2016 (R'000) | R/m ² | Difference (%) | Difference (R'000) |
|------------|-------------------|------------------|-------------------|------------------|----------------|--------------------|
| Office | 5 660 604 | 14 313 | 5 713 237 | 14 139 | 0,9 | 52 633 |
| Retail | 5 139 666 | 12 589 | 5 370 812 | 12 934 | 4,5 | 231 146 |
| Industrial | 1 940 823 | 5 199 | 1 880 830 | 5 130 | (3,1) | (59 993) |
| | 12 741 093 | | 12 964 879 | | 1,8 | 223 786 |

Debt

Emira has a moderate level of gearing with interest-bearing debt to total property assets of 35,4% as at 30 June 2016. The Fund has fixed 93,1% of its debt for periods of between 0,4 and 8,4 years, with a weighted average duration of 3,0 years.

| | Weighted average rate % | Weighted average term | Amount (Rm) | % of debt |
|---|-------------------------|-----------------------|----------------|--------------|
| Debt - Swap | 7,9 | 3,0 years | 4 637,1 | 93,1 |
| Debt - Floating | 8,8 | | 344,8 | 6,9 |
| Total | 8,0 | | 4 981,9 | 100,0 |
| Less: Costs capitalised not yet amortised | | | (3,7) | |
| Per statement of financial position | | | 4 978,2 | |

Worley Parsons update

As previously advised, Emira is currently in dispute with Worley Parsons, a major tenant at Corobay Corner in Menlyn, Pretoria, regarding its lease obligations contracted for until February 2022. Worley Parsons vacated the premises on 31 May 2015. Settlement proposals were rejected by both parties and the case moved to arbitration. The matter was due to be heard in May 2016, however Worley Parsons submitted an amendment to its defence, which necessitated a postponement. The case is now expected to be heard at the end of November 2016. Emira remains confident of its legal position. The contractual income due by Worley Parsons for the current period, less sublease rental income received, has been accounted for in the 12 months to 30 June 2016. All portfolio statistics mentioned in this commentary are calculated as if Worley Parsons had remained in occupation at Corobay Corner in accordance with the terms and conditions of its existing lease.

Corporate action

As announced on SENS on 28 July 2016, the Board of Directors of Emira unanimously rejected the non-binding expression of interest received from Arrowhead Properties Limited ("Arrowhead") to acquire all or the majority of the issued share capital of Emira in a ratio of 1,67 Arrowhead shares for each Emira share. The Board concluded that the proposal was not in the best interests of shareholders.

Prospects

Macro-economic conditions remain challenging with South African GDP growth expected to be stagnant for the remainder of 2016. The continued economic pressure on tenants, together with the over-supply of commercial office space, is expected to negatively impact rentals.

As announced on SENS on 20 June 2016 the Fund forecasts a negative growth in its distributions per share of 2% for the year to 30 June 2017. The forecast negative growth is primarily as a result of increased vacancies in the Fund's office portfolio together with expected negative rental reversions.

The Emira Board has embarked on a strategy to improve the Fund's sectorial allocations, by reducing its office exposure, to ensure that the portfolio is better positioned for future periods.

Emira's Board is conscious of the Fund's share price performance over the last 12 months and the divergence between the Fund's equity value on the stock exchange compared to its book value. Immediately prior to 30 June 2016 Emira commenced an on-market share buy-back strategy reflecting its confidence in its prospects relative to the share price. This and other strategies will continuously be evaluated in the forthcoming period.

This forecast has not been reviewed and reported on by the Company's external auditors.

COMMENTARY

The Emira Board of Directors is pleased to announce that a final dividend of 75,76 cents per share has been declared for the six months to 30 June 2016. This brings the full year distribution per share to 146,10 cents which is a year-on-year increase of 8,8% and in line with the guidance provided after the six month period to 31 December 2015.

