



ReDeFiNe
INCOME FUND

2007 ANNUAL
REPORT

DESIGN



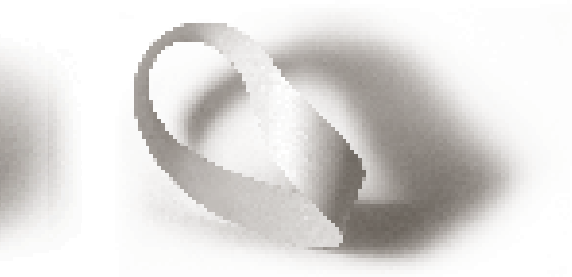
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REDEFINE
INCOME FUND

Redefine's performance and growth has led to the creation of a new brand identity. Based on the iconic Möbius strip, the re-branding is presented in this annual report.







The Möbius strip is a three-dimensional conundrum and a true product of lateral thinking, discovered independently by mathematicians August Ferdinand Möbius and Johann Benedict Listing in 1958. It is a surface with only one side and one continuous edge, reflecting our commitment to producing growth through innovative thinking in response to dynamic changes in the property market.



ReDEFINE
INCOME FUND

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Highlights

Distribution per linked unit increased to 51.25 cents per linked unit	 20%
Value of property portfolio increased to R5,05 billion	 101%
Listed securities portfolio increased by R627 million to R4,075 billion	 18%
Net asset value per linked unit increased to R7,80* from R6,30 in 2006 * Excluding deferred taxation	 24%
Market capitalisation increased to R6,0 billion	 97%
Increase in shareholder wealth (capital and distributable income)	 44%
Property under development & planned property developments	R2.5 bn
Property portfolio leased	97.8%
Leases expiring in 2011 and beyond	44.3%
Weighted average linked units in issue traded	36.9%
Two enterprise development initiatives established in line with commitment to Department of Trade and Industry Codes of Good Practice & Property Sector Transformation Charter	Enterprise Development
Continued and enhanced support for sustainable education	Sustainable Education

Message from the Chairman

Redefine, with its proven history of performance, continues to provide growth in distributions to linked unitholders, conducting its business in a sustainable and responsible manner.

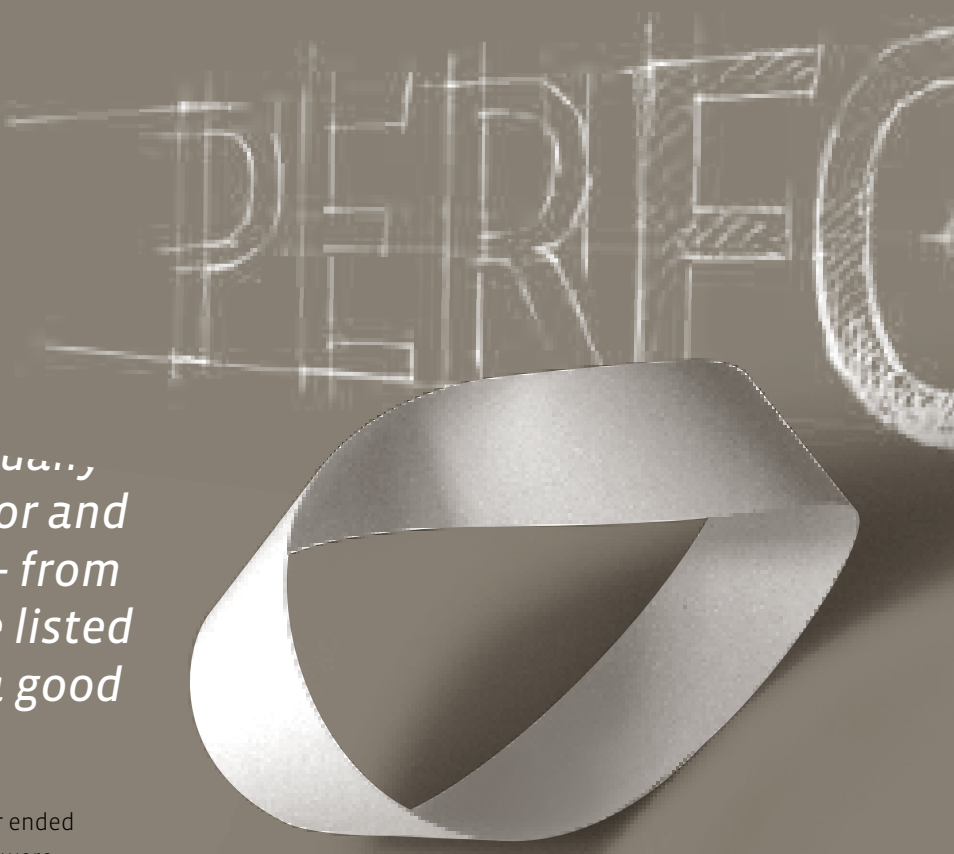
Performance continues to be the primary criterion against which Redefine measures itself. In all aspects of its business, Redefine strives to continuously outperform both the sector and its previous benchmarks -- from its competitiveness in the listed property sector to being a good corporate citizen.

I am pleased to report that for the financial year ended 31 August 2007 many of the performance objectives were achieved or exceeded while, in terms of current market dynamics, new areas of performance were identified. Amongst these, property development is arguably the most significant.

The opportunities and challenges which exist in the listed property sector are both diverse and exciting – spanning economic, social and environmental matters, to name but a few. Redefine, with its clearly defined management strategies and investment criteria, is well positioned to perform in this environment, without compromising continued growth in distributions to linked unitholders.



Dines Gihwala
Chairman



FORM

Redefine has continued to outperform the sector. We are most proud of this achievement, which has been accomplished through passion and agility – identifying opportunities and acting on them.

During the year under review, Redefine acquired and successfully integrated Spearhead Property Holdings Limited. Together with the portfolio of quality properties, Redefine acquired developments under construction, land for development and properties for trading. Redefine's exposure to the Western Cape was greatly increased as a result of this acquisition.

Redefine has responded to market trends and expanded its operations to include property development. In an environment where new investment properties are not readily available for purchase, Redefine is creating its own opportunities to grow its property portfolio with suitable assets. Redefine now undertakes the development of commercial, retail and industrial properties. In a short space of time, it has become a significant development company in South Africa.

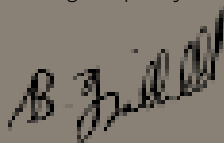
Diversifying our investments, this year Redefine became the first South African listed property company to invest offshore. We chose a solid fund with proven managers, Coronation International Real Estate Fund (which name has been changed to CIREF Limited), a company based in London. The results of this ground-breaking strategy are already bearing fruit.

In transforming business and society for the better, Redefine's commitment to the Department of Trade and Industry Codes of Good Practice and the Property Sector Transformation Charter resulted in Redefine creating two new enterprise development initiatives, followed by a Broad-Based Black Economic Empowerment transaction. Our corporate social responsibility initiatives, which are focused on the development of talent and natural ability on a sustainable basis, were also extended and enhanced.

These are a few of the highlights for a year in which there were many. Other activities are highlighted in this report.

With rentals firming primarily in the commercial and industrial sectors, consistent demand for space, increased construction costs, growth in distributions from the listed securities portfolio and pro-active debt management, I am confident that Redefine will continue to grow and enhance unitholder wealth.

I would like to thank the Board for its wise counsel and support as well as the entire management team at Redefine whose innovation and commitment is reflected in Redefine's tremendous achievements during the year. Thanks to our managing agents, asset manager, financiers, corporate advisors, the broking community and all those who have been associated with Redefine for their valuable support and contributions during the past year.



Brian Azizollahoff
CEO

Property portfolio (R000)	5 224
Listed securities portfolio (R000)	4 188

Total assets (R000)	9 412
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	Gross lettable area (m ²)	Number of properties
	777 334	95
- Industrial	318 489	24
- Commercial	270 031	43
- Retail	188 814	28

Average value (R/m²)	5 907
- Commercial	8 864
- Retail	6 934
- Industrial	2 792

	Total vacancy (m ²)	Vacancy factor (%)
	17 246	2.2
- Industrial	6 447	2.0
- Commercial	5 652	2.1
- Retail	5 147	2.7

Number of listed securities	8
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Total borrowings (R000)	3 172
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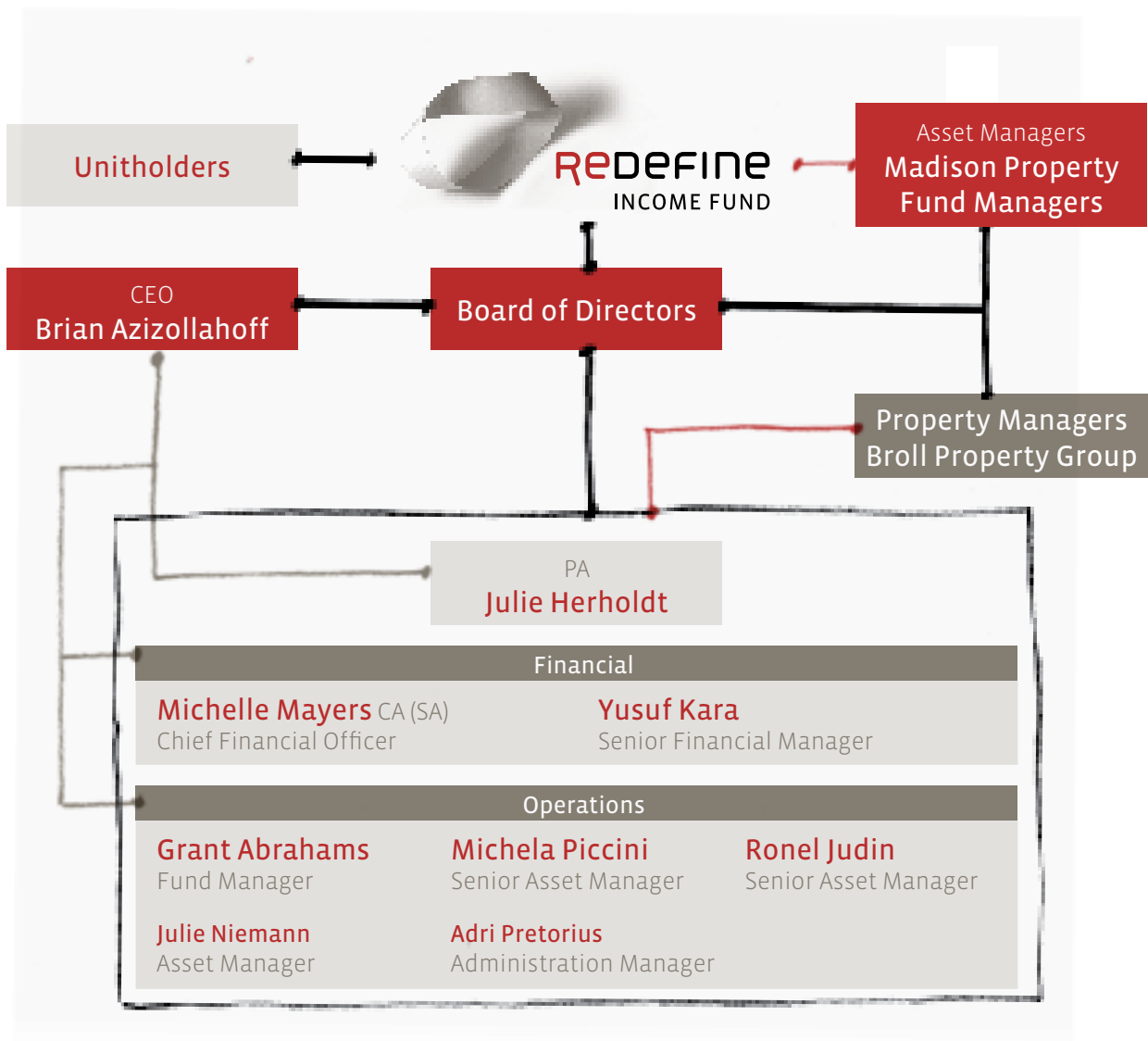
Loan to value ratio (%)	33.7
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Net asset value per linked unit (R's)	7.80*
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Closing linked unit price (R's)	7.40
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* Excluding deferred taxation

Corporate structure

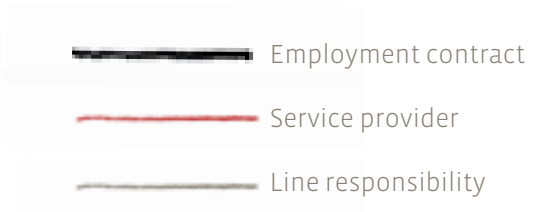


Redefine Income Fund is structured to be a relatively low-risk investment company by virtue of its diversification through the spread of premium fixed property ownership in prime locations, with quality tenants on long leases as well as its investment in select listed property securities.

Unitholders benefit from annual increases in rentals paid by lessees of directly owned properties as well as from growth in distributions received from the listed securities.

The innovative structure provides flexibility for this unique property loan stock.

Board Composition
Independent non-executive chairman
Executive CEO
4 Independent non-executive directors
3 Non-executive directors



Management structure and fees

Redefine ensures that all fees paid are market related.

Asset Management

Redefine has contracted the asset management function to Madison Property Fund Managers in terms of an agreement which may be terminated by Redefine on 31 August 2010 provided notice is given by 31 August 2009. The salient terms are as follows:

1. An asset management fee of 1/12 of 0.5% of Redefine's enterprise value (market capitalisation plus debt) is paid on a monthly basis by Redefine to Madison;
2. No additional incentive fee is payable;
3. Madison has outsourced property management and is precluded from charging a property management fee higher than that charged by the party to which this function has been sub-contracted.

Operations

Madison employs a management team dedicated to the operations of Redefine. Madison is responsible for all costs associated with the management of Redefine including remuneration, office rental, travel and all other expenses save for the remuneration of the CEO, who is paid by Redefine.

Property Management

Madison has sub-contracted the property management function of the Redefine portfolio to Broll.

Lease commissions

Redefine engages the services of property brokers and agents to assist in the leasing of vacant space in the property portfolio. Commissions are generally paid in accordance with the guidelines set out by The South African Property Owners Association.

Development Management

Redefine contracts with third party professionals to manage developments on its behalf. This service includes co-ordination of all professionals and construction process, town planning issues, dealing with local Councils, interfacing with the leasing function and co-ordinating all design issues. The development manager is responsible for the delivery of the project from inception to completion.

Fees are paid to the development managers at market-related rates which range from 3% to 4% of total costs.

Redefine utilises the services of Madison although this is not an exclusive relationship.

Project management

Development projects generally require a project manager who oversees the project time, cost and quality of the construction of the development. This function forms part of the professional team in respect of a development.

Fees are paid to the project managers at market-related rates which range between 2 to 2.75% of construction cost.

Property valuations

It is the policy of the Redefine Board to have the entire property portfolio valued annually by independent property valuers. Old Mutual Properties (Pty) Ltd and CB Richard Ellis, both registered valuers in terms of Section 19 of the Property Valuers Profession Act (Act number 47 of 2000) performed the 2007 valuations.

MANAGEMENT STRUCTURE AND FEES

	2007 (R000)	2006 (R000)
Asset management fee to Madison (0.5% of enterprise value)	40 997	24 408
Development management fee to Madison	11 840	-
Project and construction management fees to independent consultants	2 993	-
Property management	17 155	10 150
Broll Property Group (Pty) Ltd ("Broll")	16 282	9 898
Other	873	252
CEO's remuneration	2 687	2 484
Salary	1 487	1 284
Bonus	1 200	1 200
Lease commissions	5 405	3 796
Broll	1 994	2 708
Other brokers	3 411	1 088
Valuation fees	649	503
Auditors remuneration	1 200	782
PKF (Jhb) Inc. – external audit fees	850	486
Grant Thornton – internal audit fees	350	296
Other fees	701	377
Computershare Ltd – transfer secretaries	461	204
Java Capital (Pty) Ltd – corporate sponsor	86	70
Probit Business Services (Pty) Ltd – company secretary	154	103

Corporate governance

The directors of Redefine are committed to the principles of openness, honesty, integrity and accountability to all stakeholders. The directors endorse the objective of conducting the affairs of the company in accordance with the highest standards of corporate governance and accept responsibility in achieving these standards. The company complies with the significant principles incorporated in the Code of Corporate Practices and Conduct as set out in the Second King Report and the JSE Listings Requirements. Corporate Governance practices of the company are reviewed periodically and improvements effected where necessary.

Board of Directors

Redefine has a participatory Board with directors who actively contribute their significant knowledge of property and other related spheres, which adds substantial value to the company's positive performance.

Redefine has a unitary Board structure comprising nine directors, five of whom are independent non-executive (including the chairman), three non-executive directors and an executive CEO. The Board convenes at least quarterly. The Board operates in accordance with a formal board charter setting out its responsibilities. The Board is responsible to unitholders for the proper management of the company and is involved in all decisions that are material to the company. The Board itself decides on the appointment of additional directors. All directors have access to the advice and services of the company secretary who acts as an advisor to the Board on relevant issues including compliance with company rules and procedures, statutory regulations and corporate governance issues. Any Board member in appropriate circumstances is entitled at the company's expense to seek professional advice about the affairs of the company. Details of directors' remuneration are contained on page 71.

Dines Gihwala

Independent non-executive Chairman

Dines is currently the Chairman and Senior Partner of Hofmeyr, Herbststein & Gihwala Inc one of South Africa's largest legal practices with offices in Sandton and Cape Town. He is a director of several companies both private and public, unlisted and listed. Dines is a member of the task team currently engaged with South Africa's Corporate Law Reform Project. He has served as a Judge both in Bloemfontein and Cape Town. In 2004 he was appointed as a Professor of Law. He was a chairman of the Disciplinary Committee of the Public Accountants' and Auditors' Board. He is now a member and chairman of the first Independent Regulatory Board for Auditors established by the Minister of Finance in terms of the Auditing Profession Act 26 of 2005.

Eric Ellerrine

Independent non-executive Director

Eric is the founder of Ellerrine Holdings Limited where he held the position of Chairman and Managing Director until retirement in 2000. He is a past recipient of Sunday Times Five Top Businessmen of the Year Award and a recipient of Jewish Businessman of the Year accolade. Eric is presently Chairman of Ellerrine Bros. (Pty) Ltd, a private company dealing in real estate, private equity and equities. Eric has served on numerous public company boards over a long period.

Liliane Barnard

Independent non-executive Director

Liliane is an independent consultant to the industry and its investors. She gained fifteen years' experience in the listed property industry as analyst and portfolio manager of the sector at Old Mutual Asset Managers (Pty) Ltd. She also headed Asset Management of Old Mutual Properties until January 2002. She is a former director of Pangbourne Properties Ltd and currently also serves on the Board of the management company of Emira Property Fund.

Marc Wainer

Non-executive Director

Marc has 34 years' experience in property. Marc is an executive director of Madison Property Fund Managers Limited, Chairman of ApexHi Properties Limited, non-executive director of Hyprop Investments Limited and a director of CIREF.

Stewart Shaw-Taylor

Non-executive Director

Stewart joined Standard Merchant Bank Limited - Corporate Finance in 1980 and six years later was appointed Managing Director of Standard Bank Property Fund Managers Limited, management company to listed property unit trust Standard Bank Property Fund. In 1989 Stuart was appointed Managing Director, Standard Bank Properties, which incorporates activities comprising asset management and administration, property development and property financing. Stuart is currently Global Head of Property for the Corporate and Investment Banking Division of Standard Bank.

Wolf Cesman

Non-executive Director

Wolf, a Chartered Accountant, is an executive director of Madison Property Fund Managers. He has 39 years' experience in property asset management, development and property management. He is a non-executive director of Hyprop Investments Limited, ApexHi Properties Limited and CIREF.

Di Perton

Independent non-executive Director

Di is the former Head of Legal for Liberty Properties in Johannesburg, a position she held for eight of the 19 years she spent at the company, gaining extensive experience of the property sector. Di was also head of Manco, a panel of executives whose responsibility it is to drive and implement company policy, direct company finance and manage the human capital of the company.

Neville Venter

Independent non-executive director

Neville is a Chartered Accountant with over 30 years of post qualification experience in a wide spectrum of businesses. After 17 years with the Rennies Group in South Africa, Neville spent the next 17 years in senior financial positions in Asia with the Jardine Matheson Group prior to his retirement. Neville has extensive experience in all aspects of finance and has served on the boards of a variety of publicly quoted companies in Hong Kong, the Phillipines, Singapore, Malaysia and Indonesia.

Corporate governance

continued

Audit and risk committee

The audit and risk committee comprises two non-executive directors and an independent non-executive chairman. The committee operates in accordance with formal terms of reference and convenes at least four times a year with management, the internal auditors (Grant Thornton), invited attendees and the external auditors (PKF (Jhb) Inc.) to review accounting, auditing, financial reporting, risk management and internal control matters. The audit committee sets the principles for recommending the use of the external auditors for non-audit services.

The audit committee itself is responsible for all risk management related issues pertaining to the company. The company has implemented an effective ongoing process of identifying risk, measuring its potential impact and initiating and implementing mitigating activities to reduce exposure to an acceptable level.

Investment committee

An investment committee evaluates investment opportunities in respect of listed securities and direct properties. The committee is chaired by an independent non-executive director.

Remuneration committee

The remuneration committee comprises three non-executive directors (two of whom are independent) and convenes as required to review and discuss remuneration related issues.

Management reporting

The company has established comprehensive management reporting disciplines which include the preparation of monthly management accounts, detailed budgets and forecasts. Monthly results, the financial position and cash flows of operating units are reported against approved budgets and compared to the prior period. Profit and cash flow forecasts are reviewed regularly and working capital levels are monitored on an ongoing basis.

Internal audit and controls

The company maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability for assets. The internal, financial and operating controls are designed to provide assurance regarding:

- the safeguarding of assets against unauthorised disposition or use;

- compliance with statutory laws and regulations; and
- the maintenance of proper accounting records and the adequacy and reliability of financial information.

The Board of Directors acknowledges its ultimate responsibility for the systems of internal, financial and operating controls and the monitoring of their effectiveness.

Grant Thornton is the appointed internal auditor of the company. Its function is to appraise the company's activities and the appropriateness of the systems of internal control, including those of the company's external property managers and resultant business risks. The internal auditor reports directly to the audit committee.

Dealings in securities

The company has a practise prohibiting dealings in units by directors, officers and staff for a designated period (as prescribed by the JSE Listings Requirements) preceding the announcement of its annual and interim financial results, quarterly distributions or any other period considered price sensitive. Dealings in units by directors are strictly monitored.

Stakeholder communication

The company subscribes to the principle of timeous and relevant communication to all relevant parties including unitholders and employees.

Equal opportunities

Redefine is committed to the principle of equal opportunity employment.

