EMIRA PROPERTY FUND

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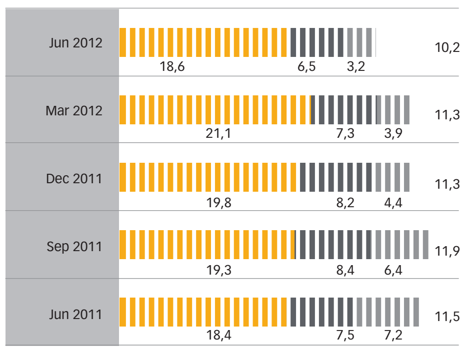
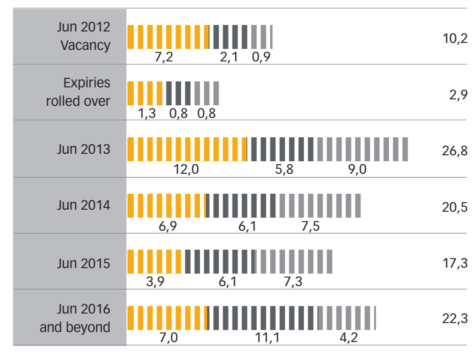
(A property fund created under the Emira Property Scheme, registered in terms of the Collective Investment Schemes Control Act)

Share code: EMI ISIN: ZAE000050712 ("Emira" or "the Funds")

Vacancy profile by sector (% of GLA)



Lease expiry profile by sector (% of GLA)



Office Retail Industrial

Distributable income R557,4 million

Distribution 110,68 cents per PI

Net asset value 1153 cents per PI

Reviewed financial results for year ended 30 June 2012 and income distribution declaration

Commentary

The board of directors of Strategic Real Estate Managers (Proprietary) Limited ("STREM") hereby announces a distribution of 110,68 cents per Emira participatory interest ("PI") for the 12 months to 30 June 2012. This is a reduction of 2,5% on the previous comparable period, which is in line with the prospects statement in the Fund's December 2011 interim results announcement released in February 2012, and represents an income return for the 12 months of 8,4%, being distributions actually paid out during the period under review. The percentage of weighted average PIs in issue that traded in the 12-month period equated to 40,0%.

During the financial year, a significant amount of effort has gone into improving the quality of the Emira portfolio through (i) the disposal of those properties deemed to be non-core (ii) the acquisition of new properties, as well as (iii) the refurbishment of existing assets. This focus on changing the quality of the portfolio, as well as the expansion of the skills dedicated to the Fund through the bolstering of the asset management team, has successfully resulted in the reduction of vacancies and increased retention of tenants.

Disposals: The strategy to dispose of non-core buildings was met with good success, with 15 buildings being transferred out of the Fund or sold unconditionally for a total of R402,3 million – Crocker Road Industrial Park, Flexitainer, Ciros House, Umhlanga Centre, Dresdner House, Hurlingham Office Park, Linkview, a unit at Georgian Place, Century Gate, Starsky House and Gift Acres were all transferred for a total of R266,4 million, while two further properties – Mutual Mews and 33 Heerengracht totalling R36,9 million – were transferred after the financial year end. Midrand Business Park and Montana Value Centre have also been sold unconditionally for R99,0 million, a premium to carrying value, but not yet transferred. A further 14 non-core properties, worth approximately R496,8 million on the disposal list.

The disposal of these properties will significantly improve the quality of the portfolio, reduce vacancies and also allow management to focus on larger buildings, with better income growth prospects. The proceeds from the disposals are expected to be utilised for the Fund's significant capital expenditure project pipeline, PI repurchases and any acquisitions that may be concluded.

Acquisitions: As was reported previously, the board approved the acquisition of a new 13 782 m² A-grade office building being developed by Eris Property Group, on the corner of Corobay Avenue and Aramist Avenue, in Menlyn Pretoria, for R311,5 million. The development of the building, which is 70% pre-let to Worley Parsons for 10 years and has a one year gross rental warranty on the balance of the vacant space from completion from the developer, was substantially completed at 30 June 2012 and is expected to yield 9,0% in the first year.

