Contents

Highlights

Distribution per linked unit	10.5%
Value of property portfolio increased to R6,1 billion	17%
Net asset value per linked unit decreased to R7,58* from R7,84* in 2007 * Excluding deferred taxation	R7.58
Market capitalisation R6,2 billion	R6.2bn
Cost of developments completed R754 million	R754m
Property portfolio leased	95%
Leases expiring in 2012 and beyond	45%
Weighted average linked units in issue traded	33%
BEE holdings	23%
Loan to value ratio	35%
Ratio of operating costs to income	20%
Expansion of international interests	
Two enterprise development initiatives established	
Enhanced support for sustainable education	

Unlocking Redefine

Introduction

Redefine is as a diversified property investment company with a spread of premium fixed property in prime locations, with quality tenants on long leases, as well as a portfolio of investments in select listed property securities.

Unitholders benefit from annual increases in net income from directly owned properties as well as from growth in distributions received from listed securities.

The innovative structure provides flexibility and positions Redefine as unique amongst South African listed property companies.

Expertise is applied to the development and re-development of properties to continually add value to portfolio.

Diversification of risk through Redefine's offshore investment strategy adds dimension to the company.

Features and benefits

- Redefine has investments in properties as well as in listed property securities. This combination has served Redefine well in that it diversifies risk, allows for flexibility in changing markets and provides an increased spread across different sectors;
- Redefine is the only fund with an A minus senior secured debt rating by international rating agency, Fitch Ratings. This is an independent rating provided by an international rating company;
- Redefine was the first listed property fund to pay interest quarterly: it offers a steady stream of income (most other funds pay bi-annually);
- Redefine offers a high yield relative to the risk;
- The growth in Redefine's property portfolio is enhanced by the addition of superior property assets and bolstered by a substantial property development pipeline;
- These features and benefits have ensured that Redefine has and continues to offer the potential for long-term income and capital growth.

Investment proposition

Proven history of performance

Through stringent investment criteria and the adherence to clearly defined strategies, Redefine has provided unitholders with an average 26% annual income and capital return since listing in 2000.

Dynamic expansion strategy

The appetite for growth and ability to identify opportunities has created a valuable development pipeline. Industry knowledge and partner network positions Redefine ideally for new acquisitions and corporate action. Redefine's expansion strategy extends beyond the borders of South Africa, into Africa itself and abroad wherever viable opportunities are identified.

Diversified and balanced portfolio

Redefine's structure encourages flexibility in changing markets. Investments are diversified across all sectors - retail, office, industrial and listed property – and geographically throughout South Africa. Diversification is further enhanced through off-shore investment.

Experienced management team

Redefine is managed proactively by experts with years of experience in property investments.

Effectively managed debt

Ensuring adequate access to debt as well as actively pursuing the lowest possible cost of finance are fundamental to Redefine's management strategy.

Liquidity

Redefine offers levels of liquidity which are consistently high and generally in line with the property loan stock sector average.

Vision

The objective of Redefine is to consistently outperform the Property Loan Stock index through proactive and innovative management of its property investments.

Mission

Redefine strives to create sustainable, increasing unitholder value. ***Income is always the outcome***.

Core Values

Perfomance

This is the primary criterion against which we measure ourselves. In all aspects of our business we strive continually to outperform both the sector and Redefine's previous benchmarks – from our competitiveness in the listed property sector to being a good "corporate citizen".

Core Values continued

Partnership

Through collaboration with our strong, established network of strategic partners – all leaders in their respective fields - Redefine is able to maximise its levels of performance. These relationships are valuable and we strive to nurture and grow them.

Resourcefulness

We explore creating new and effective ways of growing our income streams. As our name indicates, we are always willing to redefine and refine – our solutions, our industry and ourselves – to achieve our strategic goals.

Agility

We identify opportunities and through our responsive and adaptable foundation strive to turn appropriate opportunities into value.

Passion

Great achievements require great passion. We are passionate about property.

We believe in our goals and pursue them single-mindedly.

Accountability

We are accountable to our stakeholders – unitholders, staff and partners. We deliver on our promises.

Transparency

Redefine is accessible and invites interaction. We are clear, accurate and informative in what we communicate and take our responsibilities seriously.

Insight

When trends emerge, we are knowledge innovators and leaders in the local market. We embrace a global outlook and are strongly aware of how the world impacts on us, and how we influence the world. When feasible opportunities present themselves outside South African borders, we aim to be amongst the first to embrace them.

Influence

Through our strong, growing market position we aim to broaden our sphere of influence in our industry and the community. We are continually growing our position as a property authority.

Milestones and achievements

1998 & 1999	Listed property securities are accumulated which forms the core of Redefine's listed securities portfolio.
2000	Redefine Income Fund Limited is listed in the property loan stock sector of the Johannesburg Stock Exchange on 23 February with total assets of R1.2 billion.
2003	Redefine becomes the first South African property company to receive a rating from Fitch Ratings. The "A-minus" rating was awarded on Redefine's ability to service and repay debt.
2005	In its first major retail development project, Redefine completed the development of the R192 million Southcoast Mall at Shelly Beach in KwaZulu-Natal (together with Hyprop Investments Limited). The 28 000m² shopping centre opened successfully in November.
	Redefine engaged in the first of numerous education initiatives committed to the development of disadvantaged children through the teaching of music with its involvement in the South African Music Education Trust (SAMET) which reaches over 3 500 township children across South Africa.
2006	The first South African listed property fund to invest offshore, Redefine acquired 18% of CIREF, Corovest International's property fund which listed on the London Stock Exchange's AIM (Alternative Investment Market).
	Redefine formed an enterprise development initiative with black-owned and managed Dijalo Property Services (Pty) Ltd – Dipula Property Fund (Pty) Ltd with an initial property portfolio value of R300 million. A second enterprise development initiative with Mergence Africa Properties (Pty) Ltd followed.
	In a R1,3 billion deal in December, Redefine acquired the entire Spearhead Property Holdings Limited portfolio of property assets.
2007	A Broad-Based Black Economic Empowerment transaction was announced in terms of which 10% of Redefine's issued linked units were issued to selected B-BBEE parties.
Today	Redefine is the fifth largest constituent of the SA Listed Property Index (J253) with a market capitalisation exceeding R6 billion and assets in excess of R10 billion.

Opening brief

At a glance

	2008 R000		2007 R000	
Property portfolio	6 111 538		5 223 660	
Listed securities portfolio	4 011 692		4 187 686	
Total assets	**10 717 411**		**9 834 488**	
	Gross lettable area (m²)	**Number of properties**	**Gross lettable area (m²)**	**Number of properties**
Total	**858 357**	**101**	**777 334**	**95**
- Industrial	370 073	30	318 489	24
- Office	292 464	45	270 031	43
- Retail	195 820	26	188 814	28
	Ave gross rental (R per m²)		**Ave gross rental (R per m²)**	
- Office	80.69		68.77	
- Retail	56.95		47.52	
- Industrial	22.40		20.89	
Average value (R/m)				
All sectors	6 459		5 907	
- Office	10 031		8 864	
- Retail	7 019		6 934	
- Industrial	3 339		2 792	
	Vacancy (m²)	**Vacancy (%)**	**Vacancy (m²)**	**Vacancy (%)**
Total	**40 926**	**4.8**	**17 246**	**2.2**
- Industrial	14 685	4.0	6 447	2.0
- Office	15 926	5.4	5 652	2.1
- Retail	10 315	5.3	5 147	2.7
Number of listed securities	8		8	
Total borrowings (R000)	3 678 694		3 190 337	
Loan to value ratio (%)	35.2		33.7	
Net asset value per linked unit (R)	7.58		7.84	
Closing linked unit price (R)	6.90		7.40	
Enterprise Value (R000)	9 841 503		9 207 726	

Insight

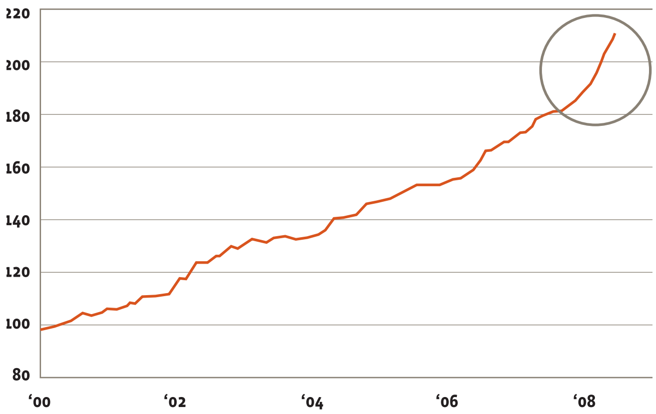
The South African property sector

The past year has been both challenging and rewarding for the listed property sector. Issues which have been amongst those exerting the most pressure on property investors include infrastructural barriers, the energy crisis, skills shortages, interest rates, legislation, access to debt and global financial risk.

In terms of property fundamentals, strong levels of demand with limited supply have resulted in rental levels firming.

Rocketing construction costs continue to constrain new property development which has been exacerbated by the global banking crisis, access to finance tightening and the increased cost of debt in South Africa.

PPI for building and construction industry (Jan-00 = 100)



Source: StatsSA

This is good news for owners of existing good quality buildings which will benefit from increased net income due to increasing rental streams.

For those seeking to build new property assets, rentals on new developments are being driven to unprecedented levels to achieve viability arising from high construction costs.

Building cost R/m²	Required yield		
	8%	10%	12%
	Rental required		
	R/m²	R/m²	R/m²
3 000	20	25	30
4 500	30	38	45
5 000	33	42	50
7 000	47	58	70
9 000	60	75	90
9 500	63	79	95
11 000	73	92	110
13 000	87	108	130
14 000	93	117	140
15 000	100	125	150
17 000	113	142	170
19 000	127	158	190

Source: Avior Research

Estimated construction costs

Type	Cost (R/m²)
Commercial office park	9 500
Prestige office development	14 000
Convenience shopping centre	9 500
Regional shopping centre	14 000
Warehousing	4 500

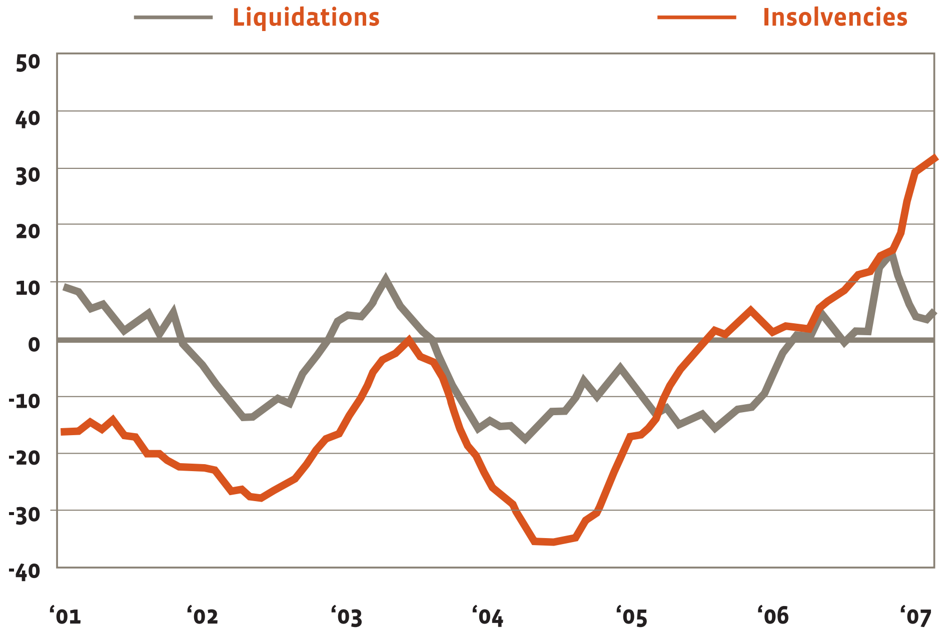
Source: Avior Research

In terms of the different property sectors in which Redefine invests, demand for office space remains strong in both primary and secondary nodes and the same trend is being experienced in the industrial sector. Demand has cooled from its peak though, resulting from concerns about the global economic outlook. Despite this, vacancy levels in both sectors continue to fall.

In the retail sector, economic conditions have put a damper on demand for new space as retailers follow a more cautious programme of expansion, and in some cases even consolidation, as a result of lower consumer spending.

Established retail locations remain in demand with retailers which is expressed by reluctance from retailers to open new stores in unproven locations. This situation is exacerbated by the higher rentals required by developers in order to make new developments viable, placing pressure on retailers to maintain market share. Retailer caution in the current market may well be prudent as liquidations and insolvencies are increasing.

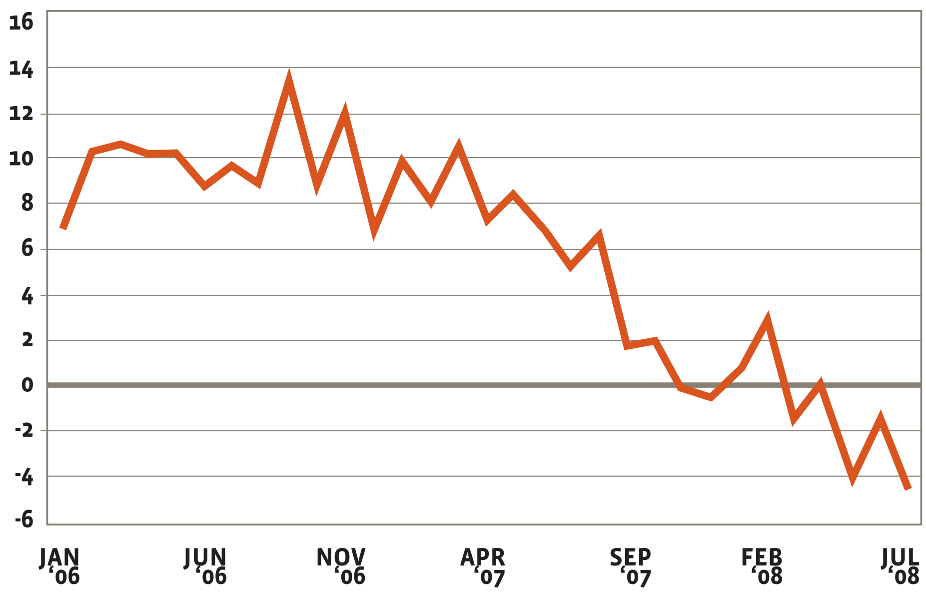
Liquidations and insolvencies % y-o-y



Source: StatsSA

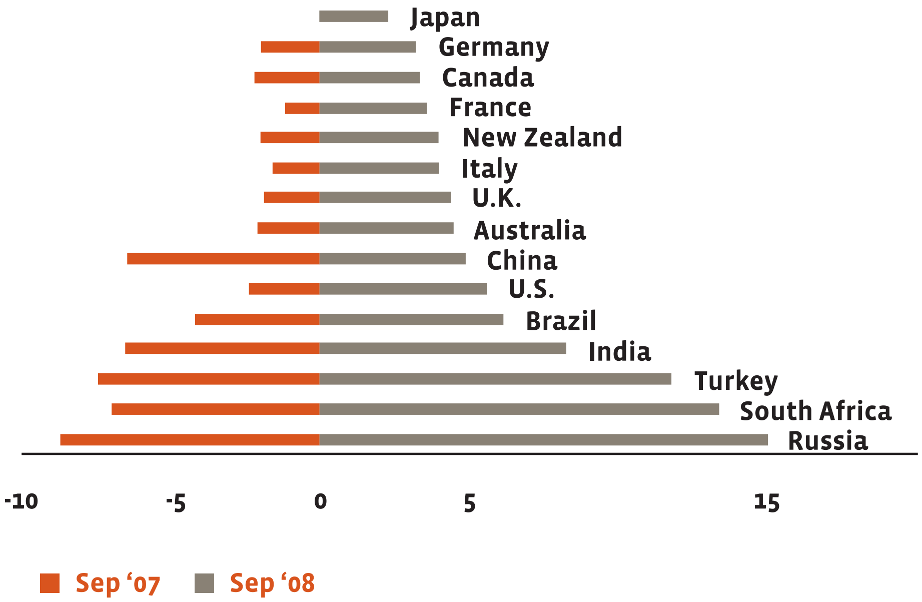
Retail sales figures in SA have declined substantially during the past financial year as changing market forces, specifically global influences such as high oil and food costs and, in the South African context, a higher interest rate environment, have hit consumers' pockets.

SA Retail Sales % y-o-y



Source: StatsSA

Consumer price inflation (CPIX), measured by Statistics SA, rose to 13.6% year-on-year in August 2008, 7.6% above the upper end of the target range, driven upwards by higher energy and food prices.



Source: Company data

Consumer prices y-o-y (%)

In terms of listed property counters, global influences have negatively impacted markets and despite this, property loan stock companies have shown resilience with the SA Listed Property Index increasing by 26% between July and August 2008.