Code of ethics and conduct

The company, its directors and employees are committed to the strictest standards of ethical conduct, fairness and integrity in all business practises. A code of ethics and conduct has been adopted by the company, which includes (but is not limited to):

- Integrity in business dealings;
- Zero tolerance of corruption or unethical business practises;
- Avoidance of conflicts of interest;
- Confidentiality of information;
- Conduct befitting the reputation of the group;
- Adherence to the strictest standards of corporate governance;
- Fair and ethical competition;
- Sound environmental practises.

DIRECTORS ATTENDANCE AT BOARD MEETINGS

	05/10/06	12/12/06	23/01/07	19/02/06	18/04/07	26/06/07	25/07/07
D Gihwala*	n/a	n/a	n/a	n/a	✓	Apologies	✓
B Azizollahoff	✓	✓	✓	✓	✓	✓	✓
W Cesman	✓	✓	✓	✓	✓	✓	✓
E Ellerine	✓	✓	✓	✓	✓	✓	✓
S Shaw-Taylor	✓	✓	✓	✓	✓	✓	✓
N Venter	n/a	n/a	n/a	n/a	n/a	✓	✓
D Perton	✓	✓	✓	✓	✓	✓	Apologies
L Barnard	✓	✓	✓	✓	✓	✓	✓
M Wainer	✓	Apologies	✓	✓	✓	Apologies	✓
C Clarke	✓	✓	✓	✓	n/a	n/a	n/a

* Chairman

MEMBER ATTENDANCE AT AUDIT COMMITTEE MEETINGS

	05/10/06	12/12/06	18/04/07	25/07/07
W. Cesman	✓	✓	✓	✓
S. Shaw-Taylor	✓	✓	✓	✓
N. Venter*	n/a	n/a	n/a	✓
C. Clarke	✓	✓	n/a	n/a
B. Azizollahoff†	✓	✓	✓	✓

*Chairman † Attended as invitee

Property portfolio

The composition of Redefine's property portfolio is the result of a strictly adhered to strategy of acquiring superior properties in prime locations around South Africa with a predominance of A-grade tenants on long leases.

A-grade tenants include JSE listed companies, multi-nationals, professional firms and Government. Longer leases have a minimum of five years to expiry. In addition to the major metropolitan centres of South Africa, prime areas refers to nodes where growth is being experienced both in terms of demographics and economy.

Total GLA (gross lettable area)	777 334 m²
Number of buildings	95
A-grade	83%
Leases expiring beyond 2011	44.3%
Current occupancy	97.8%

PROPERTY PORTFOLIO

Sector	Number of properties	GLA m²	% Vacant	Value (R000)
Commercial	43	270 031	2.1	2 393 499
Industrial	24	318 489	2.0	889 300
Retail	28	188 814	2.7	1 309 250
Total	95	777 334	2.2	4 592 049*

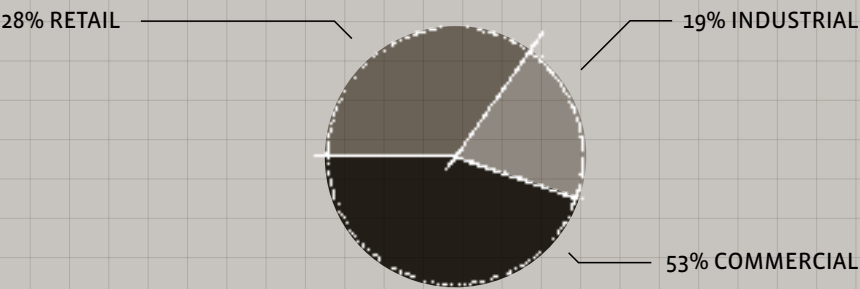
* Excluding properties held for sale, certain improvement capitalised and properties held in joint ventures

Location	Number of properties	GLA m²	% Vacant	Value (R000)
Gauteng	42	334 085	1.2	2 068 450
Western Cape	45	372 113	3.2	2 039 799
KwaZulu Natal	5	39 635	1.1	296 400
Other	3	31 501	1.9	187 400
Total	95	777 334	2.2	4 592 049

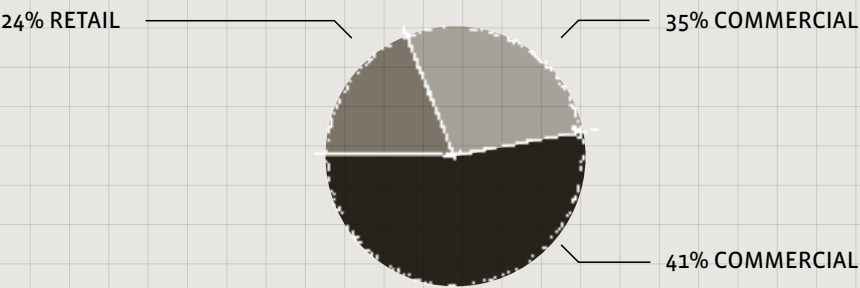
Property portfolio analysis

Property portfolio by sector

REVENUE

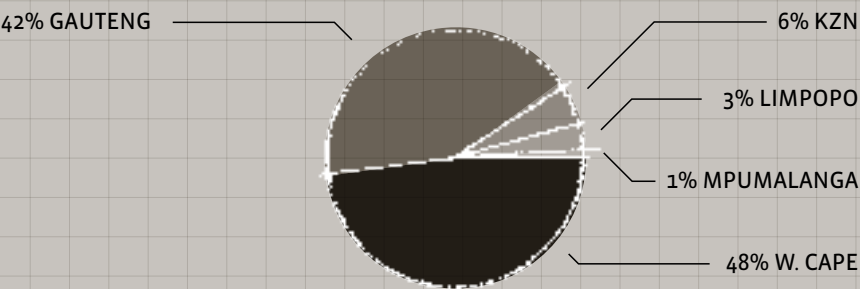


GLA

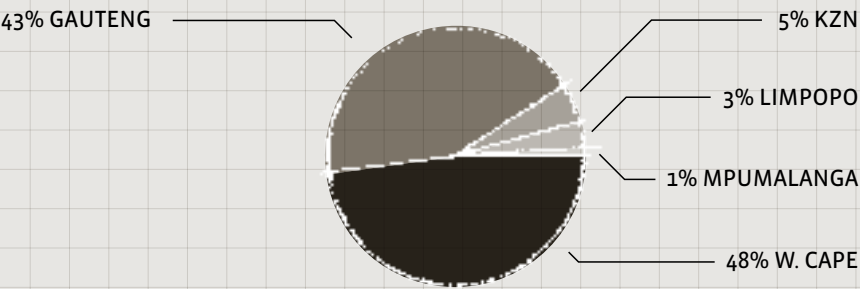


Geographic spread

REVENUE



GLA

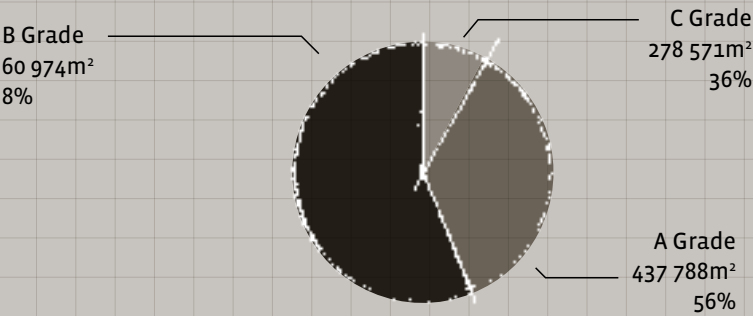


Tenant profile by grade

"A grade" tenants: large national, large listed, government and major franchisees;

"B grade" tenants: national, listed, franchisees, medium to large professional firms;

"C grade" tenants: other



Property portfolio analysis

continued

BUILDING PROFILE

	Number of properties	%	GLA m ²					Total	%
			Industrial	Commercial	Retail				
Multi tenant	57	60	186 154	187 694	147 285			521 133	67%
Single tenant	38	40	132 335	82 337	41 529			256 201	33%
Grand total	95	100	318 489	270 031	188 814			777 334	100%

	Number of properties		Industrial	Commercial	Retail	Other	Total	
Development land	5		74 175			320 000	394 175	

20 LARGEST PROPERTIES

	Location	GLA m ²	% of total portfolio	Sector	2007 Valuation (R000)
Standard Bank Centre	Western Cape	57 840	7.4	Commercial	427 200
Wingfield Park	Gauteng	55 927	7.2	Industrial	161 000
21 Wrench Road	Gauteng	31 733	4.1	Industrial	76 800
Ottery Hypermarket	Western Cape	26 534	3.4	Commercial	127 000
Amalgamated Appliances	Gauteng	21 313	2.7	Industrial	29 300
Buchanan Square	Western Cape	18 684	2.4	Industrial	40 700
Nampak Epping	Western Cape	15 421	2.0	Industrial	35 900
Hatfield Square	Gauteng	15 395	2.0	Commercial	104 600
Golf Air Park	Western Cape	15 068	1.9	Industrial	35 200
African Glass - Alrode	Gauteng	15 053	1.9	Industrial	41 000
Pier Place	Western Cape	14 638	1.9	Commercial	180 000
90 Rivonia Rd	Gauteng	14 270	1.8	Commercial	210 000
Spearhead Business Park	Western Cape	14 132	1.8	Industrial	53 300
Southcoast Mall	KwaZulu Natal	13 821	1.8	Retail	140 000
Stand 502 Isando	Gauteng	13 472	1.7	Industrial	24 700
Crossing at Makhado	Limpopo	13 458	1.7	Retail	98 100
Sable Square	Western Cape	13 353	1.7	Retail	135 000
Coricraft	Western Cape	13 322	1.7	Industrial	31 200
Premquip	Western Cape	12 550	1.6	Industrial	21 400
Avroy Shlain	Gauteng	12 448	1.6	Industrial	62 800
Total		408 432			2 035 200

Valuations of properties

Redefine's existing valuation policy is to re-value the entire property portfolio on an annual basis. The valuations are carried out by independent external valuers and Redefine currently employs two external valuers, Old Mutual and CB Richard Ellis.

Both valuers use the discounted cash flow (DCF) methodology for the valuations. DCF is a more widely accepted method of valuation adopted by the industry world wide. All external valuations are certified by a professional registered valuer under the guidelines of the South African Institute of Valuers.

Sector	Number of properties	GLA m ²	2007 Valuations (R000)	Average value R/m ²	Average property value (Rs)
Industrial	24	318 489	889 300	2 792	37 054 167
Commercial	43	270 031	2 393 499	8 864	55 662 767
Retail	28	188 814	1 309 250	6 934	46 758 929
Total	95	777 334	4 592 049	5 907	48 337 358

Valuation assumptions

The range of the reversionary capitalisation rate applied to the portfolio is between 8.5% and 12.0% with the average being approximately 10%.

The discount rate applied ranges between 13.0% and 15.5% with the average being approximately 14.25%.

The market rental growth rate applied to the portfolio ranges between 5.5% and 6.5% with the average being approximately 6.0%.

The initial average yield of the portfolio, based on Redefine's budgeted net income for the year to August 2008, is 9.1%

Property portfolio analysis

continued

Properties

Property	Location	Description	Lettable Area m ²	Area Vacant m ²	% vacant	2007 Valuation (R000)	Purchase Price (R000)	Effective Date of acquisition
Industrial								
Wingfield Park	Jet Park	Maxi-units Warehousing	55 927			161 000	46 940	26-Oct-00
21 Wrench Road	Isando	Warehousing	31 733			76 800	28 500	12-Oct-01
Avroy Schlain	Midrand	Warehousing	12 448			62 800	47 837	14-Dec-04
Spearhead Business Park	Montague Gardens	Mini-units & Retail	14 132	201	1.4	53 300	45 400	1-Dec-06
African Glass - Denver	Denver	Light Industrial	7 594			47 300	29 401	1-Nov-05
Viking Park	Epping	Retail, Mini-units & Offices	8 776	345	3.9	43 500	35 900	1-Dec-06
African Glass - Alrode	Alrode	Light Industrial	15 053			41 000	24 935	14-Dec-04
Buchanan Square	Cape Town CBD	Light Industrial	18 684	2 593	13.9	40 700	35 700	1-Dec-06
Nampak Epping	Epping	Light Industrial & Offices	15 421			35 900	24 000	1-Dec-06
Golf Air Park	Epping	Mini-units Warehousing	14 945	737	4.9	35 200	25 800	1-Dec-06
Coricraft	Epping	Light Industrial	13 322			31 200	17 300	1-Dec-06
Newmarket Junction	Cape Town CBD	Light Industrial	9 661	2 005	20.8	30 000	29 360	1-Dec-06
Amalgamated Appliances	Reuven	Warehousing	21 313			29 300	10 200	26-Feb-02
Stand 502 Isando	Isando	Warehousing	13 472			24 700	16 131	1-Feb-01
Trencor	Epping	Warehousing	6 157			23 300	8 535	17-Feb-00
Premquip	Epping	Light Industrial & Offices	12 550			21 400	15 500	1-Dec-06
Roeland Park	Cape Town CBD	Light Industrial & Retail	10 520			20 900	18 000	1-Dec-06
Virgin Active Benoni	Benoni	Gym	3 154			19 700	9 600	17-Jul-03
Eagle Park	Montague Gardens	Industrial Mini Units	3 845	566	14.7	18 800	17 600	1-Dec-06
Meditek-Hemco	Epping	Light Industrial & Offices	8 391			15 900	12 575	1-Dec-06
HK Parow	Parrow	Light Industrial	9 406			15 700	13 300	1-Dec-06
Stevens & Co	Midrand	Warehousing	3 460			15 600	7 000	28-Mar-02
Platinum Park	Montague Gardens	Mini-units Warehousing	6 331			15 300	23 900	1-Dec-06
Platinum Park Phase II	Montague Gardens	Mini-units Warehousing	2 194			10 000	8 700	1-Dec-06
			318 489	6 447	2.0	889 300	552 114	
Commercial								
Standard Bank Centre	Cape Town CBD	High-rise office	57 840	261	0.5	427 200	218 198	31-Aug-04
90 Rivonia Rd	Sandton	Low-rise office	14 270			210 000	113 000	14-Dec-04
Pier Place	Cape Town CBD	High-rise office & Retail	14 638			180 000	172 800	1-Dec-06
ABSA Park Ridge	Parktown & environs	Office park	10 106			111 900	52 000	11-Jul-02
Hatfield Square	Hatfield	Low-rise office with retail	15 395	202	1.3	104 600	52 775	2-Feb-05
Accenture - Woodmead	Woodmead	Light Industrial	6 388			92 100	70 756	18-Feb-05
Knowledge Park Phase II	Century City	Low-rise office	7 359	420	5.7	78 199	78 199	1-Apr-07
Stonewedge	Bryanston	Office park	6 033	515	8.5	72 300	37 710	1-Nov-02
Knowledge Park	Century City	Low-rise office	6 025	41	0.7	71 600	69 850	1-Dec-06
15 Baker Street	Rosebank	Low-rise office	7 094			70 400	27 000	1-Nov-02
90 Grayston Drive	Sandton	Low-rise office	4 400			55 700	34 500	14-Dec-04
Finance House	Bruma	Office park	7 572	1 288	17.0	54 200	21 462	1-Nov-02
The Spearhead	Cape Town CBD	Low-rise office & Retail	4 664	54	1.2	51 000	49 920	1-Dec-06
Clear Channel	Hurlingham	Low-rise office	4 320			48 400	25 268	23-Nov-01
The Avenues	Rivonia	Office park	6 222			45 000	26 990	31-Jan-01
Wedgfield	Bryanston	Low-rise office	3 608	13	0.4	43 100	20 427	1-Nov-02
Essex Gardens	Berea	Low-rise office	6 380	131	2.1	42 800	19 203	1-Feb-01
Wynberg Mews	Wynberg	Low-rise office	7 298	228	3.1	41 000	37 000	1-Dec-06
Manhattan Plaza	Bellville	Low-rise office & Retail	4 282	30	0.7	38 100	37 225	1-Dec-06
Finsource House	Cape Town CBD	Low-rise office	2 971			35 000	26 100	1-Dec-06
2 Arnold Road	Rosebank	Low-rise office	4 110			33 100	22 500	19-Oct-04
Homestead	Bryanston	Low-rise office	3 173			32 700	18 632	1-Nov-02
Allhart Park	Woodmead	Office park	4 453			32 600	18 136	31-Jan-01
Agency II	Sunninghill	Low-rise office	2 598			31 200	16 516	1-Nov-02
Agency I	Sunninghill	Low-rise office	2 161			30 300	14 800	1-Nov-02
Mauff Zail - Richmond	Parktown & environs	Low-rise office	4 586			29 600	20 931	14-Dec-04
Bruma Boulevard	Bruma	Low-rise office with retail	4 161			28 800	16 940	1-Nov-02
Bloemhof Building	Bellville	Low-rise office & Retail	4 133	1 421	34.4	28 300	20 400	1-Dec-06
79 On Roeland	Cape Town CBD	Low-rise office & Retail	6 887	123	1.8	25 600	20 400	1-Dec-06
Sterling Place	Bellville	Low-rise office & Retail	3 573	48	1.3	25 300	18 500	1-Dec-06
Maynard Plaza	Wynberg	High-rise office & Retail	4 504			25 100	11 600	1-Dec-06
Pentagraph Building	Sunninghill	Low-rise office	2 388			25 000	14 850	1-Nov-02
Monitor House	Houghton	Low-rise office	1 700			20 250	14 023	1-Nov-02
CCMA House	Cape Town CBD	Low-rise office	5 206	252	4.8	19 650	20 800	1-Dec-06

Property	Location	Description	Lettable Area m ²	Area Vacant m ²	% vacant	2007 Valuation (R000)	Purchase Price (R000)	Effective Date of acquisition
Plum Park	Bellville	Low-rise office	2 315	342	14.8	18 700	18 900	1-Dec-06
36 Morsim Road	Hyde Park	Low-rise office	1 992			17 900	14 098	4-Jun-03
TBWA Benmore	Benmore	Low-rise office	1 792			17 400	8 750	23-Nov-01
Omnipark	Bellville	Low-rise office & Retail	2 156	236	10.9	17 000	14 400	1-Dec-06
Parc Du Bel	Bellville	Low-rise office & Retail	2 150			15 600	12 000	1-Dec-06
De Goede Hoop Park	Bellville	Low-rise office	2 278			15 400	13 700	1-Dec-06
College House	Bryanston	Low-rise office	1 850	42	2.3	15 000	10 715	1-Nov-02
Mauff Zail - Durban	Durban	Low-rise office	4 671			14 000	16 248	14-Dec-04
Grotto Mews	Rondebosch	Low-rise office	329	5	1.5	2 400	2 700	1-Dec-06
			270 031	5 652	2.1	2 393	1 551	

Retail

South Coast Mall	Shelly Beach	Community retail centre	13 821	292	2.1	140 000	97 357	1-Dec-05
Sable Square	Century City	Community retail centre	13 353	2 102	15.7	135 000	99 000	1-Dec-06
Ottery Hypermarket	Ottery	Community retail centre	26 534	41	0.2	127 000	119 000	1-Dec-06
Crossing at Makhado	Makhado	Community retail centre	13 458	611	4.5	98 100	95 377	31-Oct-03
The Riverside Centre	Rondebosch	Community retail centre	9 528	27	0.3	77 000	68 800	1-Dec-06
Monument Commercial	Roodepoort	Speciality motor retail	11 978			71 200	27 800	29-Jan-02
Stanhope Bridge	Claremont	Speciality motor retail & Offices	6 406			68 500	58 650	1-Dec-06
Scott Street Mall	Newcastle	Community retail centre	8 900			66 100	31 000	25-Jun-04
Riverside Value Mart	Nelspruit	Neighbourhood retail centre	9 631			61 000	37 507	1-Dec-06
BMW Northcliff	Northcliff	Speciality motor retail	3 784			42 200	26 512	14-Dec-04
Bryanston Carvenience	Bryanston	Speciality motor retail	3 898			39 400	14 786	17-Feb-00
Motor City - Capital Park	Pretoria	Speciality motor retail	7 553	111	1.5	35 800	20 954	17-Feb-00
The Pro Shop	Woodmead	Speciality retail	5 045			34 800	13 500	14-Mar-02
Post House Link	Bryanston	Neighbourhood retail centre	4 875	75	1.5	34 000	24 433	1-Nov-02
Pick n Pay Newcastle	Newcastle	Neighbourhood retail centre	5 863			33 500	33 578	22-Aug-07
Post House	Bryanston	Neighbourhood retail centre	2 965	1 233	41.6	30 400	15 231	1-Nov-02
Williams Hunt Randburg	Randburg	Speciality motor retail	3 350			29 900	15 900	28-Dec-01
Checkers - Pietersburg	Pietersburg	Community retail centre	8 412			28 300	13 335	22-Dec-99
First National Bank - Centurion	Centurion	Speciality retail	1 920			25 500	10 439	1-May-02
Standard Bank Rosebank	Rosebank	Retail & office	4 191	654	15.6	25 500	8 100	13-Aug-02
Ronsyn Building	Rondebosch	Retail & Low-rise offices	2 446	2	0.1	22 100	25 270	1-Dec-06
Shoprite - Claremont	Claremont	Speciality retail	2 517			19 000	16 400	1-Dec-06
Old Oak	Bellville	Neighbourhood retail centre	2 535			16 500	16 100	1-Dec-06
McCarthy's Parow	Parow	Speciality motor retail	4 193			14 400	11 900	1-Dec-06
Shoprite - Vredenburg	Vredenburg	Speciality retail	3 441			10 200	8 800	1-Dec-06
Edgars Wynberg	Wynberg	Speciality retail	2 606			9 500	8 600	1-Dec-06
The Forum	Bellville	Speciality retail	996			7 600	6 300	1-Dec-06
Shoprite - Strand	Strand	Speciality retail	4 615			6 750	5 700	1-Dec-06
			188 814	5 148	2.7	1 309 250	930 329	

TOTAL PORTFOLIO

777 334 17 246 2.2 4 592 049 3 033 365

Average annualised property yield: 8%

Sectors	GLA m ²	% Vacant	Value (R000)
Offices	270 031	2.1	2 393 499
Industrial	318 489	2.0	889 300
Retail	188 814	2.7	1 309 250
Total	777 334	2.2	4 592 049

Geographic	GLA m ²	% Vacant	Value (R000)
Gauteng	334 085	1.2	2 068 450
Western Cape	372 113	3.2	2 039 799
KwaZulu Natal	39 635	1.1	296 400
Other	31 501	1.9	187 400
Total	777 334	2.2	4 592 049

Leasing

Leasing function

Renewals: The renewal process commences approximately three months prior to lease expiry and is undertaken by the Broll property manager in conjunction with Redefine asset management staff.

New lettings: Vacancy schedules are circulated to the broking community and offers are entertained from a wide spread of leading brokers.

During the year the leasing function has been hugely successful with 61 300m² of new leases concluded and leases in respect of 71 444m² renewed.

