

UNAUDITED INTERIM FINANCIAL RESULTS

For the six months to
31 December 2015 and
dividend distribution
declaration

Growth in distributions **+8,8%**

Distribution per share **70,34c**

Net asset value per share **1 801c**

Fixed debt **84,9%**

VACANCY PROFILE BY SECTOR (% OF GLA)



COMMENTARY

The Emira board of directors is pleased to announce that a dividend of 70,34 cents per share has been declared for the six months to 31 December 2015. This is an increase of 8,8% on the previous comparable period and in line with expectations.

Vacancies and tenant renewals

Vacancies have decreased from 5,1% (December 2013) to 4,9% (December 2014) to 4,7% (December 2015) over the past two years. The steady level of low vacancies is the result of focussed leasing in the office sector, retaining tenants within the portfolio as well as the strategic sale of properties such as Braamfontein Centre in Braamfontein and 122 Pybus Road in Sandton. The industrial sector vacancy of 1,7% remains substantially lower than the latest SAPOA national levels of 4,0% with a 0% vacancy recorded across the Cape Town and Durban regions. Similarly, the office sector vacancy of 9,3% and retail sector vacancy of 3,0% remain below SAPOA national levels of 10,5% and 5,3% respectively.

A total of 82% by GLA (or 82% by revenue) of expiring tenants were renewed during the six months to December 2015.

Major leases concluded

The largest new leases concluded were at Technohub in Midrand (2 753m²), Universal Industrial Park in Durban (1 242m²) and Industrial Village Kya Sands (1 062m²). The largest renewals were Defy at the Defy Appliances building in Denver (10 100m²), Salga at Menlyn Corporate Park in Menlyn (5 939m²) and Spoor and Fisher at Highgrove Office Park in Centurion (5 814m²).

Acquisitions

Acquisitions during the period comprised (i) a 50% undivided share in Mitchells Plain Shopping Centre in the Western Cape for a purchase price of R75,3m at an initial yield of 9,3% and (ii) a 50% undivided share in five buildings comprising Summit Place, the P-grade commercial development in Menlyn, Pretoria, for an amount of R403,0m at an average yield of 8,14%. Summit Place 1 and Summit Place 2, being the two completed office buildings in the Summit Place development, transferred in December 2015 at a cost of R86,4m. The balance of Summit Place, which comprises both office and retail space, will be developed by Emira and its partners with a final completion date of January 2017. By 31 December 2015, R110,0m had been paid for the land and development costs to date for Summit Place 3 and Summit Place 4.

Disposals

The transfer of Brandwag Shopping Centre and Kosmos Woonstalle was concluded in September 2015. The property was sold at a sizeable premium to book value at a forward yield of 6,5%.

Four non-core buildings with a total disposal value of R171,5m, representing a forward yield of 10,8% and a discount to book value of 5,2%, were sold at 31 December 2015 but have yet to be transferred.

The successful execution of the Fund's disposal strategy is nearing completion with very few non-core properties remaining on its disposals list.

Refurbishments and extensions

Projects to modernise, extend and redevelop 13 buildings totalling approximately R515,1m, are currently underway, the most significant of which are the redevelopment of Knightsbridge Manor office park in Bryanston and the upgrade and refurbishment of Kramerville Corner in Marlboro.

The first phase of the redevelopment of the prime located Knightsbridge Manor office park in Bryanston commenced in November 2015 and on final completion the development will offer 29 352m² of prime P-grade office space. The R795m project is being undertaken in three phases, with the first of seven new buildings set to be complete in May 2017 at a cost of R368m with 50% pre-let. The new office park will boast a minimum 4-Star Green Star SA rating from the Green Building Council South Africa.

The R69,4m upgrade and refurbishment of Kramerville Corner is expected to be completed by the end of March 2016.

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

Gearing

Despite liquidity in the debt capital markets remaining tight, Emira continued to successfully access funding at competitive rates.

Funding activities during the six month period included:

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

Total debt as at 31 December 2015 was R4,8bn with the weighted average duration to expiry increasing to 2,2 years following the extension of the RMB 7th and 8th term loans and the successful refinancing of the 4-year DMTN note into 3- and 5-year notes.