Real Estate Investment Trusts (REITs)

The South African legislation governing property funds is undergoing a transformation to the internationally recognised Real Estate Investment Trust (REIT) structure.

Background

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 in which 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 offshore 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 which has recognised 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. A comprehensive discussion document was released in December 2007, to which the property sector has responded and to which the National Treasury replied in September 2008. Once there is consensus on proposed legislation, it will be implemented. This is anticipated during the first half of 2010.

The introduction of REITs is expected to have a positive impact on the South African listed property sector.

Successful conversion

Redefine is strongly in favour of conversion to REITS.

The current proposal is that indirect investment will be limited to two corporate layers i.e. a REIT can only invest in another REIT if the investee REIT invests directly in property.

The Property Loan Stock Association (PLSA) which represents the PLS sector is in discussions with National Treasury and the issue of "layering" is being dealt with.

Redefine has a three layer investment through its investment in Hyprop (which has a stake in Sycom). Once this issue is successfully resolved, Redefine will be in a position to convert to a REIT.

Knowledge ignition

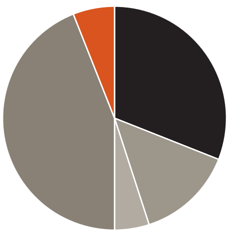
Redefine's business model

Redefine's income is generated through three business units: direct investment in retail, office and industrial property and investments in other property funds - both listed and unlisted - as well as minor (strategically less than 5%) property trading.

Segmental analysis for the year ended 31 August 2008

	At value			Revenue		
	Amount			Amount		
	R000	% of sector	% of total	R000	% of sector	% of total
Investment assets						
Properties	5 764 528		59	539 303		62
Listed securities	4 011 692		41	332 396		38
	9 776 220		100	871 699		100
Property portfolio						
Industrial	1 235 700	21	13	88 895	16	10
Offices	2 933 700	51	30	288 818	54	33
Retail	1 595 128	28	16	161 590	30	19
	5 764 528	100	59	539 303	100	62
Listed securities portfolio						
PLSs	3 528 808	88	36	301 605	91	35
PUTs	115 593	3	1	11 053	3	1
Other	367 291	9	4	17 627	5	2
Trading	-	-	-	2 111	1	0
	4 011 692	**100**	**41**	**332 396**	**100**	**38**

Contribution to revenue by operation

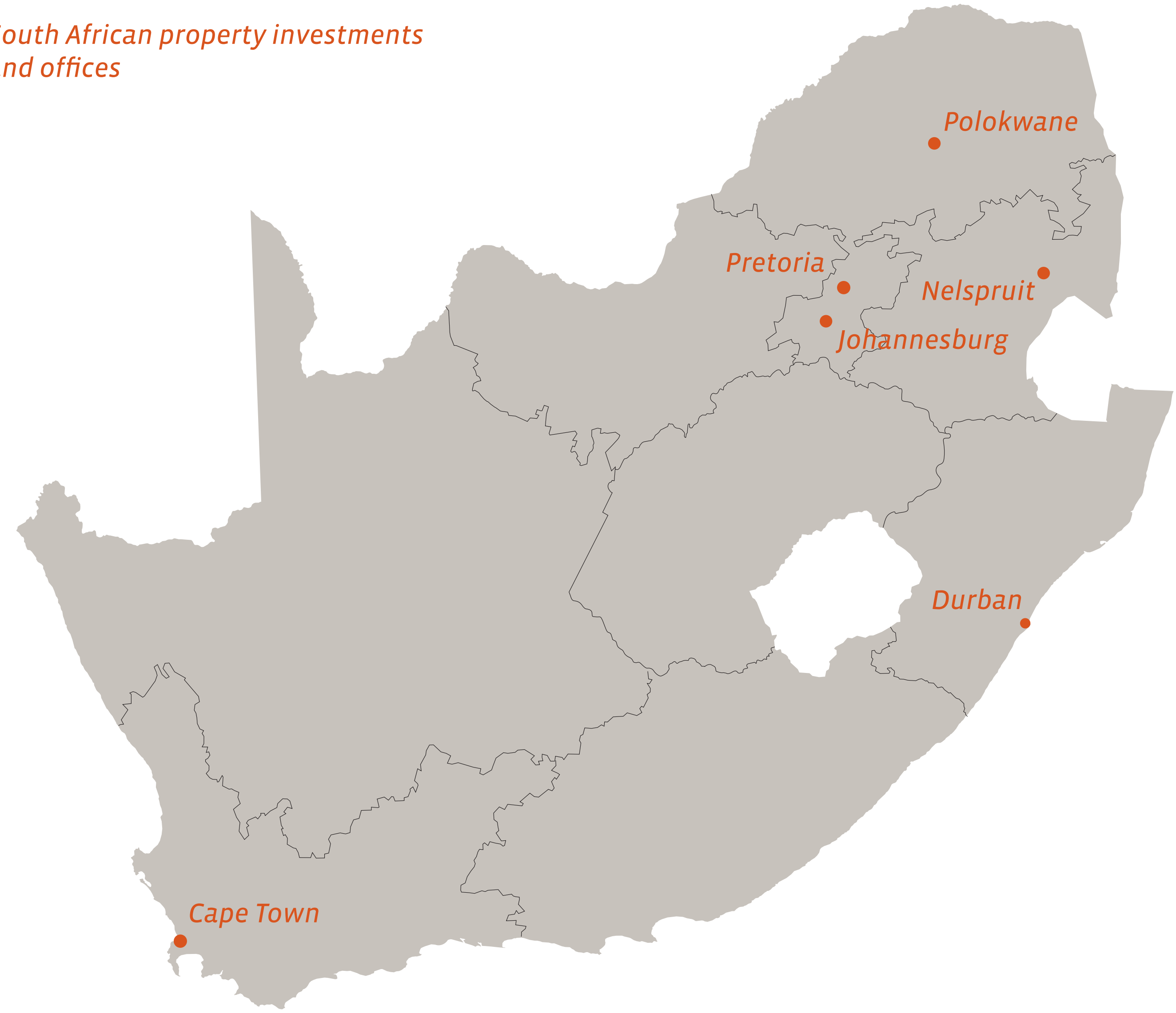


31% Office
14% Retail
5% Industrial
44% Listed Securities
6% Property Trading

Footprint

Redefine is invested in quality properties throughout South Africa in its directly held property portfolio. Through its listed property holdings it is invested in high-performing landmark and investment-quality properties throughout South Africa and Redefine's growing reach is extended offshore to the United Kingdom and Continental Europe, specifically France, Switzerland and Germany.

South African property investments and offices



The key to Redefine's buildings

Property portfolio

Comprising 101 geographically and sectorally diverse properties, Redefine's quality property portfolio is acknowledged by many as being substantially above average in the sector.

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, with a minimum of five years to expiry. Tenants include JSE listed companies, multi-nationals, professional firms and Government.

Total GLA	858 357m^2
Number of buildings	101
A-grade	85.1%
Leases expiring in 2012 and beyond	45.1%
Current occupancy	95.2%
Average annualised yield	9.3%

Diversity

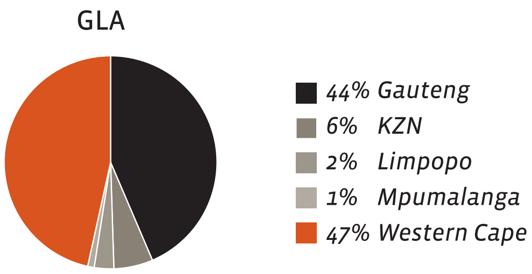
Ensuring that risk is well spread, Redefine's property portfolio is sectorally and geographically diverse. Direct property investment spans retail, offices and industrial in key nodes across South Africa.

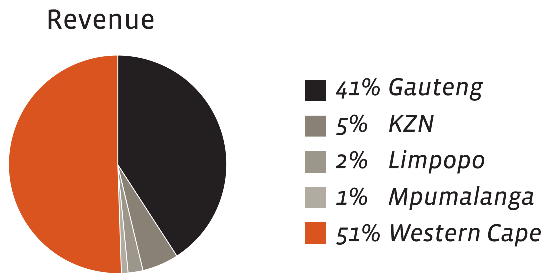
Sector	Number of Properties	GLA (m^2)	Vacant (%)	Value (R000)
Offices	45	292 464	5.4	2 881 020
Industrial	30	370 073	4.0	1 269 416
Retail	26	195 820	5.3	1 378 650
Total	101	858 357	4.8	5 529 086

Geographic	Number of Properties	GLA (m^2)	Vacant (%)	Value (R000)
Gauteng	43	384 209	1.3	2 420 585
Western Cape	50	402 060	8.2	2 586 001
Kwa-Zulu Natal	5	40 647	4.7	318 400
Other	3	31 441	2.9	204 100
Total	101	858 357	4.8	5 529 086

Property portfolio analysis

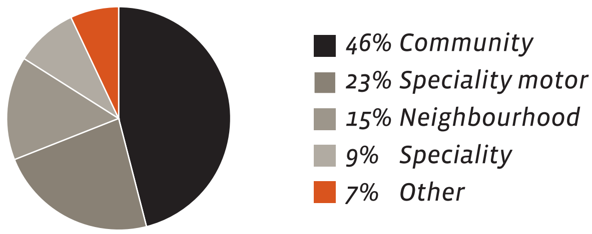
Property Portfolio by Geographic Spread





Province	Revenue (%)	GLA (%)	No of properties
Western Cape	50.52	46.79	50
Gauteng	40.88	43.76	43
Kwa Zulu Natal	5.41	5.76	5
Limpopo	2.20	2.58	2
Mpumalanga	0.99	1.11	1
Grand Total	100.00	100.00	101

% GLA per retail type



Source: Company data

Property Portfolio by sector

Office

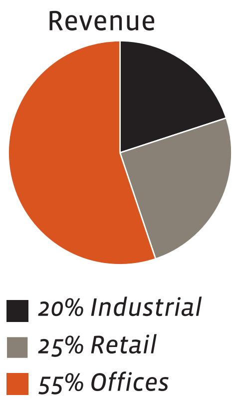
The office portfolio represents Redefine's largest exposure at a value of R2,9 billion. These properties are well located in commercial nodes in Gauteng (51%) and the Western Cape (47%), with the largest single nodal exposure to the Cape Town Foreshore (34% of total office GLA). This weighting is primarily due to the high-rise Standard Bank Centre which was originally purchased in mid-2003 for R218 million and is today Redefine's largest property with a value of R470 million.

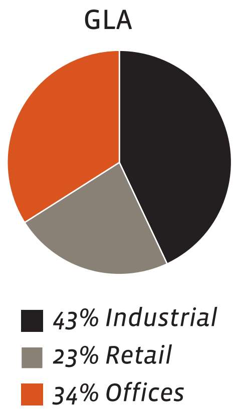
Retail

Redefine's retail portfolio, which is valued at R1,4 billion and contributes 29% of directly held property revenue, comprises mainly convenience retail centres. The largest retail asset by value is Southcoast Mall, which is co-owned with Hyprop, and Redefine's 50% share of this KwaZulu Natal shopping centre is valued at R140 million.

Industrial

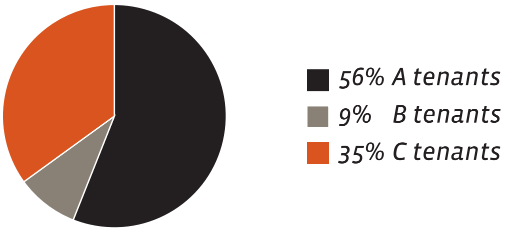
Industrial accounts for 19% of the total portfolio value and represents 16% of Redefine's contractual rental income. Wingfield Park, superbly located in Jet Park close to OR Tambo International Airport, is the largest industrial property in the portfolio. Two-thirds of Wingfield Park is occupied by DHL Excel Supply Chain. Over two-thirds of the total industrial GLA is in strong, established industrial nodes including Isando and Jet Park in Gauteng and Montague Gardens and Epping in Cape Town.





Sector spread

Property Type	Revenue (%)	GLA (m²)	No of properties
Industrial	20	43	30
Retail	25	23	26
Offices	55	34	45
Grand Total	**100**	**100**	**101**



Portfolio by grade

Building profile by grade

	A grade (m²)	B grade (m²)	Total (m²)
Offices	278 723	13 741	292 464
Industrial	206 015	164 057	370 073
Retail	193 374	2 446	195 820
Total	**678 113**	**180 244**	**858 357**
Buildings	86	15	101

Offices:

A grade: Less than 10 years old, modern, air-conditioned, sufficient parking.

B grade: Older than 10 years, predominantly CBD buildings.

Industrial:

A grade: Modern and efficient design, sufficient eves height.

B grade: Older properties, inefficient design, restricted loading areas and eves height, usually tenant specific.

Retail:

A grade: Newer prime centres with adequate parking.

B grade: Secondary, older strip retail.

Tenant profile by grade

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

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

C grade tenants: other.

Building profile by number of tenants

			Lettable Area m²				
Multi/ Single tenants	**Number**	**%**	**Industrial**	**Offices**	**Retail**	**Total**	**%**
Multi	63	62.4	183 893	209 836	160 248	553 977	64.5
Single	38	37.6	186 180	82 628	35 572	304 380	35.5
Grand Total	101	100.0	370 073	292 464	195 820	858 357	100
Development Land	5 sites		74 175			74 175	

20 largest properties

Property	Province	Lettable Area (m²)	Property Type	2008 Valuation (R000)	Total Portfolio Value (%)	Total Portfolio GLA (%)
Standard Bank Centre	Western Cape	57 879	Offices	470 000	8.5	6.7
Convention Tower	Western Cape	16 261	Offices	242 000	4.4	1.9
90 Rivonia Rd	Gauteng	14 270	Offices	222 000	4.0	1.7
Pier Place	Western Cape	14 638	Offices	197 600	3.6	1.7
Wingfield Park	Gauteng	55 927	Industrial	191 000	3.5	6.5
Southcoast Mall	Kwa Zulu Natal	14 087	Retail	153 500	2.8	1.6
Erf 509 Pepkor	Gauteng	40 438	Industrial	150 000	2.7	4.7
Ottery Hypermarket	Western Cape	26 529	Retail	140 000	2.5	3.1
Hatfield Square	Gauteng	15 560	Offices	119 000	2.2	1.8
Sable Square	Western Cape	13 624	Retail	121 000	2.2	1.6
Crossing at Makhado	Limpopo	13 460	Retail	98 300	1.8	1.6
21 Wrench Road	Gauteng	31 733	Industrial	98 000	1.8	3.7
Spearhead Business Park	Western Cape	14 144	Industrial	58 800	1.1	1.6
45 & 46 City Deep	Gauteng	13 407	Industrial	54 700	1.0	1.6
African Glass - Alrode	Gauteng	15 053	Industrial	45 000	0.8	1.8
Stand 502 Isando	Gauteng	13 472	Industrial	38 400	0.7	1.6
Nampak Epping	Western Cape	15 421	Industrial	37 100	0.7	1.8
Coricraft	Western Cape	13 322	Industrial	36 000	0.7	1.6
Golf Air Park	Western Cape	14 945	Industrial	35 700	0.5	1.7
Amalgamated Appliances	Gauteng	21 313	Industrial	32 700	0.5	2.4
Total Top 20		**435 483**		**2 540 800**	**46.0**	**50.7**
Total Portfolio		**858 357**		**5 529 086**		

Valuations of properties

Redefine's 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 widely accepted method of valuation adopted by the industry worldwide. All external valuations are certified by a professional registered valuer under the guidelines of the South African Institute of Valuers.

Sectors	Number of Properties	GLA m^2	Value (R 000)	Average Value R/m^2
Offices	45	292 464	2 881 020	9 851
Industrial	30	370 073	1 269 416	3 430
Retail	26	195 820	1 378 650	7 040
Total	101	858 357	5 529 086	6 441

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 10.0%.

The discount rate applied ranges between 13.0% and 15.5% with the average being approximately 14.3%.