Post Balance Sheet

The lease with Standard Bank at Standard Bank Centre, Cape Town was renewed subsequent to 31 August 2007. The area renewed is approximately 29 000m² at a monthly rental of approximately R1,9 million.

Vacancy Exposure

The vacancy factor in the portfolio increased from 1.8% as at 31 August 2006 to 2.2% as at 31 August 2007. This is mainly as a result of the vacancies in the Spearhead buildings.

LEASE STATISTICS AS AT 31 AUGUST 2007

Sector	Average Lease Escalations (%p.a.)	Average Lease Length (Years)
Commercial	9.0	3
Industrial	7.5	7
Retail	9.5	5

Rental growth and renewal reversions

Rental growth is varying notably between sectors and nodes in the current market.

Industrial

This sector offers the portfolio the largest upside in terms of rental reversions and rentals in respect of leases over vacant premises. Apart from a number of industrial properties where rentals will be in line with the rentals at expiry, leases in the majority of properties will revert to between 30% and 60% higher than existing rentals. Market rental growth is anticipated to be between 10% and 30%, given the shortage of industrial space and the increase in the price of land for development.

Commercial

The historical negative reversions in this sector have almost disappeared as the rate of market rental growth and lease escalations converge. The majority of renewals are being concluded at around lease termination rentals or slightly above, with the exception of leases which were longer than three years and had historically high escalations, specifically in nodes which have previously had higher than average rentals such as Bryanston, Sandton and Cape Town CBD. These properties are expected to have downward reversions of between 10% and 20%. Nodes such as Rivonia, Sunninghill, Bruma and Bellville have experienced market rental growth in excess of 10% and market reversions are anticipated to be upward of lease expiry rentals.

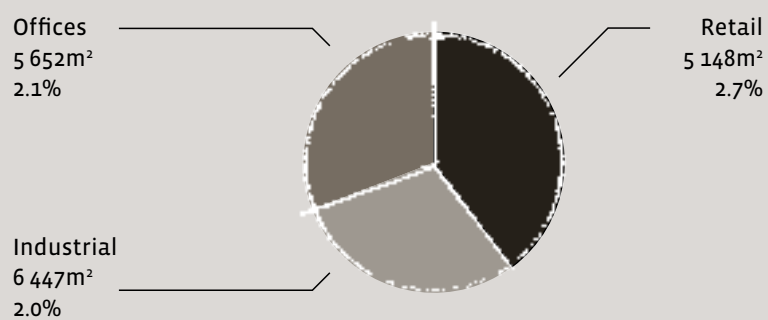
Retail

In the Redefine portfolio market rentals are growing at an average rate of 10% per annum. Renewals are largely at the same level or slightly above the lease expiry rentals. The majority of retail properties in the portfolio are relatively new, with leases still in their initial term.

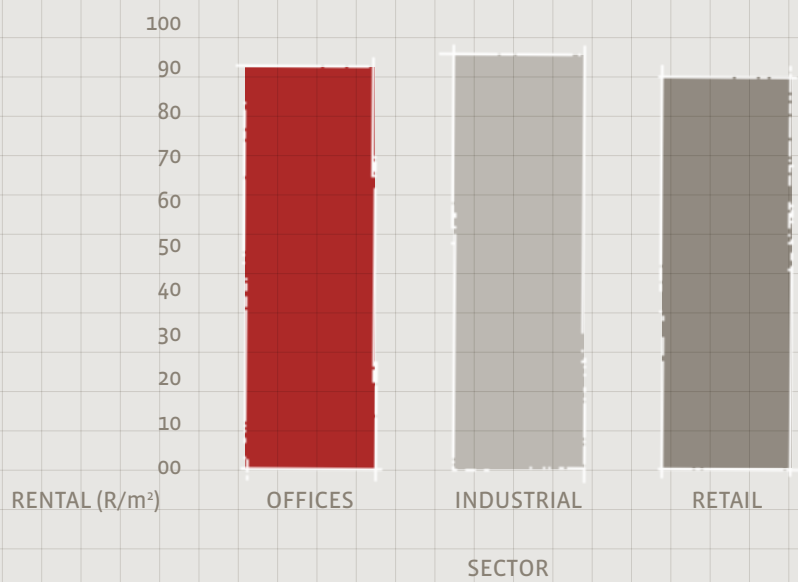
LEASING ACTIVITY

Leasing Activity: 1 September 2006 to 31 August 2007	GLA m ²	% of total GLA
Leases concluded:		
Vacant area as at 1 September 2006	13 918	1.8
Leases vacated during the year ended 31 August 2007	57 288	
Net vacancies acquired/disposed during the year	7 340	
New leases concluded during year ended 31 August 2007	(61 300)	
Vacant area as at 31 August 2007	17 246	2.2

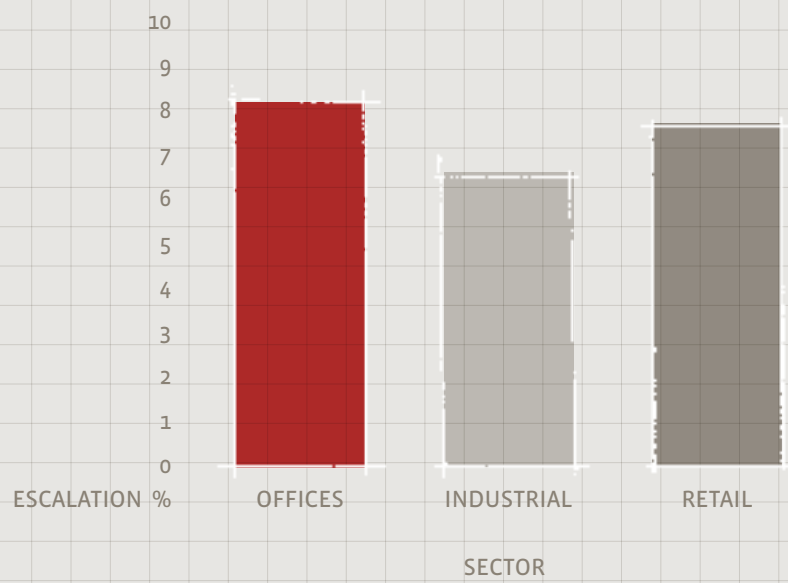
VACANCY PROFILE BY SECTOR BY RENTABLE AREA



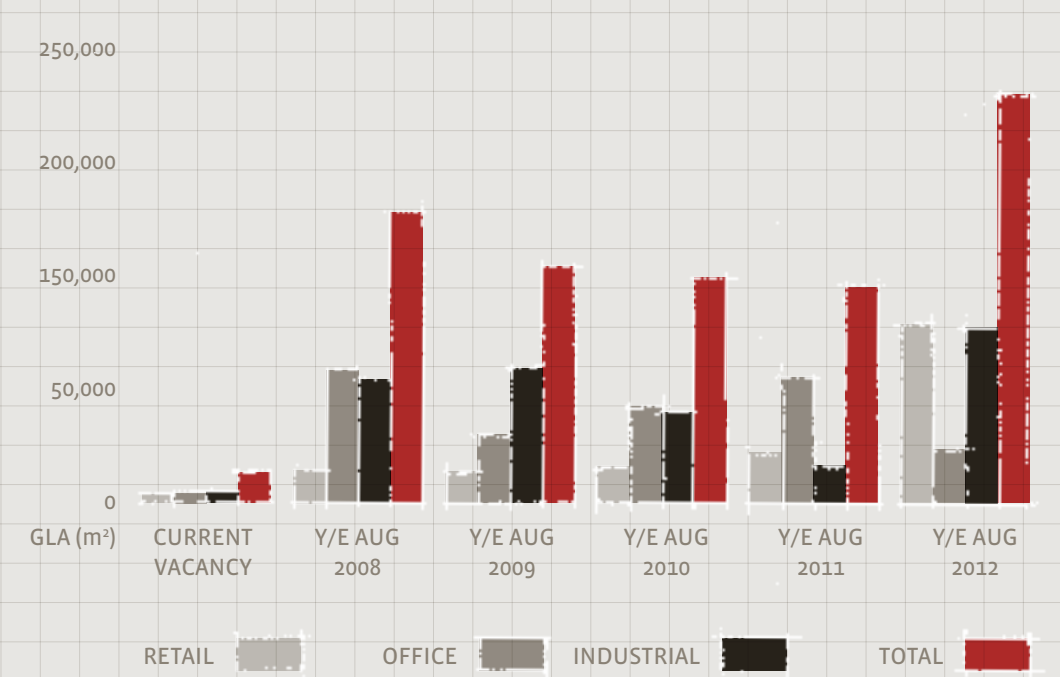
WEIGHTED AVERAGE RENTAL (R/m²)



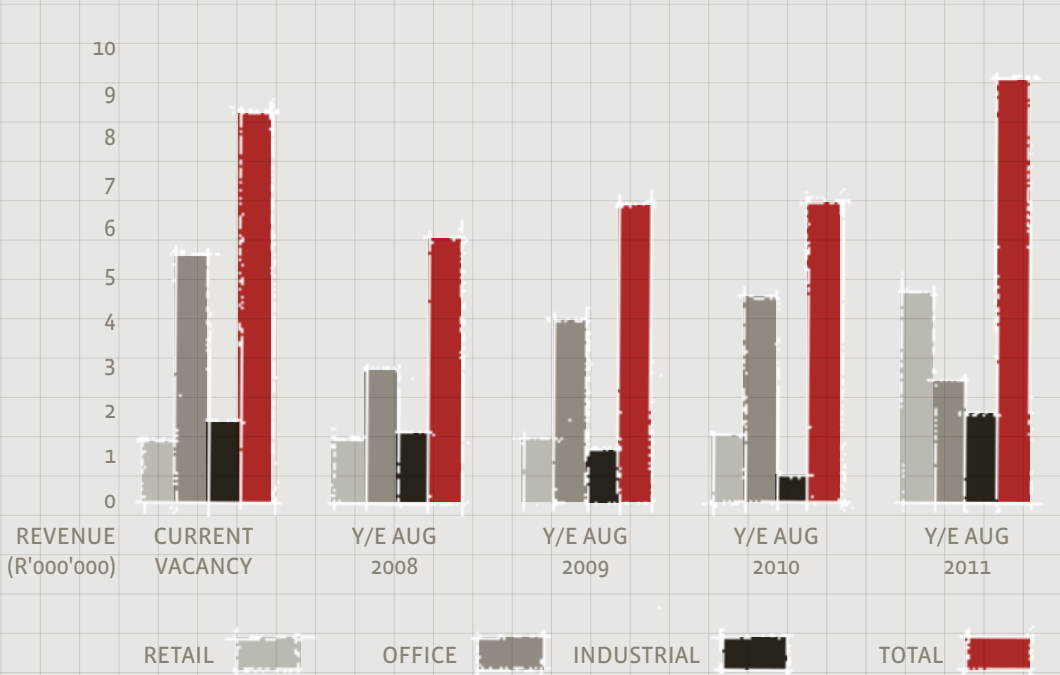
AVERAGE LEASE ESCALATION %



LEASE EXPIRY PROFILE BY GLA BY SECTOR



LEASE EXPIRY PROFILE BY REVENUE BY SECTOR



LARGEST 30 TENANTS

Tenant	GLA m ²	Annual gross income (R000)
The Standard Bank of South Africa Limited	30 778	30 970
Alexander Forbes Group (Pty) Ltd	14 863	22 744
Absa Bank Limited	11 089	18 945
Telkom (Pty) Ltd	14 194	14 579
Pick 'n Pay Retailers (Pty) Ltd	28 427	12 818
Accenture (SA) (Pty) Ltd	6 794	12 421
Africa Glass SA Holdings Ltd	24 679	10 937
Unitrans Motors (Pty) Ltd	9 544	9 401
Mauff Zail Skudowitz & Partners	9 747	9 081
MASSTORES (Pty) Ltd T/A GAME	11 714	8 805
Shoprite Checkers (Pty) Ltd	23 442	8 749
Sasol Oil (Pty) Ltd	7 553	8 454
The Agency For Advertising & M	4 758	8 384
Avroy Shlain Cosmetics (Pty) Ltd	12 448	7 600
Adams & Adams	7 362	7 296
Pepkor Retail Limited	17 648	6 950
Corpcom Outdoor (Pty) Ltd	4 466	6 256
Fusion Outsourcing Services (Pty) Ltd	7 575	6 084
Xps Services (Pty) Ltd	16 930	5 771
DHL (SA) (Pty) Ltd	20 296	5 261
Discovery Health (Pty) Ltd	3 752	5 260
TBWA Hunt Lascaris	4 411	5 239
Allcare Administrators (Pty) Ltd	3 735	5 229
Venture Motor Holdings Ltd	3 500	4 475
Kintetsu World Express SA (Pty) Ltd	14 055	4 291
Moresport (Pty) Ltd	5 159	3 973
Protea Furnishers (Pty) Ltd	6 195	3 782
First National Bank Ltd	2 923	3 688
Nampak Products Ltd	10 558	3 358
Edgars Stores Ltd	6 869	3 124
Total	345 464	263 925



DEVELOPMENTS

The aggregated initial forward yield on new developments is approximately 9.3%. This is substantially higher than if Redefine was to purchase completed properties of this quality and in these locations.

With the purchase of Spearhead, Redefine acquired certain developments in progress and a development pipeline. In addition, the highly skilled Spearhead development staff now work for Madison which is responsible for the development management of Redefine's developments. There is no obligation for Redefine to make use exclusively of Madison as development manager. Where an opportunity is presented that is suitable to Redefine and which involves a joint venture partner, such opportunities are actively pursued.

All developments require the approval of the Investment Committee which has set mandates and guidelines. Any development above the mandate threshold of the Investment Committee requires full Board approval once recommended by the Investment Committee.

There are two types of developments in which Redefine is involved, namely developments for long term investment and developments for trading. The former are made up of commercial, retail and industrial developments where land is acquired either zoned for a specific use or which requires to be rezoned. The entire process from rezoning through to completed development is managed by the development management team on behalf of Redefine or the joint venture partner where applicable.

Trading developments are not restricted to commercial, retail or industrial properties and residential development is undertaken subject to Investment Committee approval. It should be emphasised that the trading development pipeline is sustainable for at least five years. Redefine will continue to secure trading opportunities to ensure that trading revenue continues into the future.



Redefine will purchase select tracts of land, and hold such land for future development, and all holding expenses are capitalised to the cost of the future developments. Such land “banking” is only considered where it is the unanimous decision of the Investment Committee that such land is strategic and offers outstanding opportunity. As with the investment property portfolio, vacant land is re-valued annually and the increase or decrease in value taken to non-distributable reserves.

The schedule overleaf sets out the developments currently being undertaken by Redefine as well as the development “pipeline” which provides future opportunities. Both developments for investment as well as developments for trading are included. The table highlights the aggregated initial forward yield on new developments which is approximately 9.3%. This is substantially higher than were Redefine to purchase completed properties of this quality and in these locations. Also highlighted is the projected return on investment in respect of the trading developments which is in aggregate 14.5%.



Schedule of developments

BUILDING PROFILE

CURRENT DEVELOPMENTS	% Owned	GLA	Projected Development Cost (R000)	Initial Yield (%)	% Complete	Expected completion	% Let/sold
Investment							
WESTERN CAPE							
Industrial							
CTX Freight Park Phase 1	100	21 305	42 000	9.0	79	Nov '07	44
Berg River Park	100	36 518	81 286	10.3	56	Aug '08	42
Platinum Park 3	100	2 129	11 000	9.8	13	Dec '07	50
Commercial							
Convention Towers	100	16 675	222 000	11.0	60	Mar '08	78
Heron Place	100	4 183	61 000	9.2	100	Dec '07	0
Knowledge Park Phase 3	100	3 756	50 000	8.1	20	Jun '08	0
Retail							
Sable Square Phase 2	100	8 900	81 000	7.3	12	Mar '08	53
China City	100	8 500	54 500	9.1	13	Dec '07	95
Spearhead Bus. Park Phase 4	100	475	3 500	9.6	22	Nov '07	0
GAUTENG							
Retail							
Kempton Retail	100	20 213	166 784	10.0	4	Oct '08	35
		122 654	773 070	9.3			
Trading							
WESTERN CAPE							
Residential				Return (%)			
Oasis Phase 1 a & b	50	N/A	156 500	14.3	99	Oct '07	64
Upper East Side Phase 1	25	N/A	30 000	15.0	58	Nov '07	95
			186 500				
TOTAL CURRENT DEVELOPMENTS		133 654	959 570				

DEVELOPMENT "PIPELINE"

	% Owned	GLA	Estimated Development Cost (R000)	Projected Initial Yield (%)	Expected completion
Investment					
WESTERN CAPE					
Industrial					
CTX Freight Park Phase 2	100	21 305	53 000	10.0	Dec '08
Mixed use					
Annandale Land – investment & trading	25		1 250 000		Dec '12
GAUTENG					
Retail					
Little Falls Lifestyle Centre	67	38 689	450 023	9.0	Jul '09
		59 994	1 753 023		
Trading					
WESTERN CAPE					
Residential				Projected Return (%)	
Oasis Phase 3, 4 & 5	50		150 000	20.0	Jul '10
Upper East Side Phase 2 & 3	25		56 250	20.0	Oct '09
Offices/Industrial					
Buchanan Square and Newmarket Junction			100 000	20.0	Aug '08
Industrial					
Golf Air Park	100	8 127	44 000	17.0	Aug '08
		8 127	350 250		
TOTAL PIPELINE DEVELOPMENTS		68 121	2 103 273		
GRAND TOTAL ALL DEVELOPMENTS		190 775	3 062 843		

Investments outside of South Africa

The Board of Redefine took the decision to invest in select off-shore investments when appropriate opportunities arose. This decision was predicated on an investment strategy that seeks to diversify risk not only within the context of the South African property sector but by off-shore diversification.

The criteria for Redefine's investment in an off-shore property company were stringently established by the Board of directors and are governed by South African Exchange Control regulations. The Board took cognisance of the following:

1. Management – since there is limited intervention by Redefine management in the running of a portfolio outside of South Africa due to geographical considerations, it is vital that the management of such a portfolio is reliable, has a sound knowledge of local market conditions, has a proven track record and is accessible to Redefine management;
2. Properties – the quality of properties within any portfolio should not be of a lesser standard than those that would be acquired by Redefine directly. Regular visits to the properties by Redefine management ensures that the expected standards are being maintained and that the investment is suitable to Redefine;
3. Sustainability of income – a “low risk” approach to foreign investment was instituted both with regards to the size of an investment as well as the expected return.
4. Yields - in most of the developed economies lease profiles are extremely long and income streams are stable over the long term. As a result it is understood that yields are lower

than in South Africa. The impact of this is a potential dilution of existing Redefine unitholders' interests which may be mitigated in part by the natural Rand hedge implicit in such an investment.

5. Growth – the long term growth prospects of a property company in which Redefine invests is critical to the decision making process. Much of this is inextricably tied to the quality of management particularly as it pertains to unlocking value through re-developments, refurbishments and new developments.

The initial foray into off-shore investment was through CIREF Limited, a company based in London. The senior management of CIREF was well known to Redefine management and their track record was notably good. The initial portfolio of properties was of an acceptable quality with coverage across the United Kingdom. The development “pipeline” was the real attraction as this was the key to growth in income.

Redefine utilised borrowings to acquire the shares in CIREF and these borrowings were sourced from Standard Bank via Standard Finance (Isle of Man) and were Sterling denominated. The interest rate is LIBOR linked and the LIBOR rate with the bank margin was fractionally higher than the initial yield of the investment. This ensured a marginal dilution of income initially and with the growth in income from CIREF coupled with the effects of the Rand hedge, the investment has proved to be enhancing.

Listed securities portfolio

Redefine was formed as a property fund which invests in both direct properties and listed property securities. The policy from the outset was to establish strategic holdings in certain securities and to acquire various other securities on an opportunistic basis. In general, Redefine would support corporate actions within the listed property sector where such activity would be to the benefit of Redefine linked unitholders or the property sector as a whole.

Redefine has consistently been a catalyst for corporate action within the sector and has enhanced unitholder value through being innovative and proactive in initiating much of the activity within the sector.

Another advantage to Redefine unitholders is the ability to take full advantage of the vagaries of the property sector. When yields are more attractive in respect of direct property, the tradeability of listed securities allows for flexibility by disposing of listed securities to raise cash to purchase direct properties. Conversely, when yields on direct properties drop and growth from listed securities exceeds that of direct properties, this generally indicates an environment where direct properties are in demand and can be disposed of with relative ease. Proceeds from the disposal of properties reinvested in listed property securities will have a positive impact on distributions.

Redefine's listed securities portfolio is divided between core holdings, which are long term investments, and opportunistic holdings held for corporate action or trading.

Profit on realisation of core holdings is not distributed as it is deemed to be capital, however where listed securities are purchased specifically for trading purposes, profit on realisation is brought into trading revenue. The entire listed securities portfolio is re-valued quarterly based on the market value of the securities net of any distributions declared and not yet received.

The table below sets out the Redefine listed securities portfolio as at 31 August 2007:

LISTED SECURITIES PORTFOLIO AS AT 31 AUGUST 2007

	Type	Number of units	Total units in issue	% held	% of portfolio	At value (R000)
Ambit Properties Limited	PLS	46 660 824	227 276 490	20.5	4.7	197 842
ApexHi Properties Limited – “A”	PLS	19 072 440	264 592 110	7.2	6.6	277 504
ApexHi Properties Limited – “B”	PLS	47 253 555	264 592 110	17.9	19.5	817 487
ApexHi Properties Limited – “C”	PLS	12 141 980	264 592 110	4.6	2.1	89 850
CIREF	Other	9 611 072	54 921 023	17.5	5.1	215 366
Hyprop Investments Limited	PLS	41 300 229	144 369 190	28.6	42.7	1 778 801
Sycom Property Fund	PUT	25 061 075	192 306 500	13.0	10.7	449 846
Vukile Property Fund Limited	PLS	32 817 271	295 550 880	11.1	8.6	360 990
					100.0	4 187 686

Acquisitions and disposals

Redefine continually seeks to acquire income enhancing properties in the prime metropolitan centres and growth nodes around South Africa. It is unusual for Redefine to dispose of properties at comparative yields given the shortage of quality properties available at attractive yields but disposals will be considered where the conditions are deemed acceptable.

Opportunities to acquire strategic holdings in listed property securities are carefully considered in terms of the general strategy as ratified by the Board.

All decisions in respect of acquisitions and disposals are taken by the Investment Committee or by the Board in cases where the acquisition or disposal value is above the Investment Committee mandate set by the Board.