Vacancies and tenant renewals

Vacancies have increased marginally from 4,0% at 30 June 2015 to 5,3% at year-end. Emira's vacancy levels at a sector level are either in-line with or better than SAPOA's national benchmarks. Specifically, Emira's office sector vacancies are in-line with SAPOA national levels of 10,5%, retail sector vacancies at 2,8% are well below the national average of 5,3% and industrial vacancies of 2,4% are also lower than the national average of 4,0%. Emira continues to manage its vacancies through a combination of tenant retention and letting strategies and in some instances the potential sale of properties.

A total of 75% by GLA (or 77% by revenue) of expiring tenants were renewed and retained during the 12 months to 30 June 2016.

Major leases concluded

The largest new leases concluded for the 12 months ending 30 June 2016 were at Gateway Landing in Pretoria (3 842m²), Universal Industrial Park in Durban (3 089m²) and Technohub in Midrand (2 753m²). The largest renewals were Defy at the Defy Appliances building in Denver (10 100m²), Mitek in Midrand (6 604m²), Salga at Menlyn Corporate Park in Menlyn (5 939m²), Spoor and Fisher at Highgrove Office Park in Centurion (5 814m² - short term until September 2016) and Evapco in Isando (5 715m²).

Acquisitions

During the year Emira completed four acquisitions at a total cost of R244,4m and a blended yield of 7,9%. The acquisitions include:

- a 50% undivided share in Mitchells Plain Town Centre in the Western Cape for a purchase price of R77,6m at an initial yield of 9,3%;
- the remaining 40% of Ben Fleur Boulevard, a convenience centre located in Emalaheni, for R59,2m plus R4,0m for extra bulk, at an initial yield of 8,8% or blended yield of 8,2%;
- 1 West Street, a greenfield site of 4,2 hectares with 24 577m² of bulk commercial rights located opposite the Gautrain Station in the new Centurion CBD for R17,2m; and
- a 50% undivided share in five buildings comprising Summit Place, the P-grade commercial development in Menlyn, Pretoria, for a total amount of R403,5m upon final completion, at an average yield of 8,1%. Summit Place A and Summit Place C, the two completed office buildings in the Summit Place development, transferred in December 2015 at a cost of R86,4m. The balance of Summit Place, which comprises office and retail space, is being developed by Emira and its partners with an expected final completion date in January 2017. By 30 June 2016, R195,7m had been paid for the land and development costs for Summit Place D, Summit Place E and Summit Place G1.

Disposals

The strategy to dispose of non-core buildings continued during the year under review. The following three properties, totalling R284,5m, were sold and transferred out of Emira during the 12 months to 30 June 2016: Brandwag Shopping Centre and Kosmos Woonstelle; 1289 Heuwel Avenue; and 284 Oak Avenue. These three properties were sold at a combined forward yield of 6,5% and a combined 49,0% premium to book value.

At 30 June 2016, the Fund had committed to selling a further 18 properties valued at R835,0m, which have been classified as held for sale.

Emira will continue to rebalance its portfolio, through strategic disposals, to reduce its office exposure and additional initiatives are planned to further rebalance the sectorial exposures into other, more defensive sectors.

Refurbishments and extensions

Projects to modernise, extend and redevelop six buildings are currently underway totalling approximately R759,9m, the most significant of which are the redevelopment of Knightsbridge Manor Office Park ("Knightsbridge") in Bryanston and Kramerville Corner in Kramerville.

The redevelopment of the prime-located Knightsbridge commenced in November 2015 and the development will offer 29 419m² of prime P-grade office space on final completion. The R813,8m project is being undertaken in three phases, with the first phase set to be completed in November 2017 at a cost of R339m with 47% pre-let to WSP|Parsons Brinckerhoff. The new office park will attain a minimum 4-Star Green Star SA rating from the Green Building Council South Africa.

The major upgrade and refurbishment of Kramerville Corner is nearing completion. As a result of letting demand, the scope of the project was extended and it is expected to be completed by the end of September 2016 at a total cost of R85,5m with a first year yield of 9,5%.

