INTEGRATED REPORT 2015

EMIRA
PROPERTY FUND

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Office

Retail

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Strategic objectives

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Glossary

"All Share"
The JSE All Share Index

"Avuka"
Avuka Investments (Pty) Ltd

"AUD"
Australian dollar

"B-BBEE"
Broad-based black economic empowerment

"Broll"
Broll Property Group (Pty) Ltd

"Capex"
Capital expenditure

"CDP"
Carbon Disclosure Project

"CISCA"
Collective Investment Schemes Control Act, No. 45 of 2002

"CISP"
Collective investment scheme in property (alternatively known as a property unit trust)

"Companies Act"
Companies Act, No. 71 of 2008, as amended

"CMBS"
Commercial Mortgage Backed Securities

"DMTN"
Domestic Medium Term Notes

"Emira"; "the Fund"
Emira Property Fund Limited

"Eris"
Eris Property Group (Pty) Ltd

"EXCO"
Executive Committee

"FINDI 30"
The JSE FINDI 30 Index

"FSB"
Financial Services Board

"GBCSA"
Green Building Council of South Africa

"GHG"
Greenhouse gases

"GDP"
Gross domestic product

"GLA"
Gross lettable area

"GOZ"
Growthpoint Properties Australia Limited

"IASB"
International Accounting Standards Board

"IFRS"
International Financial Reporting Standards

"IPD"
Investment Property Databank

"IT"
Information technology

"JSE"
JSE Limited

"JSE Listings Requirements"
Listings Requirements of the JSE Limited

"King III"
King Report on Corporate Governance for South Africa 2009

"KTH"
Kagiso Tiso Holdings (Pty) Ltd (RF)

"KPI"
Key performance indicator

"NAV"
Net asset value

"OHS"
Occupational health and safety

"PI"
Participatory interest

"PLS"
Property loan stock company

"PMI"
Purchasing Managers Index

"PUT"
Property unit trust (alternatively known as a collective investment scheme in property (CISP))

"PSTC"
Property Sector Transformation Charter

"REIT"
Real estate investment trust

"RMB"
Rand Merchant Bank

"Rode"
Rode's Report on the South African Property Market

"Shalamuka"
The Shalamuka Foundation

"SAPOA"
South African Property Owners Association

"SARB"
South African Reserve Bank

"SAICA"
South African Institute of Chartered Accountants

"SAREITA"
South African Real Estate Investment Trust Association

"STREM"; "the Manager"
Strategic Real Estate Managers (Pty) Ltd

"the Board"
The Board of Directors of STREM

"tCO_2e"
Tonnes carbon dioxide equivalent

"ZAR"
South African rand

About this report

Scope and boundary

This integrated report to stakeholders is for Emira Property Fund ("Emira" or "the Fund") for the year ended 30 June 2015. Emira's previous report covered the year ended 30 June 2014. This report is aimed at providing stakeholders with an integrated view of Emira's economic, social and environmental performance and to demonstrate its ability to create and sustain value over the short, medium and long term.

The information contained herein relates to Emira's operational activities and interests in South Africa as well as Australia, for the past 12 months, however, post-balance sheet events have been included for the sake of completeness.

Emira's most relevant material issues are presented herein. These issues pertain to Emira's strategy, which underpins its sustainability, its performance, associated risks and opportunities and its prospects in a manner that is transparent, accurate and balanced. Preparation of this integrated report was done in accordance with best practice, applying the principles of the King Report on Corporate Governance for South Africa, 2009 ("King III"), International Integrated Reporting Council's International <IR> Framework ("<IR> Framework"), the Collective Investment Schemes Control Act, No. 45 of 2002 ("the CISCA"), the Companies Act, No. 71 of 2008 ("the Companies Act"), International Financial Reporting Standards ("IFRS"), the Listings Requirements of the JSE Limited ("the JSE Listings Requirements") and the Carbon Disclosure Project (the "CDP").

Assurance and comparability

The Board of Directors ("the Board") is required to prepare annual financial statements in terms of the Companies Act and the JSE Listings Requirements, which represent the financial affairs of Emira in a fair manner conforming with IFRS. Emira's external auditors are obliged to examine the annual financial statements and have reported their opinion thereon.

Emira has not pursued external assurance for its non-financial information disclosed in this integrated report. There are no material changes to the structure of this report when compared to the 2014 report, other than further elaboration on Emira's strategic priorities, risk management, corporate governance and environmental management and the inclusion of information in line with the <IR> Framework.

Stakeholder feedback

Stakeholders are welcome to address any comments to **gjennett@emira.co.za** with feedback on this integrated report.

Board responsibility statement

The Board acknowledges its responsibility to ensure the integrity of the integrated report. The directors confirm that they have individually and collectively reviewed the content of the integrated report and believe it addresses material issues, as determined by using Emira's risk framework as a screening mechanism, and is a fair presentation of Emira's integrated performance.

The Board approved the release of the 2015 integrated report on 21 September 2015.

For and on behalf of the Board

Benedict van der Ross
Chairman

Geoff Jennett .

Geoff Jennett
Chief Executive Officer

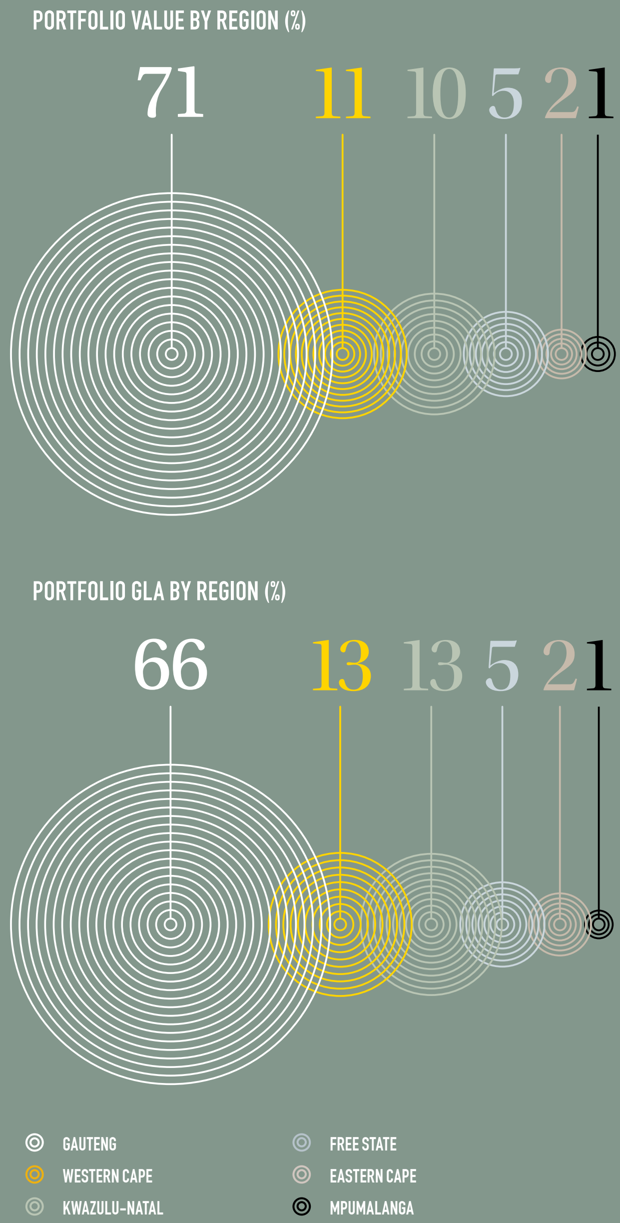
Bryanston
21 September 2015

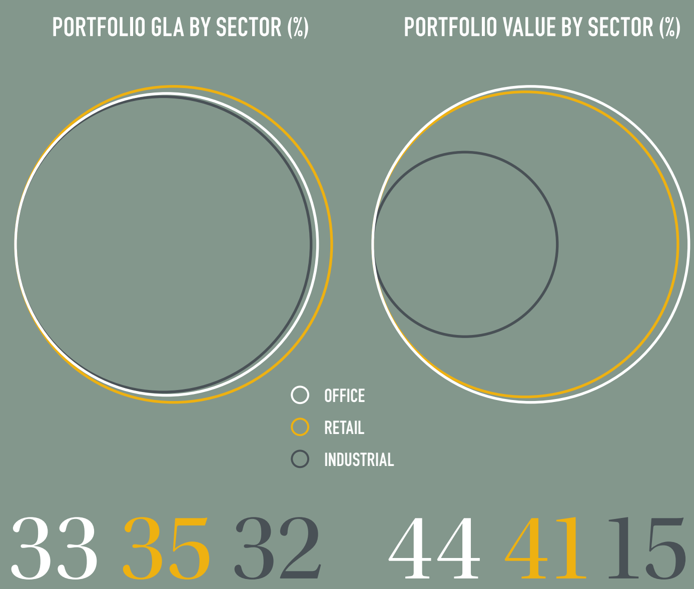
Footprint and profile

Emira is a portfolio created under the Emira Property Scheme in terms of the CISCA. It has been listed in the Real Estate Investment Trusts sector on the JSE Limited since 28 November 2003. As of 1 July 2015, Emira converted to a corporate REIT company under the name Emira Property Fund Limited.

Emira's property portfolio is spread across the office, retail and industrial sectors in line with its strategic objectives.

To sustain and enhance its distribution growth to PI holders, Emira has an ongoing focus on strengthening the quality of its property portfolio, through acquisitions and disposals as well as refurbishments, upgrades and redevelopment of specific properties. All investment decisions are underpinned by Emira's stringent investment criteria to ensure that yields are optimised. As at 30 June 2015, Emira had a total of 145 properties with a total asset value of R13,5 billion, a market capitalisation of R8,7 billion and participatory interests ("PI") closed at 1 698 cents on the JSE.





R12,7bn

Total property asset value

	Office	Retail	Industrial
JOHANNESBURG	21	9	25
PRETORIA	18	6	4
DURBAN	9	3	9
CAPE TOWN	10	2	8
BLOEMFONTEIN	3	2	
KWAZULU-NATAL RURAL		9	
EASTERN CAPE RURAL		6	
MPUMALANGA		1	

1 177 060m²
Total GLA

2 153
Tenants

145
Properties

Top 10 properties by value

Wonderpark Shopping Centre

Karenpark, Pretoria

Menlyn Corporate Park

Menlyn, Pretoria

	Wonderpark Shopping Centre	Menlyn Corporate Park
Value	R1 570m	R674m
GLA	89 985m^2	25 767m^2
Tenants	*143*	*10*
Average net rentals	R119,72/m^2	R171,09/m^2

Major tenants

Wonderpark Shopping Centre

Pick n Pay	12 867m^2
Game	5 292m^2
Checkers	4 708m^2
Woolworths	4 135m^2
Edgars	3 998m^2
Virgin Active	3 508m^2

Menlyn Corporate Park

SALGA	5 939m^2
Santam	4 524m^2
King Price	4 175m^2
BVI Engineering	3 098m^2

Quagga Centre

Pretoria West, Pretoria

R451m

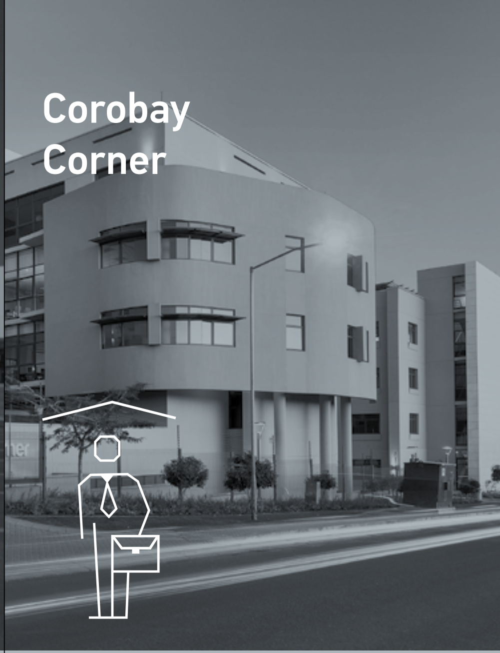
29 412m²

61

R111,42/m²

Shoprite	5 715m²
Pick n Pay	4 878m²
Woolworths	1 807m²
FNB	1 367m²
Edgars	1 065m²

Corobay Corner



Menlyn, Pretoria

R389m

13 865m²

5

R144,83/m²

Worley Parsons	9 844m²
CTI	2 213m²
Eris Property Group	803m²

Makro Selby

Crown Mines, Johannesburg

R373m

19 705m²

1

R112,23/m²*

Makro	19 705m²

*Single tenant — weighted average

Top 10 properties by value continued

RTT ACSA Park

Jet Park, Boksburg

Randridge Mall

Randpark Ridge, Randburg

	RTT ACSA Park	Randridge Mall
Value	R339m	R316m
GLA	46 673m^2	22 472m^2
Tenants	1	89
Average net rentals	R46,32/m^2*	R122,32/m^2

Major tenants

RTT ACSA Park:

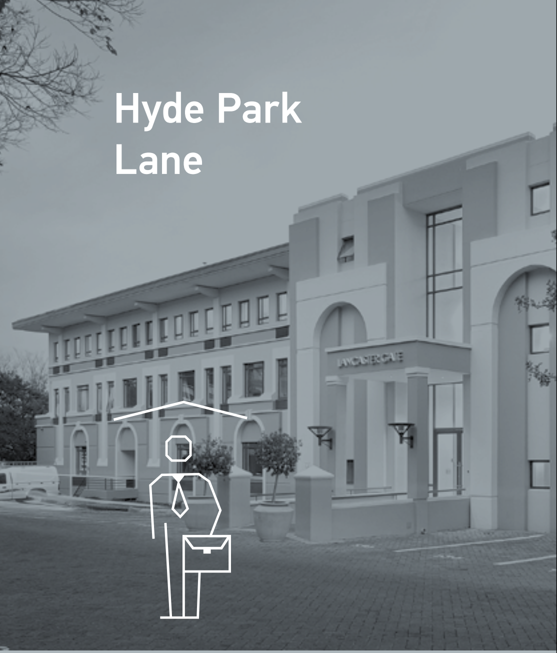
RTT Group	46 673m^2

Randridge Mall:

Pick n Pay	4 473m^2
Woolworths	2 124m^2
Dis-Chem	2 035m^2
Health-Worx	697m^2
FNB	695m^2
Foschini	594m^2
Mr Price	581m^2

*Single tenant — weighted average

Hyde Park Lane



Hyde Park, Sandton

R226m

15 546m²

48

R117,92/m²

Standard Bank	1 844m²
Tag Travel	1 114m²
Vistar	873m²
Ezee Dex	711m²
Property Marketers	846m²

Corporate Park 66

Centurion, Pretoria

R212m

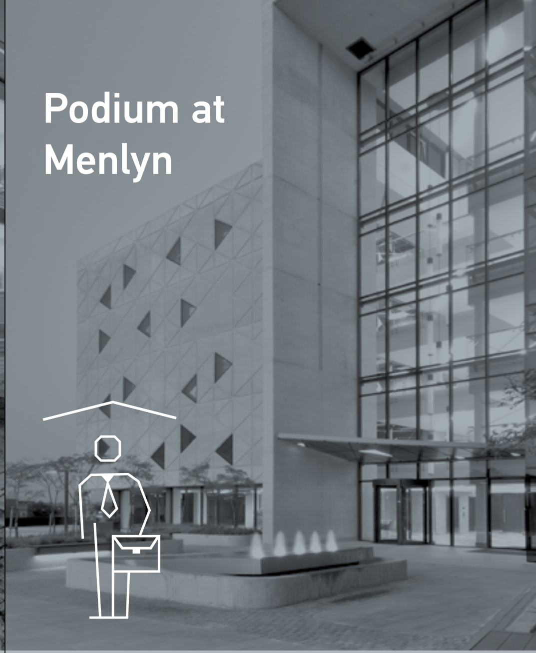
13 566m²

7

R105,40/m²

Professional Medical Scheme	4 134m²
PSG	3 161m²
Department of Public Works	1 263m²

Podium at Menlyn



Menlyn, Pretoria

R204m

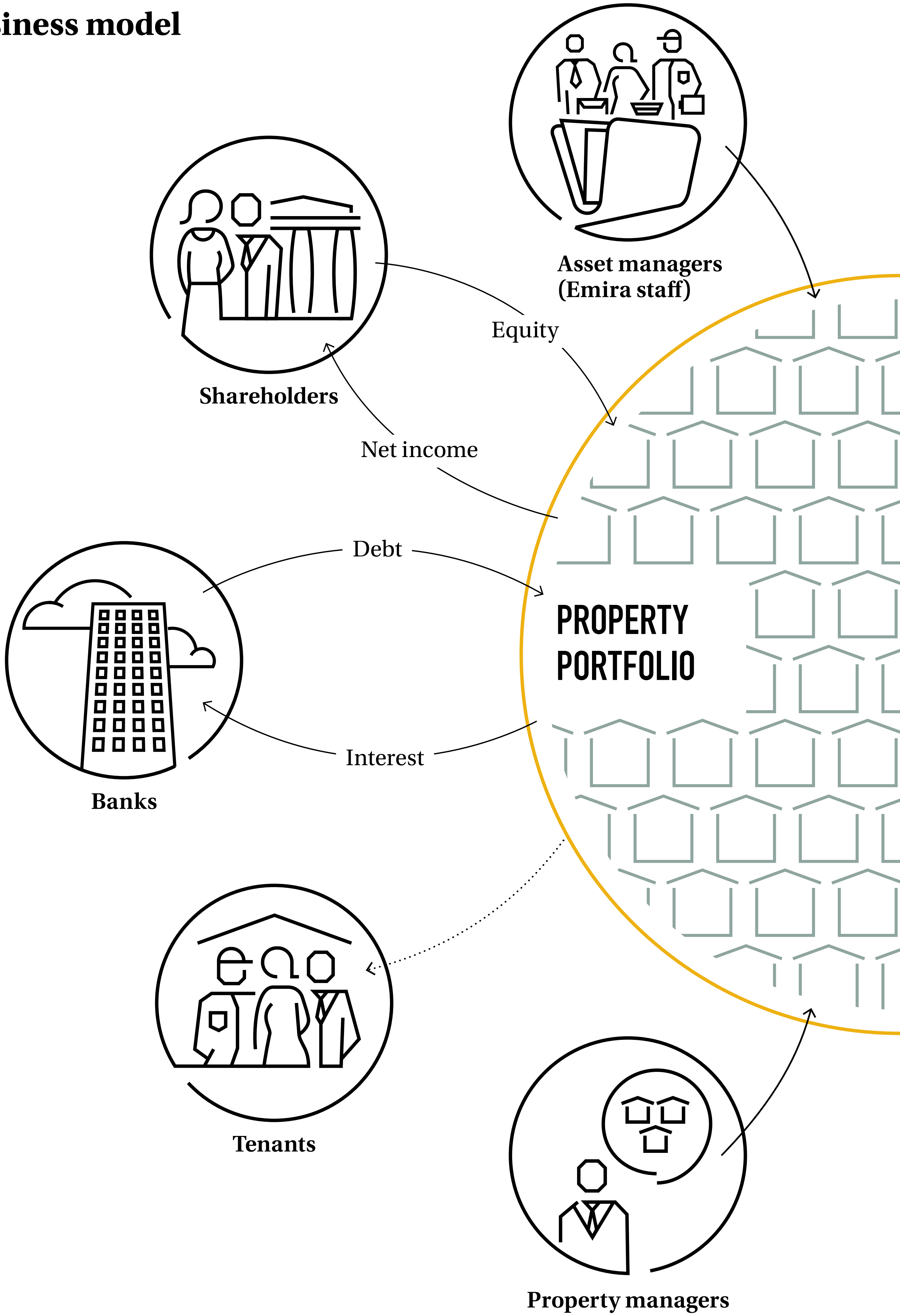
9 090m²

12

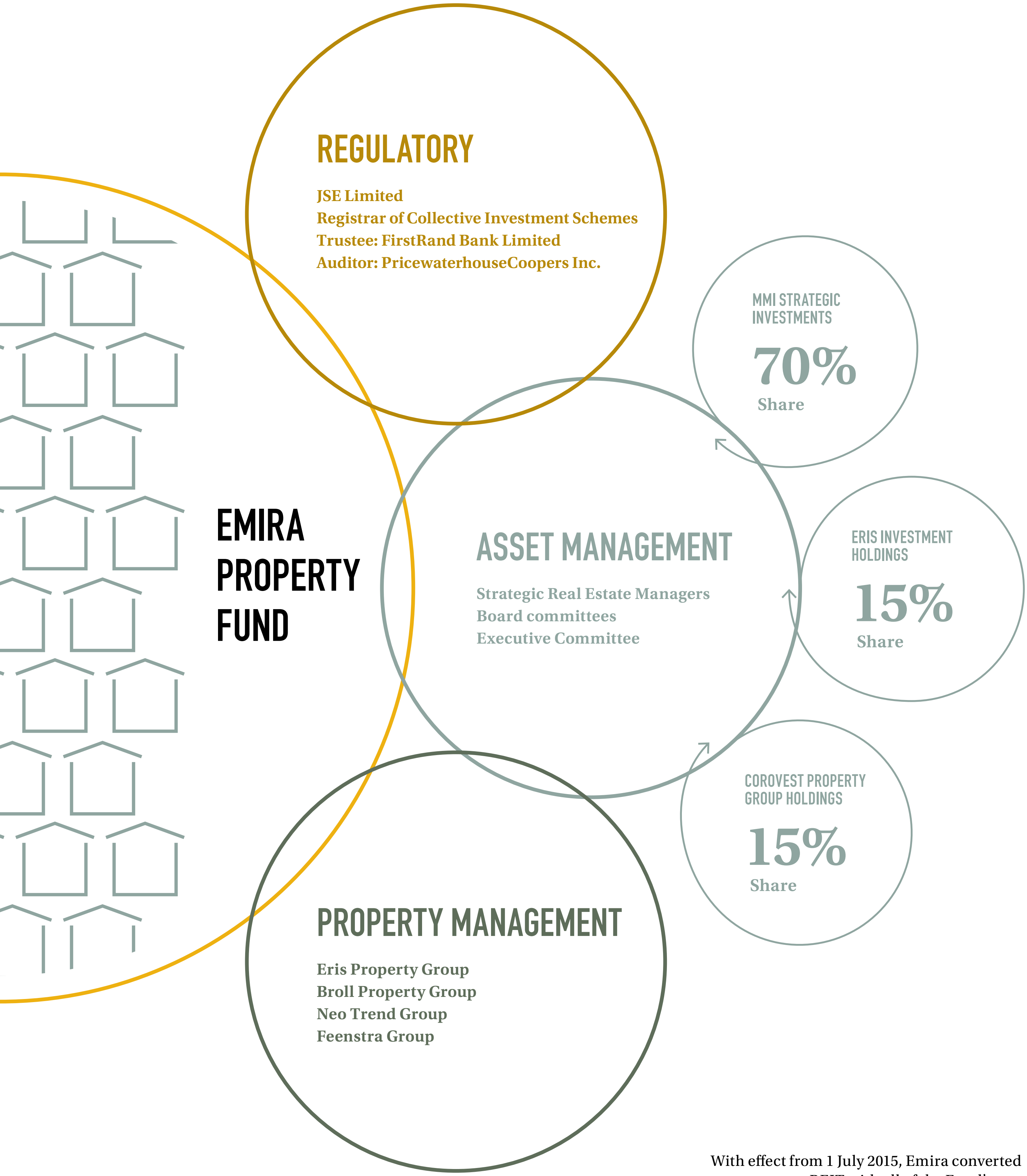
R131,46/m²

South African Forestry Company	2 419m²
Hatch Goba	1 812m²
Waymark Infotech	1 509m²

Business model



Governance structure



With effect from 1 July 2015, Emira converted to a corporate REIT with all of the Fund's assets, liabilities, contracts and commitments having been transferred to the new listed company, Emira Property Fund Limited. For further information regarding the company's conversion to a corporate REIT, refer to page 54.

Our milestones

06 A portfolio of properties valued at R844 million was acquired from Eris and Momentum Group, which introduced a meaningful BEE PI holding into the Fund.

07 As of 1 April, 100% of Freestone, a property loan stock company comprising 81 properties across the commercial, retail and industrial sectors was acquired by Emira for R1,8 billion.

08 In March, the Fund was the first collective investment scheme in property ("CISP") to raise R650 million in the debt capital markets by way of a commercial mortgage backed securitisation.

09 Emira's solid credit rating, low gearing and long-standing relationship with Rand Merchant Bank ("RMB"), enabled the Fund to secure a long-term R666 million debt facility at favourable margins from the financial institution. This allowed the Fund to enhance the quality of its portfolio by refurbishing existing properties and supporting growth by acquiring new assets, which met its yield threshold.

10 In May, Emira acquired an interest in GOZ for a total consideration of AUD18,0 million (R116,9 million), the Fund's first investment in an offshore geography and the first time that a CISP had invested in an Australian REIT.

Emira later acquired an additional interest in GOZ for a further AUD17,5 million (R116,9 million), in September.

That same month, Emira became the first JSE-listed CISP to restructure the fee payable to its Manager, from 0,5% of enterprise value to an amount covering costs only. In addition to cost benefits for PI holders, the new structure also resulted in greater alignment of the interests of the management company, while creating a vehicle to incentivise management and staff, which was not possible under the previous structure.

11 Emira's holdings in GOZ increased to 6,3% in July when Emira followed its rights in a subsequent rights offering. The GOZ stake was valued at R418 million as at 30 June 2012 compared to the Fund's cost of R296 million.

In August, Emira became the first CISP to issue a corporate bond raising R500 million from institutional investors.

12 The phantom share scheme initiated in September 2010 for the benefit of all STREM employees, to the value of R30 million, was finalised in February.

In August, Emira issued a three-month commercial paper in the debt capital markets worth R400 million, which was utilised to repay part of the R650 million commercial mortgage-backed securitisation, that was due in March 2013.

In November, Eris and Broll were awarded the contracts to manage Emira's portfolio from 1 January 2013, after invitations were extended for national property management companies to tender on Emira's entire portfolio.

13 In November of the prior year, the Board agreed that for the Fund to become a more independent entity, it had to substantially increase STREM's staff complement. New appointments included a full-time valuer, a development manager, a new business manager. Additional members of staff focusing on facilitating the leasing of vacant space via external leasing brokers, were also appointed.

From 1 July, Emira was granted REIT status by the JSE, which had a positive financial effect including a R205 million reduction in deferred capital gains tax, which increased the Fund's net asset value by 41,2 cents per PI.

Also in July, premises at Epsom Downs Office Park, one of the Fund's strategic office parks in Bryanston, Johannesburg, became the new head office for STREM.

14 Effective 1 June, the purchase of Menlyn Corporate Park, a 25 000m^2 A-grade office park, located in the heart of Menlyn for R614 million became Emira's single largest acquisition in its history.

In August, the Fund acquired from the Integri-T Property Fund a portfolio which comprised eight diversified properties for a consideration of R836,9 million further diversifying its portfolio sectorially and geographically, increasing its exposure in the Western Cape to retail assets.

The Wonderpark Shopping Centre extension project was completed for the sum of R561 million.

The Fund sold a portfolio of properties to various private buyers for the sum of R313 million furthering its strategy of disposing of non-core assets to improve the quality of its portfolio.

15 Subdued global growth, low long-term interest rates, as well as a healthy outlook for distribution growth from the Fund saw the Emira PI price reach a record closing high of 1 939 cents in January 2015.

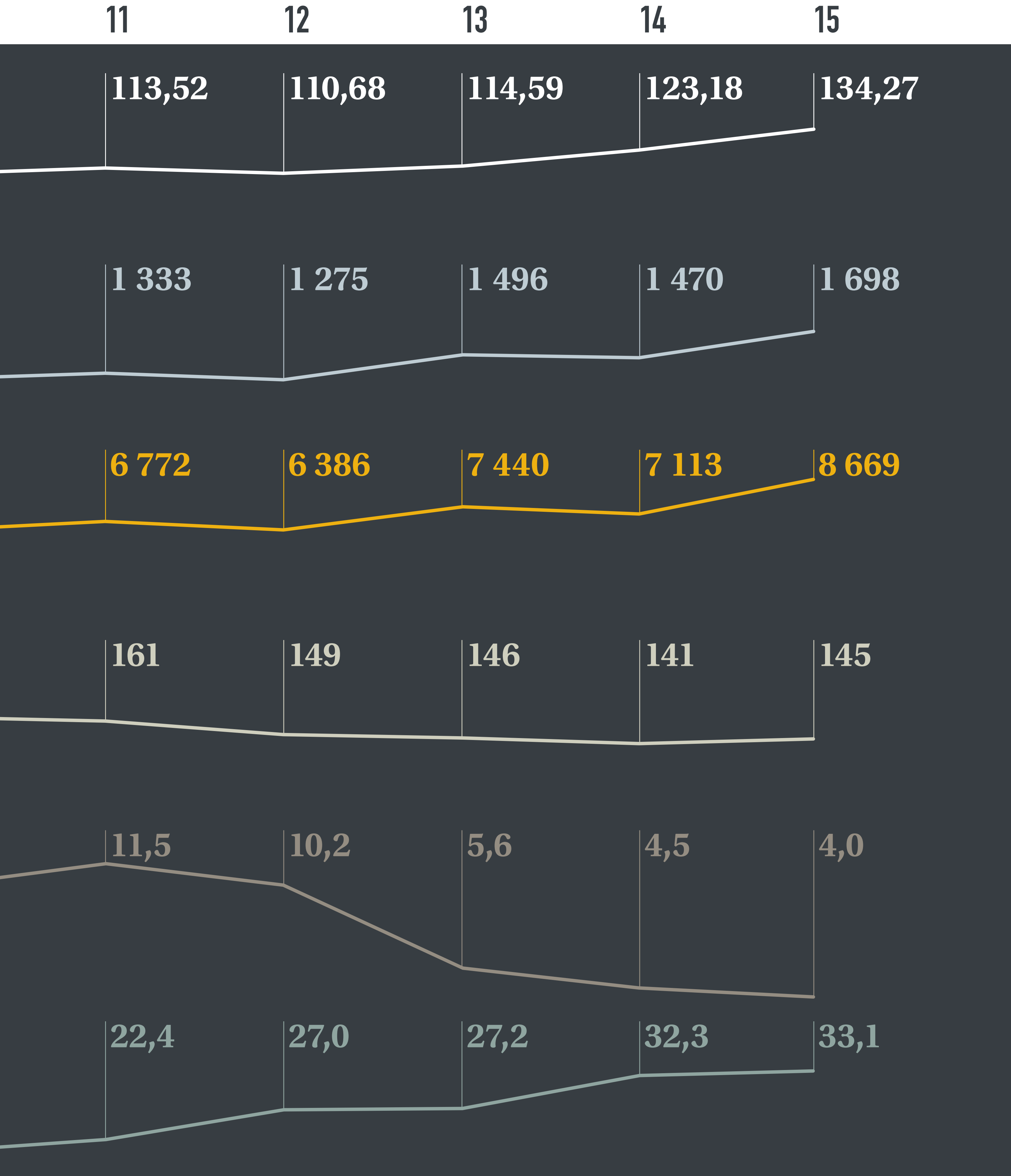
In June 2015, Emira grew its exposure to P-grade space through a conditional agreement to purchase a R403,5 million, 50% undivided share in Summit Place — five buildings within a mixed-use development in the growing hub of Menlyn, Pretoria. Long-term leases with blue-chip tenants and an average weighted lease expiry profile of 7,5 years will provide income growth for investors for years to come.

Emira increased the retail component of its portfolio, purchasing a 50% undivided share in three neighbouring properties in Mitchells Plain, with a total GLA of 16 665m^2. Anchored by a 7 247m^2 Shoprite outlet, the centre offers opportunities to re-tenant the buildings, and extend leases with existing national tenants — adding significant value and quality.

12 non-core properties were sold for R681 million at a forward yield of 7,0% and a 28,9% premium to book value. The proceeds will benefit investors, by being reinvested into earnings-enhancing capex projects and acquisitions.

10-year review

	06	07	08	09	10
DISTRIBUTIONS PER PI (C)	74,50	82,35	92,04	101,25	108,08
LISTED MARKET PRICE PER PI (C)	850	1 090	819	1 015	1 244
MARKET CAPITALISATION (RM)	2 438	5 325	4 036	4 951	6 069
NUMBER OF PROPERTIES	85	168	164	167	167
VACANCY FACTOR (%)	4,0	5,9	6,8	7,5	9,2
LOAN-TO-VALUE (%)	14,9	16,3	15,6	18,2	19,1


11
12
13
14
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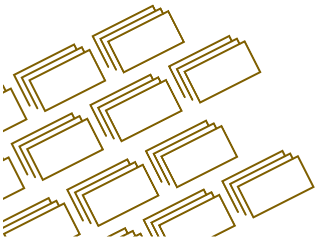
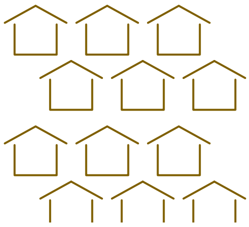
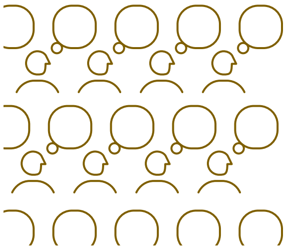
113,52
110,68
114,59
123,18
134,27
1 333
1 275
1 496
1 470
1 698
6 772
6 386
7 440
7 113
8 669
161
149
146
141
145
11,5
10,2
5,6
4,5
4,0
22,4
27,0
27,2
32,3
33,1

Stakeholder value

	FINANCIAL CAPITAL	MANUFACTURED CAPITAL	INTELLECTUAL CAPITAL
			
Inputs	Equity and debt R8,9 billion equity R4,5 billion debt	Office, retail and industrial properties Listed REIT investments	Asset management expertise Property management expertise Debt structuring skills Currency management skills IT skills
Outputs	Capital investment in physical portfolio in order to further grow distributions to investors	Growing distributions and increasing NAV	Exposure to a diversified portfolio of properties that is actively managed within a strict governance framework
Outcomes	Improved property portfolio Improved tenant profile Stronger, more sustainable income growth	Well diversified property portfolio	Reliable and trustworthy data and good reputation Investor confidence and shareholder support

HUMAN CAPITAL

Hands-on asset management team

External property management

Board of Directors

Share appreciation rights scheme

Service level agreements with property managers

Incentivised and motivated team

Loyalty and retention

Employee and service provider satisfaction

SOCIAL CAPITAL

Participation in community-based organisations and industry bodies

Sponsorships and charitable involvement

B-BBEE initiatives

Emerging supplier development

Township and rural development

Real estate investment in under-invested communities

SMME empowerment through procurement support and enterprise development

Black empowerment

Job creation

Township development investment

Economic growth for communities

NATURAL CAPITAL

Water and electricity conservation

Low carbon footprint

Low environmental impact

Utility management

Energy and water efficient buildings

Reduced electricity and water consumption

Reduced costs for tenants, resulting in improved tenant retention

Responsible waste removal

Strategic priorities

	Financial		Portfolio	
	1	2	3	4
Strategic objectives	Optimise net income and grow distributions in excess of inflation and sector average	Gearing to be limited to 40% of total assets	Selectively recycle and upgrade assets	Have a balanced sectoral and geographical exposure
2015 performance	Achieved 9% growth in distributions	Achieved 33% LTV	Achieved R700m capex projects across all sectors	Achieved offices 44% of portfolio by value and retail 41% from 50% and 39% respectively; acquired Integri-T and Ben Fleur
2016 targets	9%	30% – 35%	R200m	Ongoing
Discussion reference	p30	p50 – p53	p39 – p42	p4 – p5 p44 – p48

Stakeholder

5	6	7	8	9
Dispose of non-core or non-performing properties	Reduce vacancies and manage lease expiry profile	Increase market capitalisation, liquidity and spread of investors by selective acquisitions and capital raising	Reduce our environmental impacts	Improve our transformation credentials
Achieved 12 properties sold for R681m at 28,9% premium to book value	Achieved 4,0% vacancies with 77% tenant retention	Achieved R376m equity issued for acquisitions	Achieved 17 projects R21,8m spent	Not achieved KTH realised profits on sale of 8,3% stake in Emira through accelerated book offering in June '15
R472m properties identified for disposal	4,0% and 70%–75%	Ongoing	Carbon footprint reduction of 16% five over years (based on FY14 footprint)	Replace KTH 8,3% stake with another B-BBEE party
p48 – p50	p36 p38 – p39	p14 – p15 p34	p70 – p73	p54

Stakeholder engagement

Emira's primary stakeholder groups include its employees, its PI holders, investors and analysts as well as providers of capital, tenants, suppliers, local government structures, industry bodies, the communities in which it operates and the media.

Emira and its property managers engage with stakeholders in accordance with the various methods illustrated in the table below, however the engagement strategy is continuously reviewed to ensure that the engagement methods employed are best suited to the respective stakeholder groups.

The Board is responsible for keeping all Emira's stakeholders informed and up to date on its policies, performance and practices and encourages open discussions in an informal manner. Emira acknowledges its responsibility to protect the interests of all its stakeholders and is committed to transparent and effective engagement.

We believe that interactivity with our stakeholders is of vital importance. Engagement focuses on building mutually beneficial relationships with our most important stakeholders whom we define as those most affected by or most likely to influence Emira.

During the year under review, we introduced quarterly updates to investors, in addition to the bi-annual roadshows. In November 2014 we continued with the investor programme, which commenced in the first half of 2014 and engaged with investors communicating results for the first quarter of the June 2015 financial year. Our website has been updated, enhancing the type of information available to the broad spectrum of stakeholders who visit the site.

We set up a roadshow specifically dedicated to our bond investors in the middle of June 2015 in order to update investors on Emira's performance for results to the end of March 2015 and in anticipation of the rolling over of a large tranche of publicly held debt in August 2015. We have also had various investor site visits to some of our assets, particularly in Pretoria and Johannesburg, with the latest being a tour of Wonderpark, north of Pretoria, at the beginning of July 2015. This trip highlighted the extensions and refurbishment of the shopping centre that were completed recently.

New forms of communication have taken place by way of social media and we have launched on Facebook and Twitter in 2015 with regular status posts on Facebook and tweets on Twitter.

The methods of engaging with our numerous stakeholder groups are as follows:

Stakeholder	Method of engagement
EMPLOYEES/STREM	Face-to-face, daily contact, electronic and social media and training are the general methods of engagement. Performance appraisals are carried out every six months, with performance measured against set KPIs.
TENANTS	Our executive directors and asset managers engage with tenants directly and through Eris, Broll, Feenstra Group and Neo Trend and via social media.
PROVIDERS OF DEBT CAPITAL	Regular meetings with the providers of debt finance to assess their ongoing needs, contractual obligations and funding requirements.
PI HOLDERS, ANALYSTS AND INVESTORS	Transparent disclosure via presentations of the Fund's annual and interim results in Johannesburg and Cape Town, followed by one-on-one meetings with major PI holders. Executive contact with investors occurs monthly directly as well as via SENS and monthly press releases published in the media with newly introduced quarterly feedback sessions and social media as well as site visits.
SUPPLIERS AND PROPERTY MANAGERS	Regular contact with property managers and semi-annual meetings with other suppliers through the property managers.
COMMUNITIES	Marketing and public relations events held at the portfolio's retail shopping centres and social media.
INDUSTRY BODIES	Active participation in the commercial property industry and membership of SAPOA, SAREITA, the Property Sector Transformation Council, the South African Council of Shopping Centres, SAICA and the Green Building Council of South Africa.
GOVERNMENT	Regular meetings with government departments on issues such as the REIT legislation and the Property Sector Transformation Charter. Engagement with government departments regarding rates, zoning and planning. Meetings with the FSB on matters relating to the listed property sector.

Risk management and material matters

Risk management approach and policy

Governance of risk is the Board's ultimate responsibility including the determination of risk appetite and tolerance levels and the approval of the risk strategy, policy and framework. A comprehensive risk register is in place, which is supported by policies that have been reviewed by the Board. A strong vision, mission and strategy and a high level of awareness at the operational level support the risk management policies.

The Board has set Emira's risk limits and tolerance levels and is committed to reporting on instances where risks fall outside of these limits or deviates materially from the limits of Emira's risk tolerance. The table commencing on page 22 sets out these limits and tolerance levels as determined by the Board.

The Board has delegated to the Risk Committee and to management the responsibility to design, implement and monitor the risk management plan to ensure that Emira manages risks appropriately. Risk management does not attempt to eliminate risk completely, but rather provides a process and structure to continuously identify, assess, evaluate and manage risk.

Risk management forms part of Emira's policy framework and is embedded in its overall governance. Management's philosophy on risk recognises that managing risk is an integral part of generating sustainable value and enhancing stakeholder interests. It also recognises that an appropriate balance should be struck between entrepreneurial endeavour and sound business practice.

Management's approach to enterprise risk management involves:

- 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 responses, which includes risk avoidance, reduction, sharing or acceptance;
- reducing operational 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.

Enterprise risk management helps to ensure effective reporting and compliance with laws and regulations, and helps avoid reputational damage to Emira and the associated impacts thereof. These capabilities inherent in enterprise risk management help management achieve Emira's key performance and profitability targets, while protecting its assets and avoiding loss of resources.

No material deviations to the limits of risk tolerance have occurred and Emira has not suffered any material losses during the year. There have been no claims against Emira's resources. The Board is also not aware of any current, imminent or envisaged risk that may threaten Emira's long-term sustainability.

The Board is satisfied with the effectiveness of the risk management policies and procedures that are in place.

Emira has identified its major risks from the perspective of its stakeholders who are impacted by or who can affect its ability to deliver on its strategy. The analysis of these influences or material impacts is presented on page 22.

Emira's strategic objectives are founded on three key risk management mechanisms, namely its balanced portfolio across all property sectors, the diversification of the portfolio by region and property, as well as long-term leases with blue-chip tenants.

Material matters

The process of preparing this integrated report takes into account those matters which Emira's various stakeholders wish to see reported; those that are considered material are included in the report. Emira identifies its material matters as those issues that are of importance to it and its stakeholders, which are strategic to the portfolio and are of substantial risk.

Emira has focused on its strategic priorities, risk management framework and stakeholder feedback gained through formal and informal channels of engagement as a guide to determine materiality. Income and capital growth, human capital as well as governance, compliance and environmental matters are considered to be strategic material matters affecting Emira.

The table on page 22 provides a brief discussion of each material matter in the context of the risk management framework which is then linked to potential impacts and mitigation responses, along with the primary stakeholders to whom the matter pertains.

For a full discussion, refer to the performance review and sustainability matters, commencing on pages 28 and 70 respectively.

Risk management and material matters continued

Material matter	Risk	Stakeholder group affected	Potential impact	Mitigation response
INCOME AND CAPITAL GROWTH	*Vacancies in properties and failure to retain tenants*	› Investors › Providers of capital › Tenants › Employees	**Economic:** Negative impact on Emira's revenue stream, resulting in failure to meet budgets. Deteriorating building values and net asset value.	*Management of expiry profiles with a maximum tolerance level of 30% of all leases expiring in any one year.* *Emphasis on retention of existing tenants on lease expiries and tracking successful retentions with a minimum of 70% of all tenants to be retained.* *Broker consultants with singular focus.* *Regular contact with external leasing brokers.* *Incentives put in place to encourage brokers to focus on Emira's vacancies.* *Leasing strategy per property.* *Continued engagement with tenants.* *Willingness to negotiate leases to retain tenants.*
	Interest rate risk	› Investors › Providers of capital	**Economic:** Increase in interest rates will have a negative impact on Emira's financial results.	*Debt to assets ratio is limited to 40%.* *Swap agreements entered into, which have fixed interest rates for a weighted average of 3,6 years (a minimum of all borrowings to be fixed, calculated as 80% of long-term debt at any point in time).*
	Liquidity rate risk	› Investors › Providers of capital	**Economic:** Inability to refinance debt facilities will have a negative effect on Emira's ability to acquire properties.	*Multiple and varied sources of debt capital.* *Reduced and manageable amounts of debt expiring at any one point in time.* *Availability of back-up and liquidity facilities.*
	Property market risk, pricing risk on purchase and sale of properties and impact on yield	› Investors › Providers of capital	**Economic:** Achieving lower than anticipated returns. Value of property could be written down on revaluation. Emira receives less sales proceeds than it should have for reinvestment in new acquisitions/refurbishments.	*Investment Committee considers acquisitions, which are thereafter recommended for purchase to the Board.* *Selling prices approved by the Investment Committee, which makes recommendations to the Board.* *Bi-annual valuations carried out.*
	High levels of bad debts and arrears	› Investors › Providers of capital › Employees	**Economic:** Failure to recover amounts owing. Negative impact on Emira's cash flow. Large write-offs in income statement.	*Continued engagement with tenants.* *Diversification by tenant and geography. Vigilant credit control by property managers with arrears not to exceed 7,5% of monthly debits raised.* *Strong internal legal team and outside attorneys following up hand-overs in conjunction with property managers.* *Willingness to negotiate lease terms to retain tenants.* *Tight lease agreements and rigorous tenant credit checks.* *Deposits and sureties.* *Appropriate and conservative provisioning.*
	Reduced growth in market capitalisation and income and capital growth	› Investors › Providers of capital › Employees	**Economic/Strategic:** Poor returns to investors and other providers of capital and deteriorating rating relative to peers results in inability to attract new capital and grow Emira.	*Setting of financial targets and strategic priorities and monitoring of these goals by the Board.* *Purchase of new properties.* *Asset management, e.g. redevelopments and/or refurbishments.* *Annual strategic sessions.* *Authority limits are in place.*
	IT systems failure at property managers or at Emira due, inter alia to virus/ malicious intent/on site fire	› Investors › Providers of capital › Tenants › Employees	**Operational:** Inability to access information, record transactions or send out rent statements, which would negatively impact Emira's finances. A maximum of one week's data would be lost, excluding email correspondence, which is stored in the cloud.	*The internal auditors review the IT operations at both main property managers and report to the Audit and Risk Committees with regard to the IT operations and adequacy of the back-up and continuity plans in place at the managers' offices.* *IT security policies and firewalls are in place.* *Weekly off-site back-ups are maintained.* *The IT Steering Committee has prepared policies, which have been adopted by Emira. The Steering Committee also oversees the IT functions at Emira's offices.*
	Development risk	› Investors › Providers of capital	**Economic:** Return achieved being lower than anticipated. Value of property could be written down on revaluation.	*Development manager oversees all new development and refurbishment projects.* *Direct control — employment of qualified, experienced developers, project managers and leasing consultants.* *Monthly internal meetings to monitor progress of projects.* *Developments are considered by the Investment Committee, which recommends purchases to the Board.* *Insurance cover is also taken where appropriate.* *Endeavour to ensure that developments are majority let prior to completion.*

Material matter	Risk	Stakeholder group affected	Potential impact	Mitigation response
INCOME AND CAPITAL GROWTH	*Investment in foreign countries, equity price risk and exchange rate risk*	› Investors › Providers of capital	**Economic/Operational:** Volatility in and/or declining returns to investors. A fall in the listed price of Growthpoint Australia Limited ("GOZ") could result in a material write-down of Emira's investment. A strengthening of the ZAR could result in reduced returns being received in ZAR, from GOZ.	*Investments in listed entity with appropriate regulations.* *Regular contact with management team of investment.* *Exchange rate forecasts are monitored and forward swaps taken out to protect distribution income.* *GOZ has a well-located property portfolio, let to blue-chip tenants, on long leases, with escalations.* *Management monitors ZAR/AUD forecasts and if deemed necessary, forward foreign exchange contracts up to a 12-month period are taken out.*
	Utilities: *Disruption of supply of electricity through load-shedding, as well as water cuts, and above inflation increases in the cost of utilities* *Municipalities are not taking actual readings but billing on estimates*	› Investors › Providers of capital › Tenants › Property managers › Service providers	**Economic/Social:** Inability of tenants to trade, which may result in their inability to pay rentals and operating costs. Impact of cost increases on tenants' ability to service rental liabilities, increasing lease default risk. Negative effect on Emira's net income. Buildings may be incorrectly charged resulting in accruals being made which may be inaccurate.	*Installation of smart meters.* *Installation of generators at certain buildings to keep electricity supplies available.* *Various methods of achieving savings on utility costs are being investigated and introduced.* *Tenants are also being advised on the methods of calculating their usage, which could result in savings being achieved, if usage patterns are improved.* *Utility management with a minimum of 100% recovery expected.* *Utilities administrator to request municipalities to read meters regularly.*
HUMAN CAPITAL	*Attraction and retention of skilled human resources*	› Investors › Property managers › Employees	**Economic/Social:** Loss of skilled staff could result in an increased extra workload being placed on existing staff members.	*By effectively internalising management, the interests of staff and investors have been aligned. Incentivisation plans have been put in place, in order to retain and attract experienced members of staff, which are further enhanced by best practice principles applied by the property managers.*
	Confidential information in the hands of staff when they leave Emira's employ	› Investors › Providers of capital › Employees	**Economic/Social:** Reputational issues. Financial impacts.	*Staff exit report: processes and documentation are in place to be completed by staff on exit to protect Emira's confidential information.*
GOVERNANCE, COMPLIANCE AND ENVIRONMENTAL MATTERS	*Statutory and regulatory compliance with the Companies Act, Trust Deed, CISCA, JSE Listings Requirements, Income Tax Act, Competition Act and the Consumer Protection Act*	› Government › Regulators › Trustee › Employees	**Economic/Social:** Fines and public censures if non-compliance occurs. Reputational issues. Increase in legal and compliance resource costs.	*Trustee oversight of Fund.* *Compliance with JSE and FSB regulatory frameworks.* *Ongoing engagement with legal advisers and JSE sponsors, and Board of Directors.* *Solid system of control in place.*
	Company risk and conflict of interests	› All	**Economic/Social:** Reputational issues. Negative effects on investor returns.	*Board and independent directors' oversight.* *Annual general meeting to address queries.* *JSE Listings Requirements.* *Code of ethics and JSE sponsors.* *Adoption of King III principles.* *Objective decision-making in case of potential conflict with full record of motivation.* *Dealings with property managers are properly and fully disclosed.*
	Failure to comply with OHS Act and safety requirements	› Tenants › Trustee › Property managers	**Economic/Social:** Possible prosecution.	*Review of compliance by the property managers and implementation of their recommendations.*
	Reduce our carbon footprint and environmental impacts	› All	**Environmental:** Negatively impacts on climate change.	*Baseline survey conducted previously.* *Strategy with targets to be set for carbon management programme.* *Continued participation in the Carbon Disclosure Project.* *Human resources allocated to implement green building strategies.*
	Climate change mitigation	› All	**Economic/Social/ Environmental:** Utility supply to buildings may be affected.	*Monitoring of climate change impact and further focus on green energy and renewable sources plus grey water for buildings.*

Directorate

Directors from left to right on facing page.