Property Portfolio

ACQUISITIONS

Building name	Effective date	GLA m ²	Purchase price (R000)
Crossing at Makhado	1 December 2006	13 458	94 250
Pick 'n Pay Newcastle	22 August 2007	5 866	33 500
		19 324	127 750
Spearhead Properties			
79 On Roeland	1 December 2006	6 887	20 400
Bloemhof Building	1 December 2006	4 732	20 400
Buchanan Square	1 December 2006	18 684	35 700
CCMA House	1 December 2006	5 206	20 800
Coricraft	1 December 2006	13 322	17 300
De Goede Hoop Park	1 December 2006	2 278	13 700
Eagle Park	1 December 2006	3 845	17 600
Edgars Wynberg	1 December 2006	2 606	8 600
Finsource House	1 December 2006	2 971	26 100
Golf Air Park	1 December 2006	15 068	25 800
Grotto Mews	1 December 2006	329	2 700
HK Parow	1 December 2006	9 406	13 300
Knowledge Park	1 December 2006	6 025	69 850
Manhattan Plaza	1 December 2006	4 282	37 225
Maynard Plaza	1 December 2006	4 505	11 600
McCarthy's Parow	1 December 2006	4 193	11 900
Meditek-Hemco	1 December 2006	8 391	12 575
Nampak Epping	1 December 2006	15 421	24 000
Newmarket Junction	1 December 2006	9 661	29 360
Old Oak	1 December 2006	2 535	16 100
Omnipark	1 December 2006	2 156	14 400
Ottery Hypermarket	1 December 2006	26 534	119 000

Parc Du Bel	1 December 2006	2 150	12 000
Platinum Park	1 December 2006	6 331	23 900
Platinum Park Phase II	1 December 2006	2 194	8 700
Plum Park	1 December 2006	2 315	18 900
Premquip	1 December 2006	12 550	15 500
Roeland Park	1 December 2006	10 520	18 000
Ronsyn Building	1 December 2006	2 446	25 270
Sable Square	1 December 2006	13 353	99 000
Shoprite -Strand	1 December 2006	2 517	5 700
Shoprite - Vredenburg	1 December 2006	3 441	8 800
Shoprite - Claremont	1 December 2006	4 615	16 400
Spearhead Business Park	1 December 2006	14 132	45 400
Sterling Place	1 December 2006	3 573	18 500
The Forum	1 December 2006	996	6 300
The Riverside Centre	1 December 2006	9 528	68 800
The Spearhead	1 December 2006	4 664	49 920
Viking Park	1 December 2006	8 776	35 900
Wynberg Mews	1 December 2006	7 298	37 000
Pier Place	1 December 2006	14 638	172 800
Stanhope Bridge	1 December 2006	6 406	58 650
Knowledge Park Phase II	1 April 2007	7 359	78 199
Spearhead sub total		308 839	1 392 049
TOTAL		328 163	1 519 799

DISPOSALS

Building name	Date transferred	GLA m²	Selling price (R000)
Bears – Amanzimtoti	2 March 2007	5 680	4 490
BSW Data	23 January 2007	1 312	45 848
Alcom House	12 February 2007	1 948	11 264
Pareto House	6 February 2007	3 010	10 412
Mauff Zail Skudowitz and Partners, Pretoria	31 February 2007	1 679	10 007
Howick Mews	20 April 2007	634	9 034
Proudfoot	23 January 2007	6 344	9 126
Montrose Place	23 January 2007	3 942	8 232
Sandhaven Office Park	23 January 2007	3 644	6 086
Mellis Park 1	31 January 2007	2 867	1 894
Bernie Street	6 February 2007	1 304	12 673
African Glass Centurion	31 January 2007	1 637	13 046
Morkels Warehouse BFN	14 February 2007	2 218	8 253
Fontainebleau Village	28 February 2006	3 916	16 800
Motown Central	21 September 2006	17 869	65 000
Rosebank Arena	23 July 2007	12 346	97 000
TOTAL		7 349	329 163

Listed securities portfolio

ACQUISITIONS

	Number of units	Cost (R000)
Ambit Properties Limited	3 000 000	12 054
ApexHi Properties Limited – “A”	2 863 714	38 087
ApexHi Properties Limited – “B”	2 863 714	45 103
ApexHi Properties Limited – “C”	2 863 714	17 039
CBS Property Fund Limited	17 110 115	162 335
CIREF Limited	3 182 500	69 580
Vukili Property Fund Limited	23 341 943	243 502
		587 700

DISPOSALS

	Number of units	Net Proceeds (R000)
ApexHi Properties Limited – “C”	22 430 074	71 617
CBS Property Fund Limited	17 110 115	205 400
Martprop Property Fund	38 783 560	127 475
Paramount Property Fund	48 149 497	427 094
		831 586

Linked unit activity

Until such time as there is a change to current legislation (such as the introduction of REIT's) the Property Loan Stock structure governs the nature of Redefine's capital.

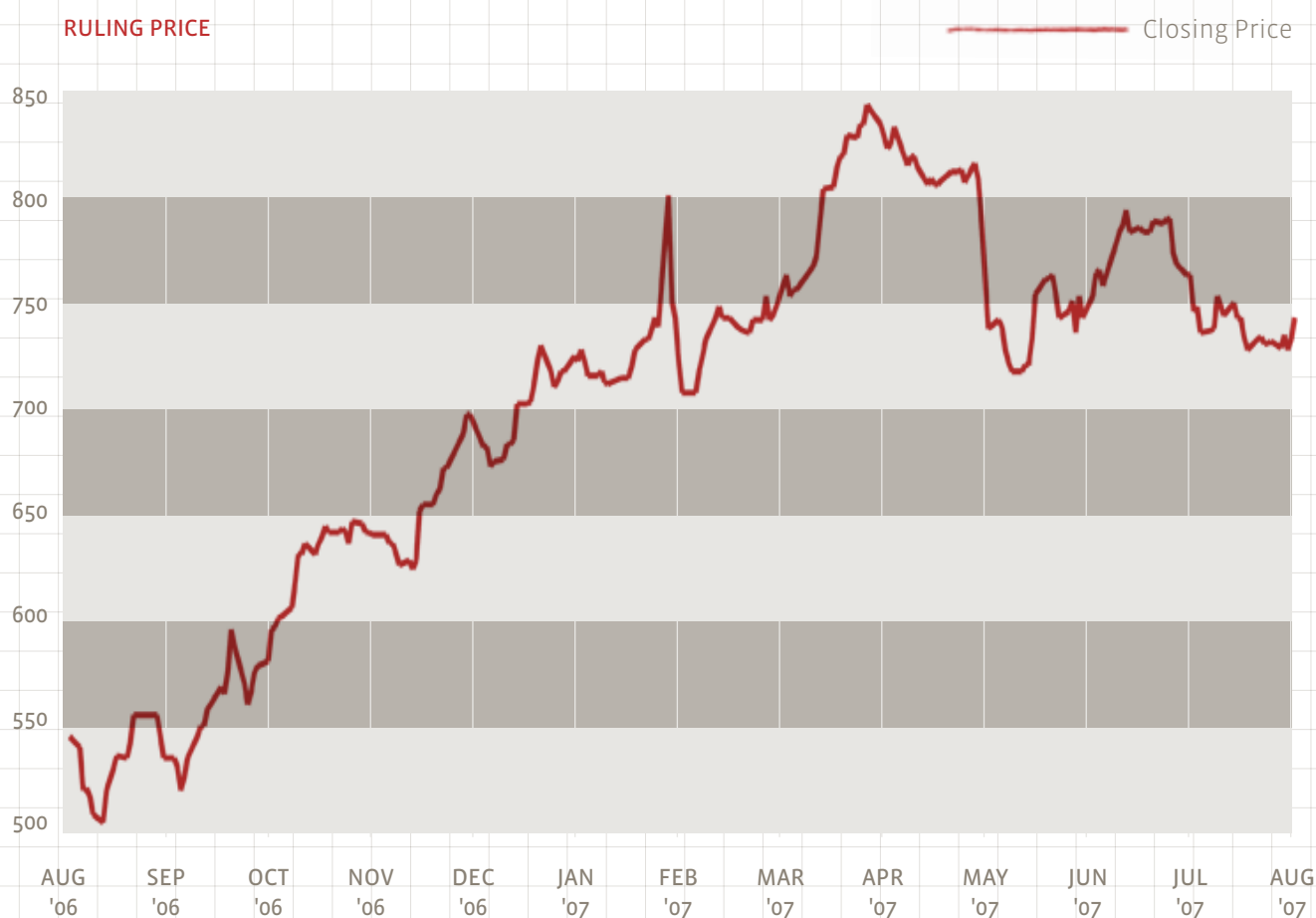
A "linked unit" is made up of 1 share linked to 1 debenture.

Statistics as at 31 August 2007

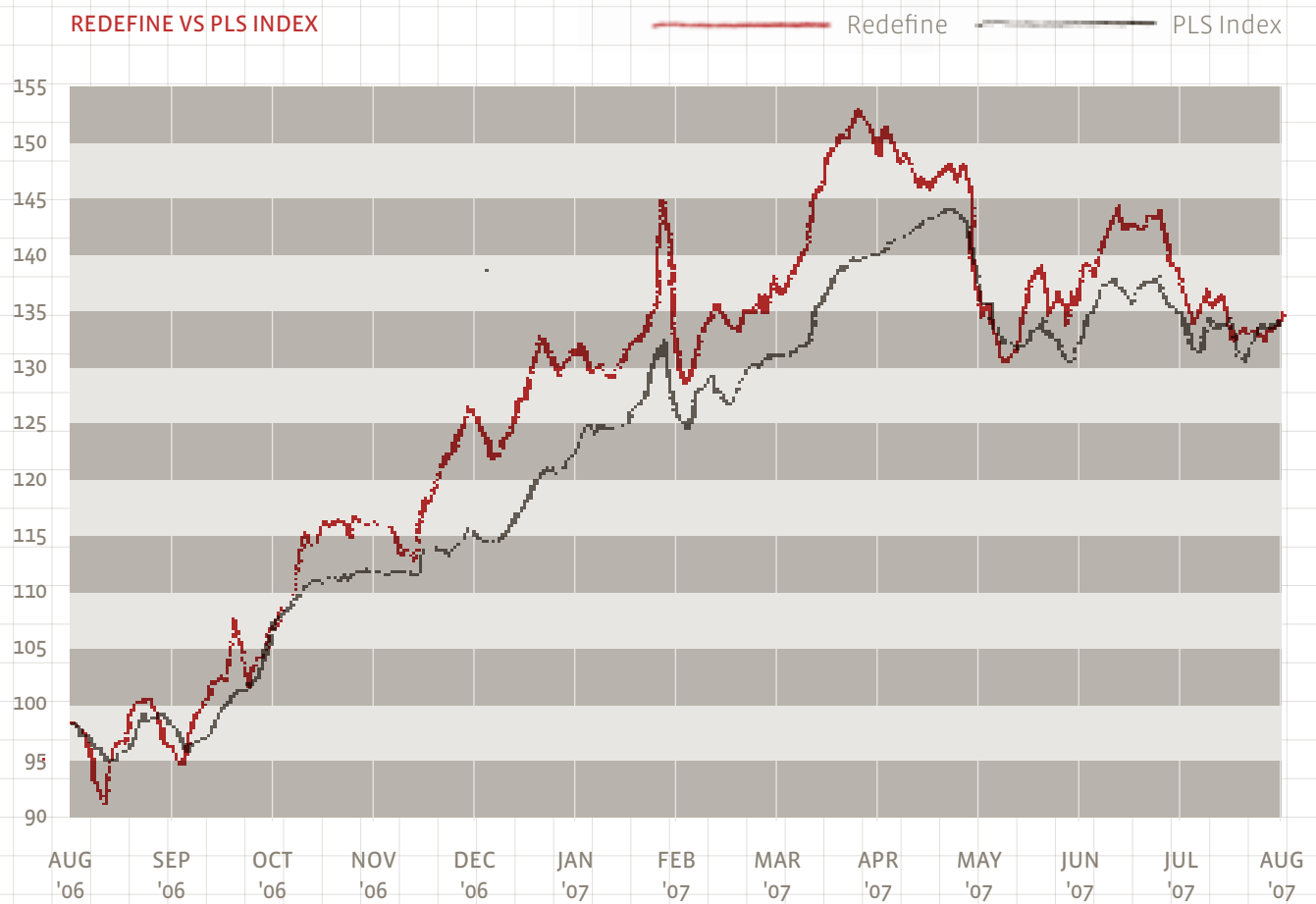
740	Close (cents per linked unit)
839	High for the year (cents per linked unit)
505	Low for the year (cents per linked unit)
R6 017 389 454	Closing market capitalisation
813 160 737*	Closing number of linked units in issue
746 186 061*	Weighted average number of linked units
275 484 179	Volume of linked units traded during the year
R1 920 102 265	Total value of transactions for the year

36.9% Volume traded to weighted number of linked units

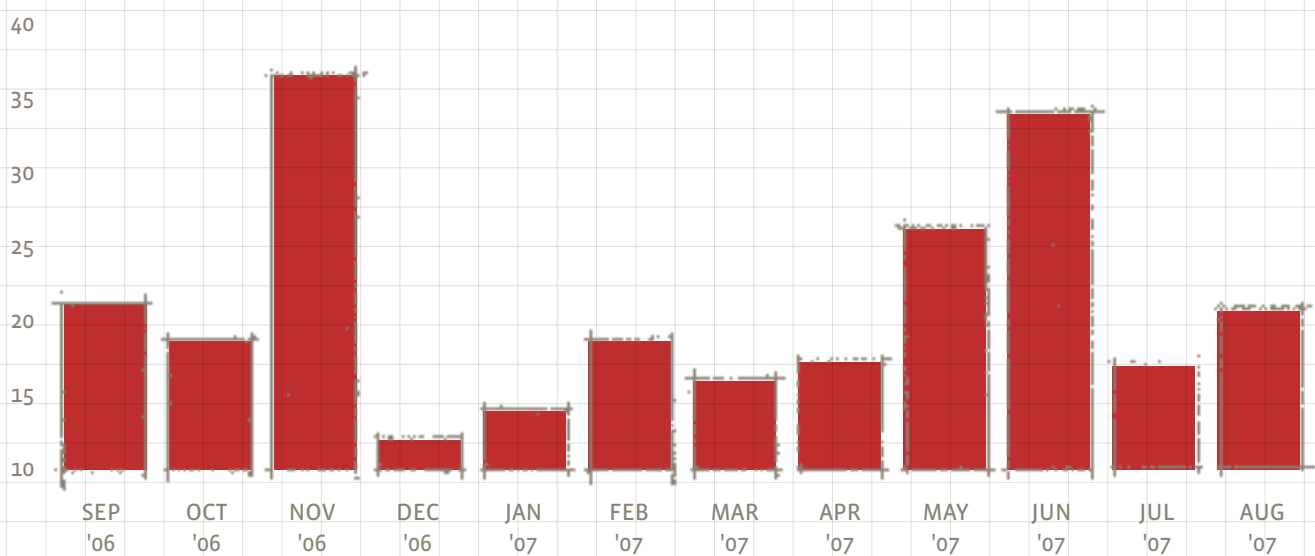
*Excludes 5 876 770 treasury units



REDEFINE VS PLS INDEX



VOLUME TRADED ('000,000)



Analysis of unitholders

	Number of unitholders	%	Number of units held	%
1 - 990	1 168	16.2	363 654	0.0
1 000 - 9 999	3 127	43.5	13 188 224	1.6
10 000 - 99 999	2 427	33.8	67 953 101	8.3
100 000 - 999 999	398	5.5	118 413 319	14.5
1 000 000 & over	70	1.0	619 119 213	75.6
Total	7 190	100.0	819 037 511	100.0

	Number of unitholders	%	Number of units held	%
NON-PUBLIC				
Directors	3	0.1	232 306	0.0
Unitholders holding 10% or more of the issued linked units	3	0.1	350 611 501	42.8
PUBLIC	5 057	99.8	468 193 704	57.2
Total	5 063	100.0	819 037 511	100.0

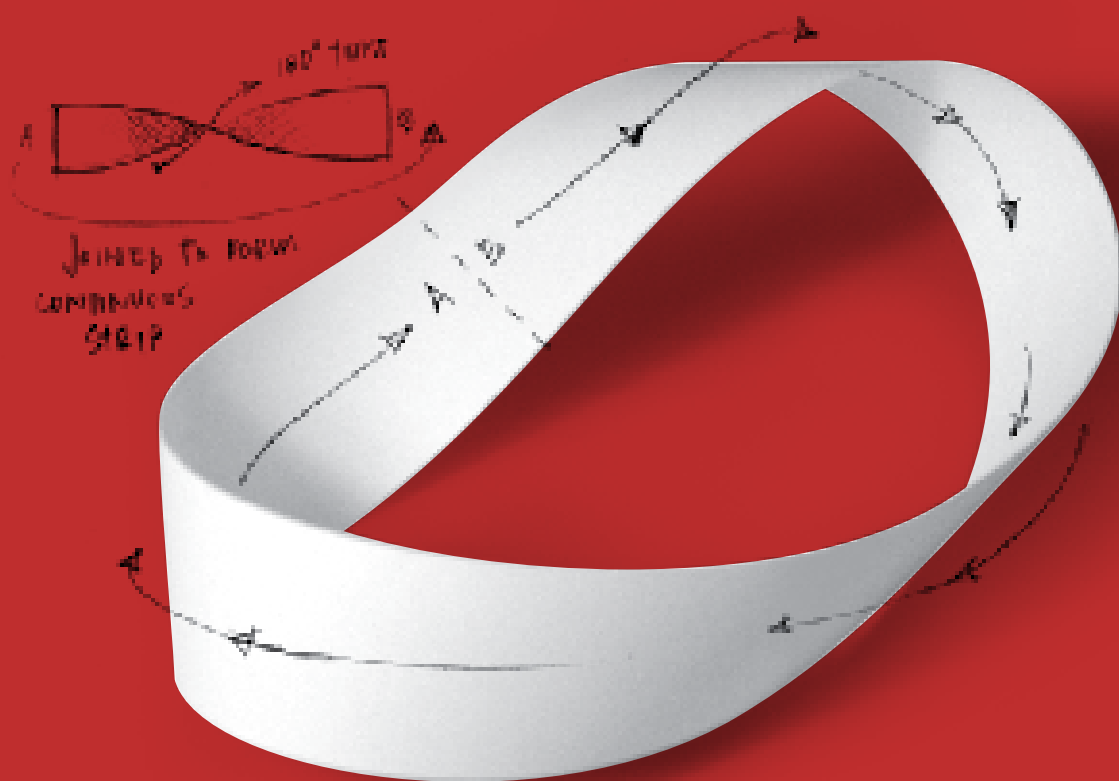
HOLDERS IN EXCESS OF 5% OF THE TOTAL LINKED UNITS IN ISSUE

	Number of units held	% of total units
Old Mutual	125 871 802	15.4
Investec	125 239 421	15.3
Stanlib	99 500 278	12.1
The Standard Bank of South Africa Limited	46 869 444	5.7

BEE UNITHOLDERS

	Number of unitholders	Number of units held
Total BEE unitholders	935	59 658 713
BEE unitholders as a percentage of total units in issue		7.3%

TRANS



TRANSFORM

South Africa has undergone socio-political and economic change which has created an environment for previously disadvantaged South Africans to both take their rightful place in society and to avail themselves of educational and employment opportunities which elevate members of society from being disadvantaged to advantaged.

Many industries have adopted the mantle of change without being motivated by legislation and there has been a great deal of wealth redistribution over the past number of years. The Government has, through the Department of Trade and Industry, put pressure on those industries and companies who have not yet implemented procedures which will lead to transformation to adopt the Codes of Good Practice and in certain industries, industry specific charters for transformation.

Within the property sector, substantial progress has been made towards finalising and implementing the Property Sector Charter. Whilst this process is being completed, Redefine has committed itself to implementing the DTI Codes and is making headway in this regard.

Enterprise Development

Both the DTI Codes and the Charter place emphasis on skills transfer as well as ensuring that previously disadvantaged people are able to acquire assets. As a method which combines both of these important elements, Redefine has established two Enterprise Development Initiatives where suitable partners have been secured and new companies formed with the partners having the majority ownership of 51% with Redefine owning 49%.

In both cases, Redefine has facilitated the establishment of these companies by assisting with the financial backing and

in the one instance, injecting properties into the company as a means of launching the business successfully.

The intention is for these companies to eventually list on the JSE Limited once critical mass in terms of assets has been achieved. In the interim, the companies are managed by asset management entities established in conjunction with the listed asset management company, Madison Property Fund Managers. In this way, skills transfer is assured and there is the potential for substantial fee income from the asset management contracts.

Dipula Property Investment Trust

Dipula was formed as a joint venture between Dijalo Property Services, a wholly black owned property company and Redefine. The initial portfolio of 13 properties had a value of R150 million. The properties were sold by Redefine to Dipula at market value and the JV partners each contributed a pro rata share of the equity component of the purchase consideration with the balance being funded by Standard Bank with a guarantee from Redefine.

SECTORAL SPLIT

	GLA m ²	% of portfolio
Retail	1 312	3.2
Commercial	23 005	56.4
Industrial	16 493	40.4
	40 810	100.0

The agreement with Dijalo stated that they would introduce a portfolio of properties of equal value. Subsequently, a further 8 properties have been acquired by Dipula for a total of R100 million taking the portfolio to R250,4 million on a forward yield of 10.9%. An additional 3 buildings totalling R107m have been acquired and are awaiting transfer.

Mergence Africa Property Investment Fund

Mergence was formed as a joint venture between Mergence Africa (Pty) Ltd, a substantially black owned company and Redefine. The initial portfolio was formed through the efforts of the Mergence team. The JV partners each contributed a pro rata share of the equity component of the purchase consideration with the balance being funded by Standard Bank.

Post balance sheet events

Broad-Based Black Economic Empowerment

The Property Sector Charter requires that over a five year period, 25% of the total equity of property companies is to be owned by black investors. Currently Redefine's Black equity holdings are at 3% of total issued linked units and this fits within the definition of broad-based.

On 11 October 2007 an announcement was made giving effect to a Broad-Based Black Economic Empowerment (B-BBEE) transaction in terms of which just under 10% of the current issued linked units in Redefine, are to be issued to selected B-BBEE parties.

This equity transaction constitutes an integral part of Redefine's commitment to black economic empowerment. It is Redefine's first step in actively introducing broad based black economic empowerment on an ownership level and Redefine and its partners are incredibly proud of the results. Following its implementation approximately 15.5% of the Redefine linked units will be held by black unitholders.

The B-BBEE transaction entails the issue of 80 million Redefine linked units for an aggregate cash amount of R548 million to the B-BBEE participants. The linked units are to be issued at a price of R6,85 per linked unit, a discount of approximately 15% to the market price of Redefine linked units at close of trade on 10 October 2007 of R8,08.

The economic cost of the transaction is 1.5% of Redefine's market capitalisation, at the date of the announcement, reflecting the discount to market value at which the linked units are being issued. Redefine believes that this cost will be outweighed by the commercial and strategic benefits to be derived from the transaction as well as its related strategies and transformation objectives in the medium to long term.

