



2009

annual report 2009

Our formula
for success

www.emira.co.za

Front cover
Spoor & Fisher, Granada Square, Technohub

Outside flap
1. Wonderpark Shopping Centre 2. Hyde Park Lane

Inside flap
3. Boundary Terraces 4. Faerie Glen Office Park
5. Lake Buena Vista 6. Quagga Centre

Inside front cover
7. WorldWear Shopping Centre 8. Randridge Mall
9. RTT Acsa Park 10. Technohub



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Emira Property Fund's principal objective is to grow earnings from a quality-based property portfolio.

Growth will be sought by making strategic investments where yields are enhancing in the medium to long term.

Management will further maintain the quality of the portfolio by disposing of assets, which no longer meet the strategic objectives of the fund.

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")

Office



3



4



5



6

The right space

74 office blocks

2006

Distributions per PI
74,50 cents

R411 million

BEE transaction
concluded

R1 011 billion
acquisition of new
properties concluded



2007

Distributions per PI
82,35 cents

Earnings enhancing
Freestone acquisition

R1 333 billion

of assets

122,5 million
increase in number
of shares in issue



2008

Distributions per PI
92,04 cents

Acquisitions and
capital projects
totalling **R330
million**

Replacement of
R650 million of
bank sourced debt
with funds raised in
capital markets



The right location

42 retail outlets

Industrial



7



8



9



10

Retail

The right facilities

51 industrial sites

2009

Distributions per PI
101,25 cents

New

R664 million
debt facility

R274,3 million
acquisitions and
capital projects

R52,1 million in
share buybacks



**Our formula
for success**

2010
outlook

**Pursue
acquisitive
growth and
internal
opportunities
by accessing
debt facilities**

Objectives



11



12

11. Xpanda 12. Woodmead Business Park

Our strategic focus

- > Optimise net income and growth in distributions;
- > Apply gearing to the portfolio to the extent that it enhances returns, limited to 30% of total assets as provided for in the Collective Investment Schemes Control Act;
- > Increase market capitalisation, liquidity and spread of investors through selective acquisitions and capital raising;
- > Selectively recycle assets;
- > Broaden the Fund's geographic exposure to KwaZulu-Natal and the Western and Eastern Cape;
- > Maintain a balanced exposure to the retail, office and industrial property sectors;
- > Dispose of non-performing or potentially under-performing properties;
- > Reduce vacancies and manage the lease expiry profile of the portfolio; and
- > Meet the requirements of the Property Sector Charter.

Distributions per participating interest

101,25 cents

annualised growth of **10,0%**

Net asset value per participating interest

1 135 cents

a decrease of **2,9%**

Capital projects completed

R74,6 million

Portfolio of top 10 properties by value



Wonderpark Shopping Centre

Located in middle-LSM market of Akasia, north-west of Pretoria between the Pretoria CBD and Rosslyn/Soshanguve

Value at 30 June 2009: R607,0 million
 Size: 63,329 m²
 Number of tenants: 138
 Average net rentals: R72,89/m²
 Footcount: 9,3 million p.a.

Major tenants:
 Pick n Pay (14 000 m²)
 Game (4 000 m²)
 Edgars (3 450 m²)
 Builders Express (2 500 m²)
 Woolworths (2 000 m²)



RTT and Continental Acsa Park

Located in Jet Park adjacent to OR Tambo International Airport just off the N12 and R21

Value at 30 June 2009: R294,3 million
 Size: 59 594 m²
 Number of tenants: 1
 Average net rentals: R42,42/m²

Single, triple-net tenant:
 Fuel Logistics Group



Quagga Centre

Located in Pretoria West, within close proximity to Church Street and the Pretoria CBD

Value at 30 June 2009: R240,3 million
 Size: 29 748 m²
 Number of tenants: 67
 Average net rentals: R67,37/m²
 Footcount: 4,55 million p.a.

Major tenants:
 Shoprite Checkers (5 715 m²)
 Pick n Pay (4 880 m²)
 Absa (2 345 m²)
 Woolworths (1 800 m²)
 First National Bank (1 367 m²)



Hyde Park Lane

Located in Hyde Park on the corner of Jan Smuts Avenue and William Nicol Drive opposite Hyde Park Shopping Centre

Value at 30 June 2009: R177,9 million
 Size: 15 300 m²
 Number of tenants: 41
 Average net rentals: R79,58/m²

Major tenants:
 Standard Bank (1 900 m²)
 Tag Travel (1 073 m²)
 Property Marketers (855 m²)
 Lufthansa (730 m²)



LynnrIDGE Mall

Located in Lynnwood Ridge, in the eastern suburbs of Pretoria

Value at 30 June 2009: R165,1 million
 Size: 14 220 m²
 Number of tenants: 54
 Average net rentals: R103,54/m²
 Footcount: 3,5 million p.a.

Major tenants:
 Pick n Pay (3 930 m²)
 Mr Price Home (1 700 m²)
 Absa (1 190 m²)
 Lion Bridge Hardware (915 m²)

Portfolio of top 10 properties by value *(continued)*

Woodmead Business Park

Located within the Woodmead office node with exposure to the M1 highway

Value at 30 June 2009: R164,0 million
Size: 17 514 m²
Number of tenants: 42
Average net rentals: R62,34/m²

Major tenants:
DB Thermal (2 400 m²)
Regenesis (1 753 m²)
ECI Africa Consulting (1 600 m²)



Randridge Mall

Located in Randpark Ridge, just off Beyers Naude in a primarily residential area

Value at 30 June 2009: R148,3 million
Size: 18 957 m²
Number of tenants: 74
Average net rentals: R79,85/m²
Footcount: 3,9 million p.a.

Major tenants:
Pick n Pay (4 470 m²)
Woolworths (2 140 m²)
Dischem (1 400 m²)



Hurlingham Office Park

Located on corner of Republic Road and William Nicol Drive on the border of Sandton

Value at 30 June 2009: R136,9 million
Size: 16 159 m²
Number of tenants: 20
Average net rentals: R51,34/m²

Major tenants:
Hurlingham Office Suites (2 415 m²)
Tsebo Holdings (1 284 m²)
Consumer Goods Council of South Africa (1 285 m²)



Faerie Glen Office Park

Situated east of Pretoria, close to Menlyn, overlooking Atterbury Drive, a short drive from Menlyn Shopping Centre

Value at 30 June 2009: R126,1 million
Size: 10 324 m²
Number of tenants: 9
Average net rentals: R86,44/m²

Major tenants:
VIP Software (5 755 m²)
FirstRand Bank (1 296 m²)
SA Local Government Assoc (960 m²)



Braamfontein Centre

Located in the CBD of Johannesburg, in close proximity to the University of Witwatersrand

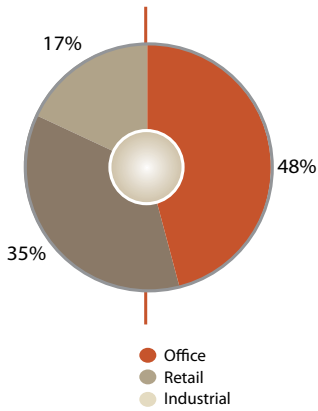
Value at 30 June 2009: R121,1 million
Size: 21 308 m²
Number of tenants: 60
Average net rentals: R51,61/m²

Major tenants:
Pick n Pay (2 180 m²)
City of Johannesburg (1 730 m²)
Centre for the Study of Violence and Reconciliation (1 210 m²)

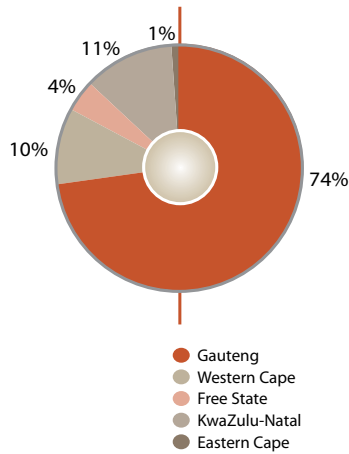


Portfolio summary

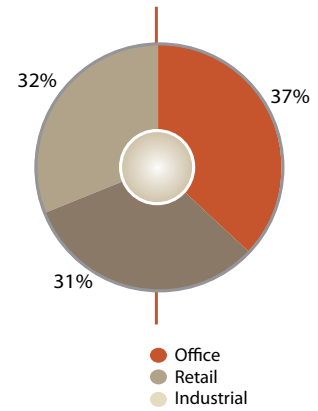
Portfolio value by sector



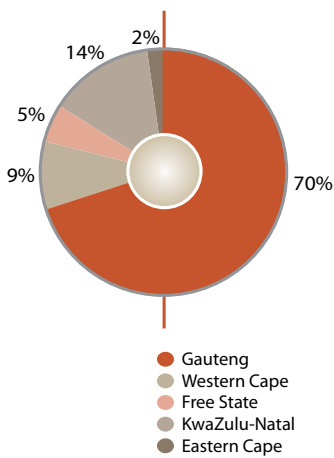
Portfolio value by region



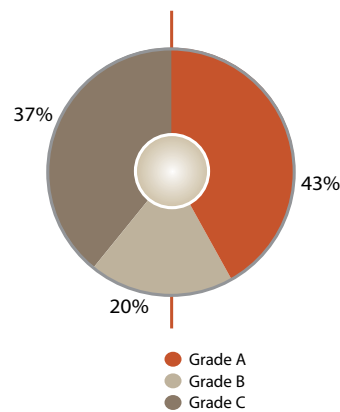
Portfolio GLA by sector



Portfolio GLA by region



Tenant profile by GLA



Tenants have been graded as follows:

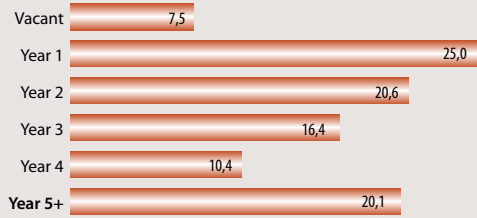
"A" grade: Large national tenants, large listed tenants, government and major franchises. These include, inter alia, the Department of Labour, Edgars Consolidated Stores, FirstRand Bank, Pepkor, Pick n Pay Stores, The Standard Bank Group, Ster-Kinekor, Truworths International and Virgin Active.

"B" grade: National tenants, listed tenants, franchises and medium to large professional firms. These include, inter alia, Debonairs Pizza, FishAways, John Dory's, Mike's Kitchen, Rage Distribution, Torga Optical, UCS Group and Wimpy.

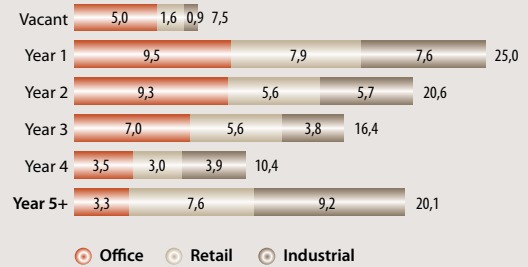
"C" grade: All other tenants that do not fall into the above two categories.

Portfolio summary *(continued)*

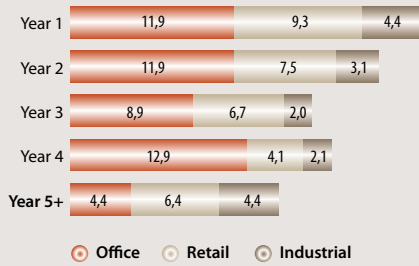
Lease expiry profile (% of GLA)



Lease expiry profile by sector (% of GLA)



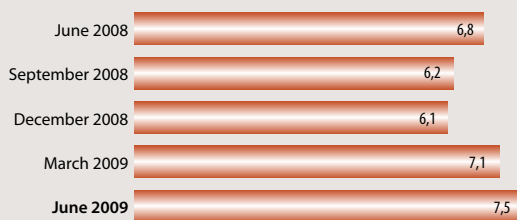
Lease expiry profile by sector (% of revenue)



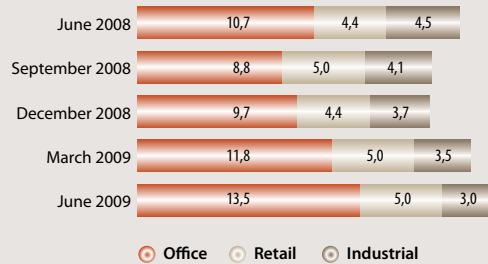
Weighted average lease escalation (%)



Vacancy profile (% of GLA)



Vacancy profile by sector (% of GLA)



Five year – financial review

Hurlingham Office Park
Epsom Downs Shopping
Centre
Technohub



HISTORICAL PERFORMANCE

Distribution statement for the year ended 30 June (R'000)	2005	2006	2007	2008	2009
Operating lease rental income and tenant recoveries excluding straight-lining of leases	374 419	433 167	613 134	924 783	1 059 866
Property expenses excluding amortised upfront lease costs	(121 309)	(140 668)	(187 101)	(285 197)	(357 597)
Net property income	253 110	292 499	426 033	639 586	702 269
Asset management expenses	(10 590)	(15 259)	(21 949)	(33 431)	(31 843)
Administration expenses	(12 150)	(13 855)	(22 641)	(32 976)	(39 023)
Depreciation	(6 464)	(7 532)	(9 966)	(9 902)	(11 198)
Net profit before interest	223 906	255 853	371 477	563 277	620 205
Net interest cost	(30 159)	(42 176)	(64 268)	(110 808)	(126 280)
Interest paid and amortised borrowing costs	(33 713)	(43 593)	(65 462)	(115 273)	(121 844)
Interest capitalised to the cost of developments				7 635	1 728
Preference share dividends paid			(2 934)	(8 213)	(16 424)
STC on preference share dividends paid			(367)	(821)	(1 642)
Investment income	3 554	1 417	4 495	5 864	11 902
Distribution payable to participatory interest holders	193 747	213 677	307 209	452 469	493 925
Distribution per participatory interest (cents)	67,55	74,50	82,35	92,04	101,25
Portfolio valuation analysis					
Market value (R'000)	2 259 774	3 092 259	7 314 742	7 491 436	7 718 077
Net asset value per participatory interest (cents)	624	866	1 148	1 169	1 135
Listed market price per participatory interest (cents)	720	850	1 090	819	1 015
Premium/(discount) to net asset value (%)	15	(1,8)	(5,1)	(29,9)	(10,6)
SALIENT FEATURES					
Participatory interests in issue	286 828 772	286 828 772	488 514 461	492 818 989	487 827 654
Market capitalisation (R'000)	2 065 167	2 438 044	5 324 808	4 036 188	4 951 451
Long-term borrowings (R'000)	364 141	458 330	1 287 050	1 327 204	1 573 316
Long-term borrowings to total assets (%)	15,8	14,8	17,4	17,0	20,1
Number of properties	84	85	168	164	167
Vacancy factor (%)	6,0	4,0	5,9	6,8	7,5

Manager's report



Gateview

The Tramshed

Steiner Services

R554 million
debt facilities available

R7,8 billion
in assets

14,6%
revenue increase

The directors of STREM ("the Manager") are pleased to present their report on Emira's performance for the year ended 30 June 2009.

CHIEF EXECUTIVE OFFICER'S MESSAGE

Business environment

During the year under review, the South African economy officially went into recession, with GDP recording a 3,6% contraction in the second quarter of 2009. Within the South African commercial property industry the retail sector was the hardest hit, due to the consumer led slowdown which had started in the previous financial year as a result of rising short-term interest rates since mid-2006. This slowdown in consumer demand as well as the global economic downturn adversely affected the industrial exporter market and, more recently, in the office environment, cost-cutting by local corporates as well as rising vacancies in the office sector has put pressure on rentals.

The slower global economy has not only impacted rental income from South African commercial property, but capital values too, as the increased cost of debt has blunted market participants' ability to conclude acquisitions and start new developments. Due to higher margins on new debt facilities, increased risk aversion, the emergence of distressed sellers wishing to reduce their gearing levels and poor sentiment, asking yields for quality properties now range from 9,0% to 10,5% up from the 8,0% to 9,0% range in 2008, although relatively few transactions have taken place.

Performance

Against the backdrop of the tougher economic environment, Emira Property Fund continued to focus on delivery of its strategic objectives which form the basis of its formula for long-term success.

Manager's report *(continued)*

Distributions per participatory interest ("PI") amounted to 101,25 cents, an increase of 10,0% from the previous year as the Fund benefited from its balanced property portfolio and broad base of tenants. Emira's extensive capital expenditure projects to refurbish and extend properties and thereby enhance the quality of its property portfolio, which were completed in recent years paid off with revenue from operating lease rental and tenant recoveries increasing to R1 059,9 million (2008: R924,7 million). Net income from property rental operations showed a 9,8% increase to R702,3 million as the Fund benefited from a lower average interest rate and reduced asset management fees.

Net asset value per PI declined by 2,9% from 1 169 cents to 1 135 cents due to a reduction in the fair value of derivative financial instruments. Excluding the provision for deferred tax, net asset value per PI declined by 3,7% from 1 232 cents to 1 186 cents.

The price of Emira's PIs on the JSE increased by 23,9% to 1 015 cents on 30 June 2009 from 819 cents the previous year, compared to 19,1% from the listed property sector. Emira's closing price at year-end reflected a discount of 10,6% to its net asset value of 1 135 cents per PI. The PIs reached a maximum level of 1 100 cents on 12 December 2008, recovering from a low of 814 cents on 2 July 2008. The overall performance of PIs was boosted to 35,7% with the payment of distributions amounting to 96,49 cents which were actually paid to PI holders during the year.

Emira repurchased 4 991 335 of its own PIs at an average cost of 1 044 cents per PI during March 2009. This repurchase which occurred prior to the PIs going ex-distribution on 6 March 2009, was funded by long-term debt and proved to be earnings enhancing during the financial year. It is anticipated that these buybacks will also enhance earnings on a long-term basis. Emira will continue to repurchase PIs at the appropriate time using long-term debt should it prove beneficial for PI holders.

Although Emira was not immune to the effects of the recession, which were evidenced by rising vacancies and longer collection times on outstanding rentals in the property environment, the Fund showed solid growth for the year. Vacancies which had dipped to a minimum level of 5,7% in

August 2008 rose to 7,5% at the end of June 2009 which includes two properties which are largely vacant due to imminent refurbishments. Tenant arrears increased sharply during the period, and the provision for bad debts increased in excess of the growth in arrears. However, in the coming financial year, the sharp decline in interest rates is expected to provide relief, especially among smaller retail tenants who were faced with high interest rates, lower revenues, higher rentals and operating costs in the year under review.

Although rental reversions on new leases and renewals were robust in the first half of the year, recording a growth of 10,4% on an annualised basis, the rate of increase declined to 6,8% for the full year as the operating environment deteriorated. The Manager is anticipating that although reversions are in a positive long-term trend, rental growth will continue to decelerate in the next six months as landlords settle for lower increases in order to retain long-term tenants and improve overall tenancies.

In line with its objectives Emira continued to make progress towards its objective to enhance the overall quality of its property portfolio:

- The Fund concluded the purchase of five properties for a total consideration of R199,7 million. These properties are either well located and have blue-chip tenants with long-term leases or are of strategic importance to the Fund. Emira's competitive borrowing costs and pre-approved financing enabled it to conclude a swift transaction to purchase three office properties for R99,5 million from the distressed seller. After year-end, the Fund also secured the purchase of an industrial property in Western Cape for R36 million.
- Emira continued to invest in upgrades and extensions of existing properties, with capital expenditure of R74,6 million during the year compared to more than R300 million in 2008. The lower capital expenditure in 2009 was the result of decreased demand from tenants for new space combined with rising building costs which restricted the incremental returns on projects.
- In line with Emira's strategy to dispose of non-core properties to continually enhance the quality of its property portfolio, 13 properties, with a total value of R318 million, have been earmarked for sale and Emira is currently entertaining offers to purchase from various entities. In addition, the sale

Manager's report *(continued)*

DISTRIBUTION STATEMENT

for the year ended 30 June 2009			
R'000	2009	2008	% change
Operating lease rental income and tenant recoveries excluding straight-lining of leases	1 059 866	924 783	14,6
Property expenses excluding amortised upfront lease costs	(357 597)	(285 197)	25,4
Net property income	702 269	639 586	9,8
Asset management expenses	(31 843)	(33 431)	(4,8)
Administration expenses	(39 023)	(32 976)	18,3
Depreciation	(11 198)	(9 902)	13,1
Net interest cost	(126 280)	(110 808)	14,0
Interest paid and amortised borrowing costs	(121 844)	(115 273)	5,7
Interest capitalised to the cost of developments	1 728	7 635	(77,4)
Preference share dividends paid	(16 424)	(8 213)	100,0
STC on preference share dividends paid	(1 642)	(821)	100,0
Investment income	11 902	5 864	103,0
Distribution payable to participatory interest holders	493 925	452 469	
No. of units in issue	487 827 654	492 818 989	
Distribution per participatory interest (cents)	101,25	92,04	10,0

of sections of Georgian Place is still in progress, bringing the total number of properties on the market to 14. The cash received for these will be reinvested in the portfolio as defined by Emira's Trust Deed.

During the year, Emira secured a long-term debt facility from RMB of R664 million at favourable margins, due to the Fund's solid credit rating, low gearing and its long-standing relationship with the financial institution. The facility has paved the way for the Fund to further enhance the quality of its portfolio by refurbishing existing properties and to support growth by acquiring new assets which meet its yield threshold. Emira utilised about R100 million of the facility during 2009 for the aforementioned acquisitions, and has identified further opportunities to acquire yield enhancing assets in the current market. In line with its stated objective to apply gearing to the portfolio, Emira's overall gearing level increased to 20,1% from 17,0% in 2008.

PROSPECTS AND OUTLOOK

The economic environment in South Africa is not expected to show any significant signs of recovery before the beginning of the 2010 calendar year and as such the Fund's existing portfolio is anticipated to come under continued pressure as its tenant base continues to be affected by the recession. However, the downward trend in interest rates, which have decreased by almost a third since their peak in October 2008, will offer tenants some relief. The retail sector is expected to continue experiencing strain as consumer confidence remains low.

The level of growth in distributions in the coming year, although still expected to be good, will not be at the same level as that achieved in the 12 months to June 2009. The forecast financial information on which this statement has been based has not been reviewed or reported on by the Fund's auditor.

Manager's report *(continued)*

Emira is also well positioned to take advantage of opportunities to buy yield enhancing properties in the current market. R554 million remains of the R664 million long-term loan facility from RMB and as such, the Fund can swiftly access funding to acquire attractively priced properties which meet its growth objectives. Capital will also be applied to extend and refurbish existing properties in order to obtain attractive incremental yields. In addition, the Manager believes that the slowdown in growth of certain building costs is likely to assist feasibilities, although this has not yet offset the higher return requirements. As at year-end, extensions and refurbishments to six properties, amounting to R164 million had been approved by the board and were underway.

BOARD OF DIRECTORS

Wayne McCurrie was appointed to the board of Strategic Real Estate Managers (Pty) Limited ("STREM"), the authorised manager of Emira, as a non-executive director in December 2008. Representing Momentum, the biggest shareholder of the Emira Property Fund, and an investment professional with many years' experience in the asset management industry, Wayne will bring to bear his wealth of knowledge for Emira's long-term benefit.

Liliane Barnard resigned from the STREM board on 5 August 2009 to resume her career in active property asset management. Emira thanks Liliane for her efforts during her tenure on the board and wishes her success in her new endeavours.

PERFORMANCE

1. SOUTH AFRICAN LISTED PROPERTY SECTOR

1.1 Total returns to June 2009

The overall equity markets went into a sharp decline in September 2008, in response to the global turmoil, reaching their low point during March 2009. In the last three months of the financial year, global stock markets rallied, recovering some of their losses. The JSE All Share Index and the JSE FINDI 30 Index showed total returns of (23,3%) and (5,0%) respectively for the 12 months ended 30 June 2009. Seen as a safe haven during the period of high volatility in equity markets, PLSs and PUTs showed solid returns of 27,7% and 27,8% respectively over the same time horizon.

Compound annual returns to 30 June 2009 (Pre-tax)

Period	All Share %	FINDI 30 %	PLSs %	PUTs %	R157 %
3 months	9,4	13,9	(1,2)	3,4	0,1
1 year	(23,3)	(5,0)	27,7	27,8	17,3
3 year	4,1	5,9	14,2	9,8	6,4
5 year	18,3	16,7	21,7	15,9	7,5
10 year	13,1	9,0	17,7	13,9	9,2

Source: I-Net Bridge

1.2 The listed property sector and bond yield differential

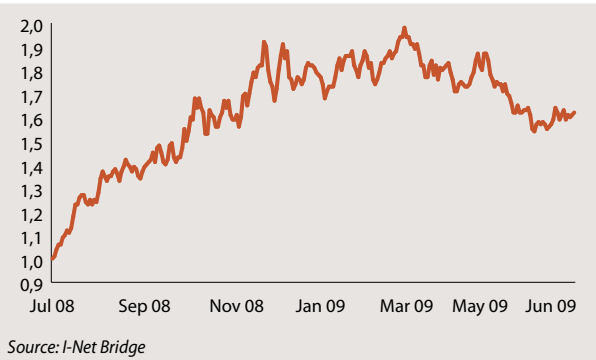
The listed property sector was shielded from the decline in equity prices as investors favoured its relative certainty during the height of the stock market volatility, consistently outperforming the All Share until it started recovering in March 2009.

Manager's report *(continued)*

Listed Property Index



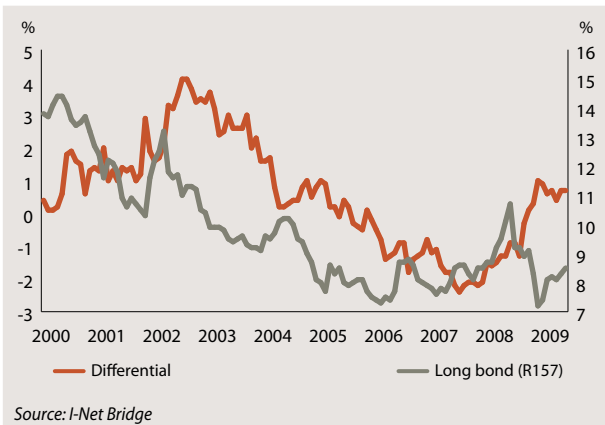
Listed Property Index relative to All Share Index



Capital values on the listed property sector showed a positive return of 19,0% during the 12 months ended 30 June 2009. Listed property funds, on average, showed healthy distribution growth for the 12 months ended 30 June 2009. Despite the uncertain local economic outlook, market expectations for distribution growth remains positive albeit not matching the levels delivered in the past two years.