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 2009, is 9.1%

Property portfolio

Property	Province	Location	Description	Lettable Area (m²)	Grade
Retail					
Southcoast Mall	Kwa Zulu Natal	Shelly Beach	Community retail centre	14 712	A Grade
Ottery Hypermarket	Western Cape	Ottery	Community retail centre	26 529	A Grade
Sable Square	Western Cape	Century City	Community retail centre	15 550	A Grade
Monument Commercial	Gauteng	Roodepoort	Speciality motor retail	11 978	A Grade
Crossing at Makhado	Limpopo	Makhado	Community retail centre	13 458	A Grade
Stanhope Bridge	Western Cape	Claremont	Speciality motor retail	6 406	A Grade
The Riverside Centre	Western Cape	Rondebosch	Community retail centre	9 530	A Grade
Scott Street Mall	Kwa Zulu Natal	Newcastle	Community retail centre	8 900	A Grade
Riverside Value Mart	Mpumalanga	Nelspruit	Neighbourhood retail centre	9 571	A Grade
China City	Western Cape	Ottery	Speciality retail	8 031	A Grade
Checkers - Pietersburg	Limpopo	Pietersburg	Community retail centre	8 412	B Grade
BMW Northcliff	Gauteng	Northcliff	Speciality motor retail	3 784	A Grade
Bryanston Carvenience	Gauteng	Bryanston	Speciality motor retail	3 898	A Grade
The Pro Shop	Gauteng	Woodmead	Speciality retail	5 045	A Grade
Motor City - Capital Park	Gauteng	Pretoria	Speciality motor retail	7 554	A Grade
Post House Link	Gauteng	Bryanston	Neighbourhood retail centre	4 874	A Grade
Williams Hunt Randburg	Gauteng	Randburg	Speciality motor retail	3 350	A Grade
Post House	Gauteng	Bryanston	Neighbourhood retail centre	2 965	A Grade
Pick n Pay Newcastle	Kwa Zulu Natal	Newcastle	Neighbourhood retail centre	5 922	A Grade
First National Bank - Centurion	Gauteng	Centurion	Speciality retail	1 920	A Grade
Ronsyn Building	Western Cape	Rondebosch	Retail	2 446	B Grade
Shoprite - Claremont	Western Cape	Claremont	Speciality retail	4 615	A Grade
McCarthy's Parow	Western Cape	Parrow	Speciality motor retail	4 193	A Grade

2008 Valuation	Purchase Price	Effective Date of acquisition	Weight average rental per m^2 for lettable area (R)	Multi/single tenant
153 500 000	97 357 000	01-Dec-05	72.71	Multi
140 000 000	119 000 000	1-Dec-06	46.12	Multi
121 000 000	209 410 000	1-Dec-06	70.65	Multi
102 000 000	27 800 000	29-Jan-02	58.28	Single
98 300 000	95 377 000	31-Oct-03	63.04	Multi
74 500 000	58 650 000	1-Dec-06	83.84	Multi
72 000 000	68 800 000	1-Dec-06	78.92	Multi
70 200 000	31 000 000	25-Jun-04	60.72	Multi
61 200 000	37 507 000	1-Dec-06	47.77	Multi
55 000 000	51 975 000	1-Jun-08	61.32	Multi
44 600 000	13 335 000	22-Dec-99	19.64	Multi
44 500 000	26 512 000	14-Dec-04	97.38	Single
41 000 000	14 786 000	17-Feb-00	70.33	Multi
36 800 000	13 500 000	14-Mar-02	64.78	Single
36 600 000	20 954 000	17-Feb-00	36.56	Multi
33 000 000	24 433 000	1-Nov-02	54.32	Multi
31 800 000	15 900 000	28-Dec-01	114.54	Single
30 600 000	15 231 000	1-Nov-02	79.30	Multi
29 900 000	33 578 000	22-Aug-07	45.84	Multi
25 700 000	10 439 000	1-May-02	85.86	Multi
22 000 000	25 270 000	1-Dec-06	79.09	Multi
21 700 000	16 400 000	1-Dec-06	39.44	Single
15 100 000	11 900 000	1-Dec-06	30.38	Single

Property portfolio *continued*

Property	Province	Location	Description	Lettable Area (m²)	Grade
Edgars Wynberg	Western Cape	Wynberg	Speciality retail	2 606	A Grade
The Forum	Western Cape	Bellville	Speciality retail	996	A Grade
Sable Square 2	Western Cape	Century City	Community retail centre	8 575	A Grade
sub total				**195 820**	
Offices					
Standard Bank Centre	Western Cape	Cape Town CBD	High-rise office	57 897	A Grade
Convention Tower	Western Cape	Cape Town CBD	Low-rise office	17 621	A Grade
90 Rivonia Rd	Gauteng	Sandton	Low-rise office	14 270	A Grade
Pier Place	Western Cape	Cape Town CBD	High-rise office	14 638	A Grade
Hatfield Square	Gauteng	Hatfield	Low-rise office	15 701	A Grade
Absa Park Ridge	Gauteng	Parktown & environs	Office park	10 106	A Grade
Knowledge Park Phase II	Western Cape	Century City	Low-rise office	7 359	A Grade
Accenture - Woodmead	Gauteng	Woodmead	Low-rise office	6 517	A Grade
15 Baker Street	Gauteng	Rosebank	Low-rise office	7 094	B Grade
Stonewedge	Gauteng	Bryanston	Office park	6 033	A Grade
Knowledge Park	Western Cape	Century City	Low-rise office	6 200	A Grade
Heron Place	Western Cape	Century City	Low-rise office	4 723	A Grade
90 Grayston Drive	Gauteng	Sandton	Low-rise office	4 400	A Grade
Finance House	Gauteng	Bruma	Office park	7 575	A Grade
The Spearhead	Western Cape	Cape Town CBD	Low-rise office	4 669	A Grade
Essex Gardens	Kwa Zulu Natal	Berea	Low-rise office	6 442	A Grade
Wynberg Mews	Western Cape	Wynberg	Low-rise office	7 361	A Grade
The Avenues	Gauteng	Rivonia	Office park	6 247	A Grade

2008 Valuation	Purchase Price	Effective Date of acquisition	Weight average rental per m² for lettable area (R)	Multi/single tenant
9 850 000	8 600 000	1-Dec-06	31.32	Single
7 800 000	6 300 000	1-Dec-06	60.74	Multi
-	-	1-Apr-08	43.12	Multi
1 378 650 000	**1 054 014 000**			
470 000 000	218 198 000	31-Aug-04	97.59	Multi
242 000 000	245 626 000	1-Apr-08	130.35	Multi
222 000 000	113 000 000	14-Dec-04	116.92	Single
197 600 000	172 800 000	1-Dec-06	133.66	Multi
119 000 000	52 775 000	2-Feb-05	46.52	Multi
116 100 000	52 000 000	11-Jul-02	119.75	Single
116 000 000	78 199 000	1-Apr-07	88.51	Single
99 700 000	70 756 000	18-Feb-05	140.76	Single
77 600 000	27 000 000	1-Nov-02	65.70	Single
76 300 000	37 710 000	1-Nov-02	81.66	Multi
74 500 000	69 850 000	1-Dec-06	111.67	Single
60 500 000	60 304 000	1-Apr-08	-	Multi
59 500 000	34 500 000	14-Dec-04	102.04	Single
56 900 000	21 462 000	1-Nov-02	55.09	Multi
52 900 000	49 920 000	1-Dec-06	91.43	Multi
49 600 000	19 203 000	1-Feb-01	57.33	Multi
46 700 000	37 000 000	1-Dec-06	70.04	Multi
46 500 000	26 990 000	31-Jan-01	58.62	Multi

Property	Province	Location	Description	Lettable Area (m²)	Grade
Clear Channel	Gauteng	Hurlingham	Low-rise office	4 320	A Grade
Wedgefield	Gauteng	Bryanston	Low-rise office	3 607	A Grade
Finsource House	Western Cape	Cape Town CBD	Low-rise office	2 971	A Grade
Manhattan Plaza	Western Cape	Bellville	Low-rise office	4 252	A Grade
Allhart Park	Gauteng	Woodmead	Office park	4 462	A Grade
Homestead	Gauteng	Bryanston	Low-rise office	3 173	A Grade
2 Arnold Road	Gauteng	Rosebank	Low-rise office	4 108	A Grade
Mauff Zail - Richmond	Gauteng	Parktown & environs	Low-rise office	4 586	A Grade
Bruma Boulevard	Gauteng	Bruma	Low-rise office	4 161	A Grade
Bloemhof Building	Western Cape	Bellville	Low-rise office	4 076	A Grade
79 On Roeland	Western Cape	Cape Town CBD	Low-rise office	6 887	A Grade
TBWA Benmore	Gauteng	Benmore	Low-rise office	1 792	A Grade
Pentagraph Building	Gauteng	Sunninghill	Low-rise office	2 388	A Grade
Sterling Place	Western Cape	Bellville	Low-rise office	3 619	A Grade
Agency II	Gauteng	Sunninghill	Low-rise office	2 598	A Grade
Maynard Plaza	Western Cape	Wynberg	High-rise office	4 504	A Grade
Monitor House	Gauteng	Houghton	Low-rise office	1 700	A Grade
Agency I	Gauteng	Sunninghill	Low-rise office	2 161	A Grade
36 Morsim Road	Gauteng	Hyde Park	Low-rise office	1 992	A Grade
College House	Gauteng	Bryanston	Low-rise office	1 849	A Grade
CCMA House	Western Cape	Cape Town CBD	Low-rise office	4 869	A Grade
Plum Park	Western Cape	Bellville	Low-rise office	1 976	B Grade
Parc Du Bel	Western Cape	Bellville	Low-rise office	2 150	A Grade
Omnipark	Western Cape	Bellville	Low-rise office	2 145	A Grade

2008 Valuation	Purchase Price	Effective Date of acquisition	Weight average rental per m² for lettable area (R)	Multi/single tenant
45 000 000	25 268 000	23-Nov-01	111.63	Single
44 300 000	20 427 000	1-Nov-02	80.90	Multi
44 300 000	26 100 000	1-Dec-06	11.99	Multi
41 700 000	37 225 000	1-Dec-06	97.05	Multi
37 000 000	18 136 000	31-Jan-01	50.32	Multi
33 700 000	18 632 000	1-Nov-02	71.68	Multi
33 700 000	22 500 000	19-Oct-04	99.79	Multi
32 800 000	20 931 000	14-Dec-04	69.63	Single
31 000 000	16 940 000	1-Nov-02	51.60	Multi
29 300 000	20 400 000	1-Dec-06	51.31	Multi
20 735 105	20 400 000	1-Dec-06	24.73	Multi
17 584 874	8 750 000	23-Nov-01	81.88	Single
27 000 000	14 850 000	1-Nov-02	85.40	Single
27 000 000	18 500 000	1-Dec-06	77.74	Multi
25 300 000	16 516 000	1-Nov-02	126.56	Single
20 999 778	11 600 000	1-Dec-06	48.51	Multi
25 000 000	14 023 000	1-Nov-02	86.46	Single
20 800 000	14 800 000	1-Nov-02	173.61	Single
20 000 000	14 098 000	4-Jun-03	95.68	Multi
19 400 000	10 715 000	1-Nov-02	74.23	Multi
19 000 000	20 800 000	1-Dec-06	54.24	Multi
17 300 000	18 900 000	1-Dec-06	92.44	Multi
15 900 000	12 000 000	1-Dec-06	61.20	Single
15 700 000	14 400 000	1-Dec-06	65.96	Multi

Property portfolio *continued*

Property	Province	Location	Description	Lettable Area (m^2)	Grade
De Goede Hoop Park	Western Cape	Bellville	Low-rise office	2 278	A Grade
Mauff Zail - Durban	Kwa Zulu Natal	Durban	Low-rise office	4 671	B Grade
Grotto Mews	Western Cape	Rondebosch	Low-rise office	316	A Grade
sub total				**292 464**	
Industrial					
Wingfield Park	Gauteng	Jet Park	Maxi-units Warehousing	55 927	A Grade
Erf 509 Pepkor	Gauteng	Isando	Warehousing	40 438	A Grade
21 Wrench Road	Gauteng	Isando	Warehousing	31 733	B Grade
Avroy Schlain	Gauteng	Midrand	Warehousing	12 448	A Grade
Spearhead Business Park	Western Cape	Montague Gardens	Mini-units	14 144	A Grade
45 & 46 City Deep	Gauteng	City Deep	Light Industrial	13 407	B Grade
CTX Freight Park	Western Cape	Epping	Maxi-units Warehousing	9 036	A Grade
African Glass - Alrode	Gauteng	Alrode	Light Industrial	15 053	B Grade
Viking Park	Western Cape	Epping	Retail Mini-units	8 829	A Grade
Platinum Park	Western Cape	Montague Gardens	Mini-units Warehousing	6 331	A Grade
Stand 502 Isando	Gauteng	Isando	Warehousing	13 472	B Grade
African Glass - Denver	Gauteng	Denver	Light Industrial	7 594	B Grade
Nampak Epping	Western Cape	Epping	Light Industrial	15 421	B Grade
Coricraft	Western Cape	Epping	Light Industrial	13 322	B Grade
Golf Air Park	Western Cape	Epping	Mini-units Warehousing	14 945	B Grade
Amalgamated Appliances	Gauteng	Reuven	Warehousing	21 313	B Grade
28 Marine Drive	Western Cape	Paarden Eiland	Light Industrial	6 824	A Grade
Trencor	Western Cape	Epping	Warehousing	6 157	A Grade
Eagle Park	Western Cape	Montague Gardens	Industrial Mini Units	3 983	A Grade

	2008 Valuation	Purchase Price	Effective Date of acquisition	Weight average rental per m² for lettable area (R)	Multi/single tenant
	15 500 000	13 700 000	1-Dec-06	62.01	Multi
	15 200 000	16 248 000	14-Dec-04	51.96	Single
	2 400 000	2 700 000	1-Dec-06	92.83	Single
	2 881 019 757	**1 856 852 000**			
	191 000 000	46 940 000	26-Oct-00	24.31	Multi
	150 000 000	110 000 000	1-Nov-07	24.50	Single
	98 000 000	28 500 000	12-Oct-01	21.79	Multi
	68 200 000	47 837 000	14-Dec-04	45.93	Single
	57 751 924	45 400 000	1-Dec-06	31.79	Multi
	54 700 000	47 000 000	1-Mar-08	27.60	Single
	77 100 000	49 702 000	1-Feb-08	38.31	Multi
	45 000 000	24 935 000	14-Dec-04	21.13	Single
	44 800 000	35 900 000	1-Dec-06	44.12	Multi
	38 200 000	23 900 000	1-Dec-06	30.82	Multi
	38 400 000	16 131 000	1-Feb-01	15.00	Single
	37 500 000	29 401 000	1-Nov-05	56.54	Single
	37 100 000	24 000 000	1-Dec-06	17.54	Single
	36 000 000	17 300 000	1-Dec-06	13.30	Single
	35 700 000	25 800 000	1-Dec-06	17.61	Multi
	32 700 000	10 200 000	26-Feb-02	9.20	Single
	26 700 000	36 300 000	1-Mar-08	37.24	Multi
	24 100 000	8 535 000	17-Feb-00	27.84	Single
	33 400 000	17 600 000	1-Dec-06	46.98	Multi

Property portfolio *continued*

Property	Province	Location	Description	Lettable Area (m²)	Grade
Roeland Park	Western Cape	Cape Town CBD	Light Industrial	10 620	A Grade
Premquip	Western Cape	Epping	Light Industrial	12 550	A Grade
Virgin Active Benoni	Gauteng	Benoni	Gym	3 154	A Grade
HK Parow	Western Cape	Parrow	Light Industrial	9 406	B Grade
Meditek-Hemco	Western Cape	Epping	Light Industrial	8 391	B Grade
1 Paarden Eiland Rd.	Western Cape	Paarden Eiland	Light Industrial	4 330	A Grade
Stevens & Co	Gauteng	Midrand	Warehousing	3 460	A Grade
30 Marine Drive	Western Cape	Paarden Eiland	Light Industrial	2 887	A Grade
Platinum Park Phase III	Western Cape	Montague Gardens	Mini-units	2 215	A Grade
Platinum Park Phase II	Western Cape	Montague Gardens	Mini-units Warehousing	2 194	A Grade
Spearhead Business Park 4	Western Cape	Montague Gardens	Mini-units	489	A Grade
sub total				**370 073**	
Total				**858 357**	

	2008 Valuation	Purchase Price	Effective Date of acquisition	Weight average rental per m² for lettable area (R)	Multi/single tenant
	22 000 000	18 000 000	1-Dec-06	14.95	Multi
	20 900 000	15 500 000	1-Dec-06	12.54	Single
	20 800 000	9 600 000	17-Jul-03	59.98	Single
	18 100 000	13 300 000	1-Dec-06	20.28	Multi
	17 300 000	12 575 000	1-Dec-06	14.34	Single
	16 500 000	21 300 000	1-Mar-08	31.90	Multi
	16 100 000	7 000 000	28-Mar-02	36.08	Single
	9 600 000	12 400 000	1-Mar-08	31.04	Multi
	-	9 688 000	1-Feb-08	45.85	Multi
	-	8 700 000	1-Dec-06	50.05	Multi
	1 764 000	3 233 000	1-Mar-08	-	Multi
	1 269 415 924	**776 677 000**			
	5 529 085 681	**3 687 543 000**			

Leasing

Proactive leasing and tenant retention are priorities and Redefine's leasing strategy is to secure long leases with stable tenants.

During the year the leasing function has been highly successful with 93 940m² of new leases concluded at a monthly gross value of approximately R5,4 million and renewals concluded in respect of 51 036m² at monthly gross value of approximately R3,3 million.