The BEE transaction will have the effect of vesting ownership of Redefine in broad-based participants above the levels imposed in terms of the Property Charter and the DTI Codes.

The B-BBEE parties comprise both strategic empowerment partners, which have synergies with Redefine as they are active in the property sector, and broad based empowerment partners who are involved in community development and upliftment of previously disadvantaged South Africans. Of the new linked units, 48 million will be issued to strategic empowerment partners, while the remaining 32 million will be issued to broad based empowerment partners.

The strategic empowerment partners are Ngatana Property Investments which will acquire 25% of the linked units to be issued, Mtshobela Capital Holdings 10%, Vunani Capital 10%, Clearwater Capital 10% and Loato Properties 5%.

The broad-based empowerment partners are Phuthanang Youth Trust, African Lotus Education and Development Trust, MaAfrika Tikkun and Basadi Bapono, which will each acquire 10% of the new linked units.

Redefine considers the broad based empowerment element of this transaction as part of the company's practise as a responsible corporate citizen. In addition to ensuring the sustainability of the community development projects and empowerment initiatives, it also opens the doors of property ownership and participation in the property sector.

The transaction has been made possible as a result of innovative funding structures provided by finance partners, RMB and The Standard Bank of South Africa Limited, which were integral to the initiative.

The BEE participants will be entitled to all voting rights attaching to the BEE units from the date on which the units are issued to them. They will not be entitled to dispose of the BEE units for a period of seven years from their issue, except in terms of the finance agreement. The transaction was approved by Redefine linked unitholders on 14 November 2007 and is subject only to the requisite regulatory approval.

Strategic BEE investors

Ngatana Property Investments which will acquire 25% of the allocation, is a broad based empowerment group with a focus on property. Ngatana is headed by Lance Manala, who also has interests in the information and communication technology and shipping industries, through his company Amistad. Lance is chairman of the South African Maritime Safety Authority (SAMSA) and was formerly chairman of Prescient Investment Management. Other participants in Ngatana include the family of Dines Gihwala, current chairman of Redefine and chairman of Hofmeyr Attorneys, Inkari Basadi, a black women's investment group, Sakhikamva, an NGO investment group, Prescient Foundation and a group of black professionals. Ngatana currently holds a 4.5% interest in Redefine.

Mtshobela Capital Holdings. Abu Varachhia, who is a director and shareholder of Mtshobela Capital Holdings, is also the managing director of Letchmiah, Daya & Varachhia, one of the largest quantity surveying firms in South Africa, and one of the few professional firms in the SA construction industry to be black-owned. Mtshobela Capital Holdings has been allocated 10% of the allotment.

Post balance sheet events

continued

Vunani Group which, pursuant to the transaction, will (via a wholly owned subsidiary) acquire 10% of the units, was established through management buy out of African Harvest Capital in 2004 and forms part of the Vunani Capital Holdings Group, led by Ethan Dube, which is a black owned and managed financial services group established in 1998. Vunani is active in the property sector, BEE structuring, corporate advisory services, private equity, capital raising and stockbroking.

Clearwater Capital, owned by the KwaZulu-Natal based Mehta family, which will take up 10% of the allocation, is an investment company with strong interests in the property sector.

Loato Properties, an investment company owned and managed by Monica Kebareng Khumalo and Oarona Khama has been allocated 5% of the units. Monica Khumalo is a non executive director of Madison and has over 13 years of experience in property asset management, development and property management. She is a council member of SAPOA (2004 to present) and is currently a member of the South African Council for Shopping Centres.

Broad based empowerment investors

Phuthanang Youth Trust is a non profit making youth organisation founded and headquartered in Soweto. The objective of Phuthanang is to prepare and introduce out of school and unemployed youth to professionalism and entrepreneurship. Phuthanang has a growing membership of 227 members (of which 53% are young women) and has attracted, to date, a complement of 28 patrons with backgrounds in business and financial services, medicine and health care, law, education, sports and the public sector. Phuthanang's initiatives include tourism (involving tours by tour guides whose training has been sponsored by Phuthanang), business processing and outsourcing (involving the first call centre in Soweto which Phuthanang is presently finalising), youth outreach programs (which are geared towards stimulating entrepreneurship and providing information about funding and business related issues), career development and mentorship (involving consultations in relation to CV writing, job hunting, interviewing skills and workplace preparation), HIV / AIDS (involving support groups focusing on victims and families that are affected by HIV / AIDS and providing workshops on HIV / AIDS prevention and treatment), life skills (involving workshops focusing on time management, personal wellbeing and grooming), community policing forum (involving patrolling streets and providing visible security during community functions as and when the need arises), clean up campaigns and car washers. The trustees of

Phuthanang are Ruth "Mama Ruth" Manala, Modise Motloba and Makatu Mphore.

The African Lotus Education and Development Trust

which is a broad based BEE trust has been established for the benefit of students from previously disadvantaged communities studying in the fields of mathematics and science principally at the Universities of the Free State and the Western Cape. The initial trustees of the trust are Mr Mallet Pumelele Giyose, Dr Elias Links, Mr Abdurazak Osman and Ms Anita Gihwala. The sole object of the trust is to provide financial assistance to the beneficiaries in the form of bursaries, grants or any other form of gratuitous payment, with the aim of developing previously disadvantaged individuals in the fields of mathematics and science.

MaAfrika Tikkun (MaT) is a non governmental organisation originally established in 1994 by the late Chief Rabbi Cyril Harris and Dr Bertie Lubner as a Jewish community initiative designed to assist and support the upliftment and transformation of disadvantaged communities. Nelson Mandela is the organisation's Patron In Chief. The organisation works together with local community structures to ensure that it is ultimately the communities themselves who have ownership and control of the programmes initiated and driven by MaT. The organisation's core focus areas are adult HIV caring and skills development targeting the youth. MaT currently conducts activities in Gauteng (in Orange Farm, Alexandra and Diepsloot) and in the Western Cape (in Mfuleni, Delft and Khayelitsha). The organisation currently has over 10 000 previously disadvantaged beneficiaries (comprising 456 caregivers, 3 000 HIV aids patients, 1 700 orphans and other vulnerable children, 5 000 youths and over 400 community volunteers).

Basadi Bapono is an organisation of which 100% of the ownership vests in women and a broad based community organisation, De Laan Investments (representing The Proudly Mannenberg campaign), a campaign targeting the working class community of Mannenberg, established in the 1960's under the Apartheid Group Areas Act, with a view to reducing levels of unemployment and crime.

Empowerdex

Redefine has contracted with Empowerdex (Pty) Ltd, a well know black empowerment rating agency, to undertake a survey of Redefine and its subsidiaries in order to determine the level to which Redefine achieves the BEE objectives of the DTI Codes. Once the rating is finalised, the details will be published.

Hyprop/Sycom

On 26 October 2007, Redefine accepted an offer from Hyprop Investments Limited (“Hyprop”) in terms of which Hyprop would acquire 18 046 148 Sycom Property Fund (“Sycom”) units from Redefine.

In consideration for the Sycom units, Hyprop will issue to Redefine 7 218 459 new Hyprop linked units. This represents a swap ratio of 1 new Hyprop linked unit for 2.5 Sycom units. Redefine will be entitled to the entire Sycom distribution for the six months ended 30 September 2007. Furthermore, Redefine will be entitled to 50% of the Hyprop distribution for the six months ending 31 December 2007.

In addition, Hyprop has the right of first refusal to acquire the balance of 7 014 927 Sycom units owned by Redefine. The effective date of this transaction is 1 October 2007.

Gearing

Redefine has a Board imposed limit on gearing of 45% of total assets. Total debt is R3,172 billion of which approximately R3,041 billion is directly incurred by Redefine and R131 million is in respect of various joint venture development projects.

Of the R3,041 billion of direct debt, 77% is fixed for an average period of 7 years at an average rate of 9.68% inclusive of all costs. The average rate in respect of total debt is 9.99% inclusive of all costs.

During the year under review R600 million of existing short term debt was extended by a further seven years, resulting in an

aggregate saving of 22.3 basis points or approximately R1,3 million per annum. In addition a LIBOR linked loan was entered into with Standard Finance Limited for an amount of R110 million resulting in a further saving of approximately R2 million per annum.

Redefine will continue to manage its gearing in the most innovative manner and further tranches of debt capital market funding is planned. A portion of the floating debt is in respect of development projects and once these projects are completed long term fixed rate debt will be replace the floating debt.

Average cost of finance

Fixed Rate Debt	Rate %	Loan (R000)	Average Rate (%)
DEBT CAPITAL MARKET:			
3 years ending 1 July 2008	9.06	200 000	
10 years ending 1 July 2017	9.27	200 000	
10 years ending 1 July 2017	9.49	400 000	
Total debt capital market		800 000	9.33
STANDARD BANK:			
10 years ending 1 July 2015	10.75	371 000	
10 years ending 1 July 2015	10.35	129 000	
10 years ending 26 April 2017	10.37	434 249	
10 years ending 26 April 2017	9.97	17 000	
Total Standard Bank		951 249	10.33
ABSA:			
5 years ending 1 July 2011	9.81	200 000	
Total Absa		200 000	9.81
SANLAM			
3 years ending January 2009	8.24	101 400	
Total Sanlam		101 400	8.24
INTEREST RATE SWAPS			
Terminates 26 November 2007	11.90	25 000	
Terminates 7 January 2008	10.60	50 000	
Terminates 10 February 2010	7.83	50 000	
Terminates 25 July 2011	8.89	50 000	
Terminates 21 October 2007	7.25	50 000	
Terminates 21 April 2010	8.52	50 000	
Total interest rate swaps		275 000	8.92
TOTAL FIXED DEBT		2 327 649	9.68

FIXED DEBT MATURITY

	Amount (R000)	Weighted Average Rate (%)
2007		
2008	200 000	9.06
2009	100 000	8.24
2010		
2011	200 000	9.81
2012		
2013		
2014		
2015	500 000	10.65
2016		
2017	1 051 249	9.82
Total	2 052 649	9.87

Floating Rate Debt	Rate %	Loan (R000)	Average Rate (%)
DEBT CAPITAL MARKET			
Floating	10.94	71 200	
Total debt capital market		71 200	10.94
STANDARD BANK			
Floating	11.80	51 355	
Floating	12.00	15 525	
Floating	12.00	7 002	
Total Standard Bank		73 882	11.86
NEDBANK:			
Floating	11.35	7 155	
Floating	12.00	139 730	
Floating	12.50	83 751	
Floating	11.18	30 000	
Floating	12.00	4 543	
Floating	11.18	8 635	
Floating	11.18	50 000	
Total Nedbank		323 814	11.89
ABSA			
Floating	11.13	50 000	
Floating	12.00	21 306	
Floating	11.30	185 000	
Total ABSA		256 306	11.32
RMB:			
Floating	11.75	75 026	
Floating	11.21	31 156	
Floating	12.00	33 823	
Floating	12.00	6 939	
Floating	12.00	5 958	
Total RMB		152 902	11.72
STANDARD FINANCE (ISLE OF MAN)			
Principal amount GBP 7 633 535	6.24	110 000	
Rand value		110 000	6.24
FLOATING DEBT			
		988 104	11.02
Less: Interest rate swaps		275 000	8.92
TOTAL FLOATING DEBT		713 104	11.00
TOTAL DEBT			
		3 040 753	9.99

Real Estate Investment Trusts (REITs)

REITs were established in the United States in the early 1960s and are currently the international standard in respect of property companies in almost all countries that have a formal, listed property sector. With the advent of REITs in the United Kingdom and more recently in Germany, the REIT structure has now been adopted in all countries in Europe where listed property securities are traded. In Asia the REIT is the predominant structure and the Australian Listed Property Trusts (LPTs) are generally referred to as “Australian REITs”.

The essence of the REIT structure is that an entity that qualifies for REIT status pays no tax whatsoever within the entity so long as it distributes more than 90% of distributable income to shareholders. There are further benefits such as high gearing levels, the ability to invest in other listed property companies, the ability to invest off-shore and the flexibility to derive a portion of income from property related businesses other than rental producing properties.

The property sector in South Africa is made up of a number of corporate structures. The prevalent structures are Property Loan Stocks (PLSs), followed by Property Unit Trusts (PUTs), both of which have elements of REITs. The sector has engaged in discussion with National Treasury who have recognized the benefit to South Africa in adopting this structure and the discussions have centred around a “best of breed” approach where the desirable elements of PUTs are combined with those of PLSs to arrive at the most efficient structure.

The process aimed at establishing a best of breed REIT has progressed. It is expected that a comprehensive discussion document will be released by the end of the year and, after public comment on it, will be followed by guidance in the national budget in February 2008. Thereafter statutory reform should be in place about the end of the year, assuming there is consensus on proposed legislation.

The introduction of REITs is expected to have a positive impact on the South African listed property sector and Redefine is strongly supportive of this initiative.

Prospects

Growth in distributions is likely to continue to outperform the consensus forecasts for the sector. The relatively high initial yields on developments will ensure that the portfolio expands through the addition of good quality property stock. Trading opportunities will add to operating income although such income will be maintained at approximately 5% of gross operating income.

Rentals have been continually firming across all sectors with significant growth in the industrial sector. Redefine's vacancy factor has increased with the acquisition of the Spearhead portfolio, which offers opportunity due to the shortage of high quality space in prime locations. This is further exacerbated by rising construction costs, a shortage of resources and skills and a scarcity of land for development.


Operating costs have been maintained at below 20% of gross income for the last three years. This trend is likely to continue.

Distributions from Redefine's core listed securities portfolio are anticipated to grow at greater than 12% per annum which will contribute to Redefine's growth. Redefine's management will continue to engage with management of those funds to ensure that unitholders' interests are not compromised.

The debt market is highly competitive and offers new and exciting products which enable Redefine to re-structure debt or to borrow "fresh" capital at more competitive rates. Redefine will continue to take advantage of any developments in the funding arena. A further tranche of debt market ("conduit") funding is planned and the re-financing of a portion of short-term debt utilised for developments will be formalised.

Taking the above into account and barring any unexpected circumstances which could negatively impact the economy or the property sector as a whole, Redefine is well poised for continued growth.

EDUC



Redefine continues to grow and enhance its support for sustainable education. This year it has committed substantial funds to assist tomorrow's rising stars on their meteoric paths by supporting the South African Music Education Trust (Samet) and Buskaid with music education projects teaching disadvantaged children to play classical musical instruments. As Redefine is ultimately measured by its performance, this was adopted as the ethos of the programme and music education was identified as an area where Redefine could contribute meaningfully to teaching others to perform to the best of their ability and talent.

“Music washes away the dust from the soul of everyday life.”

~ Berhold Auerbach, poet and author.

South African Music Education Trust (Samet)

The Redefine Income Fund Western Cape Music Education Project attracted about 120 learners last year, all from different parts of the Western Cape; Ilanga, Kuilsriver, Khayelitsha and Gugulethu. Seven advanced students from Samet also participate in the Cape Philharmonic Youth Orchestra. Music classes are offered in violin, viola, cello, double bass, trumpet, trombone, French horn, flute, clarinet, recorder, voice/singing and movement and dance.

Buskaid

Exceptional music talent abounds in the townships of South Africa and Redefine is also supporting the creation of opportunities to develop this talent through its sponsorship of Buskaid, located in Diepkloof, Soweto. 2007 marks the 10th

ATE

anniversary of Buskaid, the Soweto-based music school which offers string tuition to less privileged youngsters from the local township community. From the humblest beginnings, Buskaid has grown into one of South Africa's major cultural assets, with international standards of teaching and performance. The Buskaid Soweto String Ensemble recently performed at the BBC's Proms at the Royal Albert Hall in London.

What the newspapers said:

“Although Buskaid are involved in outreach projects with young underprivileged Africans, their standards are so high that they could perform creditably alongside the top professionals.” ~ Evening Standard, 16 July 2007

“Buskaid is a living, growing example of the profound values of the diverse global culture that belongs to us all.” ~ The Times, 13 July 2007

“The project has uncovered some wonderful talent that otherwise might never have emerged.” ~ The Independent, 13 July 2007

“(B)ut the playing and dancing were so full of verve and raw energy, they had the audience clapping rhythmically by the end and the seated parts of the auditorium rose to their feet. The Last Night (of the Proms) had come eight weeks early, and with much better music.”

~ The Sunday Times, 22 July 2007



Directors' responsibility and approval

Statement of responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the financial statements and other financial information included in this report.

The financial statements presented on pages 54 to 77, have been prepared in accordance with International Financial Reporting Standards and include amounts based on judgements and estimates made by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company or the group will not be going concerns in the foreseeable future based on forecasts and available cash resources. The financial statements support the viability of the company and the group.

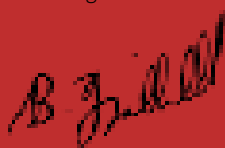
The financial statements have been audited by the independent accounting firm PKF (Jhb) Inc. which was given unrestricted access to all financial records and related data including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate. PKF (Jhb) Inc.'s audit report is presented on page 52.

Approval of annual financial statements

The annual financial statements as set out on pages 54 to 77 for the year ended 31 August 2007 were approved by the Board of Directors on 7 December 2007 and are signed on its behalf by:



Dines Gihwala
Chairman



Brian Azizollahoff
Chief Executive Officer

Declaration by the company secretary

We declare that to the best of our knowledge, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 1973 (as amended) and that all such returns are true, correct and up to date.



Probit Business Services (Pty) Ltd
Company Secretary
7 December 2007

Independent auditor's report to the unitholders of Redefine Income Fund Limited

Report on the Financial Statements

We have audited the accompanying annual financial statements and group annual financial statements of Redefine Income Fund Limited set out on pages 54 to 77, which comprise the balance sheet at 31 August 2007, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act in 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 judgment, 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 annual financial statements and group annual financial statements present fairly, in all material respects, the financial position of Redefine Income Fund Limited as of 31 August 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act in South Africa.



PKF (Jhb) Inc.
Director : Paul Badrick
Registration number 1994/001166/21
Chartered Accountants (SA)
Registered Auditors
Sandton
7 December 2007



Report of the directors

To the unitholders of Redefine Income Fund Ltd

As directors of the company, we take pleasure in submitting our report for the year ended 31 August 2007.

Corporate overview

Redefine is a listed property loan stock company which derives revenue from its subsidiaries. The subsidiaries are property investment companies that derive rental revenue from investments in commercial, industrial and retail properties, distributions from listed security investments and income from projects developed for trading.

Review of activities

The group's trading performance for the year is fully set out in the annual financial statements.

Interest distributions

The following quarterly interest distributions per linked unit were declared for the financial year:

- distribution number 27 of 11.8 cents in respect of the first quarter ended 30 November 2006 paid on 29 January 2007;
- distribution number 28 of 12.2 cents in respect of the second quarter ended 28 February 2007 paid on 14 May 2007;
- distribution number 29 of 12.6 cents in respect of the third quarter ended 31 May 2007 paid on 20 August 2007;
- distribution number 30 of 14.65 cents in respect of the fourth quarter ended 31 August 2007 payable to linked unit holders on 19 November 2007.

Capital structure

The company's authorised linked unit capital consists of 1 billion ordinary shares of 0.1 cent each, each linked to a debenture of 180 cents. Linked units comprise one ordinary share and one debenture and may only be traded on the JSE Ltd. There were no changes to the authorised number of linked units.

Special resolution

The following special resolution was passed by unit holders and registered on 18 January 2007: General authority to effect linked unit repurchases.

Borrowing powers

Directors are authorised to borrow funds without limit, subject to loan covenant restrictions in place with Redefine's bankers. Notwithstanding the above, the directors have a strategy to maintain gearing at a level below 45%.

Property portfolio and listed securities portfolio

The movement in the property portfolio and listed securities portfolio during the year appear in notes 2 and 3 to the financial statements. A list of investment properties is set out on pages 18 to 19 and a list of investments in listed securities is tabled on page 31.

Post balance sheet events

Refer to note 29 for events after balance sheet date.

Subsidiaries

Redefine's interest in subsidiaries is set out on page 78.

During the period under review Redefine acquired the subsidiary as detailed in note 26 on page 74.

Movement in issued linked unit capital:

	Number of linked units (000)	Share capital (R000)	Debenture capital (R000)	Share premium (R000)
Linked units in issue at 31 August 2006	556 726*	557	1 002 108	460 871
Acquisition of subsidiary	222 929	223	401 271	1 023 019
Acquisition of listed securities	33 506	34	60 310	157 894
Share issue expenses written off				(383)
Linked units in issue at 31 August 2007	813 161	814	1 463 689	1 641 401

* Excludes 5 876 770 treasury units

Directorate

The directors of the company during the year were:

- B Azizollahoff (British) (Chief Executive Officer) *
 - L Barnard ¥ =
 - W Cesman ¥
 - C Clarke ¥ (resigned 21 February 2007)
 - E Ellerine ¥=
 - D Gihwala (Chairman) ¥= (appointed 18 April 2007)
 - D Perton (British) ¥=
 - S Shaw-Taylor ¥
 - N Venter ¥ = (appointed 14 June 2007)
 - M Wainer ¥
- * Executive
 ¥ Non-executive
 = Independent

Directors interests in linked units

	2007					2006				
	Beneficial		Non-beneficial		% of linked units in issue	Beneficial		Non-beneficial		% of linked units in issue
	Direct	Indirect	Direct	Indirect		Direct	Indirect	Direct	Indirect	
W Cesman	150 213	-	-	221 600	0.04	150 213	-	-	572 460	0.10
S Shaw-Taylor	-	-	-	-	-	-	-	-	-	-
- linked units	82 245	-	-	-	0.01	23 245	-	-	-	0.00
- warrants	9 000	-	-	-	0.00	9 000	-	-	-	0.00
M Wainer	-	-	-	221 600	0.03	-	-	-	572 460	0.10

Save for the unit holdings detailed, no other director held any interest in the issued share capital of the company.

There have been no changes in the directors' holdings since the financial year-end to date of this report.

Directors' interests in contracts

W Cesman and M Wainer are directors and shareholders of the company's asset managers, Madison. S Shaw-Taylor is an employee of Standard Bank. Full details of fees paid to Madison and Standard Bank are disclosed in note 30 of the financial statements.

There were no other material contracts involving directors' interest during the year.

Auditors

The auditors of the company, PKF (Jhb) Inc., will continue in office in accordance with Section 270 (2) of the Companies Act, 1973 (as amended).