The yield differential was negative for the first three months of the financial year, due to rising long bond yields while property yields remained firm, reflecting continued confidence in the sector. In October 2008, the differential became positive in line with declining expectations for property relative to bonds. Over the 12 months ended 30 June 2009, the yield differential between the historic listed property yield and the R157 switched from (0,9%) to a positive differential of 0,7% indicating that lower earnings growth is anticipated from listed property stocks relative to the previous 12 months.

Yield differential – R157 less Listed Property Index



Manager's report *(continued)*

2. PHYSICAL PROPERTY MARKET

Following a five-year trend of increasing capital growth across all property sectors, the global uncertainty filtered through to the property sector with capital returns returning to levels last seen in 2003. Where a year ago the scarcity of vacant serviced land and inflationary pressures on building costs was placing upward pressure on rentals, the current market is characterised by tenant arrears and rising vacancies, placing downward pressure on prevailing rentals. Demand for space became more muted with the retail sector leading the downturn.

The Investment Property Databank's (IPD) South Africa Annual Property Index, which measures ungeared total returns to direct property investments, showed that the total returns halved in 2008 to 13,0% from 27,5% in 2007, the lowest level in six years. Compared to the CPI metro average for the year, which was recorded at 11,5%, the sector delivered a real return of only 1,5%.

Capital growth, which supported overall returns of more than 20% from 2004 to 2007, remained positive although it declined to 4,4% in 2008 (2007: 17,5%). Industrial property produced the highest capital growth of 8,4% (2007: 20,8%), followed by offices and retail whose values increased by 4,6% and 3,1% respectively in 2008 compared to 19,4% and 16,6% the year before.

Income return declined marginally to 8,3% compared to 8,7% in the previous year. The office and industrial sectors delivered income returns of 9,0% and 9,1% respectively in 2008, compared to 10,4% and 9,6% in 2007. Although the retail sector continued to show the effects of tight consumer spending, income returns slowed slightly to 7,8% from 8,0% in the previous year.

Net property income yields ended the year at 7,7% in December 2008, a slight increase from the 7,5% level reported for the comparable period.

IPD total returns for 2008

	Total return (2007)	Income return (2007)	Capital growth (2007)
All property	13,0 (27,5)	8,3 (8,7)	4,4 (17,5)
Retail	11,1 (25,8)	7,8 (8,0)	3,1 (16,6)
Office	14,0 (30,6)	9,1 (9,6)	4,6 (19,4)
Industrial	18,1 (33,1)	9,0 (10,4)	8,4 (20,8)
Other	18,5 (25,3)	8,5 (10,6)	9,3 (13,5)

Source: IPD

Total returns % annualised

Period	Retail	Offices	Industrial	All property
1 year	11,1	14,0	18,1	13,0
3 year	21,3	23,0	27,4	22,4
5 year	24,5	22,1	27,8	24,1
10 year	19,1	15,2	18,5	17,9
14 years	18,4	13,6	16,7	16,4

Source: IPD

In contrast to the market of 12 to 18 months ago which was characterised by declining vacancies across all property sectors, tenant arrears and vacancies have now started rising, placing pressure on prevailing rentals as landlords seek to retain tenants. Overall vacancies increased to 4,1% from 3,0% according to the IPD's survey.

Manager's report *(continued)*

3. EMIRA'S PERFORMANCE AND PROPERTY PORTFOLIO

3.1 Emira's performance and tradability on the JSE

In line with the strong performance of the listed property sector during the year ended 30 June 2009, the price of Emira's participating interests increased by 23,9% to 1 015 cents from 819 cents in the comparable period. Total distributions paid during the year, amounting to 96,49 cents, boosted the return to 35,7%.

172,3 million Pls traded during the year ended 30 June 2009, representing 35,0% of the weighted average number of Pls.

3.2 Performance relative to the IPD Index

The 2008 IPD Index survey, which aggregates the capital and income of listed and unlisted portfolios to provide a measure of total annual performance, reported that Emira achieved a return of 5,6%, down from 38,9% in 2007. The Manager took cognisance of the adverse market conditions in December 2008 when the survey was conducted, adopting a conservative stance to property valuations, which showed a decline of 3,1% compared to growth of 3,6% for the peer group. As a result, the Fund ranked seventh out of the eight listed property funds constituting the IPD South African Benchmark which showed a total return of 12,2%. Emira ranked in second and third place on a three- and five-year horizon respectively.

From an income return perspective, Emira outperformed the listed benchmark at 8,9% compared to 8,3% for the peer group in 2008, according to the IPD.

3.3 Portfolio exposure

Emira's investments in its property portfolio during the year under review were balanced across the retail, office and industrial sectors, in line with the Fund's strategic

objectives. The majority of acquisitions concluded during the year, and those which are currently in progress, are predominantly in the office and industrial sectors. Growth in retail has been driven by extensions and refurbishments rather than acquisitions. While the Manager continued to pursue opportunities to broaden the Fund's exposure to KwaZulu-Natal and the Western and Eastern Cape, there have been more yield enhancing opportunities to expand the portfolio in Gauteng. As a result Emira applied its available capital more effectively in Gauteng.

At 30 June 2009, Emira's property consisted of 167 properties, with a total GLA of 1 210 237 m², which was valued at R7,7 billion, translating into an average value of R46,2 million per property.

Emira's active asset management approach has enabled the Manager to continue enhancing the overall quality and total value of the property portfolio to maximise returns and continually improve the Fund's investor appeal. To this end, the Manager identified 13 non-core properties towards the end of the financial year, which have been earmarked for disposal in 2010, in addition to Georgian Place which has been sectionalised. Five properties were transferred into the Fund during the year, with a total investment of R199,7 million. This included three office properties which were purchased at yields of more than 10,3%. During the year, refurbishments totalling R74,6 million were completed on six properties, down from more than R300 million in 2008 due to lower demand from tenants and higher project hurdle rates. Further capital projects on six properties amounting to R164,7 million are currently in progress in the retail and office sectors.

A detailed breakdown of Emira Property Fund's portfolio by value and income is disclosed on page 4.

Manager's report *(continued)*

Office

East Coast Radio House



Value at June 2009:
R53,7 m

Gross lettable area:
6 804 m²

Weighted average rental/m²:
R97,92

Major tenants:

- East Coast Radio (Pty) Limited
- Strauss Daly Inc
- ABSA Bank Limited
- Dimension Data (Pty) Limited
- Reg Ellaya & Associates
- Seekers World Travel

East Coast Radio House

Manager's report *(continued)*

CASE STUDY

East Coast Radio House

Providing additional space and benefits to existing blue-chip tenant

Emira owns two well located and highly visible office buildings on the Umhlanga Ridge, namely East Coast Radio House with GLA of 6 804 m² and Gateview House with its GLA of 2 727 m² which have excellent access to major national routes. The appeal of these properties is enhanced by their adjacency to the local Telkom exchange, and they enjoy constant demand for office space from companies with high bandwidth requirements, including Internet service providers, IT companies and broadcasters.

The major tenant of East Coast Radio House is a leading commercial radio station in KwaZulu-Natal, East Coast Radio. In addition to the naming rights on this property, it enjoys exceptional branding visibility on a major access road to the Gateway Shopping Centre. Dimension Data and Internet Solutions are the anchor tenants of Gateview House, attracted by its proximity to the Telkom link.

East Coast Radio House has lower ground floor space which has traditionally been harder to let due to its less attractive position, leading onto the parking with lower visibility at the back of the building. However, it maintains the constant advantage of its location within the telecommunications hub.

Both Dimension Data and Internet Solutions had shown significant growth and were no longer able to accommodate their back office computer facilities in Gateview and required a large additional space within walking distance of their existing premises. Being a dedicated computer facility, aesthetic appeal and public access to the space were of less importance. However, proximity to the telecommunications hub was a high priority. They concluded a 10-year lease for the vacant lower ground floor space in East Coast Radio House, making a significant investment in order to relocate their computer room to this new facility.

The long-term lease with a blue-chip client has enabled Emira to significantly enhance the returns it will generate from East Coast Radio, taking advantage of its sought after location, while also increasing the value of the property.

4. OFFICE PORTFOLIO

4.1 Market conditions

The office sector, which was the last property sector to benefit from the consumer led economic upswing, showed more resilience during 2008 than the retail sector. According to the IPD, the office sector delivered a total return of 14,0% in 2008 compared to 30,6% in 2007, as income return decreased marginally to 9,1% from 9,6%. Capital growth declined to 4,6% compared to 19,4% in the previous year, reflecting the impact of the economic downturn.

Deteriorating economic activity across all sectors of the South African economy dampened demand for office space, translating into higher vacancies, as smaller organisations downscaled their office space to reduce costs while demand from multi-national companies also declined.

The nodes contributing to this increase in the past 12 months include:

Nodes with major increase in vacancies	m ² vacant since June 2008
Sandton	34 343
Bryanston	29 499
Constantia Kloof	25 906
CBD Cape Town	24 720
Woodmead	24 489
Braamfontein	19 548
Sunninghill	14 803
Bellville	13 841

It is interesting to note that the Johannesburg CBD is the only node to have shown a massive decrease in vacancies during the past 12 months, with more than 62 000 m² of space being let.

According to SAPOA, demand for high grade office space remains strong. Grade P office space, is characterised by new buildings with ample parking, a prestige lobby finish and good views. Office space in this prime segment in Bryanston, the Johannesburg CBD, Parktown, Sandton, the Cape Town CBD,

Manager's report *(continued)*

Office

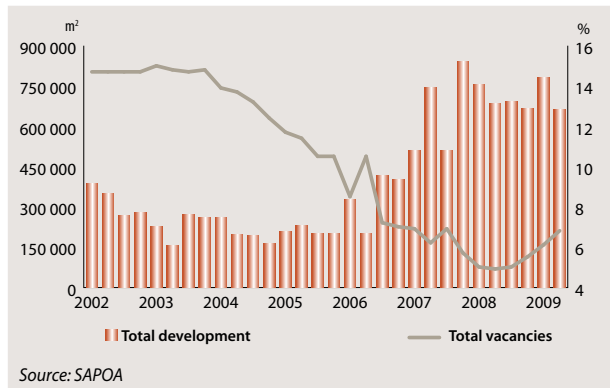
Gateview
Spoor & Fisher
Discovery Health
Pretoria



Umhlanga and the Highveld Technopark in Pretoria experienced maximum vacancies of 2,1% in the first quarter of 2009. New supply of premium offices coming on-stream in Melrose and Century City was reflected by higher vacancies of 12,3% and 13,3% respectively.

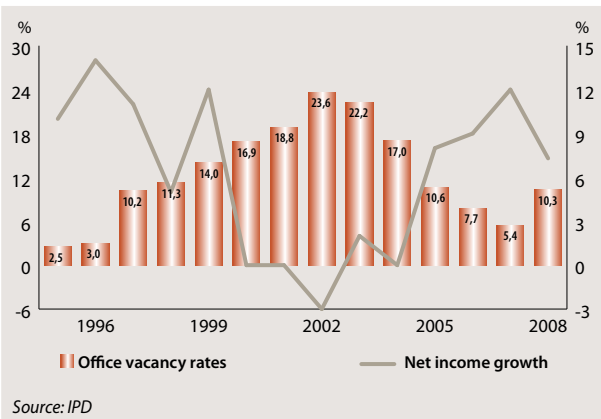
New investment in office developments showed a marked decline, with the IPD reporting expenditure of R2,7 billion in 2008 down from R6,0 billion in the previous year. Lower demand for office space, as well as more stringent lending requirements from financial institutions and funders is dampening the supply of new office space. Although not alarming, the vacancy ratio within new developments is generally upward.

Office vacancy rates and total new development



SAPOA office vacancies continued to trend up during 2009, rising from 4,9% or 642 000 m² in June 2008 to 6,8% or 927 000 m² in June 2009.

Office vacancy rates and net income growth



4.2 Emira's portfolio

4.2.1 Exposure and performance

At 30 June 2009, Emira's office portfolio was valued at R3,7 billion and comprised 48% of the Fund's total investment properties by value. The Fund owns 74 office buildings, with total GLA of 449 129 m² and an average value of R49,7 million.

The Fund's office property portfolio delivered revenue of R485,1 million, which represents an increase of 13,5% (2008: R427,2 million). The office portfolio contributed 44,8% of Emira's total revenue for the year. Net income in the office sector increased by 8,0% to R305,8 million (2008: R283,2 million) reflecting the impact of higher operating expenses during the year and rising vacancies.

Manager's report *(continued)*

Office

Emira's office portfolio comprises the following grades of property, with the majority being B-grade office space:

Grade	Number of buildings	GLA (m ²)
A-grade	25	152 973
B-grade	46	271 487
C-grade	3	24 669

Although Emira has reduced its relative exposure to the B-grade sector since its listing, which is inherently more cyclical, this still represents 60,0% of its office portfolio. In line with the Manager's ongoing efforts to enhance the quality of its portfolio, one refurbishment is in progress and several other capital expenditure projects are currently being evaluated to enhance the appeal and rental potential of the B-grade portfolio. In addition, seven non-core office properties are included in the portfolio which is currently being sold.

Emira is well positioned to show growth in its office portfolio, especially within its B-grade properties which are all well located and offer long-term development potential. For example, the Lake Buena Vista property located in Centurion generated strong income for the Fund, being occupied for most of 2009 after it had been vacant in 2008 during the refurbishment. Granada Square in Umhlanga, which was vacant during its refurbishment, is now in the process of being let at more attractive rentals following its upgrade to A-grade specifications.

During the year, Emira purchased three modern and well located office buildings in Highveld Technopark, Centurion, which have long-term leases with blue-chip tenants:

- Discovery Health, which has an existing lease with Discovery Health extending to 2013 and has a GLA of 4 055 m². It was acquired for R40,3 million (10,5% forward yield); and
- Two properties with existing leases to 2014 with Spoor & Fisher, which have GLA's of 3 910 m² and 2 216 m².

These buildings were acquired for R38,5 million (10,3% forward yield) and R20,7 million (10,5% forward yield) respectively.

During the year, Emira continued to sell sections of Georgian Place which is located in Kelvin. The transfer has taken place on 521 m², which was sold for a total of R2,4 million while a further 1 090 m², which fetched a price of R4,2 million was transferred after the year-end, in July 2009.

Refurbishments totalling R10,4 million were completed during the financial year:

- The R3,4 million refurbishment of the Southern Life Plaza – FNB in Bloemfontein was completed in November 2008.
- General upgrades at Woodmead Business Park were completed in September 2008 at a cost of R7,0 million.

4.2.2 Vacancies and letting

Emira's office vacancies increased to 13,6% at 30 June 2009 compared to 10,6% in June 2008, which includes two properties which have been vacated pending imminent refurbishments.

Major office vacancies include:

- Vacancies remain high at Hurlingham Office Park (GLA 16 159 m²), increasing by some 300 m² from the previous year to 6 780 m².
- The FNB Building Heerengracht (GLA 6 745 m²) has one remaining tenant as the building is prepared for refurbishment. Vacancies as at 30 June 2009 were 6 520 m².
- Oracle House (GLA 5 922 m²) which is located in Midrand, has been vacant since January 2009 and the Fund is currently negotiating a lease with a tenant for the entire property.
- Podium House (GLA 4 832 m²) in Menlyn is being vacated (3 848 m²) pending a redevelopment which is awaiting town planning approvals.

Manager's report *(continued)*

Retail

*Granada Square –
Creative Beads*

*Granada Square –
Angelo's Restaurant*

*Granada Square –
Woolworths*



Value at June 2009:
R88,2 m

Gross lettable area:
7 161 m²

Weighted average rental/m²:
R39,92

Major tenants:

- Woolworths
- ABSA Bank Limited
- Meumann White Attorneys (Pty) Limited
- Europa Umhlanga CC
- R&G Consultants
- Independent Management and Projects (Pty) Limited

Granada Square

Manager's report *(continued)*

CASE STUDY

Granada Square

Upgrade of retail centre renews property's prestige appeal

The Granada Centre (renamed Granada Square) retail and office centre is well located in the retail high street of the Umhlanga CBD, enjoying significant foot traffic and demand for office space. The centre had not been refurbished since it was built in the late 1970s and had a total GLA of 5 818 m².

The board approved a refurbishment project to update and modernise the building while increasing the lettable area, based on the long-term anticipated benefits of the upgrade.

Emira embarked on a R46,3 million upgrade of the property which extended the office space by adding a new upper level to the building and modernising the overall architectural style of the property. In addition, the ground floor retail space was fully revamped and redesigned. The project increased the GLA of the property to 7 161 m² and it was renamed Granada Square to reflect its more upmarket appeal.

The Fund successfully retained its key long-term retail tenants at the property, which include ABSA Bank, Angelo's Restaurant, Europa and Creative Beads. In addition, the prestige of the tenant mix was further enhanced with the relocation of the local Woolworths Food store to the centre. This anchor retail tenant, with its 752 m² outlet, moved from a nearby competing retail centre and Granada Square is already benefiting from renewed shopper interest.

With the project completed in June 2009, the retail space at Granada Square is fully let, while about half of the office space has been let, with the majority of the existing tenants being accommodated in the lower levels. The remaining office vacancies, which are A-grade, are located on the upper levels which have better views and should achieve premium rentals in order to deliver the incremental returns sought by the Fund.

In line with Emira's objective to improve the quality of its underlying portfolio, an ageing property has been modernised and extended to capitalise on its central location and enhance its long-term yield potential.

5. RETAIL PORTFOLIO

5.1 Market conditions

The retail property sector has been the worst affected sector in South Africa, leading the downward property cycle after having enjoyed the highest returns during the consumer led boom. Low confidence and deleveraging among consumers is putting pressure on second-tier retailers who have also been affected by higher operating costs, in addition to lower revenues during the year.

The dramatic decrease in interest rates has eased some of the pain among smaller tenants in the retail area.

Retail properties in the rural environment are proving to be more resilient, with Emira benefiting from good occupancy and better than average rental revenues from its 15 rural retail properties.

The total return for retail properties, measured by IPD, more than halved to 11,1% in 2008, from 25,8% in the comparable period as marginal capital growth of 3,1% was recorded, from 16,6% in 2007.

According to the IPD, net income growth in 2008 for the retail sector decreased to 9,0% from 13,4% in the previous year. It also reported that trading densities for all shopping centres in South Africa declined by 12,5% year-on-year to March 2009, the biggest decrease since IPD starting measuring these ratios.

The segment has reflected the marked downturn in the retail spending, with an increase in vacancies to 3,1% from 2,3% in 2007, which reflected the lowest vacancies since 1997.

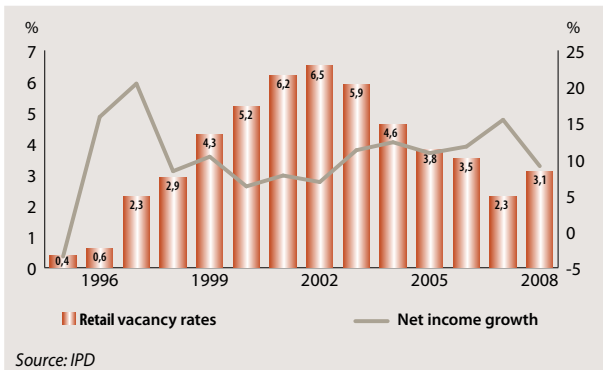
Manager's report *(continued)*

Retail

The Tramshed
Epsom Downs Shopping
Centre
Wonderpark Shopping
Centre



Retail vacancy rates and net income growth



5.2 Emira's portfolio

5.2.1 Exposure and performance

At 30 June 2009, Emira's retail portfolio was valued at R2,7 billion and comprised 35% of the Fund's total investment properties by value. The Fund owns 42 shopping centres, with total GLA of 380 269 m² and an average value of R65,0 million.

The Fund's retail property portfolio delivered revenue of R423,8 million, which represents an increase of 14,6% (2008: R369,7 million). The retail portfolio contributed 39,1% of Emira's total revenue for the year, in line with 2008. Net income in the retail sector increased by 6,0% to R258,1 million (2008: R243,5 million).

Emira invested R74,4 million in its retail portfolio during the year, the majority of which was associated with extensions at four retail shopping centres and the purchase of one property for strategic reasons:

- A major refurbishment and extension of the Granada Centre in Umhlanga (see case study on page 19) amounting to R46,3 million;

- Further investments of R12,0 million at the WorldWear Shopping Centre to build a Pick n Pay Daily Store and R1,5 million to extend the land lease;
- An 824 m² extension at The Tramshed in the Pretoria CBD was completed at a total cost of R4,5 million to accommodate Virgin Active's increased space requirements.
- The R10,1 million purchase of Kosmos Flats, located adjacent to the Brandwag Shopping Centre, which is already owned by Emira. It creates an opportunity for future redevelopment by the Fund.

5.2.2 Vacancies and letting

Emira's retail vacancies increased to 5,0% at 30 June 2009 compared to 4,4% in June 2008, in line with the tougher retail property market conditions during the year.

Major retail vacancies include:

- The refurbishment and extension of the Granada Centre (renamed Granada Square) in Umhlanga Rocks (GLA 7 161 m²) has remaining vacancies of 2 527 m², consisting of offices, which is generating strong interest.
- Vacant space measuring 1 927 m² at the WorldWear Shopping Centre (GLA 14 222 m²) which the Manager is marketing to convenience type tenants as opposed to previously fashion-specific tenants.
- Negotiations are in progress with potential tenants to lease the 1 641 m² vacancies at Gift Acres (GLA 9 363 m²).
- Availability of retail units at the Montana Value Centre (GLA 9 717 m²) resulted in vacancies of 1 607 m² at the centre which is located in a fast growing residential node.

Manager's report *(continued)*

Industrial

*Technohub –
Reception area*

*Technohub –
Warehouse*

*Technohub –
Offices*



Value at June 2009:
R80,0 m

Gross lettable area/m²:
15 171

Weighted average rental/m²:
R48,09

Major tenants:

- *Technology Integrated Solutions*
- *Eris Property Group (Pty) Limited*
- *Vodacom (Pty) Limited*

Technohub

Manager's report *(continued)*

CASE STUDY

Technohub

A newly developed property in Gauteng's hi-tech belt

Technohub is a newly developed, prime industrial warehouse located in Corporate Park North, Midrand with GLA of 15 000 m². The property is in the hub of South Africa's technology industry between Johannesburg and Pretoria. It is a high quality industrial development which is split into four lettable sections.

Emira concluded an agreement to purchase the property from Eris Property Group ("Eris") in December 2007. The development was completed in November 2008.

A five-year lease has been concluded with Technology Integrated Solutions (Pty) Limited ("TIS"), which is a subsidiary of Aberdare Cables (Pty) Limited, for approximately 6 500 m². Vodacom (Pty) Limited is finalising a further five-year lease for 3 400 m². In addition the Fund is currently engaged in negotiations with a tenant to take up a third portion of the property. The balance of the vacant space is covered in terms of a gross rental warranty from Eris for a period of 18 months from completion until May 2010.

Emira capitalised on its strong relationship with Eris to purchase a top quality property in a prime location which has the potential to deliver long-term growth potential. This purchase provides further evidence that the mutually beneficial association with Eris provides the Fund with a source of properties which enhance its long-term value. RTT Acsa Park, RTT Continental and Newlands Terraces which were historically purchased from Eris have also performed well.

6. INDUSTRIAL PORTFOLIO

6.1 Market conditions

According to the IPD, the industrial sector showed a marked decline in total return from 33,1% in 2007 to 18,1% in 2008. However, it was the most resilient property segment, outperforming its office and retail counterparts. Capital growth also slowed significantly to 8,4% compared to 20,8% in the previous year, with the total return being supported by net income growth which slowed only marginally to 11,3% from 11,8%.

Industrial properties have been more defensive than other sectors, though not completely shielded from the lower demand resulting from reduced activity levels in the manufacturing and retail environments, which led to lower requirements for warehousing and distribution space. As with the retail sector, the most pressure has been felt among small and mid-sized tenants, and landlords are increasingly accommodating tenants' requirements in order to secure leases.

Vacancies in the sector increased marginally from 2,2% to 2,6% in 2008, underpinned by the more defensive characteristics of the sector.

Industrial vacancy rates and net income growth



Source: IPD

Manager's report *(continued)*

Industrial

*RTT and Continental
Acsa Park*

*Mitek South Africa
Evapco*



6.2 Emira's portfolio

6.2.1 Exposure and performance

At 30 June 2009, Emira's industrial portfolio was valued at R1,3 billion and comprised 17% of the Fund's total investment properties by value. The Fund owns 51 industrial properties, with total GLA of 380 839 m² and an average value of R25,6 million.

The Fund's industrial property portfolio delivered revenue totalling R173,8 million, which represents an increase of 18,1% (2008: R147,2 million). The industrial portfolio contributed 16,1% of Emira's total revenue for the year, slightly down from 2008. Net income in the industrial sector increased by 14,9% to R122,7 million (2008: R106,8 million).

During the year, Emira completed the R90,1 million purchase of a new industrial development in Midrand, Technohub with GLA of 15 171 m² on a forward yield of 8,0% (see case study on page 22). The Fund also concluded the purchase of a property in Montague Gardens in Cape Town, Taylor Blinds with GLA of 7 614 m² for a consideration of R36,0 million. Transfer of the property took place after the year-end on 4 September 2009.

6.2.2 Vacancies and letting

Emira's industrial vacancies decreased to 3,0% at 30 June 2009, from 4,6% the previous year.

Major industrial vacancies at year-end included:

- The vacancy at One Highveld (GLA 6 012 m²), predominantly consisting of office space, declined to 1 027 m²;
- Letting at Midline Business Park (GLA 12 573 m²), which caters to smaller tenants who have been susceptible to the downturn, has resulted in vacancies of 1 828 m²;
- Industrial Village Kya Sands (GLA 11 613 m²) currently has two vacant units measuring 1 717 m² and has been affected by the lower demand among smaller and mid-size tenants; and
- Industrial Village Jet Park (GLA 16 659 m²) mini and midi units have experienced rising vacancies to 1 414 m².

Manager's report *(continued)*

7. ACQUISITIONS AND CAPITAL PROJECTS

Acquisitions and capital projects totalling R274,3 million were concluded during the year. Emira continued to take advantage of opportunities to upgrade and refurbish a number of properties in its portfolio where enhanced incremental yields could be achieved. Capital investments were funded by long-term debt and proceeds from disposals.