Fixed interest rate hedges in place for a total R4,04bn at 31 December 2015, equated to 84,9% of the Fund's total debt balance. The hedging percentage is expected to be maintained at or around this level. Further interest rate hedges are expected to be acquired as new debt is drawn down on the Knightsbridge and Summit Place development projects. As at 31 December 2015 the interest rate swap expiries ranged from 0,5 to 9,0 years with a weighted average duration of 3,1 years.

During the period the Fund entered into two, two-year cross currency swaps for a total of AUD25,5m at a fixed AUD interest rate of 2,09% in respect of the Growthpoint Australia investment to align the currency of the debt funding with that of the underlying assets.

A new ABSA R250m two-year secured facility was concluded in September 2015. Post 31 December 2015 Emira concluded a R155m two-year secured facility with the Bank of China. A further R200m unsecured two-year backup facility is being finalised with Nedbank and this, together with the new Bank of China facility, will provide the Fund with additional liquidity to take advantage of opportunities as they arise.

Growthpoint Australia Limited (GOZ)

As at 31 December 2015, GOZ's unit price was AUD3,08 resulting in Emira's investment of 27 225 813 units, comprising 4,9% of the total units in issue, being valued at R942,7m compared with the initial cost price of R372,0m.

Results

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

Excluding the straight-lining adjustments in respect of future rental escalations, revenue rose by 5,4% over the comparable period. This was positively impacted by the leasing of vacant space, acquisitions and organic growth from the existing portfolio and increased recoveries of municipal expenses, offset by disposals.

Rental income includes an accrual of R9,3m for Worley Parsons who is in dispute with the Fund in regard to them prematurely vacating their leased premises at Emira's Corobay Corner building in Menlyn, Pretoria. This accrual represents the contractual rental due for the six months to 31 December 2015, less rentals achieved on subletting portions of the area previously occupied by Worley Parsons.

Property expenses were well contained with the gross cost-to-income ratio marginally higher at 35,7% (December 2014: 34,7%).

Management and administration expenses have remained stable at R43,0m (December 2014: R42,9m).

As previously disclosed, lease commission costs are no longer expensed in full in the year in which they are incurred for distribution calculation purposes, but are rather spread over the life of the lease. This resulted in the distribution being R8,6m higher (1,68 cents per share) than it would have been had this change not taken place.

Income from the Fund's listed investment in Growthpoint Australia increased by 21,8% due to an increase in the distribution per unit received from GOZ and the depreciation of the rand against the Australian dollar ("AUD").

Net finance costs decreased by 1,6% from the comparable period. The decrease was due to a combination of lower rates achieved on the new interest rates swaps that replaced those that were early settled in the period to 31 December 2014 and the favourable AUD interest rates achieved on the cross currency swaps.

Net asset value increased by 2,9%, from 1 751 cents per share at 30 June 2015, to 1 801 cents per share at 31 December 2015, following the revaluation of investment properties and the investment in GOZ as well as the acquisition and development of further properties.

DISTRIBUTION STATEMENT

| R'000 | Half-year ended 31 Dec 2015 | Half-year ended 31 Dec 2014 | % change |
|---|-----------------------------|-----------------------------|--------------|
| Operating lease rental income and tenant recoveries excluding straight-lining of leases | 882 934 | 837 473 | 5,4 |
| Net property expenses | (315 121) | (290 600) | 8,4 |
| Property expenses excluding amortised upfront lease costs | (323 703) | (290 600) | 11,4 |
| Amortised lease commissions | 8 582 | — | 100,0 |
| Net property income | 567 813 | 546 873 | 3,8 |
| Income from listed property investment | 28 715 | 23 570 | 21,8 |
| Management expenses | | | |
| Asset management costs | (16 989) | (16 252) | 4,5 |
| Administration expenses | (25 962) | (26 678) | (2,7) |
| Depreciation | (134) | — | (100,0) |
| Net finance costs | (194 322) | (197 443) | (1,6) |
| Finance income | 5 075 | 5 651 | (10,2) |
| Finance costs | (199 397) | (203 094) | (1,8) |
| Interest paid and amortised borrowing costs | (199 986) | (208 204) | (4,0) |
| Interest capitalised to the cost of developments | 589 | 5 110 | (89,3) |
| Dividend payable to shareholders | 359 121 | 330 070 | 8,8 |
| No. of shares in issue | 510 550 084 | 510 550 084 | — |
| Dividend per share (cents) | 70,34 | 64,65 | 8,8 |

Disposals

In accordance with the strategy of the Fund, certain properties that are underperforming or pose excessive risk are earmarked for disposal.