Emira also acquired two A-grade office buildings during the period – Corporate Park 66 which is a 13 566 m² multi-tenanted office building situated in Centurion, Pretoria. It was acquired on 30 May 2012 at a cost of R214 million and an expected forward yield of 9,4%. Amadeus Place is a 2 800 m² A-grade office building situated in the Turnberry Office Park, Bryanston, in which Emira already owns an existing building. It was acquired on 27 June 2012 at a cost of R41 million, at an expected forward yield of 9,6% and has taken the Fund's exposure in this office park to R79,6 million.

These acquisitions are in line with the Fund's policy of reducing its exposure to B-grade office space and increasing the quality of its portfolio by buying larger, high quality properties.

Refurbishments and extensions completed: Nine projects totalling R297,7 million were concluded during the period, which included, amongst others, (i) the redevelopment of Podium Office Park in Menlyn, comprising the construction of 9 090 m² of prime, ideally located office space at an estimated total cost R165,9 million (ii) a major refurbishment of 267 West (R36,3 million) (iii) the redevelopment of Cresta Corner to accommodate a new state of the art Audi dealership (R33,6 million) (iv) extensions to Market Square Shopping Centre for Edgars and Clicks (R28,8 million) (v) the refurbishment of Albury Office Park (R19,1 million) and (vi) the reconfiguration of tenants at Lynnridge Mall (R6,9 million).

Refurbishments and extensions underway: Several other projects worth approximately R53,3 million are underway, the most significant of which include (i) the replacement of lifts and the refurbishment of Braamfontein Centre (R16,8 million) (ii) extensions to Kokstad Shopping Centre for certain national tenants (R11,0 million) (iii) the refurbishment of East Coast Radio House (R10,0 million) and (iv) the extension of Woolworths at Boskruin Shopping Centre (R9,5 million).

In November 2011 the Board approved the implementation of a PI repurchase programme and at the annual general meeting of the Fund this programme also received the necessary support of Emira PI holders. In terms of the programme, a portion of the proceeds from the sale of properties are to be used to repurchase PIs in the open market, which would be earnings enhancing to the Fund. By 30 June 2012 Emira had repurchased 7 145 747 PIs in the open market at an average of R12,11 per PI.

Another highlight of the financial year has been a restructuring of a significant portion of the Fund's debt as well as the raising of new debt facilities. On 12 August 2011, Emira raised funding of R500 million, by way of a four-year secured corporate bond, at a favourable margin. The funds were used to repay the R500 million that was raised through the Freestone Finance Series 1 commercial mortgage backed securitisation ("CMBS") in 2006. Although the margin payable on the corporate bond is higher than that paid on the CMBS, the facility is for four years, resulting in Emira's debt facilities now being staggered between 2013 and 2019, reducing risk to Emira PI holders. A new R500 million facility was also raised with Rand Merchant Bank, which will be used for the capital requirements of the Fund as outlined below. Furthermore, the R200 million Nedbank redeemable preference share facility was repaid on 2 February 2012, by way of a new three-year term loan received from Nedbank.

In July 2011 Emira increased its stake in Growthpoint Properties Australia ("GOZ"), an Australian property trust listed on the Australian Stock Exchange, by a further 4,4 million stapled securities at a price of AUD$1,90 per stapled security, through its participation in the AUD$102,7 million rights issue by GOZ. This took Emira's holding in GOZ to 23,8 million stapled securities, or 6,3% of the securities in issue, which was valued at R418 million at 30 June 2012 compared to the cost to the Fund of R296 million.