Leasing Activity: 1 September 2007 to 31 August 2008	GLA (m²)	GLA (%)
Leases concluded		
Vacant area as at 1 September 2007	(17 247)	2.2
Leases vacated during year ended 31 August 2008	(118 885)	
Net vacancies acquired during the year	1 266	
New leases concluded during the year ended August 2008	93 940	
Vacant area at 31 August 2008	**(40 926)**	**4.8**
New leases signed (post balance sheet)	11 425	
Vacant	**(29 501)**	**3.4**

Rental growth

Growing rental income is a key performance area for Redefine. During the year, rental growth varied between sectors and nodes. Redefine's total net rental income from its core portfolio grew by 13%.

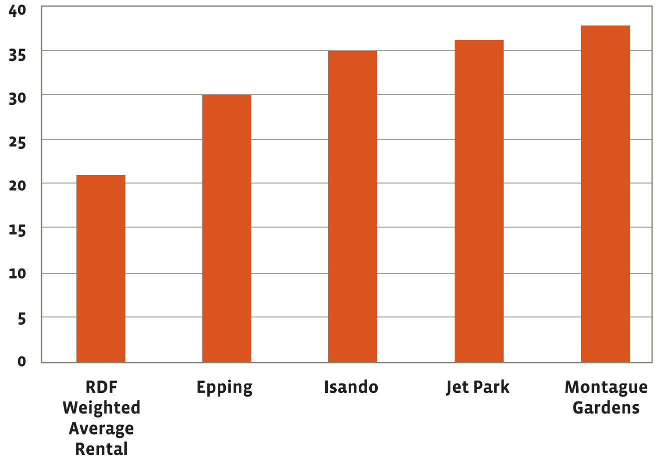
Office

Nodes such as Rivonia, Sunninghill, Bruma and Bellville have experienced market rental growth in excess of 10% and reversions are anticipated to be upward of lease expiry rentals. The majority of office rental renewals are being concluded slightly above or equal to expiry rentals and the market indicates that this trend is likely to remain in the immediate future.

Industrial

Redefine's above-average quality industrial properties are benefitting from strong demand for warehousing and manufacturing units across all major industrial nodes country-wide. This means there is a strong upside potential for positive rental reversions in this sector.

Current estimated weighted average rental versus market rentals (R/m²)

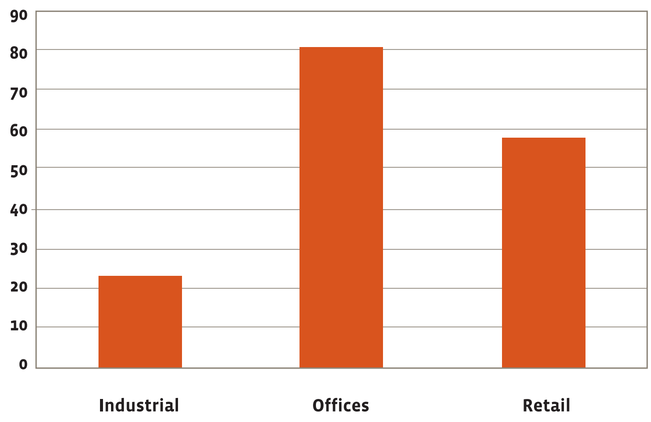


Source: Avior Research

Retail

Low vacancy rates characterize this sector. The Redefine retail portfolio has displayed resilience during the period as a result of the high growth nodes in which its retail properties are located.

Weighted average gross rental (R/m²)



Lease statistics

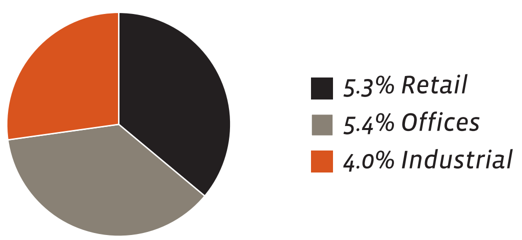
Sector	Weighted Average Gross Rental R/m²	Average Gross Rental R/m²	Estimated Average Gross Market Rental R/m²
Industrial	22.63	22.40	33.00
Offices	80.52	80.69	90.00
Retail	57.71	56.96	65.00
Escalations			
Sector	Existing Leases (%)	New Leases (%)	
Industrial	8.5	9.0 - 10.5	
Offices	9.0	10.0 - 11.0	
Retail	9.0	9.0 - 11.0	

Vacancy exposure

The vacancy factor in the portfolio increased from 2.2% as at 31 August 2007 to 4.8% at 31 August 2008. This is mainly as a result of the requirement to vacate three buildings – 79 on Roeland (1 985m²), Finsource House (1 990m²) and Roeland Park (2 500m²) - for proposed redevelopment. Excluding these vacancies and taking into account new leases signed post balance sheet date, the vacancy rate has reduced to 2.7%.

Vacancy profile by sector (by GLA)

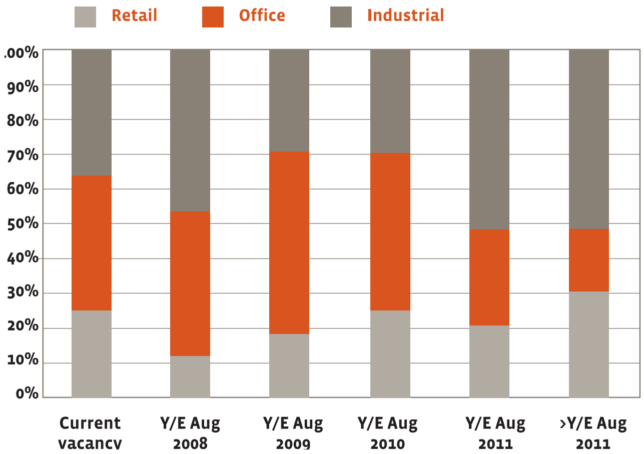
	Retail	Office	Industrial	Total	%
Current vacancy	10 315	15 926	14 685	40 926	4.8
GLA	195 820	292 464	370 073	858 357	
% per sector	5.3	5.4	4.0	4.8	



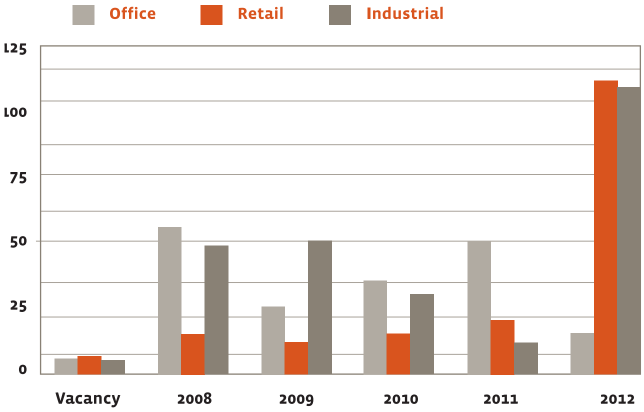
Lease expiry profile

Short-term fluctuations in the markets often cloud the correlation between rental growth and lease expiries since it is common that when leases expire the opportunity arises to positively revert the expiring rental to market levels. Approximately 45.1% of all leases expire in 2012 and beyond.

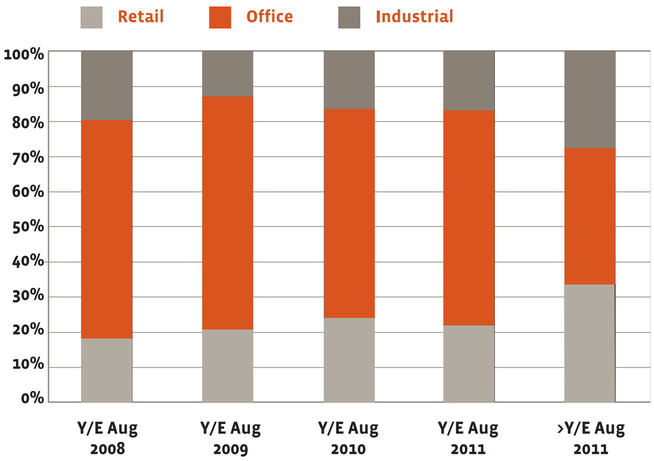
Lease expiry profile by GLA



Lease expiry profile by GLA by sector



Lease expiry profile by Revenue



Tenants

The quality of Redefine's tenants is reflected in the calibre of its largest tenants.

Total portfolio: Largest tenants by GLA (>5 000m²) and revenue				
Tenant	**GLA (m²)**	**GLA as % of portfolio**	**Revenue per month (R000)**	**Revenue as % of portfolio**
Pepkor Retail Limited	41 170	4.8	1 064	2.3
DHL Global Forwarding SA (Pty) Ltd	32 391	3.8	960	2.1
Standard Bank of SA Ltd	30 524	3.6	2 050	4.4
Pick n Pay Stores	29 833	3.5	1 080	2.3
Africa Glass SA Holdings Limited	24 579	2.9	814	1.8
The Courier and Freight Group (Pty) Ltd XPS	17 913	2.1	401	0.9
Kintetsu World Express South Africa	17 899	2.1	474	1.0
Shoprite Checkers (Pty) Ltd	17 446	2.0	451	1.0
Unitrans Motors (Pty) Ltd	17 025	2.0	934	2.0
Laser Logistics (Pty) Ltd	15 835	1.8	337	0.7
Vodacom (Pty) Ltd	14 559	1.7	1 959	4.2
Alexander Forbes Group (Pty) Ltd	14 270	1.7	1 918	4.2
Telkom (Pty) Ltd	13 966	1.6	1 110	2.4
Avroy Shlain Cosmetics (Pty) Ltd	12 448	1.5	698	1.5
Absa Bank Limited	11 585	1.3	1 722	3.7
Mauffzail Skudowitz & Partner	8 110	0.9	623	1.4
Adams & Adams	7 742	0.9	619	1.3
Sasol	7 332	0.9	621	1.3
Fusion Outsourcing Services (Pty) Ltd	7 181	0.8	940	2.0
Discovery Health	7 082	0.8	733	1.6
Masstores (Pty) Ltd T/a Game	6 531	0.8	333	0.7
Accenture (SA) (Pty) Ltd	6 388	0.7	749	1.7
Group M Media South Africa	5 903	0.7	369	0.9
More Sport (Pty) Ltd	5 045	0.5	327	0.8
Total	**372 758**	**43.4**	**21 286**	**46.2**
Total Portfolio	**858 357**		**46 113**	

Acquisitions and disposals – direct property

Redefine continually seeks to acquire income enhancing properties in the prime metropolitan centres and growth nodes around South Africa.

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.

Acquisitions			
Building name	**Effective date**	**GLA (m²)**	**Purchase price (R000)**
45 & 46 City Deep	31 March 2008	13 407	47 206
28 Marine Drive	23 April 2008	6 824	36 851
30 Marine Drive	23 April 2008	2 887	12 969
1 Paarden Eiland Road	23 April 2008	4 330	21 900
101 Dock Road	13 August 2008	-	52 483
Total			**171 409**
Disposals			
Building name	**Date transferred**	**GLA (m²)**	**Selling price (R000)**
Standard Bank Rosebank	27 June 2008	4 191	50 000
Old Oak Centre	7 January 2008	2 535	17 500
Shoprite Strand	10 April 2008	2 517	6 750
Shoprite Vredenburg	10 April 2008	3 441	10 200
Total			**84 450**

Realising market value

Listed securities portfolio

Redefine was formed as a property fund which invests in both direct properties and listed property securities. Redefine's investment strategy is to invest in direct property and listed property securities when opportune.

As a leading listed property company itself, Redefine is best positioned to make prudent and rewarding investments in other listed property companies, due to its in-depth understanding of market dynamics.

From the outset, Redefine sought to establish strategic holdings in certain securities and to acquire other securities on an opportunistic basis.

In general, corporate action within the listed property sector is supported where it is of benefit to 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 by being innovative and proactive in initiating much of the activity within the sector.

A major benefit to Redefine unitholders is the flexibility to take advantage of market movements in the property sector should there be a change in strategy or when appropriate opportunities arise.

Composition

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 distributed as trading revenue. The entire listed securities portfolio is re-valued monthly based on the market value of the securities net of any distributions declared and not yet received.

Listed securities portfolio as at 31 August 2008

	Type	Number of units	Total units in issue	% held	% of portfolio	At value (R000)
Hyprop Investments Limited	PLS	48 518 688	166 113 169	29.20	48.0	1 926 192
ApexHi Properties Limited - "B"	PLS	44 389 841	284 592114	15.60	19.4	784 409
CIREF Limited	Other	20 236 072	73 324 751	27.60	9.2	367 291
Vukile Property Fund Limited	PLS	32 817 271	295 550 880	11.10	7.8	312 092
ApexHi Properties Limited - "A"	PLS	16 208 736	284 592 114	5.70	6.4	255 571
Ambit Properties Limited	PLS	46 660 824	487 555 691	9.60	4.2	167 979
Sycom Property Fund	PUT	6 530 673	20 107 471	3.20	2.	115 593
ApexHi Properties Limited - "C"	PLS	9 278 266	284 592 114	3.30	2.1	82 565

Core counters

Ambit Properties Limited

Ambit is a property loan stock with a R2 billion portfolio of which retail assets comprise 57%. The company's lesser quality portfolio and smaller size means the company often trades at a discount to the market.

ApexHi Properties Limited

ApexHi is a property loan stock with 47% of its revenue from retail properties, 40% from offices and the balance from industrial properties. The company provides investors with varying risk profiles in which to invest through its A, B and C units. The A units offer the most security, however the growth in distribution in the short term is limited. The B units have reached their peak distribution growth, while the C units offer high growth in the short term. ApexHi's strategy is to invest in properties in secondary locations but with good tenants and sustainable cash flows.

CIREF

CIREF is a Jersey registered closed-ended property investment and development company. It invests in commercial real estate primarily in the United Kingdom and Europe, with a focus on retail and commercial assets. CIREF is listed on the London Stock Exchange's AIM with a market capitalisation of approximately £65 million and total assets of more than £200 million. This investment has the benefit of providing a hedge against Rand weakness. Over the past 12 months, Redefine has continued to increase its stake in CIREF by acquiring a further 10.6m units for R237 milion.

Hyprop Investments Limited

Hyprop specialises in prime retail including Canal Walk (80%), The Glen (75%), Hyde Park Centre and The Mall of Rosebank. This property loan stock's combination of regional and super-regional shopping centres makes its portfolio one of the best in terms of quality and resilience.

Sycom Property Fund

Sycom is a property unit trust with a portfolio of office and retail properties situated in Johannesburg and the Western Cape. Some of its landmark assets include the Discovery building in Sandton, Woodlands Office Park in Woodmead, Southgate Mall and Somerset Mall.

Hyprop has the right of first refusal to acquire the balance of Redefine's seven million Sycom units.

Vukile Property Fund

Vukile is a medium sized property loan stock concentrated on retail.

Performance

Using Bloomberg's consensus forecasts, the listed securities portfolio, as at 31 August 2008, is trading at a weighted average forward yield of 9.4%. Distributions from the listed securities portfolio are expected to grow by 10.3% on a 12-month rolled basis.

Investments in listed property securities expose Redefine to market risk. Although price fluctuations will not interrupt distributable earnings, a decrease in value reduces Redefine's net asset value.

The five-year forecast weighted distributions for each investment, including adjustments made to Bloomberg consensus forecasts for timing differences, are:

Forecast income from investments (cpu)

	2008f	**2009f**	**2010f**	**2011f**	**2012f**
Ambit	35.4	39.4	42.3	45.7	50.2
ApexHi A	135.3	139.1	148.8	162.7	178.5
ApexHi B	165.3	169.7	181.9	198.9	218.2
ApexHi C	44.7	75.0	83.2	90.4	99.2
CIREF	93.6	101.2	109.4	118.7	130.2
Hyprop	294.8	328.7	362.0	393.1	431.3
Sycom	144.4	158.9	173.8	187.1	205.1
Vukile	94.7	100.3	105.8	110.0	120.4

Source: Company data

Acquisitions and disposals

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

As is the case with the direct property portfolio, 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.

Acquisitions	**Number of units**	**Cost (R000)**
CIREF Limited	10 625 000	236 876
Hyprop Investments Limited	7 218 459	335 658
Total		572 534
Disposals	**Number of units**	**Net Proceeds (R000)**
Sycom	18 530 402	344 229
		344 229

Securing opportunities

Developments

Redefine has a number of developments in progress and also has a substantial development pipeline. All developments require the approval of the Investment Committee. Any development above the mandate threshold of the Investment Committee requires full Board approval.

The services of highly skilled developers are utilised for these projects. Where an opportunity is presented that is suitable to Redefine and which involves a joint venture partner, such opportunities are actively pursued.

There are two categories of developments in which Redefine is involved, namely developments for long term investment and developments for trading.

Developments for investment are commercial, retail or 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.

Redefine may purchase select tracts of strategic land that offer outstanding opportunity to hold for future development, and all holding expenses are capitalised to the cost of land. Such land "banking" is only considered where it is the unanimous decision of the Investment Committee. This is limited to a maximum of 5% of the value of the total direct property portfolio.

As with the investment property portfolio, vacant land is re-valued annually and the increase or decrease in value applied to non-distributable reserves.