The number of projects underway reflects the Fund's strategy to continually upgrade and maintain the portfolio and extract value from existing bulk.

Gearing

Emira has diversified its sources of funding and now has banking facilities in place with all of the major South African banks. In addition, Emira continues to successfully access funding via the debt capital markets at competitive rates despite fears of liquidity tightening.

Total debt as at 30 June 2016 was R4,9bn with a weighted average duration to expiry of 1,7 years. The average duration of the debt has decreased slightly as a result of the passage of time, however active steps are underway to extend long dated term debt, which is expiring over the next 12 months. The debt expiry profile has been managed to ensure that the amount of debt expiring in any one period is manageable. At 30 June 2016, the Fund had R722,0m of undrawn, backup facilities which further reduces debt refinance risk.

Funding activities during the first six months of the financial year under review included:

| Date | | Amount (Rm) | All-in-rate (%) |
|-----------|--|-------------|-----------------|
| 19 Aug 15 | Repayment of 4-year domestic medium term notes | 500 | 7,53 |
| 19 Aug 15 | Issue of 3-year domestic medium term notes | 430 | 8,09 |
| 19 Aug 15 | Issue of 5-year domestic medium term notes | 70 | 8,28 |
| 24 Aug 15 | Repayment of 6-month commercial paper | 175 | 7,15 |
| 24 Aug 15 | Issue of 6-month commercial paper | 42 | 7,38 |
| 24 Aug 15 | Issue of 12-month commercial paper | 158 | 7,78 |
| 01 Sep 15 | Extension of RMB 7th term loan to 3 years | 500 | 8,23 |
| 01 Sep 15 | Extension of RMB 8th term loan to 4 years | 385 | 8,33 |
| 11 Sep 15 | Drawdown of 2-year ABSA facility | 165 | 7,90 |
| 05 Nov 15 | Repayment of 12-month commercial paper | 250 | 7,25 |
| 05 Nov 15 | Issue of 3-month commercial paper | 10 | 7,03 |
| 05 Nov 15 | Issue of 6-month commercial paper | 70 | 7,48 |
| 05 Nov 15 | Issue of 12-month commercial paper | 170 | 7,76 |

Funding activities during the second six months of the financial year under review included:

| Date | | Amount (Rm) | All-in-rate (%) |
|-----------|--|-------------|-----------------|
| 04 Feb 16 | Repayment of 3-month commercial paper | 10 | 6,77 |
| 04 Feb 16 | Issue of 6-month commercial paper | 42 | 7,99 |
| 22 Feb 16 | Issue of 6-month commercial paper | 30 | 8,13 |
| 23 Feb 16 | Repayment of 12-month commercial paper | 137 | 7,68 |
| 23 Feb 16 | Repayment of 6-month commercial paper | 42 | 7,24 |
| 23 Feb 16 | Issue of 12-month commercial paper | 179 | 8,18 |
| 04 May 16 | Repayment of 6-month commercial paper | 70 | 7,83 |
| 04 May 16 | Issue of 6-month commercial paper | 70 | 8,17 |
| 24 Jun 16 | Drawdown of 12-month Investec facility | 15 | 8,25 |

During the six months to 30 June 2016 the Fund concluded a R155m two-year secured facility with the Bank of China, a R200m two-year secured facility with Nedbank and a 12-month unsecured facility of R200m with Investec. These additional facilities together with a new R300m four-year secured facility concluded with Standard Bank post 30 June 2016, remain largely undrawn and provide the Fund with sufficient liquidity to take advantage of opportunities as they arise.

Fixed interest rate hedges totalled R4,6bn at 30 June 2016, equating to 93,1% of the Fund's total debt balance. The hedging percentage is expected to be maintained at or around this level with further interest rate hedges to be acquired as new debt is drawn down on the Knightsbridge and Summit Place development projects.