Results

The global economic conditions continued to impact the Fund's performance during the period, with tenants, particularly in the office sector, unwilling to commit to new space due to the fragility surrounding international and local economic growth. Further increases in municipal expenses also placed a burden on the income statements of businesses in South Africa, resulting in the shrinking of net rentals payable to landlords. The Fund therefore needed to be competitive when trying to attract or retain tenants. In contrast, the industrial sector continued to perform well, with vacancies declining notably, which should result in improved industrial rentals in the next 12 to 24 months.

Although income from listed investments rose substantially and management expenses declined as a result of the amendments to the Trust Deed approved by PI holders in September 2010, distributions payable declined due to a slight decline in net property income and rising finance costs following the increased level of debt in the Fund due to on-going capital expenditure and acquisitions.

Vacancies decreased from 11,5% in June 2011 to 10,2% in June 2012 due to a pleasing performance from the retail and industrial portfolios, as well as the sale and transfer of non-core buildings during the period. On an adjusted basis (excluding properties under refurbishment or redevelopment), vacancies declined from 10,3% to 9,5%.

Excluding the straight-line adjustments from future rental escalations, revenue rose by 2,2% over the comparable period. This was positively impacted by organic growth in income from the existing portfolio, the conclusion of several capital projects in the previous financial year which contributed for the full period under review and increased recoveries of municipal expenses, but offset by rental reversions on new leases and the disposal of several properties listed below.

Property expenses rose by 7,8% year-on-year. Contractual cost escalations were well managed, while leasing costs did not increase as significantly as expected. Double digit increases were seen in maintenance and refurbishments – in order to improve the condition of the Fund's buildings – and the write-off and provision for bad debts.

The income from listed investments of R33,5 million, representing the Fund's holding in GOZ, showed an increase of 24,2% year-on-year. This was attributable to good growth in distributions, the depreciation of the Rand against the Australian dollar during the period, as well as the benefits of income from the additional units acquired by Emira in July 2011.

Asset management expenses declined by 10,1% on the comparable period, following the amendment to the service charge payable to STREM in September 2010. Net interest costs excluding unrealised gains or losses on interest rate swaps as well as capitalised interest rose by 10,4% as a result of increased levels of gearing in the Fund.

Net asset value increased by 0,3% in the 12 months from 1150 cents (1181 cents excluding the deferred tax provision) at 30 June 2011 to 1153 cents (1196 cents), largely as a result of the payment of the balance owing to STREM in respect of the amendment to the service charge arrangement, the repurchase of PIs during the period, deficits on interest rate swap valuations and investment property and listed investment revaluations.

Distribution statement for the year ended 30 June 2012

R'000	2012	2011	% change
Operating lease rental income and tenant recoveries excluding straight-lining of leases	1 259 787	1 232 911	2,2
Property expenses excluding amortised upfront lease costs	(475 728)	(441 113)	7,8
Per statement of comprehensive income	(475 141)	(444 230)	7,0
Amortised upfront lease costs	(587)	3 117	
Net property income	784 059	791 798	(1,0)
Income from listed investment	33 522	27 001	24,2
Per statement of comprehensive income	33 522	22 373	49,8
Pre-acquisition income received	—	4 628	(100,0)
Management expenses	(18 061)	(20 085)	(10,1)
Per statement of comprehensive income	—	(8 418)	(100,0)
Reimbursement to STREM in respect of management expenses	(18 061)	(11 667)	54,8
Administration expenses	(47 037)	(45 244)	4,0
Per statement of comprehensive income	(66 764)	(57 013)	17,1
Management expenses incurred by STREM included in the above	19 727	11 769	67,6
Depreciation	(10 739)	(9 805)	9,5
Per statement of comprehensive income	(10 757)	(9 805)	9,7
Depreciation incurred by STREM included in the above	18	—	
Net finance costs	(184 373)	(166 972)	10,4
Finance costs	(189 571)	(177 075)	7,1
Interest paid and amortised borrowing costs	(208 205)	(168 106)	23,9
Interest capitalised to the cost of developments	26 168	4 115	635,9
Preference share dividends paid	(6 849)	(11 895)	(42,4)
STC on preference share dividends paid	(685)	(1 189)	(42,4)
Investment income	5 198	10 103	(48,5)
Per statement of comprehensive income	5 274	6 098	(13,5)
Investment income earned by STREM	(76)	(102)	(25,5)
Claw-back of distribution in respect of participatory interests issued cum distribution	—	4 107	(100,0)
Distribution payable to participatory interest holders	557 371	576 693	(3,4)
Number of units in issue	500 864 482	508 010 229	(1,4)
Distribution per participatory interest (cents)	110,68	113,52	(2,5)