Acquisitions during 2009 financial year							
Property	Sector	Location	GLA (m ²)	Purchase price (Rm)	Forward yield %	Effective date	Key tenants
Technohub	Industrial	Midrand	15 184	90,1	8,00	November 2008	Technology Integrated Solutions, Vodacom, Eris Property Group
Kosmos Flats	Retail	Bloemfontein	1 752	10,1	6,10	October 2008	28 flats
Spoor & Fisher 1	Office	Centurion	3 910	38,5	10,30	May 2009	Spoor & Fisher
Discovery	Office	Centurion	4 055	40,3	10,50	May 2009	Discovery
Spoor & Fisher 2	Office	Centurion	2 216	20,7	10,50	June 2009	Spoor & Fisher

Capital expenditure projects completed							
Property	Sector	Location	GLA (m ²)	Capital consideration (Rm)	Effective date	Key tenants	
WorldWear Pick n Pay	Retail	Fairlands	1 100	12,0	November 2008	Pick n Pay	
WorldWear Land Lease	Retail	Fairlands		1,5	November 2008		
Southern Life Plaza FNB	Office	Bloemfontein	1 246	3,3	November 2008	Free State Legislature, FirstRand Bank Limited	
Woodmead Business Park Refurbishment	Office	Woodmead	17 534	7,0	November 2008	Various	
Granada Square Refurbishment	Retail	Umhlanga Rocks	7 318	46,3	March 2009	Various	
The Tramshed – Virgin Active extension	Retail	Pretoria CBD	824	4,5	April 2009	Virgin Active	

Manager's report *(continued)*

Capital expenditure projects in progress						
Property	Sector	Location	GLA (m ²)	Capital consideration (Rm)	Expected completion date	Key tenants
Randridge Shopping Centre	Retail	Randpark Ridge	22,588	126,2	October 2010	Woolworths, Pick n Pay, Dischem
Wesbank House refurbishment	Office	Cape Town CBD	9 206	11,0	January 2010	Wesbank, Dept of Labour
Pick n Pay Aircons – Brandwag Shopping Centre, Wonderpark Shopping Centre, Lynnridge Mall	Retail	Bloemfontein, Karenpark, Lynnwood Ridge	—	9,7	November 2009	Pick n Pay
Wonderpark Shopping Centre	Retail	Karenpark Pretoria	1 281	2,0	November 2009	Incredible Connection, Maxis
Southern Sentrum Phase 1(FNB)	Retail	Bloemfontein	950	14,9	October 2009	First National Bank
One Highveld	Industrial	Centurion	113	0,9	November 2009	V-Custom Motor-cycles

8. DISPOSALS

Two non-core properties were disposed of by Emira in the financial year, while the sectionalisation and disposal of Georgian Place continues, with one unit being transferred out of the Fund during the period and a further two units being transferred out subsequent to year-end.

Transferred out of Emira						
Property	Sector	Location	GLA (m ²)	Sale price (Rm)	Yield	
Kuehne & Nagel	Office	Berea Durban	2 140	8,8	10,5%	
Barvic House	Office	Randburg	3 322	10,1	6,4%	
Georgian Place (sections 16 and 19)	Office	Kelvin	1 090	4,2	9,9%	
Georgian Place (section 10)	Office	Kelvin	521	2,4	7,8%	

The STREM board has approved the disposal of a further 13 non-core properties worth R318 million, for which Emira is currently entertaining offers to purchase from various entities.

Manager's report *(continued)*

9. VALUATIONS AND NET ASSET VALUE

One-third of Emira's portfolio is valued by independent valuers at the end of every financial year, with the balance being valued by the directors. Excluding acquisitions and capital expenditure, Emira's property valuations were slightly lower for the year.

Sector	June 2008 (R'000)	R/m ²	June 2009 (R'000)	R/m ²	Difference (%)	Difference (R'000)
Office	3 467 316	7 843	3 679 586	8 193	6,1	212 270
Retail	2 695 890	7 126	2 732 279	7 185	1,3	36 389
Industrial	1 328 230	3 613	1 306 212	3 430	(1,7)	(22 018)
Total	7 491 436	6 304	7 718 077	6 377	3,0	226 641

Net asset value declined marginally by 2,9% in the 12 months from 1 169 cents (1 232 cents excluding the deferred tax provision) to 1 135 cents (1 186 cents), largely as a result of a reduction in the fair value of derivative financial instruments. After two years of achieving unrealised gains in respect of the revaluation of derivative financial instruments of R185,9 million, the recent sharp reduction in long-term interest rates has resulted in an unrealised loss on interest rate swaps of R183,1 million. This volatile line item is due to the Fund's weighted average interest rate of 9,6% per annum, being either above or below the prevailing long-term interest rate and has no impact on the distribution payable by the Fund.

10. GEARING

Emira's balance sheet is relatively lowly geared, with available debt facilities at attractive margins which will enable the Fund to acquire good quality properties with sustainable income streams.

During the year, Emira was granted an additional loan facility from FirstRand Bank Limited of R664 million. As at June 2009 Emira had a total debt facility (including preference shares) available of R2 264 million, of which R1 584 million had been accessed.

During the year Emira engaged in a further swap agreement for R40 million. Two short-term swaps were also forward fixed for a further 10 years. As a result, 99,3% of the Fund's debt has been fixed for periods of between four and 12 years. As at 30 June 2009, the weighted average cost of debt equated to 9,6%.

Manager's report *(continued)*

	Rate %	Term	Amount (Rm)	% of debt
1. Debt – Swap	10,05	January 2010	90,0	5,7
– Extended	9,87	March 2020		
2. Debt – Swap	9,46	September 2011	110,0	6,9
– Extended	9,79	September 2021		
3. Debt – Swap	9,78	April 2013*	650,0	41,0
4. Debt – Swap	9,20	June 2013	500,0	31,6
5. Debt – Swap	10,25	October 2013	84,6	5,3
6. Debt – Swap	9,66	December 2014	100,0	6,3
7. Debt – Swap	10,11	April 2019	40,0	2,5
			1 574,6	99,3
8. Debt – Floating	9,16	January 2019	9,9	0,7
Total	9,61		1 584,5	100,0
Less: Costs capitalised not yet amortised			(11,2)	
Per balance sheet			1 573,3	

**Existing interest rate swaps that were in place have been novated to RMB. These revert back to Emira in April 2013 and continue until expiry, ranging between October 2013 and November 2018.*

The Collective Investment Schemes Control Act prescribes gearing limits on collective investment schemes of 60%. In terms of its deed, Emira is limited to 30% gearing, and requires PI approval to increase it to the Act's 60% limit. Based on total assets of R7,8 billion at 30 June 2009, Emira could increase its gearing levels to a maximum of R2,3 billion, compared to R1,6 billion or 20,1% at year-end.

Directorate

Market Square
Southern Sentrum
The Colony Centre



DIRECTORS OF THE MANAGEMENT COMPANY, STRATEGIC REAL ESTATE MANAGERS (PTY) LIMITED (STREM)

1. **Benedict James van der Ross (62)**

(Non-executive Chairman)

Qualifications: Dip Law

Occupation: Company Director

Mr Van der Ross 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 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.

He currently serves on a number of boards including those of FirstRand, Naspers, Distell, Lewis Stores, Pick n Pay, Momentum Group, and is the Chairman of RMB Asset Management.

2. **Warren Kirkwood Schultze (49)**

(Executive Director)

Qualifications: BCom, BA, CA(SA)

Occupation: Chief Executive Officer of Eris Property Group

Prior to joining RMB Properties, Mr Schultze served his articles with Arthur Young and was later appointed Financial Director for two property financing and property trading companies. During this time he gained extensive experience in property asset management, property financing and property trading activities.

He was appointed Chief Operating Officer of RMB Properties in 2000 and Chief Executive Officer in 2004. He was appointed Chief Executive Officer of Eris Property Group on 1 April 2008. He has been appointed President of SAPOA for the 2009/2010 year.

3. **James William Andrew Templeton (36)**

(Chief Executive Officer)

Qualifications: BCom (Hons), CFA

Occupation: Chief Executive Officer of Strategic Real Estate Managers (Pty) Limited

Mr Templeton joined RMB Properties in April 2004 as Business Development Executive. Previously he was employed at Barnard Jacobs Mellet Securities as an Equities Analyst for seven years.

He was the top-ranked analyst in the Real Estate sector according to the *Financial Mail* in 2002 and 2003 and was appointed CEO of STREM in July 2004. Mr Templeton currently also serves as the Deputy Chairman of the Association of the Property Unit Trusts.

Directorate *(continued)*



Cambridge Park
Highway Business Park
Johnson & Johnson

4. Peter John Thurling (54)

(Chief Financial Officer)

Qualifications: BCom, BAcc, CA(SA)

Occupation: Chief Financial Officer of Strategic Real Estate Managers (Pty) Limited

Mr Thurling, a chartered accountant has over 20 years' experience in the property industry, in particular with listed property vehicles. Previously he was the Financial Director of Corovest Property Group and the Chief Financial Officer of Freestone Property Holdings Limited.

5. Michael Simpson Aitken (52)

(Non-executive Director)

Qualifications: BA, LLB

Occupation: Director

Mr Aitken has over 20 years' experience in property-related activity, with specific expertise in asset and fund management related to directly held and listed property vehicles. He was previously an Executive Director of Freestone Property Holdings Limited. Currently he is Managing Director of Corovest Property Group and the non-executive Chairman of Hyprop Investments Limited.

6. Liliane Sylvie Barnard (45)*

(Independent Non-executive Director)

Qualifications: BCom

Occupation: Consultant

Ms Barnard specialises in listed property investments in which she has more than 20 years' experience. She previously managed listed property funds at Old Mutual Asset Managers and headed the asset management of Old Mutual Properties (Pty) Limited.

She is also an independent non-executive director of Redefine Income Fund.

7. Bryan Hugh Kent (64)

(Independent Non-executive Director)

Qualifications: BCom, FCMA, CA(SA)

Occupation: Director

Mr Kent was previously a partner at Price Waterhouse. He is presently a financial business consultant with considerable experience in property matters and financial structuring. He was also previously a non-executive director of Freestone Property Holdings Limited and chairman of its audit and risk committee.

He is currently a non-executive director of Set Point Technology Holdings Limited and non-executive director of Cadiz Holdings Limited.

He is Chairman of CIC Holdings Limited (Namibia) and Country Bird Holdings.

8. Nocawe Eustacia Makiwane (50)

(Non-executive Director)

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

Occupation: Managing Director of Avuka Investments

Ms Makiwane has served on the boards of Sentech, National Electricity Regulator and Blitec, a 100% black-owned IT company. Currently she serves as a non-executive director of National Housing Finance Corporation ("NHFC"), Rural Housing Loan Fund, Advantage Asset Management, A.M Mfolozi Group Holdings companies, Xau Investments (Pty) Limited, Women In Capital Growth (Pty) Limited and Pacific Breeze Trading (Pty) Limited.

*Resigned 5 August 2009

Directorate *(continued)*

Spoor & Fisher
Discovery Health Pretoria
Hurlingham Office Park



9. **Matthys Stefanus Benjamin Nesor (53)**

(Independent Non-executive Director)

Qualifications: BSc (Building Management), MBA

Occupation: Director

Mr Nesor has been involved with the Abcon group of companies since 1981 and is currently Executive Chairman for the various companies in the group. He is active in the residential and commercial property field as well as in other business ventures.

10. **Nkululeko Leonard Sowazi (46)**

(Non-executive Director)

Qualifications: BA, MA (UCLA)

Occupation: Executive Chairman of the Tiso Group

Mr Sowazi is a founder and currently the Executive Chairman of the Tiso Group, a black empowerment investment company with interests in natural resources, industrial services and investment banking. He is currently a member of the boards of JSE listed Exxaro Resources, Aveng Limited and is a non-executive director of the boards of Grinaker-LTA, Trident Steel (Pty) Limited, African Explosives Limited and Alstom SA. He is also Chairman of Eris Property Group (formerly RMB Properties), Idwala Industrial Holdings, The Home Loan Guarantee Company and the Financial Markets Trust.

Mr Sowazi was previously Executive Deputy Chairman of African Bank Investments Limited and prior to that Managing Director of the Mortgage Indemnity Fund (Pty) Limited. He also served on the board of Kagiso Trust Investment Company, Kagiso Media and Development Bank of Southern Africa.

11. **Wayne McCurrie (49)**

(Non-executive Director)

Qualifications: BCom, CA(SA), MBA

Occupation: Senior Portfolio Manager

Mr McCurrie joined the RMB Asset Management investment team as an investment professional from 1 March 2008. He started his career in the financial industry in 1988, when he joined Lifegro Limited as a management accountant. Lifegro was taken over by the Momentum Group in 1989 where Mr McCurrie stayed until being incorporated into RMB Asset Management in 1994. He left RMB Asset Management for Sage in 2002 and joined the FirstRand Group again in 2004 as Managing Director of Momentum International Multi-Managers.

At RMB Asset Management, Mr McCurrie focuses on managing the Momentum Funds and various retirement fund portfolios.

Corporate governance

INTRODUCTION

The directors of STREM acknowledge the importance of the principles of good corporate governance, support the Code of Corporate Practices and Conduct contained in the King II report and recognise their responsibility in conducting the affairs of Emira with integrity, openness and accountability in accordance with generally accepted corporate practices. Emira has also evaluated the implications of King III and will implement these.

Although Emira is listed on the JSE Limited ("JSE") and is therefore subject to the code, it is not a legal entity and is regulated in terms of the Collective Investments Schemes Control Act of 2002 ("CISC Act"). Certain requirements of the code are therefore not directly applicable to the Fund. However, the Managers have adopted the principles of the code, being fairness, accountability, responsibility and transparency.

THE BOARD OF DIRECTORS

Structure

As at 30 June 2009 the board consisted of 11 members:

	Board	Audit	Special committee
Executive			
WK Schultze	6/6		1
JWA Templeton (CEO)	6/6		1
PJ Thurling (CFO)	6/6		1
Non Executive			
BJ van der Ross [°]	5/6		
MS Aitken	5/6		
LS Barnard [°] * (Resigned 5 August 2009)	6/6	4/4	1
BH Kent ^{**}	6/6	4/4	1
NE Makiwane [*]	5/6	2/4	1
W McCurrie (Appointed 11 December 2008)	5/5		
MN Naser	6/6		1
NL Sowazi	3/6		

* Audit committee

** Audit committee chairman

[°] Remuneration committee

The Fund is in the process of compiling a formal and transparent policy regarding the appointment of directors to the board of STREM, the Manager of the Fund as well as forming a nomination committee.

The Fund has complied with the code, where applicable and to the following extent:

CODE OF ETHICS

The group adopted a Code of Ethics during the financial year, which was formally approved by the board.

In terms of the Code of Ethics, no issues of non-compliance, fines or prosecutions have been levied against the group or the Manager.

The Fund is currently evaluating mechanisms to introduce a whistle blowing hotline to report unethical behaviour.

Corporate governance *(continued)*

The capacity of the directors may be categorised as follows:

Executive directors: Messrs JWA Templeton and PJ Thurling are employed by STREAM, and remunerated out of the service charge payable by the Fund to STREAM. Mr WK Schultze is employed by Eris Property Group.

Non-executive directors: Mr BJ van der Ross is a director of FirstRand Limited, Naspers, Distell, Lewis Stores, Pick n Pay, Momentum Group, and is the Chairman of RMB Asset Management.

Mr MS Aitken is employed by Corovest Property Group Holdings (Pty) Limited.

Mr NL Sowazi and Ms NE Makiwane represent Emira's BEE partners.

Mr W McCurrie is employed by RMB Asset Management (Pty) Limited.

Independent non-executive directors: Messrs BH Kent, Mr MSB Naser and Ms LS Barnard are not significant holders of Emira participatory interests, as defined in the Code.

The roles of Chairman and Chief Executive Officer are completely separate. The directors have a wide range of skills.

The directors of STREAM are appointed at the discretion of STREAM shareholders.

The board schedules to meet at least four times per year. In addition, 11 asset performance committee meetings were held during the year and were attended by the executive members of the board.

All directors have unrestricted access to the advice and services of the Fund's secretary and to the Fund's records, information, documents and property. Non-executive directors also have unfettered access to management at any time. The Fund has developed and implemented a formal orientation procedure and training for new directors.

The board will ensure that it has the expertise, independence and diversity it needs to function independently. As such there exists a balance of power and authority on the board, such that no one individual has unfettered powers.

Independence of the board from the management team will be achieved by:

- maintaining a non-executive chairperson;
- maintaining a balance of executive and 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.

The board sets the strategic objectives of the Fund and determines the investment and performance criteria as well as being responsible for the proper management, control compliance and ethical behaviour of the business under its direction.

Committees

Audit committee

During the year, the audit committee comprised three non-executive members: Mr BH Kent (Chairman), Ms NE Makiwane and Ms LS Barnard. In August 2008, the audit committee was reconstituted to comprise only independent non-executive directors. Accordingly, Messrs BJ van der Ross, WK Schultze and JWA Templeton stepped down from the audit committee. Ms LS Barnard withdrew from the committee on her resignation from the board on 5 August 2009. The committee meets at least four times per year with the Fund's external auditors and executive management as well as the executives responsible for finance, the compliance officer and internal auditors.

The primary objectives of the committee are to provide the board with additional independent and objective assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The audit committee is required to provide reasonable assurance to the board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation. The committee also monitors proposed changes in accounting policies, and discusses and advises the board on the accounting implications of major transactions.

Corporate governance *(continued)*

The board is responsible for the group's system of internal and operational control. The executive directors are charged with the responsibility of ensuring that assets are protected, systems operate effectively and all valid transactions are recorded properly. Comprehensive reviews and testing of the effectiveness of the internal control systems in operation are performed by internal auditors, who report to the audit committee. The internal audit function co-ordinates with other internal and external providers of assurance to ensure proper coverage of financial, operational and compliance controls.

The committee has the co-operation of all directors, management and staff and is satisfied that controls and systems within the group have been adhered to and, where necessary, improved during the period under review.

To date the external auditors have not performed any non-audit services and when required appropriate principles will be considered. The audit committee has considered and satisfied itself of the appropriateness of the expertise and experience of Peter Thurling, the Chief Financial Officer.

The committee has fulfilled its responsibilities during the year. It has furthermore assured itself of the independence of the external auditors and their suitability for reappointment for the 2010 financial year.

Investment committee

An investment committee comprises at least two executive directors, and four senior staff employed by STREM with the appropriate skills and experience. The committee meets on an ad hoc basis to assess acquisitions and disposals, and makes recommendations to the board.

Remuneration committee

The committee comprises the Chairman of the board of directors and an independent non-executive director. The committee considers and recommends the remuneration payable to non-executive directors by the management company and meets on an ad hoc basis.

Management and financial control

During the year independent internal auditors performed a management and financial control review. No significant

weaknesses were identified and the overall conclusion was that the:

- directors had maintained an adequate system of internal controls and accounting records;
- the Fund's assets are safeguarded and appropriately insured;
- the Fund should remain a going concern for the foreseeable future; and
- management understood the Fund's policy and employed the appropriate strategy.

Directorate

Details of the directors are set out on pages 28 to 30 of this report. According to the articles of association of STREM, one-third of the directors shall retire at the following annual general meeting of STREM and will be eligible for re-election.

Directors' remuneration

The directors of STREM are remunerated from the management fee payable by the Fund.

Directors' dealings

The board has adopted policies prohibiting dealings by directors and certain other managers 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.

SECRETARY OF THE FUND

Desiree Isserow is the Company Secretary who was appointed on 1 October 2007. Her business and postal addresses, which are also the Fund's registered and business addresses, are set out on page 85.

AUDITOR

The Fund's auditor is PricewaterhouseCoopers Inc.

MAJOR INTEREST HOLDER

Momentum is the majority interest holder in Emira with 32,3% of the participatory interests in issue.

Corporate governance *(continued)*

STRUCTURE OF THE FUND

Emira Property Fund (“the Fund”) is a property unit trust in terms of the Collective Investment Schemes Control Act, No 45 of 2002. The Fund is managed by Strategic Real Estate Managers (Pty) Limited (“STREM”), which is approved by the Registrar of Collective Investment Schemes to manage the Fund.

In terms of the Collective Investment Schemes Control Act, No 45 of 2002 (“CISC Act”) the Fund is obliged to distribute all income earned to its participatory interest holders. As a result of its distribution obligations, no income tax or capital gains tax is payable by the Fund.

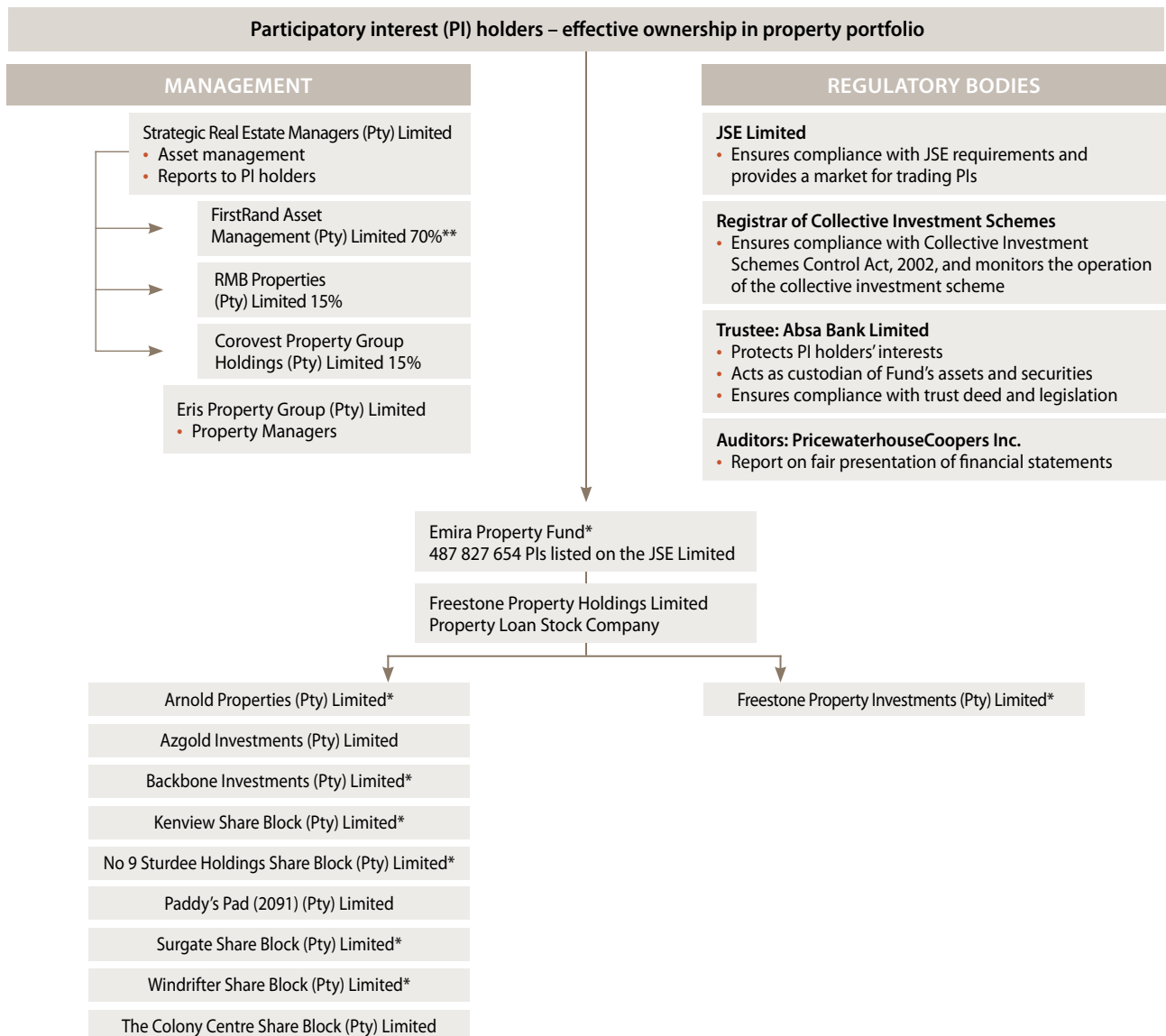
MANAGEMENT OF THE FUND

STREM – Asset management

STREM has been approved by the Registrar of Collective Investment Schemes to manage the Emira Property Scheme.

STREM receives an amount equal to 0,5% of the total market capitalisation of the Fund, calculated monthly on the average daily closing price of the Fund as recorded by the JSE Limited, plus total long-term borrowings.

Fees paid for the period amounted to R31,8 million (2008: R33,4 million).



* Property owning entities

** In the process of being transferred to another FirstRand Group company

Corporate governance *(continued)*

Property management

Property management of the Fund has been outsourced to Eris Property Group, an associate company of FirstRand.

Property management fees and commissions paid for the period were R58,6 million (2008: R48,1 million).

RISK MANAGEMENT

The STREM management philosophy on risk recognises that managing risk is an integral part of generating sustainable PI holder value and enhancing stakeholder interest. It also recognises that an appropriate balance should be struck between entrepreneurial endeavour and sound business practice.

The management of STREM operates a risk management framework, which is based on COSO's Enterprise Risk Management Framework. The underlying premise of enterprise risk management is that every entity exists to provide value for its stakeholders. All entities face uncertainty, and the challenge for management is to determine how much uncertainty to accept as it strives to grow stakeholder value.

Value is maximised when management sets strategy and objectives to strike an optimal balance between growth and return goals and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives.

Enterprise risk management in STREM encompasses:

- 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 response, 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.
- Improving deployment of capital by obtaining robust risk information to allow management to effectively assess overall capital needs and enhance capital allocation.

These capabilities inherent in enterprise risk management help management achieve the Fund's performance and profitability targets and prevent loss of resources. Enterprise risk management helps to ensure effective reporting and compliance with laws and regulations, and helps avoid damage to the Fund's reputation and associated consequences.

Financial risk factors

The financial instruments of the group consist mainly of deposits with banks, long-term borrowings, derivative instruments, accounts receivable and accounts payable. The Fund issues or purchases financial instruments in order to finance operations and to manage the interest rate risks that arise from these operations.

The Fund's credit, interest and liquidity risks are continually monitored.

The main objective of using financial instruments is to reduce the uncertainty over future cash flows arising principally as a result of interest rate fluctuations. The Fund finances its operations through the combination of bank borrowings and issue of additional units.

Interest rate risk management

As at 30 June 2009, approximately 99,3% of total borrowing facilities were at fixed rates (in terms of the swap contracts).

Credit risk management

The Fund has no significant concentration of credit risk due to a large number of widespread tenants.

The Fund has policies in place to ensure that lease agreements concluded are with tenants with an appropriate credit history. The Fund has policies that limit the amount of credit exposure to any one financial institution, and cash transactions are limited to high credit quality financial institutions. The debts are monitored on a continual basis in order to maintain a low default rate on trade receivables.