In June 2016, Emira entered into a further AUD58,0m of cross-currency interest-rate swaps at a weighted average fixed rate of 2,1% for an average duration of 2,9 years, increasing its effective Australian dollar ("AUD") denominated debt to 97,7% of its investment in Growthpoint Australia Limited ("GOZ"). The extent of the exposure to AUD debt will be managed accordingly as the rand versus AUD exchange rate changes.

Growthpoint Australia Limited

As at 30 June 2016, GOZ's unit price was AUD3,15 resulting in Emira's investment of 27 225 813 units, comprising 4,9% of the total units in issue, being valued at R940,4m compared with the initial cost price of R372,0m.

As outlined above, Emira has entered into cross-currency interest-rate swaps pursuant to which it is liable for AUD interest at a weighted average fixed rate of 2,1% and receives rand interest at the 3-month JIBAR rate. Emira plans to maintain its holding in GOZ and continue its active cross-currency interest-rate swap programme to provide international exposure and diversification, while maximising income from its holding.

Dividend distribution declaration

The Board has approved and notice is hereby given that a gross final dividend of 75,76 cents per share has been declared (2015: 69,62 cents), payable to the registered shareholders of Emira Property Fund Limited on 12 September 2016. The issued share capital at the declaration date is 510 550 084 listed ordinary shares. The source of the dividend comprises net income from property rentals, income earned from the Company's listed property investment and interest earned on cash on deposit. Please refer to the condensed consolidated statement of comprehensive income for further details.

Tax implications

In accordance with Emira's status as a REIT, shareholders are advised that the dividend 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 shareholders (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 shareholder. These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have provided the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- a declaration that the dividend is exempt from dividends tax; and
- 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. Shareholders 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 dividend, if such documents have not already been submitted.

Qualifying dividends received by non-resident shareholders 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 shareholder. Assuming dividend withholding tax will be withheld at a rate of 15%, the net amount due to non-resident shareholders will be 64,3960 cents per share. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of the uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- 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 shareholders 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 dividend if such documents have not already been submitted, if applicable.

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

Last day to trade cum dividend Tuesday, 6 September 2016
Shares trade ex dividend Wednesday, 7 September 2016

Record date Friday, 9 September 2016
Payment date Monday, 12 September 2016

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 September 2016 and Friday, 9 September 2016, both days inclusive.

By order of the Emira Property Fund Limited Board

| | | |
|--|-------------------------------------|---|
| Meredith Leyds Company Secretary | Ben van der Ross Chairman | Geoff Jennett Chief Executive Officer |
|--|-------------------------------------|---|

Bryanston, 17 August 2016

Basis of preparation and accounting policies

These condensed consolidated preliminary financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The accounting policies used in the preparation of these financial statements are consistent with those used in the audited annual financial statements for the year ended 30 June 2015.

This report was compiled under the supervision of Greg Booyens CA (SA), the Chief Financial Officer of Emira.

These condensed consolidated preliminary financial statements for the year ended 30 June 2016 have been reviewed by PricewaterhouseCoopers Inc., who have expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at Emira's registered office together with the financial statements identified in the auditor's report. The distribution statement was not reviewed.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUN 2016