Developments completed during the financial year to 31 August 2008							
Development	**Location**	**% owned**	**GLA (m²)**	**Development Cost to 31 August 2008**	**Initial Yield (%)**	**Completion Date**	**% Let**
Industrial							
Pepkor Isando	Isando	100	40 438	101 732 118	12.0	Nov 07	100
Berg River Park	Paarl	100	36 518	68 727 004	11.0	Aug 08	80
CTX Business Park 1	Airport CT	100	9 036	44 694 433	9.7	Feb-08	75
Platinum Park 3	Montague Gardens	100	2 515	9 688 423	10.8	Feb-08	100
Spearhead Business Park 4	Montague Gardens	100	495	3 232 998	10.6	Feb-08	0
Offices							
Convention Tower	Cape Town Foreshore	100	17 223	245 625 511	10.9	Mar-08	98
Heron Place	Century City	100	4 722	60 304 378	9.6	Mar-08	0
Knowledge Park 3	Century City	100	3 757	42 025 840	9.3	Aug 08	30
Retail							
China Town	Ottery	100	8 276	51 975 383	9.0	Jul-08	95
Sable Square 2	Century City	100	8 900	110 409 630	7.5	Aug-08	57
Total completed developments		**131 880**	**738 415 718**				

Pepkor Isando
This 40 000m² distribution warehouse is located in Isando close to the OR Tambo International Airport and is the regional distribution hub for Pepkor. There is an office component of approximately 200m² and the entire facility is a state of the art building with an aggregate eaves height of 11 metres. The development was managed by Madison on land owned by Redefine.

Berg River Business Park
Located in Paarl in the Western Cape, Berg River Business Park is a new high security industrial park. In fact it is the town's first fully secure industrial park. Redefine purchased the 36 000m² property and has redeveloped the buildings to create an attractive industrial park which is already substantially let. With enough power to power most of Paarl alone, the multi-use, secure business park is well located in an established industrial node.

CTX Freight Park Phase 1
Superbly located adjacent to Cape Town International Airport, CTX Freight Park site fronts on to Borcherds Quarry Road and faces the airport terminal buildings, with access provided from Freight Road. The total development will comprises 19 580m² of business, warehouse and light industrial space. The first phase comprises a total 9 036m² of floor space in five blocks. CTX Business Park has secured its position as a landmark location for freight forwarders, transport companies and others concerned with the distribution and storage of air cargo.

Platinum Park 3
This "greenfield" development is an expansion of Platinum Park which fronts onto Platinum Crescent. The front portion has been developed into additional warehouse space and the back vacant portion of this subdivided property is leased to the tenant of the first phase for parking. There is very strong demand for this property type in the area.

Spearhead Business Park 4
This project entailed the construction of the retail component of Spearhead Business Park. It is an expansion of the property on the final portion of undeveloped land measuring approximately 1 400 m² in extent. The development is flanked by a petrol station and the existing retail component.

Convention Tower
This 17 223m² landmark office tower stands at the gateway to the Cape Town city centre alongside the Cape Town International Convention Centre. Situated in the heart of the new financial district, Convention Tower offers world-class design, technology and connectivity at Cape Town's number one business address. Reflecting the quality of this development are the record rentals which have been achieved.

Heron Place
This superior-grade office and retail building is superbly located in Century City, Cape Town. The 4 722m² building spans four storeys which include 500m² ground floor retail, 4 222m² A grade offices and dedicated secure parking with direct building access at a ratio in excess of four bays per 100m². Designed by award-

winning architect Marc Harries, Heron Place provides modern office space with an external walkway overlooking a central courtyard and spectacular views of Table Mountain, Intaka Island, the 16ha wetlands conservation area rich in birdlife and indigenous flora. Its location on the high exposure corner of Heron Road and Century Boulevard provides easy access and egress from Century City which is situated centrally to Cape Town and on the major N1 Highway. The building is currently vacant but there have been numerous enquiries as the building lends itself to a single tenant or to be divided into suites.

Knowledge Park 3

The third and final stage of this successful office development located in the heart of Century City, Cape Town, offers 3 500m² of AAA grade office space in a two-storey building with basement parking on its western side. The design is bold, modern, and colourful with bold cubistic façade shapes, similar to the avant-garde treatment specified by architects Maas and Coetzee for Knowledge Park 1 and 2.

China City

This retail centre adjoins the Ottery Hypermarket in Cape Town and has been designed to accommodate tenants who offer predominantly Chinese products for sale. A consortium holds the lease over the entire centre which comprises approximately 7 500m² of gross lettable area, and is made up of 48 retail units varying from 50m² to 200m², all of which have been let. China City has been built diagonally opposite Pick 'n Pay's Ottery Hypermarket, a building also owned by Redefine. Areas within easy access of Redefine's new centre include Philippi, Landsdowne, Claremont and Wynberg. China City is readily accessible by buses, taxis, and cars.

Sable Square 2

Phase 2 adds approximately 12 000m² of retail to the existing phase 1 which is anchored by Pick 'n Pay and Clicks.

Tenants include Mr Price , Toy Zone and Baby City, which together anchor the fully-let second phase of Sable Square. Sable Square is located near Century City in Cape Town and forms part of the vibrant West Coast corridor, which is the fastest growing residential area in South Africa.

Developments in progress as at 31 August 2008

Development	Location	% owned	GLA (m^2)	Projected Development Cost	Initial Yield	Expected Completion Date	Let (%)	Complete (%)
Gauteng								
Retail								
Festival Town Square	Kempton Park	100	19 593	196 254 349	9.7	Oct-09	56	5
Total current developments			**19 593**	**196 254 349**	**9.7**			

Festival Town Square

Situated in the heart of Kempton Park's prime shopping node, Festival Town Square is located opposite the established, highly successful 67 000m^2 regional retail centre Festival Mall. The proposed development of 19 593m^2 of well-designed shopping convenience, arises from research reflecting a very strong middle-class demographic located within the direct catchment of Festival Town Square in Kempton Park, in Gauteng. Festival Town Square is anticipated to be anchored by a flagship 2 500m^2 Spar and supported by a mix of convenience and service-related shops. Inspired by Festival Town Square's stylish design and quality finishes this centre will encourage interaction through its coffee shops and restaurants. A draw card for the house-proud is the comprehensive Builders Warehouse of 8 000m^2 that will offer complete home improvement and DIY variety.

Development Pipeline

Development	Location	% owned	GLA (m^2)	Projected Total Development Cost (R000)	Expected Initial Yield (%)	Expected Completion Date	Let (%)
Western Cape							
Industrial							
CTX Business Park 2 (Industrial)	Airport CT	100	2 307		10.0		0
Mixed use							
Annandale Land – investment and trading	Annandale	25	277 000	1 250 000	10.0		0
Offices							
Dock Road	Foreshore	50	25 000	650 000	10.0	Aug-10	0
Gauteng							
Retail							
Little Falls Retail Centre	Roodepoort	100	27 000		10.0		0
Namibia							
Mixed use							
Freedom Square Phase 1	Windhoek	51	33 000	165 000	20.5	June-11	

Trading Developments

Development	Location	% owned	GLA (m^2)	Projected Total Development Cost (R000)	Projected profit (%)	Expected Completion Date	Sold (%)
Western Cape							
Residential							
Upper East Side 2	Woodstock	50	19 456	270 469	13.8	May-10	46
Offices							
Newmarket & Buchanan	Woodstock	50	27 837	180 464	23.8	Feb-09	10

Property trading income

In addition to developments for investment purposes, the company engages in development for trading purposes.

Trading strategy

Trading developments are not restricted to commercial, retail or industrial properties and residential development is undertaken by Redefine on a limited basis.

All trading opportunities are subjected to rigorous analysis and, as with all projects, require Investment Committee approval. It should be emphasised that trading opportunities will remain a small part of Redefine's activity and revenue from these will not exceed 5% of Redefine's operating revenue.

Of note is that the pipeline of trading developments is sustainable for at least five years.

Redefine will continue to secure trading opportunities on a very select basis to ensure that trading revenue continues into the future or until such time as the Board changes this strategy.

Wide open thinking

Investments outside South Africa

Redefine has expanded its horizons with increased investment outside the borders of South Africa

This is the realisation of a decision to invest in select offshore investments when appropriate opportunities arise. This was predicated on an investment strategy that seeks to diversify risk not only within the context of the South African property sector but by offshore diversification.

The criteria for Redefine's offshore investment have been stringently established by the Board of Directors and are governed by South African Exchange Control regulations. The Board takes cognisance of the following:

1. Management
Since there is limited intervention by Redefine management in the operation 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 ensure that the expected standards are being maintained and that the investment is suitable.

3. Sustainability of income
A "low risk" approach to foreign investment is pursued 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, 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.

CIREF Limited

Redefine's initial off-shore investment was through CIREF Limited, a company which is listed on the London Stock Exchange's AIM. The senior management of CIREF is well known to Redefine and their track record is notably good.

The investment in CIREF has been vindicated by the robust returns achieved to date, the diversification that was sought and the growth of the company through effective management.

Freedom Plaza, Namibia

Redefine has acquired the major shareholding, in partnership with Namibian company, United Africa Group, in a proposed R2 billion mixed-used development in Windhoek to be called Freedom Plaza. This will be the first and largest development of its kind in Namibia. This prime 80 000m² precinct will be developed by Madison together with Swish Properties.

Freedom Plaza will comprise four premium-grade office towers, a 6-star boutique African Pride Hotel, a 4-star Hotel for the Arabella Starwood Group, three residential apartment blocks including lofts and penthouses, and convenient retail to meet the everyday needs of residents, employees and visitors. The five year project will culminate in two hotels with 350 rooms combined, 8 000m² of retail floor space, 180 residential units, 35 000m² of office space and 2 000 parking bays, with the public space linking all these facilities.

This will be underpinned by a three-level super-basement which provides secure, covered parking. Retail will be conveniently located at street level on the tiered shopping podium.

A third of Freedom Plaza will be dedicated to community facilities including an important bus terminus served by the main public transport routes, tourism kiosk, craft market, taxi rank, pedestrian walkways and public squares. In addition, it will be an asset to the business community with convention, conference, presentation and meeting facilities.

The first phase of Freedom Plaza is due to commence in January 2009 and will comprise an impressive 32 000m² including an hotel and offices. It is anticipated to take two years to complete.

Freedom Plaza represents an exciting opportunity for Redefine to expand its investment into Namibia and will enhance the property portfolio and contribute to growing income returns.

Safety in numbers

Management of debt

In an environment of increased interest rates, restricted access to finance which is being experienced globally, debt management is an important focus.

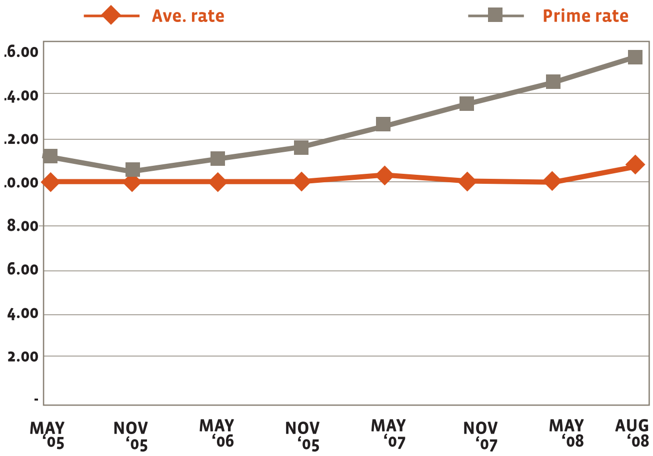
Redefine has longstanding relationships with the leading banks and is well rated so that access to funding to facilitate growth is available albeit at an increased cost.

A substantial portion of borrowings are fixed for long periods, and as a result fluctuations in interest rates have a minimal impact on cost of financing.

Redefine continually assesses its debt and constantly monitors the pulse of the debt markets to identify opportunities to lower finance costs wherever possible.

This approach is essential in the current uncertain and volatile interest rate environment.

Redefine's average rate vs prime interest rate



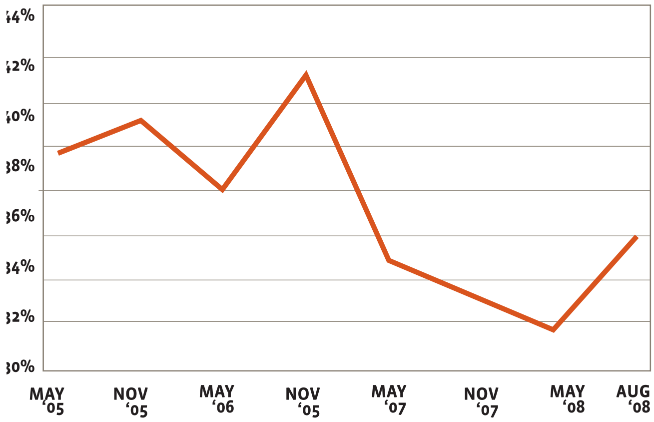
Gearing

Limit

The Board has imposed a limit on gearing of 45% of total assets. Despite the fact that the debenture trust deed does not limit gearing, this limit was set in order to ensure that Redefine is not exposed to high levels of debt in the event that interest rates increase but, at the same time, allowing the flexibility to utilise debt when opportune and where the prudent use of debt will be to our advantage.

Current gearing at a comfortable level of 35.2% is well within the limit imposed by the Board.

Loan to value ratio



Position at 31 August 2008

Redefine's total debt at 31 August 2008 was R3.679 billion of which approximately R3,499 billion is directly incurred by Redefine and R180 million is in respect of various joint venture development projects.

Of the R3,499 billion of direct debt, 72% is fixed for an average period of seven years at an average rate of 9.3% inclusive of all costs. The average rate in respect of total debt is 10.5% inclusive of all costs.

Activity during the year

The proceeds of an issue of 80 million linked units to BEE unitholders amounted to R548 million. This was utilised to repay debt. A large proportion of the Spearhead debt that was in place at the time of acquisition of Spearhead was repaid. The aggregate interest savings achieved as a result is approximately R2.7 million per annum.

Additional expertise

Redefine utilizes the expertise of an external consultant, Vunani Resources Limited, and, as a result of Vunani's recommendations, R515 million of existing short term debt was extended by an average of a further nine and a half years, resulting in an aggregate saving of approximately R8.2 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.

Gearing strategy

Redefine will continue to manage gearing in the most innovative manner and when appropriate, alternative methods of funding will be considered.

A portion of the floating debt is in respect of development projects and once these projects are completed, long-term fixed-rate debt will replace the floating debt.

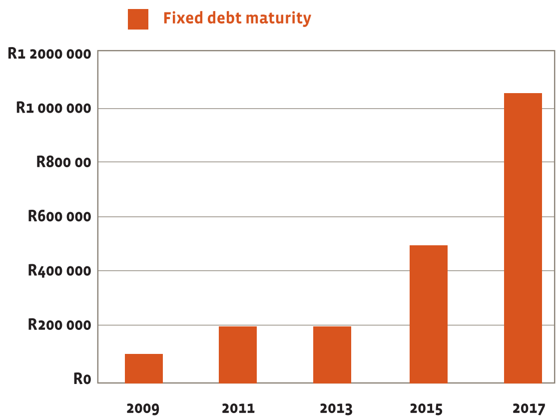
Average cost of finance

Fixed rate debt	Rate NACM (%)	Loan (R000)	Average Rate (%)
Debt capital market:			
5 years ending 1 July 2013	10.56	200 000	
10 years ending 1 July 2017	8.95	200 000	
10 years ending 1 July 2017	9.17	400 000	
Total debt capital market		**800,000**	**9.46**
Standard Bank:			
10 years ending 1 July 2015	10.07	500 000	
10 years ending 26 April 2017	9.69	451 249	
Total Standard Bank		**951 249**	**9.89**
Absa			
5 years ending 1 December 2011	9.81	200 000	
Total Absa		**200 000**	**9.81**
Sanlam			
3 years ending January 2009	8.24	100 000	
Total Sanlam		**100 000**	**8.24**
Standard Finance (Isle of Man)			
Principal amount 7 633 535 GBP	6.70	107 822	
Principal amount 13 699 893 GBP	7.46	193 679	
		301 501	**7.19**
Interest rate swaps			
Terminates 10 February 2010	7.83	50 000	
Terminates 25 July 2011	8.89	50 000	
Terminates 21 April 2010	8.52	50 000	
Total interest rate swaps		**150 000**	**8.41**
Total fixed debt		**2 502 750**	**9.27**

Floating rate debt			
Debt capital market			
Floating	13.32	71 200	
Total debt capital market		71 200	13.32
Standard Bank			
Floating	13.30	563 600	
Total Standard Bank		563 600	13.30
Nedbank:			
Floating	13.85	6 193	
Floating	14.00	606	
Floating	13.55	6 976	
Floating	14.00	455	
Floating	13.55	8 197	
Floating	14.00	7 001	
Total Nedbank		29 428	13.74
Absa			
Floating	13.50	49 800	
Floating	14.00	54 194	
Floating	14.00	230 000	
Total Absa		333 994	13.93
RMB:			
Floating	13.75	74 947	
Floating	13.67	31 156	
Floating	14.00	30 612	
Floating	14.00	6 173	
Floating	14.00	5 200	
Total RMB		148 088	13.80
Floating debt		**1 146 310**	**13.56**
Less: Interest rate swaps		**150 000**	
Total floating debt		**996 310**	**13.56**
Total debt (Outward and Spearhead)		**3 499 060**	**10.49**

Fixed Debt Maturity	Amount	Weighted Average Rate (%)
2009	100 000	8.24
2010		
2011	200 000	9.81
2012		
2013	200 000	10.56
2014		
2015	500 000	10.07
2016		
2017	1 051 249	9.35
Total	**2 051 249**	**9.64**

Fixed debt maturity



Fitch rating

Based on its ability to both service debt and repay capital, Redefine retained its 'A-minus' rating on its senior secured debt by international rating agency Fitch Ratings. This denotes a strong credit risk relative to other issuers or issues in the South African market.