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

Properties transferred out of Emira during the 12 months to June 2012

Property	Sector	Location	GLA (m²)	Valuation June 2011 (Rm)	Sale price (Rm)	Exit yield (%)	Effective date
Georgian Place (Section 17)	Office	Kelvin Gauteng	709	3,1	3,1	9,3	26 July 2011
Crocker Road Industrial Park	Industrial	Wadeville Gauteng	9 882	22,0	22,0	11,6	25 August 2011
Flexitainer	Industrial	Midrand Gauteng	1 725	6,5	6,5	12,6	13 October 2011
Ciros House	Office	Sandton Gauteng	1 803	9,7	9,7	13,3	19 October 2011
Umhlanga Centre	Retail	Umhlanga KwaZulu-Natal	5 816	35,7	37,5	8,9	15 November 2011
Dresdner House	Office	Sandton Gauteng	886	11,2	11,2	4,5	1 December 2011
Hurlingham Office Park	Office	Hurlingham Gauteng	16 206	113,3	113,3	9,3	8 December 2011
Linkview	Office	Randburg Gauteng	1 496	7,3	7,3	11,3	8 December 2011
Century Gate	Office	Century City Western Cape	1 366	8,5	8,8	10,7	3 February 2012
Starsky House	Industrial	Kramerville Gauteng	2 450	7,0	7,0	14,1	16 March 2012
Gift Acres	Retail	Lynnwood Ridge Pretoria	8 982	65,3	40,0	6,2	29 March 2012
					266,4	9,2	

Properties sold but not yet transferred out of Emira at June 2012

Property	Sector	Location	GLA (m²)	Valuation June 2011 (Rm)	Sale price (Rm)	Exit yield (%)	Effective/ anticipated effective date
Mutual Mews	Retail	Rivonia Gauteng	1 596	12,0	11,9	11,9	31 July 2012
33 Heerengracht	Office	Cape Town CBD	6 744	19,2	25,0	(1,4)	3 August 2012
Midrand Business Park	Office	Midrand Gauteng	13 420	52,2	49,0	10,9	August 2012
Montana Value Centre	Retail	Montana, Gauteng	9 717	39,2	50,0	6,3	September 2012
					135,9	7,0	

Vacancies

Vacancies decreased from 11,5% in June 2011 to 10,2% by June 2012, with industrial and retail experiencing increased letting activity, although the office sector remained extremely competitive. If the vacancies in the buildings that are currently either under refurbishment or pending refurbishment are removed, Braamfontein Centre (6 550 m²), East Coast Radio House (1 355 m²), Lynnridge Mall/Mews (3 687 m²) and Cresta Corner (1 945 m²), adjusted portfolio vacancies drop to 9,5%.

Office vacancies rose from 18,4% to 18,6% (17,9% adjusted) with the major vacancies, besides those mentioned above, being located at Podium at Menlyn (9 090 m²), 500 Smuts Drive (Oracle House) (5 922 m²), Fleetway House (5 663 m²) and Woodmead Office Park (4 854 m²). Retail vacancies decreased from 7,5% to 6,5% (5,5% adjusted) - Worldwear Fashion Mall (5 739 m²), Wonderpark Shopping Centre (2 640 m²) and Montana Value Centre (2 629 m²).