| R'000 | Reviewed year ended 30 Jun 2016 | Audited year ended 30 Jun 2015 |
|---|---------------------------------|--------------------------------|
| Assets | | |
| Non-current assets | 13 085 752 | 13 274 255 |
| Investment properties | 11 752 399 | 12 035 656 |
| Fixtures and fittings | 67 302 | 55 288 |
| Allowance for future rental escalations | 292 077 | 286 762 |
| Unamortised upfront lease costs | 18 101 | 44 387 |
| Fair value of investment properties | 12 129 879 | 12 422 093 |
| Listed property investment | 940 364 | 796 930 |
| Accounts receivable and prepayments | - | 39 177 |
| Derivative financial instruments | 15 509 | 16 055 |
| Current assets | 373 709 | 247 809 |
| Accounts receivable and prepayments | 301 312 | 181 726 |
| Derivative financial instruments | 16 848 | 12 872 |
| Cash and cash equivalents | 55 549 | 53 211 |
| Investment properties held for sale | 835 000 | 319 000 |
| Total assets | 14 294 461 | 13 841 064 |
| Equity and liabilities | | |
| Share capital and reserves | 8 857 648 | 8 940 015 |
| Non-current liabilities | 3 969 252 | 3 463 985 |
| Interest-bearing debt | 3 944 172 | 3 448 396 |
| Derivative financial instruments | 25 080 | 15 589 |
| Current liabilities | 1 467 561 | 1 437 064 |
| Short-term portion of interest-bearing debt | 1 034 000 | 1 061 965 |
| Accounts payable | 396 250 | 362 070 |
| Derivative financial instruments | 37 311 | 11 252 |
| Taxation | - | 1 777 |
| Total equity and liabilities | 14 294 461 | 13 841 064 |
| Net asset value per share (cents) | 1734,9 | 1751,3 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| R'000 | Shares | Revaluation and other reserves | Retained earnings | Non-controlling interest | Total |
|---|------------------|--------------------------------|-------------------|--------------------------|------------------|
| Balance at 30 June 2014 (as restated) | 3 435 434 | 3 573 200 | 305 506 | (1 300) | 7 312 840 |
| Participatory interests issued | 360 075 | - | - | - | 360 075 |
| Total comprehensive income/(loss) for the year | - | - | 1 910 187 | (3 962) | 1 906 225 |
| Distribution to participatory interest holders – September 2014 | - | - | (309 055) | - | (309 055) |
| Distribution to participatory interest holders – March 2015 | - | - | (330 070) | - | (330 070) |
| Transfer to fair value reserve | - | 1 235 555 | (1 235 555) | - | - |
| Balance at 30 June 2015 | 3 795 509 | 4 808 755 | 341 013 | (5 262) | 8 940 015 |
| REIT restructure costs | (7 881) | - | - | - | (7 881) |
| Acquisition of non-controlling interest in STREM | - | - | (5 262) | 5 262 | - |
| Total comprehensive income/(loss) for the year | - | - | 640 080 | - | 640 080 |
| Transfer to fair value reserve | - | (95 503) | 95 503 | - | - |
| Dividend paid – September 2015 | - | - | (355 445) | - | (355 445) |
| Dividend paid – March 2016 | - | - | (359 121) | - | (359 121) |
| Balance at 30 June 2016 | 3 787 628 | 4 713 252 | 356 768 | - | 8 857 648 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| R'000 | Reviewed year ended 30 Jun 2016 | Audited year ended 30 Jun 2015 |
|---|---------------------------------|--------------------------------|
| Revenue | 1 796 951 | 1 811 968 |
| Operating lease rental income and tenant recoveries | 1 780 516 | 1 686 670 |
| Allowance for future rental escalations | 16 435 | 125 298 |
| Income from listed property investment | 58 045 | 47 388 |
| Property expenses | (637 805) | (581 752) |
| Fee paid on cancellation of interest-rate swap agreements | - | (36 641) |
| Administration expenses | (84 612) | (86 341) |
| Depreciation | (14 840) | (9 324) |
| Operating profit | 1 117 739 | 1 145 298 |
| Net fair value adjustments | (83 347) | 1 113 841 |
| Net fair value (loss)/gain on revaluation of investment properties | (201 028) | 983 226 |
| Change in fair value as a result of straight-lining lease rentals | (16 435) | (125 298) |
| Change in fair value as a result of amortising upfront lease costs | 24 778 | 996 |
| Change in fair value as a result of property (depreciation)/appreciation in value | (209 371) | 1 107 528 |
| Revaluation of share appreciation rights scheme derivative financial instrument | (25 753) | 6 350 |
| Impairment charge | - | (6 673) |
| Unrealised gain on fair valuation of listed property investment | 143 434 | 130 938 |
| Profit before finance costs | 1 034 392 | 2 259 139 |
| Net finance costs | (394 306) | (351 137) |
| Finance income | 10 896 | 10 833 |
| Interest received | 10 896 | 10 833 |
| Finance costs | (405 202) | (361 970) |
| Interest paid | (401 389) | (396 023) |
| Unrealised (deficit)/surplus on interest-rate swaps | (3 813) | 34 053 |
| Profit before income tax charge | 640 086 | 1 908 002 |
| Income tax charge | (6) | (1 777) |
| SA normal taxation | (6) | (1 777) |
| Profit for the year | 640 080 | 1 906 225 |
| Attributable to Emira shareholders | 640 080 | 1 910 187 |
| Attributable to minority interests | - | (3 962) |
| 640 080 | 1 906 225 | |
| Total comprehensive income | | |
| Attributable to Emira shareholders | 640 080 | 1 910 187 |
| Attributable to minority interests | - | (3 962) |
| 640 080 | 1 906 225 | |

RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS AND DISTRIBUTION

| R'000 | Reviewed year ended 30 Jun 2016 | Audited year ended 30 Jun 2015 |
|--|---------------------------------|--------------------------------|
| Profit for the year | 640 080 | 1 906 225 |
| Adjusted for: | | |
| Net fair value loss/(gain) on revaluation of investment properties | 201 028 | (983 226) |
| Headline earnings | 841 108 | 922 999 |
| Adjusted for: | | |
| Allowance for future rental escalations | (16 435) | (125 298) |
| Amortised upfront lease costs | 24 778 | 996 |
| Unrealised surplus on revaluation of interest-rate swaps | 3 813 | (34 053) |
| Revaluation of share appreciation rights scheme derivative financial instrument | 25 753 | (6 350) |
| Unrealised gain on listed property investment | (143 434) | (130 938) |
| (Credit)/charge in respect of leave pay provision and share appreciation rights scheme | (4 238) | 3 962 |
| Depreciation | 14 563 | 9 107 |
| Impairment charge | - | 6 673 |
| Fee paid on cancellation of interest-rate swap agreements | - | 36 641 |
| SA normal taxation | 6 | 1 777 |
| Distribution payable to shareholders | 745 914 | 685 516 |
| Dividend per share | | |
| Interim (cents) | 70,34 | 64,65 |
| Final (cents) | 75,76 | 69,62 |
| Total (cents) | 146,10 | 134,27 |
| Number of shares in issue at the end of the year | 510 550 084 | 510 550 084 |
| Weighted average number of shares in issue | 510 550 084 | 508 199 272 |
| Earnings per share (cents) | 125,37 | 375,09 |
| The calculation of earnings per share is based on net profit for the year of R640,1 million (2015: R1 907,2 million), divided by the weighted average number of shares in issue during the year of 510 550 084 (2015: 508 199 272). | | |
| Headline earnings per share (cents) | 164,75 | 181,62 |
| The calculation of headline earnings per share is based on net profit for the year, adjusted for headline items, of R841,1 million (2015: R923,0 million), divided by the weighted average number of shares in issue during the year of 510 550 084 (2015: 508 199 272). | | |
| Diluted headline earnings per share (cents) | 164,75 | 181,62 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| R'000 | Reviewed year ended 30 Jun 2016 | Audited year ended 30 Jun 2015 |
|---|---------------------------------|--------------------------------|
| Cash generated from operations | 1 095 408 | 1 037 433 |
| Finance income | 10 896 | 10 833 |
| Interest paid | (411 767) | (401 133) |
| Derivative acquired in respect of share appreciation rights scheme | - | (3 636) |
| Fee paid on cancellation of interest-rate swaps | - | (36 641) |
| Dividends paid to shareholders | (714 566) | (639 126) |
| Cash flows from operating activities | (20 029) | (32 270) |
| Acquisition of, and additions to, investment properties | (695 282) | (350 926) |
| Acquisition of, and additions to, fixtures and fittings | (26 781) | (17 681) |
| Proceeds on sale of investment properties and fixtures and fittings | 284 500 | 326 732 |
| Acquisition of subsidiaries, net of cash acquired | - | (448 279) |
| Cash flows from investing activities | (437 563) | (490 154) |
| REIT restructure costs | (7 881) | 360 075 |
| Interest-bearing debt raised | 2 620 327 | 2 512 808 |
| Interest-bearing debt repaid | (2 152 516) | (2 342 551) |
| Cash flows from financing activities | 459 930 | 530 332 |
| Net increase in cash and cash equivalents | 2 938 | 7 908 |
| Cash and cash equivalents at the beginning of the year | 53 211 | 45 303 |
| Cash and cash equivalents at the end of the year | 55 549 | 53 211 |