Secretary

Probit Business Services (Pty) Ltd
 Business address:
 3rd Floor, JHI House, 11 Cradock Avenue, Rosebank
 Postal address:
 P O Box 85392, Emmarentia, 2029

Balance sheets

at 31 August 2007

	Notes	GROUP		COMPANY	
		31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
		R000	R000	R000	R000
ASSETS					
Non-current assets					
		9 306 257	5 961 167	3 212 781	1 481 151
Property portfolio at valuation		5 049 733	2 513 337	-	-
Fair value of property portfolio for accounting purposes	2	4 503 606	2 413 913	-	-
Property under development at cost	2	347 514	-	-	-
Straight-line rental income accrual	2	198 613	99 424	-	-
Listed securities portfolio	3	4 075 285	3 447 830	-	-
Interest in associates	4	124 097	-	-	-
Loans to related parties	5	49 101	-	-	-
Interest rate swaps	6	6 262	-	-	-
Plant and equipment	7	1 779	-	-	-
Investment in subsidiaries	8	-	-	3 212 781	1 481 151
Current assets					
		528 231	141 584	56	63 120
Properties held for trading	2	173 927	83 000	-	-
Trade and other receivables	9	54 071	7 908	56	63 120
Listed securities held for trading	3	112 401	-	-	-
Listed security income	10	58 908	50 666	-	-
Cash and cash equivalents	11	128 924	10	-	-
Total assets		9 834 488	6 102 751	3 212 837	1 544 271
EQUITY AND LIABILITIES					
Capital and reserves					
		4 107 996	2 151 170	1 615 111	465 840
Share capital and premium	12	1 642 215	461 428	1 646 628	465 840
Accumulated loss		(31 517)	-	(31 517)	-
Non-distributable reserves	13	2 497 298	1 689 742	-	-
Non-current liabilities					
		5 440 207	3 814 338	1 474 267	1 012 686
Debenture capital	14	1 463 689	1 002 108	1 474 267	1 012 686
Interest-bearing liabilities	15	3 172 489	2 458 339	-	-
Deferred taxation	16	804 029	353 891	-	-
Current liabilities					
		286 285	137 243	123 459	65 745
Trade and other payables	17	95 485	66 338	3 470	2 733
Interest-bearing liabilities	15	17 848	-	-	-
Taxation		47 564	-	-	-
Bank overdraft	11	6 295	8 483	-	-
Linked unitholders for distribution		119 093	62 422	119 989	63 012
Total equity and liabilities		9 834 488	6 102 751	3 212 837	1 544 271
NAV per linked unit					
		6.85	5.66	3.77	2.63

Income statements

for the year ended 31 August 2007

	Notes	GROUP		COMPANY	
		31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
		R000	R000	R000	R000
Revenue					
Property portfolio		488 799	320 753	-	-
Contractual rental income		429 948	292 863	-	-
Straight-line rental income accrual		58 851	27 890	-	-
Listed security portfolio		300 285	207 225	-	-
Property trading income		40 486	-	-	-
Investment income	18	-	-	389 935	230 808
Total revenue		829 570	527 978	389 935	230 808
Operating costs - Property portfolio		(86 655)	(56 063)	-	-
Administration costs		(56 401)	(36 116)	(2 620)	(2 284)
Net operating income	19	686 514	435 799	387 315	228 524
Changes in fair values and net surplus on disposal of properties, listed securities and intangibles	20	1 105 548	799 083	-	-
Income from associate	4	24 107	-	-	-
Income from operations		1 816 169	1 234 882	387 315	228 524
Interest received		18 638	8 659	-	-
Finance charges	21	(269 799)	(190 483)	-	-
Income before debenture interest		1 565 008	1 053 058	387 315	228 524
Debenture interest		(415 784)	(226 085)	(418 832)	(228 524)
Income before taxation		1 149 224	826 973	(31 517)	-
Taxation	22	(364 090)	(161 832)	-	-
Income attributable to shareholders		785 134	665 141	(31 517)	-
Actual number of linked units in issue (000's)		813 161	556 726	819 038	562 603
Weighted number of linked units in issue (000's)		746 186	516 186	752 063	522 055
Earnings per linked unit (cents)	23	160.94	172.66	51.50	43.77
Headline earnings per linked unit (cents)	23	143.18	43.80	51.50	43.77
Distribution per linked unit (cents)		51.25	42.70	51.25	42.70
- Distribution first quarter		11.80	10.30	11.80	10.30
- Distribution second quarter		12.20	10.60	12.20	10.60
- Distribution third quarter		12.60	10.60	12.60	10.60
- Distribution fourth quarter		14.65	11.20	14.65	11.20

Statements of changes in equity

for the year ended 31 August 2007

	Notes	GROUP		COMPANY	
		31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
		R000	R000	R000	R000
Share Capital					
Balance at beginning of year		557	501	563	507
Acquisition of subsidiary		223	-	223	-
Acquisition of listed securities		33	28	33	28
Rights offer		-	28	-	28
Acquisition of treasury units		-	- *	-	- *
* below R1000					
Balance at end of year		813	557	819	563
Share premium					
Balance at beginning of year		460 871	212 261	465 277	216 620
Acquisition of subsidiary		1 023 019	-	1 023 019	-
Acquisition of listed securities		157 894	127 124	157 894	127 124
Issue and preliminary expenses written off		(382)	(785)	(381)	(784)
Rights offer		-	122 317	-	122 317
Acquisition of treasury units		-	(46)	-	-
Balance at end of year		1 641 402	460 871	1 645 809	465 277
Total share capital and premium	12	1 642 215	461 428	1 646 628	465 840
Non-distributable reserves					
Balance at beginning of year		1 689 742	1 024 601	-	-
Transfer from retained earnings		807 556	665 141	-	-
Balance at end of year		2 497 298	1 689 742	-	-
Accumulated loss					
Balance at beginning of year		-	-	-	-
Income attributable to shareholders		785 134	665 141	(31 517)	-
Trading profit removed from equity and reported in net profit		(9 095)	-	-	-
Transfer to non-distributable reserve		(807 556)	(665 141)	-	-
Balance at end of year		(31 517)	-	(31 517)	-
Total capital and reserves at end of year		4 107 996	2 151 170	1 615 111	465 840

Cash flow statements

for the year ended 31 August 2007

	Notes	GROUP		COMPANY	
		31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
		R000	R000	R000	R000
Cash effects of operating activities		34 700	(61 942)	89 261	1 183
Cash receipts from tenants and investments		773 576	402 213	452 999	219 866
Cash paid to suppliers		(128 601)	(67 119)	(1 883)	(993)
Cash generated from operations	24	644 975	335 094	451 116	218 873
Interest received		18 638	8 659	-	-
Finance charges		(269 799)	(190 483)	-	-
Distributions paid	25	(359 114)	(215 212)	(361 855)	(217 690)
Cash effects of investing activities		(44 621)	(1 234 636)	(307 116)	(350 728)
Acquisition and development of properties		(562 207)	(85 871)	-	-
Acquisition of listed securities		(587 700)	(1 968 491)	-	-
Acquisition of non-current assets		(1 149 907)	(2 054 362)	-	-
Proceeds on disposal of properties		443 929	52 862	-	-
Proceeds on disposal of listed securities		831 586	766 664	-	-
Proceeds on disposal of trading securities		-	200	-	-
Net loans advanced to subsidiaries		-	-	(285 978)	(350 728)
Acquisition of subsidiary	26	(21 138)	-	(21 138)	-
Loan to associates		(99 990)	-	-	-
Loans advanced to related parties		(49 101)	-	-	-
Cash effects of financing activities		141 023	1 253 009	217 855	349 545
Linked units issued		217 855	349 545	217 855	349 545
Net movement in borrowings		(76 832)	903 464	-	-
Net movement in cash and cash equivalents		131 102	(43 569)	-	-
Opening cash and cash equivalents		(8 473)	35 096	-	-
Closing cash and cash equivalents	11	122 629	(8 473)	-	-

Notes to the annual financial statements

1. Accounting policies

The company was incorporated in 1999 under the laws of the Republic of South Africa. The financial statements are presented in South African Rand as this is the company's functional and presentation currency.

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa, 1973.

The financial statements are prepared on the historic cost basis, except for investment properties and listed securities which are carried at fair value through profit and loss.

The accounting policies are consistent with those applied in the prior year.

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements. These estimates and assumptions affect the reported amounts of assets and liabilities at the balance sheet date as well as affecting the reported income and expense for the year. Refer to note 1.2, 1.3, 1.5, 1.8 and 1.14 for details of estimates, assumptions and judgements used.

1.1 Fixed property revenue

Fixed property revenue comprises gross rent and operating expense recoveries from the letting of property, net of VAT. Property revenue reflects income recognised on a straight-line basis over the period of the lease.

1.2 Listed security revenue

Distributions from listed securities are recognised on a time apportionment basis aimed at reflecting revenue relative to the effective holding period.

1.3 Investment property

Investment property is initially recognised at cost including transaction costs. Cost includes costs incurred initially as well as costs incurred subsequently to add to, or replace part of, an investment property.

Subsequent to initial measurement, investment property is measured at fair value. Gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise. These gains and losses are transferred to non-distributable reserves through the statement of changes in equity.

Realised surpluses and deficits arising on the disposal of investment properties are recognised in net income for the year and transferred to non-distributable reserves through the statement of changes in equity.

Properties, which are to be disposed of within 12 months of the balance sheet date, are disclosed in current assets as properties held for sale.

1.4 Property under development

Property under development comprises the cost of the land plus development and is stated at cost. On completion, property under development is transferred to investment property.

1.5 Investment in listed securities

Listed property securities are classified as fair value through profit and loss and are accordingly subsequently measured at fair value less the accrual for distributions received. This accrual is included in current assets.

Profits and losses arising from the disposal of listed securities are recognised in net income and transferred to a non-distributable reserve through the statement of changes in equity.

1.6 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all 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 consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for acquisitions 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.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

(b) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates post acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Joint ventures

Investments in joint ventures are accounted for on the proportionate consolidation method, whereby the attributable share of the assets, revenues, expenses and cash flows of the joint venture are combined on a line by line basis, with similar items in the financial statements. The results of the joint ventures are included from the effective date of acquisition and up to the effective date of disposal.

Any difference between the cost of the investment and the group's interest in the ventures net fair value is shown as goodwill.

1.7 Deferred taxation

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

Deferred taxation assets and liabilities are measured at the taxation rate that is expected to apply to the period when

the asset is realised or the liability settled based on the taxation rates and taxation laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation on the fair value adjustment of investment property and listed securities has been provided on the corporate taxation and capital gains taxation rates respectively, based on the manner that the asset is expected to be realised.

1.8 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, receivables, loans, listed securities, trade and other payables, equity and borrowings. Subsequent to initial recognition, which is at cost, these instruments are measured as follows:

- cash and cash equivalents are measured at amortised cost;
- receivables and loans are stated at amortised cost less any accumulated impairments;
- trade and other payables are stated at amortised cost;
- equity instruments are recorded at the proceeds received less direct issue costs;
- debenture liabilities are reflected at amortised cost using the effective interest rate method,
- borrowings are stated at amortised cost using the effective interest rate method, and
- listed securities are stated at fair value through profit or loss.

1.9 Borrowing costs

Borrowing costs that are directly attributable to the development or acquisition of qualifying assets are capitalised to the cost of that asset until such time as it is substantially ready for its intended use. The amount capitalised is the actual borrowing cost incurred on funds specifically borrowed for the qualifying asset. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. All other borrowing costs are expensed in the period in which they are incurred.

1.10 Treasury stock

Where a subsidiary company holds linked units in the holding company's linked unit capital, the consideration paid to acquire these linked units including any incremental external costs is deducted from linked unitholders equity as treasury stock. Where such linked units are subsequently sold or reissued, any consideration received is included in linked unitholders equity.

Notes to the annual financial statements

continued

1.11 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Property, plant and equipment are depreciated on a straight line basis at rates considered appropriate to reduce book values over the useful lives of the assets to estimated residual values.

The useful lives are as follows:

Computer hardware	3 years
Furniture and fittings	6 years
Motor vehicles	5 years

1.12 Property developed for onselling

Properties developed for onselling are recorded at the lower of the properties cost and net realisable value.

Development expenditure is capitalised and measured at cost, being all directly attributable costs necessary to prepare the property to be able to operate in the manner intended by management.

1.13 Development income

Development income represents income from development units sold and excludes value added taxation. Development income is recognised to the extent that future benefits will flow to the group and the income can be reliably measured.

1.14 Impairment of non financial assets

The carrying value of assets are reviewed for impairment at each reporting date. Assets are impaired when events or changes in circumstances indicate that the carrying values may not be recoverable.

If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Recoverable amount is determined as the higher of fair value less costs to sell or value in use.

Impairment losses and the reversal of impairment losses (with the exception of goodwill) are recognised in the income statement.

1.15 Goodwill

Goodwill represents the excess of the cost of the acquisition of a subsidiary, joint venture or associate over the fair value of the group's share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Separately recognised goodwill is tested annually for

impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units that are expected to benefit from the business combination in which the goodwill arose.

1.16 Standards and Interpretations in issue but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 August 2007 and have not been applied in preparing these financial statements.

The group is currently assessing the impact of these new standards, interpretations and amendments.

IFRS 7 – Financial Instrument: Disclosures

This statement was issued on 18 August 2005, with an effective date of 1 January 2007. This new standard adds certain new disclosures about financial instruments to those currently required by IAS 32 "Financial Instruments: Presentation and Disclosures". The Group will adopt these amendments during its financial year ending 31 August 2008.

IAS 1 – Capital disclosures

This statement will be adopted by the Group for the first time for its financial reporting period ending 31 August 2008. The amendments are designed to assist users in assessing the risk profile of the Group and its ability to withstand unexpected adverse events.

It will require the Group to disclose:

- the objectives, policies and processes for managing capital;
- quantitative data about what the entity regards as capital;
- whether it has complied with any capital requirements; and
- the consequences of any noncompliance.

IFRS 8 – Operating Segments

This standard is effective for the Group for the year ending 31 August 2010, with the restatement of comparatives required.

Segment reporting will be made based on the components of the entity that management monitors in making decisions about operating matters.

Such components (operating segments) would be identified on the basis of internal reports that the entity's chief operating decision maker reviews regularly in allocating resources to segments and in assessing their performance. Operating segments would become reportable based on threshold tests related to revenue, results and assets. The statement also requires more qualitative disclosures, such as the types of products and services offered by each segment, geographical areas covered and major customers.

IFRIC 10 – Interim Financial Reporting and Impairment

This interpretation is effective for the Group for the year ending 31 August 2008 and clarifies that an entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial

asset carried at cost.

IFRIC 11 – Group and Treasury Share Transactions

This statement is effective for the financial year ended 31 August 2008.

IFRIC 12 – Service Concession Arrangements

This interpretation is effective for the group for the year ending 31 August 2009. IFRIC 12 addresses how service concession operators should apply IFRS to account for the obligations they undertake and the rights they receive in service concession arrangements.

IAS 23 – Borrowing costs

This revision is effective for the Group for the year ending 31 August 2010. IAS 23 - Revised, eliminates the option of immediate recognition as an expense of borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

	GROUP		COMPANY	
	31 Aug 2007 R000	31 Aug 2006 R000	31 Aug 2007 R000	31 Aug 2006 R000
2. Property portfolio				
Balance at beginning of year	2 577 915	2 068 968	-	-
Subsidiary acquired	1 753 563	-	-	-
Acquisitions	127 750	16 100	-	-
Development costs	391 319	45 373	-	-
Improvements	20 689	17 220	-	-
Disposals	(324 038)	(45 347)	-	-
Revaluation	657 511	475 601	-	-
	5 204 709	2 577 915	-	-
Tenant installations	11 120	11 859	-	-
Tenant installations capitalised	42 549	25 275	-	-
Accumulated amortisation	(31 429)	(13 416)	-	-
Lease commission	7 239	5 412	-	-
Lease commissions capitalised	18 726	13 802	-	-
Accumulated amortisation	(11 487)	(8 390)	-	-
Improvements	592	1 151	-	-
Improvements capitalised	7 778	7 527	-	-
Accumulated amortisation	(7 186)	(6 376)	-	-
Property portfolio at valuation	5 223 660	2 596 337	-	-
Property under development at cost	(347 514)	-	-	-
Straight-line rental income accrual	(198 613)	(99 424)	-	-
Properties held for sale transferred to current assets	(173 927)	(83 000)	-	-
Fair value of property portfolio for accounting purposes	4 503 606	2 413 913	-	-

Notes to the annual financial statements

continued

	GROUP		COMPANY			
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006		
	R000	R000	R000	R000		
<p>The valuations are performed annually on 31 August by Old Mutual Properties (Pty) Ltd and CB Richard Ellis, registered valuers in terms of Section 19 of the Property Valuers Profession Act (Act No. 47 of 2000).</p> <p>The valuation basis applied reflects fair value utilising the discounted cash flow method of valuation, where future cash flow is discounted using an appropriate rate.</p> <p>A schedule of investment properties is set out on pages 18 to 19. A register of investment properties is available for inspection at the registered office of the company.</p> <p>The properties are encumbered as set out in note 15.</p> <p>Borrowing costs amounting to R22 903 560 have been capitalised. Refer to note 32 for jointly controlled assets.</p>						
3. Listed securities portfolio						
Balance at beginning of year	3 447 830	1 848 736	-	-		
Additions	587 700	2 124 639	-	-		
Disposals	(572 580)	(554 717)	-	-		
Revaluation	724 736	29 172	-	-		
Listed securities held for sale transferred to current assets	(112 401)	-	-	-		
Balance at end of year	4 075 285	3 447 830	-	-		
<p>A schedule of listed securities is set out on page 31.</p> <p>The listed securities are encumbered as set out in note 15.</p>						
4. Interest in associates						
Balance at beginning of year	-	-	-	-		
Share of profit	24 107	-	-	-		
Distributable income	5 870	-	-	-		
Changes in fair value of properties (net of deferred taxation)	18 237	-	-	-		
Loans advanced	99 990	-	-	-		
Balance at end of year	124 097	-	-	-		
<p>These loans have the same terms as set out in note 5.1 and 5.2 below.</p> <p>The group's share of the results of its associates, all of which are unlisted, and its share of the assets and liabilities are as follows:</p>						
	Country of incorporation	Assets R000	Liabilities	Revenues	Profit	% interest held
Dipula Property Investment Trust ("Dipula")	South Africa	154 604	129 333	8 416	5 000	49
Mergence Africa Property Investment Fund ("MAPF")	South Africa	116 140	69 544	2 533	870	49
		270 744	198 877	10 949	5 870	
5. Loans to related parties						
5.1 Dijalo Property Services (Pty) Ltd						
Total outstanding		9 985	-	-	-	-
Less: current portion		9 985	-	-	-	-
		-	-	-	-	-
<p>In the event of default by Dijalo, Redefine has a call option to take ownership and transfer of all of Dijalo's interests in Dipula. Interest is charged at prime less 1% per annum. There are no fixed terms of repayment.</p>						

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
5.2 Mergence Africa Property (Pty) Ltd	7 104	-	-	-
Total outstanding	7 104	-	-	-
Less: current portion	-	-	-	-
In the event of default by Mergence, Redefine has a call option to take ownership and transfer of all of Mergence's interests in MAPF. Interest is charged at prime less 1% per annum. There are no fixed terms of repayment.				
Notes 5.3 to 5.7 represent the group's pro rata share of joint venture loans				
5.3 Brickfield Joint Venture	1 305	-	-	-
Total outstanding	1 305	-	-	-
Less: current portion	-	-	-	-
This loan is unsecured. Interest is charged at a rate of 10% per annum. There are no fixed terms of repayment.				
5.4 The Nest Trust	9 232	-	-	-
Total outstanding	9 232	-	-	-
Less: current portion	-	-	-	-
This loan is unsecured. Interest is charged at a rate of 14% per annum. There are no fixed terms of repayment.				
5.5 Oasis Joint Venture	16 978	-	-	-
Total outstanding	16 978	-	-	-
Less: current portion	-	-	-	-
This loan is unsecured. Interest is charged at a rate of 10% per annum. There are no fixed terms of repayment.				
5.6 Broadlands Stud Farm Development	2 669	-	-	-
Total outstanding	2 669	-	-	-
Less: current portion	-	-	-	-
This loan is unsecured. Interest is charged at a rate of 2% above the prime lending rate per annum. There are no fixed terms of repayment.				
5.7 Arrow Creek	909	-	-	-
Total outstanding	909	-	-	-
Less: current portion	-	-	-	-
This loan is unsecured. Interest is charged at a rate of 2% above the prime lending rate per annum. There are no fixed terms of repayment.				
5.8 Madison Property Fund Managers Limited	919	-	-	-
Total outstanding	919	-	-	-
Less: current portion	-	-	-	-
This loan is unsecured. Interest is charged at a rate of 2% above the prime lending rate per annum. There are no fixed terms of repayment.				
	49 101	-	-	-

Notes to the annual financial statements

continued

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
6. Interest rate swaps				
Swap contract number 489 778				
At fair value through profit and loss	2 358	-	-	-
- The notional amount is R50 million.				
- The fixed rate is 7.83% while the replacement rate is 9.98% (2006: 7.10%)				
- The contract matures on 10 February 2010.				
Swap contract no. 790 286:				
At fair value through profit and loss	1 785	-	-	-
- The notional amount is R50 million.				
- The fixed rate is 8.89% while the replacement rate is 9.87%				
- The contract matures on 25 July 2011.				
Swap contract no. 771 079:				
At fair value through profit and loss	322	-	-	-
- The notional amount is R50 million.				
- The fixed rate is 7.25% while the replacement rate is 9.87% (2006: 7.08%)				
- The contract matures on 21 April 2010.				
Swap contract no. 771 080:				
At fair value through profit and loss	1 797	-	-	-
- The notional amount is R50 million.				
- The fixed rate is 8.52% while the replacement rate is 9.87% (2006: 8.14%)				
- The contract matures on 21 April 2010.				
	6 262	-	-	-
The interest rate swaps hedge the group against fluctuations in short-term interest rates and swap out exposures to various rates on long-term liabilities for a period of time.				
The interest rate swaps reset on a quarterly basis with net receipts or payments made in arrears.				

7. Plant and equipment

Group	2007			2006		
	Gross carrying amount	Accumulated depreciation	Carrying amount	Gross carrying amount	Accumulated depreciation	Carrying amount
	R000	R000	R000	R000	R000	R000
Computer equipment	774	609	165	-	-	-
Furniture and fittings	1 603	553	1 050	-	-	-
Motor vehicles	969	405	564	-	-	-
	3 346	1 567	1 779	-	-	-

Reconciliation between opening and closing balance:

	Carrying amount	Subsidiary acquired	Acquisition	Depreciation	Carrying amount
	31 August 2006				31 August 2007
	R000	R000	R000	R000	R000
Computer equipment	-	275	39	149	165
Furniture and fittings	-	1 223	-	173	1 050
Motor vehicles	-	742	-	178	564
	-	2 240	39	500	1 779

GROUP		COMPANY	
31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
R000	R000	R000	R000

8. Investment in subsidiaries

Shares at cost - net	-	-	1 411 578	*
Costs incurred	-	-	1 443 095	-
Less: pre-aquisition dividend	-	-	(31 517)	-
Loan to subsidiaries	-	-	1 801 203	1 481 151
	-	-	3 212 781	1 481 151

* Below R1 000

Loans earn interest at variable rates and have no fixed terms of repayment.

