



MEDIA RELEASE FROM EMIRA PROPERTY FUND

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Emira concludes its major portfolio rebalancing with a landmark R1.8bn BEE deal

Emira Property Fund is selling a sizeable R1.8bn portfolio of 25 office assets to a new majority black-owned entity, specially setup for this purpose.

The deal is Emira's largest to date. It concludes the diversified REIT's programme of rebalancing its portfolio out of offices and releases capital for its strategic reinvestment.

The disposal represents a yield of 10.47% for Emira, which will use the proceeds to fund its offshore expansion, reduce its local debt levels.

The acquirer, Shankly Property Investments, will be a black-owned business. It will be 51% majority owned by Zungu Investment Company (Zico), a 98% black-owned, Level 1 B-BBEE entity. Boyno Trade and Invest Pty Limited, a subsidiary of ONE Property Holdings, Emira's partner in the lower LSM retail property fund Enyuka Property Holdings, will take a 29% stake in the new business. Emira will hold 20% of the equity in Shankly.

Shankly will settle R1.48bn of the acquisition consideration in cash on a property-by-property basis as each one transfers. The final transfers will take place by no later than September 2019.

The payment of the remaining R319.8m, for which Emira will earn a 1% capital raising fee, will be deferred for five years on condition that Shankly remains at least 51% black-owned. Interest on this remaining payment will accrue at Jibar plus a minimum margin of 350bp and is payable quarterly.

Shankly's sizeable seed portfolio is mainly located in Gauteng, as well as in KwaZulu-Natal and the Free State. It includes offices in major nodes including Woodmead, Bryanston, Rivonia, Centurion, and Pretoria, with the largest asset being the R232m Corobay Corner P-grade offices in Menlyn.

Jennett comments: "We are pleased to conclude our portfolio rebalancing with an innovative deal that supports transformation and contributes positively to the South African economy. Having a 51% black-owned entity as the acquirer in this transaction was always a prerequisite for Emira. It was important to find the right parties, structure, and mechanism to transfer the



assets in a way that ensures the very best chances of success. The Shankly transaction is a natural fit that builds on relationships with Emira’s partners. We are all vested in its success.”

The deal is subject to Competition Authorities approval among other conditions.

Emira is a medium-cap diversified REIT that is invested in a quality, balanced portfolio of office, retail and industrial properties. Its directly held assets comprise 104 properties valued at R12.5bn and indirectly 22 shopping centres valued at R1.04bn through its exposure to Enyuka Property Fund. Emira is also internationally diversified through its investment in ASX-listed Growthpoint Properties Australia (GOZ) valued at R956m, and its equity investments in four grocery-anchored convenience centres with a combined value of USD32.2m through its USA subsidiary.

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