PROPERTIES TRANSFERRED OUT OF EMIRA DURING THE SIX MONTHS TO 31 DEC 2015

| Property | Sector | Location | GLA (m ²) | Valuation Jun 2014 (Rm) | Sale price (Rm) | Exit yield (%) | Effective date |
|--|--------|------------------|-----------------------|-------------------------|-----------------|----------------|----------------|
| Brandwag Shopping Centre and Kosmos Woonstalle | Retail | Bloemfontein CBD | 12 328 | 159,0 | 250,0 | 6,5 | Sep 2015 |
| | | | 12 328 | 159,0 | 250,0 | 6,5 | |

PROPERTIES SOLD BUT NOT YET TRANSFERRED OUT OF EMIRA AT 31 DEC 2015

| Property | Sector | Location | GLA (m ²) | Valuation Jun 2015 (Rm) | Sale price (Rm) | Anticipated effective date |
|---------------------|--------|---------------------|-----------------------|-------------------------|-----------------|----------------------------|
| Omni Centre | Office | Bloemfontein CBD | 5 447 | 29,7 | 40,5 | Apr 2016 |
| Iustitia Building | Office | Bloemfontein CBD | 5 360 | 41,2 | 39,9 | Apr 2016 |
| Southern Life Plaza | Office | Bloemfontein CBD | 10 697 | 100,0 | 79,6 | Apr 2016 |
| 1289 Heuvel Avenue | Retail | Centurion, Pretoria | 2 049 | 10,0 | 11,5 | Feb 2016 |
| | | | 23 553 | 180,9 | 171,5 | |

Vacancies

| | Number of buildings Jun 2015 | GLA Jun 2015 (m ²) | Vacancy Jun 2015 (m ²) | % | Number of buildings Dec 2015 | GLA Dec 2015 (m ²) | Vacancy Dec 2015 (m ²) | % |
|--------------|------------------------------|--------------------------------|------------------------------------|------------|------------------------------|--------------------------------|------------------------------------|------------|
| Office | 62 | 395 492 | 30 968 | 7,8 | 62 | 396 064 | 36 735 | 9,3 |
| Retail | 37 | 408 275 | 11 237 | 2,8 | 39 | 412 479 | 12 383 | 3,0 |
| Industrial | 46 | 373 292 | 5 284 | 1,4 | 45 | 366 505 | 6 087 | 1,7 |
| Total | 145 | 1 177 059 | 47 489 | 4,0 | 146 | 1 175 048 | 55 205 | 4,7 |

Valuations

TOTAL PORTFOLIO MOVEMENT

| Sector | Jun 2015 (R'000) | R/m ² | Dec 2015 (R'000) | R/m ² | Difference (%) | Difference (R'000) |
|------------|-------------------|------------------|-------------------|------------------|----------------|--------------------|
| Office | 5 660 604 | 14 313 | 5 915 304 | 14 935 | 4,5 | 254 700 |
| Retail | 5 139 666 | 12 589 | 5 167 564 | 12 528 | 0,5 | 27 898 |
| Industrial | 1 940 823 | 5 199 | 1 914 330 | 5 223 | (1,4) | (26 493) |
| | 12 741 093 | | 12 997 198 | | 2,0 | 256 105 |

Debt

Emira has a moderate level of gearing with interest bearing debt to total property assets of 33,7% as at 31 December 2015. The Fund has fixed 84,9% of its debt for periods of between 0,5 and 9,0 years, with a weighted average duration of 3,1 years.

| | Weighted average rate % | Weighted average term | Amount (Rm) | % of debt |
|---|-------------------------|-----------------------|----------------|--------------|
| Debt — Swap | 8,8 | 3,1 years | 4 043,7 | 84,9 |
| Debt — Floating | 8,1 | | 719,8 | 15,1 |
| Total | 8,6 | | 4 763,5 | 100,0 |
| Less: Costs capitalised not yet amortised | | | (4,6) | |
| Per statement of financial position | | | 4 758,9 | |

Changed distribution policy — lease commission costs

In line with IFRS, Emira amortises lease commission costs over the life of a lease rather than expensing them upfront. Historically, for distribution calculation purposes, lease commission costs were expensed in full in the month in which they were incurred. As previously disclosed to investors, in the distributable income calculation, lease commission costs incurred from 1 July 2015 are amortised over the life of the lease rather than being expensed upfront, bringing Emira in line with the rest of the listed property sector.