SEGMENTAL INFORMATION

| R'000 | Office | Retail | Industrial | Administrative and corporate | Total |
|---|----------------|----------------|----------------|------------------------------|------------------|
| Sectoral segments | | | | | |
| Revenue | 746 978 | 781 292 | 268 681 | - | 1 796 951 |
| Revenue | 770 255 | 742 686 | 267 575 | - | 1 780 516 |
| Allowance for future rental escalations | (23 277) | 38 606 | 1 106 | - | 16 435 |
| Segmental information | | | | | |
| Operating profit | 443 441 | 483 808 | 173 784 | 16 706* | 1 117 739 |
| Investment properties | 5 713 237 | 5 370 812 | 1 880 830 | - | 12 964 879 |
| Geographical segments | | | | | |
| Revenue | | | | | |
| - Gauteng | 539 883 | 526 333 | 181 568 | - | 1 247 784 |
| - Western and Eastern Cape | 114 938 | 87 319 | 48 500 | - | 250 757 |
| - KwaZulu-Natal | 59 277 | 123 985 | 38 613 | - | 221 875 |
| - Free State | 32 880 | 43 655 | - | - | 76 535 |
| | 746 978 | 781 292 | 268 681 | - | 1 796 951 |
| Investment properties | | | | | |
| - Gauteng | 4 223 137 | 3 875 762 | 1 263 250 | - | 9 362 149 |
| - Western and Eastern Cape | 921 600 | 590 450 | 369 150 | - | 1 881 200 |
| - KwaZulu-Natal | 402 800 | 691 600 | 248 430 | - | 1 342 830 |
| - Free State | 165 700 | 213 000 | - | - | 378 700 |
| | 5 713 237 | 5 370 812 | 1 880 830 | - | 12 964 879 |

* Includes income from listed property investment of R58,0 million less general Fund expenses of R41,3 million.

MEASUREMENTS OF FAIR VALUE

1. 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:

| R'000 | Level 1 2016 | Level 2 2016 | Level 3 2016 | Total 2016 | Level 1 2015 | Level 2 2015 | Level 3 2015 | Total 2015 |
|----------------------------------|----------------|-----------------|--------------|----------------|----------------|-----------------|---------------|----------------|
| GROUP | | | | | | | | |
| Assets | | | | | | | | |
| Investments | 940 364 | - | - | 940 364 | 796 930 | - | - | 796 930 |
| Derivative financial instruments | - | 28 049 | 4 308 | 32 357 | - | 14 401 | 14 526 | 28 927 |
| Total | 940 364 | 28 049 | 4 308 | 972 721 | 796 930 | 14 401 | 14 526 | 825 857 |
| Liabilities | | | | | | | | |
| Derivative financial instruments | - | 62 391 | - | 62 391 | - | 26 841 | - | 26 841 |
| Total | - | 62 391 | - | 62 391 | - | 26 841 | - | 26 841 |
| Net fair value | 940 364 | (34 342) | 4 308 | 910 330 | 796 930 | (12 440) | 14 526 | 799 016 |

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

Investments

This comprises shares held in a listed property company at fair value which is determined 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 cash flow 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 fair values of the cross-currency interest-rate swap contracts are valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.