Exchange

Linked units

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

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

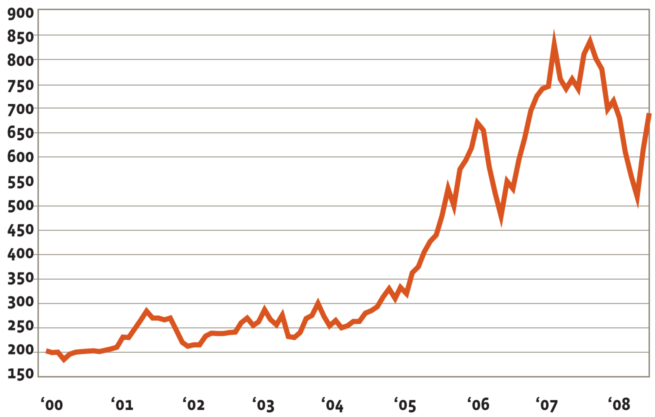
Linked unit price

Over the 12 months from 1 September 2007 to 31 August 2008, Redefine's linked unit price has fluctuated considerably in line with the movements of the sector. Below are the statistics that highlight the movement:

	Cents per linked unit ("cpu")
High for the year – 7 November 2007	859
Low for the year – 4 July 2008	509
Percentage fluctuation	(40.75)

Since listing in February 2000, the highest price that a Redefine linked unit reached was 859 cpu on 7 November 2007 and the lowest was 185 cpu on 31 May 2000.

Ruling price – listing to August 2008



Liquidity

The annual volume of Redefine's linked units traded is consistently high and is generally in line with or exceeds the property loan stock sector average. Liquidity is currently 33.1%, compared with 36.9% in the prior year.

The table below sets out Redefine's trading activity for the year:

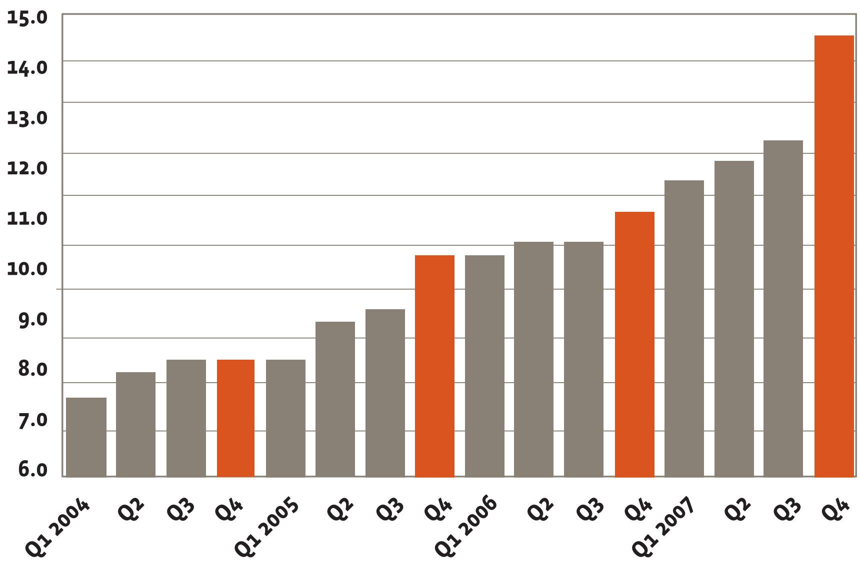
	Weighted average price	Volume of linked units traded	Total value traded (R)
Sep 07	7.52	17 144 926	128 87 454
Oct 07	8.18	22 579 355	184 661 742
Nov 07	8.31	23 553 626	195 618 940
Dec 07	7.89	15 945 111	125 732 550
Jan 08	7.10	22 530 471	159 920 091
Feb 08	7.15	25 495 854	182 173 452
Mar 08	6.65	18 811 415	125 137 900
Apr 08	6.64	14 988 732	99 533 426
May 08	6.10	23 942 819	145 962 617
Jun 08	5.37	16 648 530	89 438 460
Jul 08	5.84	47 533 499	275 945 681
Aug 08	6.37	34 259 347	218 318 054
	6.87	283 433 685	1 931 322 367

Weighted average number of linked units*	856 002 267
Closing price (cpu)	690
Closing market capitalization (R)	6 162 809 085

*Excludes 5 876 770 treasury units

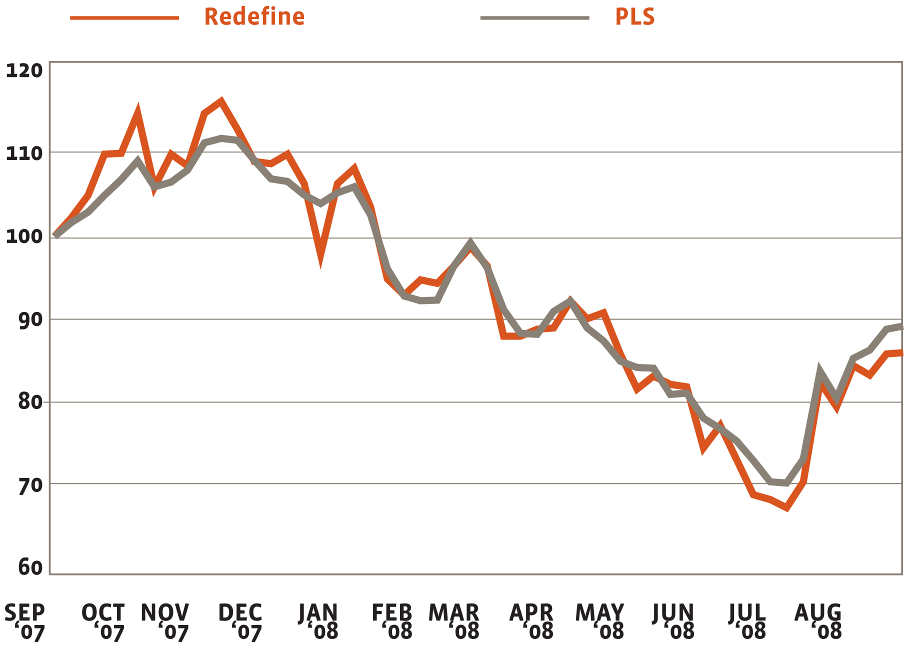
Performance

Redefine's linked unitholders have consistently received distribution growth.

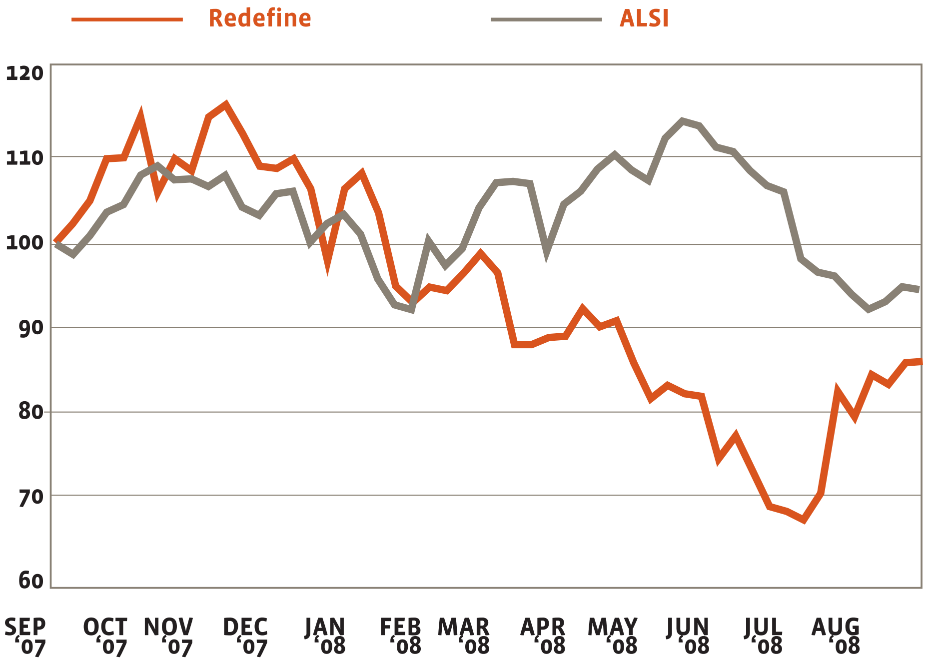


The performance of our linked units is closely correlated to the performance of the PLS Index (J256) as well as to the ALSI (J203) as is evident from the following two graphs:

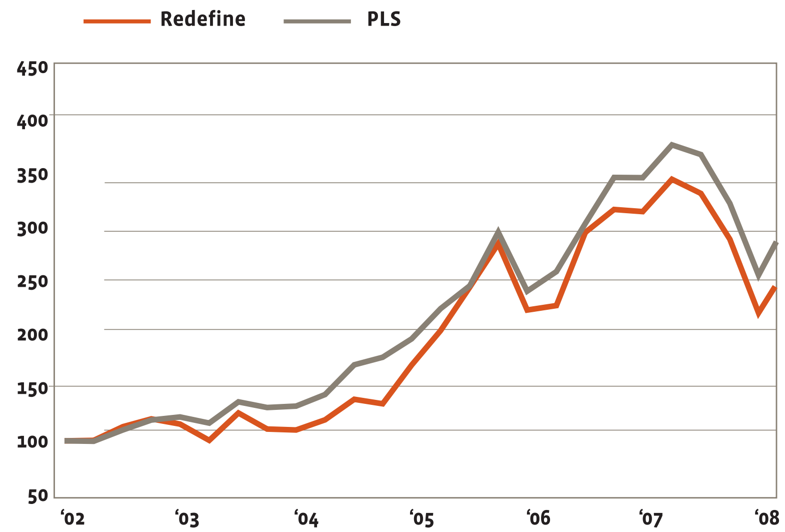
Redefine vs PLS Index (J256) - September 2007 to August 2008



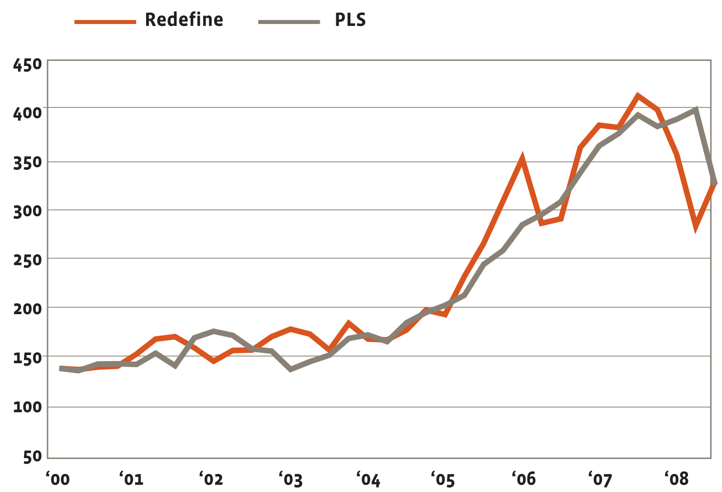
Redefine vs ALSI (J203) – September 2007 to August 2008



Redefine vs PLS Index (J256) - Listing to August 2008



Redefine vs ALSI (J203) – Listing to August 2008



Linked unit analysis

Statistics as at 31 August 2008	
690	Close (cents per linked unit)
859	High for the year (cents per linked unit)
509	Low for the year (cents per linked unit)
6 162 809	Closing market capitalisation (R000)
893 161	Closing number of linked units in issue* (000)
856 002	Weighted average number of linked units* (000)
283 434	Volume of linked units traded during the year (000)
1 931 322	Total value of transactions for the year (R000)
33.1%	Volume traded to weighted number of linked units
*Excludes 5 876 770 treasury units	

Linked unitholders

	Number of unit holders	%	Number of units held	%
1 - 990	1 192	15.09	376 877	0.04
1 000 -9 999	3 471	43.96	14 427 996	1.60
10 000 - 99 000	2 675	33.88	74 519 589	8.29
100 000 - 999 999	453	5.74	128 664 852	14.31
1 000 000 & over	105	1.33	681 048 197	75.76
	7 896	100.00	899 037 511	100.00
NON-PUBLIC				
Directors	3	0.04	382 519	0.04
Unitholders holding 10% or more of the issued linked units	3	0.04	338 487 804	37.65
PUBLIC	7 890	99.92	560 167 188	62.31
TOTAL	**7 896**	**100.00**	**899 037 511**	**100.00**

Major fund managers

Rank	Fund Manager	Holding (%)	Units held
1	Stanlib Asset Management	13.56	121 941 392
2	Old Mutual Investment Group (SA)	13.04	117 221 854
3	Investec Asset Management	13.56	121 903 977
4	Prudential Portfolio Managers	3.93	35 370 125
5	Public investment corporation	3.19	28 696 390
6	Prescient Investment Management	2.98	26 751 069
7	Marriot Asset Management	2.80	25 164 099
8	Rand Merchant Bank Asset Management	2.54	22 808 830
9	Catalyst Fund Managers	2.53	22 714 314
10	BOE Private Clients	1.13	10 149 325
		59.26	**532 721 375**

Major unitholders

Rank	Name	Holding (%)	Units held
1	Old Mutual Group	11.79	105 982 165
2	Cape Gannet Properties 261 (Pty) Ltd	8.90	80 000 000
3	Stanlib Group	7.70	69 227 351
4	Standard Bank Group Retirement Fund	7.54	67 766 890
5	Investec	5.66	50 926 327
6	Transnet Funds	3.31	29 796 850
7	Investment Solutions	3.28	29 510 811
8	Public Investment Corporation	3.19	28 696 390
9	Liberty	2.91	26 177 989
10	Ngatana Property Investments (Pty) Ltd	2.78	24 998 859
		57.06	**513 083 632**

Cape Gannet Properties 261 (Pty) Ltd is the entity housing the units issued for the BEE transaction.

Category breakdown

Rank	Name	Holding (%)	Units held
1	Unit Trust / Mutual Funds	25.65	230 578 991
2	Pension & Provident Funds	12.32	110 751 912
3	Assurance Company	11.45	102 973 205
4	Retail Shareholders	8.99	80 831 417
5	Private Company	6.58	59 128 434
6	Public Company	6.11	54 902 656
7	Trust	5.13	46 076 551
8	Multi Managed Fund	4.55	40 905 630
9	Organ of State	3.19	28 696 390
10	Scrip Lending	1.14	10 269 168
11	Foundations & Charitable Funds	1.13	10 129 188
12	Investment Partnership	0.91	8 184 401
13	Close Corporation	0.72	6 462 687
14	Custodian	0.47	4 242 879
15	Insurance Company	0.41	3 700 703
16	Stockbroker & Nominees	0.29	2 599 708
17	Medical Aid Funds	0.18	1 723 499
18	Unclaimed Scrip	0.00	7 678
19	Hedge Fund	0.00	0
	Dematerialised holding total	89.22	802 165 097
	Certificated total	10.78	96 872 414
	Issued linked unit capital	**100.00**	**899 037 511**
	Holdings of offshore investors	**1.44**	**12 946 140**

Opening doors to empowerment

Black Economic Empowerment (BEE)

Redefine is committed to implementing the Department of Trade and Industry Codes of Good Practice and is making headway in achieving the goals set out in the Codes.

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 DTI, put pressure on those industries and companies who have not yet implemented procedures which will lead to transformation to adopt the Codes and in certain industries, industry specific charters for transformation. Within the property sector, this is encompassed in the Property Sector Transformation Charter.

The Property Sector Transformation Charter requires that over a five year period, 25% of the total equity of property companies is to be owned by black investors.