JAMES WILLIAM ANDREW TEMPLETON (42)
Chief Executive Officer

Qualifications: BCom (Hons), CFA
Appointment date: 1 July 2004
Committees: Executive Committee, Social and Ethics Committee, Finance Sub-committee

Prior to joining RMB Properties in April 2004 as Business Development Executive, James was employed at Barnard Jacobs Mellet Securities as an equities analyst for seven years. In July 2004, he was appointed Chief Executive Officer ("CEO") of STREM. James retired from the Board and resigned as CEO effective 31 August 2015.

GEOFFREY MICHAEL JENNETT (47)
Chief Financial Officer

Qualifications: BCom, BCom (Hons), HDipAcc, CA(SA)
Appointment date: 1 January 2015
Committees: Executive Committee, Social and Ethics Committee, Finance Sub-committee

Geoff, a chartered accountant, has over 20 years' experience in the financial markets, particularly in the structured capital markets and the corporate equity derivatives spaces. He has worked at FNB Corporate, Coronation Capital, Nedbank Capital and Absa Capital, and most recently was the financial and operations director of Honey Fashion Accessories (Pty) Ltd. Geoff was appointed as Emira's CEO effective 1 September 2015.

ULANA VAN BILJON (48)
Executive Director

Qualifications: BCom
Appointment date: 10 February 2012
Committees: Executive Committee, Social and Ethics Committee

Ulana has over 21 years' experience in the property industry, in particular retail management, property management and asset management. Her experience relates to both the corporate and listed property fund environments. She is responsible for the asset management of the property portfolio. Ulana was appointed Chief Operating Officer effective 1 September 2015.

BENEDICT JAMES VAN DER ROSS (68)
Non-executive Chairman

Qualifications: Dip Law
Appointment date: 20 October 2003
Committees: Remuneration and Nominations Committee

Ben was admitted to the Cape Bar as attorney in 1970 and practised law for his own account until 1988. He has served as a director of various companies including Executive Director for the Urban Foundation and Independent Development Trust. He currently serves on a number of boards including those of FirstRand Limited, Naspers Limited, Distell Group Limited, Lewis Group Limited, Pick n Pay Limited and MMI Holdings Limited. Ben is the Chairman of STREM. 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 and acting Chief Executive Officer of South African Rail Commuter Corporation.

NOCAWE EUSTACIA MAKIWANE (56)
Non-executive Director

Qualifications: BSocScience (UCT), BA (Hons) Economics (Wits), Executive Leadership Programme (Wharton Business School), MBA (University of Exeter)
Appointment date: 24 August 2006

Nocawe was a former portfolio manager at Stanlib Asset Management. Currently she serves as a non-executive director of Xau Investments (Pty) Ltd, Women in Capital Growth (Pty) Ltd, Pacific Breeze Trading, Micawber 410 (Pty) Ltd, Black Management Forum Investment Company Ltd, Scientia Optimate Financial Services (Pty) Ltd, and iNnovative Strategic Projects Group (Pty) Ltd . She is an executive director of all AM Mfolozi Group Holdings (Pty) Ltd companies.

VUYISA NKONYENI (46)
Non-executive Director

Qualifications: BSc (InfProc), BSc (Hons), Postgraduate Diploma in Accounting, CA(SA)
Appointment date: 24 August 2011
Committees: Social and Ethics Committee

Vuyisa has more than 15 years' experience in investment banking and private equity. He is a chartered accountant by training having served his training contract with PriceWaterhouse, which he completed in 1996. Subsequent to his training, he joined Deutsche Bank in 1997 where he gained investment banking experience primarily in corporate and project finance advisory work over a four-year period. He has also served as the Financial Director of Worldwide African Investment Holdings (Pty) Ltd and Director at Actis LLP.

Directorate continued

Directors from left to right on facing page.

MICHAEL SIMPSON AITKEN (58)
Independent Non-executive Director

Qualifications: BA, LLB
Appointment date: 16 April 2007
Committees: Investment Sub-committee

Michael has considerable experience in property-related activities, with specific expertise in asset and fund management related to directly held and listed property vehicles. He is currently actively involved in listed property investment both locally and internationally. Michael is a director of Corovest Property Group and immediate past Chairman of Hyprop Investments Limited.

BRYAN HUGH KENT (70)
Lead Independent Non-executive Director

Qualifications: BCom, FCMA, CA(SA)
Appointment date: 16 April 2007
Committees: Audit Committee and Risk Committee, Remuneration and Nominations Committee, Finance Sub-committee

Bryan is a financial business consultant with considerable experience in property matters and financial structuring, and was previously a partner at PriceWaterhouse. He is currently a non-executive director of Cadiz Holdings Limited, Raubex Limited and Anchor Yeast (Pty) Ltd.

VUSI MAHLANGU (45)
Independent Non-executive Director

Qualifications: BSc Eng (Chem), MBA (Harvard)
Appointment date: 24 June 2010
Committees: Audit Committee, Risk Committee, Remuneration and Nominations Committee Chairman, Finance Sub-committee

Vusi is a former investment banker with over 15 years' experience. He is a founder and director of Tamela Holdings (Pty) Ltd, a black owned and managed investment company with interests in the manufacturing, industrial and financial services sectors. Between 2005 and 2008, he was the CEO of Makalani, a JSE listed mezzanine fund. Prior to joining Makalani he worked for Investec and African Oxygen Limited.

WAYNE MCCURRIE (55)
Independent Non-executive Director

Qualifications: BCompt (Hons), CA(SA)
Appointment date: 10 December 2008
Committees: Finance Sub-committee

Wayne started his career in the financial services industry in 1988, when he joined Lifegro Limited as a management accountant. Lifegro was subsequently taken over by the Momentum Group in 1989 where he stayed until it was incorporated into RMB Asset Management in 1994. He left RMB Asset Management for Sage in 2002 and re-joined the FirstRand Group in 2004 as Managing Director of Momentum International Multi-Managers. He joined the RMB Asset Management investment team as an investment professional on 1 March 2008, where he managed various retirement fund portfolios. He currently manages private client portfolios for Momentum Wealth.

MATTHYS STEFANUS BENJAMIN NESER (59)
Independent Non-executive Director

Qualifications: BSc (Building Management), MBA
Appointment date: 20 October 2003
Committees: Investment Sub-committee

Thys has been involved with the Abcon group of companies since 1981. He is active in the residential and commercial property field as well as in other business ventures.

GERHARD VAN ZYL (56)
Independent Non-executive Director

Qualifications: B Eng, B Eng (Hons), Hons B (B&A), MBA
Appointment date: 10 September 2013
Committees: Investment Sub-committee, Audit Committee, Risk Committee, Finance Sub-committee

Gerhard brings a wealth of knowledge and more than 20 years' experience in the commercial property industry having been the CEO of two listed property funds. He also was the SAPOA president in 2003/4.

This year's performance has been one of the best in the Fund's history since listing in 2003

R1,38bn

Acquisitions transferred or to be transferred

R681m

Disposals transferred or to be transferred

From left to right

JAMES TEMPLETON
Chief Executive Officer

ULANA VAN BILJON
Fund Manager

GEOFFREY JENNETT
Chief Financial Officer

Distribution per PI

2015 **134,27c**

2014 123,18c

Net asset value per PI

1 751c

1 447c

Vacancies

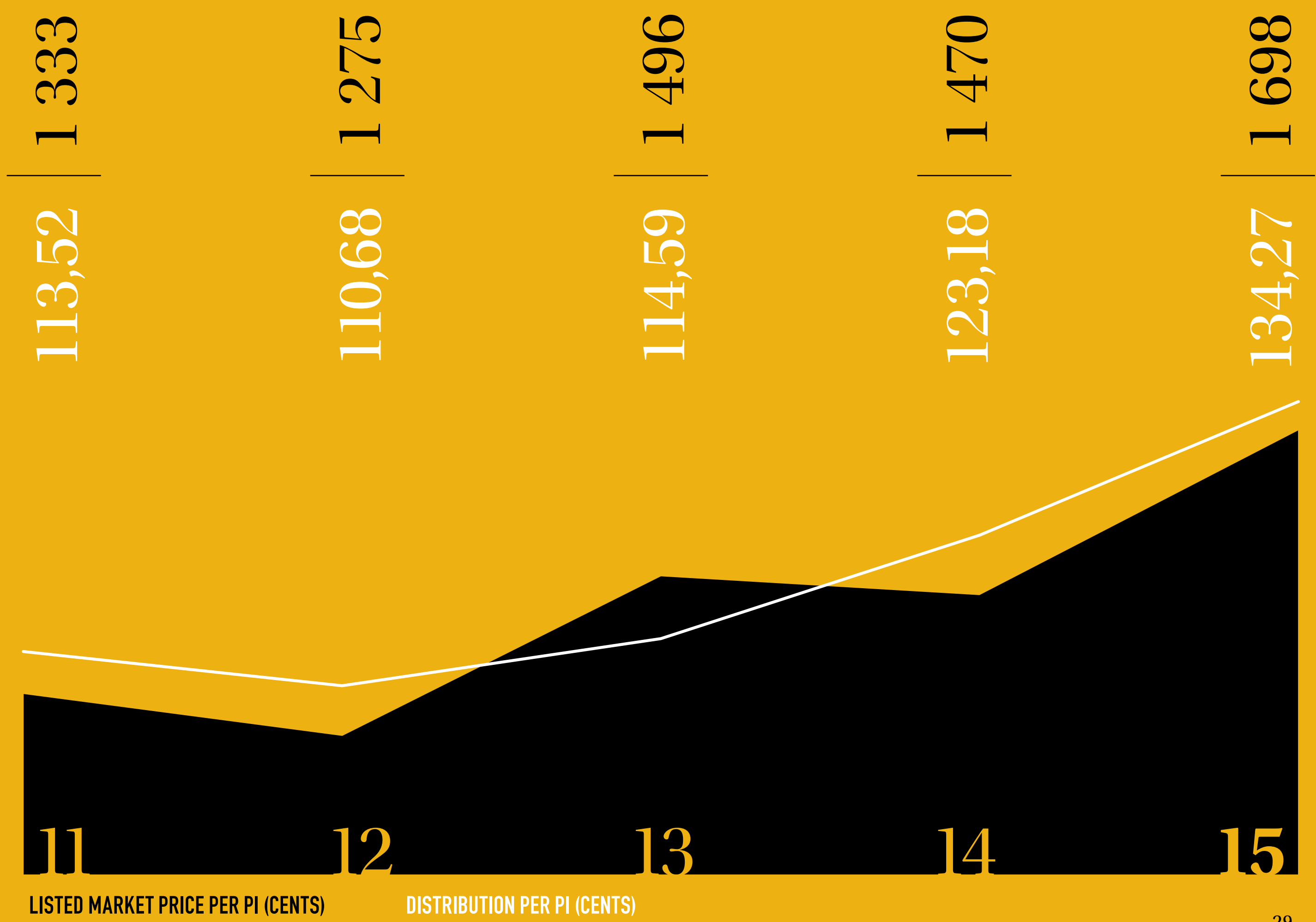
2015 **4,0%**

2014 4,5%

Distribution growth

+9,0%

+7,5%



Strategic objective

Optimise net income and grow distributions in excess of inflation and sector average

2015 performance

Achieved

9%

growth in distributions

2016 target

9%

The year under review

Emira has produced an outstanding performance in 2015 — particularly when considering the strong results delivered by the Fund in 2013 and 2014. In the year under review, distribution growth per PI increased by 9,0% (2014: 7,5%) to 134,27 cents (2014: 123,18 cents) which equates to an income return of 8,7% (2014: 7,9%) for the year ended 30 June 2015 and a total return of 24,3%.

These results have been largely due to the extremely good work done over the past four years. During this time, our focus has remained true to our principles, performing well in functions essential to our business. In practice, this has meant doing our utmost to manage the most important aspects of our business — growing the size and improving the quality of the portfolio, disposing of non-core assets, reducing vacancies and retaining our tenants, containing rental reversions, managing tenant arrears, and lowering costs.

Most prominent in these results is the high total return delivered to our PI holders, combined with strong growth in distributions for the year. This is evident in the unprecedented rise in the share price, which achieved record highs in January 2015. We have once again been successful in executing our strategic acquisitions, disposals, and capital expenditure ("capex") projects. Please refer to the graphs on pages 14 and 29 of this report for more information on Emira's total returns for the year under review.

Internationally, low interest rates — including negative interest rates prevalent in some European economies — continue to be a main driver of listed property prices. Anaemic economic growth and low levels of inflation have enabled these rates to remain at these levels for some time. Subsequently, listed property shares from around the world, which are typically linked to interest rates, have experienced record high prices during the year. Although there is the threat of higher interest rates in the USA, as well as in South Africa, the local listed property sector has continued to perform beyond expectation.

With interest rates and property yields remaining at lower levels, as mentioned above, capital prices across all three sectors have firmed during the year. This translates to capital pricing and balance sheet book values that are firm, strong and growing at rates above inflation. In 2015 our net asset value grew by 15,9% year-on-year.

While Emira has enjoyed significant growth in value during recent years, we continuously strive to find ways to improve on our methods, management, and strategy. One of the ways this can be achieved, is with the proper deployment of quality people — in the correct functions, where the greatest impact can be made. The benefits of our approach can be seen in the increased quality and value of our portfolio, as well as the investment opportunities we pursue.

In recent years, we crucially identified the need for extra staff to help manage the diverse requirements of our portfolio. The improved vacancy levels we report on this year would not have been possible without adding to our team. These strategic appointments have greatly assisted in reducing our vacancies and maintaining our improved service levels. Our overall vacancy average across the portfolio reduced year-on-year to 4,0% (2014: 4,5%), compared with national vacancies according to SAPOA of 6,4% on a weighted average basis.

In the year under review, we acquired 12 new assets at a combined total of R1 382 million. Our disposal strategy and consequent reinvestment of capital is closely linked to the enhancement of the quality of the portfolio, which is fundamental to our continued growth. We disposed of 12 non-core assets during the year, which delivered a combined value of R681 million. What is extremely pleasing for our investors is that we have realised considerable gains over book value through these disposals. Similarly, we have been effective in reinvesting the capital, by selecting individual acquisitions, refurbishments and expansions according to our strict criteria. For more information on our acquisitions and disposals, please refer to pages 44 to 50 of this review.

Following the completion of the extension at Wonderpark, our capex project spend is currently at R186,4 million and consisted of redevelopments and refurbishments to assets already within the portfolio — as well as value and quality-enhancing expansions to properties requiring additional space to help our tenants grow and respond to the market's demands. We have also invested in generators and solar power panels to protect the value of our assets from the associated risks of the energy supply problems plaguing South Africa. For more information on our capex projects, refer to pages 39 to 43, which include a full list of individual capex projects and case studies.

The acquisitions concluded in the past two years, capex projects completed, as well as increased occupancies all contributed to our increased revenue, which has improved by 16,4% year-on-year. Complementing our gains at the top line, notwithstanding the acquisitions and capex projects, costs have been very well managed, with a 3,1% increase year-on-year.

This was the result of lower leasing expenses, reduced maintenance and refurbishment levels which have normalised after the intensive activity of recent years, as well as the Board's decision to no longer reduce the distribution payable to our investors by depreciation of our fixed asset register, bringing Emira in line with the rest of the South African listed property sector.

Having multiple property managers overseeing our large portfolio ensures a competitive management environment, and the strategy has continued to bear fruit, with further cost reductions and greatly improved service levels for our tenants. We now have a total of four property managers — we retained the services of Feenstra Group and Neo Trend when we acquired Menlyn Corporate Park and Ben Fleur Boulevard respectively. Eris and Broll, with whom we have a history of successful collaboration, continue to manage the bulk of our portfolio.

Administration expenses for the year increased by 17,1%. Net finance costs increased by 56,1% as a result of the significant acquisitions concluded in the last two financial years, which were largely funded by debt. Emira continues to make use of relatively low-cost debt to finance the growth of the portfolio. In the last financial year, we have refinanced R1,5 billion worth of our debt facilities. For more information on the benefits of our restructured debt facilities, refer to page 50 of this review.

Lease renewals comprised the majority of leases concluded during the year, totalling 242 361m² (2014: 275 481m²). Relatively low economic growth in South Africa has led to higher office vacancies, a slowdown in retail spending, as well as limited rental growth in the industrial property sector, which in turn has led to more competitive renewal negotiations across the portfolio. Notwithstanding, we are pleased to report that we retained 76% of expiring leases, thanks to the increased efforts of our team. Retaining our tenants with leases expiring in the near future has resulted in marginal negative reversions of 0,1% for the year on renewals and negative reversions of 0,2% in total. Nevertheless, we are satisfied that these negative reversions have stabilised from the significantly higher levels of negative 6% in 2013.

During the year, we successfully managed our exposure to financially troubled retail giants Edcon and African Bank Investments Limited ("Abil"). All of our 7 234m² exposure to Abil's furniture retail chain Ellerines has been re-let to new tenants, some of which were at improved rentals. This process had a minor negative effect on our rental income for the year. In managing our exposure to Edcon, we have been notified that the national retailer will vacate at least one outlet, beginning with the store in our Market Square Centre in Plettenberg Bay. While the GLA of the store in question is 1 672m², we have tenants who are eager to occupy the space at a significantly better rate per square metre.

Wonderpark, our recently completed 90 000m² super-regional shopping centre, has begun to perform, delivering a level of growth for the year.

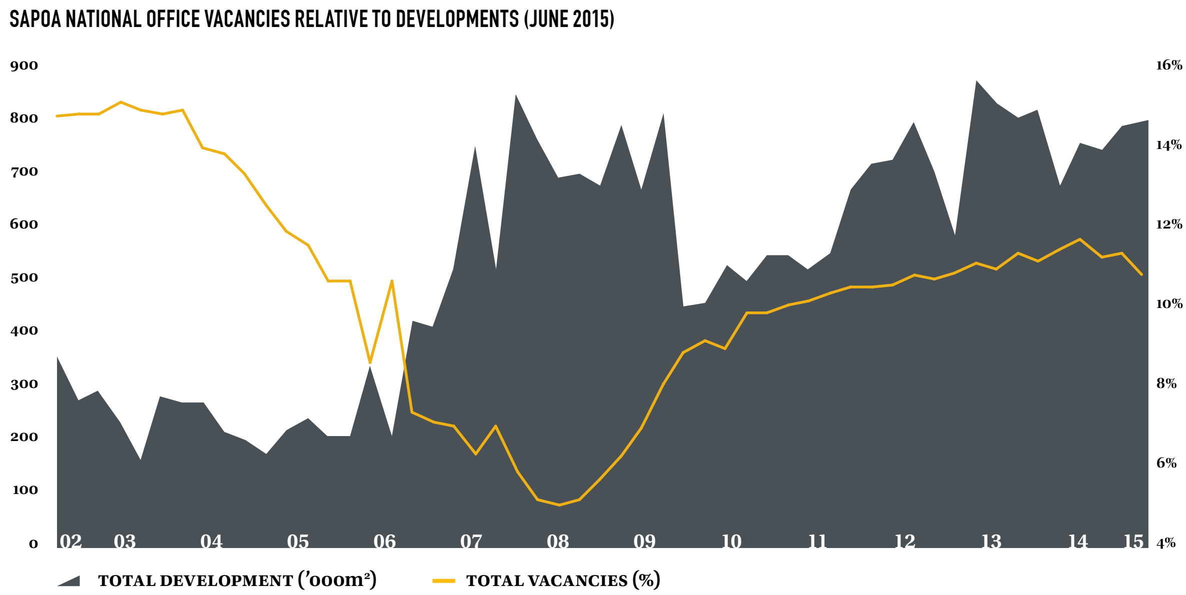
Regarding our Gateway Landing industrial property, we currently have signed leases for 7 990m² out of the building's total GLA of 9 371m². After a modest start, we expect the building to be fully let within the first year of its completion. We are looking to pursue further investment in industrial developments, as the sector has good fundamentals. Additionally, smaller developments can be pursued with less risk than in the office or retail sectors, where properties are optimally required to be 50% to 60% pre-let before completion. For more information about the Gateway Landing property, refer to the case study on page 37.

Our Growthpoint Properties Australia ("GOZ") investment appreciated by a further R130 million during 2015. Although still showing good growth relative to the rest of the world, the rate of expansion in the Australian economy slowed during the year, with the mining sector slowdown a major factor, which has resulted in the lowering of interest rates in that country. As a result, our GOZ investment has appreciated significantly, despite weakness in the Australian dollar, which has depreciated against the rand. Nevertheless, the investment remains a very comfortable and attractive one for Emira, with capital appreciation being accompanied by a 3,5% growth in distributions per annum. GOZ has also recently been included on the ASX 200 Index in Australia further increasing the demand for the stock. We currently hold 4,9% of shares in issue which was valued at R796 million at year-end.

The South African direct property market

In terms of a regional analysis according to Rode, during the fourth quarter of 2014, the Cape Town decentralised office region showed the strongest rental growth of 6%. Following Cape Town were Pretoria and Durban — where average market rentals were up by 5% and 3% respectively. In Johannesburg, decentralised rentals remained at roughly the same levels as last year.

Also in the Rode report, some of South Africa's top office nodes are showing good nominal rental growth. In the reporting period, Claremont and Century City in Cape Town showed a rental growth of 10% and 8% respectively — while in Pretoria, Menlyn showed a rental growth of 9%. Despite ballooning vacancies in the Sandton CBD, the node showed a rental growth of 5% — a sign of decelerating rentals, while beating inflation levels.



According to SAPOA, during the second quarter of 2015, the national office vacancy decreased by 0,6% to 10,6% from 11,2% in March 2015. In the office sector, which comprises 34% of our total portfolio exposure by GLA, Emira's vacancy rate is currently firm at 7,8%, which is substantially better than the national office vacancy rate.

The current office vacancy rate remains lower than the peaks of the previous two cycles. In 1993, the national office vacancy rate reached 12,5%, and climbed to 15% in 2003. However, the current rate is more than twice the vacancy rate of 2008 — when the cycle bottomed at 4,9% nationally. The latest 0,6% decrease is the largest quarter-on-quarter decrease recorded since 2008. This equates to a net occupancy of 95 000m^2 with 97 093m^2 being let over the quarter and 1 320m^2 of stock being added to the sample. Despite the reduction in vacancies, the office sector is still in recovery and continues on its sideways trend, which dates back to 2010.

In order for vacancies in the office sector to maintain a rate of improvement, key macroeconomic drivers such as economic growth, business confidence and capital investment must be sustained. Similar to the period between 2000 and 2001, the macroeconomic fundamentals of the current stage of the economic cycle bear a strong resemblance. During the former period there were however, similar improvements to the office vacancy rate, which were offset by eroding macroeconomic fundamentals which eventually led to vacancies peaking two years later in 2003.

In the second quarter of 2015, following the trend of the previous quarter, asking rentals delivered an above inflation, year-on-year growth of 5,1%. According to SAPOA, the office sector is in the early stages of recovery, showing a recent decline in vacancy rates and the stabilisation of rental levels.

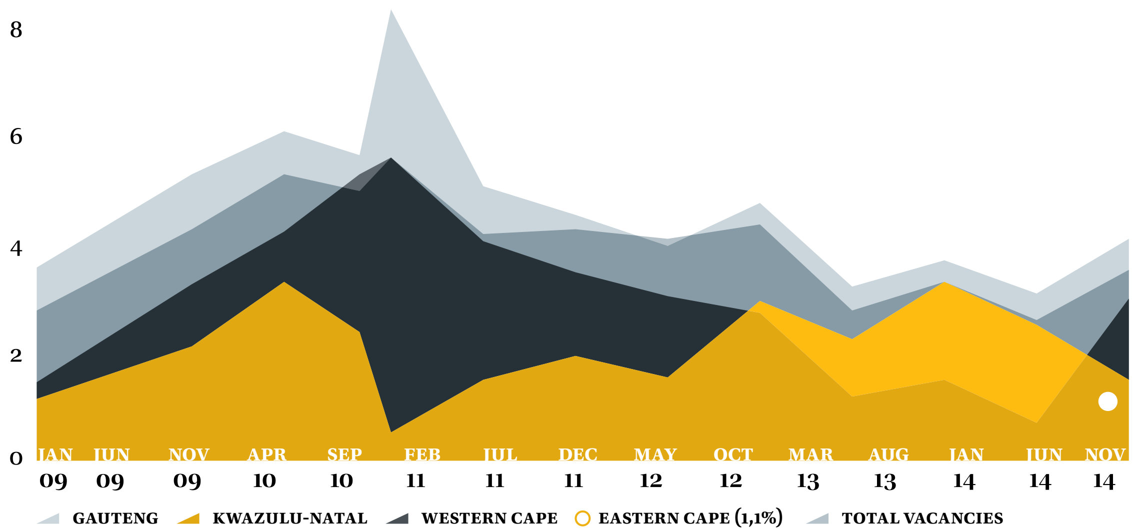
Sustained rental growth will therefore rely heavily on the improvement of key macro drivers such as economic growth, financial and business services employment growth, as well as capital investment.

The office sector also remains highly competitive, with an excess of supply that has become prevalent in the market. In excess of 46% of the national office supply is located in Sandton, which demonstrates why we have exited from our Sandton property.

At the end of June 2015, all grades of office space reported improvements in vacancies — with the exception of C-grade space. P-grade office space recorded the biggest improvement in the sector over the quarter with a decrease of 1,0% from 6,2% in March 2015 to 5,2% in June 2015 — while Emira saw a reduction of 1,3% during the same period. Driving the better rates were improved occupancies in Sandton, Melrose/Waverley and the Cape Town CBD. Vacancies in the sector's A-grade space declined by 0,7% to end the quarter on 8,6% — while Emira's A-grade office vacancies reduced to 8,4% from 10,5%. B-grade space in the sector decreased to 12,9% from 13,7% in the previous quarter; while Emira's B-grade office vacancies rose to 9,1% from 8,1% — due to the disposal of Braamfontein Centre. Although vacancies in the sector's C-grade space increased to 16,5% from 15,9% in March 2015, Emira has no C-grade office exposure.

Regionally, Johannesburg's office sector contributed 50 basis points of the total 60 basis point improvement, decreasing the overall national vacancy rate on a weighted basis. Despite the quarter-on-quarter improvement, the Johannesburg region's vacancy rate remains the highest of the four major metros at 11,3%, down from 12,2% in March 2015. The City of Cape Town registered the biggest decrease in vacancy rates — down to 8,3% at the end of June 2015 from 9,5% in March 2015. By contrast, the highest vacancy rate belongs to Port Elizabeth, at 14,7%.

SAPOA NATIONAL INDUSTRIAL VACANCIES (%) (DECEMBER 2014)



While still over 10%, office vacancies in Durban and Pretoria both improved over the quarter, reducing to 10,2% and 10,6% respectively.

Office development activity remains high with about 791 052m² currently under construction — an increase of 1,2% over the last quarter. As more new office space becomes available, asking rental prices as well as office vacancy rates will continue to be under pressure during the short to medium term.

Nationally, construction activity shows that as much as 79% of all office development is concentrated in just 10 nodes. The current pre-let rate is 69% compared with 22% in 2008 when speculative development had peaked. At the end of June 2015, Sandton accounted for over 46% of total development in the country, with 369 000m² underway and 86% pre-let. The other nine nodes are: Rosebank (47 294m² with 75% pre-let), Century City (39 000m² with 0% pre-let), Waterfall (31 545m² with 67% pre-let), Newtown (30 000m² fully let), Braamfontein (28 000m² fully let), Sunninghill (23 191m² with 0% pre-let), CBD Cape Town (22 000m² with 77% pre-let), Ballito (21 500m² fully let) and Bryanston/Epsom Downs (21 165m² with 47% pre-let). The ratio of unlet space, to space being developed, fell to 30,7% from 37,1% in March 2015.

From a rental perspective, the retail sector has been the best performer over the past 12 months. While we have experienced negative reversions in the office and industrial sectors, we are experiencing a rental growth in retail of 4,0%. In addition, vacancy levels in our retail portfolio are 2,8% — outperforming the SAPOA national retail sector vacancies, which were reported at 5,2%. Within our retail portfolio rental growth is just below current inflation levels of 4,7%.

SAPOA has once again reported that retail gross rentals continue to grow at a rate faster than sales, which has resulted in retailers' cost of occupancy increasing.

It is a concern for retailers that electricity and municipal costs are increasing at a rate faster than income growth. Retailers' costs as a function of their turnover have been continuously rising across the sector. While there are exceptions, top-line growth is below the rising rate of costs for most retail tenants.

Within our portfolio, industrial vacancies are low, at 1,4%, which is below the SAPOA average for the sector, at 3,5%. Industrial rental growth for the year, however, has been flat — this is unusual because low vacancies are typically accompanied by rental growth. Rental prices have been kept low in the sector by a supply of newly-developed high-quality industrial properties available to rent, at relatively low rental prices. Once again, the industrial sector outperformed the retail and office sectors with total returns of 14,1% for the year.

At the end of December 2014, SAPOA reported that the industrial sector maintained a vacancy rate below 5,0% However, property used for manufacturing, notably recorded the largest increase in vacancies — from 1,6% in December 2013, to 4,4% in December 2014 — when compared to warehousing and standard units. High-tech industrial also experienced an increase in vacancies, rising to 3,8% — which is significantly higher than the levels of 2008, which were reported at 1,0%.

Increased consumer spending has led to growth in e-commerce, along with the centralised distribution it requires. Warehousing currently has the lowest vacancy rate of 1,9% — which has been decreasing since 2009. Smaller industrial boxes had the highest increase in vacancies as well as increased pressure on rental growth during the year. Units smaller than 2 500m² were the only segment to report negative growth in base rentals. Although industrial properties larger than 10 000m² have the highest vacancy rate according to size, the segment nevertheless returned the highest basic rental growth.

In its regional industrial analysis, SAPOA reported the Eastern Cape as having the lowest vacancy rate of 1,1%. It should be noted however, that the total area surveyed in the Eastern Cape comprises only 1,8% of the national area surveyed. Vacancies in KwaZulu-Natal reduced by 1,0% to end the year at 1,5%. Vacancies in the Western Cape rose by 2,3% from 0,7% in June 2014 to 3,0% at the end of the year. Gauteng recorded the highest vacancies during the last six months of 2014 with a rate of 4,1% compared to 3,1% at the end of June.

An important indicator, which shows that industrial property supply is slowing, is the 12-month moving average of plans passed and plans completed. While the indicator continues on its downward trend, it did however record a minor increase in May 2015. Over the preceding three months to May 2015, the number of actual plans completed increased by 12,7%. While only a small increase over three months, it is significantly higher than the 40,3% decrease over the same three months a year ago. The actual number of plans completed increased by 86,7% between March and May 2015 — compared to a 13,4% decrease, recorded from March to May 2014. A year-on-year comparison shows an increase in actual plans passed as well as actual plans completed of 103,9% and 45,1% respectively.

According to the Jones Lang Lasalle ("JLL") Johannesburg Industrial Market Report for the second quarter of 2015, one of the major risks facing the industrial sector is the concentration of activity in the trade sector. The report explains that trade has cushioned slowing activity in industrial real estate with the potential for business activity slowing in the industrial sector if trade activity continues to decelerate as it has in recent months. However, in the construction and utilities sectors, there are signs of improvement, which bodes well for the industrial sector.

With regard to rental growth, the eastern and northern nodes currently dominate the market, mainly due to the supply of newer and larger logistical units. Both nodes recorded quarter-on-quarter rental growth rates of above 6,0% in the second quarter of 2015. By contrast, rental movement in the western and southern nodes remained muted. The JLL report also stated that while industrial vacancies increased marginally to 9,6% in the second quarter of 2015 stable occupation levels are likely to contribute to stagnation in rental rates. However, this has not discouraged developments that are underway, which reflects long-term confidence in the market.

The South African listed property market

The year under review was a very good period for the listed property sector. Capital prices on a 12-month basis increased by 19,7%. Listed property has comfortably beaten every other sector on the JSE, with total returns for the sector of 25,4% over 12 months. Interest rates have remained low for an extended period of time, which has been a major driver of the sector's excellent performance.

Over the past 12 months, the SAPI (a consolidated index of all South African PLSs, PUTs and REITs) delivered impressively, with the highest gains for investors across the major indices on the JSE, yielding a return of 25,4%. In the same period, the Findi 30, or the Financial and Industrial 30, yielded returns of 14,9% — twice the returns investors would have achieved from the R186 Long Bond and more than triple the returns of the JSE's All-Share Index.

Distribution growth in the listed property sector has been exceptional, averaging between 8,5% to 9,5%. We benchmark ourselves against our competitors, which have averaged between 8,0% to 8,5% growth. Our distribution growth has been pleasing at 9%. High capital pricing combined with high distribution growth has been driving our share price upwards to new levels.

During the past quarter, the five-month average yield of the R186 Long Bond increased by 0,4% to 8,0%, compared to the previous five-month average yield of 7,6% with a quarterly average of 8,1% during the second quarter of 2015. The yield differential between the SAPI and government bonds continues to decrease from the three-month average of negative 2,0% recorded a year ago, to a three-month average of negative 2,7% for the second quarter of 2015. The average differential between the R186 Long Bond and the historic SAPI yield since 2011 remained unchanged over the past two quarters at negative 1,5% with a standard deviation of 0,5%.

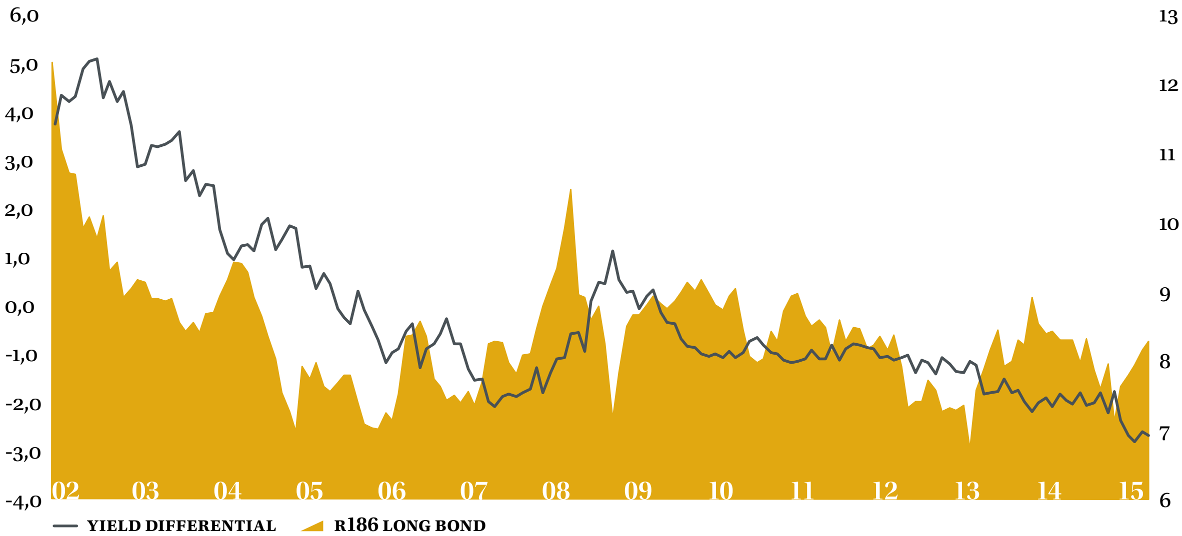
The listed property sector has been trading at a substantial premium to net asset value of about 35%, which accounts for the sector's prevailing higher prices. Notably, the yield differential between the listed property sector and the bond yield is currently the widest it has ever been, at negative 2,7%. The sector is therefore expensive — in terms of a yield differential with bonds, on a forward yield basis, as well as at a premium to net asset value basis. Remarkably, and despite tough economic fundamentals, the sector has outperformed expectations.

Emira's performance analysed

A landmark in our history was reached during the year, as our PI price reached unprecedented heights in January 2015 — a reflection of Emira's strong performance from the perspective of DPS growth and acquisitive action within the portfolio. Emira's PI price rose sharply, from 1 470 cents to 1 698 cents per PI, or an increase of 15,5%. In the 12 months to 30 June 2015, 320,4 million PIs were traded (2014: 214,6 million), equal to 62,9% of the average number of PIs in issue (2014: 46,3%) with R5,3 billion traded in the 12-month period (2014: R3,0 billion). Total returns during the period for Emira PI holders amounted to 24,3%.

By striving to improve wherever possible, Emira's strong performance stems from keeping to the fundamentals of our strategy — growing distributions by managing the quality of the portfolio, keeping properties occupied by the best tenants, making timeous acquisitions and disposals, and thereby delivering quality total returns to our investors.

YIELD DIFFERENTIAL AND R186 LONG BOND (%)



Total returns to 30 June 2015 (pre-tax)

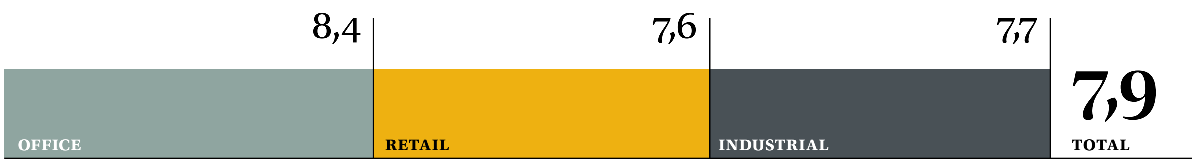
Period	All Share %	Findi 30 %	SAPI %	R186 %
3 MONTHS	0,0	1,4	(5,8)	(1,5)
6 MONTHS	5,5	8,4	6,4	1,3
12 MONTHS	4,6	14,9	25,4	7,4
36 MONTHS	62,3	106,2	56,3	18,9

Source: Inet-Bridge

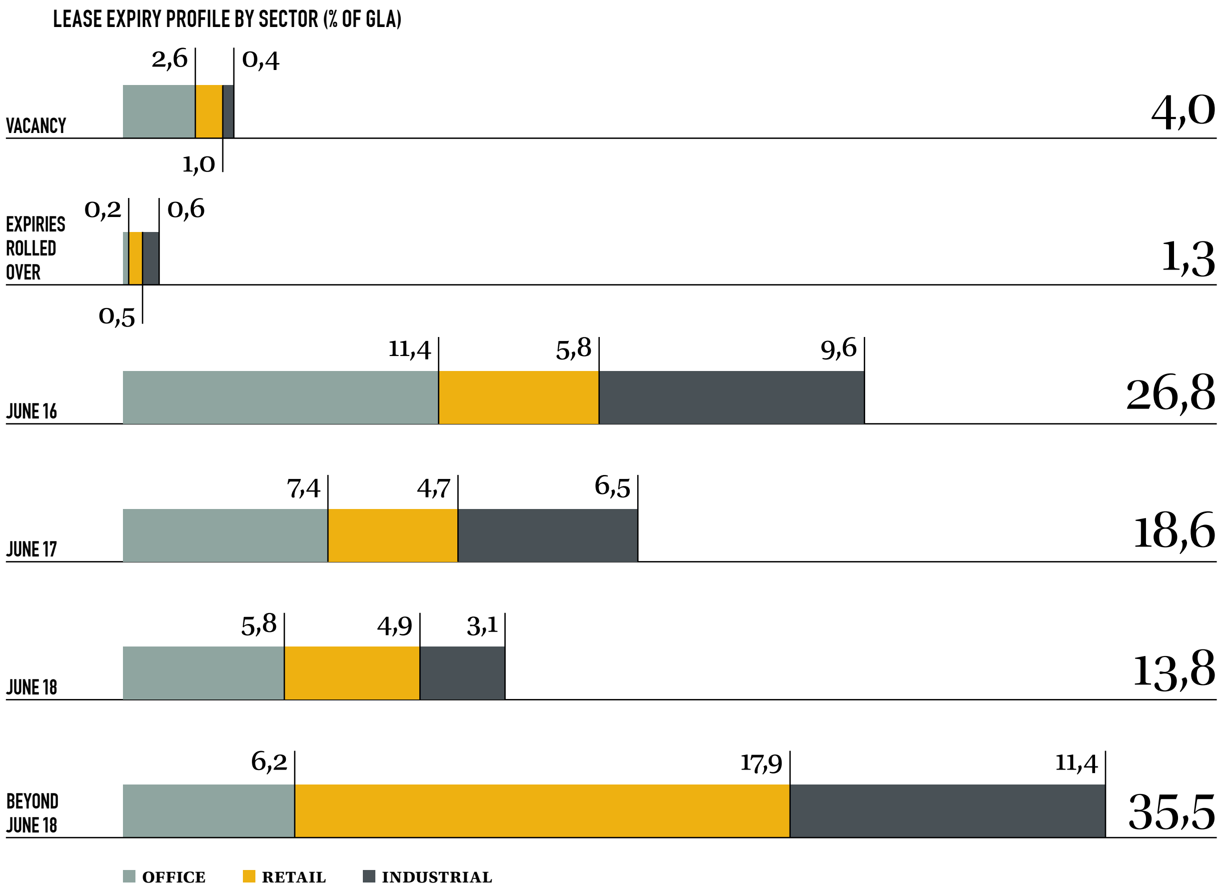
Portfolio exposure

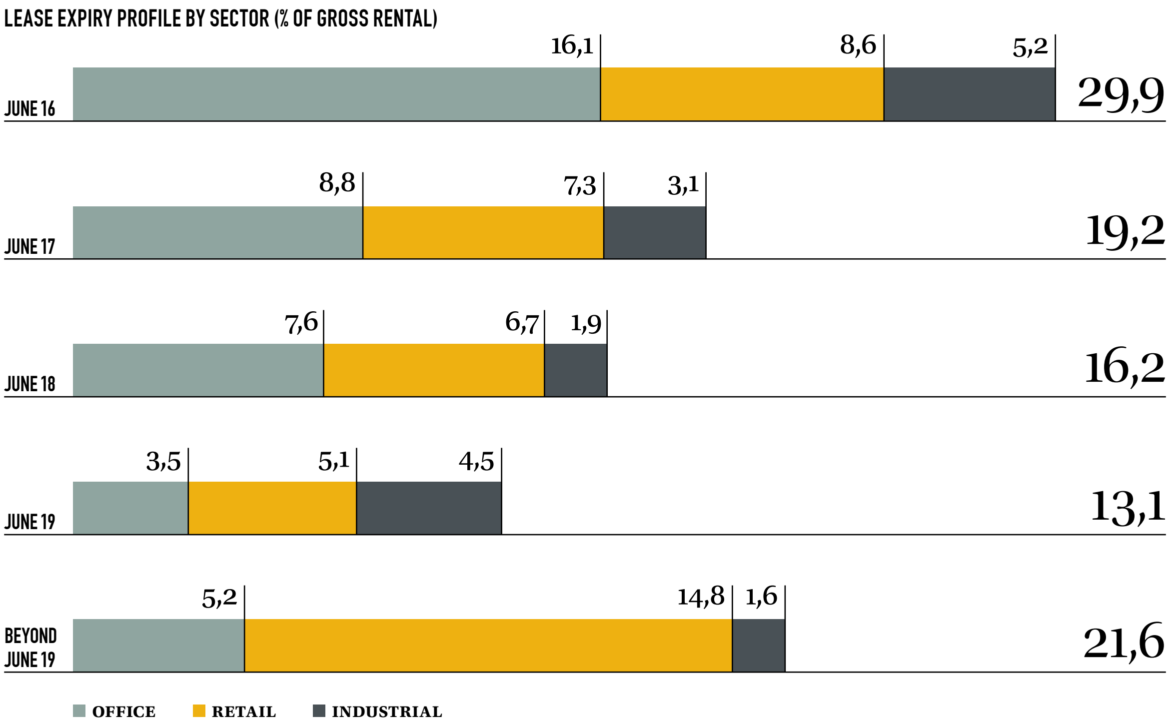
	OFFICE		RETAIL		INDUSTRIAL		TOTAL	
Sector	2015	2014	2015	2014	2015	2014	2015	2014
NUMBER OF PROPERTIES	**61**	63	**38**	34	**46**	44	**145**	141
NUMBER OF TENANTS	**1 030**	773	**1 310**	1 002	**456**	270	**2 796**	2 045
VALUE (RBN)	**5,7**	5,4	**5,1**	3,7	**1,9**	1,7	**12,7**	10,7
TOTAL GLA (M^2)	**395 492**	435 298	**408 275**	352 971	**373 292**	348 392	**1 177 060**	1 136 661
AVERAGE VALUE/PROPERTY (RM)	**92,8**	85,4	**135,3**	107,7	**42,2**	38,1	**87,9**	76,0

LEASE ESCALATIONS (%)



Performance review continued





TENANT GRADING BY GLA (%) *

** In terms of JSE Listings Requirements, tenants have been graded as follows:*

A Large national tenants, large listed tenants, government and major franchisees. These include, inter alia, ABSA Bank, Afrox, Audi, , Bidvest, Department of Justice, Department of Public Works, FirstRand Bank, J D Group, Nedbank, Old Mutual, Edcon Group, Mr Price Group, Pepkor, Pick n Pay, Checkers, Shell, Standard Bank Group, Ster-Kinekor, Vodacom, Woolworths, Truworths International and Virgin Active.

B National tenants, listed tenants, franchisees and medium to large professional firms. These include, inter alia, Debonairs Pizza, Fishaways, John Dory's, Mike's Kitchen, Europa, Postnet, Cash Crusaders, Baby Boom, Rage Distribution, Dial-a-Bed, Torga Optical, UCS Group and Wimpy.

C Other tenants comprise all other tenants that do not fall into the above two categories.

Gateway Landing

Property update

Our Gateway Landing property is a high-quality industrial asset, located on the northern side of the eastbound N4, and just 9km away from the N1/N4 interchange. The property is fully zoned and serviced, with convenient highway access via the Solomon Mahlangu off-ramp (formerly Hans Strydom). The property is surrounded by a set of main roads that connect it to surrounding areas.

We developed the highly regarded property, adding it to the portfolio in a R53,2 million transaction. The property was subsequently valued at R60 million in June 2015, which represents R6,8 million value added by Emira.

The property — with a GLA of approximately 9 400m^2 — was fully complete and ready for leasing to tenants in December 2014. At the time of completion, we had only signed a single tenant, occupying just one of the eight available 450m^2 mini units. The property's location, distinctive construction and strong fundamentals, however, led to 85% of the entire 9 400m^2 being let in the six months from December 2014 to June 2015.

Our largest tenant at Gateway Landing is Professional Sourcing Procurement Assist ("PSPA"), a supplier of school clothing to the Curro group of independent private educational facilities. PSPA has leased 3 842m^2 of the property's total 9 400m^2.

Our initial expectation, that the property will enjoy long-term growth, has been bolstered by the property's good performance in its first cycle since completion. Having been developed in accordance with our strategy to grow the quality and value of the portfolio, Gateway Landing represents a modern industrial asset that will deliver well into the future.

Performance review continued

Strategic objective

Reduce vacancies and manage lease expiry profile

2015 performance

Achieved

4,0%

vacancies with

77%

tenant retention

2016 target

4,0% and

70%–75%

Property portfolio

Office

The office sector remains under pressure as South Africa's macroeconomic environment faces a number of challenges such as electrical supply interruptions; modest employment growth and the contraction in output figures — all of which negatively affects business confidence in the short to medium term.

Notwithstanding the trying economic conditions, the office market remains extremely competitive. Our tenant retention target for the year was greater than 75%, and we have performed very well, achieving a retention rate of 76%. We ensure that our office buildings are well managed and regularly maintained and where possible, we also endeavour to protect our tenants from the negative effects of utility supply interruptions. To illustrate the continuous investment made into the portfolio, the number of capex projects currently underway across the portfolio stands at 19 — the highest in Emira's history.

Our office vacancies of 7,8% are well below market levels and the national levels reported by SAPOA. Our major office vacancies are located at: Menlynwoods Office Park (2 723m^2), Woodmead Office Park (2 586m^2), The Avenues North (2 313m^2) and Corporate Park 66 (2 244m^2). The vacancy target for 2016 is set at 7,5% to make further inroads and reduce office vacancies.

On a like-for-like basis, gross income for the year under review was up 3,1% to R584,4 million, while expenditure decreased by 10,1% to R206,6 million resulting in a net income increase of 12,1% to R377,7 million.

Retail

The retail sector, from a rental perspective, has been the best performer over the past 12 months. In our portfolio we can report retail rental growth of 4%. Whereas we are experiencing minor negative reversions in office and industrial, we are experiencing positive rental growth in our retail sector.

Our low retail vacancy rate of 2,8% was largely achieved due to the concerted efforts of our management teams. As shown in the table below, these vacancy levels have positively impacted our performance, with Emira's vacancies being below those represented by the South African Council of Shopping Centres. Major vacancies are located at: Kramerville Corner (1 605m^2), Wonderpark (1 539m^2), The Tramshed (1 443m^2) and Tokai Shopping Centre (1 090m^2). The 2016 retail vacancy target is set at 2,5%.

On a like-for-like basis, gross income increased by 4,6% to R405,5 million, while expenditure decreased by 0,5% to R168,9 million with net income up by 8,6% to R236,6 million.

Industrial

The industrial sector of our portfolio once again delivered strong results highlighted by low vacancies, at 1,4%, below SAPOA levels, which were reported at 3,5%. Despite the sector's very good performance, rental growth has not accompanied the low vacancy levels. Newly developed, high-quality industrial properties are being made available to rent, at relatively low rental prices — a factor which is presently keeping asking rental prices relatively low in the sector. The 2016 industrial vacancy target is set at 2,0%.

