



MEDIA RELEASE FROM EMIRA PROPERTY FUND

25 May 2017

Emira Property Fund announces R364 million BEE transaction

Emira Property Fund today announced a transaction that will see 5% of its shares in issue being owned by strategic black partners. The transaction furthers Emira's commitment to transformation. It benefits the company's investment proposition, its tenants through an improved level of BEE and South Africa as a whole.

Letsema Holdings and Tamela Holdings, through their 100% owned subsidiaries, will both subscribe for 2.5% each, together amounting to 26,133,364, Emira shares. The combined 5% will have a market value of R364.2 million, based on the 30 day volume weighted average price of Emira shares on 22 May 2017, of R13.9372 per share.

Geoff Jennett, CEO of Emira, explains this BEE transaction secures a strategic, sustainable and commercially driven BEE shareholding which underscores Emira's commitment to achieving sustainable BEE ownership.

Jennett says: "Emira is serious about transformation and empowerment. With this proposed transaction, our new shareholders and BEE partners, who are respected business people who also have strong BEE credentials, will add valuable strategic input to Emira at board level. Both parties are making a significant investment in Emira and they are as invested as we are in improving Emira's share price and business for the benefit of all stakeholders. As part of the transaction, they are committed to remain invested in Emira for at least a five year period."

As an added benefit, the transaction also stands to strengthen Emira's balance sheet through the issue of new shares at an undiscounted price. It will also lower Emira's gearing ratio, with the subscription proceeds being deployed to decrease its interest bearing debt.

Tamela is a black owned and managed investment, corporate finance advisory and fund management company which was founded by Sydney Mhlarhi and Vusi Mahlangu in 2008. Mahlangu is also a non-executive director of Emira, making this a related-party transaction and, as such, a fairness opinion has been compiled by an independent expert.

Letsema Holdings is a privately-held investment holding company founded by Isaac Shongwe and Derek Thomas in 1996 with long-term interests in management consulting, third-party investment management and proprietary investments.

"We are introducing BEE partners who are influential role players and who will add value to Emira and its investors while, at the same time, contributing to the transformation of the South African economy. It is a major step towards ensuring that Emira's BEE equity ownership and control responsibilities are addressed in terms of the Broad-Based Black Economic Empowerment Act and the Property Sector Charter" notes Jennett.



The Proposed BEE Transaction constitutes a specific issue of shares for cash in terms of the JSE Listings Requirements and, as an ordinary resolution, requires the approval of 75% of Emira shareholders.

“We are providing vendor funding for both our BEE partners for a combined R182.1 million and this together with third party funding of R145.6 million that they have procured and their equity contribution of R36.4 million, makes up the total equity issue of R364.2 million,” says Jennett.

Emira is a medium-cap diversified JSE-listed REIT invested in a quality balanced portfolio of office, retail and industrial properties. Its assets comprise 142 properties valued at R13.3 billion. Emira is also internationally diversified through its direct interest in ASX-listed GOZ valued at R940.4 million.

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