BEE ownership

BEE unitholding

	Excluding Mandated Investments	**Including Mandated Investments**
	August 08	**August 08**
Units held by BEE Holders	119 716 390	146 743 324
Percentage held by BEE Holders	23.44%	16.86%
Number of BEE Retail Holders	946	946
Unit held by BEE Retail Holders	8 126 128	8 126 128
Categories of holders		
Companies	110 293 404	110 293 404
Insurance Companies	0	0
Assurance Companies	0	288 787
Pension & Provident Funds	0	11 795 349
Other Funds	0	14 942 799
Retail Shareholders	8 126 128	8 126 128
Trusts	1 296 858	1 296 858
Totals	119 716 390	146 743 324

In line with the current best practice in application of the Codes, mutual funds and unit trusts can no longer be taken into account when analysing the BEE linked unit holding. However mutual funds and unit trusts are still regarded as mandated investments and can therefore be deducted from the denominator when calculating the overall BEE score.

In light of the above and using the including mandated methodology, the overall BEE unit holding as at August 2008 including Mandated holdings are 146 743 324 units or 16.86% as compared to the BEE score of 9.84% or 77 778 784 units in December 2007.

The BEE unit holding at August 2008 using the excluding mandated methodology is 119,716,390 units or 23.44% as compared to 11.54% or 53 403 212 units in December 2007.

There are 946 Historically Disadvantaged Individuals (HDI's) on the register of which 325 are females. The total HDI female holding as at 31 August 2008 is 2 134 148 units.

The definition of BEE ownership as shown in this report incorporates both voting and economic interest.

Pension funds (as defined in the Pension Funds Act 1956) and collective investments (as defined in the Collective Investments Schemes Control Act 2002) are listed as examples of "mandated investments" (see Annex 100(A) of Statement 100). When analysing the indirect ownership through a mandated investment the "flow-through principle" as set out in paragraph 3.2 of Statement 100 should be applied.

In the case of Redefine Income Fund Limited, the percentage of units that fall into the Mandated Investment category is 54.37% of the total issued units.

The exclusion and inclusion approaches can be summed up as:

Inclusion:
Black units held via Mandated Investment plus Other Black units (e.g. retail) divided by Share Total minus any Government Units

Exclusion:
All Black units [except those in the form of Mandated Investments] divided by Unit Total minus Number of Units held through Mandated Investments (up to a maximum of 40% of the Unit Total) minus any Government Unit.

Broad-Based Black Economic Empowerment

On 11 October 2007 Redefine gave effect to a B-BBEE transaction which resulted in just under 10%, or 80 million, of the issued linked units in Redefine being issued to B-BBEE parties.

This equity transaction is an integral part of a commitment to Black Economic Empowerment and is a first major step in actively introducing B-BBEE empowerment on an ownership level. Together with these B-BBEE partners, Redefine is extremely proud of the results.

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

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 economic cost of the transaction was 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. 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 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 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, and 32 million will be issued to broad based empowerment partners.

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 are entitled to all voting rights attaching to the BEE units from 18 February 2008 (the date on which the units were issued to them). They will not be entitled to dispose of the BEE units for a period of seven years from issue.

The transaction was approved by Redefine linked unitholders on 14 November 2007.

Redefine views the broad-based empowerment element of this transaction as part of the company's corporate social responsibility. In addition to ensuring the sustainability of community development projects and empowerment initiatives, it opens doors to property ownership and participation in the property sector.

Strategic BEE investors

Ngatana Property Investments which acquired 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, communication, technology and shipping industries, through his company Amistad. Other participants in Ngatana include the family of Dines Gihwala, current chairman of Redefine and chairman of Cliffe Dekker Hofmeyr Inc, Inkari Basadi, a black women's investment group, Sakhikamva, an NGO investment group, Prescient Foundation and a group of black professionals.

Mtshobela Capital Holdings. Abu Varachhia, who is a director and shareholder of Mtshobela Capital Holdings, is 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 to be black-owned. Mtshobela Capital Holdings was allocated 10% of the allotment.

Vunani Group which (via a wholly owned subsidiary) acquired 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, took up 10% of the allocation. It 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 14 years experience in property asset management, development and property management.

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's initiatives include tourism, business processing and outsourcing, youth outreach programs which are geared towards stimulating entrepreneurship, career development and mentorship, HIV/AIDS support groups, life skills, community policing forum, 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 NGO 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). It has over 10 000 previously disadvantaged beneficiaries (comprising caregivers, HIV aids patients, orphans and other vulnerable children, youth and 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.

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 established two Enterprise Development Initiatives, which have been combined into a single entity, in which suitable partners were secured and new companies formed with the partners having the majority ownership of 51% with Redefine owning 49%.

Redefine's enterprise development partners are:

- Dijalo Property Services, a wholly black-owned property company;
- Mergence Africa Properties (Pty) Ltd, a substantially black-owned company.

In both cases, Redefine 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 successfully launching the business.

By disposing of a number of its properties to Dipula, the enterprise development undertaken together with Dijalo, Redefine has facilitated increased property ownership amongst black people.

The combined property portfolio of the enterprise development initiatives is set out below.

	m²			
Province	**Industrial**	**Offices**	**Retail**	**Total**
Eastern Cape		5 104	3 773	8 877
Free State	2 218	7 736	11 246	21 200
Gauteng	51 911	58 319	103 653	213 882
Kwa Zulu Natal			19 677	19 677
Limpopo			6 757	6 757
Mpumalanga		13 929	6 397	20 326
North West Province		1 317	9 385	10 702
Northern Cape			1 937	1 937
Western Cape	22 052			22 052
Total GLA m²	**76 181**	**86 405**	**162 825**	**325 410**

The ultimate intention is for these companies to grow towards a critical mass. 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 has taken place. Skills transfer, together with management and business development are all key areas for enterprise development in terms of the Charter.

The total investment in these associates at 31 August 2008 was R140 million.

Empowerment rating

Redefine has contracted Empowerdex (Pty) Ltd, a well known 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.

Empowerdex has acknowledged Redefine as a contributor towards BEE, however Redefine has yet to attain an acceptable weighting due to its specific company structure – with a single employee and high levels of liquidity of Redefine linked units.

Within this context Redefine will continue to enhance its empowerment initiatives and contribution.

Ensuring the future

Sustainability report

Through strategies, operating principles, specialist knowledge, stringent investment criteria and proactive approach, Redefine has put in place a multi-faceted management system to underpin growth and ensure the sustainability of its business.

These are expressed in a clear vision, ethics, governance and values – performance, partnerships, resourcefulness, agility, passion, accountability, transparency, insight and influence.

Principal achievements

During the year, Redefine continued to enhance and expand its focus on sustainability. The areas where this has been achieved the most include:

- Furthering empowerment through ownership in Redefine
- Transferring skills to develop and sustain new enterprises
- Embracing and adopting green building principles
- Improving the quality of our cities
- Upliftment and advancement of individuals
- Corporate social investment

Property for a sustainable South Africa

As an owner of properties which develops, maintains, refurbishes, expands and enhances both its buildings and the areas in which they are located in a responsible manner, Redefine is ensuring the sustainability of our society and our environment.

Supporting of city improvement districts across South Africa
In excess of R2,2 million was contributed to city improvement districts, directly benefitting the neighbourhoods in which Redefine's buildings are located. This includes the Sandton Central Management District, Rosebank Management District, Hatfield City Improvement District, Claremont Improvement District, Wynberg Improvement District, Cape Town Central City Improvement District, Century City Property Owners Association, Epping City Improvement District and Riverside Park Precinct City Improvement District.

Maintenance and improvement of properties
The quality of a property has important impact on the civic life in its immediate area, as well as on that of its neighbouring buildings and the urban fabric. In this regard, Redefine applies the highest standards of maintenance to its buildings, protecting against degredation and decay. Redefine also actively improves its properties to ensure that their quality is sustained over time. In this regard Redefine committed R27,9 million to the maintenance of its properties and invested R169,3 million in improvements to its buildings.

Investing in our environment

Redefine is committed to sound environmental principles and management. This is acheived by minimising impact on the natural environment and through responsible utilisation of natural resources.

Undertaking new property developments which apply green building principles and technologies
Redefine is committed to green building principles by adopting and applying green building design and technologies to new property developments. New developments which prominently feature extensive green building elements are Upper East Side and Convention Tower.

Retrofitting buildings to increase efficiencies
Considered a major and costly challenge to property owners, converting older buildings to operate in a more energy efficient manner is in progress. Redefine is undertaking the retrofitting of two of the top properties in the portfolio, the Standard Bank Centre in Cape Town and 90 Rivonia Road, Rivonia, Sandton which is occupied by Alexander Forbes. In both of these properties, Redefine has the support of its environmentally sensitive tenants and the retrofits are being undertaken with the input of leaders in the field of energy saving and alternative energy. Property managers Broll, are active members of the Green Building Council of South Africa.

Energy efficiency programmes
In the daily management of buildings, Redefine strives to achieve energy efficiencies wherever possible. Energy saving projects which are being implemented in buildings include:

- Energy efficient lighting
- Timers and sensors for lighting, air conditioning and water heating systems
- Alternative energy options
- Installation and management of power correction systems

Environmental assessments

Environmental impact studies are undertaken with the guidance of leading sources prior to undertaking new developments, where required.

Protecting our heritage

In accordance with the National Heritage Resources Act, Redefine adheres to provisions which have been put in place to recognise and protect South Africa's heritage.

Furthering the empowerment of individuals

Although Redefine has only a single employee, there are a number of ways in which it is empowering and advancing individuals.

Empowering individuals and communities

During the year Redefine gave effect to a B-BBEE transaction which resulted in Broad-Based Black Economic Empowerment parties being issued just under 10%, or 80 million, of the issued linked units in Redefine. The prominent broad- based empowerment element of this transaction is an important part of our role as a good responsible corporate citizen. This equity transaction is an integral part of Redefine's commitment to black economic empowerment. 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.

Training, proficiency development and skills transfer

In addition to corporate social investment, which is focused on education and training, Redefine provides its knowledge and resources to its enterprise development initiative partners to enable valuable skills transfer.

Procurement

Property management is outsourced to Broll Property Group which has received an 'A' empowerment scorecard rating from EmpowerDex and is certified as a Level Four Contributor to empowerment. Broll is 20% owned by Akhona Nalapha Investments.

Redefine's asset management is outsourced to Madison Property Fund Managers of which 9.6% of its linked units are owned by the black-owned and controlled group Clearwater Capital.

Access to knowledge

Knowledge is vital for the growth and development of the property sector in South Africa. In this regard, Redefine is a knowledge innovator and leader in the local market. Redefine embraces a global outlook and is strongly aware of how the world impacts on the company, and how the company influences the world. Through relationships with those in the property and related sectors, Redefine shares its wisdom and has access to cutting-edge information. Furthering this is membership of the South African Property Owners Association (SAPOA), Investment Property Databank (IPD) and the Property Loan Stock Association (PLSA). The CEO, Brian Azizollahoff, is actively involved in engaging the Government, specifically the National Treasury, with regards to issues pertinent to the listed property sector as a whole.

Corporate social investment

Being measured in terms of performance, became the ethos of Redefine's corporate social investment programme in that music education was identified as an area in which Redefine could contribute meaningfully to teaching others to perform to the best of their ability and talent.

Hitting the right note

Redefine continues to enhance its support for sustainable education. Increased funding was committed to assist tomorrow's rising stars on their paths by supporting the South African Music Education Trust (Samet) and Buskaid with music education projects teaching disadvantaged children to play classical musical instruments.

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 supporting the creation of opportunities to develop this talent through its sponsorship of Buskaid, located in Diepkloof, Soweto. Buskaid is 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.

Stakeholder relations

Redefine actively communicates with its stakeholders on a number of levels and across a variety of media. Engaging with stakeholders is key to the strategy of sustainability.

Stakeholders include:

- Investors
- Tenants
- Partner providers
- The financial sector
- The neighbours and communities in which our buildings are located
- Industry analysts and researchers

Important information on operations, achievements and actions is provided on a frequent basis. This is communicated through e-mail News Flashes, media releases, interviews, website content, adverts and the JSE Securities Exchange News Service (SENS) where required. Discussions are held regularly with major and institutional linked unitholders.

Redefine understands the importance of keeping investors, financial analysts and brokers informed about business strategies, objectives and performance. In this regard Redefine hosts Investment Analysts Society presentations in both Johannesburg and Cape Town twice each financial year to present both interim and year-end results.

Step inside

Unitholders

Redefine Income Fund

Asset Managers
Madison Property Fund Managers

CEO
Brian Azizollahoff

Board of Directors

Property Managers
Broll Property Group

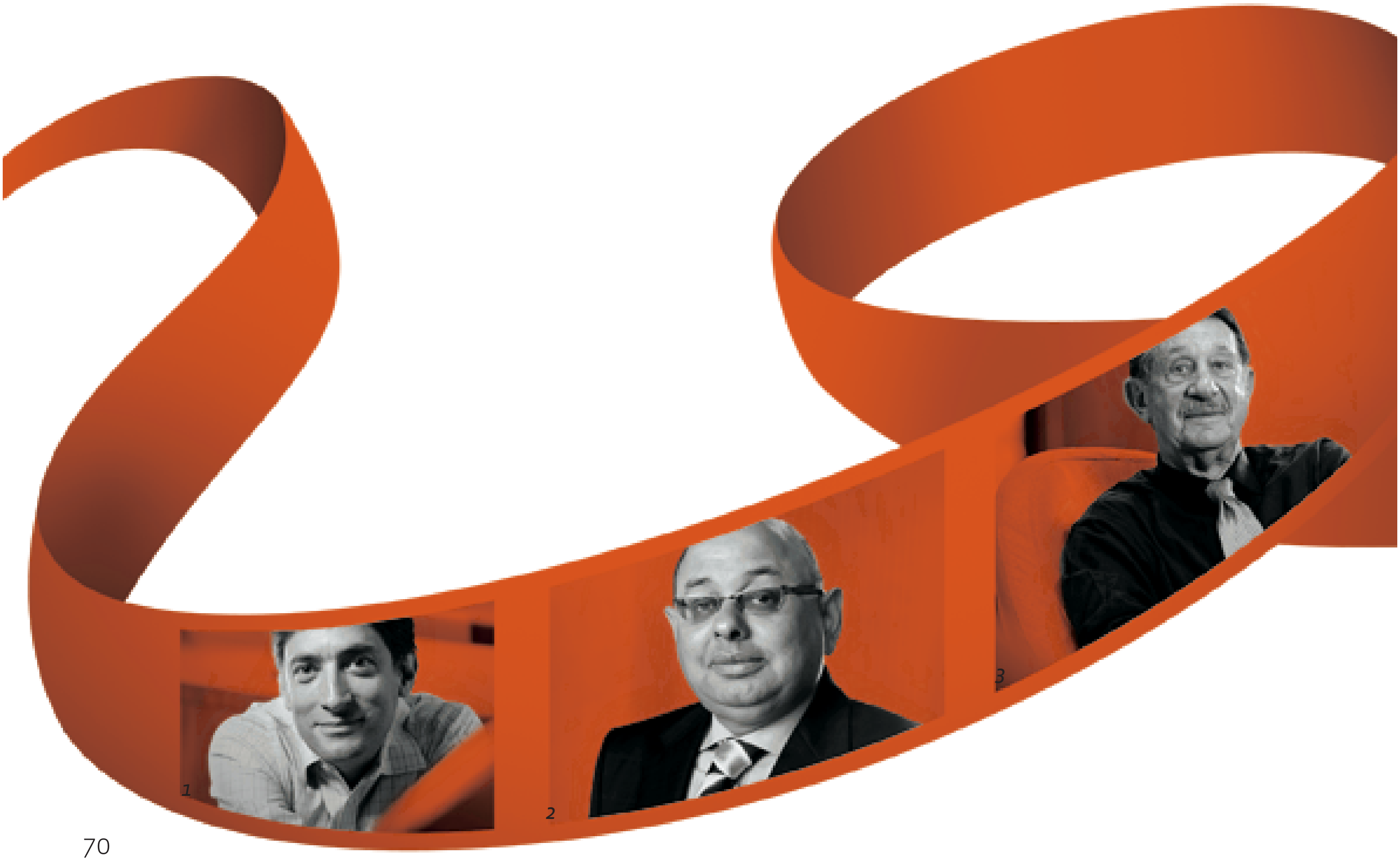
PA
Julie Herholdt

Financial

Michelle Mayers CA (SA) Chief Financial Officer	Yusuf Kara Senior Financial Manager

Operations

Grant Abrahams Fund Manager	Michela Piccini Senior Asset Manager	Ronel Judin Senior Asset Manager
Julie Niemann Asset Manager	Adri Pretorius Administration Manager	



Corporate structure

1. The CEO is the only employee of Redefine. A team of eight members of staff are employed by asset managers, Madison and seconded exclusively to Redefine. 69 Broll property management staff are devoted exclusively to working on the Redefine property portfolio.

Board of Directors

Redefine has a participatory Board with directors who actively contribute their significant knowledge of property and other related spheres. Directors are:

2. Dines Gihwala

Independent non-executive Chairman

Dines is currently the Chairman of Cliffe Dekker Hofmeyr, 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.