Property portfolio

	OFFICE		RETAIL		INDUSTRIAL		TOTAL	
Sector	2015	2014	2015	2014	2015	2014	2015	2014
PORTFOLIO VALUE (RBN)	**5,7**	5,4	**5,1**	3,7	**1,9**	1,7	**12,7**	10,7
PORTFOLIO VALUE (%)	**44**	50	**41**	34	**15**	16	**100**	100
VACANCY LEVELS (%)	**7,8**	8,8	**2,8**	2,7	**1,4**	1,0	**4,0**	4,5
GROSS INCOME MOVEMENT (%)*	**+15,2**	+8,8	**+19,3**	+5,1	**+12,8**	+6,7	**+16,4**	+7,0
GROSS INCOME (RM)*	**759,4**	659,4	**675,7**	566,5	**251,6**	223,1	**1 686,7**	1 448,9
EXPENDITURE MOVEMENT (%)**	**-0,0**	+7,8	**+0,1**	+1,9	**-2,1**	+19,1	**-0,2**	+6,7
EXPENDITURE (RM)**	**263,3**	263,4	**239,0**	238,8	**76,3**	77,9	**578,6**	579,6
NET INCOME MOVEMENT (%)	**+25,40**	+9,4	**+32,9**	+7,6	**+20,7**	+1,0	**+27,5**	+7,3
NET INCOME (RM)	**496,1**	395,6	**436,7**	328,5	**175,3**	145,2	**1 108,0**	869,3

* *including disposals and acquisitions (excluding the allowance for future rental escalations).*

** *including acquisitions and disposals before bad debts.*

Rent reversions by sector

Sector	m^2	Avg. expiry rental (R/m^2)	Avg. new lease rental (R/m^2)	Increase/(decrease) %
OFFICE	70 148	111,24	107,11	(3,7)
RETAIL	53 584	129,21	134,38	4,0
INDUSTRIAL	77 197	50,26	49,71	(1,1)
TOTAL	**200 929**	**92,50**	**92,33**	**(0,2)**

Total portfolio movement

	JUNE 2015		JUNE 2014		DIFFERENCE	
Sector	R'000	R/m^2	R'000	R/m^2	R'000	R/m^2
OFFICE	5 660 604	14 310	5 381 621	12 363	278 983	1 947
RETAIL	5 139 666	12 589	3 669 868	10 397	1 469 798	2 192
INDUSTRIAL	1 940 823	5 199	1 707 515	4 901	233 308	298
TOTAL	**12 741 093**		**10 759 004**		**1 982 089**	

On a like-for-like basis, gross income increased by 3,8% to R226,8 million and expenditure fell by 4,6% to R74,4 million with net income up by 8,5% to R152,4 million. The sector continues to offer attractive opportunities for Emira to pursue, with clear markets existing in high-quality, well-located industrial property. For more information, refer to the Gateway Landing case study on page 37 of this review.

Tenant retention

During the year under review, a total of 857 leases, representing a GLA of 317 079m^2 were due to expire between July 2014 and June 2015. We are pleased to report that, due to the efforts of our team, we have met our lease renewal target for the year, renewing 659 or 77% of our leases, representing 242 361m^2, or 76% of our portfolio's GLA with leases expiring during the year.

Rent reversions

Further progress was made during the year with regard to rent reversions in the face of trying market conditions. Having reduced to negative 1,6% in 2014, we can report that reversions have decreased further to negative 0,2% during the year, which is a dramatic improvement from the negative rate of 6% reported in 2013.

During the period under review, the average expiry gross rental was R92,50/m^2 (2014: R79,87/m^2) with leases being signed at an average of R92,33/m^2 (2014: R78,58/m^2).

Valuations and net asset value

As at the end of June 2015, independent valuers valued one-third of the portfolio of properties, while two-thirds were valued internally in line with our policy, and the Board approved these valuations.

We are pleased to report that the value of our investment properties increased during the year by R1 982,1 million (2014: R1 358,6 million), which was made up of capital expenditure including capitalised interest of R1 211,2 million (2014: R1 190,0 million) less disposals of R326,7 million (2014: R313,1 million), and a net upward revision in property values of R1 097,6 million (2014: R493,3 million). Emira's net asset value also increased year-on-year by 15,9% to 1 751 cents per PI.

Capital expenditure projects

By pursuing opportunities to improve the quality of the portfolio, we attend to one of our strategic priorities. We constantly assess our properties to identify capital expenditure projects that offer attractive enhancement, refurbishment or extension options, which can often deliver better returns than acquisitions, and at a lower risk to Emira.

To illustrate the above, the significant expansion and refurbishment project at Wonderpark Shopping Centre has been successfully completed. After two years and a significant capital investment of R561 million, the centre — now a super-regional — has grown in size from 63 000m^2 to 90 000m^2. Selected national anchor tenants were given prime locations within the centre, often complemented by bigger stores, better placement, or both. The centre is now well positioned to attract and retain both quality tenants and shoppers alike. The project exemplifies our capex project strategy — we pursue the right opportunities that arise for the right properties.

Strategic objective

Selectively recycle and upgrade assets

2015 performance

Achieved
R700m
capex projects across all sectors

2016 target

R200m

Case study

R6,4m
INVESTED IN PV SOLAR PANEL PILOT PROJECT

IMPROVED CDP PERFORMANCE

R17m
INVESTED IN BACKUP GENERATORS AT WONDERPARK SHOPPING CENTRE

Controlling consumption

We have executed a number of initiatives and capex projects during the year, in order to further reduce Emira's carbon footprint, and to align with our broader strategic priorities and sustainability objectives. Although we strive to continuously improve on our disclosure scorecard, with each passing year, the degree of improvement over the year before will be reduced as Emira's CDP performance reaches optimal levels.

Emira implemented its planned rollout of electrical smart meters during the year to all properties across the portfolio. The new meters facilitate a better performance on a property-by-property basis, by enabling improved levels of utility management. A significant benefit of these smart meters is that they can be read and managed remotely, which lowers operating costs.

We will be in a better position to accurately measure the utility consumption of each property and implement meaningful interventions to further reduce consumption and thus reduce tenant operating costs.

Overcoming challenges

Other initiatives are currently underway and we are in the process of mitigating the risk of the electrical supply constraints that have adversely affected the portfolio, as well as the greater economy. While diesel-powered generators have a negative impact on the environment due to their emissions, they are critical to ensure business continuity for tenants under the current conditions and essential to protect asset values.

We have invested R17 million into generators at our super-regional Wonderpark Shopping Centre in Pretoria North. The generators have the capacity to provide backup power for the entire shopping centre during scheduled load shedding as well as unplanned outages. There are a number of clear advantages — firstly, tenants can continue to trade and operate seamlessly; and secondly, the centre's customer base will be attracted and retained by the convenience and reliability of the generators during power outages.

Offering solutions

We have reduced our carbon footprint during the year, by installing our first photovoltaic ("PV") solar panel array on the rooftops of the Epsom Downs Shopping Centre at a cost of R6,4 million. The rooftop PV farm is a project between Emira and energy partner, Bright Black. The new PV installation supplies approximately a third of the shopping centre's total electrical requirements. The power generated by the PV panels is supplied to the centre's tenants, who are charged for the energy they consume.

Furthermore, we are helping to ease the demands on the struggling national power grid by generating our own clean energy. The success of the PV project at Epsom Downs has spurred investigation into additional PV projects, which will be rolled out during the coming year. These will include some of our industrial and retail tenants, whose electrical demands are high. We will continue to identify the most viable solutions to improve tenant retention during the ongoing national energy deficit.

This year we can report that many of the buildings in our portfolio have been given energy-related upgrades. In light of the harmful uncertainty stemming from the ongoing electricity supply constraints in South Africa, we have taken steps to help shield our tenants from the negative effects power outages can have on their businesses. In addition, the installation of smart meters at all of our properties will save money as well as scarce resources. For more information, refer to the capex case study on page 40 of this review. A total of 19 capex projects are currently underway and ongoing for a capital investment of R186,4 million. Although this expenditure in rands is significantly less than recent years, the number of projects currently underway is the highest in Emira's history.

Completed capital expenditure projects

Project	Sector	Capital consideration (R)	Completion date
ALBURY PARK — ADDITIONAL 27 PARKING BAYS	OFFICE	1 320 174	31 AUG 14
SPRINGFIELD RETAIL CENTRE — FRUIT & VEG AND BABY CITY	RETAIL	9 821 826	31 AUG 14
COFIMVABA — CHEESANYAMA EXTENSION AND CENTRE REVAMP	RETAIL	2 162 438	30 SEP 14
GATEWAY LANDING	INDUSTRIAL	53 204 611	30 DEC 14
BROOKLYN FORUM — REFURBISHMENT	OFFICE	3 356 339	31 DEC 14
FLAGSTAFF – EXTENSION	RETAIL	9 600 673	31 JAN 15
1059 FRANCIS BAARD — FAÇADE	OFFICE	9 180 607	28 FEB 15
SPRINGFIELD RETAIL CENTRE — HI-FI CORPORATION	RETAIL	1 500 000	15 MAR 15
SPRINGFIELD RETAIL CENTRE – TOY ZONE	RETAIL	1 650 671	15 MAR 15
WONDERPARK — EXTENSIONS TO SUPER-REGIONAL CENTRE AND PARKING	RETAIL	560 861 556	30 APR 15
NQUTU — RE-TENANTING	RETAIL	3 910 850	01 MAY 15
CORPORATE PARK (82 LECHWE) — SPRINKLERS	INDUSTRIAL	2 404 535	11 JUL 15
TOTAL		**658 974 280**	

Capital projects yet to be completed

Project	Sector	Capital consideration (R)	Anticipated completion date
SOUTHERN SENTRUM — PICK N PAY LIQUOR STORE AND STANDARD BANK	RETAIL	1 248 345	15 JUL 15
EPSOM DOWNS SHOPPING CENTRE — PICK N PAY LIQUOR STORE	RETAIL	790 473	31 JUL 15
GATEVIEW — REFURBISHMENT	OFFICE	3 555 541	31 JUL 15
HAMILTON HOUSE — REFURBISHMENT COMMON AREAS AND LIFTS	OFFICE	2 504 624	31 JUL 15
TECHNOHUB — POLYURETHANE FLOOR	INDUSTRIAL	1 733 665	31 JUL 15
267 WEST — 3RD FLOOR SUBDIVISION	OFFICE	1 934 580	01 AUG 15
MENLYN CORPORATE PARK — KING PRICE EXTENSION	OFFICE	24 559 647	01 AUG 15
BOUNDARY TERRACES	OFFICE	7 610 754	31 AUG 15
GRANADA SQUARE — WOOLWORTHS EXTENSION	RETAIL	9 412 255	31 AUG 15
WATERSIDE PLACE — REFURBISHMENT	OFFICE	5 700 227	31 AUG 15
20 ANVIL ROAD — BOUNDARY WALL AND HARDSTAND	INDUSTRIAL	2 400 000	30 SEP 15
CAMBRIDGE PARK — ABLUTIONS	INDUSTRIAL	610 212	31 OCT 15
CENTRAL SQUARE IDUTYWA — EXTENSION	RETAIL	9 498 499	31 OCT 15
LONE CREEK — REFURBISHMENT	OFFICE	8 658 570	31 OCT 15
CENTRAL SQUARE IDUTYWA — EXTENSION	RETAIL	9 498 499	31 OCT 15
KRAMERVILLE CORNER (SANDGATE PARK AND CRB HOUSE)	RETAIL	57 789 175	01 JAN 16
9 LONG STREET (WESBANK HOUSE) — FAÇADE	OFFICE	9 784 093	28 FEB 16
BRADENHAM HALL — PHASE 1	OFFICE	8 460 646	28 FEB 16
267 WEST PARKING	OFFICE	18 074 727	TBC*
TOTAL		**186 423 249**	

* *Delay in City Council approval for project.*

Case study

Kramerville Corner

CAPITAL EXPENDITURE

R57,8m

Creating premium retail showrooms from B-grade offices

THE PROPERTY

The major refurbishment at Kramerville Corner is currently underway, and is the largest current capex project at R57,8 million. In a very well located node with great access to Sandton via Katherine Street and South Road, and located adjacent to the M1 highway, Kramerville hosts an existing decorating and interiors hub.

This refurbishment project with a combined GLA of 18 418m^2 is being carried out on two of our existing properties, namely, Sandgate Office Park, and CRB House, comprising five separate buildings as well as a new showroom and coffee shop in the Kramerville node.

These two separate properties have previously served as B-grade office space since construction in the 1980s. However, the node has developed and improved over time, resulting in the Board's approval of the current project, which will see the buildings add value and quality to the portfolio in a new retail role.

Once completed, the Kramerville Corner precinct will consist of approximately 76% showroom out of the total GLA of 19 544m^2. This is in line with our strategy to increase the quality and size of the portfolio's retail exposure.

THE OPPORTUNITY

The Kramerville node has been growing in demand from both an investor and a tenant perspective. Furthermore, other new showroom developments and refurbishments are currently taking place in the node. The purpose of the Kramerville Corner redevelopment project is to improve the asset base for the long term and grow income by transforming the majority of the property from office space to more lucrative retail space.

The precinct concept combines the elements of the seven buildings within a perimeter in the Kramerville node. Attractive, paved walkways and efficient landscaping will encourage visitors to park their cars and wander about on foot. Purpose-built signage will be conveniently placed to inform and direct people to the various showrooms and other businesses in the buildings within the precinct. Centralised control over service or utility aspects such as security, parking and cleaning will allow for simpler, more effective management of the precinct.

A standalone, two-storey 1 126m² retail showroom is being added to the site as a new building, housed between two existing buildings, within what will become the Kramerville Corner precinct. Having secured a high-quality tenant — luxury furnishers, Bakos Brothers — on a five-year lease, the new showroom will assist in attracting the high-end clientele for whom the precinct has been designed. The Bakos Brothers showroom will be complemented by other quality retail tenants within the precinct. Another new feature of the precinct will be a boutique coffee shop, which will conveniently reside roughly in the centre of the collection of buildings.

THE OUTCOME

As a result of the new configuration in Kramerville Corner, office space within the property will reduce to 13,3% of GLA, down from the current 45,0%. After the refurbishment and development, our retail exposure by GLA will have increased to 76,3%. Together with the new standalone building, the project will grow the total GLA of the property, increasing from 18 418m² to 19 544m².

Substantially improved rentals are a key outcome of the investment into Kramerville Corner. Average rentals for the buildings in their original state prior to the project was R61/m² and will dramatically improve to an estimated R90/m². As opposed to B-grade office space, higher quality retail and furniture showroom space has provided an attractive solution, obtaining quality tenants, on quality leases, occupying larger lettable areas per tenant — at better rentals per square metre — which is expected to show substantial value add to Emira's stakeholders.

seven buildings

TOTAL GLA

19 544m²

Case study

Summit Place Acquisition

A premium mixed-use development node

THE PROPERTY

Emira has conditionally acquired a 50% undivided share in five buildings in Summit Place — a mixed-use development node, located in the premium suburb of Menlyn in Pretoria, near the Garsfontein exit from the N1 highway.

At a combined purchase price of R403,5 million, the investment will initially yield approximately 8,1% and will continue to be an attractive asset due to the long-term leases with blue-chip tenants.

With two buildings already income producing and a further three due for completion by December 2016, the development consists of five multi-storey, premium grade ("P-grade") commercial buildings with excellent access and highway visibility. The combined GLA of the property is 30 477m², with the potential to acquire an additional 26 000m² of office and retail space.

The property's premium office space will accommodate distinctive tenants such as Grant Thornton, SizweNtsaluba-Gobodo and BDO — all on long-term leases. Any vacant space will be covered by an 18-month rental warranty from the developer. The retail aspect of the property continues in the same vein of quality, with additional top brand tenants including a Land Rover and Jaguar dealership, as well as the Summit Grill and Sky Bar. The precinct's profile is further elevated by the presence of an owner-operated Fire and Ice Hotel.

COMBINED GLA

30 477m²

THE OUTCOME

With a recently licensed casino and conference centre still to be developed, Menlyn's appeal is on the rise. This is in addition to the location's existing strength provided by the busy surrounding areas, super-regional Menlyn Park Shopping Centre, and a number of hospitals and schools in close proximity.

The acquisition is in line with the strategy to grow the size and quality of the portfolio by increasing its exposure to P-grade office and retail space, while reducing its exposure to B-grade office space. The buildings are sub-divisible, which offers increased flexibility over the course of the asset's lifespan.

Combined with low vacancies of 6,9% and attractive rentals, the area offers income quality as well as longevity. P-grade office stock such as Summit Place has been performing substantially better than lower grade stock, which bodes well for the future performance of the property.

PURCHASE PRICE

R403,5m

THE OPPORTUNITY

The acquisition has been completed timeously, albeit subject to Competition Commission approval, offering prized P-grade office exposure in a highly sought-after node. The Summit Place acquisition has added quality assets to the portfolio, especially after our recent disposals and exit from office exposure in Sandton, which is currently oversupplied.

Since the development is characterised by strong fundamentals, it has improved our tenant expiry profile by attracting top-quality tenants on long-term leases. The property will provide an escalating income over a number of years, due to a weighted average lease length of 7,5 years.

Neo Trend, the developer of the property, has retained the remaining 50% ownership of the five buildings in conjunction with its partners.

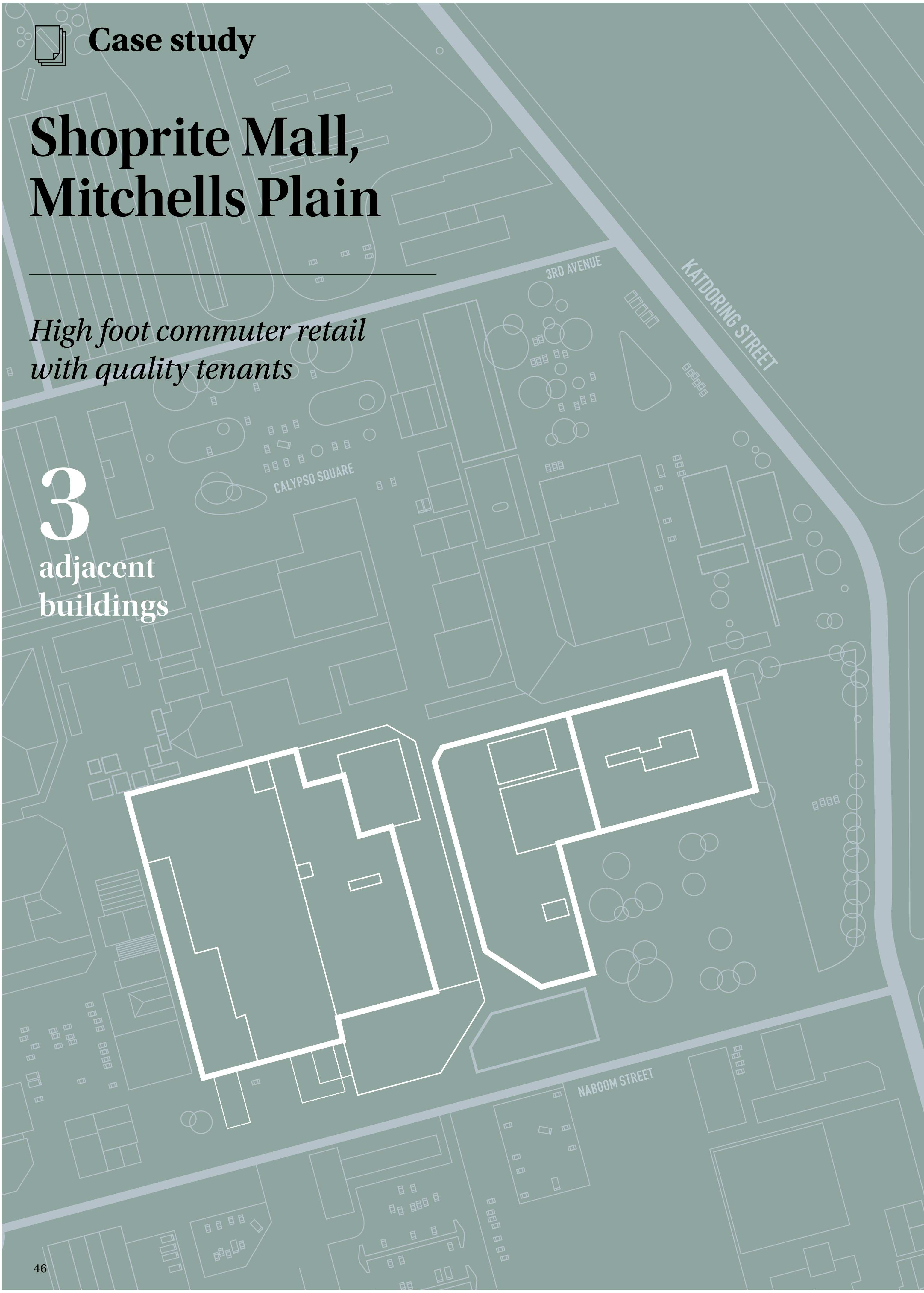
Prized P-grade office exposure in a highly sought-after node

Case study

Shoprite Mall, Mitchells Plain

High foot commuter retail with quality tenants

3 adjacent buildings



THE PROPERTY

Emira has purchased a 50% undivided share in the Shoprite Mall — an urban city centre retail complex in Mitchells Plain, in the Western Cape. With a forward yield of 9,3%, the investment will enhance earnings, increase the geographical and retail exposure of the portfolio and offer significant redevelopment and value-adding opportunities into the future.

The property has been acquired for R75,25 million, which is 50% of the purchase price of R150,50 million — with the balance being held by the Integri-T Group.

Consisting of three neighbouring buildings, the property is an inner city shopping centre with a combined GLA of 16 665m². The property has a national tenant component of more than 75% by GLA, which includes a 7 247m² Shoprite outlet with a lease until 2021. Located within a high-volume commuter node, the property has strong fundamentals, namely: public transport, high foot traffic, a hospital, community services and increasing residential densities around the centre.

COMBINED GLA

16 665m²

THE OUTCOME

Developing a retail precinct with the potential to increase in size from the existing base will generate further portfolio growth opportunities for Emira. In order to increase the presence of the acquisition and consolidate our position in the node, We have begun investigating the possibility of acquiring additional properties in the immediate area, which could see the combined GLA grow to beyond 20 000m².

The end result of the investment will be a better retail precinct for the area, with better quality tenants on improved, long-term leases. This will assist in diversifying the portfolio geographically as well as sectorally. The retail layout will be more logical, with fashion stores grouped for convenience and the same applied to food and banking, among others. While many would overlook this type of investment, the yields are attractive — and after being considered beyond face value, offer greater opportunities for the future.

THE OPPORTUNITY

Having acquired a R836,9 million portfolio of nine properties located mainly in the Western Cape, in August 2014 from the Integri-T Group, we were presented with a new partnership opportunity with the acquisition of this 50% undivided share.

By growing the number of permanent shoppers, permanent residents will be drawn by the improvements and will begin to settle in the area. Being able to coordinate services like cleaning and security in the node will provide better levels of service in the area than what is currently on offer. By evolving beyond a commuter retail node, the residential retail aspect will become more sustainable and attractive.

We have identified a significant, neglected market and have secured the existing property to capitalise on the opportunity. As part of achieving this aim, the layout of the centre's existing national tenants will be reconfigured and their leases will be extended. In addition, we will attract additional national tenants, improve the security aspect throughout, and enhance the overall quality of the shopping centre through strategic capital expenditure projects.

Property acquired for R75,25m, which is 50% of the purchase price of R150,50m

Strategic objective

Have a balanced sectoral and geographical exposure

2015 performance

Achieved

44% office
41% retail
by value

2016 target

Ongoing

Acquisitions and disposals

Acquisitions

During the year under review, the acquisition of 11 properties to the value of R1 382 million were concluded, of which R903,4 million were transferred into Emira and a further two properties worth R478,8 million were in the process of being transferred subsequent to year-end.

Emira's Board approved the acquisition and development of Gateway Landing, a quality industrial asset located to the east of Pretoria, for a total actual consideration of R53,2 million. The completed building has a GLA of 9 400m², and was handed over to Emira by the developer in October 2014 and was ready for leasing the following month.

Emira acquired a portfolio of nine properties from the Integri-T Group, for R836,9 million. Most of the properties acquired in the transaction are located in the Western Cape, which further diversifies the geographical exposure of our portfolio, while approximately half the portfolio comprised retail properties, thereby increasing Emira's weighting to this sector. The nine properties have a combined GLA of 61 917m² and were transferred into Emira with effect from 1 July 2014.

For a total consideration of R403,5 million, Emira has conditionally acquired a 50% undivided share of Summit Place — a portion of which is currently income producing, with the remaining portion to be completed in 2016. For more information on this acquisition, please refer to the Summit Place case study on page 44 of this report.

In support of the objective to increase our exposure both geographically and to good quality retail property with higher values, we acquired a 60% share of Ben Fleur Boulevard — a neighbourhood shopping centre in Emalahleni, Mpumalanga and a 50% undivided share in an urban city centre retail complex in Mitchells Plain, in the Western Cape.

The Ben Fleur Boulevard acquisition was concluded and transferred into the portfolio in October 2014, at a purchase price of R66,48 million and comprises 60% of the existing centre, which has a total GLA of 8 573m². The deal also includes an option for a 60% share in two potential future phases, which could eventually see the centre fully developed to an area in excess of 15 000m².

For more information on the Mitchells Plain acquisition, please refer to the case study on page 46 of this report.

The acquisitions we have reported on reflect Emira's strategy of partnering with successful developers in order to grow the size and quality of the portfolio.

Disposals

During the year under review, a total of eight properties (2014: six) were sold and transferred out of the portfolio at a combined value of R361,5 million (2014: R313,1 million). The properties were sold at an estimated forward yield of 7,1% and at an excellent 20,0% premium to book value. For more information on our strategic disposals, please refer to the case study on page 49 and the tables on pages 48 and 50 of this review.

Further to the above, we have accepted offers on four additional properties earmarked for disposal, at a total value of R319,5 million. These disposals will deliver an estimated forward yield of 6,9% based on projected income including the expected tenants' take up of vacancies. At the time of this report being published, the properties have not yet been transferred.

Properties transferred out of Emira

Property	Sector	Location	GLA (m²)	Disposal price (Rm)	Forward yield (%)	Effective date
EXECUTIVE CITY	INDUSTRIAL	JHB	4 558	11,2	10,8	25 JUL 2014
WOODMEAD OFFICE PARK (50%)	OFFICE	JHB	8 162	60,0	5,1	31 JUL 2014
KYA SANDS (CNR PRECISION AND STAAL STREETS)	INDUSTRIAL	JHB	1 452	5,1	14,1	11 SEP 2014
HARROGATE PARK	OFFICE	PTA	1 711	17,5	11,6	27 NOV 2014
122 PYBUS ROAD	OFFICE	JHB	5 399	76,0	1,9	09 JAN 2015
BRAAMFONTEIN CENTRE	OFFICE	JHB	21 310	150,0	8,0	23 APR 2015
WORLDWEAR FASHION MALL	RETAIL	JHB	14 172	34,8	9,3	18 JUN 2015
ATLANTIS	INDUSTRIAL	CPT	2 900	6,9	10,3	26 JUN 2015
			59 664	**361,5**	**7,1**	

Case study

12 non-core assets sold for R681m at a forward yield of 7,0%

Strategic disposals

Emira's lucrative batch of disposals during the year once again highlighted the importance of improving the quality of the portfolio — not only through acquisitions and capital expenditure, but also through disposing of non-core assets, freeing up capital to be used for acquisitions or improvements to properties with greater earnings potential.

Emira disposed of 12 non-core assets from the portfolio during the year. The properties were sold by the Fund for a combined price of R681 million — at an earnings-enhancing, estimated forward yield of 7,0%. Most significantly, the disposals have been concluded at an average 28,9% premium to book value.

In disposing of the Brandwag Shopping Centre, Emira secured a R250 million selling price compared to a book value of R159 million. In another satisfying transaction for Emira, the disposal of the office property 122 Pybus Road in Sandton secured a highly significant premium of 111% with a selling price of R76 million — compared to a book value of R36 million. In a similar fashion, Braamfontein Centre was sold and transferred out of Emira in April 2015 for a price of R150 million, delivering a premium of R22 million, or 17,2% over book value at an estimated forward yield of 8,0%.

Strategic exposure

Given the challenging conditions of the current economic environment, Emira's performance in concluding a number of strategic disposals has been outstanding. While some of the non-core properties disposed of have offered Emira long-term redevelopment opportunities, the estimated return on capital from these projects was not sufficient enough in order to compensate the Fund for the associated risks and therefore the properties were sold. In the case of Brandwag Shopping Centre, refurbishments to the property would be protracted and costly. Securing the selling price of R250 million for Brandwag represents an excellent transaction for Emira.

Emira's strategic disposals have also concluded the Fund's exit from its entire Sandton exposure. The logic behind this move is in response to the significant oversupply of office space in the Sandton node. Nationally, Sandton hosts more new building activity than any other node — accounting for approximately 46% or 368 000m² of all office developments. We believe that rental growth and office vacancies will remain under pressure while this delivery of space into the market persists.

Strategic capital

While Emira's PIs are currently trading at a slight discount to NAV, the above sales, at a significant premium to NAV, has boosted investor confidence that Emira's NAV is conservative at present — implying a very good level of confidence in the prevailing share price.

Strategic objective

Dispose of non-core or non-performing properties

2015 performance

Achieved

8

properties sold and transferred for R361,5m at 20% premium to book value

2016 target

R472m

properties identified for disposal

Strategic objective

Gearing to be limited to 40% of total assets

2015 performance

Achieved

33%

LTV

2016 target

30%–35%

Properties not yet transferred out of Emira

Property	Sector	Location	GLA (m²)	Disposal price (Rm)	Forward yield (%)	Anticipated effective date
1289 HEUWEL AVENUE	RETAIL	CENTURION	2 049	10,0	4,7	OCT 2015
BRANDWAG SHOPPING CENTRE AND KOSMOS	RETAIL	BLOEMFONTEIN	12 328	250,0	6,5	SEP 2015
TOKAI SHOPPING CENTRE	RETAIL	JOHANNESBURG	2 603	16,0	12,5	MAR 2016
500 SMUTS DRIVE (ORACLE HOUSE)	OFFICE	MIDRAND	5 201	43,5	7,4	MAR 2016
			22 181	**319,5**	**6,9**	

Gearing

	Weighted average rate %	Weighted average term	Amount (Rm)	% of debt
DEBT — SWAP	8,95	3,6 YEARS	3 818,5	84,6
DEBT — FLOATING	7,54	<12 MONTHS	697,1	15,4
TOTAL	**8,74**		**4 515,6**	**100,0**
LESS: COSTS CAPITALISED NOT YET AMORTISED			(5,2)	
PER STATEMENT OF FINANCIAL POSITION			4 510,4	

Gearing and debt

In terms of our strategic priorities, gearing levels must not exceed 40% of total assets. In recent years, we have preferred to use borrowings in order to fund acquisitions. The Finance Sub-committee meets quarterly to deal with various finance, interest rate and currency issues. It has set guidelines with respect to managing debt. These include commercial paper issuances — of up to 12 months — of 20% of total debt or less, and, up to 50% of Emira's total debt is sourced from the debt capital markets — including commercial paper — with the balance being sourced from financial institutions and commercial banks.

At year-end, gearing levels were at 33,1% of total assets of R13,5 billion. Debt facilities of R5 262 billion were available, of which R4 515 billion had been utilised. 84,6% of total debt was effectively fixed, using interest rate swaps.

FUNDING ACTIVITIES

Emira's funding activities during the period to 30 June 2015, included the following:

Raising new bank funding of R754 million for properties acquired and refinancing R1 080 million of commercial paper ("CP") in the DMTN markets.

Emira has fixed interest rate hedges in place for a total R3,82 billion at 30 June 2015, amounting to 84,6% of Emira's total debt balance — this is expected to be maintained at approximately 85%.

The interest rate swap expiries range from between one to ten years, with the weighted average duration being 3,55 years as at 30 June 2015.

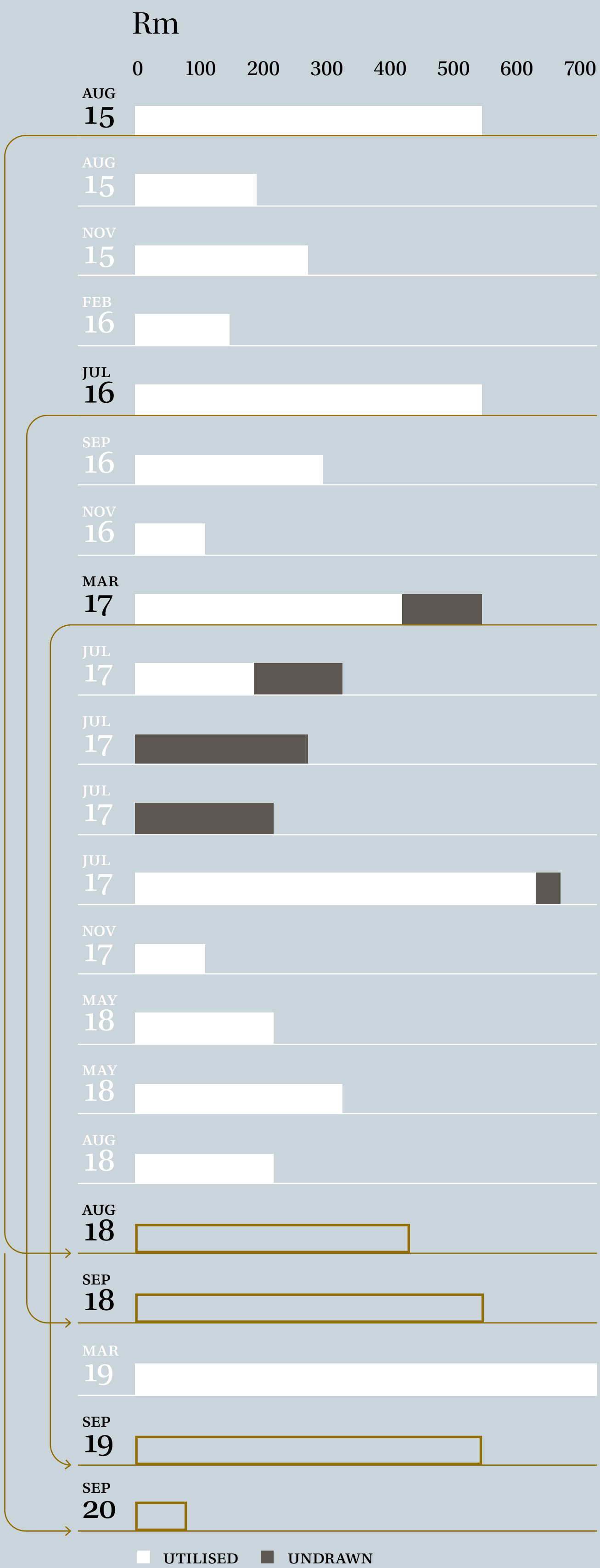
The LTV ratio at 30 June 2015 was 33,1% — comfortably within the maximum level of 40%, which has been set by the Board. The LTV ratio will most likely remain between 30% to 35% as acquisitions are funded using a combination of debt and equity.

Subsequent to year-end:

- the R500 million secured DMTN expiring in August 2015 was refinanced with R430 million to August 2018 and R70 million to September 2020
- the R175 million CP expiring in August 2015 was refinanced into February 2016 and August 2016
- the R500 million RMB loan expiring in July 2016 was extended to September 2018
- the R385 million RMB loan expiring in March 2017 was extended to September 2019

A two-year secured facility with ABSA for R250 million is currently being finalised as well as a further R200 million facility from Nedbank, both of which form part of the liquidity facilities available to Emira.

DEBT FACILITY EXPIRY DATES (RM)



Debt facilities

Financial ability

In order to constantly improve the quality of the portfolio, Emira looks for opportunities for property market acquisitions — as well as capex projects, refurbishments or expansions. In order to fund these opportunities, various combinations of debt facilities are secured by Emira's finance team, which negotiates the best terms and rates for Emira.

When the various debt facilities are ready for renewal, Emira renews them for a period of between two to four years depending on margin and term. This in effect means that the debt funding is obtained at attractive margins for a medium-term horizon, which secures the cost of Emira's debt. In the last financial year, Emira has refinanced and extended the expiry periods of R1,5 billion worth of debt facilities.

Financial flexibility

Emira has further improved its financial flexibility by increasing the number of backup debt facilities for a range of uses and applications. Emira now makes use of all of the "big four" banks in South Africa, having secured backup debt facilities from Absa and Nedbank during the financial year as well as bringing on Standard Bank as an additional financial service provider to Emira.

Emira has about R750 million worth of unused backup debt facilities. In a scenario where securing additional finance from a specific bank is accompanied by unsuitable terms, Emira will have the option to utilise the facilities of other banks. Having access to all of the big four banks also gives Emira greater bargaining power, with competitive rates and attractive terms for refinancing debt facilities that are reaching maturity.

Financial proficiency

In August 2015, Emira had approximately R500 million worth of secure debt facilities reach maturity, which was manageable, due to the backup facilities already secured and available. Emira has a further R562 million worth of CP debt maturing in the following financial year. Emira has been proactive in its approach, by entering into negotiations for the extension of the expiries of two debt facilities, both of which were provided by RMB. Two of the expiries due in July 2016 and March 2017 respectively, are being extended by two years — thereby reducing Emira's debt refinancing risk for the forthcoming financial year.

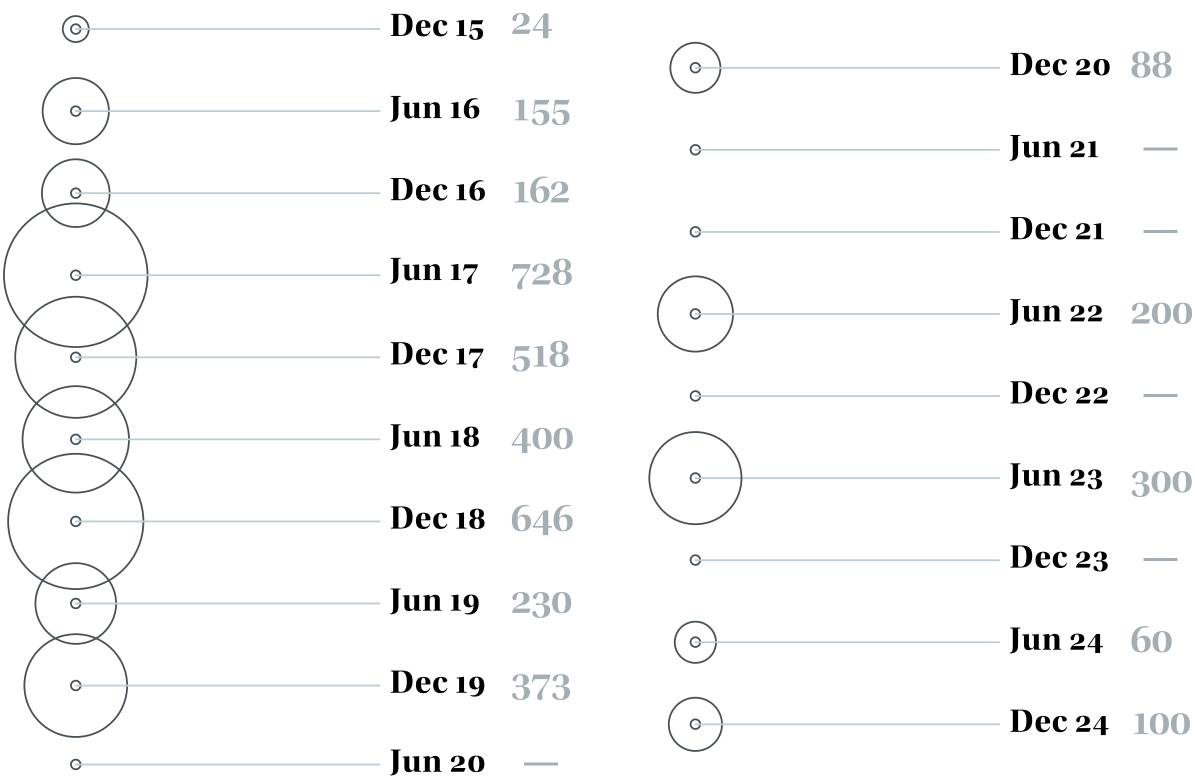
As a debt facility approaches maturity, the risk exists that the respective financial service provider may be less inclined to renew the facility if market conditions have changed. In order to mitigate this risk, Emira has increased its access facility with RMB from R250 million to R300 million. As one of Emira's strategic priorities, efficient gearing and debt is vital to high levels of performance.

Having backup finance and banking options provides a better platform for negotiation, resulting in better commercial deals. Emira utilises debt facilities over longer terms and at better rates than before. By making use of smaller finance amounts, more frequently, using all of the big four banks and the capital markets — Emira has made its debt facilities more effective and manageable.

Funding activities

	Amount (Rm)	All-in-rate (%)	Date
DRAWDOWN OF NEDBANK 3-YEAR FACILITY	270	7,74	15 AUG 2014
DRAWDOWN OF STANDARD BANK 4-YEAR FACILITY	200	7,70	18 AUG 2014
REPAYMENT OF 12-MONTH COMMERCIAL PAPER	230	6,54	12 SEP 2014
ISSUE OF 2-YEAR DOMESTIC MEDIUM TERM NOTES	270	7,43	12 SEP 2014
DRAWDOWN OF RMB 3-YEAR 8TH TERM LOAN	200	7,83	15 SEP 2014
DRAWDOWN OF RMB 3-YEAR 8TH TERM LOAN	66	7,83	10 OCT 2014
REPAYMENT OF 12-MONTH COMMERCIAL PAPER	450	6,72	6 NOV 2014
ISSUE OF 12-MONTH COMMERCIAL PAPER	250	7,03	6 NOV 2014
ISSUE OF 2-YEAR DOMESTIC MEDIUM TERM NOTES	100	7,43	6 NOV 2014
ISSUE OF 3-YEAR DOMESTIC MEDIUM TERM NOTES	100	7,73	6 NOV 2014
REPAYMENT OF 12-MONTH COMMERCIAL PAPER	100	6,78	19 NOV 2014
ISSUE OF 6-MONTH FIXED RATE COMMERCIAL PAPER	50	7,12	19 NOV 2014
REFINANCE OF NEDBANK 3-YEAR SYNTHESIS LOAN	200	7,50	2 FEB 2015
REPAYMENT OF 12-MONTH COMMERCIAL PAPER	400	6,85	19 FEB 2015
ISSUE OF 3-MONTH COMMERCIAL PAPER	68	6,55	23 FEB 2015
ISSUE OF 6-MONTH COMMERCIAL PAPER	175	7,15	23 FEB 2015
ISSUE OF 12-MONTH COMMERCIAL PAPER	137	7,29	23 FEB 2015
DRAWDOWN OF RMB 3-YEAR 8TH TERM LOAN	18,5	7,80	31 MAR 2015
REPAYMENT OF 6-MONTH COMMERCIAL PAPER	50	7,12	19 MAY 2015
REPAYMENT OF 3-MONTH COMMERCIAL PAPER	68	6,55	27 MAY 2015

SWAP EXPIRY DATES (RM)



Case study

True transformation in action

Kagiso Tiso Holdings (Pty) Ltd (RF) ("KTH") was formed in July 2011, in a merger between two leading black-owned and managed companies, Kagiso Trust Investments (Pty) Ltd and the Tiso Group Limited. The company seeks out growing capital investment opportunities in South Africa and identifies the continent of Africa as its primary market.

KTH has a gross asset value of over R13 billion, giving it the capacity to develop robust investment platforms in key growth areas. It invests in diverse industries and sectors, listed as: media; property; resources; infrastructure; power; financial services; investment companies; health IT; and food. Its investment plans include growing a stronger presence in Africa, which prompted its exit from Emira.

KTH owned 42 271 468 PIs or 8,3% of the Fund, dating back to a binding agreement in 2006. The agreement allowed KTH to sell its shares or participatory interests ("PIs") in Emira by April 2014. KTH decided to exercise this option in June 2015, in order to pursue its own strategies.

In selling its Emira PIs, KTH gained substantially from its initial investment in 2006. Having weathered market changes and remaining faithful to the Emira strategy during the last nine years, KTH has been well rewarded — which perfectly illustrates the benefit of being an Emira shareholder.

In partnering with Emira, KTH succeeded in achieving one of the aims of the broader South African economy, in the context of transformation. As Emira grew, eventually becoming a REIT, KTH itself grew through investing in Emira. The result: a mutually beneficial, transformational investment partnership.

Changes to directorate

On 1 November 2014, Emira welcomed Geoff Jennett who replaced Peter Thurling as Chief Financial Officer on 1 January 2015. We extend our heartfelt thanks to Peter for his years of committed service since being appointed in April 2007 and wish him well in his retirement.

With effect from August 2014, Nocawe Makiwane has had a change in status from independent non-executive director to non-executive director.

The independence of the Board was enhanced when both Michael Aitken and Wayne McCurrie became independent non-executive directors of Emira when Emira purchased STREM on 8 May 2015. Prior to this date, they served on Emira's Board as non-executive directors representing the interests of the shareholders of Emira's management company, STREM, having been appointed in April 2007 and December 2008 respectively.

With effect from 31 August 2015, Emira's Chief Executive Officer, James Templeton resigned from his position, which he had held since 1 July 2004. We would like to wish James well in his future endeavours and thank him for his many years of dedication and his contribution to the success of Emira.

On 4 August 2015, Geoff Jennett was appointed as Chief Executive Officer, replacing James Templeton, with effect from 1 September 2015. The search for a replacement Chief Financial Officer is currently underway. Furthermore, the responsibilities of Ulana van Biljon, an executive director of Emira, have been formalised to include the role of Chief Operating Officer with effect from 1 September 2015.

Post year-end events

We are in dispute regarding the lease obligations of Worley Parsons, a major tenant in Corobay Corner on a lease until February 2022. We have received senior counsel legal advice on the matter and are confident of our position, but we have begun settlement discussions with them.

Please refer to the discussion on the Mitchells Plain and Summit Place acquisitions on pages 46 and 44 respectively.

Corporate REIT conversion

As discussed in our 2014 integrated report, Emira was awarded REIT status by the JSE, with effect from 1 July 2013. The REIT structure has many benefits related to management and financial effectiveness and efficiency.

The latest step in the process has been the corporate REIT conversion and comprised a transaction between the then existing Fund — which was a portfolio established in terms of the Collective Investment Schemes Control Act — and a new company. With effect from 1 July 2015, Emira became a new entity — Emira Property Fund Limited. The conversion and amalgamation involved the relatively simple transfer of the shares in the property companies sitting within the Fund, but also the complex and costly transfer of 94 properties that were directly held within the portfolio.

The clear benefits of the corporate REIT conversion provided the motivation behind the move:

› Emira Property Fund Limited is now governed by the Companies Act and the JSE, as opposed to the Financial Services Board and the Collective Investment Schemes Control Act, eliminating the requirement to submit capital adequacy reports.
› Emira Property Fund Limited can now access offshore debt facilities with Reserve Bank approval, which makes finance more flexible.
› Emira Property Fund Limited will be able to purchase shares in unlisted companies, whereas buying undivided shares in physical property was the only option available in the past when the Fund wanted to have joint ownership with a partner.
› Emira Property Fund Limited can now provide vendor finance for the acquisition of Emira shares — including B-BBEE transactions — and can enter into equity settled hedges on Emira shares.
› Emira Property Fund Limited will have a company registration number, allowing for ease of doing business and comparability, as REIT companies are symmetrical and internationally recognised.

Outlook

The domestic listed property sector has performed exceptionally well during the year, exceeding the expectations of the market, analysts and commentators. Emira's distribution growth is expected to outperform inflation, resisting the downward trend seen in many other sectors of the local economy. The listed property market has remained fundamentally resilient in recent years and, is expected to remain strong over the coming year.

While we are driven to always improve upon the year before, surpassing the past year's excellent performance could require improved levels of economic growth. The poor economic conditions in South Africa are part of the greater challenges facing the world economy, which has seen economies from Europe, Asia, South America and Africa face increasing pressure. Considering all of this, we are very pleased with our results and look forward to another very good performance in the coming year.

In the office sector, the supply of new space into the market is expected to be somewhat lower, with employment growth expected to remain subdued. The quality of our office exposure has been improved on in the past year, and we expect to see the benefits of this in terms of rentals, tenant retention and maintaining low vacancies.

Some growth in the retail sector is expected, however, rising costs for retailers are also a concern. We continue to look to improve on cost management to lessen the impact on retail tenants. Many of our centres now have generator capacity, which will assist with business continuity and prevent trading losses. Our retail vacancies are expected to remain well below national averages — a result of our tenant retention strategy.

The industrial market should remain strong, with vacancies at very low levels. Rental growth is expected to remain subdued however due to additional supplies of new space coming into the market. The economy has yet to deliver growth in excess of 3%, with growth levels of between 1,5% to 2,0% expected to continue during the coming year.

The ongoing implementation of our strategies will likely result in further gains and improvement in the year ahead. We aim to deliver a sustainable performance for stakeholders over the long term. This will be achieved through our focused programme of strategic acquisitions, disposals, value-enhancing developments, redevelopments and prudent methods of financial management.

The forecast information contained in this paragraph has not been reviewed or reported on by Emira's auditors.

Acknowledgements

Against the backdrop of a highly challenging business environment, Emira's performance is a testament to the hard work of our talented and committed team over the past four years. Their contributions are essential to the success of Emira, which is the subject matter of this report. I would like to thank our staff for driving our strategies to fruition with passion and loyalty.

I would also like to thank the members of the Board for their dedication, service and sage advice; as well as our stakeholders for their ongoing support.

My time at Emira has come to an end, but shareholders can be assured that their interests are in safe hands and that the business is in good shape, guided by Geoff and a highly skilled and experienced Board, with hard working and talented staff.

James Templeton
Chief Executive Officer

Bryanston
31 August 2015

Ethical leadership

Good corporate governance is integral to delivering sustainable growth in the interests of all stakeholders. To that effect, the Board of Directors reviews the governance climate, structures and processes which are enhanced to accommodate internal developments and ensuring best practice.