Worley Parsons update

As previously advised, Emira is currently in dispute with Worley Parsons, a major tenant at Corobay Corner in Menlyn, Pretoria, regarding its lease obligations contracted for until February 2022. Worley Parsons vacated the premises on 31 May 2015. Settlement discussions have been rejected by both parties and the case has moved to arbitration. The matter is expected to be heard during May 2016 and Emira remains confident of its legal position. The contractual income due from Worley Parsons, less sublease rental income received, has been accounted for in the six months to 31 December 2015 and will continue to be accrued for until the end of June 2016. All portfolio statistics mentioned in this commentary are based on the assumption that Worley Parsons have remained in occupation at Corobay Corner in accordance with the terms and conditions of their existing lease.

Directorate

As was announced on 2 October 2015, Greg Booyens was appointed as executive director and Chief Financial Officer of the Fund with effect from 1 January 2016.

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, Strategic Real Estate Managers (Pty) Limited ("STREM") has become a wholly owned subsidiary and the necessary transfers from the old Emira Property Fund Scheme to the new Emira Property Fund Limited are nearing completion.

Prospects

While market conditions are expected to be more trying in the next six months, Emira is appropriately positioned to continue its past performance and deliver a similar distribution growth per share for the full 12 month period to 30 June 2016.

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

Dividend distribution declaration

The Board has approved and notice is hereby given that an interim dividend of 70,34 cents per share has been declared (2014: 64,65 cents), payable to the registered shareholders of Emira Property Fund Limited on 14 March 2016. The issued share capital at the declaration date is 510 550 084 listed ordinary shares. The source of the dividend comprises net income from property rentals, income earned from the Fund's listed property investment and interest earned on cash on deposit. Please refer to the Statement of Comprehensive Income for further details.

Tax implications

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

a) a declaration that the dividend is exempt from dividends tax; and

b) a written undertaking to inform the CSDP, broker or the Transfer Secretaries, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the Transfer Secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Qualifying dividends received by non-resident shareholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that until 31 December 2013 qualifying distributions received by non-residents were not subject to dividend withholding tax. From 1 January 2014, any qualifying distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 15%, the net amount due to non-resident shareholders will be 59,7890 cents per share. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of the uncertificated shares, or the Transfer Secretaries, in respect of certificated shares:

a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and

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

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

| | |
|--------------------------------|-----------------------|
| Last day to trade cum dividend | Friday, 4 March 2016 |
| Shares trade ex dividend | Monday, 7 March 2016 |
| Record date | Friday, 11 March 2016 |
| Payment date | Monday, 14 March 2016 |

Share certificates may not be dematerialised or rematerialised between Monday, 7 March 2016 and Friday, 11 March 2016, both days inclusive.

By order of the Emira Property Fund Limited Board

| | | |
|---|-------------------------------------|---|
| Martin Harris Company Secretary | Ben van der Ross Chairman | Geoff Jennett Chief Executive Officer |
|---|-------------------------------------|---|

Bryanston, 17 February 2016

Basis of preparation and accounting policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the South African Companies Act, No. 71 of 2008 (as amended). The accounting policies used in the preparation of these interim financial statements are consistent with those used in the audited annual financial statements for the year ended 30 June 2015.