Industrial vacancies decreased substantially from 7,2% to 3,2%.The major industrial vacancies are located at Industrial Village Kya Sands (2 219 m²), Executive City (2 103 m²), HBP Business Unit (2 428 m²), and Industrial Village Rustivia (1 603 m²).

	Number of buildings	June 2011 GLA (m²)	Vacancy June 2011	%	Number of buildings	June 2012 GLA (m²)	Vacancy June 2012	%
Office	73	443 802	81 761	18,4	69	449 283	83 657	18,6
Retail	40	387 455	29 072	7,5	38	379 741	24 623	6,5
Industrial	48	354 823	25 494	7,2	42	340 244	10 783	3,2
Total	161	1 186 080	136 327	11,5	149	1 169 268	119 063	10,2

Valuations

One-third of Emira's portfolio is valued by independent valuers at the end of every financial year, the balance being valued by the directors.

Total portfolio movement

Sector	June 2011 (R'000)	R/m²	June 2012 (R'000)	R/m²	Difference (%)	Difference (R'000)
Office	3 794 720	8 550	3 884 752	8 647	2,4	90 032
Retail	2 905 769	7 500	3 027 980	7 974	4,2	122 211
Industrial	1 345 723	3 793	1 446 640	4 252	7,5	100 917
Property under development	130 996		454 346		246,8	323 350
	8 177 208		8 813 718			636 510

Investment properties increased by R636,5 million made up of capital expenditure, including capitalised interest, of R701,3 million, less disposals of R266,4 million, depreciation of R10,8 million and a net upward revision in property values of R212,4 million.

Debt

Emira has a moderate level of gearing, with debt to total assets equating to 28,0%. Available debt facilities are at attractive margins and will enable the Fund to acquire good quality properties with sustainable income streams.

In June 2011 a new three year, R500 million facility was arranged with Rand Merchant Bank, which was used to redeem the Freestone securitisation notes. This loan was repaid on 18 August 2011, using the proceeds of a new issue of Domestic Medium Term Notes ("DMTN") which were auctioned on 12 August 2011. The facility is being used to fund the Corobay and Podium projects which are substantially complete.

The R200 million preference share issue to Nedbank was redeemed on 2 February 2012 out of a new three year term loan granted by Nedbank.

In order to take advantage of the current prevailing low interest rate environment, Emira raised R400 million through the issue of three-month commercial paper into the market on 16 August 2012, at a margin of 25 basis points. The funds were utilised to redeem part of the Emira securitisation of R650 million. The remaining amount of R250 million has to be repaid by March 2013 and discussions are being held in order to put the required facilities in place.

Emira has entered into various swap agreements, a summary of which is set out below. As a result, 84,3% of the Fund's debt at 30 June 2012 has been fixed for periods of between three and 12 years. As at 30 June 2012, the weighted average cost of debt equated to 9,29%.

	Weighted average rate %	Weighted average term	Amount (R'm)	% of debt
Debt – Swap	9,73	7 years, 1 month	2 216,6	84,3
Debt – Floating	6,89		413,8	15,7
Total	9,29		2 630,4	100,0
Less: Costs capitalised not yet amortised			(5,5)	
Per Statement of financial position			2 624,9	

Movement in debt

	R'm
Opening balance	2 050,7
Interest-bearing debt raised	1 274,2
Interest-bearing debt repaid	(700,0)
Total	2 624,9

	R'm
Made up of:	
Non-current	1 974,9
Current	650,0
Total	2 624,9

Directorate

Mr Warren Schultze previously a non-executive director, resigned on 20 August 2012. The Board would like to thank Warren for his extremely valuable contribution to the growth and success of Emira since the Fund's listing in November 2003.

Prospects

The take up of vacancies in the portfolio remains critical to the future performance of the Fund. Assuming a stable local and global economic outlook, as well as the increased focus on new letting, tenant retention and the utilisation of proceeds from the sale of non-core assets, the Fund expects to show an increase in distributions in the coming financial year.

The forecast financial information on which this statement has been based has not been reviewed or reported on by the Fund's auditors.