The AUD forward exchange contracts are valued by discounting the forward rates applied at year-end to the open hedged positions.

The call option contracts relating to the employee share scheme are valued using a Black Scholes option pricing model. The expected volatility of the unit price of the call options was 35,8% and the risk-free discount rate used ranged between 7,2% and 7,7%. Management considers the key input in the valuation to be the spot price. A 10% increase in the spot price results in an increase to the call options of R1,8m. A 10% decrease in the spot price results in a decrease to the call options of R1,4m. The call option contracts have been classified as Level 3. During the year R2,5m of the option premiums relating to these contracts were amortised and a fair value loss of R7,7m was recognised at year-end.

The forward contracts relating to the employee share scheme are valued using a Black Scholes option pricing model. The risk-free discount rate used ranged between 7,6% and 7,8%. Management considers the key input in the valuation to be the spot price. A 10% increase in the spot price results in a decrease to the forward contracts of R5,5m. A 10% decrease in the spot price results in an increase to the forward contracts of R5,5m.

2. Non-financial assets

The following table reflects the levels within the hierarchy of non-financial assets measured at fair value at 30 June 2016:

| R'000 | 2016 Level 3 | 2015 Level 3 |
|-------------------------------------|--------------|--------------|
| Assets | | |
| Investment properties | 12 129 879 | 12 422 093 |
| Investment properties held for sale | 835 000 | 319 000 |

Fair value measurement of investment properties

The fair value of commercial buildings is estimated using an income approach which discounts the estimated rental income stream, net of projected operating costs, as well as an exit value, using a discount rate derived from market yields. The estimated rental stream takes into account current occupancy levels, estimates of future vacancy levels, the terms of in-place leases and expectations of rentals from future leases over the remaining economic life of the buildings.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions regarding vacancy levels, the discount rate and the reversionary capitalisation rate. The estimated fair value increases if the estimated rentals increase, vacancy levels decline or if discount rates (market yields) and reversionary capitalisation rates decline. The overall valuations are sensitive to all four assumptions. Management considers the range of reasonable possible alternative assumptions to be greatest for reversionary capitalisation rates, rental values and vacancy levels and that there is also an interrelationship between these inputs. The inputs used in the valuations at 30 June 2016 were the following:

- > The range of the reversionary capitalisation rates applied to the portfolio are between 8,15% and 16,0% with the weighted average being 10,43% (2015: 9,52%).
- > The discount rates applied range between 13,0% and 18,0% with the weighted average being 15,28% (2015: 14,41%).
- > Changes in discount rates and reversionary capitalisation rates attributable to changes in market conditions can have a significant impact on property valuations. A 25 basis points increase in the discount rate will decrease the value of investment property by R206,8m (1,6%) and a 25 basis points decrease will increase the value of investment property by R213,9m (1,7%). A 25 basis points decrease in the reversionary capitalisation rate will increase the value of investment property by R216m (1,7%) and a 25 basis points increase will decrease the value of investment property by R204,8m (1,6%).

Fair values are estimated twice a year by Emira's internal registered valuer, whereafter they are reviewed by the executive directors and approved by the Board of Directors. One third of the portfolio is valued externally each year on a rolling basis.

Fair value measurement of investment properties held for sale

The fair value of investment properties held for sale is based on the expected sale price.

Conversion to a corporate REIT

Emira Property Fund Scheme was successfully converted to a corporate REIT – Emira Property Fund Limited – with effect from 1 July 2015. REIT conversion costs incurred during the year of R7,9m have been allocated against share capital. The management company, Strategic Real Estate Managers (Pty) Limited ("STREM") has become a wholly owned subsidiary and the non-controlling interest of R5,3m has been reallocated to retained earnings. The necessary transfers from the old Emira Property Fund Scheme to the new Emira Property Fund Limited are nearing completion.

Subsequent events

Prior to 30 June 2016 the Emira Board