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

These condensed consolidated interim financial statements have not been reviewed or audited by Emira's independent auditor, PricewaterhouseCoopers Inc.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited 31 Dec 2015 R'000 | Unaudited 31 Dec 2014 R'000 | Audited 30 Jun 2015 R'000 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| Assets | | | |
| Non-current assets | 13 876 168 | 12 656 493 | 13 274 255 |
| Investment properties | 12 516 954 | 11 707 105 | 12 090 944 |
| Allowance for future rental escalations | 282 516 | 186 188 | 286 762 |
| Unamortised upfront lease costs | 27 728 | 40 553 | 44 387 |
| Fair value of investment properties | 12 827 198 | 11 933 846 | 12 422 093 |
| Listed property investment | 942 712 | 707 306 | 796 930 |
| Accounts receivable | 40 775 | — | 39 177 |
| Derivative financial instruments | 65 483 | 15 341 | 16 055 |
| Current assets | 328 661 | 307 349 | 247 809 |
| Accounts receivable | 222 419 | 219 629 | 181 726 |
| Derivative financial instruments | 32 998 | 11 632 | 12 872 |
| Cash and cash equivalents | 73 244 | 76 088 | 53 211 |
| Investment properties held for sale | 170 000 | 541 900 | 319 000 |
| Total assets | 14 374 829 | 13 505 742 | 13 841 064 |
| Equity and liabilities | | | |
| Share capital and reserves | 9 195 474 | 8 424 367 | 8 940 015 |
| Non-current liabilities | 3 845 191 | 3 302 627 | 3 463 985 |
| Interest-bearing debt | 3 801 905 | 3 260 617 | 3 448 396 |
| Derivative financial instruments | 43 286 | 42 010 | 15 589 |
| Current liabilities | 1 334 164 | 1 778 748 | 1 437 064 |
| Short-term portion of interest-bearing debt | 957 000 | 1 399 738 | 1 061 965 |
| Accounts payable | 372 427 | 364 200 | 362 070 |
| Derivative financial instruments | 2 960 | 14 810 | 11 252 |
| Taxation | 1 777 | — | 1 777 |
| Total equity and liabilities | 14 374 829 | 13 505 742 | 13 841 064 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Shares | Revaluation and other reserves | Retained earnings | Non- controlling interest | Total |
|--|------------------|--------------------------------------|----------------------|---------------------------------|------------------|
| R'000 | | | | | |
| Balance at 30 June 2014 | 3 435 434 | 3 573 200 | (3 549) | (1 300) | 7 003 785 |
| Shares issued | 374 268 | — | (14 193) | — | 360 075 |
| Total comprehensive income for the period | — | — | 1 062 734 | (2 227) | 1 060 507 |
| Transfer to fair value reserve | — | 737 934 | (737 934) | — | — |
| Balance at 31 December 2014 | 3 809 702 | 4 311 134 | 307 058 | (3 527) | 8 424 367 |
| Balance at 1 July 2015 | 3 795 509 | 4 808 755 | 341 013 | (5 262) | 8 940 015 |
| REIT restructure costs | (3 970) | — | — | — | (3 970) |
| Acquisition of non-controlling interest in STREM | — | (5 262) | — | 5 262 | — |
| Total comprehensive income for the period | — | — | 614 874 | — | 614 874 |
| Transfer to fair value reserve | — | 261 381 | (261 381) | — | — |
| Dividends paid | — | — | (355 445) | — | (355 445) |
| Balance at 31 December 2015 | 3 791 539 | 5 064 874 | 339 061 | — | 9 195 474 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited Six months ended 31 Dec 2015 | Unaudited Six months ended 31 Dec 2014 | Audited Year ended 30 Jun 2015 |
|---|---|---|---|
| R'000 | | | |
| Revenue | 878 818 | 864 403 | 1 811 968 |
| Operating lease rental income and tenant recoveries | 882 934 | 837 473 | 1 686 670 |
| Allowance for future rental escalations | (4 116) | 26 930 | 125 298 |
| Income from listed property investment | 28 715 | 23 570 | 47 388 |
| Property expenses | (331 530) | (294 882) | (581 752) |
| Fee paid on cancellation of interest-rate swap agreements | — | (31 839) | (36 641) |
| Administration expenses | (39 863) | (45 157) | (86 341) |
| Depreciation | (8 850) | (5 271) | (9 324) |
| Operating profit | 527 290 | 510 824 | 1 145 298 |
| Net fair value adjustments | 225 771 | 745 377 | 1 113 841 |
| Net fair value gain on investment properties | 84 530 | 699 133 | 983 226 |
| Change in fair value as a result of straight-lining lease rentals | 4 116 | (26 930) | (125 298) |
| Change in fair value as a result of amortising upfront lease costs | 16 409 | 4 282 | 996 |
| Change in fair value as a result of property appreciation in value | 64 005 | 721 781 | 1 107 528 |
| Revaluation of derivative financial instrument relating to share appreciation rights scheme | (4 541) | 4 930 | 6 350 |
| Impairment charge | — | — | (6 673) |
| Unrealised gain on fair valuation of listed property investment | 145 782 | 41 314 | 130 938 |
| Profit before finance costs | 753 061 | 1 256 201 | 2 259 139 |
| Net finance costs | (138 187) | (195 694) | (351 137) |
| Finance income | 5 075 | 5 651 | 10 833 |
| Interest received | 5 075 | 5 651 | 10 833 |
| Finance costs | (143 262) | (201 345) | (361 970) |
| Interest paid and amortised borrowing costs | (199 986) | (208 204) | (401 133) |
| Interest capitalised to the cost of developments | 589 | 5 110 | 5 110 |
| Unrealised surplus on revaluation of interest-rate swaps | 56 135 | 1 749 | 34 053 |
| Profit before income tax charge | 614 874 | 1 060 507 | 1 908 002 |
| Income tax charge | — | — | (1 777) |
| SA normal taxation | — | — | (1 777) |
| Profit for the period | 614 874 | 1 060 507 | 1 906 225 |
| Attributable to Emira shareholders | 614 874 | 1 062 734 | 1 910 187 |
| Attributable to non-controlling interests | — | (2 227) | (3 962) |
| | 614 874 | 1 060 507 | 1 906 225 |
| Total comprehensive income | | | |
| Attributable to Emira shareholders | 614 874 | 1 062 734 | 1 910 187 |
| Attributable to non-controlling interests | — | (2 227) | (3 962) |
| | 614 874 | 1 060 507 | 1 906 225 |

RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS

| | Unaudited Six months ended 31 Dec 2015 | Unaudited Six months ended 31 Dec 2014 | Audited Year ended 30 Jun 2015 |
|---|---|---|---|
| R'000 | | | |
| Profit for the period attributable to shareholders | 614 874 | 1 060 507 | 1 906 225 |
| <i>Adjusted for:</i> | | | |
| Net fair value gain on revaluation of investment properties | (84 530) | (699 133) | (983 226) |
| Headline earnings | 530 344 | 361 374 | 922 999 |
| <i>Adjusted for:</i> | | | |
| Allowance for future rental escalations | 4 116 | (26 930) | (125 298) |
| Amortised upfront lease costs | 16 409 | 4 282 | 996 |
| Unrealised surplus on revaluation of interest-rate swaps | (56 135) | (1 749) | (34 053) |
| Revaluation of share appreciation rights scheme derivative financial instrument | 4 541 | (4 930) | (6 350) |
| Unrealised gain on listed property investment | (145 782) | (41 314) | (130 938) |
| (Credit)/charge in respect of leave pay provision and share appreciation rights scheme | (3 088) | 2 227 | 3 962 |
| Depreciation | 8 716 | 5 271 | 9 107 |
| Impairment charge | — | — | 6 673 |
| Fee paid on cancellation of interest-rate swap agreements | — | 31 839 | 36 641 |
| SA normal taxation | — | — | 1 777 |
| Distributable earnings | 359 121 | 330 070 | 685 516 |
| Dividend per share | | | |
| Interim (cents) | 70,34 | 64,65 | 64,65 |
| Final (cents) | — | — | 69,62 |
| | 70,34 | 64,65 | 134,27 |
| Number of shares in issue at the end of the period | 510 550 084 | 510 550 084 | 510 550 084 |
| Weighted average number of shares in issue | 510 550 084 | 505 886 788 | 508 199 272 |
| Earnings per share (cents) | 120,44 | 209,63 | 375,09 |
| The calculation of earnings per share is based on net profit for the period of R614,9m (2014: R1 060,5m), divided by the weighted average number of shares in issue during the period of 510 550 084 (2014: 505 886 788). | | | |
| Headline earnings per share (cents) | 103,87 | 71,43 | 181,62 |
| The calculation of headline earnings per share is based on net profit for the period, adjusted for non-trading items, of R530,3m (2014: R361,4m), divided by the weighted average number of shares in issue during the period of 510 550 084 (2014: 505 886 788). | | | |
| Diluted headline earnings per share (cents) | 103,87 | 71,43 | 181,62 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited Six months ended 31 Dec 2015 | Unaudited Six months ended 31 Dec 2014 | Audited Year ended 30 Jun 2015 |
|---|---|---|---|
| R'000 | | | |
| Cash generated from operations | 526 025 | 509 331 | 1 037 433 |
| Finance income | 5 075 | 5 651 | 10 833 |
| Interest paid | (199 986) | (208 204) | (401 133) |
| Fee paid on cancellation of interest-rate swap agreements | — | (31 839) | (36 641) |
| Derivative acquired in respect of share appreciation rights scheme | — | (3 716) | (3 636) |
| Dividends paid | (355 445) | (323 248) | (639 126) |
| Net cash utilised in operating activities | (24 331) | (52 025) | (32 270) |
| Acquisition of, and additions to, investment properties and fixtures and fittings | (450 210) | (257 258) | (368 607) |
| Proceeds on disposal of investment properties and fixtures and fittings | 250 000 | 93 828 | 326 732 |
| Acquisition of subsidiaries | — | (448 279) | (448 279) |
| Net cash utilised in investing activities | (200 210) | (611 709) | (490 154) |
| Shares issued | — | 374 268 | 360 075 |
| REIT restructure costs | (3 970) | — | — |
| Interest-bearing debt raised | 2 543 906 | 1 586 731 | 2 512 808 |
| Interest-bearing debt repaid | (2 295 362) | (1 266 480) | (2 342 551) |
| Net cash generated from financing activities | 244 574 | 694 519 | 530 332 |
| Net increase in cash and cash equivalents | 20 033 | 30 785 | 7 908 |
| Cash and cash equivalents at the beginning of the period | 53 211 | 45 303 | 45 303 |
| Cash and cash equivalents at the end of the period | 73 244 | 76 088 | 53 211 |