Liquidity risk management

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Fund.

Sustainability

INTRODUCTION

The Emira Property Fund recognises its responsibility to protect the interests of all its stakeholders and believes that good governance is essential to the Fund's long-term sustainability and functioning. The objective of the Fund is to conform to its stringent requirement for transparency, while operating profitably and remaining accountable to the broader community which it serves and respecting the natural environment.

The Fund has embraced the King II report's guidelines for socially responsible reporting according to the "triple bottom line" – the economic, social and environmental impacts of its properties. Going forward, the Fund is formalising its approach in order to reflect its commitment to sustainable business practice, and introduce measurable targets for the future.

STAKEHOLDER ENGAGEMENT

The STREM board considers it a duty to keep all the Fund's stakeholders informed and up to date with regard to its practices, policies and financial results, while remaining accountable for the sustainability of the Fund to its investors and tenants.

Direct discussions with stakeholders are always welcomed by the Fund. In addition to communication at the annual results presentation which is made to key participatory interest holders and analysts, media releases are published when appropriate as well as ad hoc meetings with interested parties on request.

The Fund meets regularly with its stakeholders and recognises its fiduciary duty to maximise the value of its assets for their benefit. In addition, participatory interest holders are encouraged to attend the Fund's annual general meeting to vote on resolutions and, where appropriate, to enter into discussions with the STREM directors.

The Fund has defined its major stakeholders and communicates with them as follows:

- Investors
- Tenants
- Suppliers and property management service providers
- Asset managers
- Communities
- Government

The Fund makes a presentation of its annual results to the investment community in both Johannesburg and Cape Town and subsequently meets with significant PI holders on a one-to-one basis.

As part of its duty as a South African corporate citizen, the Fund is committed to its responsibility of engaging with local communities where its operations have a potential environmental impact on their surroundings. The Fund aims to develop a positive working relationship with local communities through organised committees. For example, when the Fund engages in property development, where required, the impacts are fully evaluated with environmental impact assessments, which involve extensive consultation with the local communities.

Through its property management service provider, Eris, the Fund engages with its base of more than 4 000 tenants on a daily basis. These tenants range from small owner-run enterprises, to blue-chip companies and government departments spanning local, provincial and national government. The Fund also engages with government departments in matters relating to properties, for example zoning, planning permissions and rates.

ECONOMIC IMPACT

Transformation

The Fund is committed to empowering historically disadvantaged South Africans and considers this an imperative to model corporate citizenship.

The underlying principles which define the STREM board's transformation agenda, and relating specifically to BEE ownership are as follows:

- transferring ownership of land to people who were previously denied access to land through discriminatory policy and legislation;
- empowering previously disadvantaged individuals in order to redress the imbalances of the past; and
- achieving a change in the racial and gender composition of ownership, control and management within the property sector.

Sustainability *(continued)*

The Property Sector Charter entered into between representatives of the South African property industry and the Department of Public Works lists these reasons amongst its objectives and the directors believe that the BEE shareholding is an important step in achieving the targets as set out in the charter.

Emira's empowerment credentials are currently being verified by Empowerdex and the results will be finalised in the next few months. Once the baseline has been set across the entire BBBEE scorecard, based on the Property Charter, Emira will be in a position to start tracking and improving its performance on each of these elements.

Emira Property Fund's BEE holding in its PIs is 12,5%. The shareholders include:

The Tiso Group (Pty) Limited

Tiso is a leading black-owned, controlled and managed investment company investing in infrastructure and engineering, power, resources, industrial services, property and investments, employing in excess of 20 individuals with a diverse but complementary set of business and entrepreneurial skills. Tiso is predominantly controlled 60,41% by its management and staff and the Tiso Foundation (16%), a registered public benefit organisation created for the purpose of ensuring broad-based equity participation in Tiso beyond that of its employees. Other shareholders include Investec, Standard Bank and RMB (24%). Tiso is headed up by Nkululeko Sowazi and David Adomakoh. Tiso is the single largest shareholder in Idwala Industrial Holdings, while holding significant equity stakes in Aveng, AECL, Exxaro, Alstom, Investec, ACT, Emira and Eris.

The Shalamuka Foundation

The Shalamuka Foundation ("Shalamuka") is a trust registered to create sustainable long-term funding for the Penreach Whole School Development Programme ("Penreach"). Its inclusion as a BEE shareholder in the Emira Property Fund creates sustainable long-term support and funding for the school-based outreach programme.

For further information relating to Shalamuka see page 39.

Avuka Investments (Pty) Limited

Avuka is a black-controlled company established in 2005. The company is wholly owned by the following black women:

- Dr Lulu Gwagwa: ex-Deputy Director General in the Department of Public Works and a non-executive director on the boards of the Airports Company of South Africa ("ACSA"), FirstRand, the Development Bank of Southern Africa ("DBSA") and the Mineworkers Investment Company;
- Ms Nocawe Makiwane: served on the boards of Sentech, National Electricity Regulator and Blitec, a 100% black-owned IT company. Currently she serves as a non-executive director of National Housing Finance Corporation ("NHFC"), Rural Housing Loan Fund, Advantage Asset Management, AM Mfolozi Group Holdings companies, Xau Investments (Pty) Limited, Women In Capital Growth (Pty) Limited, Pacific Breeze Trading (Pty) Limited; and
- Nhlanhla Mjoli Mncube: CEO of Mjoli Development Company. Obtained her Masters degree in city and regional planning from the University of Cape Town and a Certificate in Technology from Warwick University (UK). In addition, she obtained a fellowship at Massachusetts Institute of Technology (USA), a Senior Executive Certificate from Harvard University (USA) and a Certificate in Finance from Wharton School of Business. Non-executive Director of the following companies: Capitec Bank Holdings Limited, Pioneer Foods, Tongaat Hulett and Cadiz Holdings.

Mr Ben van der Ross

Mr Ben van der Ross is the Chairman of STREAM. Mr Van der Ross also serves on the boards of FirstRand, Naspers, Distell, Lewis Stores and Pick n Pay.

The RMBP Broad-Based Empowerment Trust

In terms of the existing contracts between STREAM and Eris Property Group, all asset and property management functions are currently outsourced to STREAM and Eris Property Group, a Level 5 contributor. Eris and STREAM employ approximately 113 black individuals, many of whom are responsible for the administration of the Fund and the day-to-day management of properties owned by Emira. The PIs issued in terms of the BEE transaction have been and will be utilised to retain and incentivise existing black employees and to attract future black executives.

Sustainability *(continued)*

*"Simply A-Maize-Thing"
at Wonderpark*

*Environmentally responsible
signage at Woolworths,
Granada Square*

*Animals in Distress
fundraising at WorldWear
Shopping Centre*



Indirect impact

Emira, through its 167 properties, supports a large number of people who are employed either by Eris or by the tenants of these properties. Emira has therefore had a significant beneficial impact on the lives of these people by providing them with a high quality and safe workplace.

ENVIRONMENTAL IMPACT

Notwithstanding the Emira Property Fund's classification as having a low environmental impact, the STREM directors acknowledge the importance of adopting sustainable environmental business practices to minimise the impact of the Fund's activities on all stakeholder groups.

During the year, Emira developed an environmental policy to define appropriate environmental practices for the Fund, which was approved in February 2009. This is a significant step forward for the Fund in formalising the parameters to improve its environmental performance across its portfolio of properties in the years ahead.

The Green Building policy has a vision to create a significant improvement in how new; refurbished and existing buildings should perform over their entire lifecycle from an environmental, energy and economic perspective. A Green Building is therefore a building with design, construction and operational practices that significantly reduces resource consumption and environmental impacts through energy efficiency, resource efficiency and providing enhanced indoor environmental quality for occupants.

During the year, the Green Building Council of South Africa ("GBCSA") set out guidelines to reduce the environmental impact of new buildings. The GBCSA has developed the scorecard but these did not meet Emira's requirements with its portfolio of existing properties. The Manager will, however,

take cognisance of these guidelines for any new buildings. The Fund adopted a highly proactive approach and is engaging with several outsourcing service providers in order to plan and start implementing its green policy across its portfolio.

Emira is working on a pilot project with a sample of properties, in each of its sectors, to find ways of making each of these properties greener in an economically viable manner. The Fund is in the process of evaluating the proposals, and developing its strategy in order to conduct this pioneering project. It is hopeful that by the end of 2010, the industry bodies will have finalised standards and parameters to reduce environmental impact of existing buildings, and Emira will support industry initiatives wherever it can.

At the encouragement of Emira, a number of its tenants have already launched recycling and water saving initiatives as well as power saving projects. These are increasingly being adopted by tenants across its portfolio and will enable Emira to reduce its impact on climate change.

SOCIAL IMPACT

Health and safety

The Emira Property Fund's health and safety policy complies with the Occupational Health and Safety Act 1970 and other relevant legislation, regulations and codes of practice for South Africa. It aims to prevent and minimise work-related and health impairments by applying international best practice and ensuring that all employees are supplied with adequate training and supervision for the role they undertake. The Fund, through its property management company, Eris, strives to continuously improve its compliance with the Occupational Health and Safety Act ("the Act"). All regulatory OHS progress is monitored and reported to the STREM board of directors.

Sustainability *(continued)*

This year management took the initiative to engage with a leading information solution provider, LexisNexis, to verify the level of its compliance to the Act with regards to its policy. Following this assessment, Emira passed with a 95% rating and has identified opportunities for improvement. These changes will be implemented within the next year.

Evacuation drills, which are a high priority nationally, were highlighted to employees to heighten their awareness of risks. Individual and company responsibilities were communicated to avoid and deal with any crises. Tenants are continually reminded of their OHS responsibilities. All tenants receive an Eris OHS manual as well as an Eris "House Rule" guide.

Social initiatives

As a Collective Investment Scheme in property, EMIRA is precluded from making direct corporate social investments by the Collective Investments Schemes Control Act. However, as a stakeholder in the Emira Property Fund, involvement with Shalamuka is regarded as an indirect CSI initiative.

The Fund also uses its infrastructure to benefit society and the communities around its shopping centres. Within Emira's extensive retail portfolio is a rural property portfolio of 15 shopping centres which are located in outlying areas that do not have large regional shopping centres. Many local inhabitants' lives are improved by having good retail facilities in the vicinity of where they live. Through its properties, Emira has also played a role in uplifting local business by providing good facilities from which local business people can conduct and grow their businesses.

Emira has indirectly contributed to several initiatives in the community through the retail centres that it owns and manages:

- The "Simply A-Maize-Thing" initiative at the Wonderpark Shopping Centre collected more than one and a half tons of maize meal from shoppers for the underprivileged. With the assistance of Global Nissan the loads of maize were delivered to the Wolmer Community Project, a non-profit organisation, which assists disadvantaged people. The donation fed more than 19 000 people in the Wolmer, Soshanguve, Mabopane, Garankuwa and surrounding areas.
- At the WorldWear Shopping Centre, free promotional space was offered to several non-profit and charitable organisations during the year, for example Animals in Distress as well as various retirement homes.
- A fashion show and vouchers to the value of R30 000 were also donated by the WorldWear Shopping Centre to the Ngwenya Glass Village in Muldersdrift in support of its Women's Day function which was held in aid of POWA and Child Abuse.

During 2009, several Emira staff members also participated in the Rally to Read initiative in partnership with weekly business publication, *Financial Mail* and the READ Educational Trust that contributes to eradicating illiteracy in rural education as well as enriching the lives of nearly 40 000 learners during 2009.

Community involvement

One of the beneficiaries of Emira's BEE transactions in 2006 and 2007 is Shalamuka, a trust formed in 2006 to raise long-term, sustainable funding for educational development in South Africa.

Shalamuka acts solely as the funding vehicle for the highly regarded Penreach Whole School Development Programme ("Penreach"). Penreach is a non-profit, skills development programme that strives to improve the teaching skills of

Sustainability *(continued)*

Penreach –
Mr Paul Dibakwane helping
students at Zwelitsha

Penreach – October 2008:
Charlotte Ngobe, Penreach
Liaison Officer, addresses
teachers in chapel

Penreach –
Books for libraries



qualified and unqualified teachers and their schools in Mpumalanga and the surrounding areas. It has resulted in the upliftment of local communities through improvement in education and the quality of schools, and has received numerous awards in recognition of its work and results.

The mission statement of Penreach is "To improve the quality and accessibility of education in under-resourced schools in black rural communities". Penreach is striving to create functional, efficient schools where future generations of young people can acquire the skills they will need to take South Africa to new heights as a nation.

Penreach holds weekly workshops that provide skills training to teachers. Workshops are supplemented by regular visits to rural schools by experienced fieldworkers, and tutorial workshops are offered to Mathematics and Science learners and their educators.

The programme's focus areas include:

- Pre-primary school educators;
- Primary school educators;
- High school educators (with a focus on Mathematics and Science development);
- School governing bodies;
- School management teams, including mentorship to school principals;
- Tutorial lessons for Grade 10, 11 and 12 Mathematics and Science learners; and
- Early childhood development National Qualifications Framework ("NQF") courses.

Penreach began working with 40 teachers from 10 schools in 1994. It has grown exponentially since then and now reaches

more than 2 000 teachers a year, representing over 900 schools. It is estimated that over 350 000 learners from rural areas benefit from Penreach annually. Beneficiaries are 100% black; more than 94% are women and over 50% are rural-dwelling.

Shalamuka participates in BEE deals and other investment opportunities in order to create long-term investments that will provide sufficient funds to sustain Penreach on an annual basis and allow room for planning, growth and important research. This will increase the number of educators, and consequently learners who can be reached, thereby improving their standard of education.

It is the profound belief of the Shalamuka trustees that South Africa will benefit from widespread, improved education.

The Shalamuka trustees are respected members of the business community and have impressive socio-economic development track records. 85% of the trustees are black South Africans and 71% are black women. The Shalamuka trustees are volunteers and do not benefit economically in any way from Shalamuka or Penreach.

Shalamuka has Empowerdex certification, scoring maximum points. It is 100% compliant as a BBBEE organisation, as per the 2007 Department of Trade and Industry Codes, and it significantly enhances the CSI/BEE scorecard of investee companies.

Shalamuka has successfully participated in a number of BEE transactions to date. These include Emira Property Fund; Hulamin (Pty) Limited; Shalamuka Capital/RMB Corvest; Brimstone Investment Corporation Limited; Sasol Inzalo; Barloworld Limited and PPC Limited. Shalamuka has access to funding at favourable rates.

Annual financial statements

for the year ended 30 June 2009

Granada Square
Braamfontein Centre



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Statement of directors' responsibility

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 44 to 82 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 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 the next page.



BJ van der Ross
Chairman



JWA Templeton
Chief Executive Officer

Approval of annual financial statements

The annual financial statements of the Fund, incorporating statutorily required information in respect of the Fund, for the year ended 30 June 2009 set out on pages 44 to 82 were approved by the board of directors of STREM on 23 September 2009 and are signed on its behalf by:



BJ van der Ross
Chairman



JWA Templeton
Chief Executive Officer

Report of the independent auditor

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPATORY INTEREST HOLDERS OF EMIRA PROPERTY FUND

We have audited the group annual financial statements and annual financial statements of Emira Property Fund, which comprise the consolidated and separate balance sheets as at 30 June 2009, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 82.

Directors' responsibility for the financial statements

The Strategic Real Estate Manager's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 consolidated and separate financial position of Emira Property Fund as at 30 June 2009, 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 in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc.

Director: N Mtetwa

Registered Auditor

Johannesburg

23 September 2009

Report of the trustee

In terms of section 70(l)(f) of the Collective Investment Schemes Control Act, No 45 of 2002

TO THE PARTICIPATORY INTEREST HOLDERS OF EMIRA PROPERTY FUND

During the period as set out above during which the Collective Investment Schemes Control Act, No 45 of 2002 has been in effect the Trust has been administered in accordance with:

- i. The limitations imposed on the investment and borrowing powers of the Manager by the Act; and
- ii. The provisions of the Act and the deed.

ABSA Bank Limited

Trustee

Johannesburg

14 September 2009

Income statements – for the year ended 30 June 2009

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
666 609	772 015	REVENUE	1 082 688	944 198
498 048	575 008	Operating lease rental income from investment properties	836 532	730 728
150 903	177 253	Recoveries of operating costs from tenants	223 334	194 055
17 658	19 754	Allowance for future rental escalations	22 822	19 415
(194 806)	(245 137)	Property expenses	(350 880)	(271 632)
(23 359)	(22 285)	Management expenses	(31 843)	(33 431)
(24 873)	(30 227)	Administration expenses	(39 023)	(32 976)
(9 210)	(10 071)	Depreciation	(11 198)	(9 902)
414 361	464 295	PROFIT FROM PROPERTY RENTAL OPERATIONS	649 744	596 257
(142 943)	(84 454)	Net fair value deficit on investment properties	(83 511)	(10 580)
(17 658)	(19 754)	Change in fair value as a result of straight-lining lease rentals	(22 822)	(19 415)
(569)	(5 007)	Change in fair value as a result of amortising upfront lease costs	(6 717)	(13 565)
(124 716)	(59 693)	Change in fair value as a result of property (depreciation)/ appreciation in value	(53 972)	22 400
(3 245)	—	Maintenance fund expenses	—	(3 977)
(5 914)	—	IFRS 2 adjustment in respect of PI-based payments	—	(5 914)
(5 914)	—	Discount on the issue of PIs to BEE partners	—	(5 914)
262 259	379 841	PROFIT BEFORE FINANCE COSTS	566 233	575 786
41 812	(191 082)	Finance (costs)/income	(319 676)	27 606
(68 999)	(75 810)	Interest paid and amortised borrowing costs	(121 844)	(115 273)
7 635	1 728	Interest capitalised to cost of developments	1 728	7 635
—	—	Preference share dividends paid	(16 424)	(8 213)
103 176	(117 000)	Unrealised (loss)/gain on interest-rate swaps	(183 136)	143 457
153 753	128 473	Investment income	11 902	5 864
150 083	118 694	Debenture interest received from subsidiary	—	—
3 670	9 779	Interest received on cash balances	11 902	5 864
457 824	317 232	PROFIT FOR THE YEAR BEFORE TAXATION	258 459	609 256
—	—	Deferred taxation	66 571	(53 189)
—	—	– Revaluation of investment properties	54 441	(34 049)
—	—	– Other	12 130	(19 140)
—	—	STC on preference share dividends paid	(1 642)	(821)
457 824	317 232	NET PROFIT FOR THE YEAR	323 388	555 246
		Earnings per participatory interest (cents)	65,84	113,03

Balance sheets – as at 30 June 2009

FUND		GROUP			
2008 R'000	2009 R'000		Notes	2009 R'000	2008 R'000
		ASSETS			
		<i>Non-current assets</i>			
5 104 334	5 004 721	Investment properties	5	7 158 603	7 305 166
86 790	106 544	Allowance for future rental escalations	6	152 826	130 004
24 635	29 642	Unamortised upfront lease costs	7	44 348	37 631
5 215 759	5 140 907			7 355 777	7 472 801
1 318 987	1 248 433	Subsidiary companies	8		
6 534 746	6 389 340			7 355 777	7 472 801
		<i>Current assets</i>			
30 630	38 464	Accounts receivable and prepayments	9	51 892	41 673
121 527	4 527	Derivative financial instruments	10	6 817	189 953
57 198	22 898	Cash and cash equivalents	11	36 524	68 825
209 355	65 889			95 233	300 451
18 635	260 500	Non-current assets held for sale	5	362 300	18 635
6 762 736	6 715 729	Total assets		7 813 310	7 791 887
		EQUITY			
5 672 049	5 443 205	Participatory interest holders' capital and reserves	12,13	5 538 352	5 761 040
		<i>Non-current liabilities</i>			
—	—	Redeemable preference shares	14	200 000	90 000
641 418	876 125	Interest-bearing debt	14	1 373 316	1 137 204
—	—	Deferred taxation	15	246 101	312 672
641 418	876 125			1 819 417	1 539 876
		<i>Current liabilities</i>			
100 000	—	Short-term portion of long-term interest-bearing debt	14	—	100 000
114 194	140 485	Accounts payable	16	199 627	155 896
235 075	255 914	Distribution payable to participatory interest holders		255 914	235 075
449 269	396 399			455 541	490 971
1 090 687	1 272 524	Total liabilities		2 274 958	2 030 847
6 762 736	6 715 729	Total equity and liabilities		7 813 310	7 791 887

Cash flow statements – for the year ended 30 June 2009

FUND			GROUP		
2008 R'000	2009 R'000		2009 R'000	2008 R'000	
		Notes			
CASH FLOWS FROM OPERATING ACTIVITIES					
408 232	468 062	Cash generated from operations	17	664 501	574 925
153 753	128 473	Investment income		11 902	5 864
(68 999)	(75 810)	Interest paid		(121 844)	(115 273)
—	—	Preference share dividends paid		(16 424)	(8 213)
—	—	Taxation paid	17	(1 228)	(764)
(321 353)	(473 086)	Distribution to participatory interest holders	17	(473 086)	(321 353)
171 633	47 639			63 821	135 186
CASH FLOWS FROM INVESTING ACTIVITIES					
(277 348)	(251 768)	Acquisition of investment properties		(302 963)	(319 939)
(5 610)	(4 310)	Acquisition of furniture and equipment		(8 149)	(7 122)
155 503	20 914	Proceeds on disposal of investment properties		20 914	169 503
997	115	Proceeds on disposal of furniture and equipment		115	997
(77 306)	70 554	Loan to subsidiary			
(203 764)	(164 495)			(290 083)	(156 561)
CASH FLOWS FROM FINANCING ACTIVITIES					
45 398	(52 151)	(Repurchase)/issue of participatory interests		(52 151)	45 398
38 750	134 707	Increase in interest-bearing debt		246 112	30 916
84 148	82 556			193 961	76 314
52 017	(34 300)	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(32 301)	54 939
5 181	57 198	Cash and cash equivalents at the beginning of the year		68 825	13 886
57 198	22 898	Cash and cash equivalents at the end of the year		36 524	68 825

Statement of changes in equity – for the year ended 30 June 2009

GROUP					
	Participatory interest R'000	Fair value reserve R'000	Other reserve R'000	Retained earnings R'000	Total R'000
Balance at 1 July 2007	3 512 323	2 188 321	(92 348)	(1 345)	5 606 951
Net profit for the year	—	—	—	555 246	555 246
Distribution to participatory interest holders	—	—	—	(452 469)	(452 469)
Issue of participatory interests	45 398	—	—	—	45 398
IFRS 2 adjustment in respect of PI-based payments	5 914	—	(5 914)	5 914	5 914
Transfer to fair value reserve (net of deferred taxation)	—	108 691	—	(108 691)	—
Balance at 1 July 2008	3 563 635	2 297 012	(98 262)	(1 345)	5 761 040
Net profit for the year	—	—	—	323 388	323 388
Distribution to participatory interest holders	—	—	—	(493 925)	(493 925)
Repurchase of participatory interests	(52 151)	—	—	—	(52 151)
Transfer to fair value reserve (net of deferred taxation)	—	(170 537)	—	170 537	—
Balance at 30 June 2009	3 511 484	2 126 475	(98 262)	(1 345)	5 538 352
FUND					
Balance at 1 July 2007	3 512 323	2 232 972	(92 348)	(37 565)	5 615 382
Net profit for the year	—	—	—	457 824	457 824
Distribution to participatory interest holders	—	—	—	(452 469)	(452 469)
Issue of participatory interests	45 398	—	—	—	45 398
IFRS 2 adjustment in respect of PI-based payments	5 914	—	(5 914)	5 914	5 914
Transfer to fair value reserve (net of deferred taxation)	—	(24 785)	—	24 785	—
Balance at 30 June 2008	3 563 635	2 208 187	(98 262)	(1 511)	5 672 049
Net profit for the year	—	—	—	317 232	317 232
Distribution to participatory interest holders	—	—	—	(493 925)	(493 925)
Repurchase of participatory interests	(52 151)	—	—	—	(52 151)
Transfer to fair value reserve (net of deferred taxation)	—	(176 693)	—	176 693	—
Balance at 30 June 2009	3 511 484	2 031 494	(98 262)	(1 511)	5 443 205

Notes to the financial statements – for the year ended 30 June 2009

1 ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the Companies Act of South Africa.

Various new accounting standards, or revisions to current accounting standards, have been issued with effective dates applicable to future financial statements of the group. The only standards not yet adopted and that could be expected to be applicable to the group are those requiring additional disclosure. These will be dealt with as and when they apply.

The financial statements are prepared on the historical cost basis except for investment properties and certain financial instruments which are carried at fair value, and incorporate the following accounting policies which are consistent with those applied in the previous year.

The financial statements are prepared on a going-concern basis. The group financial statements include those of Emira Property Fund and its wholly owned subsidiary, Freestone Property Holdings Limited and its subsidiaries.

1.1 Basis of consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. The group ceases to consolidate on the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

1.2 Investment property

Investment property comprises both freehold and leasehold land and buildings and installed equipment held for the purpose of earning rental income and for capital appreciation.

Investment property is treated as a long-term investment and is initially recognised at cost (including related transaction costs) and subsequently carried at fair value. Subsequent additions that produce future economic benefit to the group are capitalised. Investment property under construction is valued at cost.

Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are expensed in the income statement.

Independent valuations are obtained on a rotational basis so as to ensure that external independent valuation professionals have valued each property every three years. The directors value the remaining properties twice a year.

Investment properties are classified as held for sale when the board has approved the disposal of the properties.

The valuation calculations are based on the aggregate of the net annual rents receivable and associated costs, using the discounted cash flow method. The discounted cash flow method takes projected cash flows and discounts them at a rate

which is consistent with comparable market transactions. Any gains or losses arising from changes in fair value are included in the net income or loss for the year. The net gains or losses are transferred to a revaluation reserve and are not available for distribution, as set out in the trust deed of the Fund.

Gains or losses arising from the disposal of investment properties, being the difference between the net disposal proceeds and the carrying value, are brought to account in the determination of the net income/loss for the year. The net gains or losses are transferred from retained earnings to a fair value reserve and are not available for distribution in accordance with the Fund's trust deed.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yield. These leases in respect of land, are classified as operating leases and have varying expiry dates from 6 to 87 years.

1.3 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Fund is party to numerous leasing contracts as the lessor of property.

1.4 Investment in subsidiaries

The investment in subsidiaries is recognised at the lower of cost and net realisable value.

1.5 Furniture and equipment

Furniture and equipment 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 accumulated depreciation and any impairment and expected residual value on the straight-line method, which is reviewed annually.

The useful lives of furniture and equipment range between five and six years.

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

Furniture and equipment 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.

1.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Separately recognised 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.