Independent review

The financial information has been reviewed by PricewaterhouseCoopers Inc., whose unqualified reviewed conclusion is available for inspection at Emira's registered address. The distribution statement was not reviewed.

Income distribution declaration

Notice is hereby given that a final cash distribution of 56,87 cents (2011: 58,31 cents) per participatory interest has been declared payable to participatory interest holders, on 17 September 2012. The source of the distribution comprises net income from property rentals, income earned from the Fund's listed property investment and interest earned on cash on deposit. Please refer to the statement of comprehensive income for further details. The distribution is not regarded as a dividend and therefore no dividend withholding tax is payable on the distribution amount.

Last day to trade *cum* distribution	Friday, 7 September 2012
Participatory interests trade *ex* distribution	Monday, 10 September 2012
Record date	Friday, 14 September 2012
Payment date	Monday, 17 September 2012

PI certificates may not be dematerialised or rematerialised between Monday, 10 September 2012 and Friday, 14 September 2012, both days inclusive.

By order of the STREM Board

Martin Harris *Company Secretary* · **Ben van der Ross** *Chairman* · **James Templeton** *Chief Executive Officer* · Sandton 20 August 2012

Condensed consolidated statement of comprehensive income

R'000	Reviewed year ended 30 June 2012	Audited year ended 30 June 2011
Revenue	1 253 379	1 223 960
Operating lease rental income and tenant recoveries	1 259 787	1 232 911
Allowance for future rental escalations	(6 408)	(8 951)
Income from listed property investment	33 522	22 373
Property expenses	(475 141)	(444 230)
Management expenses	—	(8 418)
Payment in respect of amendment to existing service charge arrangement	(68 250)	(129 150)
Administration expenses	(66 764)	(57 013)
Depreciation	(10 757)	(9 805)
Operating profit	665 989	597 717
Net fair value adjustments	307 127	125 165
Net fair value gain on investment properties	218 242	89 551
Change in fair value as a result of straight-lining lease rentals	6 408	8 951
Change in fair value as a result of amortising upfront lease costs	(587)	3 117
Change in fair value as a result of property appreciation in value	212 421	77 483
Revaluation of derivative financial instrument relating to share appreciation rights scheme	(243)	—
Unrealised gain on fair valuation of listed property investment	89 128	35 614
Profit before finance costs	973 116	722 882
Net finance costs	(325 175)	(162 892)
Finance income	5 274	10 205
Interest received	5 274	6 098
Claw-back of distribution in respect of participatory interests issued *cum* distribution	—	4 107
Finance costs	(330 449)	(173 097)
Interest paid and amortised borrowing costs	(208 205)	(168 106)
Interest capitalised to the cost of developments	26 168	4 115
Preference share dividends paid	(6 849)	(11 895)
Unrealised (deficit)/surplus on interest-rate swaps	(141 563)	2 789
Profit before income tax charge	647 941	559 990
Income tax charge	(68 669)	(18 269)
SA normal taxation	(9 796)	(322)
Deferred taxation	(58 188)	(16 758)
– Revaluation of investment properties	(53 201)	(12 100)
– Other timing differences including allowance for future rental escalations	(4 987)	(4 658)
STC on preference share dividends paid	(685)	(1 189)
Profit for the year	579 272	541 721
Attributable to Emira equity holders	581 037	541 721
Attributable to minority interests	(1 765)	—
	579 272	541 721
Total comprehensive income		
Attributable to Emira equity holders	581 037	541 721
Attributable to minority interests	(1 765)	—
	579 272	541 721