Relevant principles are highlighted in the Charter of Corporate Governance which sets up firm operational processes, procedures and tools to institute, implement, monitor and control internal policies and procedures in furtherance of corporate governance, effective compliance and risk management.

Board of Directors

Structure, composition and rotation

The Board acknowledges and embraces the responsibilities bestowed upon it by the Companies Act and King III and is fundamentally responsible for ensuring that the Fund's strategy, risk, performance and sustainability are inseparable.

The effective leadership provided by the Board is based on an ethical foundation of transparency, accountability, fairness and responsibility. The Board follows a unitary board structure and, as at 30 June 2015, the Board comprised 12 directors, six of whom are independent non-executive directors, three are non-executive directors and three are executive directors.

After joining Emira on 1 November 2014, Mr Geoff Jennett was appointed as Chief Financial Officer with effect from 1 January 2015, following the retirement of Mr Peter Thurling. Mr Jennett CA(SA) has over 20 years' experience in the financial sector. The Board thanks Mr Thurling for his contributions and wishes him well in his retirement. Mr Jennett has assumed all responsibilities and committee memberships that Mr Thurling held from 1 January 2015.

Messrs Michael Aitken and Wayne McCurrie have had a change in status and are now independent non-executive directors. The change in status is due to the divestment of their respective representative shareholdings in STREM, the management company of Emira, which was unconditional as of 8 May 2015, but effective from 1 July 2015.

Subsequent to year-end, Mr James Templeton who was appointed as Chief Executive Officer in July 2004 resigned from the Board as director with effect from 1 September 2015 to pursue personal endeavours. The Board would like to thank James for his dedicated leadership and invaluable contributions over the last decade steering Emira through the tough years of the financial crises to the success that the Fund is experiencing today.

Mr Geoff Jennett has been appointed as Chief Executive Officer with effect from 1 September 2015 and the Board welcomes Geoff in his new capacity. The process of appointing a new CFO is well underway and an announcement will be made in the near future.

Emira believes that its Board composition is in line with best practice guidelines and represents a balanced Board. The roles of Chairman and Chief Executive Officer are completely separated. The Board has a clear division of responsibilities to ensure a balance of power and authorities such that no director has unfettered powers of decision-making.

The directors as at 30 June 2015 were:

Director	Designation
BJ VAN DER ROSS	Non-executive Chairman
BH KENT	Lead Independent Non-executive Director
V MAHLANGU	Independent Non-executive Director
MSB NESER	Independent Non-executive Director
G VAN ZYL	Independent Non-executive Director
MS AITKEN	Independent Non-executive Director
W MCCURRIE	Independent Non-executive Director
NE MAKIWANE	Non-executive Director
V NKONYENI	Non-executive Director
JWA TEMPLETON	Chief Executive Officer
GM JENNETT	Chief Financial Officer
U VAN BILJON	Executive Director

The detailed biographies of the Board are provided on pages 25 to 26 of this integrated report.

While the Chairman is a non-executive director, he is not independent as recommended by King III. The Board is of the opinion that Ben van der Ross's knowledge, expertise and experience and appointment is in Emira's best interest and that this outweighs the advantages of appointing an independent non-executive chairman at present. His appointment does not negatively affect the Board as, in mitigation, it comprises a lead independent non-executive director and five other independent non-executive directors.

The directors have a vast range of knowledge, expertise and experience in strategic, financial, commercial and property activities, which allows them to exercise independent judgment in Board decisions and deliberations. These combined skills and experience benefit the Board as a whole in its supervisory role.

The appointment of directors follows a formal process supported by a transparent policy including approval by the Remuneration and Nomination Committee. One-third of the directors will retire at the following annual general meeting and will be eligible for re-election. Regarding directors who have served on the Board for more than 10 years, namely Messrs Ben van der Ross and Thys Neser, their re-election will be considered separately by way of a vote at the annual general meeting. The recommendation for their re-appointment is based on their previous contributions to Emira and knowledge of the business and the property industry.

Lead Independent Non-executive Director Bryan Kent has attained the age of 70 years. His re-appointment at Emira's annual general meeting in November 2015 will be subject to a separate vote, however, the Board is of the opinion that Mr Kent's expertise especially in the accounting and audit fields is valuable to Emira and he should be retained as a member of the Board.

Newly appointed directors are provided with induction and training and they are directed to the courses run by the JSE and Institute of Directors, at Emira's expense. In addition, relevant new developments are communicated at Board meetings, including those regarding the Companies Act, corporate governance and other relevant legislation.

Independence and performance of the Board

The Board ensures that it has the expertise, independence and diversity it needs to function independently. The Remuneration and Nominations Committee regularly assesses the independence of directors and reports on this to the full Board. Independence of the Board from the management team is achieved by:

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

In 2015 the Remuneration and Nominations Committee confirmed the independence of Messrs van der Ross and Neser as the Board's longest-standing members, being in excess of ten years service. Mr van der Ross recused himself from the discussion. The Board was satisfied with their continued independent status based on demonstrable and visible criteria in their roles at Board and Committee level. Their appointments will now be reviewed on an annual basis and their reappointments will be re-evaluated annually before being proposed for re-election.

As discussed above, Messrs Michael Aitken and Wayne McCurrie are now independent non-executive directors which has strengthened the Board in terms of the King III recommendations.

The Board sets Emira's strategic objectives and determines the investment and performance criteria. It is responsible for the proper management, control, compliance and ethical behaviour of the business under its direction. As part of the formal Board evaluation, its performance and that of its committees is evaluated annually.

Directors' management of conflict of interests

When directors become aware that they have a direct or indirect interest in an existing or proposed transaction with any entity of the Fund, they notify the Company Secretary who in turn alerts the Chairman of the Board.

Furthermore, all directors have an obligation to update any changes in these interests and this is done before or at each Board meeting. This process was adhered to for the year under review and directors recused themselves from any discussions as a result of personal conflict of interests.

Any potential professional conflict of interests is disclosed by the director concerned and noted in the Board minutes, such as when another company of which a non-executive director is also a director is discussed. The lead independent non-executive director deals with matters where the Chairman may be conflicted.

Information requirements

In order to make informed decisions, it is vital that Board members have sufficient information covering the matter at hand. All directors have access to the Emira's records, information, documents and property.

The Board continuously assesses the information needs of directors to enable them to perform their duties and fulfil their obligations responsibly. Non-executive directors also have unfettered access to management at any time. Directors are informed timeously of matters that will be discussed at meetings and comprehensive information packs are provided well in advance of all meetings.

Board responsibilities

The Board-approved Board Charter regulates the way business is conducted. The charter sets out a clear division of responsibilities and accountability of the directors collectively and individually to ensure an appropriate balance of power and authority.

Corporate governance
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Attendance at Board and committee meetings for the year ended 30 June 2015

Member	Board	Audit Committee	Risk Committee	Remuneration and Nominations Committee	Social and Ethics Committee	Investment Committee	Finance Committee
CHAIRMAN	BJ VAN DER ROSS	BH KENT	BH KENT	V MAHLANGU	V NKONYENI	G VAN ZYL	W MCCURRIE
NUMBER OF MEETINGS HELD	**5**	**4**	**4**	**3**	**2**	**2**	**8**
BJ VAN DER ROSS	4/5	—	—	3/3	—	—	—
BH KENT	4/5	3/4	3/4	3/3	—	—	5/8
V MAHLANGU	5/5	4/4	4/4	3/3	—	—	7/8
NE MAKIWANE	4/5	1/1	1/1	—	—	—	—
MSB NESER	3/5	—	—	—	—	2/2	—
MS AITKEN	5/5	—	—	—	—	2/2	—
W MCCURRIE	5/5	—	—	—	—	—	8/8
V NKONYENI	4/5	—	—	—	2/2	—	—
JWA TEMPLETON	5/5	4/4	4/4	3/3	2/2	2/2	8/8
G JENNETT	3/3	3/3	3/3	—	2/2	2/2	4/4
PJ THURLING	3/3	2/2	2/2	—	—	—	4/4
U VAN BILJON	5/5	—	—	—	2/2	2/2	—
G VAN ZYL	4/5	3/3	3/3	—	—	2/2	7/8

In terms of the Board Charter the primary responsibilities of the Board are:

- to provide strategic direction to Emira.
- to determine Emira's purpose, values and stakeholders relevant to its business and to develop strategies combining all three elements.
- to ensure that procedures are in place to monitor and evaluate the implementation of strategies, policies, performance criteria for executive management (including business partners) and business plans.
- to review and approve objectives, plans and actions, including significant capital allocations and expenditure.
- to define its mission as representing the interests of Emira and its stakeholders in perpetuating a successful business that adheres to the vision and values of Emira and creates long-term value for stakeholders.
- to be accountable and responsible to stakeholders for the performance and affairs of Emira.
- to appoint the Chief Executive Officer, other executive directors and the Company Secretary and ensure that succession is planned.
- to ensure that Emira complies with all relevant laws and regulations and that it communicates with its stakeholders openly and with substance prevailing over form.
- to assess the key risk areas of the business on a regular basis and to determine the policies and processes necessary to ensure the integrity of internal control and risk management of Emira.
- to develop the framework, policies and guidelines for safety, health and environmental management and other matters relating to sustainability.
- to define levels of materiality, reserving specific powers for itself and delegating other matters with written authority to management.
- to establish and set the terms of reference for the Board committees.

Board committees

Delegation of authority

To assist the Board in discharging its collective responsibilities, certain Board responsibilities have been delegated to the Audit Committee, Risk Committee, Remuneration and Nominations Committee, Social and Ethics Committee, Finance Committee and Investment Committee.

Each committee acts within the boundaries of clearly defined terms of reference approved by the Board. Board committees meet independently and provide detailed feedback to the Board via their chairmen. All committee meetings are minuted and directors may raise any questions arising from these minutes.

The various chairmen have confirmed that the terms of reference have been materially complied with.

Audit Committee

The committee comprises three independent non-executive directors and is chaired by the Lead Independent Non-executive Director. The committee met four times during the year with the executive management as well as the executives responsible for finance, the compliance officer, and external and internal auditors.

The Chief Executive Officer and Chief Financial Officer attend these meeting by invitation. The Company Secretary attends all meetings as secretary to this committee. The table on page 58 references the attendance of committee meetings.

The Audit Committee members are:

- Bryan Kent (chairman)
- Vusi Mahlangu
- Gerhard van Zyl

Nocawe Makiwane resigned from this committee on 12 August 2014 due to her status changing from independent non-executive director to non-executive director. Gerhard van Zyl was appointed as committee member with effect from 12 August 2014. The detailed biographies of these directors are presented on page 26 of this integrated report.

The report of the Audit Committee, including more detail on its responsibilities, commences on page 65 of this integrated report.

Risk Committee

COMPOSITION

The committee comprises three independent non-executive directors. The Board nominates members of this committee and its chairman. The committee met four times during the year. The table on page 58 references the attendance of committee meetings.

The chairman of the Audit Committee is also the chairman of this committee. The Chief Risk Officer, who is also the Chief Financial Officer, assists the committee in executing its duties. The Chief Executive Officer attends these meeting by invitation. The Company Secretary is the secretary to this committee.

The committee has an independent role, supervising and making recommendations to the Board for its consideration and final approval. The committee does not assume the functions of management, which remain the responsibility of the executive directors and other members of senior management.

The role of the committee is to assist the Board to ensure that Emira has implemented an effective policy and plan for risk management that will enhance its ability to achieve its strategic objectives and that the disclosure regarding risk is comprehensive, timely and relevant. Risk management is discussed in detail and presented on page 21 of this integrated report.

The Risk Committee members are:

- Bryan Kent (chairman)
- Vusi Mahlangu
- Gerhard van Zyl

Nocawe Makiwane resigned from this committee in August 2014 due to her status changing from independent non-executive director to non-executive director. Gerhard van Zyl was appointed as committee member with effect from August 2014. The detailed biographies of these directors re presented on page 26 of this integrated report.

RESPONSIBILITIES

The Committee's responsibilities include:

- Overseeing the development and annual review of a policy and plan for risk management.
- Monitoring implementation of the policy and plan for risk management taking place by means of risk management systems and processes.
- Making recommendations to the Board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the Board.
- Overseeing that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the company.
- Ensuring that risk management assessments are performed on a continuous basis.
- Ensuring that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- Ensuring that management considers and implements appropriate risk responses.
- Ensuring that continuous risk monitoring by management takes place.
- Liaising closely with the Audit Committee to exchange information relevant to risk.
- Expressing the committee's formal opinion to the Board on the effectiveness of the system and process of risk management.
- Reviewing reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.

The committee has fulfilled its responsibilities during the year, complying with its legal, regulatory and other responsibilities.

Remuneration and Nominations Committee

The committee comprises three non-executive directors of which two are independent non-executive directors. The Chief Executive Officer attends these meeting by invitation.

The committee meets on an ad hoc basis as required and met three times during the year under review. The table on page 58 references the attendance of committee meetings.

The Remuneration and Nominations Committee members are:

› Vusi Mahlangu (chairman)
› Benedict van der Ross
› Bryan Kent (chair for nominations matters)

The detailed biographies of these directors are presented on pages 25 to 26 of this integrated report.

The committee considers and recommends the remuneration payable to the non-executive and executive directors by the management company. The committee also determines the remuneration of the senior management as well as the awarding of performance-related bonuses based on certain key performance indicators.

The committee has fulfilled its responsibilities during the year, complying with its legal, regulatory and other responsibilities. The remuneration report commences on page 68 of this integrated report.

Social and Ethics Committee

The Social and Ethics Committee has been constituted in terms of section 72(4) of the Companies Act No. 71 of 2008, as amended and its accompanying regulations, to implement the mandate prescribed by regulation 43(5).

COMPOSITION

The Social and Ethics Committee enhances Emira's oversight of key issues, including entrenching sustainability in its long-term strategy. The committee met twice during the year under review. The table on page 58 references the attendance of committee meetings.

The Social and Ethics Committee members at year-end were:

› Vuyisa Nkonyeni (chairman)
› James Templeton
› Geoff Jennett
› Ulana van Biljon

The detailed biographies of these directors are presented on page 25 of this integrated report.

RESPONSIBILITIES

The committee's responsibilities include:

› **Specifically in relation to the market place to ensure:** (i) the company's standing in terms of the 10 principles set out in the UN Global Compact; (ii) the development and implementation of anti-corruption policies that meet statutory requirements (Prevention and Combating of Corrupt Activities Act) and best practice as defined in the Organisation for Economic Co-operation and Development's Recommendations and the Tenth Principle of the Global Compact; (iii) compliance with competition legislation and regulations; (iv) conformance to any relevant industry charter; (v) the adequacy of systems and policies required to achieve the required B-BBEE ratings and targets; and (vi) all market place risks to ensure that they are properly identified and regularly assessed.

› **Specifically in relation to the workplace, to ensure that:** (i) employment equity policies meet all relevant legislative requirements; (ii) the company complies with all relevant workplace health and safety regulations and statutes; (iii) suitable and effective policies are in place to ensure that suitable staff members are attracted and retained by the company; (iv) staff churn and staff satisfaction levels are regularly monitored; (v) staff members are given appropriate opportunities for career improvement through training and education; (vi) the company provides decent work and working conditions to employees that are aligned with International Labour Organisation recommendations; (vii) the company manages its ethics effectively in accordance with the King III recommendations on ethics management; (viii) there is effective collaboration between the company and its stakeholders to promote corporate citizenship; (ix) there are policies and processes in place to ensure conducive employee relations; and (x) all workplace risks are identified and properly monitored.

› **Specifically in relation to the social environment, to ensure the following:** (i) the compliance of all public relations and advertising with the requirements of the Code of Advertising Practice of the Advertising Standards Authority of South Africa and any other relevant legislation; (ii) compliance with the provisions of the Consumer Protection Act on its products and services and that appropriate steps have been taken to fully inform all staff of the same; (iii) the effectiveness of the communication mediums (including possible use of social media) used to communicate effectively with its consumers and to monitor stakeholder relations; (iv) adherence to the South African constitution and the Bill of Rights; (v) the adequacy of disclosures made to consumers relating to the contents of the company's products (through appropriate labelling or otherwise) to ensure that they are fully informed of any possible side-effects and/or incorrect applications and that adequate product safety provisions are in place; (vi) the impact of the business operations on the health and safety of society; (vii) actions are taken to protect, enhance and invest in the well-being of society; (viii) the effectiveness of suitable management committee(s) and/or senior executive(s) in framing and developing appropriate, relevant and measurable corporate social responsibility programmes (CSR) aligned with the needs of the communities in which the business operates; (ix) the appropriateness of the budget allocated for the purposes of community development and CSR programmes; (x) the effectiveness of policies in place to ensure that all donations and sponsorships are aligned with the company's community development and CSR programmes; (xi) the efficiency of systems to ensure

that neither the company, nor its business associates are complicit in human rights abuses (e.g. child or bonded labour); and (xii) the identification monitoring of all risks relating to the company's social environment.
- **Specifically in relation to the natural environment, to monitor:** (i) compliance with all environmental laws and regulations applicable to the company's business operations; (ii) the adequacy of environmental policies to fully identify and address the impact of its operations and to protect, enhance and invest in the well-being of the environment; (iii) relevant sustainability risks inherent in its impact on the environment and incorporated the same into its environmental policy; (iv) systems and tools used to report on its carbon emissions, energy and water usage; (v) the appropriateness of measures taken to deal with any pollutant emissions and/or waste/effluent and in an environmentally friendly manner that is independently verifiable; and (vi) actions taken to reduce or minimise the environmental impact of the company's product(s) when they reached the end of their life-cycle and/or when disposed of by the consumers.

The Social and Ethics Committee must ensure that the issues identified above align with company strategy. It must select suitable criteria with which to monitor and report the progress with regard to the implementation of the above policies and programmes and facilitate integration of the same in Emira's sustainability report.

A review of Emira's sustainability matters for the financial year is presented on page 70 of this integrated report.

Finance Sub-committee

This committee was established in January 2014 to support the Board with specific advice and technical assistance on all financial matters, including strategy relating to debt structures, interest rate swaps, foreign currencies and to recommend to the Board sound deliberated proposals for these matters.

The committee does not assume the functions of management, which remain the responsibility of the executive directors and is governed by formal Board-approved terms of reference that are regularly reviewed and updated.

COMPOSITION

The committee comprises four independent non-executive directors. The Company Secretary is the secretary to this committee.

The committee meets on an ad hoc basis as required and met eight times during the year under review. The table on page 58 references the attendance of committee meetings.

The Finance Sub-committee members at year-end were:

- Wayne McCurrie (chairman)
- Bryan Kent
- Vusi Mahlangu
- Gerhard van Zyl

The detailed biographies of these directors are presented on page 26 of this integrated report.

RESPONSIBILITIES

The committee's responsibilities include:

- Identifying issues relating to important financial matters, which are relevant to Emira and need to be addressed.
- Advising the Board on financial issues that affect Emira.
- Establishing a work plan to ensure that all relevant matters of the committee's role and responsibilities are covered.
- Reporting at every quarterly Board meeting on activities and progress of the committee.
- Ensuring that the resolutions of the Board are carried out.
- Considering any matter delegated to it by the Board, and advising the Board in connection therewith.

The committee having fulfilled its functions, has executed its duties during the year under review in accordance with its terms of reference.

Investment Sub-committee

The committee was formed in May 2015, and also supports the Board by considering, interrogating and stress testing particular potential property investments in great detail.

COMPOSITION

The Investment Sub-committee members are:

- Gerhard van Zyl (chairman)
- Thys Neser
- Michael Aitken

RESPONSIBILITIES

The committee's primary mandate with full decision-making authority includes:

- Reviewing and approving the investment mandate, investment proposals, including individual and portfolio acquisitions; major capital expenditure; new developments projects; extensions, upgrades and refurbishment projects; and the acquisition of assets forming part of a particular corporate activity;
- Reviewing and approving the overall sales mandate and annual list of properties to be sold;
- Reviewing and approving the property portfolio composition from time to time;
- Executing its mandate subject to the limits contained within the approval framework;
- Ensuring that all approvals authorised by the committee are reported to the Board at the next meeting after such authorisation;
- Reviewing due diligence processes for investments periodically;

Corporate governance
continued

- Reviewing and recommending to the Board the annual capital and refurbishment expenditure budgets proposed by management;
- Providing a high-level review of annual property valuations;
- Considering and satisfying itself of the resources and suitability of the expertise and experience of the investment team;
- Considering and making recommendations to the Board on matters concerning the risk tolerance, risk appetite, and risk monitoring of property investment, sales and portfolio composition related risks;
- Overseeing that the risk management policy is integrated in the day-to-day activities of the property investment, sales and asset management teams, and that adequate risk assessments are made, appropriate risk responses are adopted and continuous risk monitoring takes place; and
- Ensuring that the investment and sales process complies with applicable laws and regulations as well as the investment and sales mandate and Company Approval Framework.

The duties and responsibilities of the committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities who must continue to exercise due care and judgement in accordance with their legal obligations as directors.

Executive Committee

The committee assists the Chief Executive Officer in managing Emira and is focused on formulating and implementing Emira's strategies and policies. Subject to matters reserved for decision by the Board, the Chief Executive's authority in managing Emira is unrestricted, however, transactions in excess of R10 million require Board approval.

The Executive Committee comprises the three executive directors who meet at least once a month.

Company Secretary

The Board as a whole and the individual directors have unrestricted access to the advice and services of the Company Secretary, who provides guidance to the Board and to the directors with regard to how their responsibilities are to be discharged.

The Company Secretary oversees the induction and ongoing training of directors. The Chief Executive Officer, however, ensures that the annual Board plan is set and that the Board agendas are relevant to Board decision making.

Mr Martin Harris, aged 68, is a FCIS, FCIBM, CAIB, MDP and holds post-graduate diplomas in Corporate Governance and Industrial Relations. After a 32-year career in banking specialising in Corporate and International Banking, he established himself as a business consultant and a lecturing facilitator for several of the business schools in the fields of general management, corporate governance and business feasibility studies. In 2007 he joined RMBP on a full-time basis as the Company Secretary and was appointed as Company Secretary to the Emira Property Fund in December 2009.

The Company Secretary underwent the annual performance appraisal and he was found to be qualified to perform the duties in accordance with the applicable legislation. The Board, after the consideration of his CV and the annual performance appraisal, considered him to be fit and proper for the position. He is also considered to have an arm's length relationship with the directors as he is not a director of Emira or the Manager.

Integrated compliance

Most of the King III recommendations were complied with in the year under review with the following exceptions:

- The Chairman is not independent. A lead independent director was appointed in 2013 in terms of the JSE Listings Requirements.
- The remuneration for the top three earning employees has not been disclosed due to the small size of the staff complement, the highly competitive market in which Emira operates and the Board does not consider it appropriate for privacy reasons.

Emira is made aware of and complies with all legislation and anticipates the statutory requirements of bills and regulations by the compliance function. It ensures that all business, legislative and administrative processes and procedures are implemented, monitored and adhered to and that in ensuring that compliance is enforced, eliminates reputational risk, alerts the compliance officer to aspects of non-compliance and endeavours to minimise any potential financial loss.

Risk management

The objective of risk management is to identify, assess, manage and monitor risks to which the business is exposed. The Board, together with senior management, has set risk strategy policies. The Board is ultimately responsible for and management is accountable to the Board for designing, implementing and monitoring the process of risk management. The risk management process has been integrated into management's day-to-day activities and the risk strategy incorporated into its language and culture.

The identification of key risks entails a systematic, documented assessment of the processes and outcomes surrounding these risks and addresses Emira's exposure to physical and operational risks, human resource risks, technology risks, business continuity and disaster recovery, credit and market risks, and compliance risks. Business continuity plans are in place at the premises of Emira's property managers, as well as at head office.

Detailed information on risk management is presented on pages 21 to 23 of this integrated report.

Going concern

The going-concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that Emira will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support Emira's viability, accountability and effective internal control processes.

Systems of internal and operational control are the Board's responsibility. However, the executive directors are responsible for ensuring that assets are protected, losses arising from fraud and/or other illegal acts are minimised, all valid transactions are recorded properly and systems operate effectively. The internal auditor performed comprehensive reviews and testing of the effectiveness of the internal control systems in operation and reported its findings to the Audit Committee.

The internal audit function coordinates with other internal and external providers of assurance to ensure proper coverage of financial, operational and compliance controls. The Audit Committee has the cooperation of all directors, management and staff and is satisfied that controls and systems within Emira have been adhered to, and, where necessary, improved during the period under review.

IT management

In July 2013, Emira established its own IT infrastructure with regard to communications. The IT Steering Committee, chaired by the Chief Financial Officer, has prepared policies, which have been adopted by Emira. The Steering Committee also oversees the IT functions at Emira's offices. IT security policies and firewalls are in place. Weekly off-site back-ups are maintained.

Emira is not IT critical, however, IT management remains of vital importance. Property managers, Eris and Broll maintain electronic records with regard to property management matters and Eris is responsible for the maintenance and storage of Emira's financial records.

The internal auditors review the IT operations at both property managers and report to the Audit and Risk Committees with regard to the IT operations and adequacy of the back-up and continuity plans in place at the managers' offices.

Ethics performance

Code of ethics and conduct

Ethical business practices are set out in Emira's board approved and adopted code of ethics. The code advocates actively avoiding the possibility of a conflict of interest within specific areas of competence. The code reinforces the values of responsibility, honesty, fairness and respect and dictates that all actions must be honourable.

The code also requires all directors, officers and employees to interact with one another and with stakeholders with integrity. Employees are expected to act according to the highest personal and moral standards and are to demonstrate respect for human dignity of all other people and are expected to conduct personal affairs in a proper and responsible manner. All members of staff sign the code of conduct on commencement of employment.

Ethical business practices have been included in the terms of appointment of contract and service providers. In terms of the code of ethics, no issues of non-compliance, fines or prosecutions have been levied against the Emira or management.

Directors' dealings

In terms of Board adopted policies, directors and certain other managers are prohibited from dealings in periods immediately preceding the announcement of its interim and year-end financial results and at any other time deemed necessary by the Board or as required in terms of the JSE regulations.

Directors require written clearance from the chairman prior to trading in the shares. The chairman consults with the executive directors before granting the clearance to ensure that there is no material price-sensitive information that has not been disclosed to the market. Clearance is provided on receipt of a written request from the director and once the necessary signatures of the designated directors have been obtained.

Liability insurance

Liability insurance is in place, which provides cover for directors and prescribed officers against legal action by third parties.

Stakeholder communications

Emira and its management acknowledge their responsibility to society to report and communicate in a manner that is transparent and accountable regarding matters of an economic, social and environmental nature.

It is the Board's duty to present a balanced and understandable assessment of Emira's position in reporting to stakeholders. Engagement and communication with stakeholders is discussed fully on page 20 of this integrated report.

Corporate governance
continued

Summary of adherence to King III

For ease of use and comparability, all references to "Company/companies" in the table below, refer to Emira.

Principle	Applied *	Comment
The Board should act as the focal point for and custodian of corporate	*Yes*	SEE PAGE 56 — CORPORATE GOVERNANCE
The Board should appreciate that strategy, risk, performance and sustainability are inseparable	*Yes*	SEE PAGE 56 — STRUCTURE, COMPOSITION AND ROTATION
The Board should provide effective leadership on an ethical foundation	*Yes*	SEE PAGE 56 — ETHICAL LEADERSHIP
The Board should ensure that the company is and is seen to be a responsible citizen	*Yes*	SEE PAGE 60 — SOCIAL AND ETHICS COMMITTEE SEE PAGE 70 — SUSTAINABILITY MATTERS
The Board should ensure that the company's ethics are managed effectively	*Yes*	SEE PAGE 63 — ETHICS PERFORMANCE
The Board should ensure that the company has an effective and independent Audit Committee	*Yes*	SEE PAGE 59 — AUDIT COMMITTEE SEE PAGE 65 — AUDIT COMMITTEE REPORT
The Board should be responsible for the governance of risk	*Yes*	SEE PAGE 21 — RISK MANAGEMENT SEE PAGE 59 — RISK COMMITTEE
The Board should be responsible for IT governance	*Yes*	SEE PAGE 63 — IT MANAGEMENT
The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	*Yes*	SEE PAGE 62 — INTEGRATED COMPLIANCE
The Board should ensure that there is an effective risk-based internal audit	*Yes*	SEE PAGE 66 — AUDIT COMMITTEE REPORT IN RESPECT OF INTERNAL AUDIT AND INTERNAL CONTROL
The Board should appreciate that stakeholders' perceptions affect the company's reputation	*Yes*	SEE PAGE 20 — STAKEHOLDER ENGAGEMENT
The Board should ensure the integrity of the company's integrated report	*Yes*	SEE PAGE 80 — BOARD RESPONSIBILITY STATEMENT
The Board should report on the effectiveness of the company's system of internal controls	*Yes*	SEE PAGE 66 — INTERNAL CONTROL
The Board and its directors should act in the best interests of the company	*Yes*	SEE PAGE 57 — DIRECTORS' MANAGEMENT OF CONFLICT OF INTERESTS
The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	*Yes*	SEE PAGE 63 — GOING CONCERN SEE PAGE 80 — STATEMENT OF DIRECTORS' RESPONSIBILITIES
The Board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board	*Yes* *In part*	SEE PAGE 56 — STRUCTURE, COMPOSITION AND ROTATION FOR EXPLANATION AS TO WHY THE CHAIRMAN IS NOT INDEPENDENT, APPOINTMENT OF LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR
The Board should appoint the CEO and establish a framework for the delegation of authority	*Yes*	SEE PAGE 57 — BOARD RESPONSIBILITIES SEE PAGE 58 — DELEGATION OF AUTHORITY
The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	*Yes*	SEE PAGE 57 — BOARD RESPONSIBILITIES SEE PAGE 56 — STRUCTURE, COMPOSITION AND ROTATION
Directors should be appointed through a formal process	*Yes*	SEE PAGE 56 — STRUCTURE, COMPOSITION AND ROTATION
The induction of and on-going training and development of directors should be conducted through formal processes	*Yes*	SEE PAGE 57 — STRUCTURE, COMPOSITION AND ROTATION SEE PAGE 62 — COMPANY SECRETARY
The Board should be assisted by a competent, suitably qualified and experienced company secretary	*Yes*	SEE PAGE 62 — COMPANY SECRETARY
The evaluation of the Board, its committees and individual directors should be performed every year	*Yes*	SEE PAGE 57 — INDEPENDENCE AND PERFORMANCE OF THE BOARD
The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	*Yes*	SEE COMMENTARY ON PAGE 58 — BOARD COMMITTEES
A governance framework should be agreed between the Group and its subsidiaries boards	*Yes*	THE SUBSIDIARIES ARE WHOLLY OWNED BY EMIRA AND FOLLOW ITS GOVERNANCE FRAMEWORK
Companies should remunerate directors and executives fairly and responsibly	*Yes*	SEE REMUNERATION REPORT COMMENCING ON PAGE 68
Companies should disclose the remuneration of each individual director and certain senior executives	*Yes* *In part*	SEE NOTE 3 COMMENCING ON PAGE 94
Shareholders should approve the company's remuneration policy	*Yes*	REMUNERATION REPORT COMMENCING ON PAGE 68

* *For the full financial year.*

Full disclosure on King III compliance may be found on our website.

Audit Committee's report

Introduction

The Audit Committee is an independent statutory committee and has the cooperation of all directors, management and staff in order to perform its duties.

Terms of reference

The committee is governed by formal terms of reference that have been approved by the Board and are regularly reviewed and updated.

Composition

The Audit Committee members are:

- Bryan Kent (chairman)
- Vusi Mahlangu
- Gerhard van Zyl

Nocawe Makiwane resigned from this committee on 12 August 2014 due to her status changing from independent non-executive director to non-executive director. Independent non-executive director, Gerhard van Zyl was appointed as a committee member with effect from 12 August 2014.

The detailed biographies of these directors are presented on page 26 of this integrated report. The committee members are all independent non-executive directors and the Lead Independent Non-executive Director chairs the committee.

Meetings

The committee met four times during the year with the executive management as well as the executives responsible for finance, the compliance officer, and external and internal auditors. The Company Secretary attends all meetings as secretary to this committee. The table on page 58 references the attendance at these committee meetings.

Role

Assisting the Board in assessing the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied within the day-to-day management of the business, is the committee's primary role.

This includes facilitating and promoting communication regarding the above-mentioned matters or any other related matter between the Board of Directors and the external auditor and internal audit and introducing such measures that, in the committee's opinion, may serve to enhance the credibility and objectivity of the financial statements and reports prepared with reference to the affairs of Emira and management.

Responsibilities

The responsibilities of the committee are to:

- Nominate for appointment as auditor a registered auditor, who is independent of Emira.
- Determine the fees to be paid to the auditor and the auditor's terms of engagement.
- Ensure that the appointment of the auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors.
- Determine the nature and extent of any non-audit services that the auditor may provide or that the auditor must not provide to Emira.
- Pre-approve any proposed contract with the auditor for the provision of non-audit services to Emira.
- Review and approve the interim and final financial results and their press releases and the reviewed statements of financial position and statements of comprehensive income of Emira with the relevant press releases for recommendation to the Board.
- Evaluate the quality of the financial information produced to ensure the integrity of reporting and to ensure that measures necessary, in the committee's opinion, are introduced to enhance the integrity of such reporting.
- Review the insurance cover affected by Emira annually to ascertain its sufficiency, scope and costs.
- Receive and evaluate reports from management on significant breakdowns and/or potential areas in the risk management and assessment process, including the disaster recovery plan.
- Consider the audit plans for the external and internal auditors to ensure completeness of coverage, reduction of duplicate effort and the effective use of audit resources.
- Consider any significant findings and recommendations of the external and internal auditors as well as the adequacy of corrective actions taken in response to these findings.
- Promote communication by and provide an open avenue of communication between the external and internal auditors, and the committee.
- Evaluate the independence and effectiveness of the internal auditors.

- Encourage and, where appropriate, approve the development of codes of ethical conduct and receive reports from internal audit of significant contraventions thereof.
- Review the effectiveness of the systems of internal control.
- Evaluate and ensure Emira's compliance with statutes and regulations governing Emira's business.
- Ensure that any matters, which have come to its notice, which may significantly affect the financial position or affairs, are reported to the Board.
- Ensure Emira's adherence to accounting standards and policies.
- Evaluate the adequacy and effectiveness of Emira's accounting practices, information systems and audit processes.
- Perform other functions determined by the Board including the development and implementation of a policy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within Emira.
- Monitor any corrective actions to be taken in terms of its charter.
- Receive and deal appropriately with any complaints (whether from within or outside the organisation) relating either to Emira's accounting practices and internal audit or to the content or auditing of its financial statements, Emira's internal financial controls, or to any related matter.

The committee has fulfilled its function and responsibilities, as mentioned above, and has executed its duties during the year under review, complying with its legal, regulatory and other responsibilities in accordance with its terms of reference. The Board did not assign any additional responsibilities to the committee.

The expertise and experience of the Chief Financial Officer and Financial Director, Geoff Jennett, was reviewed during the committee's annual assessment and the committee has satisfied itself thereof. In addition, it has considered and further satisfied itself of the expertise of the finance function and adequacy of resources and experience of senior members of management responsible for the financial function.

Independence of external auditors

The committee is satisfied of the required independence of the external auditors, PricewaterhouseCoopers Inc., from Emira, as set out in section 94(8) of the Companies Act, after considering the following factors:

- Representations made by PricewaterhouseCoopers Inc. to the committee.
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.
- The auditor does not, except as external auditor, receive any remuneration or other benefit from Emira.
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor.

The external auditor has not performed any non-audit services apart from exchange control audit reports and reports in respect of the issue of commercial paper and the conversion to a corporate REIT. Should further services be required in the future, they will be approved on the basis that no conflict of interests arise.

The committee has satisfied itself that the audit firm is accredited as such on the JSE list of auditors and their advisors. The committee agreed to the letter of engagement, audit plan and budgeted audit fees for the 2015 year and has nominated for re-appointment at the annual general meeting, PricewaterhouseCoopers Inc. as auditors of Emira and Mr V Muguto, the accredited designated auditor for the coming financial year.

Internal control

The system of internal financial and operational control is the responsibility of the Board. The executive directors ensure that assets are protected, systems operate effectively and all valid transactions are recorded properly.

Internal auditors, reporting directly to the Audit Committee, have conducted extensive reviews, testing the effectiveness of the internal control systems. These systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of Emira's assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

The internal audit function coordinates with other internal and external providers of assurance to ensure proper coverage of financial, operational and compliance controls.

Based on these reviews, information and explanations given by management and discussions with the external auditors on the results of their audit, the committee is satisfied that Emira's system of internal controls operated effectively in the year under review. Nothing has come to the committee's attention that causes it to believe that the system of internal financial controls is not effective.

Internal audit

It is the committee's responsibility to ensure that the internal audit function is independent and has the necessary resources, standing and authority to discharge its duties. The Chief Audit Executive is responsible for regularly reporting the findings of internal audit to the committee.

Furthermore, the committee oversees cooperation between the internal and external auditors, and serves as a link between the Board of Directors and these functions.

Grant Thornton is the internal auditor who has been mandated to perform the internal audit functions. The scope of the mandate given to Grant Thornton was reviewed and approved by the Board. The committee conducts an assessment of the performance of the internal audit function on an annual basis.

Oversight of risk management

The committee plays a vital role in the process of risk management and the Chief Risk Officer reports directly to the committee. All risk identification, measurement and management is addressed through these channels.

A risk management plan, risk register and risk policy were reviewed and approved by the committee during the year. A full discussion on risk management is presented on pages 21 to 23 of this integrated report.

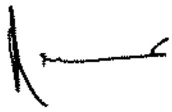
Integrated report

Following the review by the committee of the annual financial statements of Emira Property Fund for the year ended 30 June 2015, the committee is of the view that in all material respects they comply with the relevant provisions of the Companies Act and IFRS and fairly presents Emira's financial position at that date and the results of operations and cash flows for the year then ended.

The committee has also satisfied itself of the integrity of the remainder of the integrated report. Having achieved its objectives, the committee has recommended the integrated report for the year ended 30 June 2015 for approval to the Board.

The Board has subsequently approved the integrated report, which will be open for discussion at the forthcoming annual general meeting.

On behalf of the Audit Committee



Bryan Kent
Chairman

Bryanston
21 September 2015

Introduction

The staff complement comprises a team of 22 employees (2014: 20) including executive management, asset managers and support staff.

For the year under review a monthly service fee was charged in respect of Emira's administration equal to the actual operating costs incurred for its administration.

Eris and Broll are the main external property managers who deal with the daily property management functions in respect of Emira's property portfolio. Property management fees paid for the year were R49,5 million (2014: R42,3 million).

Remuneration and Nominations Committee

Composition

The committee comprises three non-executive directors, two of which are independent non-executive directors. This committee was reconstituted during 2014 and an independent non-executive director was elected as chairman in terms of King III. The Chief Executive Officer attends these meetings by invitation.

The committee meets on an ad hoc basis, when necessary and met three times during the year under review as can be seen from the table found on page 58 of this integrated report.

The Remuneration and Nominations Committee members are:

› Vusi Mahlangu (chairman)
› Benedict van der Ross
› Bryan Kent

Responsibilities

The committee's responsibilities include:

› upholding, reviewing and amending, if appropriate, the remuneration philosophy and policy.
› ensuring that staff members are rewarded fairly for their individual contributions to Emira's overall performance, having regard to the interests of stakeholders and Emira's financial condition.
› approving remuneration packages designed to attract, retain and motivate high-performing employees including but not limited to basic salary, performance-based short- and long-term (and share-based) incentives, retirement fund contributions and other benefits.
› establishing appropriate criteria to measure the performance of employees.
› reviewing and recommending appropriate levels of remuneration to be paid to the non-executive directors and submitting these recommendations to shareholders for approval.

Remuneration policies — guaranteed package and variable pay

Employees are rewarded for their performance and contributions with the aim to pay employees market-related remuneration according to industry, market and country benchmarks. The remuneration comprises three components, namely the guaranteed package, variable pay and the phantom share scheme.

Industry surveys and a comparison with Emira's listed peers guide guaranteed remuneration and annual increases, while variable pay in the form of an incentive bonus is based on the individual's achievement of set KPIs and performance, as well as that of the portfolio. Such incentive bonuses are approved by the committee and paid annually in August.

The aim is for staff remuneration to be above industry averages, dependent on above-average performance by Emira. The executive directors are remunerated from the service fee paid monthly.

The strategic objectives of the remuneration policy are aimed at optimising income growth and distributions, while employing and retaining high-calibre staff.
All components of remuneration are subject to the committee's approval.

Special variable incentives (share appreciation rights ("SARs") scheme)

A phantom scheme was put in place in September 2010, where STREM notionally allocated R30 million worth of PIs for the benefit of all its staff, and all employees have taken up the opportunity to participate. The phantom scheme was set up to exactly replicate the buying of shares with loaned funds: notional PIs were issued, with notional loans at notional rates being serviced and reduced by distributions from the notional PIs. This facilitated the long-term alignment of management and PI holders' interests, which the Board believes is critical to Emira's performance.

The scheme has a vesting period of three to five years, which commenced on 15 September 2010, and allows the participating staff to exercise their rights in equal tranches within three months after its expiry in September 2013, 2014 and 2015 and receive bonuses derived from the difference between the PI price and the value of the notional debt. All rights expiring in September 2014 were exercised.

In September 2013, the second tranche was issued to the value of R25 million also with a vesting period of three to five years and vests in September 2016, 2017 and 2018.

In September 2014, the Remuneration and Nominations Committee and Board approved the issuance of the third tranche of shares to staff to the value of R20 million which also has a vesting period of three to five years, in September 2017, 2018 and 2019 and is a continuation of the current scheme.

This scheme has been developed to enhance our human capital offering through attraction, retention and incentive.

Purchase of hedge

The cost of options purchased to hedge Emira's exposure in terms of all three tranches of the phantom share scheme is to be amortised over the duration of the scheme, over the five year vesting period. A premium of R3,75 million was incurred to hedge the exposure arising from the third tranche issued this year. The fair value of the options as at 30 June 2015, was R14,5 million (2014: R8,1 million).

Service contracts and terms of appointment

Executive directors have standard terms and conditions of employment. They do not receive any special remuneration or other benefits for their additional duties as directors. None of the executive directors has an employment contract with a maximum notice period longer than three months or special termination benefits and there is no restraint of trade in place. Non-executive directors do not have employment contracts.

Executive remuneration

Details of the executive directors' remuneration paid in 2015 is given in note 3 commencing on page 94 in the annual financial statements. Remuneration for the top three earning employees has not been disclosed due to the small size of the staff complement and the highly competitive property market, nor does the Board consider it appropriate for privacy reasons.

Non-executive directors' fees

The annual directors' fee comprises a base retainer fee and, where applicable, a committee membership fee plus ad hoc subcommittee meeting attendance fees. Should non-executive directors perform any ad hoc work that may be required of them, hourly fees are also paid.

All travel and accommodation expenses incurred by directors to attend Board and committee meetings and site visits are paid in full by Emira. Details of the emoluments paid to non-executive directors in 2015 are set out in note 3 commencing on page 94 in the annual financial statements.

Independent non-executive director, Gerhard van Zyl, continued to offer consultation services during the course of the year under review and received monthly consulting fees. As confirmed by legal opinion sought in the previous year, the nature of the consultations does not affect Mr van Zyl's independence.

On behalf of the Remuneration and Nominations Committee

Vusi Mahlangu
Chairman

Bryanston
21 September 2015

Social and Ethic Committee

Information pertaining to the composition and responsibilities of this committee is presented on page 60 of the corporate governance report.

Environmental management

To reduce the impact of its activities, Emira recognises the importance of adopting sustainable environmental business practices. Global warming has been identified as a medium-term risk to operations of businesses generally.

The Emira Sustainability Plan defines actions to manage Emira's impacts and a committee was established to manage and monitor these initiatives. The policy aims to continuously improve on the environmental, energy and economic performance of new, refurbished and existing buildings over their entire life cycle.

The upgrading of Emira's portfolio is viewed as responsible investing and a strategic imperative in order to retain high-quality tenants and improve on rentals obtained, thus creating greater value for stakeholders.

Emira recognises its commitment to protect the interests of all its stakeholders. It conforms to strict requirements for transparency, remaining responsible to the broader community which it serves, while operating profitably and respecting the natural environment.

Emira's specific goals are to:

- Create a common and consistent framework for green building standards across all properties within the portfolio.
- Take better care of the environment in which it operates, including identifying and responding to risks and opportunities associated with climate change.
- Minimise the negative environmental impacts associated with building site selection, construction, refurbishment, operation, maintenance, repair and demolition without impairing the intended use of the function of the building.
- Reduce overall expenditure through improved building performance.
- Lower greenhouse gas ("GHG") emissions from buildings by improving energy efficiency and expanding the use of clean, renewable energy.
- Capitalise on other benefits often achieved by green buildings such as healthier, more productive indoor environments and improved asset value.
- Create economic opportunities by stimulating demand for green building products and services.
- Encourage tenants, through constant communication, to adopt more environmentally friendly practices in their own businesses.

Carbon footprint reporting and Carbon Disclosure Project ("CDP")

Carbon footprint — FY15

Emira discloses the carbon emissions data for all properties owned during the year which includes all water, electricity and fugitive emissions and equates to 1 191 449m² of total normalised GLA forming part of the disclosure (including tenant consumptions).

In comparison to the audited FY14 carbon footprint, 2015's carbon footprint, (based on the equity share approach), is summarised as:

The marked increase in scope 1 emissions is due to an under-reporting in 2014. Having paid particular attention to increase data confidence on electricity consumption in the FY14 report, in FY15 particular attention was placed on increasing the data confidence on total water and emissions categories.

On the face of the data, the 15,55% increase has the following contributing factors:

- The carbon emissions factor was changed from 1,00kg CO_2e/kWh to 1,03kg CO_2e/kWh (3% increase).
- When the 2014/2015 GLAs are normalised (excluding acquisitions and disposals in the period) there is only a 6% increase in total emissions.
- Data confidence has further improved over FY14 with the use of smart metering that has been rolled out to 70% of the portfolio's properties.
- Emira's vacancies over the year were also reduced from 4,5% in FY14 to 4,0% in FY15.

From the intensity analysis, it has been established that the bulk increase in emissions comes from the retail sector (the highest consumption by sector), and this correlates to the extension of Wonderpark Shopping Centre forming part of the review period.

CDP — audited results — FY14

Emira commissioned an independent third party to verify its GHG emissions inventory compiled for the period 1 July 2013 to 30 June 2014 (FY14). The verification was performed in accordance with the International Standard ISO14064-3 (2006) 'Specification with guidance for the validation and verification of greenhouse gas assertions'.

Emira's key verification objectives were to confirm that the GHG inventory was accurate and complete, and to enhance the credibility of its GHG emissions disclosure for CDP 2015. The criteria for the verification were to conform with the WRI/WBCSD GHG Protocol Corporate Accounting Standard, 2nd Edition, 2004 ("GHG Protocol Corporate Standard") principles.