SEGMENTAL INFORMATION

| R'000 | Office | Retail | Industrial | Administrative and corporate | Total |
|---|----------------|----------------|----------------|---------------------------------|----------------|
| Sectoral segments | | | | | |
| Revenue | 352 324 | 391 673 | 134 821 | — | 878 818 |
| Revenue | 380 312 | 369 635 | 132 987 | — | 882 934 |
| Allowance for future rental escalations | (27 988) | 22 038 | 1 834 | — | (4 116) |
| Segmental result | | | | | |
| Operating profit | 193 831 | 235 368 | 88 050 | 10 041 | 527 290 |
| Investment properties | 5 915 304 | 5 167 564 | 1 914 330 | — | 12 997 198 |
| Geographical segments | | | | | |
| Revenue | | | | | |
| — Gauteng | 251 472 | 260 723 | 89 079 | — | 601 274 |
| — Western and Eastern Cape | 54 733 | 39 016 | 25 911 | — | 119 660 |
| — KwaZulu-Natal | 28 899 | 66 616 | 19 831 | — | 115 346 |
| — Free State | 17 220 | 25 318 | — | — | 42 538 |
| | 352 324 | 391 673 | 134 821 | — | 878 818 |
| Investment properties | | | | | |
| — Gauteng | 4 516 720 | 3 710 155 | 1 300 930 | — | 9 527 805 |
| — Western and Eastern Cape | 858 958 | 567 036 | 373 550 | — | 1 799 544 |
| — KwaZulu-Natal | 379 626 | 674 373 | 239 850 | — | 1 293 849 |
| — Free State | 160 000 | 216 000 | — | — | 376 000 |
| | 5 915 304 | 5 167 564 | 1 914 330 | — | 12 997 198 |

MEASUREMENTS OF FAIR VALUE

1. Financial instruments

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

| R'000 | Level 1 Dec 2015 | Level 2 Dec 2015 | Level 3 Dec 2015 | Total Dec 2015 | Level 1 Dec 2014 | Level 2 Dec 2014 | Level 3 Dec 2014 | Total Dec 2014 |
|----------------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|-------------------|
| GROUP | | | | | | | | |
| Assets | | | | | | | | |
| Investments | 942 712 | — | — | 942 712 | 707 306 | — | — | 707 306 |
| Derivative financial instruments | | | | | | | | |
| | — | 89 941 | 8 540 | 98 481 | — | 12 076 | 14 897 | 26 973 |
| Total | 942 712 | 89 941 | 8 540 | 1 041 193 | 707 306 | 12 076 | 14 897 </ | |