A schedule of subsidiaries is set out on page 78.

9. Trade and other receivables

Tenant and trade debtors	7 846	309	56	63 120
Deposits and prepayments	34 829	7 599	-	-
Loan receivable	11 396	-	-	-
	54 071	7 908	56	63 120

10. Listed security income

Distributions due from listed securities	58 908	50 666	-	-
--	--------	--------	---	---

11. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise:

Bank balances	128 924	10	-	-
Bank overdraft	(6 295)	(8 483)	-	-
	122 629	(8 473)		

The group has a R40 million overdraft facility with The Standard Bank of South Africa Ltd, secured on the same terms as the loan in 15 below.

12. Share capital and premium

Authorised

1 000 000 000 ordinary shares of 0.1 cent	1 000	1 000	1 000	1 000
---	-------	-------	-------	-------

Issued

819 037 557 (2006: 562 603 224) ordinary shares of 0.1 cent	819	563	819	563
Less: Treasury scrip (5 876 770 (2006: 5 876 770) ordinary shares)	(6)	(6)	-	-
	813	557	819	563

Notes to the annual financial statements

continued

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
Share premium				
Premium arising on the issue of linked units	1 656 048	475 134	1 656 048	475 134
Issue and preliminary expenses written off	(10 240)	(9 857)	(10 239)	(9 857)
Treasury units	(4 410)	(4 410)	-	-
Gain on disposal of treasury units	4	4	-	-
	1 641 402	460 871	1 645 809	465 277
Share capital and premium	1 642 215	461 428	1 646 628	465 840
The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting. The issue of each share is irrevocably linked to one debenture, together comprising one linked unit (refer to note 14).				
13. Non-distributable reserves				
Gain (loss) on disposal of properties	61 756	(58 134)	-	-
Gain on revaluation of properties	1 468 162	810 651	-	-
Gain on disposal of listed securities	784 266	525 260	-	-
Gain on revaluation of listed securities	1 568 257	863 641	-	-
Capital gains taxation	(746 339)	(382 249)	-	-
Interest rate swap termination costs	(69 427)	(69 427)	-	-
Goodwill written off	(590 161)	-	-	-
Other reserves	20 783	-	-	-
	2 497 297	1 689 742	-	-
14. Debenture capital				
819 037 557 (2006: 562 603 224) debentures of 180 cents	1 474 267	1 012 686	1 474 267	1 012 686
Less: Treasury units 5 876 770 (2006: 5 876 770) debentures	(10 578)	(10 578)	-	-
	1 463 689	1 002 108	1 474 267	1 012 686
Debentures bear interest at a variable. Refer to note 23 for reconciliation of headline earnings and debenture interest.				
The debentures are unsecured and are subordinated in favour of the company's other creditors.				
The debentures are redeemable 25 years from date of allotment, subject to one year's notice, if so elected by debenture holders by way of a special resolution.				

GROUP		COMPANY	
31 Aug 2007 R000	31 Aug 2006 R000	31 Aug 2007 R000	31 Aug 2006 R000
461 451	-	-	-
442 994	8 065	-	-
1 042 531	1 579 074	-	-

Notes to the annual financial statements

continued

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
15.4 Blueprint Originator (Proprietary) Limited				
Total liability	871 200	871 200	-	-
Secured by first mortgage bonds over fixed properties with a carrying value of R2,699 billion. The loan is structured as follows:				
Amount (R000)	Maturity	NACQ Rate (%)		
200 000	1 July 2008	9.06		
200 000	1 July 2017	9.27		
400 000	1 July 2017	9.49		
71 200	Floating	10.94		
The loan facility is to be repaid in full by 1 July 2017.				
15.5 Standard Finance (Isle of Man) Limited				
Total liability	110 000	-	-	-
Secured by a pledge of listed securities with a carrying value of R215,4 million. Interest accrues at rates linked to the ruling LIBOR rate plus 1% and is payable in arrears. The loan facility is to be repaid in full by 25 January 2012.				
15.6 Rand Merchant Bank				
Total liability	152 902	-	-	-
Secured by first mortgage bonds over erven 5289 and 5469 Montague Gardens and erven 153935 and 148432 Cape Town. Interest accrues at prime minus 1.75% per annum. The loan facility is to be repaid in full by 1 July 2014.				
15.7 Sanlam				
Total liability	101 400	-	-	-
Secured by first mortgage bonds over fixed property with a carrying value of R180 million. The loan is fixed for a period of 3 years ending 31 January 2009 with a fixed interest rate of 8.24%.				
15.8 Other	7 859	-	-	-
The average all in interest rate in respect of total borrowings is 9.99% (2006: 9.99%). 76.5% (2006: 71.2%) of borrowings are fixed for three, five, seven and ten years.				
Total borrowings represent 34% (2006: 41%) of total assets.				
Total interest-bearing liabilities	3 190 337	2 458 339	-	-
Short-term portion	17 848	-	-	-
Long-term portion	3 172 489	2 458 339	-	-

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
16. Deferred taxation				
Capital gains taxation on revaluation of property and listed security investments	804 029	353 891	-	-
Balance at beginning of year	353 891	192 059	-	-
Subsidiary acquired	133 612	-	-	-
Charged to income statement	316 526	161 832	-	-
Balance at end of year	804 029	353 891	-	-
17. Trade and other payables				
Trade payables	38 710	24 507	-	-
Accrued expenses	56 774	41 831	3 470	2 733
	95 484	66 338	3 470	2 733
18. Investment income				
Interest received from subsidiaries	-	-	389 935	230 808
19. Net operating income				
Net operating income includes the following charges:				
Amortisation of capitalised lease costs	16 444	9 617	-	-
Auditor's remuneration	850	486	-	-
- External auditor - Current year audit	730	386	-	-
- External auditor - Interim review	120	100	-	-
Internal audit	350	296	-	-
Asset management fees (Madison)	40 997	24 408	-	-
Fee in respect of CEO's remuneration	2 687	2 484	-	-
Property management fees	17 155	10 150	-	-
Valuation fees paid to third parties	649	503	-	-
Directors remuneration				
- For services as directors			795	671
L Barnard			132	132
W Cesman (Paid to Madison Property Fund Managers)			105	70
C Clarke			86	137
E Ellerine			65	65
D Gihwala			56	-
D Perton			132	132
S Shaw-Taylor (Paid to The Standard Bank of S A)			115	70
N Venter			39	-
M Wainer (Paid to Madison Property Fund Managers)			65	65

Notes to the annual financial statements

continued

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
20. Changes in fair values and net surplus on disposal of properties, listed securities and intangibles				
Property portfolio - Unrealised gain on revaluation	598 660	447 712	-	-
Listed securities portfolio - Unrealised gain on revaluation	704 616	26 481	-	-
Interest rate swap - mark to market	13 537	-	-	-
Property portfolio - Realised profit on sale - at cost	119 890	7 515	-	-
Listed securities portfolio - Realised profit on sale - at cost	259 006	317 375	-	-
Goodwill written off	(590 161)	-	-	-
	1 105 548	799 083	-	-
21. Finance charges				
Interest paid on non-current liabilities	269 286	190 466	-	-
Interest paid on bank overdraft	513	17	-	-
	269 799	190 483	-	-
22. Taxation				
Normal taxation				
SA normal taxation				
- Current year	41 027	-	-	-
- Prior year	6 537	-	-	-
- Deferred	316 526	161 832	-	-
	364 090	161 832	-	-
Reconciliation between applicable taxation rate and effective taxation rate				
SA normal taxation rate applied to income before taxation	333 275	239 822	-	-
Taxation effect of				
- Capital gains taxation rate used in revaluation of listed securities portfolio	(101 979)	(3 840)	-	-
- Permanent differences (capital profits and wear and tear allowances claimed)	(44 890)	(74 150)	-	-
- Goodwill writted off	171 147	-	-	-
- Underprovision in respect of prior year	6 537	-	-	-
Effective taxation	364 090	161 832	-	-
23. Earnings and distribution per linked unit				
Earnings per linked unit are calculated on the weighted average number of units ranking for distribution of 746 186 061 (2006: 516 185 784) and net income after taxation and before interest distributions to linked unitholders of R1 200 918 094 (2006: R891 226 320).				

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
Reconciliation of headline earnings and distributable earnings				
Income attributable to shareholders	785 134	665 141	-	-
Changes in fair value and net surplus on disposal of properties and intangibles (net of deferred taxation)	(180 090)	(776 442)	-	-
Capital gains taxation	47 564	161 832	-	-
Headline earnings attributable to shareholders	652 608	50 531	-	-
Debenture interest	415 784	226 085	-	-
Headline earnings attributable to linked unitholders	1 068 392	276 616	-	-
Changes in fair value of listed securities (net of deferred taxation)	(608 931)	(22 641)	-	-
Straight-line rental income accrual	(58 851)	(27 890)	-	-
Spearhead pre-acquisition income	31 517	-	-	-
Fair value adjustment in associate	(18 237)	-	-	-
VAT and interest disallowed	1 894	-	-	-
Distributable earnings attributable to linked unitholders	415 784	226 085	-	-
24. Cash generated from operations				
Income before taxation	1 149 224	826 973	(31 517)	-
Adjusted for:				
Changes in fair values net surplus on disposal of properties, listed securities and intangibles	(1 105 548)	(852 265)	-	-
Income from associate	(24 107)	-	-	-
Interest income	(18 638)	(8 659)	-	-
Amortisation	16 442	9 617	-	-
Finance charges paid	269 799	190 483	-	-
Debenture interest	415 784	226 085	418 832	228 524
Straight-line rental income accrual	(58 851)	(27 890)	-	-
Operating income before working capital changes	644 105	364 344	387 315	228 524
Working capital changes				
Decrease (Increase) in trade and other receivables	2 859	(44 693)	63 064	(10 942)
(Increase) Decrease in trade and other payables	(1 989)	15 443	737	1 291
	644 975	335 094	451 116	218 873
25. Distributions paid				
Opening balance payable	62 422	51 549	63 012	52 178
Distribution declared	415 785	226 085	418 832	228 524
Closing balance payable	(119 093)	(62 422)	(119 989)	(63 012)
	359 114	215 212	361 855	217 690

Notes to the annual financial statements

continued

GROUP		COMPANY	
31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
R000	R000	R000	R000

26. Business combinations

On 4 December 2006 the group acquired 100 % of the interest in Spearhead Property Holdings Limited. The acquired group contributed revenue of R213 543 674 and profit after tax of R109 474 632 for the period 4 December 2006 to 31 August 2007.

Details of the net assets acquired and goodwill are as follows:

Purchase price:	R000
- Cash consideration	4 634
- Acquisition costs	13 948
- Fair value of linked units issued	1 424 514
Total purchase consideration	1 443 096
Fair value of net assets acquired	(821 417)
Pre-acquisition dividend	(31 518)
Goodwill	590 161

The fair value of the linked units issued was based on the published linked unit price.

The goodwill represents the excess of the cost of the acquisition of Spearhead over the anticipation of future economic benefits to be derived from the assets.

Fair value of assets and liabilities acquired:	R000
Investment property and developments	1 666 059
Plant and equipment	2 240
Trade and other receivables	49 022
Properties held for sale	87 504
Interest bearing debt	(808 829)
Derivative financial instruments	(7 275)
Deferred tax	(133 612)
Trade and other payables	(31 136)
Net bank overdrafts	(2 556)
	821 417
Pre-acquisition dividend	31 518
Goodwill	590 161
Purchase consideration	1 443 096
Net overdrafts in subsidiary acquired	2 556
Fair value of linked units issued to finance acquisition	(1 424 514)
Net cash outflow on acquisition of subsidiary	21 138

27. Contingent liabilities and capital commitments

Guarantees totalling R4 339 365 (2006: R 2 893 756) have been issued on the group's behalf, by Standard Bank of South Africa Limited, to various municipal councils in lieu of deposits for services. Capital expenditure totalling R1,1 billion (2006: R100,7 million) has been committed to. The capital expenditure will be financed from existing facilities.

The group has guaranteed liabilities of joint ventures up to an amount of R79,8 million and has provided limited suretyship in respect of liabilities relating to BEE initiatives in favour of financial institutions.

28. Financial risk management

Financial instruments consist of deposits with banks, overdraft facilities, accounts receivable, debentures and payables.

The carrying book value of the financial instruments above approximates fair value.

Credit risk management

Credit risk consists mainly of tenant debtors, which are widespread with no dependence on any single tenant. Continuous attention is paid to the financial strength of the tenants. At the year end management did not consider there to be any material risk exposure. Provision is made for impairment where necessary.

Interest rate risk management

Interest rate risk is managed by the use of various financing arrangements, detailed in note 15. Risk is also minimised by monitoring cash flows and where possible applying surplus cash against long-term interest bearing liabilities.

Liquidity risk management

Adequate cash resources to meet working capital requirements are maintained at all times and where possible surplus cash is applied on an access basis against long-term interest bearing liabilities.

29. Post balance sheet events

Redefine has reached agreement to give effect to a BEE transaction in terms of which 80 million Redefine linked units ("the BEE units") constituting approximately 10% of the current issued linked units in Redefine are to be issued to a selection of strategic and broad-based BEE entities which will acquire 48 million and 32 million linked units respectively for an aggregate cash consideration of R548 million. Following implementation of the transaction approximately 15.5% of the Redefine linked units will be held by BEE parties.

The linked units are to be issued at a price of R6.85 per linked unit, a discount of approximately 15% to Redefine's linked unit market price of R8.08 at close of trade on 10 October 2007, an economic cost of 1.5% of Redefine's market capitalisation. Redefine is of the view that this cost will be outweighed by the commercial and strategic benefits to be derived from the BEE

transaction as well as its related strategies and transformation objectives in the medium to long term. This transaction is subject to Redefine linked unitholder approval.

Fixed property disposals

Sale of Old Oak Shopping Centre, for R17 500 000.

Sale of Shoprite Strand, for R6 750 000.

Sale of Shoprite Vredenburg, for R10 200 000.

Listed securities

Redefine has accepted an offer from Hyprop in terms of which Hyprop will issue 7 218 459 Hyprop linked units in exchange for 18 046 148 Sycom units.

30. Related party disclosure

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Identity of related party with whom material transactions have occurred

Madison - Asset manager, board representation and common directors.

The Standard Bank of South Africa Ltd - Unitholder and board representation.

Dipula - Associate company.

Type of related party transactions

Madison - Asset management, development management, property management and directors fees in the normal course of business.

The Standard Bank of South Africa Ltd - Bond administration fees, interest, bank charges, directors fees and lease revenue in the normal course of business.

Dipula - Disposals of properties in the normal course of business.

Material related party transactions

Transactions with Madison:

- Asset management fee - R40 997 045 (2006: R24 408 295).

- Development management fee - R11 839 828 (2006: R0)

- Directors fees - R795 283 (2006: R200 000).

- Fee paid for services of CEO - R0 (2006: R2 484 000).

Transactions with The Standard Bank of South Africa Ltd:

- Bond administration fee - R1 450 919 (2006: R3 266 506).

- Bank charges - R73 561 (2006: R435 535).

- Directors fees - R115 000 (2006: R70 000).

- Interest on finance facilities - R123 090 657 (2006: R187 960 289).

- Interest on overdraft - R470 934 (2006: R16 704).

- Lease revenue - R30 970 000 (2006: R21 910 260).

Transactions with Dipula:

- Value of properties sold - R150 362 822 (2006: R0).

Directors emoluments - R2 686 776 (2006: R0).

Notes to the annual financial statements

continued

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
31. Minimum lease payments receivable				
Minimum lease payments comprise contractual rental income and operating expense recoveries due in terms of signed lease agreements on investment properties. These figures exclude the straight-line rental adjustments:				
Receivable within one year	409 937	266 048	-	-
Receivable within two to five years	986 268	734 549	-	-
Receivable beyond five years	599 250	94 970	-	-
	1 995 455	1 095 567	-	-
32. Jointly controlled assets				
32.1 Southcoast Mall				
Southcoast Mall is a co-ownership between Redefine and Hyprop. It is therefore being proportionately consolidated on a line by line basis.				
Summarised aggregate financial information relating to Southcoast Mall:				
Non-current assets	280 000	220	-	-
Current assets	335	4 198	-	-
Non-current liabilities	-	-	-	-
Current liabilities	2 776	4 418	-	-
Income	26 652	14 101	-	-
Expenses	5 346	1 371	-	-
Notes 32.2 to 32.4 include summarised financial information relating to joint ventures entered into by Spearhead.				
32.2 Oasis Joint Venture				
Non-current assets	-	-	-	-
Current assets	242 660	-	-	-
Non-current liabilities	231 686	-	-	-
Current liabilities	14 311	-	-	-
Income	10 322	-	-	-
Expenses	-	-	-	-

	GROUP		COMPANY	
	31 Aug 2007	31 Aug 2006	31 Aug 2007	31 Aug 2006
	R000	R000	R000	R000
32.3 Broadlands Joint Venture				
Non-current assets	160	-	-	-
Current assets	18 634	-	-	-
Non-current liabilities	17 039	-	-	-
Current liabilities	272	-	-	-
Income	11	-	-	-
Expenses	283	-	-	-
32.4 Brickfield Joint Venture				
Non-current assets	-	-	-	-
Current assets	72 624	-	-	-
Non-current liabilities	6 890	-	-	-
Current liabilities	66 075	-	-	-
Income	54	-	-	-
Expenses	437	-	-	-

Interest in subsidiaries

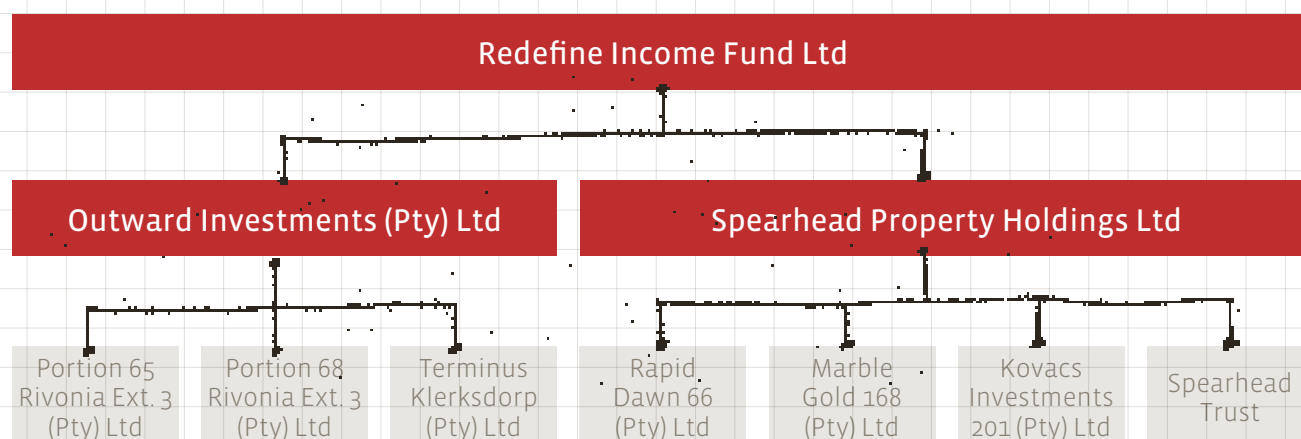
at 31 August 2007

	Issued share capital	Indebtedness R000	Shares at cost R000
Outward Investments (Pty) Ltd	100	1 673 066	¥
Portion 65 Rivonia Ext 3 (Pty) Ltd	100	*	*
Portion 68 Rivonia Ext 3 (Pty) Ltd	100	*	*
Terminus Klerksdorp (Pty) Ltd	4	*	*
Spearhead Property Holdings Ltd	362 189	128 137	1 411 578
Rapid Dawn 66 (Pty) Ltd	100	#	#
Marble Gold 168 (Pty) Ltd	100	#	#
Kovacs Investments 201 (Pty) Ltd	200	#	#
		1 801 203	1 411 578

¥ Below R1 000

* Held by Outward Investments (Pty) Ltd

Held by Spearhead Property Holdings Ltd



Segmental analysis for the year ended 31 August 2007

	At value			Revenue		
	Amount R000	% of sector	% of total	Amount R000	% of sector	% of total
Investment assets						
Properties	4 702 219		53%	429 948		56%
Listed securities	4 187 686		47%	300 285		39%
	8 889 905		100%	770 719		95%
Property portfolio						
Industrial	910 636	19%	10%	48 595	11%	6%
Offices	2 450 923	52%	28%	274 108	64%	36%
Retail	1 340 660	29%	15%	107 245	25%	14%
	4 702 219	100%	53%	429 948	100%	56%
Listed security portfolio						
PLSS	3 522 474	84%	40%	258 701	86%	34%
PUTs	449 846	11%	5%	34 628	12%	4%
Other	215 366	5%	2%	6 956	2%	1%
	4 187 686	100%	47%	300 285	100%	39%

Unitholders' diary

Event	Date
Annual General Meeting	18 January 2008
Financial year-end	31 August
Announcement of interim results	April
Announcement of annual results	October
Annual report posted	December
Quarterly income distributions	Payable:
• Quarter 1 (September – November)	January
• Quarter 2 (December – February)	April
• Quarter 3 (March – May)	July
• Quarter 4 (June – August)	October

Notice of AGM of shareholders

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF REDEFINE INCOME FUND LIMITED

Registration number: 1999/018591/06 JSE code: RDF
ISIN number: ZAE000023503

Notice is hereby given that the Annual General Meeting of shareholders ("unitholders or shareholders") of Redefine Income Fund Limited ("the company") will be held at the offices of the company at 2 Arnold Road, Rosebank, Gauteng on Friday, 18 January 2008 at 10h00 for the following purposes:

- a. To consider the financial statements for the year ended 31 August 2007;
- b. To transact such other business as may be transacted at an Annual General Meeting of shareholders of a company including the re-appointment of the auditors and re-election of retiring directors (refer details of directors on pages 10 and 11); and
1. To consider and, if deemed fit, pass, with or without modification, the special and ordinary resolutions set out below, in the manner required by the South African Companies Act, 1973(Act 61 of 1973), as amended ("the Act"):
 - 1.1 Special Resolution Number 1: Linked unit repurchases
"Resolved that the directors be authorised pursuant inter alia to the company's Articles of Association, until this authority lapses at the next Annual General Meeting of the company, unless it is then renewed at the next Annual General Meeting of the company and provided that this authority shall not extend beyond 15 (fifteen) months, for the company or any subsidiary of the company to acquire linked units of the company, subject to the Listings Requirements of the JSE Ltd ("JSE") on the following bases:
 - 1.1.1. the repurchase of linked units must be effected through the order book operated by the JSE trading system and done without any prior arrangement between the company and the counter-party;
 - 1.1.2. the company may only appoint one agent to effect repurchases on its behalf;
 - 1.1.3. the number of linked units which may be acquired pursuant to this authority in any financial year (which commenced 1 September 2007) may not in the aggregate exceed 10% (ten percent) of the total number of linked units in issue, as at the date of this notice of general meeting;
 - 1.1.4. repurchases of linked units may not be made at a price more than 10% (ten percent) above the weighted average of the market value on the JSE of the linked units in question for the five business days immediately preceding the repurchase;

- 1.1.5. repurchases may not take place during a prohibited period (as defined in the JSE Listings Requirements), unless the dates and quantities of linked units to be repurchased during the prohibited period have been determined and full details thereof announced on SENS prior to commencement of the prohibited period;
- 1.1.6. repurchases may only take place if, after such repurchase, the unitholder spread of the company still complies with the JSE Listings Requirements;
- 1.1.7. after the company has acquired linked units which constitute, on a cumulative basis, 3% (three percent) of the number of linked units in issue (at the time that authority from unitholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the JSE Listings Requirements which may be applicable from time to time; and
- 1.1.8. the company's sponsor shall, prior to the company entering the market to commence with a repurchase of units, confirm in writing to the JSE, the adequacy of the company's working capital for the purposes of undertaking the repurchase of linked units."