Emissions overview

Scope	Source	TONNES CO_2e Head office	Office sector	Retail sector	Industrial sector	Residential	Total	% of total
SCOPE 1	Fugitive emissions (Kyoto gases)	4,43	228,53	75,19	7,31	0,00	315,45	0,14
SCOPE 2	Purchased electricity	1 107,35	70 709,27	110 830,15	33 889,70	133,02	216 669,48	98,54
SCOPE 1 AND 2 SUBTOTAL		**1 111,77**	**70 937,80**	**110 905,34**	**33 897,00**	**133,02**	**216 984,94**	**98,68**
SCOPE 3	Business travel	24,24	—	—	—	—	24,24	0,01
	Purchased goods and services: water	10,59	406,61	494,99	457,87	7,12	1 377,19	0,63
	Purchased goods and services: paper	2,41	—	—	—	—	2,41	0,00
	Employee commute	44,88	—	—	—	—	44,88	0,02
SCOPE 3 SUBTOTAL		**82,12**	**406,61**	**494,99**	**457,87**	**7,12**	**1 448,72**	**0,66**
TOTAL TONNES CO_2e		**1 193,89**	**71 344,42**	**111 400,33**	**34 354,87**	**140,14**	**218 433,65**	**99,34**
OTHER DIRECT	Fugitive emissions (non-Kyoto gases)	151,54	839,81	414,49	50,68	0,00	1 456,53	0,66
TOTAL TONNES CO_2e INCLUDING OTHER DIRECT EMISSIONS		**1 345,44**	**72 184,23**	**111 814,82**	**34 405,55**	**140,14**	**219 890,18**	**100,00**
PERCENTAGE OF TOTAL (EXCLUDING OTHER DIRECT)		0,55	32,66	51,00	15,73	0,06	100,00	

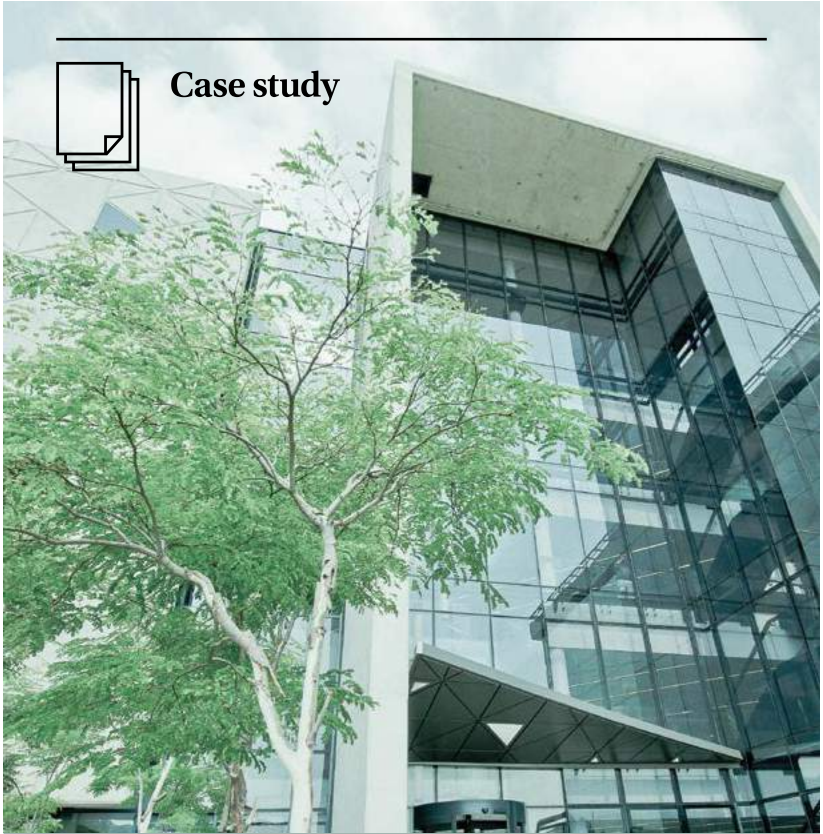
Annual changes in emissions

Scope	Source	2011	2012	2013	2014	2015	% change 2014 – 2015
SCOPE 1	Fugitive emissions (Kyoto gases)	16,90	94,10	458,42	50,20	315,45	528,43
SCOPE 2	Purchased electricity	213 081,34	187 107,03	178 306,80	186 089,89	216 669,48	16,43
SCOPE 1 AND 2 SUBTOTAL		**213 098,24**	**187 201,13**	**178 765,22**	**186 140,09**	**216 984,94**	**16,57**
SCOPE 3	Electricity (leased assets)	65,67	60,42	47,09	—	—	—
	Business travel	25,80	19,80	19,24	20,92	24,24	15,85
	Purchased goods and services: water	1 371,30	1 185,64	1 148,81	1 127,90	1 377,19	22,10
	Purchased goods and services: paper	0,53	1,07	3,23	2,42	2,41	(0,61)
	Employee commute	17,17	12,78	19,24	31,84	44,88	40,95
SCOPE 3 SUBTOTAL		**1 480,46**	**1 279,72**	**1 237,61**	**1 183,09**	**1 448,72**	**22,45**
TOTAL TONNES CO_2e		**214 578,70**	**188 480,85**	**180 002,83**	**187 323,17**	**218 433,65**	**16,61**
OTHER DIRECT	Fugitive emissions (non-Kyoto gases)	1 164,74	1 110,62	3 349,62	2 979,08	1 456,53	(51,11)
TOTAL TONNES CO_2e INCLUDING OTHER DIRECT EMISSIONS		**215 743,43**	**189 591,46**	**183 352,45**	**190 302,25**	**219 890,18**	**15,55%**

Intensity reporting

Intensity	2012	2013	2014	2015
SCOPE 1, 2 AND OTHER DIRECT EMISSIONS:				
TONNES CO_2e/m^2	0,167	0,160	0,164	0,182
TONNES CO_2e/PROPERTY	**1 263,84**	**1 222,25**	**1 216,55**	**1 418,20**
SCOPE 1 AND 2:				
OFFICE	0,187	0,144	0,152	0,167
HEAD OFFICE	—	—	0,190	0,159
RETAIL	0,242	0,250	0,258	0,288
INDUSTRIAL	0,059	0,083	0,076	0,091
RESIDENTIAL	—	—	**0,052**	**0,068**

Case study



Podium phase 1
Existing building certification

Emira has recently taken part in the GBCSA's pilot project of certifying existing buildings. The Podium at Menlyn building was selected and has achieved 4-Star GreenStar South Africa Existing Building Performance (Pilot) certification.

The Existing Building Performance Tool assesses the environmental performance of existing buildings in operation and covers the same environmental categories addressed in the GreenStar South Africa new building tools (Design/As Built) however, the focus is on the efficient operations and management of the building in order to maintain optimal performance.

The tool is not a design tool and thus only has an as-built rating. The rating is valid for a period of three years in order to ensure the building is continuously well operated and maintained. Items such as energy and water monitoring, management policies and plans are required in order to achieve the rating.

After implementation of the necessary corrective action, Emira's FY14 GHG emissions assertion was stated as:

- Scope 1: 50,20 tonnes CO_2e
- Scope 2: 186 081,91 tonnes CO_2e
- Scope 3: 1 183,09 tonnes CO_2e
- Total scopes 1, 2 and 3: 187 315,19 tonnes CO_2e
- Outside of scopes — Other direct: 2 979,08 tonnes CO_2e (GHG emissions from non-Kyoto Protocol refrigerant gas refills. The GHG Protocol Corporate Standard states that these emissions should be reported separately from the scopes.)
- Total measured GHG emissions: 190 294,27 tonnes CO_2e

These audited results form the baseline for Emira's Carbon Reduction Strategy.

Green building strategy

Emira recognises the GreenStar South Africa rating system as the new benchmark for comparative green-building analysis and supports the Green Building Council of South Africa's ("GBCSA") initiatives to change the South African property sector, wherever possible.

Emira will endeavour to achieve a minimum of 4-Star GreenStar SA Office certification for all new commercial assets over 4 000m². It also aims to achieve a minimum 4-Star GreenStar certification for all new retail assets over 10 000m².

All assets developed below the above thresholds are deemed to be beyond current financial viability to obtain a formal certification from the GBCSA, but the principles embedded within the GreenStar guidelines are to be embraced so as to ensure the best financial sustainable development.

Emira is a proud member of the GBCSA.

Transformation

Progress in some areas has been made towards meeting the requirements of the Property Sector Transformation Charter ("the PSTC").

The Board acknowledges that B-BBEE shareholding in Emira is an important step towards achieving the targets as set out in the Charter and these fundamental principles form part of the Board's transformation agenda, viz:

- Transferring ownership of land to people who were previously denied access to land through discriminatory policy and legislation.

- Empowering historically 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.

Emira's empowerment credentials were verified during the year and it received a rating as a Level 4 Contributor (2014: Level 3) in terms of the Charter criteria and rating system as can be seen in table below:

Scorecard element	2015	2014
OWNERSHIP	64	90
MANAGEMENT	25	26
PREFERENTIAL PROCUREMENT	66	82
ECONOMIC DEVELOPMENT	100	91

Emira's B-BBEE holding at year-end is 3,6% and its B-BBEE shareholders include the following:

- The Shalamuka Foundation ("Shalamuka")
- The RMBP Broad-based Empowerment Trust
- Avuka Investments (Pty) Ltd
- Ben van der Ross

Details of the Emira's B-BBEE shareholders are available via the link **http://emira.co.za/csr/**

Community involvement

Shalamuka, an Emira B-BBEE shareholder, is the funding medium for the Penreach Whole School Development Programme. Established in the early 1990s, Penreach is a non-profit in-service education development programme that improves the teaching skills of qualified and unqualified educators in disadvantaged and under-resourced schools in Mpumalanga.

It has resulted in the upliftment of local communities through improvement in education and the quality of school management. This programme is the largest of its kind in the world, reaching approximately 500 000 beneficiaries per annum, and it focuses on the development of quality teaching and learning outcomes, as well as providing leadership development in schools.

The mission statement of Penreach is "to improve the quality and accessibility of education in under-resourced schools in black rural communities". Its goal is to provide skills training to teachers and ultimately help schools to teach young people the necessary skills to become well-balanced, productive, economically-active adults.

Epsom Downs Shopping Centre
Solar farm pilot project

Emira has installed a R6 million solar farm on the roof of its Epsom Downs Shopping Centre in Bryanston, Johannesburg.

This pilot project is Emira's first step in adding renewable energy solutions to its portfolio of properties across South Africa, and part of its sustainability strategy.

Emira partnered with Bright Black Solar to supply and install the system, and its panels were imported. The solar farm only took six weeks to build, but took six months in its planning and logistics stages.

The photovoltaic (PV) solar farm has 1 084 panels and produces around 271kWp (kilowatt peak), or about 30% of the electricity required by the shopping centre — the maximum possible with its roof size.

This pilot project will save 515 172kWh of energy, and about 252 434kg of coal, each year. At the same time it will reduce carbon emissions annually by approximately 503 838kg. To put this in perspective, 458 new trees would need to be planted to offset these emissions.

With Nersa's approved increase in Eskom's tariff rate of 12,69% this year, the financial viability for solar farms is now becoming achievable. The new Epsom Downs solar farm responds to the call for energy users to reduce dependence on the strained national grid.

Emira will continuously explore financially viable ways to reduce its carbon footprint while reducing its tenant's operating costs.

Beneficiaries include primary and high school educators, (with focus on mathematics, physical science and English language development), school governing bodies, school management teams, learners (through IT-assisted online learning), early childhood development (ECD) practitioners, children in home-based ECD situations and their caregivers.

The beneficiaries of the Penreach programme are 100% black with 86% being black women of which more than 50% are rural-dwelling.

The Shalamuka trustees are respected members of the business community and offer their services on a voluntary basis. Shalamuka is 100% compliant as a broad-based organisation in accordance with the Department of Trade and Industry Codes and has Empowerdex certification.

Retail social initiatives

Emira reaches out to local communities through a wide range of social initiatives, developed and implemented by the portfolio's numerous retail shopping centres. By creating opportunities for people to become involved in worthy causes in and around their own neighbourhoods, Emira contributes to building an improved society. Listed below are some of the initiatives undertaken during the year under review:

Wonderpark Shopping Centre

- In July 2014, the centre took chocolate treats to the Little Angels Academy — a day care centre for single moms in Heatherdale, Pretoria.
- In August 2014, the centre hosted the "Be a Fairy Wonder" matric farewell charity campaign. The aim was to collect matric farewell outfits for underprivileged girls from the local community. Six girls benefited from the campaign, each receiving a dress, shoes and accessories. Also in August 2014, the centre celebrated Women's Day by hosting ladies from the Christian Council network in Daspoort. At the ladies' morning, 60 underprivileged women from the community ate meals in a joint sponsorship with Pick n Pay.
- In September 2014, children from the Teletubbies Day Care Centre in Wolmer enjoyed Pizza Day at the centre's Panarottis Pizza Pasta. The children each received a kiddie's pizza and a lucky packet with toy, while Boost Juice donated the liquid refreshments.
- In October 2014, the centre took its "Tell a Story Day" to the Luvuyo Orphanage in Soshanguve, and donated 25 storybooks to boost the shelves of their library. The day ended with a story read to the children from one of their new books.
- In November 2014, the centre held "Drum Month", which included a visit to the Mpho Care Centre in Rosslyn. The children enjoyed a centre-sponsored dance performance by the Ditau Dance Drumming Group from Soshanguve.
- In December 2014, an Aids awareness campaign was held in the centre by national NGO, Family Federation. The educational campaign consisted of interacting with visitors to the centre, handing out informative brochures, as well as the symbolic red ribbons.
- In January 2015, the centre visited the children at the Gracia Child and Youth Care Centre in Pretoria North for "Popcorn Day". Ster-Kinekor and Boost Juice sponsored the treats for the children, providing popcorn and smoothies respectively.
- In February 2015, children's oral hygiene was in the spotlight at the centre with "Dental Month". The centre visited the Angel Care Academy in Heatherdale, Pretoria. The children were given an educational and fun puppet show about dental hygiene. The centre also provided the children with gifts of toothbrushes and toothpaste.
- In March 2015, the centre promoted the arts, hosting "Music Month", as students from Fusion College once again showed off their talents and entertained shoppers.
- In April 2015, "World Health Day" was commemorated, involving children at the centre's play area. The educational focus was on the importance of a healthy diet and lifestyle.
- In May 2015, the centre hosted "Baby Day", visiting the Forever Angels Place of Safety in Pretoria North. Donations of nappies, baby toiletries and formula went to the haven's abandoned babies from the Pretoria North, Soshanguve, Mabopane and Garankuwa areas.
- In June 2015, the centre celebrated "Youth Month" by hosting a hip hop music festival in the basement parking area, where local artists Kwesta and Smashis provided the entertainment.

Randridge Mall

- Throughout the year on a monthly basis, the centre provides exhibition space to the South African National Blood Service ("SANBS") to host one of its mobile blood donation points. The centre has succeeded in raising significant awareness among shoppers, with the number of donors steadily increasing on a monthly basis.
- Throughout the year, for one week every six weeks, the centre hosts the National Sea Rescue Institute at reduced rates. The non-profit organisation raises awareness and drives for donations nationally — inland as well as coastally — to raise the significant funds required for operating its crucial services.
- In December 2014, the centre once again assisted the Educare Foundation in its annual charity drive over the festive season. The foundation assists communities by travelling to underprivileged areas with its mobile library. The centre provided the space and gift wrapping materials, with the proceeds being used to equip its mobile library, which now features six laptops, 16 iPad tablets, a printer and over 2 500 books.
- In February 2015, the centre once again hosted its successful Cancer Association of South Africa ("CANSA") Shavathon event. Notably, the centre once again collected the most donations, beating all participating centres for the year, and helping to raise over R77 000 for the worthy cause.

- The centre continued to host Blessed Hands — a small business owned by Tish, who teaches his empowering crafts and skills to a number of women who assist him. He was trained in small business enterprises by Seeds of Africa — an organisation focused on community upliftment through enterprise development and early childhood development in underprivileged communities.
- In June 2015, the centre embarked on the Integrated Citizen Outreach Programme with the City of Johannesburg, Region C, referred to as CRUM. Community members walk the streets, identifying various by-law contraventions and improvements that are necessary, creating an itemised action plan in conjunction with business owners to rectify problem areas.

Market Square

- Every June, the centre assists the Plett Animal Welfare Society, also known as PAWS, by serving as a collection point for pet food and blankets every June.
- In September 2014, the centre once again hosted the Wittedrift High School "Entrepreneurs Day". The annual event offered learners an opportunity to win centre vouchers by showing their entrepreneurial talents and putting into practice what they have learned in school during the year.
- In December 2014, the centre selected 12 charities to benefit from over R47 000 in funds, raised at the annual festive season gift-wrapping stations. Once again, the centre supplied the wrapping paper, adhesive tape and ribbon, while the beneficiaries provided the volunteers to do the wrapping.
- In February 2015, the centre once again tied Valentine's Day to the annual blood drive day. During the year, the centre hosted the WP Blood Transfusion Service's blood drive an additional five times, which made significant contributions of blood, which is always in high demand.
- In March 2015, the centre once again held its annual CANSA Shavathon event, with all of the proceeds being donated to the worthy cause.

Quagga Shopping Centre

- In July and September 2014, as well as in March 2015, the centre hosted Doctors Without Borders/Médecins Sans Frontières, which is an international association of doctors and health sector workers, helping populations in distress and victims of disasters. The organisation managed to raise over R7 000, with the campaign aimed at fighting the devastating Ebola virus in West Africa.
- In October and February 2014, as well as in March 2015, the centre hosted Zanempilo Home Based Care, which held an HIV counselling and testing drive. Situated under branded tents in the centre's outdoor parking area, it was open to the community at large, offering blood testing, diabetic testing and social counselling.
- In May 2015, the Pretoria West SAPS, "arrested" 18 people from nearby companies for fun and detained them to raise funds for the Phephela Place of Safety. Donors paid for the "volunteers" to sit in a makeshift cell, which was set up in the centre.
- In June 2015, the centre hosted representatives from the Suid-Afrikaanse Vrouefederasie and the Margaretha Ackerman Old Age Home, who came to the centre to promote the home and took blood pressure readings from 50 shoppers on the day.

Linksfield Terrace Shopping Centre

Throughout the year, the centre is actively involved with the M De Klerk Foundation. Representatives of the charity visit the centre regularly, to raise much-needed funds for this worthy cause.

Granada Square

In November 2014, the centre sponsored a tee at Umhlanga Improvement Precinct's ("UIP") golf day — helping to raise funds for the upgrade of the Umhlanga Lagoon Nature Reserve. The proceeds were donated to the preservation and upliftment of the reserve, which is near the centre.
In December 2014, the centre hosted the UIP and Rotary Carols by Candlelight event for the third consecutive year. Part of the centre's festive season schedule of activities, the event is well supported by the community.

Park Boulevard

Throughout the year, the centre hosts pensioner days, with discounts and special offers for local retirees. The centre is positioned in a community consisting mainly of families with a strong retired community in the area. The centre, in conjunction with the local SAPS recently granted a satellite police station trailer on the property. The initiative, driven by the Greenwood Park SAPS and Community Policing Forum to combat crime in the Umgeni Park area, is an opportunity to assist the local community.

Tramshed Shopping Centre

In June 2015, the SANBS came to the centre to hold another successful blood drive at the Pick n Pay court area. The centre assisted the drive further by providing poster displays around the centre, free of charge. In June 2015, the Universal Peace Federation held an Aids awareness and fund raising campaign at the centre's Pick n Pay court, where brochures and pens were handed out to shoppers.

Springfield Retail Centre

During the year, the centre sponsored a community project — the Crossmoor Crusaders Under 17 soccer team. As a non-profit organisation, the Chatsworth-based club relies entirely on sponsorship for equipment and gear. The centre donated brand new kit for all of the team members, which they desperately needed after securing a place in a cup final, which they subsequently won.

Emira's rural retail

Centres across Emira's rural portfolio endeavour to accommodate registered charity organisations that wish to promote their causes and raise funds. In December 2014, Dundee Boulevard held festive season gift-wrapping for the Society for the Prevention of Cruelty to Animals ("SPCA"). The SPCA retained all of the proceeds as their volunteers wrapped gifts for shoppers who made donations to the worthy cause.

Also in December 2014, Dundee Boulevard hosted volunteers from the Crisis Centre, who raised awareness and helped the less fortunate by collecting much needed food, money and clothing during the festive season. Emira's rural centres place emphasis on supporting local contractors and employing persons from surrounding communities.

Retail environmental and energy saving initiatives

Emira is committed to being environmentally responsible and to lead by example in the areas and communities around its properties. By being active participants in developing and implementing environmental initiatives, Emira can make a difference and inspire others to do the same. Listed below are some of the initiatives undertaken at properties in the portfolio during the year under review:

Randridge Mall and Boskruin Village

In July 2015, both centres were given approval to roll out their extensive recycling initiatives — to ensure that at least 80% of waste generated in the centres is recycled. Recycled materials include glass, metals, plastics, and paper products — thereby making a positive impact on the environment. To assist with the consequences of the drought and water shortages currently gripping South Africa, the centres have also embarked on research into the merits and feasibility of harvesting rainwater. The volumes of water retained will vary, and the use of the water will be limited to site irrigation due the complexity and legal implications of onsite water filtration.

Epsom Downs Shopping Centre

Installed and completed an extensive photovoltaic/solar power generation system. As a new initiative, the full benefit of this energy supplementation plant is currently being monitored — a process that includes a quarterly analysis, which is incorporated in the property's carbon footprint data. An additional project — a solar lighting system — has been approved to illuminate the centre's outside parking areas, and is expected to be complete before the end of 2015. For more detail, refer to the case study on page 73 of this integrated report.

Granada Square

- The centre chose to sponsor a paper bin, installed at the property to encourage the local community to recycle paper.
- The centre also installed a glass recycling bin, provided by the Glass Recycling Company, which is used regularly by the restaurant tenants.
- The centre has used social media to communicate with its shoppers and the community. Using Facebook is becoming an increasingly effective platform, and the centre has been in regular contact, regarding important current events:
  - Powertime — energy saving tips for the community, to monitor and control consumption — tailored to the South African electricity supply issues currently affecting the country.
  - Load shedding schedule — helping the community plan their lives by keeping up to date with planned power outages.
  - Recycling crafts and projects — sharing new and creative ideas to reuse recyclable materials.
  - Saving water at home — tips to help the community save money and our precious water resources.

Park Boulevard

- During the year, the centre installed new, more environmentally friendly air conditioning units, replacing older units that use R22 gas.
- The centre also replaced all of its older fluorescent tube light fittings with newer, more efficient T5 energy saving fittings and lamps. The benefits of the centre's newly installed "Smart Meter" system are becoming evident.
- To address the country's water shortages and the demand for scarce water resources, the centre performed regular inspections to ensure that it has no costly leaks on the property.
- In January 2015, the centre began its direct communication with its community via Facebook. The medium is becoming increasingly effective and offers a platform for feedback and measuring the audience.
  - Energy saving tips for spring and summer — helping the community reduce cost and power consumption.
  - Recycling crafts and projects — sharing ideas with the community — Easter Eggs made from recycled materials.
  - Load shedding schedule — informing the community about planned local power outages, and reducing the inconvenience.

Market Square

- The centre's recycling efforts continued during the year as the cardboard box and paper waste generated by tenants was separated from other waste and collected for processing.
- All of the centre's lights have been fitted with energy-efficient globes to reduce its carbon footprint.

Quagga Shopping Centre and Tramshed Shopping Centre

- A waste area for recycling plastic bottles, boxes, glasses, paper has been allocated, conveniently behind the shopping centres. Recyclable materials are separated and then collected for processing.
- To save on cost and prevent wasteful use, all of the older globes in the centres have been replaced with modern, energy-efficient globes and fittings.

Springfield Retail Centre

- During the year, the centre doubled the number of its recycling bins to accommodate the growing demand from shoppers and tenants. The centre also reprinted more of the large "Bin It" posters to encourage recycling in the community and also promoted the initiative on the centre's Facebook page.
- The centre installed modern air conditioning units that operate without environmentally harmful R22 gas.
- The centre replaced all fluorescent light fittings with modern, T5 energy saving fittings and lamps. The centre has begun to benefit from the newly installed "Smart Meter" system.
- Day/night sensors have been installed at the centre to minimise energy wastage and timers are set according to seasonal requirements.
- To prevent water wastage, the centre closely monitors consumption and immediately repairs any leaks that are detected.
- In January 2015, the centre began its direct communication with its community via Facebook.
  - Energy saving tips for Valentine's Day — reminding the community to reduce power consumption and save money.
  - Recycling crafts and projects — sharing ideas with the community — fun with used household items.

Emira's rural retail

- Emira's rural centres are in the process of replacing all out-dated, inefficient globes with energy-saving globes to save on cost and reduce the electricity required to operate. The new installations take place as and when current fittings need to be replaced.
- The centres all have timers, which are set to either winter or summer requirements to optimise electricity consumption and prevent unnecessary wastage.
- Emira's rural centres are in the process of replacing out-dated air conditioning units that require R22 gas, which is harmful to the ozone and the environment. When older units are due for replacement — newer, environmentally friendly units are installed.
- The rural centres ensure that any leaks — whether gas or water — are repaired immediately after detection, to prevent wastage, loss or damage to the property and environment.

Health and safety initiatives across Emira's portfolio

During the year under review, Emira conducted an internal administrative assessment on all of its suppliers, confirming that all applicable agreements with mandatory and workmen's compensation documentation were in place. The assessment was followed by spot checks, performed by auditors Grant Thornton.

A programme was successfully implemented improving Emira's occupational health and safety reporting process with a focus on the regular identification of hazards. Instances where unfortunate incidents occurred were analysed and solutions implemented where possible.

Emira's rural retail

- As health and safety is a priority, Emira's rural centres perform regular health and safety inspections at all our sites to ensure compliance.
- All maintenance and repairs are attended to as matters of importance, in order to prevent health and safety incidents.
- At Emira's centres, all fire fighting equipment is kept up to date and serviced as prescribed.
- Cleaners, security personnel and staff are given on-going, on-site training at Emira's centres to ensure that they comply with safety standards.
- All contractors at Emira's centres must comply with health and safety standards and requirements.

Financials

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of STREM are responsible for the preparation, integrity, and fair presentation of the financial statements of the Fund. The financial statements presented on pages 82 to 136 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all standards of International Financial Reporting Standards that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Fund at year-end. The directors also prepared the other information included in the report and are responsible for both its accuracy and its consistency with the financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Fund to enable the directors to ensure that the financial statements comply with the relevant legislation.

The Fund operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business, are being controlled. The going-concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Fund will not be a going concern in the foreseeable future, based on forecasts and available cash resources.

These financial statements support the viability of the Fund. The Fund's external auditor, PricewaterhouseCoopers Incorporated, audited the financial statements, and their report is presented on page 81.

Geoff Jennett.

BJ van der Ross
Chairman

GM Jennett
Chief Executive Officer

APPROVAL OF ANNUAL STATEMENTS

The annual financial statements of the Fund, incorporating statutorily required information in respect of the Fund, for the year ended 30 June 2015 set out on pages 82 to 135 were approved by the Board of Directors of STREM on 21 September 2015 and are signed on its behalf by:

Geoff Jennett.

BJ van der Ross
Chairman

GM Jennett
Chief Executive Officer

TRUSTEE REPORT ON THE EMIRA PROPERTY SCHEME

As Trustees to the Emira Property Scheme ("the Scheme"), we are required in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) ("the Act") to report to participatory interest holders on the administration of the Scheme during each annual accounting period.

We advise for the period 1 July 2014 to 30 June 2015 we reasonably believe that the Manager has administered the Scheme in accordance with:

(i) limitations imposed on the investment and borrowing powers of the manager by the Act; and

(ii) the provisions of the Act and the relevant deeds.

We confirm that according to the records available to us there were no material instances of compliance contraventions and therefore no consequent losses incurred by the Portfolio in the year.

Yours faithfully

Nelia de Beer
Head Trustee Services

Marian Rutters
Manager Trustee Operations

18 September 2015

REPORT OF THE INDEPENDENT AUDITOR

Independent auditor's report to the participatory interest holders of Emira Property Fund

We have audited the consolidated and separate financial statements of Emira Property Fund set out on pages 82 to 136, which comprise the statements of financial position as at 30 June 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Collective Investment Schemes Control Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Emira Property Fund as at 30 June 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Collective Investment Schemes Control Act.

Other reports included

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: V. Muguto
Registered Auditor

Sunninghill
21 September 2015

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

R'000	Notes	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
REVENUE		**1 811 968**	1 476 358	**1 123 195**	1 088 942
Operating lease rental income from investment properties		**1 290 396**	1 088 078	**827 103**	786 454
Recoveries of operating costs from tenants		**396 274**	360 836	**273 597**	278 211
Allowance for future rental escalations	7	**125 298**	27 444	**22 495**	24 277
Dividend received from subsidiary					208 233
Income from listed property investment		**47 388**	44 225	**47 388**	44 225
Property expenses		**(581 752)**	(559 216)	**(384 208)**	(413 779)
Acquisition costs		**—**	(2 262)	**—**	(2 262)
Fee paid on cancellation of interest-rate swap agreements	3	**(36 641)**	—	**(36 641)**	—
Administration expenses		**(86 341)**	(68 178)	**(67 944)**	(60 021)
Depreciation		**(9 324)**	(11 637)	**(5 760)**	(9 269)
OPERATING PROFIT BEFORE FAIR VALUE ADJUSTMENTS		**1 145 298**	879 290	**676 030**	856 069
Net fair value adjustments		**1 113 841**	529 891	**996 410**	392 113
Net fair value gain on investment properties		**983 226**	461 603	**872 145**	320 143
Change in fair value as a result of straight-lining lease rentals	7	**(125 298)**	(27 444)	**(22 495)**	(24 277)
Change in fair value as a result of amortising upfront lease costs	8	**996**	(4 257)	**334**	(981)
Change in fair value as a result of property appreciation in value	6	**1 107 528**	493 304	**894 306**	345 401
Revaluation of derivative financial instruments relating to share appreciation rights scheme		**6 350**	(3 682)		
Impairment charge		**(6 673)**	—	**(6 673)**	—
Unrealised gain on fair valuation of listed property investment	10	**130 938**	71 970	**130 938**	71 970
PROFIT BEFORE FINANCE COSTS		**2 259 139**	1 409 181	**1 672 440**	1 248 182
Net finance costs		**(351 137)**	(226 849)	**(333 232)**	(212 283)
Finance income		**10 833**	13 546	**8 556**	12 301
Interest received		**10 833**	13 546	**8 556**	12 301
Finance costs		**(361 970)**	(240 395)	**(341 788)**	(224 584)
Interest paid and amortised borrowing costs		**(401 133)**	(276 019)	**(380 951)**	(260 208)
Interest capitalised to the cost of developments		**5 110**	15 945	**5 110**	15 945
Unrealised surplus on revaluation of interest-rate swaps		**34 053**	19 679	**34 053**	19 679
PROFIT BEFORE INCOME TAX (CHARGE)/CREDIT	3	**1 908 002**	1 182 332	**1 339 208**	1 035 899
Income tax (charge)/credit	4	**(1 777)**	15 223		
SA normal taxation		**(1 777)**	—		
Deferred taxation		**—**	15 223		
— Other timing differences including allowance for future		**—**	15 223		
Profit for the year		**1 906 225**	1 197 555	**1 339 208**	1 035 899
Attributable to Emira equity holders		**1 910 187**	1 195 343	**1 339 208**	1 035 899
Attributable to non-controlling interests		**(3 962)**	2 212		
		1 906 225	1 197 555	**1 339 208**	1 035 899
TOTAL COMPREHENSIVE INCOME					
Attributable to Emira equity holders		**1 910 187**	1 195 343	**1 339 208**	1 035 899
Attributable to non-controlling interests		**(3 962)**	2 212		
		1 906 225	1 197 555	**1 339 208**	1 035 899
Basic/diluted earnings per participatory interest (cents)	5	**375,09**	244,26		

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2015

		GROUP			FUND		
R'000	Notes	**2015**	2014*	2013*	**2015**	2014*	2013*
ASSETS							
Non-current assets		**13 274 255**	11 259 150	9 366 817	**11 745 774**	10 333 942	8 672 825
Investment properties	6	**12 035 656**	10 319 522	8 588 540	**8 048 937**	7 329 020	6 409 960
Fixtures and fittings	6	**55 288**	51 551	52 050	**36 289**	38 972	48 902
Allowance for future rental escalations	7	**286 762**	162 190	130 605	**148 371**	126 691	98 166
Unamortised upfront lease costs	8	**44 387**	45 413	39 306	**30 195**	30 620	27 902
Fair value of investment properties		**12 422 093**	10 578 676	8 810 501	**8 263 792**	7 525 303	6 584 930
Subsidiary companies	9				**2 636 680**	2 133 430	1 540 369
Listed property investment	10	**796 930**	665 992	537 102	**796 930**	665 992	537 102
Accounts receivable	11	**39 177**	—	—	**39 177**	—	—
Derivative financial instruments	18	**16 055**	14 482	19 214	**9 195**	9 217	10 424
Current assets		**247 809**	199 523	158 017	**172 343**	155 716	123 933
Accounts receivable	11	**181 726**	148 048	131 176	**146 509**	120 130	108 890
Derivative financial instruments	18	**12 872**	6 172	4 203	**5 206**	3 355	4 203
Cash and cash equivalents		**53 211**	45 303	22 638	**20 628**	32 231	10 840
Investment properties held-for-sale	6	**319 000**	180 328	589 905	**309 000**	124 593	451 045
Total assets		**13 841 064**	11 639 001	10 114 739	**12 227 117**	10 614 251	9 247 803
EQUITY AND LIABILITIES							
Participatory interest holders' capital and reserves	12, 13	**8 940 015**	7 312 840	6 883 072	**7 638 393**	6 578 235	6 310 123
Non-current liabilities		**3 463 985**	2 617 964	1 440 682	**3 264 415**	2 617 964	1 225 828
Interest-bearing debt	14	**3 448 396**	2 573 916	1 362 722	**3 248 826**	2 573 916	1 163 091
Derivative financial instruments	18	**15 589**	44 048	62 737	**15 589**	44 048	62 737
Deferred taxation				15 223			
CURRENT LIABILITIES		**1 436 072**	1 708 197	1 790 985	**1 324 309**	1 418 052	1 711 222
Short-term portion of interest-bearing debt	14	**1 061 965**	1 379 864	1 510 000	**1 061 965**	1 180 000	1 510 000
Accounts payable	16	**346 122**	301 968	250 921	**251 092**	223 035	182 293
Employee benefits liability	17	**15 948**	11 348	11 135			
Derivative financial instruments	18	**11 252**	15 017	18 929	**11 252**	15 017	18 929
Taxation		**1 777**	—	—			
Total equity and liabilities		**13 841 064**	11 639 001	10 114 739	**12 227 117**	10 614 251	9 247 173

* *Reclassified, please refer to note 13.*

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2015

		GROUP		FUND	
R'000	Notes	**2015**	2014	**2015**	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	19	**1 037 433**	892 472	**652 098**	870 347
Finance income		**10 833**	13 546	**8 556**	12 301
Interest paid		**(401 133)**	(276 019)	**(380 951)**	(260 208)
Taxation paid	19	**—**	—		
Acquisition costs		**—**	(2 262)	**—**	(2 262)
Fee paid on cancellation of interest-rate swaps		**(36 641)**	—	**(36 641)**	—
Derivative acquired in respect of share appreciation rights scheme		**(3 636)**	(4 929)		
Distribution to participatory interest holders	19	**(639 126)**	(584 966)	**(639 125)**	(584 966)
Net cash (utilised in)/generated from operating activities		**(32 270)**	37 842	**(396 063)**	35 212
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of and additions to investment properties excluding capitalised interest	6	**(350 926)**	(550 680)	**(312 397)**	(482 119)
Additions to fixtures and fittings	6	**(17 681)**	(9 385)	**(7 941)**	(2 900)
Proceeds on disposal of investment properties	6	**321 722**	311 692	**286 140**	222 634
Proceeds on disposal of fixtures and fittings	6	**5 010**	1 387	**4 958**	541
Loans to subsidiaries	9			**(54 971)**	(311 829)
Acquisition of subsidiaries	9	**(448 279)**	(281 232)	**(448 279)**	(281 232)
Acquisition of investment in listed property fund	10	**—**	(56 920)	**—**	(56 920)
Net cash utilised in investing activities		**(490 154)**	(585 138)	**(532 490)**	(911 825)
CASH FLOWS FROM FINANCING ACTIVITIES					
Participatory interests issued/(repurchased)	12	**360 075**	(182 821)	**360 075**	(182 821)
Interest-bearing debt raised		**2 512 808**	2 572 782	**2 899 131**	2 900 825
Interest-bearing debt repaid		**(2 342 551)**	(1 820 000)	**(2 342 256)**	(1 820 000)
Net cash generated from financing activities		**530 332**	569 961	**916 950**	898 004
Net increase in cash and cash equivalents		**7 908**	22 665	**(11 603)**	21 391
Cash and cash equivalents at the beginning of the year		**45 303**	22 638	**32 231**	10 840
Cash and cash equivalents at the end of the year		**53 211**	45 303	**20 628**	32 231

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2015

			GROUP			
R'000	Participatory interest	Fair value reserve	Other reserve	Non-controlling interest	Retained earnings	Total
2014						
Balance at 1 July 2013 (as restated)	3 618 255	3 074 968	(98 262)	(3 512)	291 623	6 883 072
Participatory interests repurchased	(182 821)					(182 821)
Total comprehensive income for the year				2 212	1 195 343	1 197 555
Distribution to participatory interest holders*					(584 966)	(584 966)
Transfer to fair value reserve (net of deferred taxation)		596 494			(596 494)	
Balance at 30 June 2014	3 435 434	3 671 462	(98 262)	(1 300)	305 506	7 312 840
2015						
Balance at 1 July 2014 (as restated)	**3 435 434**	**3 671 462**	**(98 262)**	**(1 300)**	**305 506**	**7 312 840**
Participatory interests issued	**360 075**					**360 075**
Total comprehensive income/(loss) for the year				**(3 962)**	**1 911 179**	**1 907 217**
Distribution to participatory interest holders					**(639 125)**	**(639 125)**
Transfer to fair value reserve		**1 235 555**			**(1 235 555)**	
Balance at 30 June 2015	**3 795 509**	**4 907 017**	**(98 262)**	**(5 262)**	**342 005**	**8 941 007**
Notes	12	13	13	13	13	

			FUND		
R'000	Participatory interest	Fair value reserve	Other reserve	Retained earnings	Total
2014					
Balance at 1 July 2013 (as restated)	3 618 255	2 498 731	(98 262)	291 399	6 310 123
Participatory interests repurchased	(182 821)				(182 821)
Total comprehensive income for the year				1 035 899	1 035 899
Distribution to participatory interest holders*				(584 966)	(584 966)
Transfer to fair value reserve (net of deferred taxation)		437 050		(437 050)	
Balance at 30 June 2014	3 435 434	2 935 781	(98 262)	305 282	6 578 235
2015					
Balance at 1 July 2014 (as restated)	**3 435 434**	**2 935 781**	**(98 262)**	**305 282**	**6 578 235**
Participatory interests issued	**360 075**				**360 075**
Total comprehensive income for the year				**1 339 208**	**1 339 208**
Distribution to participatory interest holders				**(639 125)**	**(639 125)**
Transfer to fair value reserve		**1 015 983**		**(1 015 983)**	
Balance at 30 June 2015	**3 795 509**	**3 951 764**	**(98 262)**	**(10 618)**	**7 638 393**
Notes	12	13	13	13	

* *Reclassified, please refer to note 13.*

1 General information

Emira Property Fund ("the Fund") and its subsidiaries (together the "Group") hold a major portfolio of investment properties in South Africa. The Fund is listed on the JSE.

These consolidated financial statements have been approved for issue by the Board of Directors of Strategic Real Estate Managers (Pty) Ltd ("STREM") on 21 September 2015. The shareholders do not have the power to amend the consolidated financial statements after issue.

This report was compiled under the supervision of Geoffrey Jennett CA(SA), the Chief Financial Officer.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

Statement of compliance

The consolidated financial statements of Emira Property Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

Income and cash flow statements

The Group presents its statement of comprehensive income by nature of expense. The Group reports cash flows from operating activities using the indirect method.

The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 28.

New and amended international financial reporting standards and interpretations

International Financial Reporting Standards and amendments effective for the first time for 30 June 2015 year-end

Number	Effective date	Content
Amendments to IFRS 10, IFRS 12 and IAS 27	1 January 2014	Exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make. A subsequent amendment of the consolidation exception for investment entities and their subsidiaries (effective 1 January 2016 referred to below).
Amendments to IAS 32	1 January 2014	Clarification to some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
Narrow-scope amendments to IAS 36	1 January 2014	Disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.
Amendment to IAS 39	1 January 2014	Relief from discontinuing hedge accounting.
Amendment to IAS 19	1 July 2014	Simplify the accounting for contributions that are independent of the number of years of employee service.

2 | Summary of significant accounting policies continued

International Financial Reporting Standards and amendments issued but not effective for 30 June 2015 year-end.

Number	Effective date	Executive summary
Amendments to IFRS 10 and IAS 28	1 January 2016	Eliminate the inconsistency between IFRS 10 and IAS 28.
Amendments to IFRS 10 and IAS 28	1 January 2016	Clarify the application of the consolidation exception for investment entities and their subsidiaries.
Amendment to IFRS 11	1 January 2016	How to account for the acquisition of an interest in a joint operation that constitutes a business.
IFRS 14	1 January 2016	Interim standard on the accounting for certain balances that arise from rate-regulated activities.
Amendments to IAS 1	1 January 2016	Clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
Amendment to IAS 16 and IAS 38	1 January 2016	Clarify the use of revenue based methods to calculate the depreciation of an asset is not appropriate.
Amendments to IAS 27	1 January 2016	Restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates.
IFRS 15	1 January 2017	Single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue.
IFRS 9	1 January 2018	Financial instruments — classification and measurement of financial assets.
Amendment to IFRS 9	1 January 2018	Amendment to IFRS 9 to align hedge accounting more closely with an entity's risk management.

The impact of the changes on the financial statements of the Fund and Group is not considered to be material.

2.2 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3 Business Combinations, a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to policyholders or participants. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. In the absence of such criteria, a group of assets is deemed to have been acquired. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business.

For acquisitions meeting the definition of a business, the acquisition method of accounting is used. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest at the non-controlling interests proportionate share of the recognised amounts of the acquiree's identifiable net assets. The excess of the consideration over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the fair value of the Group's share of the net assets acquired, the difference is recognised directly in the profit or loss for the year as a bargain purchase.

Acquisition-related costs in relation to business combinations are expensed as incurred.

For acquisitions not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

All the Group companies have 30 June as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

2 | Summary of significant accounting policies continued

2.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the Chief Executive Officer ("CEO") of the Fund.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in South African rand, the Fund's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the statements of comprehensive income within finance income or finance costs. All other foreign exchange gains and losses are presented net in the statements of comprehensive income within other losses or gains.

2.5 Investment property

Property comprising both freehold and leasehold land and buildings that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is recognised initially at cost, including transaction costs.

Borrowing costs incurred for the purpose of acquiring, developing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or development is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value adjusted for the carrying values of fixtures and fittings, allowance for future rental escalations and unamortised upfront lease costs which are recognised as separate assets. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under development is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under development. In order to evaluate whether the fair value of an investment property under development can be determined reliably, management considers the following factors, among others:

- The provisions of the development contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar developments

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2 | Summary of significant accounting policies continued

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the statement of comprehensive income. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net fair value gain on investment property.

2.6 Fixtures and fittings

Fixtures and fittings are stated at historical cost less accumulated depreciation and impairment charges. Cost comprises the purchase price as well as any other directly attributable costs.

Depreciation is calculated at cost less expected residual value on the straight-line method, which is reviewed annually. The useful lives of fixtures and fittings range between five and 20 years.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Fixtures and fittings are linked to specific properties. Consequently, any gains or losses on disposal are incorporated with the gains or losses on the disposal of the investment property.

2.7 Leases

(a) A Group company is the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties.

(ii) Finance lease

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Investment properties recognised under finance leases are carried at their fair value.

(b) A Group company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the statement of financial position.

(c) A Group company is the lessor — fees paid in connection with arranging leases and lease incentives

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term.

2.8 Investment in subsidiaries

The investment in subsidiaries is recognised at cost less impairment.

2.9 Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition (providing that the acquisition fulfils the definition of a business combination in accordance with IFRS 3). Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

2 | Summary of significant accounting policies continued

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life — for example, goodwill — are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial instruments — Classification

The Fund classifies its financial assets as financial assets at fair value through profit or loss and loans and receivables. Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate. The Fund determines the classification of its financial assets at initial recognition.

Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at fair value through profit or loss have two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or, if on initial recognition, is part of a portfolio of identifiable financial investments that is managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Derivatives financial assets and liabilities are classified as financial assets and liabilities held for trading and comprise mainly interest-rate swap, share option and forward foreign exchange contracts. The Group uses derivative financial instruments to hedge its exposure to interest-rate and foreign exchange rate risk arising from financing and investing activities (economic hedge). The Group does not apply hedge accounting in accordance with IAS 39.

(ii) Financial assets and liabilities designated at fair value through profit or loss

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. Investments in the listed securities of property investment companies are designated at fair value through profit or loss.

The Fund's policy requires the CEO and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "accounts receivable" and "cash and cash equivalents" in the statements of financial position.

Trade receivables are amounts due from customers for services performed in the ordinary course of business and are included in "accounts receivable".

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within accounts payable.

Other liabilities

All borrowings and accounts payable are classified as other financial liabilities measured at amortised cost.

The Group obtains deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from one to 12 months. Such deposits are treated as financial liabilities in accordance with IAS 39 and included in accounts payable. The difference between fair value at initial recognition and cash received is considered to be part of the minimum lease payments received for the operating lease.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

2 | Summary of significant accounting policies continued

2.12 Financial instruments — Recognition and measurement

Financial assets

Regular purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the assets. Financial assets are initially recognised at fair value plus directly attributable transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income within "net fair value adjustments" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payment is established.

The fair value of interest-rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the statement of financial position date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest-rate method.

The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2.13 Impairment of financial assets

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

2 | Summary of significant accounting policies continued

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Participatory interest (PI) capital

PIs are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new PIs are shown in equity as a deduction from the proceeds.

2.16 Current and deferred income tax

Tax charges comprise current and deferred tax in respect of the Fund's subsidiaries. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly, in other comprehensive income, in which case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.17 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

Where the Group, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

2.18 Revenue recognition

Revenue includes rental, income from the listed property investment, and operating cost recoveries from tenants, but excludes value added tax. Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis. The amount not yet recognised is capitalised as part of investment property.

Emira acts as a principal on its own account when recovering operating costs from tenants.

Distribution income revenue from the listed property investment is recognised when the unit holder's right to receive payment has been established.

2 | Summary of significant accounting policies continued

2.19 Distributions payable to PI holders

The Fund has an obligation to distribute the net amount available for distribution, to its PI holders.

Distributions payable are recognised as a liability once the amount for distribution has been determined and declared by the Board.

Distributions exclude items arising as a result of:

› The unrealised fair value adjustments to investment properties
› The unrealised gains and losses in respect of the fair valuing of financial assets through profit and loss
› The income arising out of the straight-lining of lease income
› The income arising as a result of the amortising of upfront lease costs over the period of the leases to which they relate

2.20 Interest income and expense

Interest income and expense are recognised within "finance income" and "finance costs" in profit or loss using the effective interest-rate method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of that asset.

The effective interest-rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.21 Other expenses

Expenses include legal, accounting, auditing and other fees. They are recognised as an expense in profit or loss in the period in which they are incurred (on an accruals basis).

2.22 Investment properties held-for-sale

Investment properties are classified as held-for-sale when their carrying amount is to be recovered through a sale transaction and a sale is considered highly probable. Investment properties held-for-sale are measured at fair value.

2.23 Employee benefits

(a) Short-term employee benefits

Salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

(b) Profit-sharing and bonus payments

The Group recognises a liability and an expense for bonuses and cash-settled share-based transactions where contractually obliged or where there is a past practice that has created a constructive obligation. The bonuses are based on a formula that takes into consideration the profit attributable to the Group's PI holders after certain adjustments. The liability on the cash-settled share-based transactions is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

3 Profit for the year before income tax (charge)/credit

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
Profit for the year before income tax (charge)/credit is arrived at after taking into account the following items:				
Income received from subsidiary			—	208 233
Expenses				
Auditor's remuneration	**2 710**	2 017	**2 452**	1 939
— Audit fee	**2 599**	1 954	**2 341**	1 876
— Expenses	**111**	63	**111**	63
Operating lease payments — leasehold properties	**19 279**	13 380		5 459
Payroll costs	**31 470**	20 779		
Fee paid on cancellation of interest-rate swap contracts	**36 641**	—	**36 641**	—
Acquisition costs — Menlyn Corporate Park	—	2 262	—	2 262

Directors' emoluments

R'000	Basic salary	Contributions to defined contribution plans	Annual bonus	Phantom share scheme payment	Total
	GROUP				
EXECUTIVE DIRECTORS					
2015					
JWA Templeton (CEO)	**1 929**	**544**	**1 580**	**1 077**	**5 130**
GM Jennett (CFO)	**1 170**	**176**	**—**	**—**	**1 346**
PJ Thurling (ex CFO)	**1 150**	**142**	**200**	**552**	**2 044**
U van Biljon	**1 678**	**338**	**1 050**	**552**	**3 618**
Total	**5 927**	**1 200**	**2 830**	**2 181**	**12 138**
2014					
JWA Templeton (CEO)	1 798	505	945	675	3 923
PJ Thurling (CFO)	1 572	267	100	394	2 333
U van Biljon	1 566	310	625	394	2 895
Total	4 936	1 082	1 670	1 463	9 151

R'000	GROUP 2015	GROUP 2014
NON-EXECUTIVE DIRECTORS		
BJ van der Ross (Chairman)	**236**	221
MS Aitken	**190**	162
BH Kent (Lead independent director)	**408**	323
V Mahlangu	**366**	257
NE Makiwane	**174**	233
W McCurrie	**258**	162
MSB Neser	**189**	162
V Nkonyeni	**174**	162
G van Zyl	**335**	162
Total	**2 330**	1 844

4 | Income tax (charge)/credit

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
Reconciliation of the taxation (charge)/credit				
Profit for the year before income tax credit at 28% (2014: 28%)	**534 241**	331 053	**374 978**	290 052
Qualifying distributions	**(191 944)**	(168 311)	**(89 961)**	(168 311)
Fair value adjustments	**(337 050)**	(153 988)	**(278 995)**	(115 302)
Allowances for future rental escalations and upfront lease costs	**(8 816)**	(8 825)	**(6 205)**	(7 072)
Other	**3 259**	21	**(853)**	
Tax loss not carried forward	**2 087**	50	**1 036**	633
Deferred tax allowances reversed	**—**	(15 223)		
	1 777	(15 223)	**—**	—

5 | Basic and diluted earnings per participatory interest

R'000	GROUP 2015	GROUP 2014
Reconciliation between earnings and headline earnings and distribution payable		
Profit for the year attributable to equity holders	**1 906 225**	1 197 555
Adjusted for:		
Net fair value gain on investment properties	**(983 226)**	(461 603)
Change in fair value of investment properties as a result of straight-lining lease rentals	**125 298**	27 444
Change in fair value of investment properties as a result of amortising upfront lease costs	**(996)**	4 257
Change in fair value of investment properties as a result of property appreciation in value	**(1 107 528)**	(493 304)
Headline earnings	**922 999**	735 952
Adjusted for:		
Allowance for future rental escalations	**(125 298)**	(27 444)
Amortised upfront lease costs	**996**	(4 257)
Unrealised surplus on interest-rate swaps	**(34 053)**	(19 679)
Revaluation of share appreciation rights scheme derivative financial instrument	**(6 350)**	3 682
Unrealised gain on listed property investment	**(130 938)**	(71 970)
Charge/(credit) in respect of leave pay provision and share appreciation rights scheme	**3 962**	(2 212)
Depreciation	**9 107**	—
Impairment charge	**6 673**	—
Acquisition costs	**—**	2 262
Fee paid on cancellation of interest-rate swap agreements	**36 641**	—
SA normal taxation	**1 777**	—
Deferred taxation — other timing differences	**—**	(15 223)
Distribution payable to participatory interest holders	**685 516**	601 111

5 | Basic and diluted earnings per participatory interest continued

R'000	GROUP 2015	2014
Distribution per participatory interest		
Interim (cents)	**64,65**	59,31
Final (cents)	**69,62**	63,87
	134,27	123,18
Number of participatory interests in issue at the end of the year	**510 550 084**	483 881 040
Weighted average number of participatory interests in issue	**508 199 272**	490 270 328
Earnings per participatory interest (cents)	**375,09**	244,26
The calculation of earnings per participatory interest is based on net profit for the year of R1 906,2 million (2014: R1 197,6 million), divided by the weighted average number of participatory interests in issue during the year of 508 199 272 (2014: 490 270 328).		
Headline earnings per participatory interest (cents)	**181,62**	150,11
The calculation of headline earnings per participatory interest is based on net profit for the year, adjusted for the non-trading items, of R923,0 million (2014: R736,0 million), divided by the weighted average number of participatory interests in issue during the year of 508 199 272 (2014: 490 270 328).		
Diluted headline earnings per participatory interest (cents)	**181,62**	150,11

6 | Investment properties

R'000	GROUP Freehold and leasehold land and buildings 2015	GROUP Fixtures and fittings 2015	GROUP Total 2015	FUND Freehold and leasehold land and buildings 2015	FUND Fixtures and fittings 2015	FUND Total 2015
Net carrying value at 30 June 2015						
Cost	**7 562 998**	**147 804**	**7 710 802**	**4 945 122**	**115 222**	**5 060 344**
Accumulated depreciation		**(91 777)**	**(91 777)**		**(78 190)**	**(78 190)**
Revaluation surplus	**4 790 919**		**4 790 919**	**3 412 072**		**3 412 072**
Investment properties held-for-sale	**(318 261)**	**(739)**	**(319 000)**	**(308 257)**	**(743)**	**(309 000)**
	12 035 656	**55 288**	**12 090 944**	**8 048 937**	**36 289**	**8 085 226**
Movement for the year						
Valuation at 1 July 2014	**10 319 522**	**51 551**	**10 371 073**	**7 329 020**	**38 972**	**7 367 992**
Acquisitions	**836 446**	**454**	**836 900**	**66 480**		**66 480**
Additions	**357 065**	**17 227**	**374 292**	**251 026**	**7 941**	**258 967**
Disposals	**(321 722)**	**(5 010)**	**(326 732)**	**(286 140)**	**(4 957)**	**(291 097)**
Depreciation		**(9 324)**	**(9 324)**		**(5 760)**	**(5 760)**
Surplus on revaluation	**983 226**		**983 226**	**872 145**		**872 145**
Investment properties held-for-sale	**(138 881)**	**390**	**(138 491)**	**(183 594)**	**93**	**(183 501)**
— prior year	**179 199**	**1 129**	**180 328**	**123 757**	**836**	**124 593**
— prior year straight-lining adjustments	**(1 859)**		**(1 859)**	**(1 125)**		**(1 125)**
— current year at valuation	**(318 261)**	**(739)**	**(319 000)**	**(308 257)**	**(743)**	**(309 000)**
— current year straight-lining adjustments	**2 040**		**2 040**	**2 031**		**2 031**
Valuation at 30 June 2015	**12 035 656**	**55 288**	**12 090 944**	**8 048 937**	**36 289**	**8 085 226**

6 | Investment properties continued

R'000	GROUP Freehold and leasehold land and buildings 2015	GROUP Fixtures and fittings 2015	GROUP Total 2015	FUND Freehold and leasehold land and buildings 2015	FUND Fixtures and fittings 2015	FUND Total 2015
Reconciliation to independent and directors' valuations						
Valuation at 30 June 2015 — as above	12 035 656	55 288	12 090 944	8 048 937	36 289	8 085 226
Allowance for future rental escalations	286 762		286 762	148 371		148 371
Unamortised upfront lease costs	44 387		44 387	30 195		30 195
Investment properties held-for-sale	318 261	739	319 000	309 000		309 000
Independent and directors' valuations at 30 June 2015	12 685 066	56 027	12 741 093	8 536 503	36 289	8 572 792

All of the four investment properties held-for-sale above were classified as held-for-sale at 30 June 2015. However, of these, two properties valued at R260,0 million have been sold and will be transferred in the new year. Two properties, valued at R59,0 million (which were held-for-sale at June 2014), have not yet been sold, but are being actively marketed.