Condensed consolidated statement of cash flows

R'000	Reviewed year ended 30 June 2012	Audited year ended 30 June 2011
Cash generated from operations	766 358	738 265
Finance income	5 274	10 205
Interest paid	(208 205)	(168 106)
Preference share dividends paid	(6 849)	(11 895)
Taxation paid	(9 770)	(1 267)
Payment in respect of amendment to existing service charge arrangement	(68 250)	(129 150)
Pre-acquisition income on stapled securities acquired	—	4 628
Distribution to participatory interest holders	(568 750)	(554 826)
Cash flows from operating activities	(90 192)	(112 146)
Acquisition of, and additions to, investment properties and fixtures and fittings	(675 077)	(297 785)
Proceeds on sale of investment properties and fixtures and fittings	266 400	75 300
Acquisition of investment in listed property fund	(61 096)	(117 582)
Cash flows from investing activities	(469 773)	(340 067)
Participatory interests issued	—	244 442
Participatory interests repurchased	(86 530)	—
Interest-bearing debt raised	1 274 171	259 085
Interest-bearing debt repaid	(700 000)	—
Cash balance from subsidiary acquired	—	2 517
Cash flows from financing activities	487 641	506 044
Net (decrease)/increase in cash and cash equivalents	(72 324)	53 831
Cash and cash equivalents at the beginning of the year	94 512	40 681
Cash and cash equivalents at the end of the year	22 188	94 512

Condensed consolidated statement of financial position

at 30 June 2012 R'000	Reviewed 30 June 2012	Audited 30 June 2011
Assets		
Non-current assets	8 603 145	7 622 477
Investment properties	8 006 870	7 174 508
Allowance for future rental escalations	140 296	147 089
Unamortised upfront lease costs	33 855	32 557
Fair value of investment properties	8 181 021	7 354 154
Listed property investment	418 459	268 235
Derivative financial instruments	3 665	—
Deferred taxation	—	88
Current assets	126 504	190 433
Accounts receivable and prepayments	104 316	95 921
Cash and cash equivalents	22 188	94 512
Non-current assets held for sale	632 697	823 054
Total assets	9 362 346	8 635 964
Equity and liabilities		
Participatory interest holders' capital and reserves	5 775 221	5 839 850
Non-current liabilities	2 317 506	1 508 621
Interest-bearing debt	1 974 919	1 350 748
Derivative financial instruments	126 614	—
Deferred taxation	215 973	157 873
Current liabilities	1 269 619	1 287 493
Short-term portion of interest-bearing debt	650 000	700 000
Accounts payable	265 616	237 060
Derivative financial instruments	69 161	54 212
Distribution payable to participatory interest holders	284 842	296 221
Total equity and liabilities	9 362 346	8 635 964

Reconciliation between earnings and headline earnings and distribution

R'000	Reviewed year ended 30 June 2012	Audited year ended 30 June 2011
Profit for the year	579 272	541 721
Adjusted for:		
Net fair value gain on revaluation of investment properties	(218 242)	(89 551)
Deferred taxation on revaluation of investment properties	53 201	12 100
Headline earnings	414 231	464 270
**Adjusted for:*		
Allowance for future rental escalations	6 408	8 951
Amortised upfront lease costs	(587)	3 117
Unrealised deficit/(surplus) on interest rate swaps	141 563	(2 789)
Revaluation of derivative financial instrument relating to share appreciation rights scheme	243	—
Unrealised gain on fair valuation of listed property investment	(89 128)	(35 614)
Pre-acquisition income on GOZ units acquired in 2010	—	4 628
Payment in respect of amendment to existing service charge arrangement	68 250	129 150
Charge in respect of leave pay provision and share appreciation rights scheme	1 608	—
SA normal taxation – capital gains tax arising on sale of properties	9 796	322
Deferred taxation – other timing differences	4 987	4 658
Distribution payable to participatory interest holders	557 371	576 693
Distribution per participatory interest		
Interim (cents)	53,81	55,21
Final (cents)	56,87	58,31
Total (cents)	110,68	113,52

**Adjustments not reviewed*

Number of participatory interests in issue at the end of the year	500 864 482	508 010 229
Weighted average number of participatory interests in issue	506 806 636	504 305 482
Earnings per participatory interest (cents)	114,30	107,42

The calculation of earnings per participatory interest is based on net profit for the year of R579,3 million (2011: R541,7 million), divided by the weighted average number of participatory interests in issue during the year of 506 806 636 (2011: 504 305 482).