1.7 Impairment of assets

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or 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 have occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Fund about the following events:

- A breach of contract, such as a default or delinquency in payments.
- Significant financial difficulty of the debtor.
- The disappearance of an active market for that financial asset because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets.

Notes to the financial statements – for the year ended 30 June 2009 (continued)

1 ACCOUNTING POLICIES continued

1.7 Impairment of assets continued

If any of the above indications exist and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Impairment losses and reversal of impairment losses are recognised in the income statement.

1.8 Allowance for future rental escalations

Allowance for future rental escalations represents the difference between the actual cash rentals received to date and the rental income recognised on a straight-line basis over the period of the lease contracts.

1.9 Upfront lease costs

Upfront lease costs are amortised on a straight-line basis over the lease period to which they relate.

1.10 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost, using the effective interest rate method. A provision for impairment of trade receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original term of the receivables.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in fair value. Cash and cash equivalents are stated at fair value.

1.12 Non-current assets held for sale

Non-current assets held for sale are assets that will be recovered principally through a sale transaction. These assets are measured at the lower of their carrying amounts and fair value less selling costs.

1.13 Borrowings, including redeemable preference shares

Borrowings are recognised initially at fair value, net of transaction costs incurred, when the group becomes party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds (net of amortised costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or has expired.

1.14 Derivative financial instruments

The Fund uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing and investment activities. The Fund does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

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 group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

1.15 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method.

1.16 Offsetting

Financial assets and financial liabilities are only offset if there is a legally enforceable right to set-off the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

1.17 Revenue and expense recognition

1.17.1 Revenue

Comprises rental income and operating cost recoveries from tenants, but excludes value added tax. Rental income is accounted for on a straight-line basis over the period of the lease contracts.

1.17.2 Investment income

Investment income is recognised on a time-proportion basis, taking into account the principal amount outstanding to the effective rate over the period to maturity when it is determined that such income will accrue to the Fund.

1.17.3 Operating leases

Leases under which the lessor effectively retains the risks and benefits of ownership are classified as operating leases. Obligations incurred under operating leases are charged to the income statement in equal instalments over the period of the lease.

1.17.4 Management fees

Management fees payable to STREM are equal to 0,5% of the total market capitalisation of the Fund, calculated monthly on the average daily closing price of the Fund as recorded by the JSE Securities Exchange South Africa, plus the total long-term borrowings.

1.17.5 Property management fees

Property management fees payable to Eris Property Group are calculated based on the rental collections using market-related rates applicable to the type and occupancy of buildings.

1.18 Borrowing costs

All borrowing costs are recognised in the period in which they are incurred using the effective interest rate method. In the event that borrowing costs are incurred prior to the qualifying asset being ready for its intended use, such costs will be capitalised until such time as the asset is substantially ready for its intended use. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are expensed upon recognition.

1.19 Distributions to participatory interest holders

Distributions to participatory interest holders are recognised in the period in which income is earned, in accordance with the trust deed of the Fund. The accrued income arising as a result of the difference between actual cash rental received and the amortised amount on a straight-line basis over the periods of the lease contracts is not distributable until realised. The additional profit arising as a result of the Fund amortising upfront lease costs over the period of the lease contracts is not distributable.

1.20 Segment reporting

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environments.

The major business segments are office, retail and industrial. Properties are classified as office, retail and industrial according to the nature of their tenants. The geographical split is a secondary reporting format, the major segments are Gauteng, Western and Eastern Cape, KwaZulu-Natal and Free State.

All segment revenue and expenses are directly attributable to the segment.

1.21 PI-based payments

For equity settled PI-based payment transactions, the services acquired and liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at each reporting date and at the date of settlement, with any changes in value recognised in the income statement for the period.

Notes to the financial statements – for the year ended 30 June 2009 (continued)

1 ACCOUNTING POLICIES continued

1.22 Taxation

No taxation is accounted for in the Fund as all distributable income is distributed to participatory interest holders and is taxable in their hands. As a result no deferred taxation has been raised in the Fund.

As a result of the acquisition of Freestone Property Holdings Limited, which is a tax-paying entity, the group is required to account for deferred taxation in respect of Freestone Property Holdings Limited and its subsidiaries.

1.23 Deferred taxation liability and asset

A deferred taxation liability is recognised for all taxable temporary differences.

A deferred taxation asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred taxation assets and liabilities are not recognised to the extent that they arise from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting nor taxable profit.

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation on the fair value adjustment of investment property has been provided on a combination of the income taxation and capital gains taxation rates, based on the manner in which each asset is expected to be realised.

1.24 Key estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the financial statements. Information on key estimates and assumptions which have the most significant effect on the financial statements are set out in the following notes to the financial statements:

- Accounting policies – note 1
- Investment properties – note 5
- Receivables – note 9
- Derivative financial instruments – note 10
- Deferred taxation – note 15
- Taxation – note 3

1.25 New and amended International Financial Reporting Standards not yet adopted

Any changes required will be implemented in the accounting period commencing after the effective date.

IAS I Presentation of Financial Statements: Comprehensive revision requiring a statement of comprehensive income

Effective date: 1 January 2009

The changes made to IAS I require information in financial statements to be aggregated on the basis of shared characteristics and introduce a statement of comprehensive income. The revision includes changes in titles of financial statements to reflect their functions more clearly.

The revised standard will affect the disclosures in the financial statements.

IAS 23 Borrowing Costs – Revised

Effective date: 1 January 2009

The previous treatment of immediately recognising borrowing costs as an expense has been eliminated. The revision requires that borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of that asset. The standard also states a number of exceptions to the above.

The revision will not affect results as the current accounting policy is consistent with the revised standard.

IAS 27 Consolidated and Separate Financial Statements – Revised

Effective date: 1 July 2009

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control they will no longer result in goodwill or gains and losses. The standard also specifies when control is lost any remaining interest in the entity is remeasured to fair value and a gain or loss is recognised in profit or loss.

IAS 32 and IAS 1 Presentation of Financial Statements: Amendment relating to disclosure of puttable instruments and obligations arising on liquidation

Effective date: 1 January 2009

The amendment requires additional information to be presented on puttable instruments that are presented as equity. The amendment will not have any effect as there are no puttable instruments that are presented within equity.

IFRS 2 Share Based Payment: Amendment relating to vesting conditions and cancellation

Effective date: 1 January 2009

The amendment deals with two matters. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

IFRS 3 Business Combinations – Revised

Effective date: 1 July 2009

The new standard continues to apply the acquisition method to business combinations, with some significant changes for example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently remeasured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed.

IFRS 8 Operating Segments

Effective date: 1 January 2009

IFRS 8 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the "chief operating decision maker" in order to allocate to the segment and assess its performance. A reconciliation of reportable segments to the total reportable IFRS figures is required for the following items:

- revenue
- profit or loss before (or after; in certain circumstances) income tax expense/income and discontinued operations
- assets
- liabilities
- every other material item of information disclosed as required by IFRS 8

It is not expected that the implementation of IFRS 8 will have any significant effect on the financial statements.

Notes to the financial statements – for the year ended 30 June 2009 (continued)

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		2 PROFIT FOR THE YEAR BEFORE TAXATION		
		Profit for the year before taxation is arrived at after taking into account the following items:		
		Expenses		
703	1 029	Auditor's remuneration	1 029	968
700	1 025	Audit fee	1 025	961
3	4	Expenses	4	7
2 463	3 398	Operating lease payments – leasehold properties	8 925	7 236
		3 TAXATION		
		Reconciliation of the taxation charge:		
118 096	88 825	Net profit before taxation at 28% (2008: 28%)	72 369	170 592
—	—	Rate change	—	(8 948)
(118 096)	(88 825)	Exempt income	(88 825)	(118 096)
—	—	Non-allowable deductions	4 599	2 453
—	—	Fair value adjustments	(54 705)	29 095
—	—	Other	284	(284)
—	—	Utilisation of losses	(293)	(21 907)
—	—		(66 571)	52 905
		4 EARNINGS PER PARTICIPATORY INTEREST		
		Reconciliation between earnings and headline earnings and distribution payable		
		Net profit for the year	323 388	555 246
		<i>Adjusted for:</i>		
		Net fair value deficit on investment properties	83 511	10 580
		Change in fair value of investment properties as a result of straight-lining lease rentals	22 822	19 415
		Change in fair value of investment properties as a result of amortising upfront lease costs	6 717	13 565
		Change in fair value as a result of property depreciation/ (appreciation) in value	53 972	(22 400)
		Deferred taxation on revaluation of investment properties	(54 441)	34 049
		Headline earnings	352 458	599 875

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		4 EARNINGS PER PARTICIPATORY INTEREST continued		
		Headline earnings	352 458	599 875
		<i>Adjusted for:</i>		
		Allowance for future rental escalations	(22 822)	(19 415)
		Amortised upfront lease costs	(6 717)	(13 565)
		Unrealised deficit/(gain) on interest-rate swaps	183 136	(143 457)
		IFRS 2 adjustment in respect of PI-based payments	—	5 914
		Maintenance fund expenses	—	3 977
		Deferred taxation – other	(12 130)	19 140
		Distribution payable to participatory interest holders	493 925	452 469
		Distribution per participatory interest		
		Interim (cents)	48,79	44,34
		Final (cents)	52,46	47,70
			101,25	92,04
		Number of PIs in issue at the end of the year	487 827 654	492 818 989
		Weighted average number of PIs in issue	491 194 770	491 221 327
		Earnings per participatory interest (cents)	65,84	113,03
		The calculation of earnings per participatory interest is based on net profit for the year of R323,4 million (2008: R555,2 million), divided by the weighted average number of participatory interests in issue during the year of 491 194 770 (2008: 491 221 327).		
		Headline earnings per participatory interest (cents)	71,76	122,12
		The calculation of headline earnings per participatory interest is based on net profit for the year, adjusted for the non-trading items, of R352,5 million (2008: R599,9 million), divided by the weighted average number of participatory interests in issue during the year of 491 194 770 (2008: 491 221 327).		

Notes to the financial statements – for the year ended 30 June 2009 (continued)

FUND				GROUP		
Freehold and leasehold land and buildings R'000	Furniture and equipment R'000	Total R'000		Freehold and leasehold land and buildings R'000	Furniture and equipment R'000	Total R'000
			5 INVESTMENT PROPERTIES			
			Net carrying value at 30 June 2009			
3 458 878	68 232	3 527 110	Cost	4 698 729	78 229	4 776 958
—	(44 800)	(44 800)	Accumulated depreciation	—	(46 627)	(46 627)
1 782 911	—	1 782 911	Revaluation surplus	2 790 572	—	2 790 572
(260 500)	—	(260 500)	Non-current assets held for sale	(362 300)	—	(362 300)
4 981 289	23 432	5 004 721		7 127 001	31 602	7 158 603
			Movement for the year			
5 074 819	29 515	5 104 334	Valuation at the beginning of the year	7 270 193	34 973	7 305 166
253 496	4 310	257 806	Additions	304 691	8 149	312 840
(20 914)	(137)	(21 051)	Disposals	(20 914)	(137)	(21 051)
—	22	22	Disposals – accumulated depreciation	—	22	22
—	(10 071)	(10 071)	Depreciation	—	(11 198)	(11 198)
207	(207)	—	Reclassification	207	(207)	—
(84 454)	—	(84 454)	Deficit on revaluation	(83 511)	—	(83 511)
18 635	—	18 635	Non-current assets held for sale – prior year	18 635	—	18 635
(260 500)	—	(260 500)	– current year	(362 300)	—	(362 300)
4 981 289	23 432	5 004 721	Valuation at the end of the year	7 127 001	31 602	7 158 603
			Reconciliation to independent and directors' valuations			
4 981 289	23 432	5 004 721	Valuation at the end of the year – as above	7 127 001	31 602	7 158 603
106 544	—	106 544	Allowance for future rental escalations	152 826	—	152 826
29 642	—	29 642	Unamortised upfront lease costs	44 348	—	44 348
260 500	—	260 500	Non-current assets held for sale	362 300	—	362 300
5 377 975	23 432	5 401 407	Independent and directors' valuations at 30 June 2009	7 686 475	31 602	7 718 077

FUND			GROUP			
Freehold and leasehold land and buildings R'000	Furniture and equipment R'000	Total R'000	Freehold and leasehold land and buildings R'000	Furniture and equipment R'000	Total R'000	
5 INVESTMENT PROPERTIES						
continued						
Net carrying value at 30 June 2008						
3 217 202	64 266	3 281 468	Cost	4 405 858	70 424	4 476 282
—	(34 751)	(34 751)	Accumulated depreciation	—	(35 451)	(35 451)
1 876 252	—	1 876 252	Revaluation surplus	2 882 970	—	2 882 970
(18 635)	—	(18 635)	Non-current assets held for sale	(18 635)	—	(18 635)
5 074 819	29 515	5 104 334		7 270 193	34 973	7 305 166
Movement for the year						
4 951 518	33 011	4 984 529	Valuation at the beginning of the year	6 976 286	33 301	7 009 587
284 983	5 610	290 593	Additions	327 574	7 122	334 696
(155 503)	(2 095)	(157 598)	Disposals	(169 503)	(2 095)	(171 598)
—	1 098	1 098	Disposals – accumulated depreciation	—	1 098	1 098
—	(9 210)	(9 210)	Depreciation	—	(9 902)	(9 902)
(1 101)	1 101	—	Reclassification	(5 449)	5 449	—
(142 943)	—	(142 943)	Deficit on revaluation	(10 580)	—	(10 580)
156 500	—	156 500	Non-current assets held for sale			
(18 635)	—	(18 635)	– prior year	170 500	—	170 500
			– current year	(18 635)	—	(18 635)
5 074 819	29 515	5 104 334	Valuation at the end of the year	7 270 193	34 973	7 305 166
Reconciliation to independent and directors' valuations						
5 074 819	29 515	5 104 334	Valuation at the end of the year – as above	7 270 193	34 973	7 305 166
86 790	—	86 790	Allowance for future rental escalations	130 004	—	130 004
24 635	—	24 635	Unamortised upfront lease costs	37 631	—	37 631
18 635	—	18 635	Non-current assets held for sale	18 635	—	18 635
5 204 879	29 515	5 234 394	Independent and directors' valuations at 30 June 2008	7 456 463	34 973	7 491 436

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 2009 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 Benchmark Valuation Group, Mills Fitchet (KZN) and Old Mutual, all registered valuers in terms of section 19 of the Property Valuers Profession Act (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 R7 351,3 million (2008: R7 305,2 million) have been used to provide security for loans taken out. See note 14.

Notes to the financial statements – for the year ended 30 June 2009 (continued)

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		6 ALLOWANCE FOR FUTURE RENTAL ESCALATIONS		
69 132	86 790	Opening balance	130 004	110 589
17 658	19 754	Income recognised during the year	22 822	19 415
86 790	106 544	Closing balance	152 826	130 004
		7 UNAMORTISED UPFRONT LEASE COSTS		
24 066	24 635	Opening balance	37 631	24 066
569	5 007	Expense deferred during the year	6 717	13 565
24 635	29 642	Closing balance	44 348	37 631
		8 SUBSIDIARY COMPANIES		
1 339 187	1 339 187	Shares at cost		
(20 200)	(90 754)	Amounts owed to subsidiary companies		
1 318 987	1 248 433			
		The group's shares in Arnold Properties (Proprietary) Limited have been pledged to Nedbank Limited as security for the issue of preference shares to them.		
		The group's shares in Freestone Property Investments (Pty) Limited have been pledged to Freestone Mortgage Bond SPV Series 1 (Proprietary) Limited as security for the issue of CMBS notes.		
		9 ACCOUNTS RECEIVABLE AND PREPAYMENTS		
20 328	29 109	Trade receivables	40 195	26 681
(8 038)	(11 452)	Less: Provision for non-recoverable receivables	(18 524)	(11 146)
12 290	17 657	Net trade receivables	21 671	15 535
3 704	1 547	Prepayments	3 514	6 907
14 636	19 260	Other receivables	26 707	19 231
30 630	38 464		51 892	41 673
30 630	38 464	Due within one year	51 892	41 673
		Ageing of receivables past due but not impaired		
2 926	6 315	30 days	9 645	4 971
1 569	3 045	60 days	4 772	2 260
894	1 868	90 days	2 939	1 309
6 901	6 429	120+ days	4 315	6 995
12 290	17 657	Total	21 671	15 535

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		9 ACCOUNTS RECEIVABLE AND PREPAYMENTS		
		<i>continued</i>		
		Ageing of impaired receivables		
596	—	30 days	—	1 005
772	—	60 days	—	1 493
617	—	90 days	—	993
6 053	11 452	120+ days	18 524	7 655
8 038	11 452		18 524	11 146
		10 DERIVATIVE FINANCIAL INSTRUMENTS		
		<i>Net fair values of derivative assets at the balance sheet date were:</i>		
121 527	4 527	Interest rate swap contracts	6 817	189 953
		Interest rate swaps		
		The notional principal amount of the outstanding interest rate swap contracts at 30 June 2009 was R1 574,6 million (2008: R1 504,6 million)		
		11 CASH AND CASH EQUIVALENTS		
57 198	22 898	Cash at bank	36 524	68 825
		12 PARTICIPATORY INTEREST HOLDERS' CAPITAL		
		<i>Authorised and issued</i>		
3 512 323	3 563 635	Opening balance	3 563 635	3 512 323
45 398	(52 151)	(Repurchased)/Issued during the year	(52 151)	45 398
		(4 991 335 PIs were repurchased in March 2009 in terms of a special resolution passed on 18 November 2008. Emira has the right to re-issue the PIs at a later date).		
5 914	—	IFRS 2 adjustment in respect of PI-based payments	—	5 914
3 563 635	3 511 484		3 511 484	3 563 635
		13 RESERVES		
		<i>Fair value reserve</i>		
2 232 972	2 208 187	Opening balance	2 297 012	2 188 321
(142 943)	(84 454)	Fair value adjustments	(83 511)	(10 580)
17 658	19 754	Allowance for future rental escalations	22 822	19 415
569	5 007	Unamortised upfront lease costs	6 717	13 565
103 176	(117 000)	Unrealised (deficit)/gain on interest rate swaps	(183 136)	143 457
(3 245)	—	Transfer of maintenance fund expenses	—	(3 977)
—	—	Deferred taxation	66 571	(53 189)
2 208 187	2 031 494		2 126 475	2 297 012

Notes to the financial statements – for the year ended 30 June 2009 (continued)

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		13 RESERVES continued		
		<i>Other reserve</i>		
(92 348)	(98 262)	Opening balance	(98 262)	(92 348)
(5 914)	—	IFRS 2 adjustment in respect of PI-based payments	—	(5 914)
(98 262)	(98 262)		(98 262)	(98 262)
		<i>Retained earnings</i>		
(37 565)	(1 511)	Opening balance	(1 345)	(1 345)
457 824	317 232	Profit for the year before taxation	258 459	609 256
(452 469)	(493 925)	Distribution to participatory interest holders	(493 925)	(452 469)
142 943	84 454	Fair value adjustments	83 511	10 580
(17 658)	(19 754)	Allowance for future rental escalations	(22 822)	(19 415)
(569)	(5 007)	Unamortised upfront lease costs	(6 717)	(13 565)
(103 176)	117 000	Unrealised deficit/(gain) on interest rate swaps	183 136	(143 457)
3 245	—	Transfer of maintenance fund expenses	—	3 977
5 914	—	IFRS 2 adjustment in respect of PI-based payments	—	5 914
—	—	STC on preference share dividends paid	(1 642)	(821)
(1 511)	(1 511)	Closing balance	(1 345)	(1 345)
2 108 414	1 931 721	Total reserves	2 026 868	2 197 405
		14 INTEREST-BEARING DEBT		
		Borrowings		
—	120 000	FirstRand Bank Limited	120 000	—
		Floating rate 7-year access funding term with a capital repayment on termination on 31 May 2014. Interest is payable at prime less 225 basis points. This facility is secured, together with the 10-year funding term loan noted below, by a first mortgage bond over fixed property with a carrying value of R3,265 million.		
643 811	645 027	Freestone Finance Company	645 027	643 811
650 000	650 000	CMBS notes issued to Rand Merchant Bank (RMB) repayable on 28 March 2013. Various interest rate swap agreements held by the Fund were novated to RMB, resulting in an effective rate of 9,78%, inclusive of securitisation costs. The notes are secured by a first mortgage bond over fixed property with a carrying value of R1,917 million.	650 000	650 000
(6 189)	(4 973)	Less: Unamortised securitisation costs	(4 973)	(6 189)
—	112 838	FirstRand Bank Limited	112 838	—
—	114 475	Floating rate 10-year funding term with a capital repayment on termination, on 30 March 2019. Interest is payable at three-month JIBAR plus 153 basis points. This loan, together with the 7-year access funding term loan noted above, is secured by a first mortgage bond over fixed property with a carrying value of R3,265 million.	114 475	—
—	(1 637)	Less: Unamortised structuring fee	(1 637)	—

FUND			GROUP			
2008 R'000	2009 R'000		2009 R'000	2008 R'000		
		14 INTEREST-BEARING DEBT continued				
		Freestone Finance Company	497 191	495 786		
—	—	CMBS notes repayable on 18 June 2011. An interest rate swap has been entered into for seven years, which when taking the securitisation costs into account, gives an effective rate of 9,20% per annum. The notes are secured by a first mortgage bond over fixed property with a carrying value of R1,670 million.	500 000	500 000		
—	—	<i>Less: Unamortised securitisation costs</i>	(2 809)	(4 214)		
(2 393)	(1 740)	Amortised borrowing cost	(1 740)	(2 393)		
(2 957)	(2 393)	Opening balance	(2 393)	(2 957)		
(284)	(27)	Costs capitalised to borrowings	(27)	(284)		
848	680	<i>Less: Amounts amortised</i>	680	848		
—	—	Preference shares issued to Nedbank Limited redeemable up to 5 years after issue i.e. on 31 January 2012.	90 000	90 000		
—	—	Preference shares issued to Nedbank Limited redeemable up to 5 years after issue i.e. on 11 September 2013	110 000	—		
		Less: Short-term borrowings				
100 000	—	FirstRand Bank Limited – Fixed rate 5-year funding term loan repaid on 30 November 2008	—	100 000		
741 418	876 125	Total borrowings	1 573 316	1 327 204		
		Debt funding				
		In terms of the trust deed, the Fund's aggregated indebtedness may not exceed an amount equal to 30% of the gross value of the underlying assets of the Fund. At 30 June 2009, the aggregate indebtedness amounted to 20,1% of the gross value of the underlying assets. As at 30 June 2009 Emira had a total debt facility available of R2 264 million. Various swaps have been entered into. The breakdown is as follows:				
			Rate (%)	Term	Amount (Rm)	% of debt
Debt – swap			10,05	January 2010	90,0	5,7
– extended			9,87	March 2020		
Debt – swap			9,46	September 2011	110,0	6,9
– extended			9,79	September 2021		
Debt – swap			9,78	March 2013*	650,0	41,0
Debt – swap			9,20	June 2013	500,0	31,6
Debt – swap			10,25	October 2013	84,6	5,3
Debt – swap			9,66	December 2014	100,0	6,3
Debt – swap			10,11	April 2019	40,0	2,5
					1 574,6	99,3
Debt – floating			9,16	January 2019	9,9	0,7
Total			9,61		1 584,5	100,0
		<i>Less: Costs capitalised not yet amortised</i>			(11,2)	
		Per balance sheet			1 573,3	

* Existing interest rate swaps that were in place have been novated to RMB. These revert back to Emira in April 2013 and continue until expiry, ranging between October 2013 and November 2018.