During the year a 60% undivided share in Ben Fleur Shopping Centre, in Emalahleni (Witbank) was purchased for R66,5 million.

Investment properties held-for-sale have been identified in note 31 — Property listing — with a ^.

R'000	GROUP Freehold and leasehold land and buildings 2014	GROUP Fixtures and fittings 2014	GROUP Total 2014	FUND Freehold and leasehold land and buildings 2014	FUND Fixtures and fittings 2014	FUND Total 2014
Net carrying value at 30 June 2014						
Cost	6 527 686	143 395	6 671 081	4 761 975	120 380	4 882 355
Accumulated depreciation		(90 715)	(90 715)		(80 572)	(80 572)
Revaluation surplus	3 971 035		3 971 035	2 690 802		2 690 802
Investment properties held-for-sale	(179 199)	(1 129)	(180 328)	(123 757)	(836)	(124 593)
	10 319 522	51 551	10 371 073	7 329 020	38 972	7 367 992
Movement for the year						
Valuation at 1 July 2013	8 588 540	52 050	8 640 590	6 415 330	43 532	6 458 862
Additions	1 180 625	9 385	1 190 010	498 064	2 900	500 964
Disposals	(311 692)	(1 387)	(313 079)	(222 634)	(541)	(223 175)
Depreciation		(11 637)	(11 637)		(9 269)	(9 269)
Surplus on revaluation	461 603		461 603	320 143		320 143
Investment properties held-for-sale	400 446	3 140	403 586	318 117	2 350	320 467
— prior year	585 636	4 269	589 905	447 859	3 186	451 045
— prior year straight-lining adjustments	(7 850)		(7 850)	(7 110)		(7 110)
— current year at valuation	(179 199)	(1 129)	(180 328)	(123 757)	(836)	(124 593)
— current year straight-lining adjustments	1 859		1 859	1 125		1 125
Valuation at 30 June 2014	10 319 522	51 551	10 371 073	7 329 020	38 972	7 367 992

6 | Investment properties continued

R'000	GROUP Freehold and leasehold land and buildings 2014	GROUP Fixtures and fittings 2014	GROUP Total 2014	FUND Freehold and leasehold land and buildings 2014	FUND Fixtures and fittings 2014	FUND Total 2014
Reconciliation to independent and directors' valuations						
Valuation at 30 June 2014 — as above	10 319 522	51 551	10 371 073	7 329 020	38 972	7 367 992
Allowance for future rental escalations	162 190		162 190	126 691		126 691
Unamortised upfront lease costs	45 413		45 413	30 620		30 620
Investment properties held-for-sale	179 199	1 129	180 328	123 757	836	124 593
Independent and directors' valuations at 30 June 2014	10 706 324	52 680	10 759 004	7 610 088	39 808	7 649 896

Investment properties held-for-sale have been identified in note 31 — Property listing — with a ^.

Full details of freehold and leasehold investment properties owned by the Group are available for inspection at the registered office of the Group.

In terms of its accounting policy, one third of the Group's property portfolio is valued annually by independent valuers.

The properties were valued as at 30 June 2015 using a discounted cash flow approach based on future income streams, applying an appropriate capitalisation rate to each property.

Independent valuations were carried out by Old Mutual, Quadrant Properties and Real Insight, all registered valuers in terms of section 19 of the Property Valuers Profession Act No. 47 of 2000.

The balance of the portfolio was valued by the directors on a similar basis.

Investment properties classified as held-for-sale were valued at fair value.

Investment properties to the value of R10 198,9 million (2014: R9 983,9 million) have been used to provide security for loans taken out. See note 14.

7 | Allowance for future rental escalations

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
Balance at 1 July 2014	**162 190**	130 605	**126 691**	98 166
Net straight-lining for the year	**125 298**	27 444	**22 495**	24 277
Investment properties held-for-sale	**(726)**	4 141	**(815)**	4 248
Balance at 30 June 2015	**286 762**	162 190	**148 371**	126 691
Current portion	**62 770**	34 166	**33 352**	29 568

8 | Unamortised upfront lease costs

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
Balance at 1 July 2014	**45 413**	39 306	**30 620**	27 902
Net smoothing for the year	**(996)**	4 257	**(334)**	981
Investment properties held-for-sale	**(30)**	1 850	**(91)**	1 737
Balance at 30 June 2015	**44 387**	45 413	**30 195**	30 620

9 | Subsidiary companies

R'000	FUND 2015	FUND 2014
Shares at cost	**1 888 568**	1 947 634
Amounts owing by subsidiary companies	**748 112**	185 796
	2 636 680	2 133 430

The Group's shares in Arnold Properties (Pty) Ltd have been pledged to Nedbank Limited as security.

The Group's shares in Freestone Property Investments (Pty) Ltd have been pledged to Freestone Mortgage Bond SPV Series 1 (Pty) Ltd as security for the issue of DMTN.

The directors' valuation of the investment in subsidiaries at 30 June 2015 was R2 636 680 (2014: R2 133 430).

R'000	ISSUED ORDINARY SHARE CAPITAL 2015	ISSUED ORDINARY SHARE CAPITAL 2014	PROPORTION HELD BY HOLDING COMPANY % 2015	PROPORTION HELD BY HOLDING COMPANY % 2014	SHARES AT COST 2015	SHARES AT COST 2014	AMOUNT DUE TO/(BY) HOLDING COMPANY 2015	AMOUNT DUE TO/(BY) HOLDING COMPANY 2014
Subsidiaries directly held								
Adamass Investments (Pty) Ltd*	—	—	**100**	—	**13 641**	—	**34 856**	—
Aquarella Investments 272 (Pty) Ltd*	—	—	**100**	—	**6 379**	—	**61 853**	—
Freestone Property Holdings Limited	**38 659**	38 659	**100**	100	**1 339 187**	1 339 187	**(22 918)**	181 098
Libra Investments 5 (Pty) Ltd*	—	—	**100**	—	**66 412**	—	**260 420**	—
Lowmer Investments (Pty) Ltd*	—	—	**100**	—	**111 249**	—	**70 231**	—
Menlyn Corporate Park (Pty) Ltd*	—	—	**100**	100	**283 386**	300 829	**282 531**	328 969
Monagon Properties (Pty) Ltd*	—	—	**100**	100	**14 835**	—	**39 054**	—
Omnicron Investments 005 (Pty) Ltd*	—	—	**100**	100	**35 368**	—	**9 268**	—
Rapidough Properties 509 (Pty) Ltd*	—	—	**100**	100	**17 832**	—	**9 908**	—
Subsidiaries indirectly held								
Arnold Properties (Pty) Ltd*	—	—	**100**	100	**8 020**	8 020	**6 838**	98 191
Freestone Property Investments (Pty) Ltd*	—	—	**100**	100	—	—	**626 890**	772 822
Azgold Investments (Pty) Ltd	**10 382**	10 382	**100**	100	**3 247**	3 247	**(3 947)**	(3 947)
Backbone Investments (Pty) Ltd*	—	—	**100**	100	**3 243**	3 243	**2 829**	2 829
Cape Poinsett Property Investments (Pty) Ltd*	—	—	**100**	100	**159 773**	—	**211 920**	—
Kenview Share Block (Pty) Ltd*	—	—	**100**	100	**(1 885)**	(1 885)	**(2 222)**	(2 222)
No. 9 Sturdee Holdings Share Block (Pty) Ltd*	—	—	**100**	100	**497**	497	**7 484**	7 484
Paddy's Pad (2091) (Pty) Ltd*	—	—	**100**	100	**15 539**	15 539	**(16 715)**	(16 715)
Strategic Real Estate Managers (Pty) Ltd*	—	—	—	—	—	—	**2 746**	—
Surgate Share Block (Pty) Ltd*	—	—	**100**	100	**(1 981)**	(1 981)	**(1 585)**	(1 585)
Windrifter Share Block (Pty) Ltd*	—	—	**100**	100	**20 192**	20 192	**59 630**	59 630

* *The zero balances represent nominal amounts under R1 000.*

All subsidiary companies are property investment companies incorporated in the Republic of South Africa.

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 R836,9 million, and an initial yield of 9,4%.

- Adamass Investments (Pty) Ltd
- Aquarella Investments 272 (Pty) Ltd
- Libra Investments 5 (Pty) Ltd
- Lowmer Investments (Pty) Ltd
- Rapidough Properties 509 (Pty) Ltd
- Monagon Properties (Pty) Ltd
- Omnicron Investments 005 (Pty) Ltd

These subsidiaries, which collectively own a diversified portfolio of two retail properties, three office buildings and three industrial properties, with a weighted average lease expiry profile to high-quality tenants in excess of five years, contributed a profit of R78,3 million for the period from the date of acquisition to 30 June 2015, in line with expectations.

9 | Subsidiary companies continued

Details of the assets and liabilities acquired are as follows:

	R'000
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

10 | Listed property investment

	GROUP AND FUND		NUMBER OF STAPLED SECURITIES	
R'000	**2015**	2014	**2015**	2014
Growthpoint Properties Australia Limited (GOZ)				
Fair valuation at 1 July 2014	**665 992**	537 102	**27 225 813**	24 784 036
Stapled securities acquired	**—**	56 920	**—**	2 441 777
Fair value adjustment	**130 938**	71 970		
Fair value at 30 June 2015	**796 930**	665 992	**27 225 813**	27 225 813
Exchange rate ZAR : 1 AUD	**9,35**	9,98		
The investment is designated as fair value through profit and loss. The fair value is determined using the quoted bid price at 30 June 2015 of AUD 3,13.				

11 | Accounts receivable

	GROUP		FUND	
R'000	**2015**	2014	**2015**	2014
Trade receivables	**60 439**	37 443	**42 033**	27 549
Less: Provision for non-recoverable receivables	**(20 953)**	(19 383)	**(13 618)**	(14 318)
Net trade receivables	**39 486**	18 060	**28 415**	13 231
Prepayments	**58 032**	11 454	**53 245**	7 862
Investment income receivable	**22 940**	23 274	**22 940**	23 274
Accrual of recoverable expenses	**26 529**	23 213	**18 833**	16 713
Municipal deposits	**17 977**	15 207	**12 487**	10 569
Debtors for sale of investment property (see below)	**39 177**	30 844	**39 177**	30 844
Other receivables	**16 762**	25 996	**10 589**	17 637
	220 903	148 048	**185 686**	120 130
Due within one year	**181 726**	148 048	**146 509**	120 130

Debtors for the sale of investment property at 30 June 2015 comprises the amount due by the purchaser of a 50% share of Woodmead Office Park, who, in terms of the sale agreement, is required to pay the balance of the purchase price on 31 January 2017. This amount includes accrued income to 30 June 2015.

11 | Accounts receivable continued

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
The carrying values of accounts receivable approximate their fair value.				
All classes of accounts receivable have been considered for impairment.				
The movement in the accumulated provision for non-recoverable receivables is as follows:				
Accumulated provision for non-recoverable receivables at 1 July 2014	**19 383**	20 888	**14 318**	14 203
Amounts written off during the year as uncollectable	**(12 119)**	(14 500)	**(6 194)**	(8 822)
Additional provision recognised during the year	**13 689**	12 995	**5 494**	8 937
Accumulated provision for non-recoverable receivables at 30 June 2015	**20 953**	19 383	**13 618**	14 318
Ageing of receivables past due but not impaired				
30 days	**5 035**	3 265	**492**	870
60 days	**10 228**	2 382	**9 341**	2 001
90 days	**3 775**	1 723	**2 535**	1 454
120+ days	**20 448**	10 690	**16 047**	8 906
	39 486	18 060	**28 415**	13 231
Ageing of impaired receivables				
30 days	**391**	1 623	**221**	1 220
60 days	**5 668**	1 363	**5 006**	967
90 days	**2 825**	1 512	**1 271**	1 171
120+ days	**12 069**	14 885	**7 120**	10 960
	20 953	19 383	**13 618**	14 318

12 | Participatory interest holders capital

R'000	GROUP 2015	GROUP 2014*	GROUP 2013*	FUND 2015	FUND 2014*	FUND 2013*
Authorised and issued						
Balance at 1 July	**3 435 434**	3 618 255	3 669 396	**3 435 434**	3 618 255	3 669 396
Issued/(repurchased) during the year	**360 075**	(182 821)	(51 141)	**360 075**	(182 821)	(51 141)
Balance at 30 June	**3 795 509**	3 435 434	3 618 255	**3 795 509**	3 435 434	3 618 255
During the year 26 669 044 PIs were issued at an average price of R13,50 per PI.						

13 | Reserves

	GROUP			FUND		
R'000	**2015**	2014*	2013*	**2015**	2014*	2013*
Fair value reserve						
Balance at 1 July 2014	**3 671 462**	3 074 968	2 203 380	**2 935 781**	2 498 731	1 908 462
Movement for the year	**1 235 555**	596 494	871 588	**1 015 983**	437 050	590 269
Fair value adjustments	**1 113 841**	529 891	577 023	**996 410**	392 113	514 459
Allowance for future rental escalations	**125 298**	27 444	(11 609)	**22 495**	24 277	(13 795)
Unamortised upfront lease costs	**(996)**	4 257	5 401	**(334)**	981	3 602
Unrealised surplus on interest-rate swaps	**34 053**	19 679	128 736	**34 053**	19 679	114 716
Fee paid on cancellation of interest-rate swap agreements	**(36 641)**	—	(28 713)	**(36 641)**	—	(28 713)
Deferred taxation	**—**	15 223	200 750			
Balance at 30 June 2015	**4 907 017**	3 671 462	3 074 968	**3 951 764**	2 935 781	2 498 731
Other reserve						
Balance at 1 July	**(98 262)**	(98 262)	(98 262)	**(98 262)**	(98 262)	(98 262)
Balance at 30 June	**(98 262)**	(98 262)	(98 262)	**(98 262)**	(98 262)	(98 262)
Non-controlling interest						
Balance at 1 July	**(1 300)**	(3 512)	1 994			
(Loss)/profit for the year	**(3 962)**	2 212	(5 506)			
Balance at 30 June	**(5 262)**	(1 300)	(3 512)			
Retained earnings						
Balance at 1 July	**305 506**	291 623	291 623	**305 282**	291 399	291 399
Total comprehensive income for the year	**1 910 187**	1 195 343	1 441 444	**1 339 208**	1 035 899	1 160 125
Profit before income tax charge	**1 908 002**	1 182 332	1 235 188	**1 339 208**	1 035 899	1 160 125
Income tax (charge)/credit	**(1 777)**	15 223	200 750			
Loss/(profit) attributable to minority interests	**3 962**	(2 212)	5 506			
Distribution to participatory interest holders	**(639 125)**	(584 966)	(569 856)	**(639 125)**	(584 966)	(569 856)
Transfer to fair value reserve	**(1 235 555)**	(596 494)	(871 588)	**(1 015 983)**	(437 050)	(590 269)
Fair value adjustments	**(1 113 841)**	(529 891)	(577 023)	**(996 410)**	(392 113)	(514 459)
Allowance for future rental escalations	**(125 298)**	(27 444)	11 609	**(22 495)**	(24 277)	13 795
Unamortised upfront lease costs	**996**	(4 257)	(5 401)	**334**	(981)	(3 602)
Unrealised surplus on interest-rate swaps	**(34 053)**	(19 679)	(128 736)	**(34 053)**	(19 679)	(114 716)
Fee paid on cancellation of interest-rate swap agreements	**36 641**	—	28 713	**36 641**	—	28 713
Deferred taxation	**—**	(15 223)	(200 750)			
Balance at 30 June	**341 013**	305 506	291 623	**(10 618)**	305 282	291 399
Total reserves	**5 144 506**	3 877 406	3 264 817	**3 842 884**	3 142 801	2 691 868

The fair value reserve represents all fair value adjustments made in respect of investment properties, the listed property investment and derivative financial instruments. In terms of the Trust Deed of the Fund this reserve is not distributable to participatory interest holders.

The other reserve represents the charge which was made to the statement of comprehensive income in respect of the discount at which participatory interests were issued to the Fund's BEE partners and vendors of properties, in prior years.

* *During the 2015 financial year the Fund changed its accounting treatment of distributions payable to participatory interest holders at year-end. The Fund previously accounted for the dividends before year-end. In line with industry practice, the distribution is now recorded when declared. The impact of the change in accounting treatment is a reclassification of the liability for distribution into participatory interest holders capital and reserves.*

14 | Interest-bearing debt

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
FirstRand Bank Limited	**155 000**	204 000	**155 000**	204 000
Floating rate seven-year access funding term loan with a capital repayment on termination, on 31 July 2017. Interest is payable at prime less 180 basis points.				
	665 132	664 928	**665 132**	664 928
Floating rate 10-year funding term loan with a capital repayment on termination, on 30 March 2019. Interest is payable at three month JIBAR plus 153 basis points.	**665 895**	665 895	**665 895**	665 895
Less: unamortised structuring fee and bond costs	**(763)**	(967)	**(763)**	(967)
	499 356	500 000	**499 356**	500 000
Floating rate two-year funding term loan with a capital repayment on termination, on 31 July 2016. Interest is payable at three month JIBAR plus 150 basis points.	**500 000**	500 000	**500 000**	500 000
Less: unamortised structuring fee and bond costs	**(644)**	—	**(644)**	
	383 639	97 822	**383 639**	97 822
Floating rate three-year funding term loan with a capital repayment on termination, on 17 March 2017. Interest is payable at three month JIBAR plus 170 basis points.	**385 000**	100 000	**385 000**	100 000
Less: unamortised structuring fee and bond costs	**(1 361)**	(2 178)	**(1 361)**	(2 178)
The facilities above are secured by a first mortgage bond over fixed property with the carrying value of R7 981,9 million.				
Nedbank Limited	**199 569**	199 864		
Three-year term loan repayable on 2 May 2018. Interest is payable at three month JIBAR plus 105 basis points. This loan is secured by a first mortgage bond over fixed property with a carrying value of R554,9 million.	**200 000**	200 000		
Less: unamortised structuring fee	**(431)**	(136)		
	576 635	307 618	**576 635**	307 618
Three-year term loan repayable on 25 June 2017. Interest is payable quarterly at three month JIBAR plus 163 basis points. The loan is unsecured.	**577 673**	307 618	**577 673**	307 618
Less: unamortised structuring fee	**(1 038)**	—	**(1 038)**	—
Standard Bank of South Africa Limited	**199 565**	—	**199 565**	—
Four-year term loan repayable on 18 August 2018. Interest is payable quarterly at three month JIBAR plus 159 basis points. The loan is secured by a first mortgage bond over fixed property with a carrying value of R354,3 million.	**200 000**	—	**200 000**	—
Less: unamortised structuring fee	**(435)**	—	**(435)**	—
Domestic medium term notes	**1 269 465**	799 548	**1 269 465**	799 548
Four-year issue repayable on 19 August 2015. Interest is payable quarterly at three month JIBAR plus 140 basis points. This loan is secured by a first mortgage bond over fixed property with a carrying value of R1 307,9 million.	**500 000**	500 000	**500 000**	500 000
Less: unamortised structuring fee	**(35)**	(452)	**(35)**	(452)
Three-year issue repayable on 19 August 2015. Interest is payable quarterly at three month JIBAR plus 140 basis points. The notes are unsecured.	**300 000**	300 000	**300 000**	300 000
Less: unamortised structuring fee	**(500)**	—	**(500)**	—
Two-year issue repayable on 12 September 2016. Interest is payable quarterly at three month JIBAR plus 130 basis points. The notes are unsecured.	**270 000**	—	**270 000**	—
Three-year issue repayable on 6 November 2017. Interest is payable quarterly at three month JIBAR plus 165 basis points. The notes are unsecured.	**100 000**	—	**100 000**	—
Two-year issue repayable on 6 November 2016. Interest is payable quarterly at three month JIBAR plus 135 basis points. The notes are unsecured.	**100 000**	—	**100 000**	—

14 | Interest-bearing debt continued

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
Senior unsecured floating rate listed notes	**562 000**	1 180 000	**562 000**	1 180 000
One-year issue repaid on 12 September 2014	—	230 000	—	230 000
One-year issue repaid on 6 November 2014	—	450 000	—	450 000
One-year issue repaid on 19 November 2014	—	100 000	—	100 000
One-year issue repaid on 19 February 2015	—	400 000	—	400 000
One-year issue repayable on 5 November 2015. Interest is payable quarterly at three month JIBAR plus 95 basis points.	**250 000**	—	**250 000**	—
Six-month issue repayable on 24 August 2015. Interest is payable on repayment at 7,147%.	**175 000**	—	**175 000**	—
One-year issue repayable on 23 February 2016. Interest is payable quarterly at three month JIBAR plus 119 basis points.	**137 000**	—	**137 000**	—
Total interest-bearing debt	**4 510 361**	3 953 780	**4 310 792**	3 753 916
Less: Short-term portion of interest-bearing debt				
Nedbank Limited				
Three-year term loan repaid on 2 February 2015	—	199 864		
Domestic medium term notes				
Four-year issue repayable on 19 August 2015	**499 965**	—	**499 965**	—
Senior unsecured floating rate listed notes				
One-year issue repaid on 12 September 2014	—	230 000	—	230 000
One-year issue repaid on 7 November 2014	—	450 000	—	450 000
One-year issue repaid on 20 November 2014	—	100 000	—	100 000
One-year issue repaid on 20 February 2015	—	400 000	—	400 000
One-year issue repayable on 5 November 2015	**250 000**	—	**250 000**	—
Six-month issue repayable on 24 August 2015	**175 000**	—	**175 000**	—
One-year issue repayable on 23 February 2016	**137 000**	—	**137 000**	—
Short-term portion of interest-bearing debt	**1 061 965**	1 379 864	**1 061 965**	1 180 000
Long-term portion of interest-bearing debt	**3 448 396**	2 573 916	**3 248 827**	2 573 916

The carrying amount of the interest-bearing debt approximates its fair value.

14 | Interest-bearing debt continued

Debt funding

In terms of the Trust Deed, the Fund's aggregated indebtedness may not exceed an amount equal to 40% of the gross value of the underlying assets of the Fund. At 30 June 2015, the aggregate indebtedness amounted to 33,1% (2014: 34,0%) of the gross value of the underlying assets.
As at 30 June 2015, Emira had a total debt facility available of R4 811,9 million (2014: R4 460,0 million). Various swaps and subsidised swaps have been entered into. The breakdown is as follows:

	Rate (including margin) (%)	Term	Nominal amount (Rm)	% of debt
Debt — swap	6,54	December 2015	23,9	0,5
Debt — swap	8,01	June 2016	155,0	3,4
Debt — swap	7,06	December 2016	62,0	1,4
Debt — swap	8,74	December 2016	100,0	2,2
Debt — swap	9,47	March 2017	55,0	1,2
Debt — swap	9,48	March 2017	60,0	1,3
Debt — swap	9,37	March 2017	50,0	1,1
Debt — swap	9,57	June 2017	80,0	1,8
Debt — swap	9,44	June 2017	50,0	1,1
Debt — swap	9,46	June 2017	40,0	0,9
Debt — swap	8,72	June 2017	83,3	1,9
Debt — swap	8,94	June 2017	310,0	6,9
Debt — swap	8,88	August 2017	125,0	2,8
Debt — swap	9,15	September 2017	50,0	1,1
Debt — swap	8,86	October 2017	83,3	1,9
Debt — swap	7,55	December 2017	176,1	3,9
Debt — swap	8,65	December 2017	83,4	1,9
Debt — swap	8,15	March 2018	125,0	2,8
Debt — swap	8,20	March 2018	125,0	2,8
Debt — swap	9,33	March 2018	150,0	3,3
Debt — swap	8,98	August 2018	200,0	4,4
Debt — swap	8,67	September 2018	50,0	1,1
Debt — swap	8,43	November 2018	170,0	3,8
Debt — swap	9,48	December 2018	100,0	2,2
Debt — swap	8,88	March 2019	50,0	1,1
Debt — swap	9,55	June 2019	50,0	1,1
Debt — swap	9,58	June 2019	40,0	0,9
Debt — swap	9,43	June 2019	50,0	1,1
Debt — swap	9,25	August 2019	213,0	4,7
Debt — swap	9,56	September 2019	100,0	2,2
Debt — swap	9,61	December 2019	60,0	1,3
Debt — swap	9,64	November 2020	88,5	2,0
Debt — swap	9,88	June 2023	200,0	4,4
Debt — swap	9,27	June 2023	200,0	4,4
Debt — swap	9,92	June 2023	100,0	2,2
Debt — swap	9,18	June 2024	60,0	1,3
Debt — swap	9,15	December 2024	100,0	2,2
	8,96		3 818,5	84,6
Debt — floating	7,54		697,1	15,4
	8,74		4 515,6	100,0
Less: Costs capitalised not yet amortised			(5,2)	
Per statement of financial position			4 510,4	

14 | Interest-bearing debt continued

Debt covenants

No covenants were breached during the financial year. The following covenants are applicable:

	Prescribed interest cover ratio	Actual interest cover ratio	Prescribed LTV covenant (%)	Actual LTV covenant at 30 June 2015 (%)
FirstRand Bank Limited — loans	2,0	2,7	40,0	33,1
Domestic Medium Term Notes			40,0	33,1
Nedbank Limited	2,0	2,7	40,0	33,1
Standard Bank of South Africa Limited	2,0	2,7	50,0	33,1

15 | Deferred taxation

	GROUP	
R'000	**2015**	2014
RECONCILIATION OF THE MOVEMENT IN DEFERRED TAXATION LIABILITY		
Balance at 1 July 2014	—	15 223
Change in fair value of investment properties	—	—
Change in fair value of derivative financial instruments	—	—
Allowance for future rental escalations	—	(9 174)
Amortising upfront lease costs	—	(3 309)
Building allowances	—	(4 783)
Pre-paid debtors	—	1 769
Pre-paid expenses	—	(1 460)
Taxation loss	—	1 734
Balance at 30 June 2015	—	—

16 | Accounts payable

	GROUP		FUND	
R'000	**2015**	2014	**2015**	2014
Trade payables	**8 746**	4 000	**3 489**	364
Tenant deposits	**98 538**	84 547	**62 501**	58 002
Accrued expenses	**167 620**	147 375	**134 623**	115 560
Pre-paid debtors	**39 932**	29 096	**25 045**	22 228
Value added tax	**9 517**	4 078	**6 455**	2 553
Other payables	**21 769**	32 872	**18 979**	24 328
	346 122	301 968	**251 092**	223 035
Current	**346 122**	301 968	**251 092**	223 035

17 | Employee benefits liability

R'000	GROUP 2015	2014
Share appreciation rights scheme	**8 157**	4 216
Provision for leave pay	**1 024**	1 002
Accrued bonuses	**6 767**	6 130
	15 948	11 348

The expense recognised in the statement of comprehensive income in respect of the share appreciation rights scheme amounted to R3 940 918 (2014: R2 387 000 credit).

Cash settled phantom PI schemes are in place which have been set up in order to incentivise and retain staff (see remuneration report on page 68).

In total 772 739 PIs are outstanding from tranche 1 which was granted on 15 September 2010, 1 736 111 PIs are outstanding from tranche 2 granted on 15 September 2013 and 1 318 393 PIs are outstanding from tranche 3 granted on 15 September 2014. The tranches may be exercised in equal tranches three, four and five years after the date of the grant.

18 | Derivative financial instruments

	GROUP		FUND	
R'000	**2015**	2014	**2015**	2014
Net fair value of the derivative asset at the statement of financial position date was:				
Interest-rate swap contracts	**14 401**	12 572	**14 401**	12 572
Derivative financial instrument relating to share appreciation rights scheme	**14 526**	8 082		
Less: Current portion	**(12 872)**	(6 172)	**(5 206)**	(3 355)
Non-current portion	**16 055**	14 482	**9 195**	9 217

The Group entered into call option contracts with Investec as an economic hedge, in respect of the share appreciation rights scheme, at the following strike prices:

Date	Number of PIs	Strike price
First tranche		
15 September 2015	**775 000**	10,41 *
Second tranche		
15 September 2016		
15 September 2017	**583 158**	14,37
15 September 2018	**583 158**	14,22
Third tranche	**583 158**	13,98
14 September 2017	**437 803**	15,25
14 September 2018	**437 803**	15,10
14 September 2019	**437 803**	14,84

* *The Group is in the process of exercising its options.*

18 | Derivative financial instruments continued

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
Net fair values of derivative liabilities at statement of financial position date was:				
Interest-rate swap contracts	**26 841**	59 065	**26 841**	59 065
Less: Current portion	**(11 252)**	(15 017)	**(11 252)**	(15 017)
Non-current liabilities	**15 589**	44 048	**15 589**	44 048

Interest-rate swaps

The notional principal amount of the outstanding interest-rate swap contracts at 30 June 2015 was R3 818,5 million (2014: R3 446,6 million). Refer to note 14 for details of the swap contracts.

19 | Notes to the statements of cash flows

R'000	GROUP 2015	GROUP 2014	FUND 2015	FUND 2014
Cash generated from operations				
Profit before income tax charge for the year adjusted for:	**1 908 002**	1 182 332	**1 339 208**	1 035 899
Fair value adjustments	**(1 113 841)**	(529 891)	**(996 410)**	(392 113)
Allowance for future rental escalations	**(125 298)**	(27 444)	**(22 495)**	(24 277)
Unamortised upfront lease costs	**996**	(4 257)	**334**	(981)
Interest paid	**401 133**	276 019	**380 951**	260 208
Interest capitalised to cost of developments	**(5 110)**	(15 945)	**(5 110)**	(15 945)
Unrealised surplus on interest-rate swaps	**(34 053)**	(19 679)	**(34 053)**	(19 679)
Acquisition costs	**—**	2 262	**—**	2 262
Fee paid on cancellation of interest-rate swaps	**36 641**	—	**36 641**	—
Amortisation of call option	**3 541**	1 955		
Impairment of investment in subsidiaries	**(6 673)**	—	**(6 673)**	—
Finance income	**(10 833)**	(13 546)	**(8 556)**	(12 301)
Depreciation	**9 324**	11 637	**5 760**	9 269
Operating profit before working capital changes	**1 063 829**	863 443	**689 597**	842 342
Increase in accounts receivable	**(75 152)**	(17 738)	**(65 556)**	(11 240)
Increase in accounts payable	**48 756**	46 767	**28 057**	39 245
Cash generated from operations	**1 037 433**	892 472	**652 098**	870 347
Distribution to participatory interest holders				
Distribution payable at 1 July 2014	**—**	—	**—**	—
Distribution for the year	**(639 125)**	(584 966)	**(639 125)**	(584 966)
Distribution payable at 30 June 2015	**—**	—	**—**	—
Distribution paid to participatory interest holders	**(639 125)**	(584 966)	**(639 125)**	(584 966)
Taxation paid				
Taxation asset at 1 July 2014	**13**	13		
Movement in statement of comprehensive income:				
SA normal taxation	**—**	—		
Net taxation liability at 30 June 2015	**(13)**	(13)		
Taxation paid for the year	**—**	—		

20 | Related parties and related party transactions

	GROUP		FUND	
R'000	**2015**	2014	**2015**	2014
The following transactions were carried out with related parties:				
Strategic Real Estate Managers (Pty) Ltd				
Expenditure comprising asset management fees — post amendment to service charge arrangement			**32 865**	27 980
Key management personnel compensation:				
— Short-term benefits	**12 138**	9 151	**—**	
— Share-based payments liability	**2 295**	2 845	**—**	
Relationship: Manager and subsidiary of Emira Property Fund				
Adamass Investments (Pty) Ltd				
Shares			**13 641**	—
Loan			**34 856**	—
Relationship: Wholly-owned subsidiary				
Aquarella Investments 272 (Pty) Ltd				—
Shares			**6 379**	—
Loan			**61 853**	
Relationship: Wholly-owned subsidiary				
Freestone Property Holdings Limited				
Shares			**1 339 187**	1 339 187
Loan			**(22 918)**	181 098
Dividend received			**—**	205 752
Relationship: Wholly-owned subsidiary				
Libra Investments 5 (Pty) Ltd				
Shares			**66 412**	—
Loan			**260 420**	—
Relationship: Wholly-owned subsidiary				
Lowmer Investments (Pty) Ltd				
Shares			**111 249**	—
Loan			**70 231**	—
Relationship: Wholly-owned subsidiary				
Menlyn Corporate Park (Pty) Ltd				
Shares			**283 386**	300 829
Loan			**282 531**	312 316
Dividend received			**—**	2 481
Relationship: Wholly-owned subsidiary				
Monagon Properties (Pty) Ltd				
Shares			**14 835**	—
Loan			**39 054**	—
Relationship: Wholly-owned subsidiary				
Omnicron Investments 005 (Pty) Ltd				
Shares			**35 368**	—
Loan			**9 268**	—
Relationship: Wholly-owned subsidiary				
Rapidough Properties 509 (Pty) Ltd				
Shares			**17 832**	—
Loan			**9 908**	—
Relationship: Wholly-owned subsidiary				
Eris Investment Holdings (Pty) Ltd				
Project management fees	**4 340**	4 085		
Administration fees	**19 485**	18 147		
Leasing commissions	**6 035**	13 798		
Relationship: Shareholder Of Strategic Real Estate Managers (Pty) Ltd				

21 | Minimum contracted rental income

	GROUP		FUND	
R'000	**2015**	2014	**2015**	2014
The Group has rental income receivable in terms of operating lease contracts:				
— Due within one year	**991 805**	891 693	**658 222**	597 408
— Due within two to five years	**2 649 287**	2 072 931	**1 609 965**	1 344 539
— Due beyond five years	**490 792**	419 312	**393 144**	344 554
	4 131 884	3 383 936	**2 661 331**	2 286 501

The weighted average length of leases is 2,80 years (2014: 3,02 years) and the average lease escalation is 7,9% (2014: 8,0%).

22 | Commitments and contingencies

	GROUP		FUND	
R'000	**2015**	2014	**2015**	2014
Authorised capital expenditure				
— Committed	**27 146**	17 888	**27 146**	17 888
— Contracted for	**159 277**	225 951	**129 762**	212 922
Operating lease commitments				
Commitments due in respect of leases entered into on leasehold properties:				
— Due within one year	**26 087**	14 693	**6 538**	5 833
— Due within two to five years	**97 769**	71 945	**30 910**	23 297
— Due beyond five years	**4 252 427**	3 848 793	**2 978 211**	3 107 334
	4 376 283	3 935 431	**3 015 659**	3 136 464

Contingencies

The Fund had no material contingent liabilities at 30 June 2015.

23 | Post year-end events

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. The management company (STREM) became a wholly owned subsidiary. The necessary transfers from the old Emira Property Fund Scheme to the new Emira Property Fund Limited are well underway.

Subsequent to year-end

An acquisition for an amount of R76 million, being a 50% undivided share in the Mitchells Plain Shopping Centre in the Western Cape, at an initial yield of 9,3% was made and was transferred at the end of August 2015.

In addition an agreement has been reached for Emira to take up a 50% undivided share in five buildings comprising the Summit Place development in Menlyn, Pretoria, for an amount of R403 million and at an average yield of 8%. Two completed office buildings are expected to be transferred in October 2015 and the balance comprising office and retail space will be developed by Emira and its partners with final completion in January 2017. The Summit Place development comprises P-grade offices and retail premises with a weighted average lease expiry profile of in excess of seven years in a much sought after node in Pretoria.

Furthermore, we advise shareholders that we are in dispute regarding the lease obligations of Worley Parsons, a major tenant in Corobay Corner on a lease until February 2022. We have received senior counsel legal advice on the matter and are confident of our position, but at the same time we have begun settlement discussions with them.

24 | Segment information

The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the CEO of the Fund.

Management has determined the operating segments based on the reports reviewed by the CEO in making strategic decisions. The CEO considers the business based on the following operating segments:

Office — comprises commercial properties
Retail — comprises shopping centres
Industrial — comprises industrial properties

The operating segments derive their revenue primarily from rental income from lessees. All of the Group's business activities and operating segments are reported within the above segments.

R'000	Office	Retail	Industrial	Other	Total
SECTORAL SEGMENTS					
June 2015					
Revenue	**797 210**	**757 254**	**257 504**		**1 811 968**
Revenue	**759 379**	**675 734**	**251 557**		**1 686 670**
Allowance for future rental escalations	**37 831**	**81 520**	**5 947**		**125 298**
Segmental result					
Operating profit	**524 553**	**478 831**	**176 045**	**(34 131)** *	**1 145 298**
Other information					
Depreciation	**4 935**	**4 000**	**389**		**9 324**
Investment properties	**5 607 104**	**4 874 166**	**1 940 823**		**12 422 093**
Investment properties held-for-sale	**53 500**	**265 500**			**319 000**
Change in fair value of investment properties	**266 423**	**617 576**	**99 227**		**983 226**
June 2014					
Revenue	674 886	571 943	229 529		1 476 358
Revenue	659 359	566 487	223 068		1 448 914
Allowance for future rental escalations	15 527	5 456	6 461		27 444
Segmental result					
Operating profit	395 603	328 490	145 209	9 988 **	879 290
Other information					
Depreciation	7 267	3 680	690		11 637
Investment properties	5 233 621	3 653 868	1 707 515		10 578 676
Investment properties held-for-sale	148 000	16 000	16 328		180 328
Change in fair value of investment properties	199 970	179 877	81 756		461 603

* *Includes income from listed property investment of R47,4 million less general Fund expenses of R44,9 million and fee paid on cancellation of swap agreements of R36,6 million.*

** *Includes income from listed property investment of R44,2 million less general Fund expenses of R31,9 million and acquisition costs of R2,3 million.*

No segment analysis of liabilities and the related interest payable have been presented as liabilities and cannot be linked to specific properties.

24 | Segment information continued

R'000	Office	Retail	Industrial	Other	Total
GEOGRAPHICAL SEGMENTS					
June 2015					
Revenue					
— Gauteng	**586 365**	**518 411**	**173 056**		**1 277 832**
— Western and Eastern Cape	**122 560**	**98 253**	**51 520**		**272 333**
— KwaZulu-Natal	**55 813**	**74 649**	**32 928**		**163 390**
— Free State	**32 472**	**65 941**			**98 413**
	797 210	**757 254**	**257 504**		**1 811 968**
Investment properties					
— Gauteng	**4 268 996**	**3 570 269**	**1 343 323**		**9 182 588**
— Western and Eastern Cape	**850 870**	**477 120**	**365 000**		**1 692 990**
— KwaZulu-Natal	**369 838**	**640 977**	**232 500**		**1 243 315**
— Free State	**170 900**	**451 300**			**622 200**
	5 660 604	**5 139 666**	**1 940 823**		**12 741 093**
June 2014					
Revenue					
— Gauteng	512 618	358 518	170 515		1 041 651
— Western and Eastern Cape	79 097	56 953	27 414		163 464
— KwaZulu-Natal	53 571	91 350	31 600		176 521
— Free State	29 600	65 122			94 722
	674 886	571 943	229 529		1 476 358
Investment properties					
— Gauteng	4 274 171	2 359 654	1 255 805		7 889 630
— Western and Eastern Cape	597 200	381 600	233 050		1 211 850
— KwaZulu-Natal	347 050	578 950	218 660		1 144 660
— Free State	163 200	349 664			512 864
	5 381 621	3 669 868	1 707 515		10 759 004

25 | 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:

	2015				2014			
R'000	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
GROUP								
Assets								
Listed property investment	**796 930**			**796 930**	665 992			665 992
Derivative financial instruments — swaps		**14 401**		**14 401**		12 572		12 572
Derivative financial instruments — options			**14 526**	**14 526**			8 082	8 082
Total	**796 930**	**14 401**	**14 526**	**825 857**	665 992	12 572	8 082	686 646
Liabilities								
Derivative financial instruments — swaps		**26 841**		**26 841**		59 065		59 065
Total	**—**	**26 841**	**—**	**26 841**	—	59 065	—	59 065
Net fair value	**796 930**	**(12 440)**	**14 526**	**799 016**	665 992	(46 493)	8 082	627 581

Fair value estimation

The table above analyses financial instruments carried as fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. The instrument included in level 1 comprises an investment in a property trust, listed on the Australian Stock Exchange (ASX), classified as trading security.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Listed property investment

This comprises stapled securities held in a listed property company at fair value which is determined by reference to quoted closing prices at the reporting date.

25 | Measurements of fair value continued

Derivative financial instruments — swaps

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 discount rate used in the valuation of the swaps ranged between 5,5% and 8,5%. Refer to note 16 for other inputs used in the valuation of the swaps.

Derivative financial instruments — options and share appreciation rights

The call option contracts to the value of R14,5 million are valued using a Black Scholes option pricing model. The expected volatility of the unit price used in the valuation model ranged between 20,0% and 25,0% and the risk-free discount rate used ranged between 6,0% and 8,0%. Refer to note 18 where other inputs are disclosed.

Non-financial assets

The following table reflects the levels within the hierarchy of non-financial assets measured at fair value at 30 June 2015:

R'000	**2015** Level 3	2014 Level 3
GROUP		
Assets		
Investment properties	**12 422 093**	10 578 676
Investment properties held-for-sale	**319 000**	180 328
FUND		
Assets		
Investment properties	**8 263 792**	7 525 303
Investment properties held-for-sale	**309 000**	124 593

Refer to note 6 where the reconciliations of these balances are disclosed.

Fair value measurement of investment properties

The fair values of commercial buildings are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields. The estimated rental streams take 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 discount rate and the reversionary capitalisation rate. The estimated fair value increases if discount rates (market yields) and reversionary capitalisation rates decline. The overall valuations are sensitive to these assumptions. The inputs used in the valuations at 30 June 2015 were:

- The range of the reversionary capitalisation rates applied to the portfolio are between 8,15% and 16,0% with the weighted average being 9,52% (2014: 10,06%).
- The discount rates applied range between 13,50% and 18,00% with the weighted average being 14,41% (2014: 14,73%).
- Changes in discount rates and revisionary capitalisation rates attributable to changes in market conditions can have significant impact on property valuations. A 25 basis points increase in the discount rate will decrease the value of the investment property by R187,7 million (1,47%) and a 25 basis decrease will increase the value of the investment property by R194,3 million (1,53%). A 25 basis points decrease in the capitalisation rate will increase the value of the investment property by R197,7 million (1,55%) and a 25 basis point increase will decrease the value of the investment property by R187,4 million (1,47%).

Fair values are estimated twice a year, whereafter they are reviewed by the executive directors and approved by the Board of Directors.

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.

Valuation processes

One third of the Group's investment properties were valued at 30 June 2015 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The remainder were valued by a member of the staff of STREM who is a qualified valuer. All valuations were reviewed by the executive directors and asset managers, before being recommended to the Board for approval. For all investment properties, their current use equates to the highest and best use.

26 | Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and prepayments, derivative financial instruments, interest-bearing debt, accounts payable and distributions payable to participatory interest holders. In respect of the aforementioned financial instruments, book values approximate fair value.

Exposure to interest rate, credit and liquidity risks occurs in the normal course of business.

Cash resources are monitored to meet working capital requirements and surplus cash is applied on an access basis against long-term interest-bearing liabilities.

STREM is required to have reserves equivalent to 13 weeks' worth of expenses. However, in terms of the Trust Deed, the Fund reimburses STREM for all costs incurred.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new units to shareholders or sell assets to reduce debt.

The Group monitors capital on the basis mandated by the board. The Group's borrowings are limited to 40% of the value of the Group's property portfolio. This ratio is calculated as total borrowings divided by total assets as disclosed in the statement of financial position for the Group.

During 2015, the Group's strategy, which was unchanged from 2014, was to maintain this ratio and an A credit rating. The Group's GCR's credit rating was A throughout 2015 and 2014. The Group's utilised borrowings capacity at 30 June 2015 can be summarised as follows:

R'000	**2015**	2014
GROUP		
Total assets	**13 841 064**	11 639 001
Total borrowings	**4 510 361**	3 953 780
Utilised capacity (%)	**32,6**	34,0
FUND		
Total assets	**12 227 117**	10 614 251
Total borrowings	**4 310 791**	3 753 916
Utilised capacity (%)	**35,3**	35,4

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from changes in foreign currency exchange rates and interest rates. The Group enters into interest-rate swap agreements to mitigate the risk of rising interest rates as set out in note 14.

Foreign currency risk management

The Group's exposure to exchange rate fluctuations arises from its investment in GOZ which is an Australian listed REIT.

The following table details the Group's sensitivity to a 10% increase and decrease in the rand against the Australian dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	INCREASE		DECREASE	
R'000	**2015**	2014	**2015**	2014
GROUP AND FUND				
Profit or loss excluding value movement	**4 739**	4 423	**(4 739)**	(4 423)
Investment in listed property investment	**79 693**	66 599	**(79 693)**	(66 599)

26 | Financial risk management continued

Interest-rate risk management

The Group's exposure to interest rates on financial instruments at the date of the statement of financial position is set out in note 14.

Interest rates are constantly monitored and appropriate steps are taken to ensure that the Emira's exposure to interest-rate fluctuations is limited. Interest rates have been fixed for extended periods ranging from 2014 to 2024. The average rate of interest at 30 June 2015 (applicable to the fixed interest-rate swap agreements) was 9,0% (2014: 9,1%). At 30 June 2015 15,4% (2014: 12,9%) of Emira's debt was subject to a variable or floating interest rate and was not covered by an interest rate-swap agreement. An increase in the prime interest rate of 1% per annum would result in an increase in interest payable, of R6,97 million per annum, in respect of the floating portion of the Group's debt.

Equity price risk

The listed property investment in GOZ, of R796,9 million (2014: R666,0 million) is subject to equity price risk. It is reflected at fair value based on the quoted bid price at 30 June 2015, of AUD3,13. The following table details the Group's sensitivity to a 10% increase or decrease in the quoted price of the listed property investment on the Australian Stock Exchange:

	2015		2014	
R'000	10% increase	10% decrease	10% increase	10% decrease
GROUP AND FUND				
Listed property investment	**79 693**	**(79 693)**	66 599	(66 599)

Credit risk management

Credit risk is limited to the carrying amount of financial assets at the date of the statement of financial position.

Potential areas of credit risk consist of trade receivables and short-term cash investments. Trade receivables consist of a large, widespread tenant base. All specific doubtful debts have been impaired and at year-end management did not consider there to be any material credit risk exposure that was not already covered by an impairment adjustment.

The impairment adjustment at 30 June 2015 was R21,0 million (2014: R19,4 million) net of tenants' deposits and guarantees held as security. The Group held cash deposits and guarantees with a fair value of R159,7 million at 30 June 2015 (2014: R142,4 million).