Headline earnings per participatory interest (cents)	81,73	92,06

The calculation of headline earnings per participatory interest is based on net profit for the year, adjusted for non-trading items, of R414,2 million (2011: R464,3 million), divided by the weighted average number of participatory interests in issue during the year of 506 806 636 (2011: 504 305 482).

Condensed consolidated statement of changes in equity

for the year ended 30 June 2012 R'000	Participatory interest	Revaluation and other reserves	Retained earnings	Non-controlling interest	Total
Balance at 30 June 2010	3 511 484	2 116 482	(1 345)	—	5 626 621
Participatory interests issued	244 442				244 442
Non-controlling interest in subsidiary acquired				3 759	3 759
Total comprehensive income for the year			541 721		541 721
Distribution to participatory interest holders			(576 693)		(576 693)
Transfer to fair value reserve (net of deferred taxation)		(34 961)	34 961		—
Balance at 30 June 2011	3 755 926	2 081 521	(1 356)	3 759	5 839 850
Participatory interests repurchased	(86 530)				(86 530)
Total comprehensive income/(loss) for the year			581 037	(1 765)	579 272
Distribution to participatory interest holders			(557 371)		(557 371)
Transfer to fair value reserve (net of deferred taxation)		23 666	(23 666)		—
Balance at 30 June 2012	3 669 396	2 105 187	(1 356)	1 994	5 775 221

Related parties and related party transactions

At 30 June 2012 the Fund's BEE partners – The Tiso Group, The Shalamuka Foundation, Avuka Investments, The RMBP Broad Based Empowerment Trust and Mr B van der Ross – held 12,2% of the participatory interests in issue.

The remaining participatory interests were widely held.

The following transactions were carried out with related parties:

R'000	Reviewed year ended 30 June 2012	Audited year ended 30 June 2011
Strategic Real Estate Managers (Pty) Limited		
Expenditure comprising asset management fees – pre-amendment to service charge arrangement	—	8 418
Expenditure comprising asset management fees – post-amendment to service charge arrangement	18 061	11 667
Cancellation payment in respect of amendment to existing service charge arrangements	68 250	129 150

Relationship: Manager of Emira Property Fund

Segmental information

Sectoral segments	Office R'000	Retail R'000	Industrial R'000	Administrative and Corporate R'000	Total R'000
Revenue	530 455	524 243	198 681		1 253 379
Revenue	541 646	518 964	199 177		1 259 787
Allowance for future rental escalations	(11 191)	5 279	(496)		(6 408)
Segmental result					
Operating profit	291 072	296 119	139 228	(60 430)*	665 989
Investment properties	4 339 098	3 027 980	1 446 640		8 813 718
Geographical segments					
Revenue					
– Gauteng	382 245	348 929	147 026		878 200
– Western and Eastern Cape	73 336	45 870	22 845		142 051
– KwaZulu-Natal	47 660	79 490	28 810		155 960
– Free State	27 214	49 954			77 168
	530 455	524 243	198 681		1 253 379
Investment properties					
– Gauteng	3 333 071	1 945 935	1 100 740		6 379 746
– Western and Eastern Cape	577 250	324 600	166 300		1 068 150
– KwaZulu-Natal	287 577	487 545	179 600		954 722
– Free State	141 200	269 900			411 100
	4 339 098	3 027 980	1 446 640		8 813 718

**Includes income from listed property investment of R33,5 million less management expenses of R68,3 million and general Fund expenses of R25,6 million.*

Basis of preparation and accounting policies

The condensed consolidated preliminary financial statements of Emira Property Fund ("Emira" or "the Fund") have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34, and are in compliance with the Listings Requirements of the JSE Limited. The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2011.

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