In accordance with the JSE Listings Requirements, the directors record that:

Although there is no immediate intention to effect a repurchase of linked units, the directors would utilise the general authority to repurchase linked units as and when suitable opportunities present themselves which opportunities may require expeditious and immediate action;

The directors, after considering the maximum number of linked units which may be repurchased and the price at which the repurchases may take place pursuant to the repurchase general authority, are of the opinion that for a period of 12 (twelve) months after the date of notice of this annual general meeting:

- the company will be able to pay its debts in the ordinary course of business;
- the consolidated assets of the company fairly valued in accordance with generally accepted accounting practice, will be in excess of the consolidated liabilities of the company after the repurchase;
- the share capital, reserves and working capital available to the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- directors – page 55

Notice of AGM of shareholders

continued

- Major beneficial unitholders – page 37
- Directors' interests in linked units – page 55
- Share capital of the company – page 54

Litigation

The directors, whose names appear on page 55 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the group's financial position.

Directors' responsibility statement

The directors, whose names appear on page 55 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, 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 the special resolution contains all information required in terms of the JSE Listings Requirements.

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 company and its subsidiaries since the date of signature of the audit report for the year ended 31 August 2007 and up to the date of this notice.

Reasons for and effects of Special Resolution Number 1

The reason for Special Resolution Number 1 is to afford directors of the company a general authority to effect a repurchase of the company's linked units on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE, to effect repurchases of the company's linked units on the JSE.

1.2 Ordinary Resolution Number 1: Unissued linked units

"Resolved that the authorised and unissued linked units of the company be and are hereby placed under the control of the directors of the company which directors are, subject to the rules and regulations of the JSE Ltd ("JSE") and the provisions of section 221 and section 222 of the Companies Act 61 of 1973 (as amended), authorised to allot and issue any linked units at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next Annual General Meeting of the company."

1.3 Ordinary Resolution 2: Issue of linked units for cash

"Resolved that, pursuant to the articles of association of the company, the directors of the company be and are

hereby authorised until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to allot and issue linked units for cash subject to the Listing Requirements of the JSE Limited ("JSE") and the Companies Act, 61 of 1973, on the following bases:

- a) the allotment and issue of linked units for cash shall be made only to persons qualifying as public unitholders as defined in the Listings Requirements of the JSE and not to related parties;
- b) the number of linked units issued for cash shall not in the aggregate in the financial year of the company (which commenced 1 September 2007) exceed 5% (five percent) of the company's issued linked units. The number of linked units which may be issued for cash shall be based on the number of linked units in issue at the date of the application, less any linked units issued by the company during the current financial year, provided that any linked units to be issued for cash pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded and announced up to the date of the application) may be included as though they were linked units in issue at the date of application;
- c) the maximum discount at which linked units may be issued for cash is 10% (ten percent) of the weighted average price on the JSE of those linked units over 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the linked units;
- d) after the company has issued linked units for cash which represent, on a cumulative basis within a financial year 5% (five percent) or more of the number of linked units in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per linked unit of the company; and
- e) the linked units which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such linked units or rights as are convertible into a class already in issue."

In terms of the Listing Requirements of the JSE a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the annual general meeting must be cast in favour of the Ordinary Resolution 2 for it to be approved.

- 1.4 Ordinary Resolution Number 3: Re-election of Director
"Resolved that D. Gihwala be and is hereby re-elected as a Director of the company."

Notice of AGM of shareholders

continued

- 1.5 Ordinary Resolution Number 4: Re-election of Director
“Resolved that N. Venter be and is hereby re-elected as a Director of the company.”
 - 1.6 Ordinary Resolution Number 5: Re-election of Director
“Resolved that W. Cesman be and is hereby re-elected as a Director of the company.”
 - 1.7 Ordinary Resolution Number 6: Re-election of Director
“Resolved that S. Shaw-Taylor be and is hereby re-elected as a Director of the company.”
 - 1.8 Ordinary Resolution Number 7: Re-election of Director
“Resolved that D. Perton be and is hereby re-elected as a Director of the company.”
 - 1.9 Ordinary Resolution Number 8: Confirmation of directors’ remuneration
“Resolved that the remuneration and fees payable to non-executive directors for the year, as set out in the annual financial statements and annual report of which this notice forms part, be and are confirmed.”
 - 1.10 Ordinary Resolution Number 9: Signature of documentation
“Resolved that any director or the company secretary of the company be and are hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolution Number 1 and Ordinary Resolution Numbers 1, 2, 3, 4, 5, 6, 7 and 8 which are passed by the unitholders in accordance with and subject to the terms thereof.”
2. Re-appointing PKF (Jhb) Inc. as auditors of the company.

Voting and proxies

A unitholder of the company entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (who need not be a unitholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every unitholder of the company present in person or represented by proxy shall have one vote only. On a poll, every unitholder of the company present in person or represented by proxy shall have one vote for every linked unit held in the company by such unitholder.

A form of proxy is attached for the convenience of any unitholder holding linked units in the company who cannot attend the Annual General Meeting. Forms of proxy may also be obtained on request from the company’s registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare Investor Services 2004 (Pty) Ltd, Ground

Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received at least 48 (forty eight) hours prior to the meeting. Any unitholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the unitholder subsequently decide to do so.

Unitholders who have already dematerialised their linked units through a CSDP or broker rather than own-name registration and who wish to attend the Annual General Meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

Dematerialised unitholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the Annual General Meeting should complete and return the attached form of proxy and lodge it with the transfer secretaries of the company (to be received at least 48 (forty eight) hours prior to the meeting).

Dematerialised unitholders, who have not elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the Annual General Meeting should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the unitholder and his CSDP or broker in the manner and by the cut-off time stipulated herein.

By order of the Board

Probit Business Services (Proprietary) Ltd
Company Secretary
7 December 2007

Registered address

2 Arnold Road
Rosebank
Johannesburg
PO Box 1731, Parklands, 2121

Transfer Secretaries

Computershare Investor Services 2004 (Pty) Ltd
70 Marshall Street
Johannesburg
2001
PO Box 61051, Marshalltown, 2107

A brief CV of each of the directors standing for re-election appears on pages 10 and 11.

Shareholders – form of proxy

REDEFINE INCOME FUND LIMITED

Registration number: 1999/018591/06 JSE code: RDF ISIN number: ZAE000023503

Unitholders are advised that separate forms of proxy must be completed by shareholders and debenture holders in order for their vote/s to be valid.

For use by the holders of the company's certificated linked units ("certificated unitholders") and/or dematerialised linked units held through a Central Securities Depository Participant (CSDP) or broker, who have selected "own name" registration ("own-name dematerialised unitholders") at the Annual General Meeting of shareholders of the company to be held at 2 Arnold Road, Rosebank, Gauteng on Friday, 18 January 2008 at 10h00, or at any adjournment thereof if required. Additional forms of proxy are available from the transfer secretaries of the company.

Not for use by holders of the company's dematerialised linked units who have not selected "own-name" registration. Such unitholders must contact their CSDP or broker timeously if they wish to attend and vote at the Annual General Meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the Annual General Meeting in order for the CSDP or broker to vote in accordance with their instructions at the Annual General Meeting.

I/We _____ (Name in block letters)

Of _____ (Address)

being the registered holder of linked units in the capital of the company hereby appoint

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the meeting

as my/our proxy to act for me/us on my/our behalf at the Annual General Meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the linked units registered in my/our name/s, in accordance with the following instructions:

	In favour of	Against	Abstain
To pass special resolutions:			
1.1. General authority to effect linked unit repurchases			
To pass ordinary resolutions:			
1.2. To place the unissued linked units under the control of the directors			
1.3. General authority to enable the company to issue for cash up to 5% of the authorized but unissued linked units.			
1.4. To re-elect D. Gihwala a director of the company			
1.5. To re-elect N. Venter a director of the company			
1.6. To re-elect W. Cesman a director of the company			
1.7. To re-elect S. Shaw-Taylor a director of the company			
1.8. To re-elect D. Perton a director of the company			
1.9. To confirm directors' remuneration			
1.10. To authorise the signature of documentation			
2. To re-appoint PKF (Jhb) Inc. as auditors of the company			

Indicate instruction to proxy in the spaces provided above.

Signed this _____ day of _____ 2008

Signature _____

Assisted by (if applicable) _____

Please read the notes on the reverse

Shareholders form of proxy

Notes

1. Each unitholder is entitled to appoint one or more proxies (none of whom need be a unitholder of the company) to attend, speak and vote in place of that unitholder at the Annual General Meeting.
2. Unitholder/s that are certificated or own-name dematerialised unitholders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the unitholder/s. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.
3. A unitholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the unitholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
4. A unitholder or his/her proxy is not obliged to use all the votes exercisable by the unitholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the linked units held by the unitholder.
5. Forms of proxy must be lodged at or posted to Computershare Investor Services 2004 (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received not less than 48 (forty eight) hours prior to the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant unitholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such unitholder wish to do so. Where there are joint holders of linked units, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of unitholders, will be accepted.
7. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the unitholder concerned wishes to vote.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services 2004 (Pty) Ltd or waived by the chairperson of the general meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services 2004 (Pty) Ltd.
11. Where there are joint holders of any linked units, only that unitholder whose name appears first in the register in respect of such linked units need sign this form of proxy.



Notice of AGM of debenture holders

NOTICE OF ANNUAL GENERAL MEETING OF DEBENTURE HOLDERS

REDEFINE INCOME FUND LIMITED

Registration number: 1999/018591/06 JSE code: RDF
ISIN number: ZAE000023503

Notice is hereby given that the Annual General Meeting of debenture holders ("unitholders") of Redefine Income Fund Ltd ("the company") will be held at the offices of the company at 2 Arnold Road, Rosebank, Gauteng on Friday, 18 January 2008 at 10h30 (or immediately after the shareholder meeting) for the following purposes:

- a. To consider the financial statements for the year ended 31 August 2007;
- b. To transact such other business as may be transacted at an Annual General Meeting of debenture holders of a company including the re-appointment of the auditors; and
1. To consider and, if deemed fit, pass, with or without modification, the debenture special and ordinary resolutions set out below, in the manner required by the provisions of the Redefine Debenture Trust Deed:
 - 1.1 Debenture Special Resolution Number 1: Linked unit repurchases
"Resolved that the directors be authorised pursuant inter alia to the provisions of Article 7.3 of the Redefine Debenture Trust Deed, until this authority lapses at the next Annual General Meeting of the company, unless it is then renewed at the next Annual General Meeting of the company and provided that this authority shall not extend beyond 15 (fifteen) months, for the company or any subsidiary of the company to acquire linked units of the company, subject to the Listings Requirements of the JSE Ltd ("JSE") on the following bases:
 - 1.1.1 the repurchase of linked units must be effected through the order book operated by the JSE trading system and done without any prior arrangement between the company and the counter-party;
 - 1.1.2 the company may only appoint one agent to effect repurchases on its behalf;
 - 1.1.3 the number of linked units which may be acquired pursuant to this authority in any financial year (which commenced 1 September 2007) may not in the aggregate exceed 10% (ten percent) of the total number of linked units in issue, as at the date of this notice of general meeting;
 - 1.1.4 repurchases of linked units may not be made at a

price more than 10% (ten percent) above the weighted average of the market value on the JSE of the linked units in question for the five business days immediately preceding the repurchase;

- 1.1.5. repurchases may not take place during a prohibited period (as defined in the JSE Listings Requirements), unless the dates and quantities of linked units to be repurchased during the prohibited period have been determined and full details thereof announced on SENS prior to commencement of the prohibited period;
- 1.1.6. repurchases may only take place if, after such repurchase, the unitholder spread of the company still complies with the JSE Listings Requirements;
- 1.1.7. after the company has acquired linked units which constitute, on a cumulative basis, 3% (three percent) of the number of linked units in issue (at the time that authority from unitholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the JSE Listings Requirements which may be applicable from time to time; and
- 1.1.8. the company's sponsor shall, prior to the company entering the market to commence with a repurchase of units, confirm in writing to the JSE, the adequacy of the company's working capital for the purposes of undertaking the repurchase of linked units."

In accordance with the JSE Listings Requirements, the directors record that:

Although there is no immediate intention to effect a repurchase of linked units, the directors would utilise the general authority to repurchase linked units as and when suitable opportunities present themselves which opportunities may require expeditious and immediate action;

The directors, after considering the maximum number of linked units which may be repurchased and the price at which the repurchases may take place pursuant to the repurchase general authority, are of the opinion that for a period of 12 (twelve) months after the date of notice of this annual general meeting:

- the company will be able to pay its debts in the ordinary course of business;
- the consolidated assets of the company fairly valued in accordance with generally accepted accounting practice, will be in excess of the consolidated liabilities of the company after the repurchase;

Notice of AGM of debenture holders

continued

- the share capital, reserves and working capital of the company will be adequate for the purposes of the business of the company and its subsidiaries.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- Directors – page 55
- Major beneficial unitholders – page 37
- Directors' interests in linked units – page 55
- Share capital of the company – page 54

Litigation

The directors, whose names appear on page 55 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the group's financial position.

Directors' responsibility statement

The directors, whose names appear on page 55 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, 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 the special resolution contains all information required in terms of the JSE Listings Requirements.

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 company and its subsidiaries since the date of signature of the audit report for the year ended 31 August 2007 and up to the date of this notice.

Reasons for and effects of Debenture Special Resolution Number 1

The reason for Debenture Special Resolution Number 1 is to afford directors of the company a general authority to effect a repurchase of the company's linked units on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE, to effect repurchases of the company's linked units on the JSE.

1.2 Debenture Special Resolution Number 2: Unissued linked units

"Resolved that the authorised and unissued linked units of the company be and are hereby placed under the control of the directors of the company which directors are, subject to the rules and regulations of the JSE Ltd ("JSE") and the provisions of the Redefine Debenture Trust Deed, authorised to allot and issue any linked units at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next Annual General Meeting of the company."

The reason for and effects of Debenture Special Resolution Number 2

Reasons for and effects of Debenture Special Resolution Number 2 is to afford the directors of the company a general authority to issue additional linked units of the company.

1.3 Debenture Special Resolution 3: Issue of linked units for cash

"Resolved that, pursuant to the articles of association of the company and the Debenture Trust Deed, the directors of the company be and are hereby authorized until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to allot and issue linked units for cash subject to the Listings Requirements of the JSE Limited ("JSE") and the Companies Act, 61 of 1973, on the following bases:

- the allotment and issue of linked units for cash shall be made only to persons qualifying as public unitholders as defined in the Listings Requirements of the JSE and not to its related parties;
- the number of linked units issued for cash shall not in the aggregate in the financial year of the company (which commenced 1 September 2007) exceed 5% (five percent) of the company's issued linked units. The number of linked units which may be issued for cash shall be based on the number of linked units in issue at the date of the application, less any linked units issued by the company during the current financial year, provided that any linked units to be issued for cash pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded and announced up to the date of application) may be included as though they were linked units in issue at the date of application;
- the maximum discount at which linked units may be issued for cash is 10% (ten percent) of the weighted average price on the JSE of those linked units over 30 business days prior to the date that the price of the

Notice of AGM of debenture holders

continued

issue is agreed between the company and the party subscribing for linked units;

- d) after the company has issued linked units for cash which represent, on a cumulative basis within the financial year, 5% (five percent) or more of the number of linked units in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per linked unit of the company; and
- e) the linked units which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such linked units or rights as are convertible into a class already in issue."

In terms of the Listings Requirements of the JSE a 75% (seventy five percent) majority of the votes cast by debenture holders present in person or represented by proxy at the annual general meeting must be cast in favour of Debenture Special Resolution 3 for it to be approved.

- 1.4 Debenture Ordinary Resolution Number 1: Signature of documentation
"Resolved that any Director or the company secretary of the company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Debenture Special Resolution Numbers 1, 2 and 3 which are passed by the debenture holders in accordance with and subject to the terms thereof."

- 2. Re-appointing PKF (Jhb) Inc. as auditors of the company.

Voting and proxies

A unitholder of the company entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (who need not be a unitholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every unitholder of the company present in person or represented by proxy shall have one vote only. On a poll, every unitholder of the company present in person or represented by proxy shall have one vote for every linked unit held in the company by such unitholder.

A form of proxy is attached for the convenience of any unitholder holding linked units in the company who cannot attend the Annual General Meeting. Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare

Investor Services 2004 (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received at least 48 (forty eight) hours prior to the meeting. Any unitholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the unitholder subsequently decide to do so.

Unitholders who have already dematerialised their linked units through a CSDP or broker rather than own-name registration and who wish to attend the Annual General Meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

Dematerialised unitholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the Annual General Meeting should complete and return the attached form of proxy and lodge it with the transfer secretaries of the company (to be received at least 48 (forty eight) hours prior to the meeting).

Dematerialised unitholders, who have not elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the Annual General Meeting should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the unitholder and his CSDP or broker in the manner and by the cut-off time stipulated herein.

By order of the Board

Probity Business Services (Proprietary) Ltd
Company Secretary
7 December 2007

Registered address

2 Arnold Road
Rosebank
Johannesburg
PO Box 1731, Parklands, 2121

Transfer Secretaries

Computershare Investor Services 2004 (Pty) Ltd
70 Marshall Street
Johannesburg
2001
PO Box 61051, Marshalltown, 2107

Debenture holders – form of proxy

REDEFINE INCOME FUND LIMITED

Registration number: 1999/018591/06 JSE code: RDF ISIN number: ZAE000023503

Unitholders are advised that separate forms of proxy must be completed by shareholders and debenture holders in order for their vote/s to be valid.

For use by the holders of the company's certificated linked units ("certificated unitholders") and/or dematerialised linked units held through a Central Securities Depository Participant (CSDP) or broker, who have selected "own name" registration ("own-name dematerialised unitholders") at the Annual General Meeting of debenture holders of the company to be held at 2 Arnold Road, Rosebank, Gauteng on Friday, 18 January 2008 at 10h30 (or immediately after the shareholder meeting), or at any adjournment thereof if required. Additional forms of proxy are available from the transfer secretaries of the company.

Not for use by holders of the company's dematerialised linked units who have not selected "own-name" registration. Such unitholders must contact their CSDP or broker timeously if they wish to attend and vote at the Annual General Meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the Annual General Meeting in order for the CSDP or broker

I/We _____ (Name in block letters)

Of _____ (Address)

being the registered holder of linked units in the capital of the company hereby appoint

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the meeting

as my/our proxy to act for me/us on my/our behalf at the Annual General Meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the linked units registered in my/our name/s, in accordance with the following instructions:

	In favour of	Against	Abstain
To pass debenture special resolutions:			
1.1. General authority to effect linked unit repurchases			
1.2. To place the unissued linked units under the control of the directors			
1.3. General authority to enable the company to issue for cash up to 5% of the authorised but unissued linked units			
To pass debenture ordinary resolution:			
1.4. To authorise the signature of documentation			
2. To re-appoint PKF (Jhb) Inc. as auditors of the company			

Indicate instruction to proxy in the spaces provided above.

Signed this _____ day of _____ 2008

Signature _____

Assisted by (if applicable) _____

Please read the notes on the reverse

Debenture holders – form of proxy

Notes

1. Each unitholder is entitled to appoint one or more proxies (none of whom need be a unitholder of the company) to attend, speak and vote in place of that unitholder at the Annual General Meeting.
2. Unitholder/s that are certificated or own-name dematerialised unitholders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the unitholder/s. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.
3. A unitholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the unitholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
4. A unitholder or his/her proxy is not obliged to use all the votes exercisable by the unitholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the linked units held by the unitholder.
5. Forms of proxy must be lodged at or posted to Computershare Investor Services 2004 (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received not less than 48 (forty eight) hours prior to the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant unitholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such unitholder wish to do so. Where there are joint holders of linked units, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of unitholders, will be accepted.
7. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the unitholder concerned wishes to vote.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services 2004 (Pty) Ltd or waived by the chairperson of the general meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services 2004 (Pty) Ltd.
11. Where there are joint holders of any linked units, only that unitholder whose name appears first in the register in respect of such linked units need sign this form of proxy.

Administration

Company registration number	1999/018591/06
Registered office and business address	2 Arnold Road, Rosebank, Johannesburg, 2196 PO Box 1731, Parklands, 2121
Telephone	+27 11 283 0110
Fax	+27 11 283 0055
E-mail	mail@redefine.co.za
Internet address	www.redefine.co.za
Commercial bankers	The Standard Bank of South Africa Ltd
Independent auditors	PKF (Jhb) Inc. 42 Wierda Road West, Wierda Valley, 2196
Telephone:	+27 11 384 8000
Company secretary	Probity Business Services (Pty) Ltd 3rd Floor, JHI House, 11 Cradock Avenue, Rosebank, 2196
Telephone:	+27 11 327 7146
Transfer secretaries	Computershare Investor Services 2004 (Pty) Ltd 70 Marshall Street, Johannesburg, 2001
Telephone:	+27 11 370 5000
Corporate advisor and sponsor	Java Capital (Pty) Ltd 2 Arnold Road, Rosebank, 2196
Telephone:	+27 11 283 0190
Asset managers	Madison Property Fund Managers Ltd 2 Arnold Road, Rosebank, 2196
Telephone:	+27 11 283 0000
Property managers	Broll Property Managers Broll House, 27 Fricker Road, Illovo, 2196
Telephone:	+27 11 441 4000
Trustee for debenture holders	Webber Wentzel Bowens 13th Floor, Picbel Parkade, 58 Strand Street, Cape Town, 8001
Telephone:	+27 21 405 5000



ReDefine
INCOME FUND



Redefine Income Fund

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