Notes to the financial statements – for the year ended 30 June 2009 (continued)

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
—	—	15 DEFERRED TAXATION		
—	—	Change in fair value of investment properties	243 200	297 641
—	—	Change in fair value of derivative financial instruments	641	19 159
—	—	Allowance for future rental escalations	12 959	12 100
—	—	Amortising upfront lease costs	4 118	3 639
—	—	Improvement allowance	734	—
—	—	Taxation loss	(15 551)	(19 867)
—	—		246 101	312 672
		Reconciliation of the movement in deferred taxation liability:		
—	—	Opening balance 1 July 2008	312 672	259 483
—	—	Change in fair value of investment property	(54 441)	62 864
—	—	Change in fair value of derivative financial instruments	(18 518)	3 401
—	—	Allowance for future rental escalations	859	12 100
—	—	Amortising upfront lease costs	479	3 639
—	—	Improvement allowance	734	—
—	—	Change in taxation rate	—	(8 948)
—	—	Taxation loss	4 316	(19 867)
—	—	Closing balance 30 June 2009	246 101	312 672
		16 ACCOUNTS PAYABLE		
7 111	11 282	Trade payables	14 899	9 843
27 135	31 889	Tenant deposits	47 914	41 093
36 280	59 684	Accrued expenses	87 748	54 642
20 840	17 466	Prepaid debtors	22 740	25 451
22 828	20 164	Other payables	26 326	24 867
114 194	140 485		199 627	155 896
114 194	140 485	Due within one year	199 627	155 896

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		17 NOTES TO THE CASH FLOW STATEMENT		
		<i>Cash generated from operations</i>		
457 824	317 232	Profit for the year before taxation:	258 459	609 256
142 943	84 454	Fair value adjustments	83 511	10 580
(17 658)	(19 754)	Allowance for future rental escalations	(22 822)	(19 415)
(569)	(5 007)	Unamortised upfront lease costs	(6 717)	(13 565)
5 914	—	IFRS 2 adjustment in respect of PI-based payments	—	5 914
68 999	75 810	Interest paid	138 268	123 486
(7 635)	(1 728)	Interest capitalised to the cost of developments	(1 728)	(7 635)
(103 176)	117 000	Unrealised deficit/(gain) on interest rate swaps	183 136	(143 457)
(153 753)	(128 473)	Interest received	(11 902)	(5 864)
9 210	10 071	Depreciation	11 198	9 902
402 099	449 605	Operating profit before working capital changes	631 403	569 202
(6 445)	(7 835)	Increase in accounts receivable and prepayments	(10 219)	(6 251)
12 578	26 292	Increase in accounts payable	43 317	11 974
408 232	468 062	Cash generated from operations	664 501	574 925
		Distribution to participatory interest holders		
(103 959)	(235 075)	Distribution payable at the beginning of the year	(235 075)	(103 959)
(452 469)	(493 925)	Distribution for the year	(493 925)	(452 469)
235 075	255 914	Distribution payable at the end of the year	255 914	235 075
(321 353)	(473 086)	Distribution paid to participatory interest holders	(473 086)	(321 353)
		Taxation paid		
—	—	Taxation liability at the beginning of the year	(423)	(366)
—	—	Income statement movement – STC	(1 642)	(821)
—	—	Taxation liability at the end of the year	837	423
—	—	Taxation paid for the year	(1 228)	(764)
		18 RELATED PARTIES AND RELATED PARTY TRANSACTIONS		
		Momentum Group ("Momentum") is the major participatory interest holder. At 30 June 2009, Momentum held 32,3% of the Fund's participatory interests and 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 12,5%. The remaining 55,2% were widely held.		
		The following transactions were carried out with related parties:		
		Strategic Real Estate Managers (Proprietary) Limited		
33 431	31 843	Expenditure comprising asset management fees <i>Relationship: Associated company of the FirstRand Group</i>	31 843	33 431

Notes to the financial statements – for the year ended 30 June 2009 (continued)

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		18 RELATED PARTIES AND RELATED PARTY TRANSACTIONS continued		
		Rand Merchant Bank a division of FirstRand Bank Limited		
750 000	884 475	Long-term interest-bearing debt	884 475	750 000
68 324	72 526	Net finance cost in respect of long-term interest-bearing debt	72 526	68 324
39 589	6 000	Cash on call	6 000	39 589
—	1 000	Cash reserve	2 000	1 000
1 214	5 467	Finance income on cash on call	5 467	1 214
		<i>Relationship: Associated company of the FirstRand Group</i>		
		Eris Property Group (Proprietary) Limited/RMB Properties (Proprietary) Limited		
232 671	158 136		176 806	248 098
32 670	40 798	Expenditure comprising: property management fee and letting commissions	58 620	48 097
—	90 100	Purchase consideration of TIS Corporate Park	90 100	—
29 897	—	Purchase consideration of Faerie Glen Phase 4	—	29 897
25 875	—	Purchase consideration of RTT Acsa Park	—	25 875
144 229	27 238	Development expenditure	28 086	144 229
		<i>Relationship: Associated company of the FirstRand Group</i>		
26 259	—	Momentum Limited	—	26 259
26 259	—	Purchase consideration of Builders Express	—	26 259
		<i>Relationship: Associated company of the FirstRand Group</i>		
		The above transactions were carried out on commercial terms and conditions no more favourable than those available in similar arm's length dealings at market-related rates.		
		19 MINIMUM CONTRACTED RENTAL INCOME		
		The group has rental income receivable in terms of operating lease contracts:		
487 195	537 952	– Due within one year	768 601	707 037
979 240	1 024 800	– Due within two to five years	1 363 093	1 342 394
176 402	118 404	– Due beyond five years	148 866	217 117
1 642 837	1 681 156		2 280 560	2 266 548

FUND			GROUP	
2008 R'000	2009 R'000		2009 R'000	2008 R'000
		20 COMMITMENTS AND CONTINGENCIES		
		Authorised capital expenditure		
237 605	164 703	– Committed	164 703	150 112
—	36 000	– Contracted for	36 000	—
		Operating lease commitments		
		Commitments due in respect of leases entered into on leasehold properties:		
2 289	4 510	– Due within one year	10 531	7 335
11 296	22 362	– Due within two to five years	51 336	34 259
1 625 738	3 684 190	– Due beyond five years	4 432 677	2 144 453
1 639 323	3 711 062		4 494 544	2 186 047
		Contingencies		
		The Fund had no material contingent liabilities at 30 June 2009.		
		21 POST-BALANCE SHEET EVENTS		
		Transfer of Taylor Blinds, an industrial property located in Montague Gardens, Cape Town, which was purchased for R36,0 million, took place on 4 September 2009.		
		Registration of the sales by the Group for R4,2 million of two sections at Georgian Place in Kelvin, Gauteng, took place on 15 and 28 July 2009.		

Notes to the financial statements – for the year ended 30 June 2009 (continued)

22 SEGMENT INFORMATION

The Fund's activities are divided into three main categories namely:

Office – Comprises commercial properties

Retail – Comprises shopping centres

Industrial – Comprises industrial properties

Sectoral segments	Office R'000	Retail R'000	Industrial R'000	Adminis- trative and corporate R'000	Total R'000
June 2009					
Revenue	485 109	423 794	173 785	—	1 082 688
Revenue	477 152	415 700	167 014	—	1 059 866
Allowance for future rental escalations	7 957	8 094	6 771	—	22 822
Segmental result					—
Net income from property rental operations	305 783	258 132	122 662	(36 833)	649 744
Other information					
Investment properties	3 679 586	2 732 279	1 306 212	—	7 718 077
June 2008					
Revenue	427 221	369 742	147 235	—	944 198
Revenue	420 881	365 745	138 157	—	924 783
Allowance for future rental escalations	6 340	3 997	9 078	—	19 415
Segmental result					
Net income from property rental operations	283 169	243 453	106 757	(37 122)	596 257
Other information					
Investment properties	3 448 681	2 695 890	1 328 230	—	7 472 801

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

22 SEGMENT INFORMATION continued

Geographical segments	Office R'000	Retail R'000	Industrial R'000	Total R'000
June 2009				
Revenue				
– Gauteng	361 584	288 445	134 567	784 596
– Western and Eastern Cape	60 952	36 596	13 054	110 602
– KwaZulu-Natal	43 218	65 513	26 164	134 895
– Free State	19 355	33 240	—	52 595
	485 109	423 794	173 785	1 082 688
Investment properties				
– Gauteng	2 763 004	1 868 800	1 040 500	5 672 304
– Western and Eastern Cape	524 382	237 066	118 500	879 948
– KwaZulu-Natal	275 800	431 113	147 212	854 125
– Free State	116 400	195 300	—	311 700
	3 679 586	2 732 279	1 306 212	7 718 077
June 2008				
Revenue				
– Gauteng	312 810	244 078	111 880	668 768
– Western and Eastern Cape	59 361	33 877	11 405	104 643
– KwaZulu-Natal	40 517	60 684	23 950	125 151
– Free State	14 533	31 103	—	45 636
	427 221	369 742	147 235	944 198
Investment properties				
– Gauteng	2 529 244	1 885 140	1 023 500	5 437 884
– Western and Eastern Cape	537 232	246 500	129 730	913 462
– KwaZulu-Natal	285 980	399 350	175 000	860 330
– Free State	96 225	164 900	—	261 125
	3 448 681	2 695 890	1 328 230	7 472 801

Notes to the financial statements – for the year ended 30 June 2009 (continued)

23 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.

	Weighted average effective interest rate %	1 year or less R'000	1 – 5 years R'000	More than 5 years R'000	Total R'000
Year ended 30 June 2009					
Financial assets					
Accounts receivable and prepayments		51 892			51 892
Derivative financial instruments		6 817			6 817
Cash and cash equivalents	7,0 – 11,5	36 524			36 524
Total financial assets		95 233	—	—	95 233
Financial liabilities					
Redeemable preference shares	9,69		200 000		200 000
Interest-bearing debt	9,60		1 373 316		1 373 316
Accounts payable		199 627			199 627
Distributions payable to participatory interest holders		255 914			255 914
Total financial liabilities		—	1 573 316	—	2 028 857
Year ended 30 June 2008					
Financial assets					
Accounts receivable and prepayments		41 673			41 673
Derivative financial instruments		189 953			189 953
Cash and cash equivalents	9,5 – 11,5	68 825			68 825
Total financial assets		300 451	—	—	300 451
Financial liabilities					
Redeemable preference shares	10,91		90 000		90 000
Interest-bearing debt	9,67	100 000	1 137 204		1 237 204
Accounts payable		155 896			155 896
Distributions payable to participatory interest holders		235 075			235 075
Total financial liabilities		490 971	1 227 204	—	1 718 175

23 FINANCIAL RISK MANAGEMENT continued**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 A1 rating by Moody's Investor Services.

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. In addition, the company monitors liquidity risk by regularly monitoring forecast cash flows.

The group's borrowings are limited to 30% of the value of the group's property portfolio.

The company's utilised borrowing capacity at 30 June 2009 can be summarised as follows:

	2009 R'000	2008 R'000
Valuation of property portfolio	7 718 077	7 491 436
30% thereof	2 315 423	2 247 431
Total borrowings	1 573 316	1 327 204
Unutilised borrowing capacity	742 107	920 227

Interest rate risk management

The group's exposure to interest rates on financial instruments at balance sheet date is set out in note 10.

Interest rates are constantly monitored and appropriate steps are taken to ensure that Emira's exposure to interest rate fluctuations is limited. Interest rates have been fixed for extended periods ranging from 2013 to 2021. The average rate of interest at year-end (applicable to the fixed interest rate agreements) was 9,61% (2008: 9,67%). At year end 99,3% 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 R99 000 per annum, in respect of the floating portion of the Fund's debt.

Credit risk management

Credit risk is limited to the carrying amount of financial assets at the balance sheet date.

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 2009 was R18,5 million (2008: R11,1 million) net of tenants' deposits and guarantees held as security. The company held cash deposits and guarantees with a fair value of R79,6 million at 30 June 2009 (2008: R67,1 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 balance sheet date no geographic area, rental sector or size of tenant had been identified as a specific credit risk.

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 2009, trade receivables of R21,7 million (2008: R15,5 million) were considered past due but not impaired. These include varied tenants with no recent history of payment default.

Notes to the financial statements – for the year ended 30 June 2009 (continued)

24 PARTICIPATORY INTEREST (“PI”) HOLDERS’ PROFILE AND JSE INFORMATION AT 30 JUNE 2009

	Number of holders	% of holders	Number of participatory interests	% of capital
Directors’ holdings	10	0,34	16 280 897	3,34
Strategic holdings (more than 10%)	1	0,03	157 482 305	32,28
Empowerment partners excluding directors’ holdings	5	0,17	48 372 686	9,92
Non-public	16	0,54	222 135 888	45,54
Public	2 947	99,46	265 691 766	54,46
Total	2 963	100,00	487 827 654	100,00
Distribution of PI holders				
Empowerment partners	5	0,17	60 880 955	12,48
Insurance companies	24	0,81	152 019 436	31,17
Investment companies	2 249	75,91	64 017 114	13,12
Retirement funds	84	2,83	60 674 933	12,44
Mutual funds	93	3,14	121 245 957	24,85
Other	508	17,14	28 989 259	5,94
Total	2 963	100,00	487 827 654	100,00
Range analysis at 30 June 2009				
1 – 1 000	279	9,42	148 655	0,03
1 001 – 10 000	1 668	56,29	8 030 421	1,65
10 001 – 100 000	799	26,97	24 001 611	4,92
100 001 – 1 000 000	164	5,53	53 790 853	11,03
Over 1 000 000	53	1,79	401 856 114	82,37
Total	2 963	100,00	487 827 654	100,00

The following holders of PIs hold, beneficially directly or indirectly, at 30 June 2009, in excess of 5% of the issued participatory interest capital:

Holder

Momentum Group	157 482 305	32,28
Tiso Group	42 271 468	8,67

List of managers managing in excess of 5% of the issued participatory interest capital:

Manager

Stanlib and Liberty Group	45 685 276	9,37
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DIRECTORS OF STREM HOLDINGS IN PARTICIPATORY INTERESTS

The directors’ holdings in the participatory interests of the Fund as at 30 June 2009 were:

Director	Beneficial direct 2009	Beneficial indirect 2009	Held by associates 2009	Total 2009	Beneficial direct 2008	Beneficial indirect 2008	Held by associates 2008	Total 2008
Executive directors								
Warren Schultze		391 000		391 000		391 000		391 000
James Templeton	349 800			349 800	149 800			149 800
Peter Thurling	32 000	188 000		220 000	32 000	88 000		120 000
Non-executive directors								
Michael Aitken	20 000		288 000	308 000	20 000		288 000	308 000
Liliane Barnard			2 049 950	2 049 950			107 700	107 700
Bryan Kent		413 878		413 878		218 878		218 878
Nocawe Makiwane		1 511 133		1 511 133		1 511 133		1 511 133
Thys Nesor		20 000	20 000	40 000		20 000	20 000	40 000
Nkululeko Sowazi		7 820 221		7 820 221		7 820 221		7 820 221
Ben van der Ross		3 176 915		3 176 915		3 176 915		3 176 915
Total	401 800	13 521 147	2 357 950	16 280 897	201 800	13 226 147	415 700	13 843 647

Since the end of the financial year to the date of this report, the interests of directors have remained unchanged.

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS)

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Office	100 on Armstrong	100 Armstrong Avenue, Forest Park, La Lucia Ridge, Durban	SAP Africa (Pty) Ltd, Imperial Bank (Pty) Ltd, Nurturing Orphans of Aids for Humanity, Momentum Group Ltd, Glaxosmithkline SA (Pty) Ltd	2 871	28 500 000	115,86	0,8	0,4
Office	1059 Schoeman Street	1059 Schoeman Street, Hatfield	SABC Ltd, United Nations Office for Drug Control & Crime Prevention, The Embassy of Ireland, Khuthele Projects (Pty) Ltd	6 047	48 700 000	94,67	1,3	0,6
Office	12 Baker Street*	12 Baker Street, Rosebank	Sasol Group Services (Pty) Limited	4 636	48 300 000	100,42	1,3	0,6
Office	122 Pybus Road	122 Pybus Road, Sandton	Rennies Travel (Pty) Ltd, Zim Integrated Shipping Services SA (Pty) Ltd, TAS Appointments and Management Services CC, Farmprops 69 (Pty) Ltd, Bombela Civils Joint Venture (Pty) Ltd	5 340	37 600 000	75,70	1,0	0,5
Office	2 Sturdee Avenue*	2 Sturdee Avenue, Rosebank	Sasol Group Services (Pty) Limited	5 603	55 600 000	100,42	1,5	0,7
Office	267 West	267 West Avenue, Centurion	Afgri Capital – A Division of Afgri Operations Limited, FirstRand Bank Limited, FNB Life	9 799	83 300 000	109,11	2,3	1,1
Office	Albury Park	Magalieszicht Avenue, Dunkeld West	Resolve SA (Pty) Ltd, Front Range Solutions SA (Pty) Ltd, Trillion Video SA (Pty) Ltd, Northam Platinum Limited, Pin Point One Human Resources (Pty) Ltd	8 152	73 000 000	89,76	2,0	0,9
Office	Bank Forum	337 Bronkhorst Street, New Muckleneuk, Pretoria	Newtons Incorporated, Nedbank Limited, Bild Architects, VFS Visa Processing (SA) (Pty) Ltd, Kitso Consultants CC, Finbond Property Finance Ltd, Afrilink Leisurainment (Pty) Ltd	7 466	67 400 000	83,52	1,8	0,9
Office	Boundary Terraces	1 Mariendahl Lane, Newlands, Cape Town	Pinnacle Point Investments (Pty) Ltd, ASISA, Resafrika (Pty) Ltd, RMB Asset Management (Pty) Ltd, Property Promotions & Management (Pty) Ltd	8 211	114 500 000	103,99	3,1	1,5
Office	Braamfontein Centre	23 Jorissen Street, Braamfontein	Pick n Pay, City of Joburg Property Company (Pty) Limited, Centre for the Study of Violence & Reconciliation, Mine Health & Safety Council, The Ford Foundation, Spectrium Consulting (Pty) Ltd	21 308	121 100 000	75,30	3,3	1,6
Office	Bradenham Hall	Mellis Avenue, Rivonia	Millward Brown SA (Pty) Ltd, QAD Software South Africa (Pty) Ltd, Strats Solutions CC, Enablis Entrepreneurial Network SA, IFS Consulting (Pty) Ltd	4 569	40 600 000	76,50	1,1	0,5
Office	Brooklyn Office Park	Nicolson Street, Brooklyn	KMG and Associates Inc, Austrian Embassy, Fuchs Prokureurs, Mastermed Managed Services (Pty) Ltd, Cassells Accountants Incorporated, Pam Golding Franchise Services (Pty) Ltd	5 364	37 000 000	80,17	1,0	0,5
Office	CBC House	261 Surrey Avenue, Ferndale	Advtech Resourcing (Pty) Ltd	1 752	9 100 000	48,74	0,2	0,1
Office	Century Gate	Cnr Century Boulevard & Bosmansdam Road, Century City	Med-e-Mass (Pty) Ltd, Afroteq Facilities Management (Pty) Ltd, Sunair Holdings Limited	1 366	8 800 000	53,10	0,2	0,1

* Single tenant – weighted average for all single tenant buildings in office sector – R100,42/m²

Notes to the financial statements – for the year ended 30 June 2009 (continued)

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Office	Chiappini House	26 Chiappini Street, Cape Town	Icicle Investments (Pty) Ltd, Diamond's Discount Liquor (Pty) Ltd, The Propfin Trading Trust, Diana Christine Davis	1 020	11 900 000	86,83	0,3	0,2
Office	Ciros House	41A Homestead Avenue, Edenburg	The Glass Recycling Company (Pty) Ltd, Nic Man Business Development 965 CC	1 838	8 700 000	11,94	0,2	0,1
Office	CRB House	Cnr Kramer & Desmond Roads, Kramerville	St Leger & Viney (Pty) Ltd, XDSL Trading 561 (Pty) Ltd, Sol Danka (Pty) Ltd	5 940	24 800 000	33,32	0,7	0,3
Office	Dalefern	284 Oak Avenue, Ferndale	Only the Best (Pty) Ltd, Primedia, @ Home (Pty) Ltd, Population Council, Health Science Academy (Pty) Ltd, Orica South Africa (Pty) Ltd, Khetha Staffing Services (Pty) Ltd	3 792	20 500 000	66,72	0,6	0,3
Office	Deloitte*	Cnr Fehrsen Street & Waterkloof Roads, Brooklyn	Deloitte and Touche	4 094	42 100 000	100,42	1,1	0,5
Office	Derby Downs	9 Derby Place & 4 Sookhai Place, Derby Downs	Lafarge South Africa (Pty) Ltd, McCarthy Limited, Tarsus Technologies (Pty) Ltd, Healthbridge	2 205	18 700 000	101,42	0,5	0,2
Office	Discovery Health*	2 Frosterley Crescent, La Lucia Ridge, Umhlanga Rocks, Durban	Discovery Health (Pty) Ltd	2 312	25 200 000	100,42	0,7	0,3
Office	Discovery Health PTA*	Oak Road, Centurion	Discovery Health (Pty) Ltd	3 863	39 800 000	100,42	1,1	0,5
Office	Dorbyl Parktown	16 Jan Smuts Avenue, Parktown	Pyromet (Pty) Ltd	2 346	25 300 000	91,32	0,7	0,3
Office	Dresdner House	2 North Road, Dunkeld West	Dresdner Bank, Interact Research Design & Training CC	892	7 500 000	130,15	0,2	0,1
Office	East Coast Radio House	314/7 Umhlanga Rocks Drive, Umhlanga Rocks	East Coast Radio (Pty) Ltd, Strauss Daly Inc, ABSA Bank Limited, Dimension Data (Pty) Ltd, Reg Ellaya & Associates, Seekers World Travel	6 804	53 700 000	97,92	1,5	0,7
Office	East Rand Junction	Cnr North & K90, Boksburg	Hammond Pole Inc, Afgri Operations Limited, Virtual Card Acquiring (Pty) Limited, Wesbank	6 710	46 400 000	74,60	1,3	0,6
Office	Epsom Downs Office Park	13 Sloane Street, Bryanston	Angor Property Specialists (Pty) Ltd, Modernarch Offices (Pty) Ltd, WBHO Construction (Pty) Ltd, Foster-Mellar (Pty) Ltd, Omnia Kunsmis Limited	9 552	81 700 000	71,93	2,2	1,1
Office	Faerie Glen	291 Sprite Avenue, Faerie Glen	Softline VIP, FirstRand Bank Ltd, South Africa Local Government Association, Wesbank, Sportron International	10 324	126 100 000	114,13	3,4	1,6
Office	Fleetway House	17 Martin Hammerschlag Way, Cape Town	Sea Harvest Corporation Limited, Print Active CC, The Property Administrators (Pty) Ltd, Management Computer Services, Enroute Traders (Pty) Ltd	7 103	39 200 000	49,06	1,1	0,5
Office	Fluor Building*	1 Kikuyu Street, Sunninghill	Fluor SA (Pty) Ltd	7 845	73 600 000	100,42	2,0	1,0
Office	FNB Building	33-39 Heerengracht Street, Cape Town	Mariam's Kitchen	6 745	19 182 000	18,45	0,5	0,2

* Single tenant – weighted average for all single tenant buildings in office sector – R100,42/m²

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Office	FNB Midrand	Cnr 16th & Old Pretoria Roads, Midrand	First National Bank of SA Limited, Healthtech Laboratories (Pty) Ltd	2 532	13 500 000	69,17	0,4	0,2
Office	Gateview	3 Sugar Close, Umhlanga	Dimension Data (Pty) Ltd, Almar Agencies, Private Property Listing, CP De Leeuw Durban	2 727	24 800 000	103,12	0,7	0,3
Office	Georgian Place	18 Southway Road, Kelvin	JD Grota, Infinex Financial Services, TMS Group Industrial, Changing Tides	12 477	44 500 000	35,96	1,2	0,6
Office	Hamilton House	30 Chiappini Street, Cape Town	Berry Bush /BBDO (Pty) Ltd, Ras Management Services	3 449	40 000 000	71,54	1,1	0,5
Office	Harbour Place	Cnr Oswald Pirow & Martin Hammerschlag Way, Cape Town	Noordhoek Motors (Pty) Ltd, Megafreight Services Cape (Pty) Ltd, Metal & Engineering Industries Bargaining Council, Tracker Network (Pty) Ltd	5 395	44 400 000	69,85	1,2	0,6
Office	Harrogate Park	Pretorius Street, Hatfield, Pretoria	Strachan & Crouse, Affirmative Portfolio, KPMG Services (Pty) Ltd	1 711	13 200 000	80,50	0,4	0,2
Office	Herdbuoys Building*	6 Kikuyu Road, Sunninghill, Sandton	Herdbuoys McCann-Erickson (Pty) Ltd	5 370	52 800 000	98,34	1,4	0,7
Office	Howick Gardens	Becker Street, Waterfall Park, Midrand	Cipla Medpro (Pty) Ltd, Minco Mineral Holdings (Pty) Ltd, Postilion International Ltd, Advtech Resourcing (Pty) Ltd	3 075	20 000 000	72,87	0,5	0,3
Office	Hurlingham Office Park	Cnr Republic Road & William Nicol Drive, Hurlingham	Pambili Document Solutions (Pty) Ltd, Consumer Goods Council of SA, Hurlingham Office Suites CC, Tsebo Holdings and Operations (Pty) Ltd, Destiny Electronic Commerce (Pty) Ltd	16 159	136 900 000	57,62	3,7	1,8
Office	Hyde Park Lane	Cnr Jan Smuts Ave & William Nicol Drive, Hyde Park	The Standard Bank of SA, Willis RE (Pty) Ltd, Property Marketers CC, Tag Travel (Pty) Ltd, Property Marketers CC, Eezee Dex Industrial Procurement Services (Pty) Ltd	15 334	177 900 000	93,84	4,8	2,3
Office	Lustitia Building	Cnr St Andrews & Aliwal Streets, Bloemfontein	Society of Advocates, Mutual & Federal, Departement van Openbare Werke	5 360	25 200 000	58,10	0,7	0,3
Office	Knightsbridge Manor	33 Sloane Street, Bryanston Ext 4	Managed Healthcare Systems (Pty) Ltd, Norilsk Nickel Africa (Pty) Ltd, Dovetail Business Solutions (Pty) Ltd, UB Resorts Management (SA) (Pty) Ltd, Bryanwood Centre CC	9 696	95 700 000	84,05	2,6	1,2
Office	Lake Buena Vista	Gordon Hood Avenue, Centurion	FirstRand STI Administration (Pty) Ltd t/a Outsurance	6 894	81 500 000	92,31	2,2	1,1
Office	Lincoln Wood Office Park	Woodlands Drive, Woodmead	African Legend Indigo (Pty) Ltd, SA Rail Commuter Corporation Ltd, Intersite Property Management Services (Pty) Ltd, ZTE Corporation SA, Reunert Management Services	10 911	104 700 000	108,86	2,8	1,4
Office	Linkview	260 Kent Avenue, Ferndale, Randburg	Aqua Engineering SA (Pty) Ltd, Ability Financial Advisors (Pty) Ltd, Verify Solutions (Pty) Ltd	1 496	6 600 000	55,60	0,2	0,1
Office	Lone Creek	Cnr Mac Mac & Howick Close, Midrand	Cement and Concrete Institute, End User Finance, Batseta Consulting CC, B2B Placements CC, Cedar Point Trading 308 (Pty) Ltd, Leonard Cheshire International SA	5 659	36 400 000	69,23	1,0	0,5

* Single tenant – weighted average for all single tenant buildings in office sector – R100,42/m²

Notes to the financial statements – for the year ended 30 June 2009 (continued)