The specifically impaired receivables relate to tenants who have either been handed over for non-payment, or have vacated the premises.

It is expected that a portion of the specifically impaired receivables will be recovered.

The allowance for impaired receivables and receivables written off are included in property expenses. Amounts charged to the allowance will be written off when all avenues for recovery have been exhausted and there is no expectation that any further cash will be received.

At 30 June 2015 no geographic area, rental sector or size of tenant had been identified as a specific credit risk.

The credit quality of financial assets was as follows:

Cash and cash equivalents — FirstRand Bank Ltd — AA

Derivative financial instrument — Investec Bank Ltd — A+

Other assets were not rated.

Receivables past due but not impaired

Receivables are considered to be "past due" when they are uncollected one day or more beyond their contractual due date.

As at 30 June 2015, trade receivables of R39,5 million (2014: R18,1 million) were considered past due but not impaired.

These include varied tenants with no recent history of payment default.

26 | Financial risk management continued

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its financial commitments. The risk is minimised by holding cash balances and by a floating loan facility.

The Group monitors liquidity risk by regularly monitoring forecast cash flows.

The following table details the maturity of financial assets and liabilities and is used by management to manage liquidity risks.

The amounts disclosed in the below table are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within one year or less generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

The fair value of the derivative financial instruments fluctuates in line with interest rate movements. This swap value will reduce to nil on the expiry date, whereas the option value will depend on the value of the underlying on the expiry date.

R'000	Weighted average effective interest rate %	1 year or less	1 – 5 years	More than 5 years	Total
GROUP					
Year ended 30 June 2015					
Financial assets					
Listed property investment		**796 930**			**796 930**
Accounts receivable		**220 903**			**220 903**
Derivative financial instruments — swaps		**5 206**	**7 235**	**1 960**	**14 401**
Derivative financial instruments — options		**7 666**	**6 860**		**14 526**
Cash and cash equivalents	5,35	**53 211**			**53 211**
Total financial assets		**1 083 916**	**14 095**	**1 960**	**1 099 971**
Financial liabilities					
Interest-bearing debt	8,74	**1 061 965**	**3 448 396**		**4 510 361**
Accounts payable		**352 553**			**352 553**
Derivative financial instruments		**11 252**	**8 733**	**6 856**	**26 841**
Total financial liabilities		**1 425 770**	**3 457 129**	**6 856**	**4 889 755**
Year ended 30 June 2014					
Financial assets					
Listed property investment		665 992			665 992
Accounts receivable		136 594			136 594
Derivative financial instruments — swaps		3 355	6 526	2 691	12 572
Derivative financial instruments — options		3 842	4 240		8 082
Cash and cash equivalents	4,79	45 303			45 303
Total financial assets		851 244	10 766	2 691	860 461
Financial liabilities					
Interest-bearing debt	8,81	1 379 864	2 573 916		3 953 780
Accounts payable and employee benefits liability		268 794			268 794
Derivative financial instruments		15 017	32 195	11 853	59 065
Total financial liabilities		1 663 675	2 606 111	11 853	4 281 639

26 | Financial risk management continued

R'000	Weighted average effective interest rate %	1 year or less	1 – 5 years	More than 5 years	Total
FUND					
Year ended 30 June 2015					
Financial assets					
Listed property investment		**796 930**			**796 930**
Accounts receivable		**185 686**			**185 686**
Derivative financial instruments — swaps		**5 206**	**7 235**	**1 960**	**14 401**
Cash and cash equivalents		**20 628**			**20 628**
Total financial assets		**1 008 450**	**7 235**	**1 960**	**1 017 645**
Financial liabilities					
Interest-bearing debt		**1 061 965**	**3 248 826**		**4 310 791**
Accounts payable		**244 637**			**244 637**
Derivative financial instruments		**11 252**	**8 733**	**6 856**	**26 841**
Total financial liabilities		**1 317 854**	**3 257 559**	**6 856**	**4 582 269**
Year ended 30 June 2014					
Financial assets					
Listed property investment		665 992			665 992
Accounts receivable		112 268			112 268
Derivative financial instruments		3 355	6 526	2 691	12 572
Cash and cash equivalents	4,79	32 231			32 231
Total financial assets		813 846	6 526	2 691	823 063
Financial liabilities					
Interest-bearing debt	8,81	1 180 000	2 573 916		3 753 916
Accounts payable		198 254			198 254
Derivative financial instruments		15 017	32 195	11 853	59 065
Total financial liabilities		1 393 271	2 606 111	11 853	4 011 235

Cash and cash equivalents

It is the Group's policy to deposit short-term cash investments with FirstRand Bank Limited, which has been given an AA rating.

26 | Financial risk management continued

Categories of financial assets and liabilities

R'000	Fair value	Amortised cost	Loans and receivables	Total
GROUP				
Financial assets				
Listed property investment	796 930			796 930
Derivative financial instruments	28 927			28 927
Accounts receivable			220 903	220 903
Cash and cash equivalents			53 211	53 211
Total financial assets	825 857	—	274 114	1 099 971
Financial liabilities				
Interest-bearing debt		4 510 361		4 510 361
Derivative financial instruments	26 841			26 841
Accounts payable			352 553	352 553
Total financial liabilities	26 841	4 510 361	352 553	4 889 755
FUND				
Financial assets				
Listed property investment	796 930			796 930
Derivative financial instruments	14 401			14 401
Accounts receivable			185 686	185 686
Cash and cash equivalents			20 628	20 628
Total financial assets	811 331	—	206 314	1 017 645
Financial liabilities				
Interest-bearing debt		4 310 791		4 310 791
Derivative financial instruments	26 841			26 841
Accounts payable			244 637	244 637
Total financial liabilities	26 841	4 310 791	244 637	4 582 269

27 | Portfolio summary

Sectoral profile

	Office	Retail	Industrial	Total
% of GLA	33,6	34,7	31,7	100,0
Weighted average lease escalation (%)	8,4	7,6	7,7	7,9
Lease expiry profile (% of revenue)				
Year 1	16,1	8,6	5,2	29,9
Year 2	8,8	7,3	3,1	19,2
Year 3	7,6	6,7	1,9	16,2
Year 4	3,5	5,1	4,5	13,1
Year 5+	5,2	14,8	1,6	21,6
	41,2	42,5	16,3	100,0
Lease expiry profile (% of GLA)				
Vacant	2,6	1,0	0,4	4,0
Expiries rolled over	0,2	0,5	0,6	1,3
Year 1	11,4	5,8	9,6	26,8
Year 2	7,4	4,7	6,5	18,6
Year 3	5,8	4,9	3,1	13,8
Year 4+	6,2	17,9	11,4	35,5
	33,6	34,8	31,6	100,0
Vacancy profile (% of GLA)	7,8	2,8	1,4	4,0

Geographical profile

	Gauteng and Mpumalanga	Western and Eastern Cape	KwaZulu-Natal	Free State	Total
% of GLA	66,6	15,4	13,3	4,7	100,0

Average annualised yield achieved by the portfolio was 8,7%.

Tenant profile

	Grade A	Grade B	Grade C	Total
% of GLA	51,0	22,0	27,0	100,0

Tenants have been graded as follows:

"A" grade: Large national tenants, large listed tenants, government and major franchisees. These include, inter alia, ABSA Bank, Afrox, Audi, Bidvest, Department of Justice, Checkers, Department of Public Works, FirstRand Bank, J D Group, Mr Price Group, Pepkor, Pick n Pay, Shell, the Standard Bank Group, Ster-Kinekor, Truworths International, Virgin Active and Woolworths.

"B" grade: National tenants, listed tenants, franchisees and medium to large professional firms. These include, inter alia, Baby Boom, Builder's Express, Cash Crusaders, Debonairs Pizza, Dial-a-Bed, Fishaways, John Dory's, Mikes Kitchen, Postnet, 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.

28 | Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

28.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in the following:

Investment properties — Note 6

The valuation of investment properties was determined principally using discounted cash flow projections, based on estimates of future cash flows, supported by the terms of any existing lease contracts and by external evidence such as current market rentals for similar properties in the same location and condition, and using discount rates that reflect current market assessments, of the uncertainty in the amount and timing of the cash flows.

The future rental rates were estimated depending on the actual location, type and quality of the properties and taking into account market data and projections at the valuation date, as well as the length of vacant periods following the expiry of existing lease agreements.

Accounts receivable — Note 11

At each statement of financial position date, management considers each material debtor in respect of whom legal proceedings have been instituted, in order to determine the level of recoverability. A provision is made for a portion of those considered as irrecoverable.

Derivative financial instruments — Note 18

The valuation of derivative financial instruments was 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 swap curve"). Future floating cash flows are determined using forward rates derived from the swap curve as at 30 June 2015. The net cash flows were discounted using the swap curve as at 30 June 2015.

28.2 Critical accounting judgements

Business combination versus asset acquisition

Management has assessed the properties acquired during the financial year and concluded that, except for the Integri-T portfolio, the assets acquired do not constitute a business as defined by IFRS 3 — Business Combinations due to the following:

- Processes or significant ancillary services were not acquired, and therefore integrated sets of activities were not identified, and
- The purchase price of the assets does not include an element of goodwill.

The acquisition of these properties was accounted for as the acquisition of assets and in line with IAS 40 — Investment Property.

The Integri-T portfolio was considered to be a business as it consisted of an integrated set of activities. 100% of the equity shares in Integri-T portfolio were acquired and this acquisition was accounted for in accordance with IFRS 3. Refer to note 9 for further detail.

Current and deferred tax

In accordance with the Group's status as a REIT, the distributions made in line with the Group's distribution policy meet the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). In determining the tax obligation of the Group, the "qualifying distribution" is deducted from taxable profits. As all taxable profits are distributed as a "qualifying distribution", no current tax liability was raised in the current year. In addition, the Group is not liable for capital gains tax on the disposal of directly held properties.

The Group expects to realise its listed property investment through use and not through sale. Any dividends received from the listed property investment will be included in the "qualifying distribution" deductible for tax purposes. As it is management's intention to hold this investment in the long term, a deferred tax liability was not raised on the fair value gain. Management's intention and expected realisation of the listed property investment will be reassessed at each reporting period.

No deferred tax liabilities were raised on the "Allowance for future rental escalations", "Unamortised upfront lease costs" and other balances as these will form part of the Group's "qualifying distribution" in the future and are not expected to attract any tax.

28 | Critical accounting estimates and judgements continued

Consolidation of STREM

Management has assessed that the Fund controls STREM in line with the definition of control set out in IFRS 10 — Consolidated financial statements, and has continued to consolidate the results of STREM in the Group.

Although the Fund does not have legal ownership of the equity in STREM, management concluded that the Fund possesses power over STREM, has exposure to variable returns from its involvement with STREM and has the ability to use its power over STREM to affect its returns. The following were considered in making this assessment:

› As a result of the contractual agreement with the shareholders of STREM in 2010 to restructure the fee payable to STREM, the Fund has effectively internalised the management structure. In line with this agreement, STREM only recovers the administration costs incurred on behalf of the Fund.

› Emira has potential voting rights in STREM which are considered to be substantive and the current shareholders of STREM are considered to be acting as 'de facto agents' on behalf of Emira.

29 | Participatory interest (PI) holders' profile and JSE information at 30 June 2015

	Number of holders	% of holders	Number of participatory interests	% of capital
Directors' holdings	5	0,09	5 365 848	1,05
Empowerment partners excluding directors' holdings	2	0,04	13 561 639	2,66
Non-public	7	0,13	18 927 487	3,71
Public	5 549	99,87	491 622 597	96,29
Totals	5 556	100,00	510 550 084	100,00
Distribution of PI holders				
Banks	39	0,70	29 547 662	5,79
Close corporations	50	0,90	2 654 362	0,52
Empowerment	3	0,06	75 521 380	14,79
Endowment funds	126	2,27	5 927 027	1,16
Individuals	3 946	71,02	27 287 828	5,34
Insurance companies	40	0,72	18 121 061	3,55
Investment companies	8	0,15	2 030 119	0,40
Medical schemes	14	0,25	1 277 773	0,25
Mutual funds	222	4,00	203 503 054	39,86
Other corporations	18	0,32	257 464	0,05
Private companies	101	1,82	26 164 308	5,12
Public companies	3	0,05	640 000	0,13
Retirement funds	134	2,41	98 869 946	19,37
Trusts	852	15,33	18 748 100	3,67
Totals	5 556	100,00	510 550 084	100,00

29 Participatory interest (PI) holders' profile and JSE information at 30 June 2015 continued

	Number of holders	% of holders	Number of participatory interests	% of capital
Range analysis at 30 June 2015				
1 – 1 000 shares	598	10,76	296 925	0,06
1 001 – 10 000 shares	3 441	61,93	15 767 090	3,09
10 001 – 100 000 shares	1 187	21,37	33 456 278	6,55
100 001 – 1 000 000 shares	243	4,37	75 471 306	14,78
1 000 001 shares and over	87	1,57	385 558 485	75,52
Totals	5 556	100,00	510 550 084	100,00
The following holders of PIs hold, beneficially directly or indirectly, at 30 June 2015 in excess of 5% of the issued participatory interest capital:				
Redefine Properties Limited			**58 564 627**	**11,47**
Government Employees Pension Fund/Public Investment Corporation			**56 200 603**	**11,01**
Old Mutual			**32 989 628**	**6,46**
Investec Asset Management			**26 356 532**	**5,16**

30 Directors of STREM holdings in participatory interests in Emira Property Fund

The directors' holding in participatory interests of the Fund as at 30 June 2015, were:

	2015				2014			
	Beneficial direct	Beneficial indirect	Held by associates	Total	Beneficial direct	Beneficial indirect	Held by associates	Total
Executive directors								
James Templeton	**349 800**			**349 800**	349 800			349 800
Geoffrey Jennett		**10 000**		**10 000**		—		—
Peter Thurling (Resigned 31 December 2014)	—	—		—	32 000	188 000		220 000
Non-executive directors								
Michael Aitken	**20 000**		**288 000**	**308 000**	20 000		288 000	308 000
Bryan Kent		—		—		413 878		413 878
Nocawe Makiwane		**1 511 133**		**1 511 133**		1 511 133		1 511 133
Thys Neser			**20 000**	**20 000**			20 000	20 000
Ben van der Ross		**3 176 915**		**3 176 915**		3 176 915		3 176 915
Total	**369 800**	**4 688 048**	**308 000**	**5 365 848**	401 800	5 289 926	308 000	5 999 729

There has been no other change in the interests of directors in the stated capital of the Fund since the end of the financial year to the date of this report.

31 | Property listing

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Office	1 Kikuyu Road*#	1 Kikuyu Road, Sunninghill, Sandton	Eskom	7 845	104 450 000	140,84	1,8	0,8
Office	100 on Armstrong#	100 Armstrong Avenue, Forest Park, La Lucia Ridge, Durban	Eris Property Group, SAP South Africa, Surgical Innovations, Galaxy Bingo Gateway, Assegai & Javelin	2 871	41 700 000	136,13	0,7	0,3
Office	1059 Francis Baard	1059 Francis Baard Street, Hatfield, Pretoria	SABC Ltd, Media 24, United Nations Office for Drug Control and Crime Prevention, Channel Life	5 993	72 381 770	138,13	1,3	0,6
Office	12 Baker Street*#	12 Baker Street, Rosebank, Johannesburg	Sasol Group Services (Pty) Ltd	4 636	55 500 000	140,84	1,0	0,4
Office	16 Jan Smuts Avenue*	16 Jan Smuts Avenue, Parktown, Johannesburg	Venn and Milford Incorporated	2 328	24 300 000	140,84	0,4	0,2
Office	2 Frosterley Park*#	2 Frosterley Crescent, La Lucia Ridge, Umhlanga Rocks, Durban	Telesure Group Services (Pty) Ltd	2 312	39 500 000	140,84	0,7	0,3
Office	2 Sturdee Avenue*#	2 Sturdee Avenue, Rosebank, Johannesburg	Sasol Group Services (Pty) Ltd	5 604	64 800 000	140,84	1,1	0,5
Office	267 West#	267 West Avenue, Centurion, Pretoria	Minerp Holdings, Connectnet Broadband, Muvoni Technology, Strategic Simulation Solutions, UCS Technology	9 358	170 700 000	163,36	3,0	1,3
Office	284 Oak Avenue#	284 Oak Avenue, Ferndale, Randburg	Only the Best, Jet Music, Dept of Public Works, UTM Group, R and M Global Travel, National Eisteddfod Academy	3 787	22 800 000	100,08	0,4	0,2
Office	4 Kikuyu Road	4 Kikuyu Road, Sunninghill, Sandton, Johannesburg	Hardwood Kirsten Leigh McCoy, Blackfuse Communications, Legal Exchange Corporation (Pty) Ltd	4 808	39 200 000	148,24	0,7	0,3
Office	5 The Boulevard#	5 The Boulevard, Westway Office Park, Westville, Durban	Naidu Consulting, Uniclox	1 256	20 000 000	163,86	0,4	0,2
Office	500 Smuts Drive*#	500 Smuts Drive, Halfway House, Midrand	Tiespro 230 (Pty) Ltd	5 201	43 500 000	140,84	0,8	0,3
Office	7 Naivasha Road*#	7 Naivasha Road, Sunninghill, Sandton	Group M South Africa (Pty) Ltd	4 673	52 000 000	140,84	0,9	0,4
Office	80 Strand Street (50% owned)#	80 Strand Street, Cape Town	Eris Property Group, De Vries Shields Chiat Inc., Medway (Manage Plus Fund Administrators), Democratic Alliance, Unitrans Automotive, Miller du Toit Cloete Inc., The Federated Employers Mutual Ass, Glasfit Western Cape (Pty) Ltd, Immigration Compliance Services (Pty) Ltd, Crowbar Restaurant	6 396	70 750 000	104,06	1,3	0,6

* *Single tenant — weighted average for all single tenant buildings in office sector — R140,84/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Office	9 Long#	21 Riebeek Street, Cape Town	Department Of Public Works, National Debt Advisors, Government of RSA Department of Justice, Government of RSA Film and Publication Board, Thomson Reuters (Marketing) SA, Riaz Hussain Bux, Frontline Hair Studio	9 320	89 777 183	80,98	1,6	0,7
Office	Albury Park	Magalieszicht Avenue, Dunkeld West, Sandton	Aegis Media Central Services, Northam Platinum Ltd, Harlequin Duck Properties 231, Scarab IT Solutions, Off Limit Communications, Faurie Nell Inc., Shipping and Airfreight Services, Charl Cilliers Inc., Bouwers Inc., Sechaba Computer Services	8 208	114 600 000	152,60	2,0	0,9
Office	Boundary Terraces#	1 Mariendahl Lane, Newlands, Cape Town	World Wide Fund for Nature SA, Professional Provident Society Investments, Savings and Investment Association SA, Momentum Investments Shared Services, Arcadia Management, Resafrica, Retail Africa Cape Town (Pty) Ltd	8 023	152 573 386	172,61	2,7	1,2
Office	Bradenham Hall#	Mellis Avenue, Rivonia, Sandton	Millward Brown SA (Pty) Ltd, Stemtech Africa (Pty) Ltd, Stratus Office Consumables, KEC International Ltd, Acetotone (Pty) Ltd, Madison Square Holdings cc, Bramel Business Solutions	4 761	44 500 000	124,10	0,8	0,3
Office	Brooklyn Forum#	337 Veale Street, New Muckleneuk, Pretoria	Bild Architects, Newtons Incorporated, Finbond, VFS Visa Processing (SA), SA Home Loans, Growth-Link Integrated Solutions, Tourvest Financial Services	7 382	96 600 000	142,78	1,7	0,8
Office	Brooklyn Gardens Auditor General#	300 Middel Street, Pretoria	The Auditor-General, Integri-T Property Fund Ltd	3 200	91 300 000	231,09	1,6	0,7
Office	Brooklyn Office Park#	105 Nicolson Street, Brooklyn, Pretoria	KMG and Associates Inc, Rede Engineering and Management Solutions, Molo Africa Speech Technologies, Point 3 Financial Solutions, Khauleza IT Solutions, Fast Forward Finance (Pty) Ltd, Henzel Services (Pty) Ltd	5 171	61 800 000	136,34	1,1	0,5
Office	Chiappini House#	26 Chiappini Street, Cape Town	Diamond's Discount Liquor, De Waterkant Health, None Such Films, Stile Milano (Pty) Ltd, Isivumelwano Organisational & HR Development	1 024	12 700 000	109,67	0,2	0,1
Office	Convention House#	125 Florence Nzama Street, Durban	Danie Hollenbach Motors, All Life, TQA Consultants Africa, Forever Living Products SA, Tshwane University of Technology, Tlhalefang Placements, Metropolitan Health Corporate	6 249	44 700 000	90,26	0,8	0,4

* *Single tenant — weighted average for all single tenant buildings in office sector — R140,84/m^2.*

Independently valued at 30 June 2015.

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Office	Corobay Corner#	Cnr Aramist and Corobay Avenue, Menlyn, Pretoria	Worley Parsons RSA, CTI	13 865	389 200 000	179,87	6,9	3,1
Office	Corporate Park 66	Cnr Von Willich Avenue and Lenchen Street, Centurion, Pretoria	PSG Wealth Financial Planning, Professional Medical Scheme Administrator, Nanoteq, Professional Medical Scheme, Department of Public Works	13 453	212 300 000	170,10	3,8	1,7
Office	Derby Downs#	9 Derby Place & 4 Sookhai Place, Derby Downs, Westville, Durban	SA Biomedical, Tradebridge, People Solutions, Arrow Altech Distribution, Enterprise Foods	2 139	24 200 000	92,05	0,4	0,2
Office	Discovery Health PTA*	Oak Road, Centurion, Pretoria	Discovery Health	3 863	62 800 000	140,84	1,1	0,5
Office	East Coast Radio House#	314/7 Umhlanga Rocks Drive, Umhlanga Rocks, Durban	East Coast Radio, Dimension Data, Bravo Group Lounge Durban, ABSA Bank	4 752	78 100 000	187,77	1,4	0,6
Office	East Rand Junction#	Cnr Pond & Frank Streets, Boksburg	Hammond Pole Majola Inc., Wesbank, Metropolitan Life, Associated Energy Services, Standard Bank, Harvest Chartered Accountants, Zoltac	6 466	45 850 000	87,42	0,8	0,4
Office	Epsom Downs Office Park#	13 Sloane Street, Bryanston, Sandton	Angor Property Specialists, Marelle Trust, Bensure Management Services, Coloplast, Hemocue, Strategic Real Estate Managers, Underline Advertising, Kunene Health Care	9 496	92 800 000	115,00	1,6	0,7
Office	Gateview#	3 Sugar Close, Umhlanga, Durban	Bytes People Solutions, Pharmacare, Strategic Investment Advisors, Dimension Data, Integrated Technologies	2 799	31 437 840	132,13	0,6	0,2
Office	Hamilton House#	30 Chiappini Street, Cape Town	Gloo Digital Design, Onnet, Finishing Touch, H & M Hennes and Mauritz	3 247	39 519 339	123,34	0,7	0,3
Office	Harbour Place#	7 Martin Hammerschlag Way, Cape Town	Hyundai Automotive SA, Megafreight Services Cape, Afripark Parking Management Service, SA Inshore Fishing Industry Association, Bureau Veritas Gazelle	5 015	51 200 000	104,18	0,9	0,4
Office	Highgrove Office Park	Highgrove Office Park, Oak Road, Centurion, Pretoria	S and F Management Services, Concilium Technologies (Pty) Ltd	7 915	116 400 000	160,76	2,1	0,9
Office	Hyde Park Lane	Cnr Jan Smuts Avenue & William Nicol Drive, Hyde Park, Sandton	Standard Bank, Tag Travel, Property Marketers, Vistar, Ezee-Dex Industrial, WCIS Attorneys, Graca Machel Trust, The Meat Company (Management)	15 546	225 500 000	138,44	4,0	1,8

* *Single tenant — weighted average for all single tenant buildings in office sector — R140,84/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Office	Iustitia Building#	Cnr St Andrews & Aliwal Streets, Bloemfontein	Society of Advocates, Mutual & Federal, Guarantee Trust Corporate Support Services, Solomon Mpheto Oupa Seobe, Mphafi Khang Incorporated, Lengau Attorneys	5 360	41 200 000	104,50	0,7	0,3
Office	Knightsbridge Manor#	33 Sloane Street, Bryanston Ext 4	Managed Healthcare Systems, Norilsk Nickel Africa, TLC Engineering Solutions, Tedcor, The Johannesburg Wellness Centre, Extraordinary Resorts Management SA, Dovetail Business Solutions, Tracey Lynn Galbraith-van Reenen, Core Freight Systems, Marin's Southern Africa	9 884	84 500 000	105,47	1,5	0,7
Office	Lake Buena Vista 1#	Gordon Hood Avenue, Centurion, Pretoria	Services Seta, Railway Safety Regulator	6 196	70 000 000	101,59	1,2	0,5
Office	Lincoln Wood Office Park#	6 & 8 Woodlands Drive, Woodmead	Altech Radio Holdings, Reunert Management Services, Water & Sanitation Services SA, Geberit Southern Africa, Spur Group, Novozymes SA, Degremont	10 570	117 900 000	117,42	2,1	0,9
Office	Lone Creek	21 Mac Mac Road & Howick Close, Waterfall Park, Midrand	The Concrete Institute, End User Finance, Regional Tourism Organisation of SA, Tyremart Tyres & Accessories, Batseta Council of Retirement Fund for South Africa, MV Tronics, Net-Flow IT Solutions, SA Council for the Quantity Surveying Profession, Advanced Projects & People, KMJ Financial Services	5 387	44 590 673	90,36	0,8	0,4
Office	Menlyn Corporate Park#	Cnr Corobay Avenue and Garsfontein Road, Menlyn, Pretoria	CTI Educational Group, Ex-King Price Insurance Company, Feenstra Group, MVB Registered Accountants & Auditors, Santam Ltd, BVI Consulting Engineers Gauteng, South African Local Government Association	25 767	674 000 000	255,39	11,9	5,3
Office	Menlyn Square Office Park#	116 Lois Avenue, Menlyn, Pretoria	ABSA Bank, Standard Bank, Cell C, Firstrand Bank, Momentum Consult, Motla Conradie Attorneys, Azoteq, BCE Consulting	9 852	142 600 000	160,98	2,5	1,1
Office	Menlynwoods Office Park#	291 Sprite Avenue, Faerie Glen, Pretoria	SRK Consulting, Smart Publishing, Nothemba Properties, Attooh Financial Wellness, Momentum Group, Butterfield Holdings	9 852	152 100 000	138,24	2,7	1,2
Office	Newlands Terraces#	8 Boundary Road, Newlands, Cape Town	UCS Technology Services, Western Province Rugby Football Union, Taquanta Asset Managers, UCS Solutions, Fairtree Capital	4 531	84 300 000	154,36	1,5	0,7

* *Single tenant — weighted average for all single tenant buildings in office sector — R140,84/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Office	Omni Centrum	73 Aliwal Street, Bloemfontein	Surveyor General, Free State Dept of Education, National Dept of Public Works, Agriculture — Dept of Public Works	5 447	29 700 000	78,47	0,5	0,2
Office	Podium at Menlyn#	43 Ingersol Road, Lynnwood Glen, Pretoria	Safcol, Hatch Goba, Simeka Consultants and Actuaries, The Rand Mutual Assurance Company, Old Mutual Life Assurance Company (SA), Waymark Infotech, Rennies Travel, DWT Pumps Motors & Electronics	9 090	204 000 000	188,18	3,6	1,6
Office	Rigel Office Park#	446 Rigel Avenue, Erasmusrand, Pretoria	University Research Co, Afri G.I.S, MSPH South Africa, Mazars Support Services	4 417	83 000 000	177,89	1,5	0,7
Office	Riverworld Park#	42 Homestead Road, Edenburg, Sandton	The Jupiter Drawing Room, 5th Dimension Marketing, South African Suppliers Diversity Council, Helga B Holdings	5 098	42 000 000	106,78	0,7	0,3
Office	Southern Life Plaza	41 Maitland Street, Bloemfontein	Free State Legislature, Firstrand Bank, Legal Aid South Africa, Eris Property Group, Road Accident Fund, Drs Thompson & Steyn	10 697	100 000 000	116,76	1,8	0,8
Office	Strathmore Park#	305 Musgrave Road, Musgrave, Durban	Vox Telecommunications, Chedza International Loss Adjusters, Oxfam Australia, Positive Packaging, HT Insurance Brokers, Williams IDM Inc, Production Management Institution of SA	3 835	53 100 000	141,81	0,9	0,4
Office	Sturdee House#	9 Sturdee Avenue, Rosebank, Johannesburg	Netcare Rosebank Hospital, Uhy Hellmann (SA)	1 695	26 500 000	160,64	0,5	0,2
Office	The Avenues North#	6 Mellis Road, Edenburg, Sandton	Mtiya Dynamics, Hero Strategic Marketing, Pheladi Mining & Explorations, Benguela Global Fund Managers, Ndala Consulting Services, Star Air Cargo	3 511	26 800 000	87,24	0,5	0,2
Office	The Gables#	320 Duncan Street, Hatfield, Pretoria	I-Com Services, Tshwane Rapid Transit, Pegasys Strategy and Development	2 851	35 700 000	129,29	0,6	0,3
Office	The Pinnacle#	2 Burg Street, Cape Town	Small Enterprise Development Agency (SEDA), PayU Payment Solutions, Credit Matters, Consumer Guardian Services, Cape Town Tourism, Kelly Group, Spoormaker & Partners, Talani Quantity Surveyors, Manpower SA	11 867	123 700 000	118,06	2,2	1,0
Office	The View — Tygervalley#	43 Old Oak Road, Bellville, Cape Town	The Clicks Organisation, Intercare, Integri-T Property Fund, MMI Group, Tyger Valley Skin Laser Centre, Fluorovizion	6 710	139 500 000	246,74	2,5	1,1

* *Single tenant — weighted average for all single tenant buildings in office sector — R140,84/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Office	Tuinhof#	265 West Avenue, Centurion, Pretoria	Trans Caledon Tonnelowerheid, National Tooling Initiative Programs, DRA Mineral Projects, TymeTechnical Solutions, DEKRA Industrial, Quality Business Consultants, Tim du Toit & Co Incorporated	8 816	125 200 000	168,34	2,2	1,0
Office	Turnberry Office Park	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Sandton	BLT Elskie Trust (IT517/08) & Amadeus Global Travel Distributors SA, Rentworks Africa (Pty) Ltd, Coffey Projects (Africa), Intuate Group	5 670	101 950 000	151,88	1,8	0,8
Office	Waterkloof House*#	Cnr Fehrsen Street & Waterkloof Road, Brooklyn, Pretoria	South African Revenue Services	4 000	69 700 000	140,84	1,2	0,5
Office	Waterside Place 1 & 2#	Waterside Place, South Gate Tyger Waterfront, Carl Cronje Drive, Bellville, Cape Town	Aecom SA, Mobile Telephone Networks, Omnicron Financial Services, Southern Canned Products	4 953	86 850 128	170,67	1,5	0,7
Office	Westway#	17 The Boulevard, Westway Office Park, Westville, Durban	Huawei Technologies Africa, Environmental Resources Management SA, Warwick Services and Operations	2 313	37 100 000	147,61	0,7	0,3
Office	Woodmead Office Park (50% owned)#	140 & 145 Western Services Road, Woodmead	SIMPROSS (Mine Health & Safety Council), Hisense SA Sales Holdings, South African Custodial Management, M&T Development, Leading Edge Business Solutions, Nobel Biocare SA, Globus Medical South Africa, Hisense SA Sales Holdings, SA Custodial Management, Cape Union Mart International	8 162	64 200 000	99,25	1,1	0,5
Subtotal Office				395 492	5 659 630 320	136,12	100	44,42

* *Single tenant — weighted average for all single tenant buildings in office sector — R140,84/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Retail	1289 Heuwel Avenue#	1289 Heuwel Avenue, Centurion, Pretoria	Creative Costumes and Masks, Angling Africa Fishing Tackle Centurion	2 049	10 000 000	18,36	0,2	0,1
Retail	Ben Fleur Shopping Centre (60% owned)#	Da Vinci Street, Emalahleni	Checkers, Spur, Woolworths, Rhapsody's, Clicks, Liquor City, Crazy Plastics, KFC, Pandoras Fashions, Maxis	6 131	106 963 619	124,50	2,1	0,8
Retail	Bizana Shopping Centre#	Main Road, Bizana	Boxer Superstore, JDG Trading, Pep, Otto Brothers Distributors, KFC, City Express, Edgars Active, Odini Trading	4 572	13 000 000	67,20	0,3	0,1
Retail	Boskruin Shopping Centre#	Cnr President Fouche & Hawken Avenue, Bromhof, Johannesburg	Woolworths, Clicks, Luigi's Pizzeria, Image Lab, Yum Restaurants International, Kalumba 114, Mosaic Public Relations, Lonehill Café Culture, Engnet, Four Paws Pet Shop, Ariyan Group, The Green Bean Shop	6 939	114 100 000	158,13	2,2	0,9
Retail	Brandwag & Kosmos Woonstelle#	Melville Drive, Brandwag, Bloemfontein	Pick n Pay, Engen Petroleum, First National Bank, FNB Learning, Mellins I Style, Pep, Alicewear, SA Post Office	12 328	250 000 000	136,87	4,9	2,0
Retail	Central Square Idutywa#	Cnr Bell Street & Kiddell, King & Richards Roads, Idutywa	U-Save (Shoprite Checkers), Pep, Ackermans, Power Stores, Dunns, Lewis Stores, ABSA Bank, Atlas Finance	4 320	38 444 274	103,80	0,7	0,3
Retail	Cofimvaba Shopping Centre#	Main Road, Cofimvaba	Boxer Superstore, Pep, Power Factory Shop, Lewis Stores, JDG Trading, Dreamteam Trading, Mattam Trading	5 346	41 900 000	133,39	0,8	0,3
Retail	Cresta Corner#	Cnr Beyers Naude Drive & Pendoring Street, Cresta	Audi Centre Northcliff, Virgin Active, LUVIES Bakery,Corporate and Industrial Mobile Solution, VMG Consultants	9 719	115 300 000	113,22	2,2	0,9
Retail	Crown Makro Selby*#	15 Hanover Street, Selby, Johannesburg	Makro	19 705	372 800 000	116,56	7,3	2,9
Retail	Dundee Boulevard#	Karel Landsman Street, Dundee	Pick n Pay, Edgars, Woolworths, Truworths, Clicks, Mr Price, CBH Trust, Nedbank	7 107	57 700 000	95,12	1,1	0,5
Retail	Epsom Downs Shopping Centre#	13 Sloane Street, Bryanston, Sandton	Pick n Pay, Country Meats, Pandora, KFC, Nandos, CNA, 4x4 Megaworld, Mexican Fresh	6 847	71 100 000	126,70	1,4	0,6
Retail	Flagstaff Shopping Centre#	Main Road, Flagstaff	Engen, Boxer Build, Cheapest, Standard Bank, Mr Price, Shoprite Checkers	4 723	36 059 693	63,64	0,7	0,3
Retail	Gateway#	1319 Pretoria Street, Hatfield, Pretoria	McDonalds, KFC, Hatfield Liquor, Fish & Chips Co.	1 793	24 600 000	165,42	0,5	0,2
Retail	Granada Square#	16 Chartwell Drive, Unhlanga Rocks, Durban	Woolworths, Pintxada, Capsicum Culinary Studio, The Thai Touch, ABSA Bank, Europa Umhlanga, Microsoft South Africa, Ferrucci Bakery	7 153	107 611 708	127,60	2,1	0,8

* *Single tenant — weighted average for all single tenant buildings in retail sector — R116,56/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Retail	Greytown Centre#	Bell Street, Greytown	U-Save (Shoprite Checkers), Pep, Dunn's, KFC, Capitec Bank, Umvoti Liquors	2 272	15 600 000	69,99	0,3	0,1
Retail	Ingwavuma Shopping Centre#	Main Road, Ingwavuma	Spar Supatrade, Build IT, Furniture City, Pep, Ithala Bank, New Dunns, Department of Public Works	4 886	38 800 000	99,10	0,8	0,3
Retail	Kokstad Main*#	Main Road, Kokstad	Devland Cash & Carry	2 062	6 900 000	116,56	0,1	0,1
Retail	Kokstad Shopping Centre#	Main Road, Kokstad	Rhino Cash & Carry, Jet, Ackermans, Price & Pride, Pep, Barnetts, Bradlows, Joshua Doore, Jumbo, Rhino Liquors, Cash Crusaders	10 164	71 600 000	96,50	1,4	0,6
Retail	Kramerville Corner	16 Desmond Street, Eastgate, Kramerville, Sandton	Griffiths & Griffiths, Four Moons Trading, Jaycor International, First Quantum Minerals, Riskcon Security Holdings, St Leger & Viney, Consumer Motivation, U&G Fabrics	19 137	107 505 363	78,45	2,1	0,8
Retail	Linksfield Road	110 Linksfield Drive, Linksfield, Edenvale	Woolworths, Regal Palace Chinese Restaurant, KEG Beagle, Sportslink, Linksfield Pharmacy, ER Buco Restaurant, Sabor Restaurant, Rage	4 690	46 800 000	107,42	0,9	0,4
Retail	Market Square#	Beacon Way, Plettenberg Bay	Woolworths, Pick n Pay, Edgars, Clicks, Mr Price Clothing, Mr Price Home, Cape Union Mart, Mugg & Bean, PEP, Ackermans, Plett Sports, Pick n Pay Bottle Store, KFC	14 511	190 816 598	104,11	3,7	1,5
Retail	Matatiele Centre#	Station Road, Matatiele	Rhino Cash & Carry, Power Stores, Pep, Discom, Ideals, Natal Fashion Wear, Capitec Bank, Choice Meat Market, Dunns	7 823	65 300 000	110,23	1,3	0,5
Retail	Midrand Motor City	1081 Main Road, Midrand	Midrand Action Sport, Dent Doctor, Dekra Automotive, Midrand Speedy Tyre & Exhaust, PG Glass, Afrox, Sandwich Baron	7 646	30 000 000	70,45	0,6	0,2
Retail	Nongoma Centre#	Sizwe Road, Nongoma	Asia Town, Spar (Castlehill), Tops, Jet, Ideals, Pep, ABSA Bank, Edgars Active, Fashion World, Joshua Doore	9 146	62 500 000	89,58	1,2	0,5
Retail	Nqutu#	Cnr Manzolwandle & Hlube Roads, Nqutu	Boxer Superstore, Ackermans, Pep, Power Stores, KFC, Wan ke Long Traders, Nqutu Furnishers	4 120	27 165 203	117,39	0,5	0,2
Retail	Old Acre Plaza#	Cnr Victoria & Wilson Streets, Dundee	OK Value, Shell SA, Jet, Ackermans, Pep, Webbers-Saville Row, G-Bets, Dunns, Jose's Restaurant & Bar, Fashion World	4 991	40 300 000	90,53	0,8	0,3
Retail	Park Boulevard#	11 Brownsdrift Road, Riverside, Durban North	Spar, Tops Spar, Connoisseur Electronics, On Tap, Coastal Music, Caffe Italia Express, Browns Drift Pharmacy	5 410	51 000 000	96,62	1,0	0,4

* *Single tenant — weighted average for all single tenant buildings in retail sector — R116,56/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m²)	June 15 valuation	Weighted avg. gross rent/m² (incl. parking)	% of sector	% of portfolio
Retail	Parklands Health Centre	11 Village Walk, Cnr Link & Park Road, Table View, Cape Town	Intercare Health Centre, Hiit Fitness, Best Hair Studio	2 742	42 100 000	208,34	0,8	0,3
Retail	Quagga Centre	Cnr Court & Quagga Streets, Pretoria West	Shoprite Checkers, Pick n Pay, Woolworths, First National Bank, Edgars, Standard Bank, Mr Price, Nedbank, Foschini, ABSA Bank, Capitec Bank, Clicks, Cash Crusaders, Pep	29 412	450 600 000	119,61	8,8	3,5
Retail	Randridge Mall#	Cnr John Vorster Drive & Kayburne Road, Randpark Ridge	Pick n Pay, Woolworths, Dischem, First National Bank, Foschini, Mr Price, Health Worx, Ackermans, Kingsmead Shoes, Pep, Truworths, Nedbank, Standard Bank, Absa, Liquor City	22 472	316 300 000	136,30	6,2	2,5
Retail	Southern Sentrum#	Benade Drive, Fichardt Park, Bloemfontein	Pick n Pay, Shell SA, Cash Crusaders, Clicks Pharmacy, ABSA Bank, The Crazy Store, Pep, Standard Bank, Wimpy, Pozzo	21 266	201 300 000	98,62	3,9	1,6
Retail	Springfield Retail Centre#	2 Ilala Avenue, Springfield Park, Durban	The Hub, Food Lovers Market, Hi Fi Corp, Outdoor Warehouse, Ted's Home Store, Tekkie Town, Baby City, Outdoor Warehouse, Dial-A-Bed, Standard Bank	17 383	161 800 000	96,25	3,1	1,3
Retail	The Colony Centre#	345 Jan Smuts Avenue, Craighall Park	Baby City, Red Chilli Spice, JDI Research, Worldwide Sports Marketing, Colony Arms, Sing Fei Chinese Restaurant, Video Spot, Colony Pharmacy, Pronto, Steers	7 141	102 700 000	161,86	2,0	0,8
Retail	The Tramshed#	288 Van der Walt Street, Pretoria	Pick n Pay, Virgin Active, The Government of RSA, Edgars Active, SA Post Office, Capitec Bank, Avon Justine, Nando's, Pep, Loan Centre, Fashion Fusion	12 096	116 000 000	116,45	2,3	0,9
Retail	Tin Roof	Cnr Madeira & Callaway Streets, Umtata	Transkei Yamaha, U-Save (Shoprite), Hungry Lion, Shoprite Liquors	2 175	13 100 000	77,02	0,3	0,1
Retail	Tokai Shopping Centre#	20 Malibongwe Drive, Ferndale, Randburg	Dros Restaurant, KFC, Luvland, Chesa Nyama, Scooters, Randpark Tailors	2 603	15 500 000	112,29	0,3	0,1
Retail	Umzimkulu Centre#	Cnr National and Franklin Roads, Umzimkulu	Rhino Cash & Carry, Lewis Store, Pep, Golden Sun Gaming, KFC, Honchos, Chesa Nyama, Rhino Liquors, Addis's Fashion	5 410	36 400 000	107,08	0,7	0,3
Retail	Wonderpark Shopping Centre#	Cnr Old Brits Road & Heinrich Avenue, Karenpark, Pretoria	Pick n Pay Hypermarket, Game, Checkers, Builders Express, Virgin Active, Caltex, Dis-Chem Mr Price, Edgars, Cashbuild, Woolworths, Ster Kinekor, Foschini, The Hub, Clicks	89 985	1 570 000 000	142,09	30,5	12,3
Subtotal Retail				408 275	5 139 666 459	117,43	100	40,34

* *Single tenant — weighted average for all single tenant buildings in retail sector — R116,56/m².*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m²)	June 15 valuation	Weighted avg. gross rent/m² (incl. parking)	% of sector	% of portfolio
Industrial	14-16 Boston Circle*#	14-16 Boston Circle, Airport Industria, Cape Town	Bidvest Data	7 533	37 500 000	48,95	1,9	0,3
Industrial	Admiral House	151 Lechwe Street, Corporate Park South, Randjiespark Ext 7, Midrand	The Automobile Association of SA, Storage Cube, Bakali Foodstuffs	4 460	29 175 000	54,18	1,5	0,2
Industrial	Aeroport (34-36 Director Road)#	34-36 Director Road, Aeroport, Spartan, Kempton Park	Thembalihle Holdings and Projects, Humulani Marketing	1 715	9 400 000	54,15	0,5	0,1
Industrial	Aeroport (98 Loper Road)*#	98 Loper Avenue, Spartan Ext 2, Kempton Park	Amalgamated Power Solutions	1 672	8 300 000	48,95	0,4	0,1
Industrial	Aeroport (96 Loper Road)*#	96 Loper Avenue, Spartan Ext 2, Kempton Park	Bateman Projects	3 805	21 400 000	48,95	1,1	0,2
Industrial	Aeroport (12-14 Winnipeg Avenue)	12-14 Winnipeg Avenue, Aeroport, Kempton Park	LUD Logistics, Branding Design SA, Bright Idea Projects, General Pneumatics Natal, Knorr-Bremse (SA), TVH Parts SA	1 640	7 900 000	55,29	0,4	0,1
Industrial	Arjo Wiggins — Mahogany Ridge*	1 Monte Carlo Road, Mahogany Ridge, Pinetown	Antalis SA	6 907	57 300 000	48,95	3,0	0,4
Industrial	Assegaai Place — Kraaifontein*#	7 Assegaai Rd, Kraaifontein Industria, Cape Town	Roelcor Vleis	2 877	20 800 000	48,95	1,1	0,2
Industrial	Cambridge Park#	22 Witkoppen Road, Paulshof	Itec Shared Services, Netflorist, Puma SA, Biomet SA	12 094	83 200 000	64,87	4,3	0,7
Industrial	CEVA Midrand*#	Cnr 16th and Douglas Roads, Randjiespark, Midrand	CEVA Animal Health	2 781	17 900 000	48,95	0,9	0,1
Industrial	Cochrane Avenue*#	14 Cochrane Avenue, Epping, Cape Town	Giant Sweets & Chocolates	5 870	21 300 000	48,95	1,1	0,2
Industrial	Corporate Park (82 Lechwe)	82 Lechwe Street, Sage Corporate Park, Randjiespark Ext 70, Midrand	Serrol Ingredients Inc in NSW Australia, Maxxis Tyres SA, Pikitup Johannesburg, Voltex	6 523	30 450 000	51,74	1,6	0,2
Industrial	Defy Appliances*	Cnr Mimetes Rd & Kruger St, Denver, Johannesburg	Defy Appliances	10 100	36 800 000	48,95	1,9	0,3
Industrial	Epping Warehouse (WGA)#	3A Bofors Circle, Epping, Cape Town	Auction Operation, Disaki Cores & Tubes, Autozone Retail Distributors, Starways Trading	23 912	96 700 000	32,62	5,0	0,8
Industrial	Evapco*	Cnr Quality and Barlow Streets, Isando, Johannesburg	Evapco SA	5 715	31 500 000	48,95	1,6	0,2
Industrial	Fosa Park*#	570 Inanda Road, Durban	Co-Lab Industries	4 200	17 000 000	48,95	0,9	0,1

* *Single tenant — weighted average for all single tenant buildings in industrial sector — R45,95/m².*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Industrial	Freeway Park#	Cnr Berkley & Upper Camp Roads, Ndabeni, Maitland, Cape Town	Torga Optical, Tubestone, Advanced Materials Technology, Meteor Lighting, Hestico, The Broadband Warehouse, Shine The Way	7 764	42 900 000	66,13	2,2	0,3
Industrial	Gateway Landing	70 Banghoek Crescent, N4 Gateway Industrial Park, Pretoria	Professional Sourcing & Procurement Assist, Tidy Tiles, Bakery Incubation Centre of SA, JVT Vibrating Equipment, The Cartridge Man	9 371	60 000 000	17,90	3,1	0,5
Industrial	Greenfields#	1451 Chris Hani Road, Redhill, Durban	Roadswift Logistics, Woolwick Investments, Greenwest Investments, Reit River Mechanical, Purelux Trading, Nyakatho Plumbing & Hardware Suppliers, Total Auctioneering Services and Sales	9 398	46 600 000	57,22	2,4	0,4
Industrial	HBP Commercial unit*	36 Park Avenue North, Rooihuiskraal, Centurion, Pretoria	Spero Sensors and Instruments	2 428	17 600 000	48,95	0,9	0,1
Industrial	HBP Industrial units#	95 Park Avenue North, Rooihuiskraal, Centurion, Pretoria	DT Designs, Ceramic World, Productive Systems, Cinimark One	7 569	46 200 000	39,63	2,4	0,4
Industrial	Industrial Village Jet Park#	Cnr Kelly & Estee Ackerman Roads, Jet Park	Rene Turck & Associates, Humulani Marketing, Bits for Bathrooms, Liper Electronics Trading, ASP Suspension SA, Coetz Technologies	11 613	50 000 000	49,96	2,6	0,4
Industrial	Industrial Village Kya Sands#	Cnr Elsecar & Barnie Streets, Kya Sands Ext 2	Redline Logistics Project Management, Hair Leader, South African Breweries, Labelit Packaging, Nepean Conveyors, SA Post Office, Diemaster Industries, L.G.B. Distributions, Rascasse	16 659	55 800 000	43,55	2,9	0,4
Industrial	Industrial Village Rustivia#	6 Rover Street, Elandsfontein, Germiston	Bambalela Bolts, Phoenix Gifts, Stanley Bassons, Turbofluid Projects, Level Productions, Tough Workwear and Agencies, Thompsons Metals	9 854	37 000 000	35,95	1,9	0,3
Industrial	Isando — (20 Anvil Road)*	20 Anvil Road, Isando, Kempton Park	Little Green Beverages	12 250	38 697 634	48,95	2,0	0,3
Industrial	Johnson & Johnson*#	1 Medical Road, Randjiespark Ext 41, Midrand	Johnson & Johnson Medical	3 472	18 900 000	48,95	1,0	0,1
Industrial	Kyalami Business Park (RS Components)#	20 Indianapolis Crescent, Kyalami Park, Midrand	RS Components, Vavasati Brand Logistics	3 856	20 200 000	52,61	1,0	0,2

* *Single tenant — weighted average for all single tenant buildings in industrial sector — R45,95/m^2.*
# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Industrial	Midline Business Park#	Cnr Richards Drive & Le Roux Road, Midrand	Oil Centre GN, Coated Fabrics, Lounge Around, Jost Trading, Altius Trading, Alutech Aluminium, Ocean Basket Wholesale, Flintgroup SA, Energy Analytics, Smith's Mattress Warehouse	12 294	46 900 000	43,34	2,4	0,4
Industrial	Midrand (918 Morkels Close)#	918 Morkels Close, Halfway House, Midrand	TCS John Huxley Africa, TCB Clothing Redistribution non-profit company	2 384	16 100 000	65,79	0,8	0,1
Industrial	Midrand (Cnr Douglas and Old Pretoria Roads)*#	Corner Douglas Road & Old Pretoria Road, Randjiespark, Midrand	Vtech	2 532	13 800 000	48,95	0,7	0,1
Industrial	Mitek South Africa*	754 16th Road, Randjiespark, Midrand	Mitek South Africa	6 604	31 400 000	48,95	1,6	0,2
Industrial	Morgan Creek*#	38 Mahogany Road, Mahogany Ridge, Pinetown	Simba	4 644	29 700 000	48,95	1,5	0,2
Industrial	One Highveld#	5 Bellingham Street, Centurion, Pretoria	Elain's Birding and Wildlife Products, Moputso Investments 76, Cross Border Link, Franchising To Africa, Motorrad Executive Rentals, RA Signage, Khan and Thema Sales	6 124	39 100 000	79,85	2,0	0,3
Industrial	RTT Acsa Park*	Cnr Springbok & Jones Streets, Bardene, Jet Park	RTT Group	46 673	339 000 000	48,95	17,5	2,7
Industrial	RTT Continental*	Cnr Springbok & Jones Streets, Bardene, Jet Park	RTT Group	12 921	67 500 000	48,95	3,5	0,5
Industrial	Steelpark Industrial Park#	Symphony Park, Modderdam road, Bellville-South, Cape Town	Easylife Kitchens Manufacturing, Just Sofas, Macsteel Service Centre SA, Turnkey Telecoms	9 362	36 600 000	37,21	1,9	0,3
Industrial	Steiner Services*#	Loper Road, Aeroport, Kempton Park	Steiner Hygiene (Pty) Ltd	4 804	25 100 000	48,95	1,3	0,2
Industrial	Taylor Blinds*#	10 Hoist Street, Montague Gardens, Cape Town	Taylor Blinds CT Odyssey House (Pty) Ltd	7 794	48 600 000	48,95	2,5	0,4
Industrial	Technohub#	Roan Crescent, Corporate Park North, Midrand	Powertech Management Services, Vodacom, Snack Seasonings, Flavourome	15 171	100 000 000	62,27	5,2	0,8
Industrial	The Studios Atlas Gardens#	Atlas Gardens, Potsmandam Road, Durbanville, Cape Town	Cipla, ZaPrint, Media Film Service, Store View	9 300	60 600 000	74,85	3,1	0,5
Industrial	The Wolds A — 82 Intersite TNT#	82 Intersite Avenue, Umgeni Business Park, Umgeni	Premier Motor Group, TNT Express Worldwide SA, Woman On Fire	1 770	6 800 000	67,31	0,4	0,1

* *Single tenant — weighted average for all single tenant buildings in industrial sector — R45,95/m^2.*

\# *Independently valued at 30 June 2015.*

31 | Property listing continued

Type	Property	Location	Major tenants (GLA)	GLA (m^2)	June 15 valuation	Weighted avg. gross rent/m^2 (incl. parking)	% of sector	% of portfolio
Industrial	The Wolds B — 56-58 Intersite Ave#	56 Intersite Avenue, Umgeni Business Park, Umgeni	Camicode, HI Technology (KZN)	830	2 700 000	62,94	0,1	0,0
Industrial	Umgeni Road A — 98-102 Intersite Ubunye*#	98-102 Intersite Avenue, Umgeni Business Park, Umgeni	Ubunye Uniforms	1 886	7 200 000	48,95	0,4	0,1
Industrial	Umgeni Road B — 23 Intersite#	19-23 Intersite Avenue, Umgeni Business Park, Umgeni	Sinclairs Panelbeaters, Tecsa, Jetton Trading, Jeevan's Sarrie Centre	6 021	20 700 000	60,39	1,1	0,2
Industrial	Universal Industrial Park	72 Stanhope Place, Briardene, Durban North	ZPC Joinery, Liquid Ink Screen Printers, Traderplus,	12 756	44 500 000	56,07	2,3	0,3
Industrial	Wadeville Industrial Village#	6 Crocker Road, Wadeville, Germiston	Multisurge, Zippel Filing and Storage Systems, Latex Collection, Four Rivers Trading, Helmut Franz Lehle, Mister Sweet, Unitrade, Dontgothirsty, Plan It Safety	13 384	44 000 000	35,22	2,3	0,3
Subtotal Industrial				373 292	1 940 822 634	49,12	100	15,23
Total investment properties				1 177 060	12 740 119 413			100

* *Single tenant — weighted average for all single tenant buildings in industrial sector — R45,95/m^2.*

\# *Independently valued at 30 June 2015.*

STRATEGIC REAL ESTATE MANAGERS PROPRIETARY LIMITED
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors of STREM are responsible for the preparation, integrity, and fair presentation of the financial statements of Strategic Real Estate Managers (Pty) Ltd. The financial statements presented on pages 140 to 150 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all statements of International Financial Reporting Standards that they consider to be applicable have been followed.