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Office	Lynnridge Mews	22 Hibiscus Street Lynnwood Ridge	Phakama Funeral Society (Pty) Ltd, Freeworld Travel (Pty) Ltd, The Standard Bank Limited	3 533	16 000 000	32,56	0,4	0,2
Office	Menlyn	Cnr Lois & Gobie Streets, Menlyn	Absa Bank Limited, The Standard Bank of South Africa Limited, First National Asset Management and Trust Company, FirstRand Bank Limited, Discovery Health (Pty) Ltd, Liberty Group Limited	9 852	103 700 000	98,23	2,8	1,3
Office	Midrand Business Park	563 Main Road, Halfway House, Midrand	Celtrac (Pty) Ltd, Construction Education & Training Authority, Postnet Southern Africa (Pty) Ltd, Ngubane & Co Management Consultants (Pty) Ltd, City of Johannesburg Public Library & Info Services	13 373	61 800 000	44,26	1,7	0,8
Office	Momentum House	Cnr Stanger, Prince Albert & Dunford Roads, Kingsmead, Durban	Telesure Group Services (Pty) Ltd, Grafton Everest, Larson Burton & Falconer Inc, Tshwane University of Technology, Mkhaya Security & Protection Services (Pty) Ltd, Push to Talk Africa (Pty) Ltd	6 249	49 000 000	75,20	1,3	0,6
Office	Newlands Terraces	8 Boundary Road, Newlands	UCS Solutions (Pty) Ltd, The Western Province Rugby Football Union, Taquanta Asset Management (Pty) Ltd	4 251	68 200 000	122,93	1,9	0,9
Office	Nimas House	5 The Boulevard, Westway Office Park, Westville	Metropolitan Health Corporate (Pty) Ltd, Uniclox (Pty) Ltd, Dr Shirish Bhaga	1 372	16 000 000	132,08	0,4	0,2
Office	Olivedale Office Park	Cnr Olive & Lima Streets, Olivedale, Randburg	CRS Holdings, DNA Telesales CC, Birthday Suit Corporate Gifts CC, IDA BIZ SA CC, Red Bridge Management Consulting (Pty) Ltd	3 213	16 200 000	54,00	0,4	0,2
Office	Omni Centre	73 Aliwal Street, Bloemfontein	Surveyor General – Dept Public Works, Agricultural – Dept of Public Works, CNS Call Centre (Pty) Ltd	5 447	16 200 000	43,24	0,4	0,2
Office	Oracle House*	Smuts Drive, Midrand	Vodacom Service Provider Company (Pty) Ltd	5 922	51 300 000	100,42	1,4	0,7
Office	Podium House	Cnr Atterbury & Lois Avenues, Menlyn	Advanced Hair Studio, CAE Solutions (Pty) Ltd, Smith and Associates Inc	4 832	21 600 000	45,71	0,6	0,3
Office	Rentworks	48 Grosvenor Road, Bryanston	Rentworks Africa (Pty) Ltd, Amadeus Global Travel Distribution Southern Africa (Pty) Ltd	3 027	38 200 000	108,97	1,0	0,5
Office	Rigel Park*	446 Rigel Avenue, Erasmusrand, Pretoria	Financial Services Board	4 533	38 104 000	100,42	1,0	0,5
Office	Riverworld Park	42 Homestead Road, Edenburg	The Jupiter Drawing Room (Pty) Ltd, Galaxy Holdings (Pty) Ltd, Aptus Integrated Solutions, Dunamis Financial Services (Pty) Ltd	5 076	39 100 000	79,19	1,1	0,5
Office	Sandgate Park	16 Desmond Street, Eastgate	Griffiths & Griffiths CC, Four Moons Trading CC, Sellutions (Pty) Ltd, Defence Concepts South Africa (Pty) Ltd, John Anthony Ford, Jaycor International (Pty) Ltd, Nicci Boutiques CC	12 120	59 400 000	52,89	1,6	0,8
Office	Southern Life Plaza	41 Maitland Street, Bloemfontein	Free State Legislature, FirstRand Bank Limited	10 697	75 000 000	75,36	2,0	1,0

* Single tenant – weighted average for all single tenant buildings in office sector – R100,42/m²

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Office	Spoor & Fisher 13*	Building 13, Highgrove Office Park, Oak Road, Centurion	S and F Management Services (Pty) Ltd	2 216	23 000 000	—	0,6	0,3
Office	Spoor & Fisher 11*	Building 11, Highgrove Office Park, Oak Road, Centurion	S and F Management Services (Pty) Ltd	4 055	39 900 000	100,42	1,1	0,5
Office	Strathmore Park	305 Musgrave Road, Durban	Orion Telecom South Africa (Pty) Ltd, Adcorp Holdings Limited, Crawford & Co SA (Pty) Ltd, SA Biomedical (Pty) Ltd, Proscan Systems (Pty) Ltd	3 727	32 200 000	106,08	0,9	0,4
Office	Sturdee House	9 Sturdee Avenue, Rosebank	Netcare Hospitals (Pty) Ltd, RA Hellman & Company	1 695	15 700 000	99,02	0,4	0,2
Office	The Avenues North	Mellis Road, Edenburg, Sandton	Connection Group Holdings Limited, Skeeme Designs CC, Brand Soldiers CC	3 471	31 700 000	88,17	0,9	0,4
Office	The Gables	1209 Schoeman Street, Hatfield	Securicor (SA) (Pty) Ltd	2 851	24 000 000	100,88	0,7	0,3
Office	The Pinnacle	2 Burg Street, Cape Town	Grant Thornton, Cape Town Tourism, Marais Muller Management Trust, Independent Development Trust, Kelly Group Limited, Apache Spur Steak Ranch	11 625	103 500 000	89,72	2,8	1,3
Office	Tuinhof	265 West Avenue, Centurion	Trans Caledon Tunnel Authority, Internex Engineering & Management Consulting (Pty) Ltd, FirstRand Bank Limited, Quality Business Consultants	9 042	74 500 000	94,82	2,0	1,0
Office	UNDP House*	Cnr Leeukop & Naivasha Roads, Sunninghill, Sandton	United Nations Development Programme	4 350	42 900 000	100,42	1,2	0,6
Office	Wesbank House	21 Riebeeck Street, Cape Town	Department of Labour, Wesbank, Reuters SA, Ian Rubin's Liquorland	8 693	74 700 000	84,12	2,0	1,0
Office	Westway	17 The Boulevard, Westway Office Park, Westville	First National Asset Management & Trust Company, FNB Personal Banking Premier Division, Emmanuel Staffing Services (Pty) Ltd, Davis Langdon Farrow Laing (Pty) Ltd	2 277	27 700 000	126,22	0,8	0,4
Office	Woodmead Business Park	145 Western Services Road, Woodmead	DBT Technologies (Pty) Ltd, Regenesys Management (Pty) Ltd, ECI Africa Consulting (Pty) Ltd, Zebra Technology Group (Pty) Ltd, Cummins South Africa (Pty) Ltd, Nobel Biocare SA (Pty) Ltd	17 514	164 000 000	78,93	4,5	2,1
Subtotal office				449 129	3 679 586 000	81,27	100	48

* Single tenant – weighted average for all single tenant buildings in office sector – R100,42/m²

Notes to the financial statements – for the year ended 30 June 2009 (continued)

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Retail	Bizana Shopping Centre	Main Road, Bizana	Boxer Superstores, Barnetts, Pep Stores, Power Factory Shop, KFC Bizana, Discom, Express Stores	4 865	13 687 000	44,19	0,5	0,2
Retail	Boskruin Shopping Centre	Cnr of President Fouche & Hawken Avenue, Bromhof	Woolworths (Pty) Ltd, Boskruin Village Hardware Centre, Clicks, Luigi's Pizzeria, Keg & Countryman, Edcon (Pty) Ltd (Clicks), Medicare Pharmacy	6 752	95 100 000	123,88	3,5	1,2
Retail	Brandwag	Melville Drive, Brandwag, Bloemfontein	Pick n Pay Retailers (Pty) Ltd, Engen Petroleum Limited, FNB Learning, First National Bank of SA Ltd, Pepkor Retail Limited, Cacola Tomato, Baby Boom Toy Boom	12 207	88 600 000	87,47	3,2	1,1
Retail	Central Square Idutywa	Cnr Bell & Richardson Streets, Idutywa	Pep Stores, Buzi Cash & Carry, Dunns, Power Factory Shop, Carelshelf Investments, Bao Cheng Trading CC	4 024	16 721 000	50,44	0,6	0,2
Retail	Centurion Discount Centre	1289 Heuwel Avenue, Centurion	Fabric & Décor, Creative Costumes and Masks	2 049	11 000 000	53,09	0,4	0,1
Retail	Cofimvaba Shopping Centre	Main Road, Cofimvaba	Boxer Superstores (Pty) Ltd, Pep Stores, Lewis Stores, Ellerines Furnishers, Discom, Jabula Store	4 938	22 537 000	50,41	0,8	0,3
Retail	Cresta Corner	Cnr Beyers Naude Drive & Pendorring Street, Cresta	Virgin Active (Pty) Ltd, Hyundai Automotive (Pty) Ltd, Indgro Investments, Cornerstone Risk Management	8 056	56 000 000	68,29	2,0	0,7
Retail	Dundee Boulevard	Karel Landsman Street, Dundee	Pick n Pay Retailers, Edgars, Woolworths, Clicks, Truworths, CNA, Milady's	6 749	32 511 000	60,08	1,2	0,4
Retail	Epsom Downs Shopping Centre	13 Sloane Street, Bryanston	Pick n Pay, Woolworths (Pty) Ltd, Nedbank Ltd, Mica, Dulce Café, KFC	6 747	60 000 000	104,65	2,2	0,8
Retail	Flagstaff Shopping Centre	Main Road, Flagstaff	Score Supermarkets, The Standard Bank, Dong Jiawang	2 838	8 755 000	50,16	0,3	0,1
Retail	Gateway	1319 Pretoria Street, Hatfield	Hatfield Kwikspar, McDonalds SA (Pty) Ltd, KFC, Hatfield Liquor CC	1 763	16 000 000	122,20	0,6	0,2
Retail	Gift Acres	Lynnwood Road, Lynnwood Ridge	Woolworths (Pty) Ltd, Younique (Pty) Limited, FirstRand Bank Limited, Mimmo's Gift Acres, Mr Price Clothing, Home Comforts, Cheeky Monkey Bar	9 363	84 800 000	100,21	3,1	1,1
Retail	Granada Square	16 Chartwell Drive, Umhlanga Rocks	Woolworths, ABSA Bank, Meumann White Attorneys, Cape Project Services (Pty) Ltd, Europa Umhlanga CC, R & G Consultants, Independent Management & Projects (Pty) Ltd	7 161	88 163 000	39,92	3,2	1,1
Retail	Greytown Centre	Bell Street, Greytown	Shoprite Checkers (Pty) Ltd, Pepkor Retail Ltd, Dunn's (Pty) Ltd, Kentucky Fried Chicken	2 272	7 456 000	47,17	0,3	0,1
Retail	Home Centre	Springfield Durban	B & J Meltz (Proprietary) Limited, Relyant Trading (Pty) Ltd, Servistar (Pty) Ltd, Fruit and Veg City Holdings (Pty) Ltd, Greg's Bedding CC, Moresport	17 648	96 700 000	80,27	3,5	1,3
Retail	Kokstad Boxers*	Main Street, Kokstad	Boxer Superstores (Pty) Ltd	1 837	5 240 000	55,36	0,9	0,3
Retail	Kokstad Shopping Centre	Main Street, Kokstad	Rhino Cash & Carry, Jet Stores, Barnetts, Ackermans Kokstad, Dunns, Jwayelani Butchery	9 196	38 253 000	48,13	1,4	0,5
Retail	Kosmos Woonstelle	1 Wannenberg Street, Brandwag, Bloemfontein	28 Residential Apartments	–	9 300 000	1 104,83	0,2	0,1

* Single tenant – weighted average for all single tenant buildings in retail sector – R55,36/m²

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Retail	Linksfeld Road	Linksfeld Road, Linksfeld	Woolworths (Pty) Ltd, Regal Palace Chinese Restaurant, Edenroc (Pty) Ltd, Canoa Restaurant, Keg & Beagle, Linksfeld Pharmacy	4 090	33 200 000	86,91	0,3	0,1
Retail	Lynnridge Mall	Cnr Freesia & Mayflower, Lynnwood Ridge	Pick n Pay Stores Limited, Mr Price Group Limited, Absa Bank Limited, Kraal Products CC, The Standard Bank of South Africa Limited, Pepkor Retail Properties, Jimnets Arts and Crafts	14 220	165 100 000	117,93	1,2	0,4
Retail	Market Square	Beacon Way, Plettenberg Bay	Pick n Pay Family Store, Woolworths (Pty) Ltd, Pepkor Retail Ltd, Mr Price Group Limited, Wellness World, Edcon (Pty) Ltd, Barracloughs Radio Electric (Pty) Ltd	13 366	112 800 000	76,53	6,0	2,1
Retail	Matatiele Centre	Station Road, Matatiele	Rhino Cash & Carry, Matatiele Power Stores, Pep Stores, Discom, Natal Fashion Wear	7 272	31 904 000	59,85	4,1	1,5
Retail	Midrand Motor City	Main Road, Midrand	Midrand Action Sports CC, Dent Doctor, Midrand Speedy Tyre & Exhaust, PG Glass, Tam Bakery CC	8 400	26 700 000	35,92	1,2	0,4
Retail	Montana Value Centre	Zambezi Drive, Sinoville, Pretoria North	Bathroom Bizarre (Pty) Ltd, Relyant Trading (Pty) Ltd, Moresport (Pty) Ltd, Vaal Tyre Centre Holdings (Pty) Ltd, Linen For You CC	9 717	46 300 000	51,10	1,0	0,3
Retail	Mutual Mews	333 Rivonia Boulevard, Edenburg	Glyda Enterprises CC, Steers, African Bank, Lee Chang Export & Import CC, T & T Appointments	1 596	12 000 000	96,09	1,7	0,6
Retail	Ngwavuma Shopping Centre	Main Road, Ingwavuma	Supatrade Spa, Ellerine Furnishers, Pepkor Retail (Pty) Ltd, Ithala Bank	4 413	23 251 000	52,06	0,4	0,2
Retail	Nongoma Centre	Sizwe Road, Nongoma	King Super Store, Supatrade Spar, Jet Stores, Price 'n Pride, Pep Stores, Fashion World	9 061	27 715 000	42,60	1,0	0,4
Retail	Nqutu	Cnr Manzolwandle & Hlube Roads, Nqutu	Boxer Superstores, Town Talk, Power Stores, KFC	3 893	16 398 000	50,39	0,6	0,2
Retail	Old Acre Plaza	Cnr Victoria & Wilson Streets, Dundee	Pop In Supermarket, Shell SA Marketing (Pty) Ltd, Jet Stores, Ackermans Limited, Discom, Pep, Dunns	6 077	24 730 000	54,10	0,9	0,3
Retail	Park Boulevard Retail Centre	11 Brownsdrift Road, Riverside, Durban North	Connoisseur Electronics, Coastal Music (Pty) Ltd, On Tap, Metcash Seven Eleven, Etchings, SSS Fitness & Nutrition Co.	5 207	28 096 000	68,53	1,0	0,4
Retail	Quagga Centre	Cnr Church & West Streets, Pretoria West	Shoprite Checkers (Pty) Ltd, Pick n Pay Stores Limited, Woolworths (Pty) Ltd, FirstRand Bank Limited, Edgars Consolidated Stores Limited, New Clicks South Africa (Pty) Ltd, Mr Price Group Limited, Pepkor Retail Limited, The Standard Bank of SA	29 748	240 300 000	74,50	8,8	3,1
Retail	Randridge Mall	John Vorster Drive, Randpark Ridge	Pick n Pay Tvl (Pty) Ltd, Woolworths (Pty) Ltd, Dischem, Pep Stores, Jet Stores, AG Canossa, Randridge Medicine Centre	18 957	148 300 000	92,51	5,4	1,9
Retail	Southern Sentrum	Benade Drive, Bloemfontein	Pick n Pay Stores, Shell SA Marketing (Pty) Ltd, Pepkor Retail Limited, Clicks, Cash Crusaders, ABSA Bank	21 361	97 400 000	50,32	3,6	1,3
Retail	Standard Bank Glenwood*	88 Brand Street, Glenwood, Durban	The Standard Bank of South Africa Limited	368	4 500 000	55,36	0,2	0,1
Retail	The Colony Centre	345 Jan Smuts Avenue, Craighall Park	Baby City, Worldwide Sports Marketing & Advertising, JDI Consultants, Sing Fei Chinese Restaurant CC, Monterey Spur	7 273	70 800 000	97,80	2,6	0,9

* Single tenant – weighted average for all single tenant buildings in retail sector – R55,36/m²

Notes to the financial statements – for the year ended 30 June 2009 (continued)

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Retail	The Tramshed	Van der Walt Street, Pretoria	Pick n Pay Stores Ltd, Virgin Active South Africa (Pty) Ltd, The Government of the Republic of South Africa, Discom Tramshed, SA Post Office, Cosmopolitan Projects Tshwane	13 087	70 000 000	67,88	2,6	0,9
Retail	Tin Roof	Cnr Madeira & Callaway Street, Umtata	Transkei Yamaha	2 175	9 600 000	38,26	0,4	0,1
Retail	Tokai Shopping Centre	20 Malibongwe Drive, Ferndale, Randburg	Dros Restaurant Randburg CC, Kumnandi Food Company (Pty) Ltd, Potters Pool & Pub, Oriental Curries Restaurant	2 748	18 000 000	75,29	0,7	0,2
Retail	Umhlanga Centre	185 Ridge Road, Umhlanga Rocks	Buxtons Spar, Jimmy's Killer Prawns, Mews Pharmacy, Umhlanga Stationers, Umhlanga Body and Beauty	5 816	38 100 000	103,20	1,4	0,5
Retail	Umzimkulu Centre	Main Road, Umzimkulu	Rhino Cash & Carry, Barnetts, Pep Stores, Ellerines, Dunns	5 410	21 062 000	53,24	0,8	0,3
Retail	Wonderpark Shopping Centre	Cnr R513 Brits Road & Heinrich Avenue, Karenpark	Pick n Pay Stores Limited, Masstores (Pty) Ltd, Virgin Active South Africa (Pty) Ltd, Edcon (Pty) Ltd, Pepcor Retail Limited, Cashbuild South Africa (Pty) Ltd, Woolworths, Builders Express, Chevron SA (Pty) Ltd, Ster-Kinekor Films, Foschini Retail Group	63 329	607 000 000	83,75	22,2	7,9
Retail	WorldWear Shopping Centre	Cnr Beyers Naude Drive & Wilson Road, Fairland	Mr Price Group Limited, Pick n Pay (Pty) Ltd, The Pro Shop, Seemann's Quality Meat, Busby Retail (Pty) Ltd, Adidas SA (Pty) Ltd, JB Rivers	14 222	108 200 000	104,23	4,0	1,4
Subtotal Retail				380 269	2 732 279 000	94,74	100	35
Industrial	8 Grader Road*	8 Grader Road, Spartan	AIC Chemicals (Pty) Ltd	3 818	11 100 000	34,18	0,8	0,1
Industrial	Admiral House	151 Lechwe Street, Randjiespark	BD Eye Design (outdoor advertising)	5 117	23 600 000	38,19	1,8	0,3
Industrial	Aeroport – Fulcrum*	96 Loper Avenue, Spartan	Sturrock & Robson Industries Ltd	3 805	14 700 000	34,18	1,1	0,2
Industrial	Aeroport – Grenco*	98 Loper Avenue, Spartan	Grenco (SA) (Pty) Ltd	1 672	7 100 000	34,18	0,5	0,1
Industrial	Arjo Wiggins – Mahogany Ridge*	1 Monte Carlo Road, Mahogany Ridge, Pinetown	Antalis (Pty) Limited	6 907	31 308 000	34,18	2,4	0,4
Industrial	Barracuda	82 Lechwe Street, Randjiespark	OBC Group (Pty) Ltd, McCarthy Ltd, Maxxis Auto (Pty) Ltd	6 698	25 600 000	36,85	2,0	0,3
Industrial	Cambridge Park	Witkoppen Road, Paulshof	ITEC SA, Estée Lauder Companies (Pty) Ltd, ITEC North (Pty) Ltd, Danfoss (Pty) Ltd, Puma South Africa, Netflorist (Pty) Ltd	12 788	50 800 000	49,57	3,9	0,7
Industrial	Crocker Road Industrial Park	Cnr Peddie & Crocker Roads, Wadeville	Edwards & Buckley Systems (Pty) Ltd, George John Rubenstein, Gasket Man CC, Plasmar Packaging, Hencetrading 1033 (Pty) Ltd	9 883	19 200 000	26,23	1,5	0,2
Industrial	Defy Appliances*	Cnr Mimetes Rd & Kruger St, Denver	Defy Appliances Ltd	10 100	23 700 000	34,18	1,8	0,3
Industrial	Electrocom	Indianapolis Crescent, Kyalami	RS Components Limited	3 856	14 400 000	31,78	1,1	0,2

* Single tenant – weighted average for all single tenant buildings in industrial sector – R34,18/m²

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Industrial	Epping Warehouse (WGA)	1 Bofors Circle, Epping	Nampak Products Ltd, Bonerts Motor Spares (Pty) Ltd, Auto Part Distributors (Pty) Ltd, Magic Eye Trading 59 CC	25 076	66 000 000	21,55	5,1	0,9
Industrial	Evapco*	Cnr Quality and Barlow Streets, Isando	Evapco SA (Pty) Ltd	5 294	19 000 000	34,18	1,5	0,2
Industrial	Executive City	81 Industrial Road, Kya Sands	Blue Chip Lubricants (Pty) Ltd, Sensient Colors South Africa (Pty) Ltd, Shimba Marketing Distribution Promotion CC, Plastemat, Mobilesafe Vehicle Safety Products	4 558	15 800 000	37,29	1,2	0,2
Industrial	Flexitainer	59 Lechwe Street, Randjiespark	Bridging Technologies South Africa (Pty) Ltd	1 714	5 900 000	36,55	0,5	0,1
Industrial	Fosa Park*	570 Inanda Road, Durban	Adcock Ingram Healthcare (Pty) Ltd	4 200	13 900 000	34,18	1,1	0,2
Industrial	Freeway Park	Cnr Barkley & Camp Roads, Maitland	Torga Optical (Pty) Ltd, Armageddon Security Guarding Company CC, Advanced Material Technology, X International (Pty) Ltd, Inhep Electronics Holdings (Pty) Ltd, Southern Canned Products (Pty) Ltd	7 935	38 000 000	54,24	2,9	0,5
Industrial	Goodyear Tycon*	Cochrane Avenue, Epping	Spring Day Wholesalers CC t/a Auto Spares Benoni	5 870	14 500 000	34,18	1,1	0,2
Industrial	Greenfields	1455 North Coast Road, Durban North	AB Movers KZN CC, Media Film Services SA (Pty) Ltd, Longlife Tyres (Pty) Ltd, Nesstand Investments CC, VIVA International (Pty) Ltd	9 398	29 600 000	34,11	2,3	0,4
Industrial	Highway Business Park-IST*	36 Park Avenue North, Old Johannesburg Rd, Centurion	Westinghouse Electric South Africa (Pty) Ltd	2 362	15 600 000	34,18	1,2	0,2
Industrial	Highway-Ceramic World*	95 Park Avenue North, Rooihuiskraal, Centurion	Ceramic World	2 369	7 300 000	34,18	0,6	0,1
Industrial	Highway-National TT*	95 Park Avenue North, Rooihuiskraal, Centurion	National Tile Traders (Pty) Ltd	1 616	5 500 000	34,18	0,4	0,1
Industrial	Highway-Outdoor Warehouse*	95 Park Avenue North, Rooihuiskraal, Centurion	Patels Ceramics (Potchefstroom) (Pty) Ltd	1 523	5 500 000	34,18	0,4	0,1
Industrial	Highway-Productive Systems*	95 Park Avenue North, Rooihuiskraal, Centurion	Productive Systems (Pty) Ltd	2 093	8 800 000	34,18	0,7	0,1
Industrial	Industrial Village Jet Park	Cnr Kelly Street and Ackerman Road, Jet Park	Universal Church of the Kingdom of God, CSE Equipment Company (Pty) Limited, Rene Turck & Associates (Pty) Ltd, Humulani Marketing (Pty) Ltd, Joint Venture Pump Services (Pty) Ltd	11 613	36 700 000	28,47	2,8	0,5

* Single tenant – weighted average for all single tenant buildings in industrial sector – R34,18/m²

Notes to the financial statements – for the year ended 30 June 2009 (continued)

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Industrial	Industrial Village Kya Sands	Cnr Elsecar & Bernie Streets, Kya Sands	Poli-Film South Africa (Pty) Ltd, Group Africa Marketing (Pty) Ltd, LGB Distributors CC, South African Post Office Ltd, Bandit Signs CC, Hydro Power Equipment (Pty) Ltd	16 659	50 400 000	32,27	3,9	0,7
Industrial	Industrial Village Rustivia	6 Rover Street, Elandsfontein	ISO Bearings CC, In Line Trading 112 (Pty) Ltd, ZMC Import & Export CC, Level Productions CC, Nobel Brands (Pty) Ltd	9 854	30 400 000	26,33	2,3	0,4
Industrial	Isando - Unitrans	20 Anvil Road, Isando, Kempton Park	Joshua Doore Warehouse	12 250	28 100 000	19,94	2,2	0,4
Industrial	Johnson & Johnson*	1 Medical Road, Midrand	Johnson & Johnson Medical (Pty) Ltd	3 561	15 800 000	34,18	1,2	0,2
Industrial	Midline Business Park	Cnr Richards Drive & Le Roux Road, Midrand	Sil Farming CC, Flavourome (Pty) Ltd, Coated Fabrics (SA) (Pty) Limited, Zenith (Africa) Rollers (Pty) Ltd, Niser Composites SA (Pty) Ltd	12 573	43 200 000	32,19	3,3	0,6
Industrial	Mitek South Africa*	16th Street, Midrand	Mitek South Africa (Pty) Ltd	6 604	28 500 000	34,18	2,2	0,4
Industrial	Morgan Creek*	38 Mahogany Road, Mahogany Ridge, Pinetown	Simba (Pty) Ltd	4 644	15 800 000	34,18	1,2	0,2
Industrial	Nampak Building*	Nicolson Street, Denver	Nampak Cartons & Labels Limited	24 880	18 000 000	34,18	1,4	0,2
Industrial	New Zealand Milk Products*	Cnr 16th and Douglas Roads, Midrand	Ceva Animal Health (Pty) Ltd	2 756	13 000 000	34,18	1,0	0,2
Industrial	One Highveld	5 Bellingham Street, Centurion	Spero Sensors and Instruments (Pty) Ltd, V-Custom Cycles, Eclipse Infrastructure Solutions (Pty) Ltd, Pro Angling Equipment CC, PK Welding & Robotics (Pty) Ltd	6 012	24 900 000	42,65	1,9	0,3
Industrial	Portion 130 Spartan	34-36 Director Road, Airport, Spartan	Bearing Man Ltd	1 715	6 800 000	47,32	0,5	0,1
Industrial	QD House*	91-94 Silverstone Crescent, Kyalami	QD Group (Pty) Ltd	3 470	14 400 000	34,18	1,1	0,2
Industrial	Rep-Props	12-14 Winnipeg Avenue, Airport	Applied Coating Technologies (SA) (Pty) Ltd, Masterguard Fabric Protection Africa (Pty) Ltd, Freight-X Cargo Solutions CC, General Pneumatics Natal (Pty) Ltd, LUD Logistics (Pty) Ltd	1 640	6 700 000	36,77	0,5	0,1
Industrial	Rinaldo Park*	50 Moreland Road, Redhill Industrial Park	Blaizing Sun Investments S44 (Pty) Ltd	1 650	4 800 000	34,18	0,4	0,1
Industrial	RTT Acsa Park*	Cnr Springbok & Jones Streets, Bardene	Fuel Logistics Group (Pty) Ltd	46 673	250 000 000	34,18	19,1	3,2

* Single tenant – weighted average for all single tenant buildings in industrial sector – R34,18/m²

25 PROPERTY LISTING (INCLUDING NEW ACQUISITIONS) continued

Type	Property	Location	Major Tenant	GLA	Jun 09 valuation (R'000)	Weighted average Rental/m ²	% of sector	% of portfolio
Industrial	RTT Continental*	Cnr Springbok & Jones Streets, Bardene	Fuel Logistics Group (Pty) Ltd	12 921	44 300 000	34,18	3,4	0,6
Industrial	Siliconics*	Cnr Precision & Silicon Streets, Kya Sands	Control Techniques SA (Pty) Ltd	1 452	5 000 000	34,18	0,4	0,1
Industrial	Starsky House	9 Dartfield Street, Kramerville	Christ Embassy (Pty) Limited	2 450	7 200 000	18,30	0,6	0,1
Industrial	Steiner Services*	Loper Road, Aeroport, Kempton Park	Steiner Services (Pty) Ltd	4 804	17 500 000	34,18	1,3	0,2
Industrial	Technohub	Corporate Park North, Roan Crescent, Midrand	Technology Integrated Solutions, Eris Property Group (Pty) Ltd, Vodacom (Pty) Ltd	15 171	80 000 000	48,09	6,1	1,0
Industrial	The Wolds A	82 Intersite Avenue, Umgeni Business Park	Schneider Electric SA (Pty) Ltd, TNT Express Worldwide SA (Pty) Ltd, Prozak Electronic World Durban CC	1 770	4 300 000	52,79	0,3	0,1
Industrial	The Wolds B	56 Intersite Avenue, Umgeni Business Park	Heidelberg Graphic Systems SA (Pty) Limited, BID Industrial Holdings (Pty) Ltd	830	1 700 000	54,48	0,1	0,0
Industrial	Umgeni Road A*	98-102 Intersite Avenue, Umgeni Business Park	Ubunye Uniforms (Pty) Ltd	1 886	5 700 000	34,18	0,4	0,1
Industrial	Umgeni Road B	19-23 Intersite Avenue, Umgeni Business Park	Pharmaceutical Health Distributors, Sahara Computers, Carters Office Furniture, Jeevan's Sarrie Centre (Pty) Ltd	6 021	10 700 000	51,55	0,8	0,1
Industrial	Universal Print House	72 Stanhope Place, Briardene, Durban North	Universal Print Group (Pty) Ltd	12 559	29 404 000	31,01	2,3	0,4
Industrial	Wadeville Industrial Village	Cnr Peddie & Crocker Roads, Wadeville	Multisurge CC, Ferobrake Wadeville, Helmut Franz Lehle, AMC CEMA Electric (Pty) Ltd, Seidel Electronic System CC	13 384	38 700 000	25,16	3,0	0,5
Industrial	Xpanda	918 Morkels Close, Halfway House, Midrand	TCS John Huxley Africa (Pty) Ltd, Spray Nozzle (Pty) Ltd	2 384	7 300 000	46,42	0,6	0,1
Subtotal industrial				380 839	1 306 212 000	35,58	100	17
Total investment properties				1 210 237	7 718 077 000			100

* Single tenant – weighted average for all single tenant buildings in industrial sector – R34,18/m²

Notes to the financial statements – for the year ended 30 June 2009 (continued)

26 PORTFOLIO SUMMARY

Sectoral profile

	Office	Retail	Industrial	Total
% of GLA	37,0	31,0	32,0	100,0
Weighted average lease escalation (%)	9,4	8,0	9,1	
Lease expiry profile (% of revenue)				
Year 1	11,9	9,3	4,4	25,6
Year 2	11,9	7,5	3,1	22,5
Year 3	8,9	6,7	2,0	17,6
Year 4	12,9	4,1	2,1	19,1
Year 5+	4,4	6,4	4,4	15,2
	50,0	34,0	16,0	100,0

Lease expiry profile (% of GLA)

Vacant	5,0	1,6	0,9	7,5
Year 1	9,5	7,9	7,6	25,0
Year 2	9,3	5,6	5,7	20,6
Year 3	7,0	5,6	3,8	16,4
Year 4	3,5	3,0	3,9	10,4
Year 5+	3,3	7,6	9,2	20,1
	37,6	31,3	31,1	100,0

Vacancy profile (% of GLA)

June 2008	10,7	4,4	4,5	6,8
September 2008	8,8	5,0	4,1	6,2
December 2008	9,7	4,4	3,7	6,1
March 2009	11,8	5,0	3,5	7,1
June 2009	13,5	5,0	3,0	7,5

Geographical profile

	Gauteng	Western and Eastern Cape	Free State	KwaZulu-Natal	Total
% of GLA	70,0	11,0	5,0	14,0	100,0

Average annualised yield achieved by the portfolio was 8,9%.

Tenant profile

	Grade A	Grade B	Grade C	Total
% of GLA	43,0	20,0	37,0	100,0

Tenants have been graded as follows:

"A" grade: Large national tenants, large listed tenants, government and major franchises. These include, *inter alia*, the Department of Labour, Edgars Consolidated Stores, FirstRand Bank, Pepkor, Pick n Pay Stores, The Standard Bank Group, Ster-Kinekor, Truworths International and Virgin Active.

"B" grade: National tenants, listed tenants, franchises and medium to large professional firms. These include, *inter alia*, Debonairs Pizza, FishAways, John Dory's, Mike's Kitchen, Rage Distribution, Torga Optical, UCS Group and Wimpy.

"C" grade: All other tenants that do not fall into the above two categories. On 30 June 2009, there were 3 090 category "C" tenants.

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Statement of directors' responsibilities

The directors are responsible for the preparation, integrity, and fair presentation of the financial statements of Strategic Real Estate Managers (Proprietary) Limited. The financial statements presented on pages 85 to 94 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 year and the financial position of the group at year-end. The directors also prepared the other information included in the annual 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 going-concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company 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 company.

The company's external auditor, PricewaterhouseCoopers Incorporated, audited the financial statements, and their report is presented on page 84.

The financial statements were approved by the board of directors on 23 September 2009 and are signed on its behalf:



BJ van der Ross
Chairman



JWA Templeton
Chief Executive Officer

Certificate by Company Secretary

We declare that to the best of our knowledge, for the year ended 30 June 2009, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of section 268G(d) of the Companies Act, 1973, as amended and all such returns are true, correct and up to date.



DA Isserow
Company Secretary

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Report of the independent auditor

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRATEGIC REAL ESTATE MANAGERS (PROPRIETARY) LIMITED

We have audited the annual financial statements of Strategic Real Estate Managers (Proprietary) Limited, which comprise the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 85 to 94.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc.
Director: N Mtetwa
Registered Auditor

Johannesburg
23 September 2009

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Directors' report – for the year ended 30 June 2009

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 3 to the financial statements.

DIVIDENDS

No dividends were paid by the company during the year under review.

EXECUTIVE DIRECTORS

WK Schultze
JWA Templeton
PJ Thurling

NON-EXECUTIVE DIRECTORS

BJ van der Ross (Chairman)
MS Aitken
LS Barnard (resigned 5 August 2009)
BH Kent
NE Makiwane
W McCurrie (appointed 11 December 2008)
MSB Nesor
NL Sowazi

COMPANY SECRETARY

DA Isserow

REGISTERED ADDRESS

3 Gwen Lane
Sandton Central
2196

POSTAL ADDRESS

PO Box 786130
Sandton
2146

AUDITOR

PricewaterhouseCoopers Inc.

BANKERS

First National Bank Limited

REGISTRATION NUMBER

1997/020911/07

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Balance sheet – as at 30 June 2009

	Notes	2009 R	2008 R
ASSETS			
Current assets			
Accounts receivable and prepayments	2	3 290 025	2 785 881
Cash at bank		5 753 483	5 675 465
Deferred tax asset	6	83 731	45 015
Taxation	6	13 434	—
Total assets		9 140 673	8 506 361
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	3	300	300
Share premium	3	29 999 910	29 999 910
Non-distributable reserve		(29 915 762)	(29 915 762)
Retained earnings		164 519	221 742
Shareholders' funds		248 967	306 190
Current liabilities			
Term loan	4	754 222	832 231
Accounts payable	5	8 137 484	7 291 679
Taxation payable	6	—	76 261
		8 891 706	8 200 171
Total equity and liabilities		9 140 673	8 506 361

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Income statement –for the year ended 30 June 2009

	Notes	2009 R	2008 R
Turnover		31 843 073	33 085 309
Operating loss	7	(727 307)	(248 938)
Impairment of management contract		—	(30 000 000)
Net interest income	8	642 430	376 143
Net loss for the year before taxation		(84 877)	(29 872 795)
Taxation	9	27 654	(65 396)
Net loss for the year		(57 223)	(29 938 191)

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Statement of changes in equity – for the year ended 30 June 2009

	2009 R	2008 R
Share capital		
Ordinary shares		
Balance at the beginning of the year	300	200
Shares issued during the year	—	100
Balance at the end of the year	300	300
Share premium		
Balance at the beginning of the year	29 999 910	—
Shares issued during the year	—	29 999 910
Balance at the end of the year	29 999 910	29 999 910
Share capital and share premium at the end of the year	30 000 210	30 000 210
Reserves		
Non-distributable reserve		
Balance at the beginning of the year	(29 915 762)	—
Share option expenditure reserve	—	84 238
Transfer from retained earnings	—	(30 000 000)
Balance at the end of the year	(29 915 762)	(29 915 762)
Retained earnings		
Balance at the beginning of the year	221 742	159 933
Net loss for the year	(57 223)	(29 938 191)
Transfer to non-distributable reserve	—	30 000 000
Balance at the end of the year	164 519	221 742
Total reserves at the end of the year	(29 751 243)	(29 694 020)

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Cash flow statement – for the year ended 30 June 2009

	Notes	2009 R	2008 R
Cash flows from operating activities			
Cash flows from operating activities	10	(385 646)	4 651 704
Net interest income		642 430	376 143
Taxation paid	11	(100 757)	(44 256)
		156 027	4 983 591
Cash flows from financing activities			
Shares issued during the year		—	10
Loan from fellow subsidiary		(78 009)	(1 483 884)
		(78 009)	(1 483 874)
Net increase in cash and cash equivalents			
		78 018	3 499 717
Cash and cash equivalents at the beginning of the year		5 675 465	2 175 748
Cash and cash equivalents at the end of the year		5 753 483	5 675 465

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Notes to financial statements – for the year ended 30 June 2009

1 ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa.

Various new accounting standards, or revisions to current accounting standards, have been issued with effective dates applicable to future financial statements of the group. The only standards not yet adopted and that could be expected to be applicable to the group are those requiring additional disclosure. These will be dealt with as and when they apply.

The financial statements are prepared on the historical cost basis and incorporate the following accounting policies which are consistent with those applied in the previous year.

The financial statements are prepared on a going-concern basis.

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 Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received.

1.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

1.4 Accounts receivable

Trade 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 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.

1.6 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 income statement.

1.7 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.

	2009 R	2008 R
2 ACCOUNTS RECEIVABLE		
Trade receivables	2 714 062	2 780 978
Other receivables	575 963	4 903
	3 290 025	2 785 881
Due within one year	3 290 025	2 785 881
3 SHARE CAPITAL		
Authorised		
Ordinary shares		
4 000 ordinary shares of R1 each	4 000	4 000
Issued		
Ordinary shares		
300 shares of R1 each (2008: 300 shares of R1 each)	300	300
Share premium	29 999 910	29 999 910
	30 000 210	30 000 210
4 TERM LOAN		
Owing to:		
RMB Properties (Proprietary) Limited	754 222	832 231
The loan is unsecured and has no fixed terms of repayment and interest is payable at rates agreed from time to time.		
5 ACCOUNTS PAYABLE		
Trade payables	170 857	462 881
Accrued expenses	7 966 628	6 828 816
	8 137 485	7 291 697
Due within one year	8 137 485	7 291 697
6 TAXATION		
SA normal taxation		
Opening balance	(76 261)	(44 954)
Payments made	100 757	44 256
Income statement movement	(11 062)	(75 563)
Closing balance	13 434	(76 261)
Deferred taxation		
Opening balance	45 015	34 848
Income statement movement	38 716	10 167
Closing balance	83 731	45 015
Deferred taxation comprises timing differences in respect of provision for leave pay.		

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Notes to financial statements – for the year ended 30 June 2009 (continued)

	2009 R	2008 R
7 OPERATING LOSS		
The following items have been charged in arriving at operating loss:		
Management fee paid to RMB Properties (Proprietary) Limited	16 433 400	15 631 000
Management fee paid to Corovest Property Group Holdings (Proprietary) Limited	2 900 000	2 730 000
Audit fees – current year	55 440	50 400
Directors' emoluments		
Remuneration (executive directors)	4 472 113	4 262 575
Directors' fees (non-executive directors)	1 127 000	980 000
The fees paid to non-executive directors for the year ended 30 June 2009, were paid on the following basis, as approved by the remuneration committee:		
Members of the board – R120 000 per annum (Chairman – R152 000 per annum)		
Members of the audit committee – R54 000 per annum (Chairman – R65 000 per annum)		
Members of the remuneration committee – R11 000 per annum		
8 NET INTEREST INCOME		
Interest received	724 306	447 282
Interest paid	(81 876)	(71 139)
	642 430	376 143
9 TAXATION		
South African normal taxation – current	11 062	75 563
Deferred taxation	(38 716)	(10 167)
	(27 654)	65 396
Tax rate reconciliation	%	%
Standard rate	28,00	28,00
Timing differences – rate change	—	(0,01)
Permanent differences	5,86	(28,21)
Prior period adjustments	(1,28)	—
Effective rate of taxation	32,58	(0,22)
10 NOTES TO THE CASH FLOW STATEMENT		
Cash utilised in operations		
Net loss for the year before taxation	(84 877)	(29 872 795)
Net interest income	(642 430)	(376 143)
Impairment of management contract	—	30 000 000
Share option expenditure reserve	—	84 238
Operating loss before working capital changes	(727 307)	(164 700)
(Increase)/decrease in receivables and prepayments	(504 144)	455 011
Increase in trade and other payables	845 805	4 361 393
	(385 646)	4 651 704

	2009 R	2008 R
11 TAXATION PAID		
Balance owing at the beginning of the year	(76 261)	(44 954)
Taxation charge for the year	(11 062)	(75 563)
Balance owing at the end of the year	(13 434)	76 261
	(100 757)	(44 256)

12 FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with a bank, accounts receivable and prepayments, a term loan from a shareholder and accounts payable. 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.

	Weighted average effective interest rate %	1 year or less R'000	1 – 5 years R'000	More than 5 years R'000	Total R'000
Year ended 30 June 2009					
Financial assets					
Accounts receivable and prepayments		3 290			3 290
Cash at bank	10,0	5 753			5 753
Total financial assets		9 043			9 043
Financial liabilities					
Term loan	10,0		754		754
Accounts payable		8 137			8 137
Total financial liabilities		8 137	754		8 891
Year ended 30 June 2008					
Financial assets					
Accounts receivable and prepayments		2 786			2 786
Cash at bank	10,6	5 675			5 675
Total financial assets		8 461			8 461
Financial liabilities					
Term loan	10,6		832		832
Accounts payable		7 292			7 292
Total financial liabilities		7 292	832		8 124

Interest rate risk management

Exposure to interest risk is considered minimal. Interest paid on the term loan from a shareholder is equivalent to the interest earned on the call deposit at Rand Merchant Bank.

Credit risk management

Credit risk is considered to be minimal. Trade receivables consist of the asset management fee 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.

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Notes to financial statements – for the year ended 30 June 2009 (continued)

	2009 R	2008 R
13 RELATED PARTY TRANSACTIONS		
The company is controlled by FirstRand Asset Management (Proprietary) Limited, which owns 70% of the company's shares, the other 30% being owned equally by RMB Properties (Proprietary) Limited and Corovest Property Group Holdings (Proprietary) Limited. The ultimate parent of the group is FirstRand Limited.		
Income received from group companies		
Emira Property Fund (associate of parent) – asset management fees	31 843 073	33 085 309
FirstRand Bank Limited (parent) – interest received	724 306	447 282
	32 567 379	33 532 591
Expenses paid to group companies		
RMB Properties (Proprietary) Limited (shareholder) – management fees	16 433 400	15 631 000
– interest paid	81 876	71 139
Corovest Property Group Holdings (Proprietary) Limited (shareholder)		
– management fees	2 900 000	2 730 000
	19 415 276	18 432 139
Inter-group balances		
RMB Properties (Proprietary) Limited (shareholder) – term loan	(754 222)	(832 231)
FirstRand Bank Limited (parent) – bank balances	5 753 483	5 675 465
Acquisition of management agreement		
Freestone Management Company (Proprietary) Limited (associate of RMB Properties (Proprietary) Limited and Corovest Property Group Holdings (Proprietary) Limited)	—	30 000 000
14 POST BALANCE SHEET EVENTS		
No matters have arisen since the date of the balance sheet, which significantly affects the financial position of the company or the results of its operations.		

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Notice of annual general meeting

EMIRA PROPERTY FUND

(Participatory interest code: EMI, ISIN: ZAE000050712)

("Emira" or "the Fund")

Notice is hereby given that the sixth annual general meeting of the members of Emira will be held in the Boardroom, Third Floor, 3 Gwen Lane, Sandton at 14:00 on Tuesday 17 November 2009 for the purposes of considering, and if deemed fit, passing with or without modification the resolutions set out below:

1 ORDINARY RESOLUTIONS

1.1 Ordinary resolution number 1

"Resolved that the annual financial statements for the financial year ended 30 June 2009 including the management company's report and the report of the auditors thereon be received, considered and approved."

1.2 Ordinary resolution number 2

To reappoint PricewaterhouseCoopers Inc. as auditors of the Fund and N Mtetwa as the individual designated auditor of the Fund for the 2010 financial year until the next annual general meeting.

1.3 Ordinary resolution number 3

"Resolved that the directors of Strategic Real Estate Managers (Proprietary) Limited (the manager of Emira) are hereby authorised, by way of a renewable general authority, to issue participatory interests in the authorised but unissued capital of the Fund for cash, as and when they in their discretion deem fit, subject to the trust deed of the Fund and the Listings Requirements of the JSE Limited ("JSE"), when applicable provided that:

- this general authority shall be valid until the Fund's next annual general meeting or for 15 months after the date on which this authority is granted, whichever period is the shorter;
- the participatory interests 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 participatory interest, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of participatory interests prior to the issue;
- issues in terms of this authority will not in the aggregate in any one financial year exceed 10% of the number of the Fund's participatory interests already in issue of that class, as calculated in accordance with the JSE Listings Requirements;
- in determining the price at which an issue of participatory interests will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the participatory interests measured over the 30 business days prior to the date that the price of the participatory interests are agreed between Emira and the party subscribing for the securities; and
- any such issue will only be made to public participatory interest holders as defined in the JSE Listings Requirements and not to related parties.

The approval of a 75% majority of the votes cast in favour of such resolution by participatory interest holders present or represented by proxy at this annual general meeting is required for this ordinary resolution to become effective."

Strategic Real Estate Managers (Proprietary) Limited ("STREM")

Notice of annual general meeting *(continued)***2 SPECIAL RESOLUTION****2.1 Special resolution number 1**

"Resolved that the directors of Strategic Real Estate Managers (Proprietary) Limited, be hereby authorised by way of a renewable general authority, to approve the repurchase of its own participatory interests by the Fund as and when they in their discretion deem fit, subject to the trust deed of the Fund and the JSE Listings Requirements, when applicable, provided that:

- this general authority shall be valid until the Fund's next annual general meeting or for 15 months from the date of the passing of this resolution, whichever period is shorter;
- the repurchase of participatory interests will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Fund and the counterparty (reported trades are prohibited);
- an announcement complying with the JSE Listings Requirements be published by the Fund when (i) the Fund has cumulatively repurchased 3% of the participatory interests in issue as at the time the general authority was given ("the initial number") and (ii) for each 3% in aggregate of the initial number of participatory interests acquired thereafter by the Fund;
- the general repurchase by the Fund of its own participatory interests shall not in the aggregate in any one financial year exceed 20% of the Fund's issued capital of that class as at the beginning of the financial year;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the participatory interests for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time the Fund may only appoint one agent to effect any repurchase on the Fund's behalf;
- the Fund will, after a repurchase, still comply with the provisions of the JSE Listings Requirements regarding participatory interest holders' spread requirements;
- the Fund will not repurchase participatory interests during a prohibited period as defined in paragraph 3.67 unless Emira has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period; and
- such repurchases shall be subject to the trust deed of the Fund, the provisions of the Collective Investment Schemes Act and the JSE Listings Requirements, where applicable.

The directors of Strategic Real Estate Managers (Proprietary) Limited, undertake that they will not implement any such repurchases as contemplated above, unless:

- the Fund and the group are able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the general repurchase;
- the assets of the Fund and the group, being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the Fund and the group for a period of 12 months after the date of the general repurchase;
- the participatory interest capital and reserves of the Fund and the group are adequate for a period of 12 months after the date of the general repurchase;
- the available working capital of the Fund and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the general repurchase; and
- before entering the market to proceed with the repurchase, the Fund's sponsor has confirmed the adequacy of the Fund's and the group's working capital in writing to the JSE.

The JSE Listings Requirements require the following disclosure, some of which are elsewhere in the annual report of which this notice forms part as set out below:

- Directors and management (page 85)
- Major participatory interest holders of the Fund (page 70)
- Directors' interests (page 70)
- Participatory interest capital of the Fund (page 59)

- **Directors' responsibility statement**

The directors, whose names are given on page 85 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 1, and certify to the best of their knowledge and belief that there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all the information required by law and the JSE Listings Requirements.

- **Litigation statement**

The directors, whose names are given on page 85 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had, in the recent past, being at least the previous 12 months, a material effect on Emira's financial position.

- **Material changes**

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the Fund and its subsidiaries since the date of signature of the audit report and the date of this notice.

- **Reason and effect**

The reason for and effect of special resolution number 1 is to authorise the Fund by way of a general authority to acquire its own issued participatory interests on such terms, conditions and in such amounts as determined from time to time by the directors of the Fund subject to the limitations set out above.

- **Statement of board's intention**

It is the intention of the directors of Strategic Real Estate Managers (Proprietary) Limited that they use such general authority should prevailing circumstances in their opinion warrant it.

3 TO TRANSACT ANY OTHER BUSINESS WHICH MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

Administration information

Registered address

3 Gwen Lane
Sandton
2196
PO Box 786130, Sandton, 2146

Asset manager

Strategic Real Estate Managers (Pty) Limited
3 Gwen Lane
Sandton
2196
PO Box 786130, Sandton, 2146

Property manager

Eris Property Group (Pty) Limited
3 Gwen Lane
Sandton
2196
PO Box 786130, Sandton, 2146

Trustee

Absa Bank Limited
11 Diagonal Street
Johannesburg
2001
PO Box 42010, Fordsburg, 2033

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) Limited
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
Wierda Valley
Sandton Outlet
Wierda Valley
2196
PO Box 787428, Sandton, 2146

Attorneys

DLA Cliffe Dekker Hofmeyr Inc
6 Sandown Valley Crescent
Sandown
Sandton
2196
Private Bag X40, Benmore, 2010

Form of proxy

EMIRA PROPERTY FUND

(Participatory interest code: EMI)

ISIN: ZAE000050712)

("Emira" or "the Fund")

FORM OF PROXY

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered members who have not yet dematerialised their Emira participatory interests; and
- registered members who have already dematerialised their Emira participatory interests and are registered in their own names in the Fund's sub-register.

For completion by the aforesaid registered members of Emira and who are unable to attend the sixth annual general meeting of the Fund to be held in the boardroom, Third Floor, 3 Gwen Lane, Sandton at 14:00 on, Tuesday 17 November 2009 ("the annual general meeting").

I/We (name/s in block letters)

Of (address)

Being the registered holder/s of _____ participatory interests in Emira, as at _____

Hereby appoint (see instruction 1 overleaf)

1. _____ or failing him/her,

2. _____ or failing him/her

3. the Chairman of the annual general meeting, as my/our proxy to attend, speak and vote for me/us and on my behalf or abstain from voting at the annual general meeting of the Fund and at any adjournment thereof, as follows (see note 2 and instruction 2 overleaf):

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.1 To receive, consider and adopt the annual financial statements for the financial year ended 30 June 2009			
1.2 To reappoint PricewaterhouseCoopers Inc. as auditors of the Fund and N Mtetwa as the individual designated auditor of the Fund			
1.3 To vote on a general authority to issue participatory interests for cash			
SPECIAL RESOLUTION NUMBER 1			
2.1 To vote on a general authority to repurchase participatory interests			

Signed at _____ on _____ 2009

Signature(s)

Assisted by (where applicable)

Please read notes and instructions overleaf

Notes

1. A participatory interest holder entitled to attend and vote at the meeting may appoint a proxy to speak and vote in this capacity. A proxy need not be a participatory interest holder of the Fund. Proxy forms should be forwarded to reach the Fund's transfer secretary Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 14:00 on Friday 13 November 2009. The appointment of a proxy will not preclude a participatory interest holder from attending the meeting.
2. A participatory interest holder may insert the name of a proxy or alternative proxy of the ordinary participatory interest holder's choice in the space provided with or without deleting "the Chairman of the annual general meeting". The participatory interest holder must initial any such deletion. The person whose name appears first on the form of proxy and has not been deleted will be entitled to act as a proxy to the exclusion of those whose names follow.
3. A participatory interest holder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that participatory interest holder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the Chairman of the annual general meeting, if he/she is an authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the annual general meeting as he/she deems fit, in respect of the participatory interest holder's vote exercisable thereat. A participatory interest holder or his/her proxy is not obliged to use all the votes exercisable by the participatory interest holder or by his/her proxy, but the total of votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the participatory interest holder or his/her proxy.
4. An alteration or correction must be initialled by the signatory/ies.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the Fund or waived by the Chairman of the annual general meeting.
6. His/her parent or guardian, as applicable, must assist a minor or any other persona under legal incapacity unless the relevant documents establishing his/her capacity are produced or have been registered by the Fund.
7. The completion and lodging of this form will not preclude the relevant ordinary participatory interest holder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such participatory interest holder wish to do so.
8. The Chairman of the annual general meeting may accept or reject a proxy which is completed and/or received other than in accordance with the instructions, provided that he/she shall not accept a proxy unless he/she is satisfied as to the manner in which a participatory interest holder wishes to vote.
9. If participatory interest holders have dematerialised their participatory interests with a CSDP or broker, other than own name dematerialised participatory interest holders, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting and vote thereat, or the participatory interest holders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the participatory interest holders and the CSDP or broker concerned.

Back cover
The Tramshed, Discovery Health Pretoria, RTT Acsa Park



Emira Property Fund
3 Gwen Lane
Sandton Central
2196