The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the period and the financial position of the Company at year-end. The directors also prepared the other information included in the report and are responsible for both its accuracy and its consistency with the financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Company to enable the directors to ensure that the financial statements comply with the relevant legislation.

Strategic Real Estate Managers Proprietary Limited operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business, are being controlled.

The Company's external auditor, PricewaterhouseCoopers Inc., audited the financial statements, and their report is presented on the next page.

Geoff Jennett.

BJ van der Ross
Chairman

GM Jennett
Chief Executive Officer

The annual financial statements of the Company, incorporating statutorily required information in respect of the Company, for the year ended 30 June 2015 set out on pages 140 to 149 were approved by the Board of Directors of STREM on 21 September 2015 and are signed on its behalf by:

Geoff Jennett.

BJ van der Ross
Chairman

GM Jennett
Chief Executive Officer

CERTIFICATE BY COMPANY SECRETARY

I declare that to the best of my knowledge, for the year ended 30 June 2015, the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a company in terms of section 88(2)(e) of the Companies Act, 2008, as amended, and all such returns are true, correct and up to date.

ME Harris (FCIS)
Company Secretary

Bryanston
21 September 2015

STRATEGIC REAL ESTATE MANAGERS PROPRIETARY LIMITED
DIRECTORS' REPORT

For the year ended 30 June 2015

Nature of business

The company continued with its business as the manager of Emira Property Fund in terms of the Collective Investment Schemes Control Act.

General review

The results for the year under review are reflected in the accompanying annual financial statements.

Share capital

Details of the authorised and issued share capital of the company appear in note 5 to the financial statements.

Dividends

No dividends were paid during the year under review.

Executive directors

GM Jennett (Appointed 1 January 2015)

JWA Templeton (Resigned 31 August 2015)

PJ Thurling (Resigned 31 December 2014)

U van Biljon

Non-executive directors

BJ van der Ross (Chairman)

MS Aitken

BH Kent (Lead independent director)

NE Makiwane

V Mahlangu

W McCurrie

MSB Neser

V Nkonyeni

G van Zyl

Post year-end events

On 1 July 2015, Emira Property Fund Limited exercised its option to purchase the entire share capital of the Company.

STRATEGIC REAL ESTATE MANAGERS PROPRIETARY LIMITED
REPORT OF THE INDEPENDENT AUDITOR

Independent auditor's report to the shareholders of Strategic Real Estate Managers Proprietary Limited

We have audited the financial statements of Strategic Real Estate Managers Proprietary Limited set out on pages 140 to 150, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Strategic Real Estate Managers Proprietary Limited as at 30 June 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the Directors' Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: V. Muguto
Registered Auditor

Sunninghill
21 September 2015

Statement of financial position

As at 30 June 2015

R	Notes	2015	2014
ASSETS			
Non-current assets		**6 933 509**	8 204 591
Fixtures and fittings	2	**73 337**	123 253
Derivative financial instrument	3	**6 860 172**	8 081 338
Current assets		**18 810 130**	8 426 990
Accounts receivable	4	**4 007 271**	4 341 078
Derivative financial instrument	3	**7 665 859**	—
Cash at bank		**7 137 000**	4 085 912
Total assets		**25 743 639**	16 631 581
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	5	**300**	300
Share premium	5	**29 999 910**	29 999 910
Non-distributable reserve	6	**(21 151 402)**	(27 501 324)
Accumulated loss		**(7 066 597)**	(1 327 458)
Shareholders' funds		**1 782 211**	1 171 428
Long-term liabilities		**2 746 103**	2 210 000
Loan from Emira Property Fund	8	**2 746 103**	—
Current liabilities		**20 223 785**	15 460 153
Shareholders' loans	7	**2 210 000**	2 210 000
Accounts payable	9	**1 280 878**	1 901 844
Employee benefits liability	10	**15 947 553**	11 348 309
Taxation		**1 776 894**	—
Total equity and liabilities		**25 743 639**	16 631 581

Statement of comprehensive income

For the year ended 30 June 2015

R	Notes	2015	2014
Turnover		**32 865 243**	27 979 523
Operating profit/(loss)	12	**2 200 401**	(1 654 311)
Net interest income	13	**187 276**	184 447
Net profit/(loss) for the year before income tax expense		**2 387 677**	(1 469 864)
Income tax charge	14	**(1 776 894)**	—
Profit/(loss) for the year attributable to equity holders		**610 783**	(1 469 864)
Total comprehensive income/(loss) attributable to equity holders		**610 783**	(1 469 864)

Statement of changes in equity

For the year ended 30 June 2015

R	2015	2014
SHARE CAPITAL		
Ordinary shares		
Balance at 1 July 2014	**300**	300
Balance at 30 June 2015	**300**	300
Share premium		
Balance at 1 July 2014	**29 999 910**	29 999 910
Balance at 30 June 2015	**29 999 910**	29 999 910
Share capital and share premium at 30 June 2015	**30 000 210**	30 000 210
RESERVES		
Non-distributable reserve		
Balance at 1 July 2014	**(27 501 324)**	(23 819 458)
Unrealised surplus/(deficit) on fair valuation of premium paid on share scheme	**6 349 922**	(3 681 866)
Balance at 30 June 2015	**(21 151 402)**	(27 501 324)
RETAINED EARNINGS		
Balance at 1 July 2014	**(1 327 458)**	(3 539 460)
Total comprehensive income/(loss) for the year	**2 387 677**	(1 469 864)
Unrealised (surplus)/deficit on fair valuation of premium paid on share scheme	**(6 349 922)**	3 681 866
Taxation	**(1 776 894)**	—
Balance at 30 June 2015	**(7 066 597)**	(1 327 458)
Total reserves at 30 June 2015	**(28 217 999)**	(28 828 782)

Statement of cash flows

For the year ended 30 June 2015

R	Notes	2015	2014
Cash flows from operating activities			
Cash flows from operating activities	15	**3 753 695**	3 343 487
Net interest income	13	**187 276**	184 447
Premium paid for share scheme		**(3 635 986)**	(4 928 519)
Taxation paid	16	**—**	—
Net cash generated from operating activities		**304 985**	(1 400 585)
Cash flows from investing activities			
Disposal of fixtures and fittings		**—**	43 878
Net cash utilised in investing activities		**—**	43 878
Cash flows from financing activities			
Loan from/to Emira Property Fund advanced/repaid		**2 746 103**	2 323 415
Net cash utilised in financing activities		**2 746 103**	2 323 415
Net decrease in cash and cash equivalents		**3 051 088**	966 708
Cash and cash equivalents at the beginning of the year		**4 085 912**	3 119 204
Cash and cash equivalents at the end of the year		**7 137 000**	4 085 912

1 | Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa.

Various new and amended international financial reporting standards and interpretations have been issued.

International Financial Reporting Standards and amendments effective for the first time for 30 June 2015 year-end

Number	Effective date	Content
Amendments to IFRS 10, IFRS 12 and IAS 27	1 January 2014	Exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make. A subsequent amendment of the consolidation exception for investment entities and their subsidiaries (effective 1 January 2016 referred to below).
Amendments to IAS 32	1 January 2014	Clarification to some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
Narrow-scope amendments to IAS 36	1 January 2014	Disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.
Amendment to IAS 39	1 January 2014	Relief from discontinuing hedge accounting.
Amendment to IAS 19	1 July 2014	Simplify the accounting for contributions that are independent of the number of years of employee service.

International Financial Reporting Standards and amendments issued but not effective for 30 June 2015 year-end.

Number	Effective date	Executive summary
Amendments to IFRS 10 and IAS 28	1 January 2016	Eliminate the inconsistency between IFRS 10 and IAS 28.
Amendments to IFRS 10 and IAS 28	1 January 2016	Clarify the application of the consolidation exception for investment entities and their subsidiaries.
Amendment to IFRS 11	1 January 2016	How to account for the acquisition of an interest in a joint operation that constitutes a business.
IFRS 14	1 January 2016	Interim standard on the accounting for certain balances that arise from rate-regulated activities.
Amendments to IAS 1	1 January 2016	Clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
Amendment to IAS 16 and IAS 38	1 January 2016	Clarify the use of revenue based methods to calculate the depreciation of an asset is not appropriate.
Amendments to IAS 27	1 January 2016	Restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates.
IFRS 15	1 January 2017	Single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue.
IFRS 9	1 January 2018	Financial instruments — classification and measurement of financial assets.
Amendment to IFRS 9	1 January 2018	Amendment to IFRS 9 to align hedge accounting more closely with an entity's risk management.

1.1 Turnover

Turnover comprises management fees received from Emira Property Fund accounted for on the accrual basis as services are performed. The fees are based on the substance of the management agreement.

1.2 Fixtures and fittings

Fixtures and fittings are stated at historical cost less accumulated depreciation and impairment charges. Cost comprises the purchase price as well as all costs incurred in order to bring the asset to a working condition.

Depreciation is calculated at cost less expected residual value on the straight-line method, which is reviewed annually.

1 | Accounting policies continued

The useful lives of fixtures and fittings range between five and 20 years.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

1.3 Derivative financial instruments

The company uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing and investment activities. The company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as financial instruments held for trading.

Derivative financial instruments are initially recognised and subsequently stated at fair value. The gain or loss on re-measurement to fair value is taken immediately to profit or loss. The fair value of interest-rate swaps is the estimated amount that the company would receive or pay to terminate the swap at the statement of financial position date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

1.4 Accounts receivable

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original term of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows, discounted at the market rate of interest for similar borrowers.

1.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

1.6 Accounts payable

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received.

1.7 Employee benefits

(a) Short-term employee benefits

Salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the company.

(b) Profit-sharing and bonus payments

The company recognises a liability and an expense for bonuses and cash-settled share-based transactions. The bonuses are based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The liability on the cash-settled share-based transactions is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

1.8 Taxation

Taxation is provided at current rates on net income before tax for the year after taking into account income and expenditure, which are not subject to taxation.

1.9 Intangible assets and impairment losses

Intangible assets are initially measured at cost if acquired separately or at fair value if acquired as part of a business combination. Intangible assets are amortised over their estimated useful life on a straight-line basis. The estimated useful lives and residual values are reviewed annually. Impairment losses are recognised as an expense in the statement of comprehensive income.

1.10 Borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest-rate method.

2 | Fixtures and fittings

R	2015	2014
Cost	**225 057**	225 057
Accumulated depreciation	**(151 720)**	(101 804)
Net carrying value at 30 June 2015	**73 337**	123 253
Movement for the year		
Valuation at 1 July 2014	**123 253**	222 998
Disposals	**—**	(43 878)
Depreciation	**(49 916)**	(55 867)
Valuation at 30 June 2015	**73 337**	123 253

3 | Derivative financial instrument

R	2015	2014
Valuation at 1 July 2014	**8 081 338**	8 789 993
Premium paid to Investec Bank in respect of share scheme	**3 635 986**	4 928 519
Costs amortised during the year	**(3 541 215)**	(1 955 308)
Revaluation for the year	**6 349 922**	(3 681 866)
Valuation at 30 June 2015	**14 526 031**	8 081 338

4 | Accounts receivable

R	2015	2014
Trade receivables	**3 676 558**	4 224 656
Other receivables	**330 713**	116 422
Balance at 30 June 2015	**4 007 271**	4 341 078
Due within one year	**4 007 271**	4 341 078
The carrying values of accounts receivable approximate their fair value.		

5 | Share capital

R	2015	2014
Authorised		
Ordinary shares		
4 000 ordinary shares of R1 each	**4 000**	4 000
Issued		
Ordinary shares		
300 shares of R1 each (2014: 300 shares of R1 each)	**300**	300
Share premium	**29 999 910**	29 999 910
	30 000 210	30 000 210

6 | Fair value reserve

R	**2015**	2014
The fair value reserve comprises:		
Impairment of management contract	**(30 000 000)**	(30 000 000)
Share option expenditure reserve	**84 238**	84 238
Premium paid on share scheme	**8 764 360**	2 414 438
	(21 151 402)	(27 501 324)

7 | Shareholders' loans

R	**2015**	2014
Subordinated loans at 30 June 2015	**2 210 000**	2 210 000
The loans are unsecured, payable on demand and bear interest at rates to be agreed from time to time. The carrying value of the loans approximate their fair value.		

8 | Loan from Emira Property Fund

R	**2015**	2014
Balance at 1 July 2014	**—**	2 323 415
Advanced/(repaid) during year	**2 746 103**	(2 323 415)
Balance at 30 June 2015	**2 746 103**	—

The loan is unsecured, has no fixed date of repayment and bears interest at rates agreed from time to time. The carrying value of the loan approximates its fair value.

9 | Accounts payable

R	**2015**	2014
Trade payables	**303 232**	290 853
Accrued expenses	**977 646**	1 610 991
Balance at 30 June 2015	**1 280 878**	1 901 844
Due within one year	**1 280 878**	1 901 844

10 | Employee benefits liability

R	**2015**	2014
Share appreciation rights scheme	**8 156 918**	4 216 000
Provision for leave pay	**1 023 761**	1 002 435
Accrued bonuses	**6 766 874**	6 129 874
Balance at 30 June 2015	**15 947 553**	11 348 309

The expense recognised in the statement of comprehensive income in respect of the share appreciation rights scheme amounted to R3 940 918 (2014: R2 387 000 credit).

A cash settled PI scheme is in place which has been set up in order to incentivise and retain staff. In total 772 739 PIs are outstanding from tranche 1 which was granted on 15 September 2010, 1 736 111 PIs are outstanding from tranche 2 granted on 15 September 2013 and 1 318 393 PIs are outstanding from tranche 3 granted on 15 September 2014. The tranches may be exercised in equal tranches three, four and five years after the date of the grant.

11 | Taxation

R	2015	2014
Balance at 1 July 2014	—	—
Net payments made	—	—
Movement in the statement of comprehensive income	**1 776 894**	—
Balance at 30 June 2015	**1 776 894**	—

12 | Operating profit

Operating profit for the year before income tax charge has been arrived at after taking into account the following items:

R	2015	2014
Income:		
Cost recovery	**32 865 243**	27 979 523
Revaluation of share appreciation rights scheme derivative financial instrument	**6 349 922**	—
Expenditure:		
Audit fees — current year	**75 897**	77 380
Depreciation	**49 916**	55 867
Office expenses	**1 731 860**	1 077 320
Salaries	**31 470 168**	20 779 082
Revaluation of share appreciation rights scheme derivative financial instrument	—	3 681 866

Directors' emoluments

R	Basic salary	Contributions to defined contribution plans	Annual bonus	Phantom share scheme payment	Total
EXECUTIVE DIRECTORS					
2015					
JWA Templeton (CEO)	**1 928 743**	**543 764**	**1 580 000**	**1 077 003**	**5 129 510**
GM Jennett (CFO)	**1 169 978**	**176 142**	—	—	**1 346 120**
PJ Thurling (ex CFO)	**1 149 986**	**142 237**	**200 000**	**551 425**	**2 043 648**
U van Biljon	**1 678 324**	**338 042**	**1 050 000**	**551 425**	**3 617 791**
Total	**5 927 031**	**1 200 185**	**2 830 000**	**2 179 853**	**12 137 069**
2014					
JWA Templeton (CEO)	1 797 978	505 059	945 000	674 419	3 922 456
PJ Thurling (CFO)	1 571 545	267 510	100 000	394 254	2 333 309
U van Biljon	1 566 298	309 542	625 000	394 254	2 895 094
Total	4 935 821	1 082 111	1 670 000	1 462 927	9 150 859

Phantom PIs held

Number of PIs	Balance at 1 July 2014	(Exercised)/issued/ (cancelled) during the year	Balance at 30 June 2015
First tranche			
JWA Templeton	516 796	(258 398)	258 398
PJ Thurling	264 599	(264 599)	—
U van Biljon	264 599	(132 300)	132 299
GM Jennett	—	132 299	132 299
Total	1 045 994	(522 998)	522 996

12 | Operating profit continued

Number of PIs	Balance at 1 July 2014	(Exercised)/issued/ (cancelled) during the year	Balance at 30 June 2015
Second tranche			
JWA Templeton	555 556	—	555 556
U van Biljon	555 556	—	555 556
Total	1 111 112	—	1 111 112
Third tranche			
JWA Templeton	—	329 598	329 598
U van Biljon	—	263 678	263 678
Total	—	593 276	593 276

R	FEES FOR SERVICES AS DIRECTORS 2015	2014
NON-EXECUTIVE DIRECTORS		
BJ van der Ross (Chairman)	**236 000**	220 500
MS Aitken	**189 875**	162 400
BH Kent (Lead independent director)	**408 500**	321 600
V Mahlangu	**365 500**	256 952
NE Makiwane	**174 000**	233 052
W McCurrie	**258 000**	162 400
MSB Neser	**189 875**	162 400
V Nkonyeni	**174 000**	162 400
G van Zyl	**334 500**	162 400
Total	**2 330 250**	1 844 104

In addition to the above, G van Zyl was paid consulting fees of R137 390 (2014: R77 000) during the year.

13 | Net interest income

R	2015	2014
Interest received	**187 276**	184 447
	187 276	184 447

14 | Income tax charge

R	2015	2014
South African normal taxation — current	**1 776 894**	—
	1 776 894	—
Tax rate reconciliation		
	%	%
Standard rate	**28,0**	28,0
Permanent differences	**46,4**	(28,0)
Effective rate of taxation	**74,4**	—

15 | Notes to the cash flow statement

R	2015	2014
Cash generated from operations		
Net profit/(loss) for the year before income tax charge	**2 387 677**	(1 469 864)
Net interest income	**(187 276)**	(184 447)
Fair value adjustments	**(6 349 922)**	3 681 866
Amortisation of call option	**3 541 215**	1 955 308
Depreciation	**49 916**	55 867
Operating (loss)/profit before working capital changes	**(558 390)**	4 038 730
Decrease/(increase) in accounts receivable	**333 807**	(2 003 920)
Increase in accounts payable	**3 978 278**	1 308 677
	3 753 695	3 343 487

16 | Taxation paid for the year

R	2015	2014
Balance owing at 1 July 2014	**—**	—
Taxation charge for the year	**1 776 894**	—
Balance owing at 30 June 2015	**(1 776 894)**	—
Taxation paid for the year	**—**	—

17 | Financial risk management

The company's financial instruments consist mainly of deposits with a bank, accounts receivable, shareholders' loans, accounts payable and derivative financial instruments. In respect of the abovementioned financial instruments, book values approximate fair value.

Exposure to interest rate, credit and liquidity risks occurs in the normal course of business.

R	Weighted average effective interest rate %	1 year or less	1 – 5 years	More than 5 years	Total
YEAR ENDED 30 JUNE 2015					
Financial assets					
Accounts receivable		4 007 271			4 007 271
Derivative financial instrument		7 665 859	6 860 172		14 526 031
Cash at bank	5,0	7 137 000			7 137 000
Total financial assets		18 810 130	6 860 172		25 670 302
Financial liabilities					
Accounts payable		1 280 878			1 280 878
Loan to Emira Property Fund		2 746 103			2 746 103
Total financial liabilities		4 026 981			4 026 981

17 | Financial risk management continued

R	Weighted average effective interest rate %	1 year or less	1 – 5 years	More than 5 years	Total
YEAR ENDED 30 JUNE 2014					
Financial assets					
Accounts receivable		4 341 078			4 341 078
Derivative financial instrument		8 081 338			8 081 338
Cash at bank	4,2	4 085 912			4 085 912
Total financial assets		16 508 328			16 508 328
Financial liabilities					
Accounts payable		1 901 844			1 901 844
Total financial liabilities		1 901 844			1 901 844

Interest rate risk management
Exposure to interest rate risk is considered minimal.

Credit risk management
Credit risk is considered to be minimal. Trade receivables consist of the recovery of costs due by Emira Property Fund.

Liquidity risk management
Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet funding requirements.

Capital risk management
STREM is required to have reserves equivalent to 13 weeks' worth of expenses. However, in terms of the Trust Deed the Fund reimburses STREM for all costs incurred.

Measurement of fair value

Financial instruments

The financial asset measured at fair value in the statement of financial position is included in the fair value hierarchy as follows:

R	Level 1	Level 2	Level 3
YEAR ENDED 30 JUNE 2015			
Assets			
Derivative financial instrument		**14 526 031**	
YEAR ENDED 30 JUNE 2014			
Assets			
Derivative financial instrument		**8 081 338**	

17 | Financial risk management continued

Derivative financial instruments — options and share appreciation rights

The call option contracts to the value of R14,5 million are valued using a Black Scholes option pricing model. The expected volatility of the unit price used in the valuation model ranged between 20,0% and 25,0% and the risk free discount rate used ranged between 6,0% and 8,0%.

STREM has entered into call option contracts with Investec as an economic hedge, in respect of the share appreciation rights scheme, at the following strike prices:

Date	Number of PIs	Strike price
First tranche		
15 September 2015	775 000	10,41
Second tranche		
15 September 2016	583 158	14,37
15 September 2017	583 158	14,22
15 September 2018	583 158	13,98
Third tranche		
15 September 2017	437 803	15,25
15 September 2018	437 803	15,10
15 September 2019	437 803	14,84

18 | Related party transactions

The company is controlled by MMI Strategic Investments (Pty) Ltd, which owns 70% of the company's shares, the other 30% being owned equally by Eris Investment Holdings (Pty) Ltd and Corovest Property Group Holdings Limited.

R	2015	2014
Income received from Group companies		
Emira Property Fund (managed company)		
— Cost recovery	**32 865 243**	27 979 523
Rand Merchant Bank a division of FirstRand Bank Limited (associate of parent) — interest received	**187 276**	184 447
	33 052 519	28 163 970
Expenses paid to Group companies		
Eris Investment Holdings (Pty) Ltd (shareholder)		
— Administration fee	**222 029**	289 444
Emira Property Fund (managed company)		
— rent paid	**928 316**	872 853
Inter-group balances		
MMI Strategic Investments (Pty) Ltd (shareholder)		
— Subordinated loan	**1 547 000**	1 547 000
Eris Investment Holdings (Pty) Ltd (shareholder)		
— Subordinated loan	**331 500**	331 500
Corovest Property Group Holdings Limited (shareholder)		
— Subordinated loan	**331 500**	331 500
Rand Merchant Bank a division of FirstRand Bank Limited (associate of parent)		
— Bank balances	**7 137 000**	4 085 912
Emira Property Fund (managed company)		
— Loan	**2 746 103**	—

19 | Post year-end events

On 1 July 2015, Emira Property Fund Limited exercised its option to purchase the entire share capital of the Company.

EMIRA PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2014/130842/06
JSE share code: EMI ISIN: ZAE000203063
(Approved as a REIT by the Johannesburg Stock Exchange)
("Emira" or the "Company")

Notice is hereby given that the first annual general meeting of shareholders of Emira will be held (subject to any adjournment, postponement or cancellation) at the office of the Company at 1st Floor, Optimum House, Epsom Downs Office Park, 13 Sloane Street, Bryanston, at 14:00 on Monday, 16 November 2015 to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.

The Board of Directors of the Company has determined, in accordance with section 59(1)(a) and (b) of the Companies Act No. 71 of 2008, as amended ("Companies Act"), that the record date for shareholders to receive the notice of the annual general meeting (the notice record date) is Friday, 18 September 2015 and the record date for shareholders to be recorded as such in the shareholders' register, maintained by the transfer secretaries of the company, to be able to attend, participate in and vote at the annual general meeting (the voting record date) is Friday, 6 November 2015. Therefore the last day to trade in the company's shares on the JSE Limited ("JSE") to be recorded in the share register on the voting record date is Friday, 30 October 2015.

Presentation of audited annual financial statements

The annual financial statements of the Emira Property Fund — A Collective Investment Scheme registered under the Collective Investment Schemes Control Act 45 of 2002 ("Old Emira") and the group, including the reports of the directors, group audit committee and the independent external auditors, for the year ended 30 June 2015, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act.

With effect from 1 July 2015 Old Emira completed the conversion process to a corporate REIT, which was approved by the unit holders in May 2015.

Presentation of Social and Ethics Committee report

A report of the members of the Social and Ethics Committee for the year ended 30 June 2015, as included in this integrated report, will be presented to shareholders as required in terms of regulation 43 of the Companies Regulations 2011 ("Regulations").

Resolutions for consideration and adoption

1. ***Ordinary resolution number 1: Approval of the annual financial statements***

   "**RESOLVED** that the annual financial statements for the financial year ended 30 June 2015 including the management company's report and the report of the auditors thereon be received, considered and approved."

2. ***Ordinary resolution number 2: Re-appointment of independent external auditors***

   As set out in the Audit Committee report of this integrated report, the Audit Committee has assessed PricewaterhouseCoopers Incorporated's performance, independence and suitability and has nominated them for re-appointment as independent external auditors of the group, to hold office until the next annual general meeting.

   "**RESOLVED** that PricewaterhouseCoopers Incorporated, with the designated audit partner being Mr V Muguto, be and is hereby re-appointed as independent external auditors of the Group for the ensuing year."

   For this resolution to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of this resolution.

3. ***Ordinary resolution numbers 3.1 to 3.3: Re-election of directors***

   Ms NE Makiwane, Mr V Mahlangu and Mr V Nkonyeni are obliged to retire by rotation at this annual general meeting in accordance with the provisions of clause 20.3 and 20.4 of the Company's memorandum of incorporation.

   Having so retired and being eligible, Ms NE Makiwane, Mr V Mahlangu and Mr V Nkonyeni offer themselves for re-election.

   Ordinary resolution number 3.1
   "**RESOLVED** that Ms NE Makiwane be and is hereby re-elected as a director of the company with effect from 16 November 2015."

   Ordinary resolution number 3.2
   "**RESOLVED** that Mr V Mahlangu be and is hereby re-elected as a director of the company with effect from 16 November 2015."

   Ordinary resolution number 3.3
   "**RESOLVED** that Mr V Nkonyeni be and is hereby re-elected as a director of the company with effect from 16 November 2015."

   For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

4. ***Ordinary resolution number 4: Election of Audit Committee members***

   To elect by separate resolutions an Audit Committee comprising independent non-executive directors, as provided in section 94(4) of the Companies Act and appointed in terms of section 94(2) of that Act to hold office until the next annual general meeting to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and the King III Report on Governance for South Africa 2009 ("King III") and to perform such other duties and responsibilities as may from time to time be delegated by the Board of Directors for the Company, all subsidiary companies and controlled trusts.

   The Board of Directors has assessed the performance of the Audit Committee members standing for election and has found them suitable for appointment. Brief résumés for these directors appear in this integrated report.

   Ordinary resolution number 4.1
   "**RESOLVED** that Mr BH Kent be and is hereby elected as a member and chairman of the Audit Committee with effect from 16 November 2015."

   Ordinary resolution number 4.2
   "**RESOLVED** that Mr G van Zyl be and is hereby elected as a member of the Audit Committee with effect from 16 November 2015."

Ordinary resolution number 4.3

"**RESOLVED** that Mr V Mahlangu* be and is hereby elected as a member of the Audit Committee with effect from 16 November 2015."

* *The election of Mr V Mahlangu is subject to his re-election as a director.*

For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

5. *Ordinary resolution number 5: Election of non-executive director to the Social and Ethics Committee*

As provided for in section 72(4) of the Companies Act and regulation 43 of the Regulations, the appointment in terms of regulation 43(2) of the Regulations to hold office until the next annual general meeting and to perform the duties and responsibilities stipulated in regulation 43(5) of the Regulations and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors for the company and all subsidiary companies.

The Board of Directors has assessed the performance of the Social and Ethics Committee member standing for election and has found him to be suitable for appointment.

Ordinary resolution number 5.1

"**RESOLVED** that Mr V Nkonyeni* be and is hereby elected as a member of the Social and Ethics Committee with effect from 16 November 2015."

* *The election of Mr V Nkonyeni is subject to his re-election as a director.*

For this resolution to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of each of these resolutions.

6. *Ordinary resolution number 6: Approval of the remuneration policy*

"**RESOLVED**, through a non-binding advisory vote, that the Company's remuneration policy and its implementation, as set out in the remuneration report of this integrated report, be and is hereby approved."

This ordinary resolution is of an advisory nature only and although the Board will consider the outcome of the vote when determining the remuneration policy, failure to pass this resolution will not legally preclude the Company from implementing the remuneration policy as contained in this integrated report.

7. *Ordinary resolution number 7: Authority to implement the resolutions passed at the annual general meeting*

"**RESOLVED** that any 2 (two) directors and/or any 1 (one) director and the Company Secretary be duly authorised to implement the resolutions set out in the notice convening the annual general meeting."

8. *Ordinary resolution number 8: General authority to issue shares*

"**RESOLVED** that the directors of the Company are hereby authorised, by way of a renewable general authority, to issue shares in the authorised but unissued capital of the Company for cash, as and when they in their discretion deem fit, subject to the JSE Listings Requirements, when applicable provided that:

› this general authority shall be valid until the Company's next annual general meeting or for 15 (fifteen) months after the date on which this authority is granted, whichever period is the shorter;
› the shares must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
› a press announcement giving full details, in accordance with the JSE Listings Requirements including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% (five percent) or more of the number of shares prior to the issue;
› issues in terms of this authority will not in the aggregate in any one financial year exceed 7,5% (seven and a half percent) (38 291 256) of the number of the Company's shares already in issue of that class. Any issues in terms of this authority will be effected in accordance with the provisions of paragraph 5.52 (c) (ii) to (v) of the JSE Listings Requirements.
› in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 7,5% (seven and a half percent) of the weighted average traded price of the shares measured over the 30 (thirty) business days prior to the date that the price of the shares are agreed between Emira and the party subscribing for the securities.

The JSE should be consulted for a ruling if the Company's shares have not traded in such 30 (thirty) business day period;

› any such issue will only be made to public shareholders as defined in the JSE Listings Requirements and not to related parties; and
› any such general issues are subject to exchange control regulations and approval at that time."

The approval of a 75% (seventy-five percent) majority of the votes cast in favour of ordinary resolution number 8 by shareholders present or represented by proxy at this annual general meeting is required for this ordinary resolution to become effective.

9. *Special resolution number 1: Non-executive directors' fees*

Approval in terms of section 66 of the Companies Act is required to authorise the Company to remunerate the non-executive directors for services as directors.

Furthermore, in terms of King III and as read with the JSE Listings Requirements, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous 2 (two) years.

"**RESOLVED** as a special resolution in terms of the Companies Act, that the remuneration of non-executive directors for the period 1 December 2015 until the end of the month in which the next annual general meeting is held, be and is hereby approved on the basis set out below:

Position	Proposed rates per annum
CHAIRMAN	R228 000
BOARD MEMBER	R186 000
CHAIRMAN AUDIT COMMITTEE	R117 500
MEMBER AUDIT COMMITTEE	R80 000
CHAIRMAN REMUNERATION COMMITTEE	R27 800
MEMBER REMUNERATION COMMITTEE	R23 500
LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR	R41 700
CHAIRMAN FINANCE COMMITTEE	R61 500
MEMBER FINANCE COMMITTEE	R54 500
CHAIRMAN INVESTMENT COMMITTEE	R61 500
MEMBER INVESTMENT COMMITTEE	R54 500
SOCIAL AND ETHICS COMMITTEE	R38 500
AD HOC MEETINGS (PER HOUR)	R2 500

The proposed fees equate to a 7% (seven percent) increase, and are aligned with the 2015 increases for the management and specialist category employees.

For this resolution to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

10. *Special resolution number 2: General authority to repurchase shares*

"**RESOLVED** as a special resolution in terms of the Companies Act, that, subject to compliance with the JSE Listings Requirements, the Companies Act, and clause 3.1(12) of the memorandum of incorporation of the Company, the directors be and are hereby authorised, at their discretion, to instruct that the Company or subsidiaries of the Company acquire or repurchase ordinary shares issued by the Company, provided that:

› The number of ordinary shares acquired in any one financial year will not exceed 5% (five percent) of the ordinary shares in issue at the date on which this resolution is passed
› This must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited)
› This authority will lapse on the earlier of the date of the next annual general meeting of the Company or 15 (fifteen) months after the date on which this resolution is passed
› The price paid per ordinary share may not be greater than 7,5% (seven and a half percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which a purchase is made."

The reason for and effect of this special resolution is to authorise the directors, if they deem it appropriate in the interests of the company, to instruct that the Company or its subsidiaries acquire or repurchase ordinary shares issued by the Company subject to the restrictions contained in the above resolution.

At present, the directors have no specific intention to use this authority which will only be used if circumstances are appropriate. The directors undertake that they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

› After such repurchases, the Company passes the solvency and liquidity test as contained in section 4 of the Companies Act and that, from the time the solvency and liquidity test is done, there will be no material changes to the financial position of the Group
› The consolidated assets of the Company and the Group, fairly valued in accordance with IFRS and in accordance with accounting policies used in the Company and Group annual financial statements for the year ended 30 June 2015, will exceed the consolidated liabilities of the Company and the Group immediately following such purchase or 12 (twelve) months after the date of the notice of annual general meeting, whichever is the later
› The Company and Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the notice of the annual general meeting or a period of 12 (twelve) months after the date on which the Board considers that the purchase will satisfy the immediately preceding requirement and this requirement, whichever is the later
› The issued share capital and reserves of the Company and Group will be adequate for the purposes of the business of the Company and Group for a period of 12 (twelve) months after the date of the notice of the annual general meeting of the Company
› The Company and Group will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of this notice
› A resolution is passed by the Board of Directors that it has authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group
› The Company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless the Company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant prohibited period are fixed (not subject to any variation) and has been submitted to the JSE in writing. The Company will instruct an independent third party, which makes its investment decisions on the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE
› When the Company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made
› The Company at any time only appoints one agent to effect any repurchase(s) on its behalf.

For this resolution to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

11. Special resolution number 3: Financial assistance for subscription of securities

"**RESOLVED** as a special resolution in terms of the Companies Act, that the provision by the Company of any direct or indirect financial assistance as contemplated in section 44 of the Companies Act to any 1 (one) or more related or inter-related persons of the Company for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or interrelated company, be and is hereby approved, provided that:

1. i) The specific recipient/s of such financial assistance
   ii) The form, nature and extent of such financial assistance
   iii) The terms and conditions under which such financial assistance is provided are determined by the Board of Directors of the Company from time to time
2. The Board has satisfied the requirements of section 44 of the Companies Act on the provision of any financial assistance
3. Such financial assistance to a recipient is, in the opinion of the Board of Directors of the Company, required for a purpose, which in the opinion of the board, is directly or indirectly in the interests of the Company
4. The authority granted in terms of this special resolution will remain valid until a new similar resolution is passed at the next annual general meeting or after the expiry of a period of 24 (twenty-four) months, whichever is the later."

For this resolution to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

12. Special resolution number 4: Financial assistance to related or inter-related companies

"**RESOLVED** as a special resolution in terms of the Companies Act, that the provision by the Company of any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more related or inter-related companies of the Company and/or to any 1 (one) or more juristic persons who are members of, or are related to, any such related or inter-related company, be and is hereby approved, provided that:

1. i) The specific recipient/s of such financial assistance
   ii) The form, nature and extent of such financial assistance
   iii) The terms and conditions under which such financial assistance is provided are determined by the Board of Directors of the Company from time to time
2. The Board has satisfied the requirements of section 45 of the Companies Act in relation to the provision of any financial assistance
3. Such financial assistance to a recipient is, in the opinion of the Board of Directors of the Company, required for a purpose which, in the opinion of the Board, is directly or indirectly in the interests of the Company
4. The authority granted in terms of this special resolution will remain valid until a new similar resolution is passed at the next annual general meeting or after the expiry of a period of 24 (twenty-four) months, whichever is the later."

For this resolution to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

To transact such other business as may be transacted at an annual general meeting

Disclosures required in terms of the JSE Listings Requirements

The following information is provided in accordance with paragraph 11.26 of the JSE Listings Requirements and relates to special resolution number 2:

13. Directors' responsibility statement

The directors, whose names appear in this integrated report, collectively and individually accept full responsibility for the accuracy of the information given in special resolution number 2, and certify that to the best of their knowledge and belief no facts have been omitted that would make any statements false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this resolution and additional disclosure in terms of paragraph 11.26 of the JSE Listings Requirements contain all information required by law and the JSE Listings Requirements.

14. Material changes

Other than the facts and developments reported in the Group and Company annual financial statements, and this integrated report, there have been no material changes in the affairs, financial or trading position of the group since publication of the summarised group annual financial statements for the year ended 30 June 2015.

The following further disclosures required in terms of the JSE Listings Requirements are set out in:

› The 2015 integrated report — major shareholders of the Company, as referenced in note 29.
› Circular dated April 2015 to Unit Holders of Emira Property Fund — a Registered Collective Investments Scheme in terms of the Collective Investment Schemes Control Act 45 of 2002 — share capital of the Company, as referenced in note 12.

15. Identification, voting and proxies

In terms of section 63(1) of the Companies Act, any person attending or participating in the annual general meeting must present reasonable satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (as shareholder or as proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include valid identity documentation, driver's licences and passports.

EMIRA PROPERTY FUND LIMITED
NOTICE OF ANNUAL GENERAL MEETING
continued

The votes of shares held by share trusts classified as schedule 14 trusts in terms of the JSE Listings Requirements will not be taken into account at the annual general meeting for approval of any resolution proposed in terms of the JSE Listings Requirements.

A form of proxy is attached for the convenience of any certificated or dematerialised Emira shareholders with own-name registrations who cannot attend the annual general meeting, but wish to be represented.

To be valid, completed forms of proxy must be received by the transfer secretaries of the company,

> *Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 11:00 on Thursday, 12 November 2015.*

All beneficial owners of Emira shares who have dematerialised their shares through a central securities depository participant (CSDP) or broker, other than those with own-name registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions, in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee. Should such beneficial owners wish to attend the meeting in person, they must request their CSDP, broker or nominee to issue them with the appropriate letter of representation.

Emira does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify such Emira shareholder of the annual general meeting.

16. Electronic participation by shareholders

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the annual general meeting electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the transfer secretaries, at the address above, to be received by the transfer secretaries at least 7 (seven) business days prior to the annual general meeting (thus Thursday, 5 November 2015) for the transfer secretaries to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or representative or proxy) with details on how to access the annual general meeting by means of electronic participation. The company reserves the right not to provide for electronic participation at the annual general meeting if it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to participate in this manner.

By order of the Board

Martin Harris
Company Secretary

Bryanston

ADMINISTRATION

Registered address
Optimum House
Epsom Downs Office Park
13 Sloane Street
Bryanston
2191
PO Box 69104, Bryanston, 2021

Asset manager
Strategic Real Estate Managers (Pty) Ltd
Optimum House
Epsom Downs Office Park
13 Sloane Street
Bryanston
2191
PO Box 69104, Bryanston, 2021

Property managers
Eris Property Group (Pty) Ltd
3 Gwen Lane
Sandton
2196
PO Box 786130, Sandton, 2146

Broll Property Group (Pty) Ltd
Broll House
27 Fricker Road
Illovo
2196
PO Box 1455, Saxonwold, 2132

Trustee
FirstRand Bank Limited
3 First Place
Bank City
Cnr Simmonds and Jeppe Streets
Johannesburg 2001
PO Box 7713, Johannesburg, 2000

Merchant bank and sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited
1 Merchant Place
Fredman Drive
Sandton
2196
PO Box 786273, Sandton, 2146

Transfer secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001
PO Box 61051, Marshalltown, 2107

Auditor
PricewaterhouseCoopers Inc.
2 Eglin Road
Sunninghill
2157
Private Bag X36, Sunninghill, 2157

Bankers
FirstRand Bank Limited t/a First National Bank
Sandton Outlet
Wierda Valley
2196
PO Box 787428, Sandton, 2146

Attorneys
DLA Cliffe Dekker Hofmeyr Inc
1 Protea Place
Sandton
2196
Private Bag X40, Benmore, 2010

Rowan Attorneys
4 Biermann Avenue
Rosebank
2196
PO Box 1997, Rivonia, 2128

FORM OF PROXY

EMIRA PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2014/130842/06 JSE share code: EMI ISIN: ZAE000203063
(Approved as a REIT by the Johannesburg Stock Exchange)
("Emira" or the "company")

To be completed by certificated shareholders and dematerialised shareholders with "own name" registration only

For completion by registered shareholders of Emira unable to attend the first annual general meeting of shareholders of the Company to be held at 14:00 on Monday, 16 November 2015, at the offices of Emira Property Fund Limited at 1st Floor, Optimum House, Epsom Downs Office Park, 13 Sloane Street, Bryanston or at any adjournment or postponement of that meeting.

A shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the Company) to attend, participate in, speak and vote or abstain from voting in the place of that shareholder at the annual general meeting.

I/We (please print names in full) ______________________________

of (address) ______________________________

being the holder/s of ______________________________ shares in the company, do hereby appoint:

1. ______________________________ or, failing him/her

2. ______________________________ or, failing him/her

the chairman of the annual general meeting, as my/our proxy to attend, participate in, speak and, on a poll, vote on my/our behalf at the annual general meeting of shareholders to be held at 14:00 on Monday, 16 November 2015 at the offices of Emira Property Fund Limited at 1st Floor, Optimum House, Epsom Downs Office Park, 13 Sloane Street, Bryanston or at any adjournment or postponement of that meeting, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain
Ordinary resolutions			
1. Approval of annual financial statements			
2. Re-appointment of independent external auditors			
3. Re-election of directors			
3.1 Re-election of Ms NE Makiwane as a director			
3.2 Re-election of Mr V Mahlangu as a director			
3.3 Re-election of Mr V Nkonyeni as a director			
4. Election of Audit Committee members			
4.1 Election of Mr BH Kent as a member of the Audit Committee			
4.2 Election of Mr G van Zyl as a member of the Audit Committee			
4.3 Election of Mr V Mahlangu as a member of the Audit Committee			
5. Election of non-executive director to the Social and Ethics Committee			
5.1 Election of Mr V Nkonyeni as a member of the Group Social and Ethics Committee			
6. Approval of the remuneration policy			
7. Authority to implement the resolutions passed at the annual general meeting			
8. General authority to issue shares			
Special resolutions			
1. Approval of non-executive directors' fees			
2. General authority to repurchase shares			
3. Approval for financial assistance for the subscription of securities			
4. Approval for financial assistance to related or inter-related companies			

Please indicate with an 'X' in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at ______________________________ the ____________ day of ______________________ 2015

Signature ______________________________

Assisted by me, where applicable (name and signature) ______________________________

Please read the notes that follow.

NOTES OF THE FORM OF PROXY

Which include a summary of the rights established by section 58 of the Companies Act 71 of 2008, as amended (Companies Act)

1. A form of proxy is only to be completed by those ordinary shareholders who are:
   - Holding ordinary shares in certificated form or
   - Recorded on the sub-register in electronic form in own-name.
2. If you have already dematerialised your ordinary shares through a central securities depository participant (CSDP) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement between yourself and your CSDP or broker.
3. A shareholder may insert the name of a proxy or the names of two or more persons as alternative or concurrent proxies in the space. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act to the exclusion of those whose names follow. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
4. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
5. On a show of hands, a shareholder of the company present in person or by proxy will have one vote, irrespective of the number of shares he/she holds or represents, provided that a proxy will, irrespective of the number of shareholders he/she represents, have only one vote. On a poll, a shareholder who is present or represented by proxy will be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of shares held by him/her bears to the aggregate amount of the nominal value of all shares issued by the company.
6. A shareholder's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the shareholder in the box provided. Failure to comply with this will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's exercisable votes. A shareholder or proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
7. The proxy appointment is:
   - Suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder, and
   - Revocable unless the proxy appointment expressly states otherwise; and if the appointment is revocable, a shareholder may revoke the proxy appointment by:
     - Cancelling it in writing, or making a later inconsistent appointment of a proxy, and
     - Delivering a copy of the revocation instrument to the proxy, and to the transfer secretaries of the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
   - The date stated in the revocation instrument, if any, or
   - The date on which the revocation instrument was delivered.
9. If the instrument appointing a proxy or proxies has been delivered, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered to:
   - The shareholder, or
   - The proxy or proxies, if the shareholder has directed the company to do so, in writing, and paid any reasonable fee charged by the company for doing so.
10. The proxy appointment remains valid only until the end of the annual general meeting or any adjournment or postponement of the meeting, unless it is revoked in accordance with paragraph 7 prior to the meeting.
11. Forms of proxy must be lodged at or posted to Computershare Investor Services Proprietary Limited, to be received not later than 48 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays), thus by 11:00 on Thursday, 12 November 2015.

    For shareholders on the register:

    Computershare Investor Services Proprietary Limited

    Ground Floor

    70 Marshall Street

    Johannesburg

    2001

    PO Box 61051

    Marshalltown

    2107

    www.computershare.com

    Tel: +27 11 370 5000
12. Completing and lodging this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person to the exclusion of any appointed proxy.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
14. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
15. Despite the aforegoing, the chairman of the annual general meeting may, if deemed reasonable, waive any formalities that would otherwise be a prerequisite for a valid proxy.
16. If any shares are jointly held, all joint shareholders must sign this form of proxy. If more than one of those shareholders is present at the annual general meeting, either in person or by proxy, the person whose name first appears in the register will be entitled to vote.

www.emira.co.za