3. Eric Ellerine

Independent non-executive Director

Eric is the founder of Ellerine 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 Ellerine Bros. (Pty) Ltd, a private company investing in real estate, private equity and equities. Eric has served on numerous public company boards over a long period. Eric will be retiring from the board at the forthcoming AGM and will not be available for re-election.

4. 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.

5. 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.

6. 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 The Standard Bank of South Africa Limited.

7. Wolf Cesman

Non-executive Director

Wolf, a Chartered Accountant, is an executive director of Madison Property Fund Managers Limited. He has 40 years' experience in property asset management, development and property management. He is a non-executive director of Hyprop Investments Limited, ApexHi Properties Limited, CIREF and Wichford PLC.

8. 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.

9. Neville Venter

Independent non-executive director

Neville is a Chartered Accountant with over 30 years 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 quoted public companies in Hong Kong, the Phillipines, Singapore, Malaysia and Indonesia.

Property and asset management

Benefitting from the highest level of specialist knowledge, Redefine collaborates with a strong, established network of strategic management and advisory partners - all leaders in their respective fields.

Asset management, leasing and development
Madison Property Fund Managers is South Africa's largest listed property fund manager and is contracted to undertake the asset management of Redefine. Madison encapsulates the specialist knowledge required to excel in the property sector, which is unique in its methods and mechanisms. The company provides Redefine with a wealth of expertise in property asset management, deal-making, property development where Madison initiates and manages development projects and a dedicated, comprehensive leasing service. Madison has an eight member team dedicated to Redefine.

Property, facilities and utilities management, leasing and valuations
Broll Property Group is South Africa's leading multi-disciplinary property services company specialising in property and shopping centre utilities and facilities management as well as sales, leasing, valuations, retail consultancy, corporate real estate and investment services to the retail, commercial, industrial and investment markets. Broll has a specialised division which is committed exclusively to Redefine's property portfolio with 69 employees dedicated to the management of assets. The Broll Redefine Division comprises 38 administrative staff (Johannesburg 16 and Cape Town 22) as well as 31 building staff (Johannesburg 9 and Cape Town 22) who are dedicated to and focused as a team on the Redefine portfolio. Broll's management philosophy for Redefine's property portfolio stems from two pillars, namely client focus and multi-skilled management. Broll Property Managers are responsible to co-ordinate all activities relating to the management of a building, leasing, renewals, rent collection, budgeting and maintenance. The Property Managers are supported by dedicated specialists in the Redefine team with regard to accounting and building maintenance. Redefine also makes use of Broll's valuations service which is provided through its associate company CBRE.

Utilities management
Rural Maintenance provides unique expertise in the area of distribution and sale of electricity, focusing specifically on the expansion of environmentally friendly energy sources. It has its origins in the operations and maintenance of a largely rural customer base and has managed to provide efficient and quality services to low-usage customers. Rural Maintenance manages the electricity billing for some 95% of Redefine's properties.

Auditor: External
External auditor is PKF, a leading international business advisory organisation, serviced by over 380 firms in over 119 countries. PKF is one of the largest accounting firms in South Africa, boasting a long-standing and well-established history of excellence.

Corporate sponsor
Java Capital is the corporate sponsor and provides a complete range of financial, commercial and legal advisory and transaction execution services. It is licensed as a sponsor of companies listed on the JSE Limited and as a designated advisor to the JSE's AltX Exchange.

Company Secretary
The services of company secretary are performed by Probity Business Services.

Transfer secretary
Computershare South Africa, Redefine's transfer secretary is a leading service provider to companies listed on the JSE Limited.

Auditor: Internal
Redefine utilitises the specialist advisory services of Grant Thornton South Africa for internal auditing.

Marketing
Specialist property marketing, public relations and investor relations company, Marketing Concepts undertakes the marketing function.

Leasing
Redefine consistently interacts with an extensive network of brokers.

Management structure and fees

Redefine ensures that all fees paid are market related.

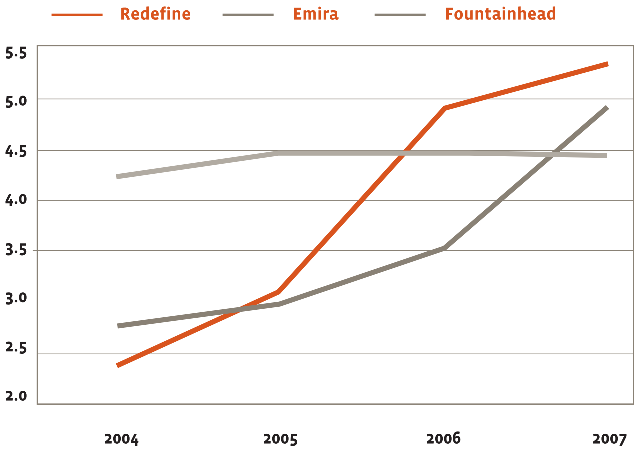
Asset management

Redefine has contracted the asset management function to Madison Property Fund Managers Limited

("Madison"). The salient terms of the asset management contract 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;
4. The asset management contract may be terminated by Redefine on 31 August 2010 provided notice is given by 31 August 2009.

Management fees of revenue



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, which is paid by Redefine.

Property management

Madison has sub-contracted the property management function of the Redefine property portfolio to Broll Property Group. The property management fee is based on the following rates:

1. 1% of property income in respect of any single tenanted property subject to a fully repairing lease;
2. 1.5% of property income in respect of any single tenanted property subject to a lease which is not a fully repairing lease;
3. 3.5% of property income in respect of any property with more than one valid lease in place.

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 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 2.0% and 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 no. 47 of 2000) performed the 2008 valuations.

Management Structure and Fees

	2008 (R000)	2007 (R000)
Asset management fee paid to Madison	45 638	40 997
Development management fee paid to Madison	15 127	11 840
Project and construction management fees paid to independent consultants	200	2 993
Property management fee	18 215	17 155
Broll	17 618	16 282
Other	597	873
CEO's remuneration	5 522	2 687
Salary	1 602	1 487
Bonus	1 200	1 200
Linked unit incentive scheme	2 720	-
Lease commissions	10 890	5 405
Broll	7 264	1 994
Other brokers	3 626	3 411
Valuation fees	915	649
Auditors remuneration	1 541	1 200
PKF (Jhb) Inc. - external audit fees	1 091	850
Grant Thornton - internal audit fees	450	350
Other fees	554	701
Computershare Ltd - transfer secretaries	268	461
Java Capital (Pty) Ltd - corporate sponsor	94	86
Probity Business Services (Pty) Ltd - company secretary	192	154

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.

Redefine is committed to 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. The Board and management of the company continually strive to ensure compliance with these principles and to generally adhere to the practice of good corporate governance principles.

In keeping pace with a changing world and refined governance requirements Corporate Governance practices are reviewed periodically and improvements effected where necessary.

Ethics

Redefine, its directors and employees are committed to the strictest standards of ethical conduct, fairness and integrity in all business practices both in the workplace and in the market place. 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 practices;
- 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 practices.

Dealings in securities

The company has a practice 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 and necessary SENS announcements made as required.

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.

Board structure and responsibilities

The unitary Board structure comprises 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 and 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 decides on the appointment of additional directors.

All of the 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 110.

Directors attendance at board meetings

	26/10/07	18/12/07	23/01/08	26/03/08	09/05/08	05/06/08	18/06/08	31/07/2008
D Gihwala*	P	P	P	P	P	P	A	P
B Azizollahoff	P	P	P	P	P	P	P	P
W Cesman	P	P	P	P	P	P	P	P
E Ellerine	P	P	P	P	P	P	A	P
S Shaw-Taylor	P	P	P	P	P	P	P	P
N Venter	A	P	P	P	P	P	P	P
D Perton	A	P	P	P	P	P	A	P
L Barnard	P	P	P	P	P	P	P	P
M Wainer	P	P	P	A	P	P	P	P

*Chairman
P: Present/participated
A: Apology/absent

Specialist committees

In order to maintain clear and prudent decision making in a number of key areas which are strategic to continued growth and performance, Redefine has commissioned specialist committees:

- *Audit and risk committee*

  The audit and risk committee comprises two independent 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 and approves 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.

Member attendance at audit committee meetings

	24/10/07	23/01/08	08/05/08	31/07/08
N. Venter*	P	P	P	P
L. Barnard	P	P	P	P
D. Gihwala 2.	N/A	N/A	A	P
S. Shaw-Taylor 1.	A	P	P†	P†
W. Cesman 1.	P	A	P†	A
B. Azizollahoff	P†	P†	P†	P†

*Chairman † Attended as invitee
P: present/participated A:apology/absent
1.Resigned as a member 24 Jan 2008
2. Appointed as a member 24 Jan 2008

- ***Investment committee***
  The 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 audit team reports directly to the audit committee.

Risk matrix

As part of its proactive management strategy and in line with principles of good corporate governance, Redefine is constantly assessing and addressing possible risks. The current risks for which mitigating actions and controls have been devised are:

Risk Category	Risk identification	Mitigating action/control
Companies Bill	When the new bill comes into effect it could also pose a threat to property managers in that it would become more difficult to evict tenants in financial difficulties and in the case of businesses the bill allows for a business rescue process during which time no evictions or rental recoveries may take place.	The structuring of lease agreements to be reviewed to afford more protection to Redefine.
Market research	Inadequate investment feasibility can lead to poor investment decisions.	• An investment committee has been formed; • Prior to development of a retail centre, a retail market research consultant must be employed to complete an in-depth study.
Continuity planning	Dependence on the CEO.	• Succession planning must be reviewed on an annual basis; • The sharing of critical information should be encouraged and wherever possible recorded and filed.
Political	Socio-economic upheaval creates an unstable/violent environment.	• Insurance policies must be reviewed annually to ensure sufficient cover; • Adequate security measures must be in place at all buildings.
Pricing	Rentals uncompetitive and operating costs high.	Asset managers must review budgets critically and have an in-depth knowledge of market rentals and average operating costs per building type and location.
Changes in the market	Deterioration in economic conditions.	The Board and management must keep abreast of trends in the economy as a whole as well as within the property sector. Economic and property research must be acquired and shared amongst management and members of the Board.
Interest rate	Interest rate increases may result in: • Slow economic growth leading to reduced take-up of space and possible tenant casualties; • Increases in operating costs resulting in uncompetitive rentals or buildings run at a loss; • Increases in the cost of 'floating' borrowings.	• Longer leases to be signed; • Operating cost contracts to be negotiated annually leveraging off the weight of Madison; • The 'floating' portion of Redefine's debt should be minimised.
Exchange rate	Fluctuations can dampen the returns from Redefine's investment in CIREF.	Forward cover should be purchased, if indicators are that the exchange rate is going to radically weaken.
Loss of staff to emigration	Inability to retain staff due to the 'brain drain' and difficulty in replacing the staff that leave.	Redefine must ensure that salaries and incentives are competitive and attractive.
Gearing	• Excessive loan to value ratio; • Redefine's interest cover is not sufficient to cover interest payments; • Interest rates escalate or unstable lenders.	• Gearing has been limited by the Board to no more than 45% of the value of Redefine's assets; • Almost 100% of debt is fixed for long periods; • Only leading banks are utilised.

Keynote addresses

Message from the Chairman

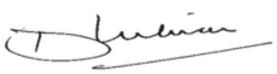
Redefine's diversified and balanced spread of premium property assets continues to provide growing value to unitholders.

I am pleased to report that, while the financial year ended 31 August 2008 was undoubtedly one of the most challenging in recent years, many of Redefine's performance objectives were achieved or exceeded through pro active and innovative management.

Redefine's unique structure provides flexibility and positions the company to perform in this demanding environment. Its clearly defined management strategies and stringent investment criteria serve to maintain Redefine's focus on performance, regardless of the difficulties and dynamics which exist in the market place.

Insight, resourcefulness and established relationships with accomplished partners and associates provide Redefine with sound knowledge – spanning economic, social and environmental matters – and a true understanding of the property industry.

In this context, with its sights firmly set on further enhancing its standing as a good corporate citizen, Redefine is well positioned to continue to provide growth in distributions to linked unitholders while conducting its business in a sustainable and responsible manner. Redefine is determined to do so despite the current global financial crisis that has also had an impact on South Africa.



Dines Gihwala

Note from the CEO

Had the ancient Chinese curse "may you live in interesting times" been specifically directed at the world economy, arguably it would have been most apt for our times. Such a pronounced "boom-and-bust" has not been experienced for decades. Against the backdrop of a higher interest rate environment in South Africa combined with a slowing of economic growth and the global liquidity crisis, the result of these factors has impacted the property sector internationally and locally.

Despite the downturn, Redefine has experienced robust growth within its core portfolio of 13% which results from positive renewal rental reversions, the letting of substantial vacant space and the containment of operating expenses.

Redefine's hybrid structure was once again justified with solid distributions from the listed securities portfolio adding to the 10.5% distribution growth.

The trading development portfolio did not perform as anticipated due to higher interest rates, slower sales and challenges with regard to town planning issues. Nevertheless, trading did make some contribution to operating income and the market has reflected signs of revival.

The development of new properties has to a large degree been curtailed for the short term and it must be noted that the retail sector has been hardest hit with many national tenants cutting back on their expansion plans. The industrial sector has held up strongly followed by the office sector and there is scope for further development on a limited scale to meet demand.

Redefine is proud of its record vis a vis Black Economic Empowerment with two successful Enterprise Development Initiatives established and 23% of the issued units now held by Black unitholders.

Notwithstanding increased interest rates, Redefine's cost of borrowings has been contained at a moderate level of 10.5% and total gearing has increased marginally to 35.2% of total assets.

A continual effort is made to involve Redefine in the broader property sector and the continual exposure in the media is testament to the high regard that Redefine commands. Redefine has played a major role in the PLS Association which has spearheaded many initiatives that are positive for the property industry and continues to motivate for the introduction of the internationally recognised REIT structure.

Investment guru Warren Buffet in his caustic but succinct manner summed it up best: "When the tide goes out we will see who is not wearing swimming trunks". It is in challenging times like those facing us now where superior management, good judgment and finding opportunities within adversity will ensure that value is delivered to unitholders and that sustainable growth will be maintained.

It is axiomatic that a successful business is made by its people and its stakeholders. I am indebted to the Madison staff seconded to Redefine for their dedication and support. My thanks to Madison for their innovation and sage advice that creates considerable value for our unitholders as well as to the other service providers who are unfailing in their readiness to assist and to make their contribution. To the Board of Directors, your wise counsel and input is a constant source of strength and for that I extend my gratitude. On that note, our valued colleague Eric Ellerine will not be standing for re-election and I extend my sincere appreciation for all the effort and concern that he has so willingly displayed over the years and very best wishes for the future.

Finally, on behalf of the Board and management of Redefine, we thank the investor community who are our unitholders for their continued support and we renew our commitment to ensure that your investment in Redefine meets your expectations.

Brian Azizollahoff

Overview of Prospects for 2009

Rentals over the last twelve months have firmed across all sectors particularly in the industrial sector. Rising construction costs, a shortage of resources and skills and a scarcity of land for development are causing an undersupply of predominantly industrial and office space which may contribute to growth in rentals. The effects of these increases are impacting growth from the property portfolio.

Growth from the direct property portfolio will benefit substantially from the relatively high initial yields on developments completed during the year ended 31 August 2008.

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

Despite Redefine’s vacancy factor having increased with the acquisition of the Spearhead portfolio, vacancies are still low.

Trading opportunities will contribute approximately 3.5% to operating income.

Distributions from the listed securities portfolio are anticipated to grow by at least 10% 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.

Redefine will continue to take advantage of any developments in the funding arena and will seek new ways of reducing the cost of capital.

Taking the above into account and barring any unexpected circumstances which could negatively impact the economy or the property sector as a whole, growth in distributions is likely to continue.

Financial safe keeping

Financial Goals

Redefine has clearly stated financial goals. These include:

- Increase rentals above CPI
- Reduction in vacancies
- Tenant retention with positive rental reversions
- Containment of costs to 20% of revenue
- Trading revenue not to exceed 5% of total revenue

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 88 to 123, 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 87.

Approval of annual financial statements

The annual financial statements as set out on pages 88 to 123 for the year ended 31 August 2008 were approved by the Board of Directors on 30 October 2008 and are signed on its behalf by:

Dines Gihwala	**Brian Azizollahoff**
Chairman	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.

Probity Business Services (Pty) Ltd
Company Secretary
30 October 2008

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 88 to 123, which comprise the balance sheet at 31 August 2008, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 2008, 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.

PKF (Jhb) Inc.
Director : Paul Badrick
Registration number 1994/001166/21
Chartered Accountants (SA)
Registered Auditors
Sandton
30 October 2008

Report of the directors

To the unitholders of Redefine Income Fund Limted

As directors of the company we take pleasure in submitting our report for the year ended 31 August 2008.

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 income 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 31 of 13.3 cents in respect of the quarter ended 30 November 2007 paid on 18 February 2008;
- distribution number 32 of 13.8 cents in respect of the quarter ended 29 February 2008 paid on 2 June 2008;
- distribution number 33 of 14.0 cents in respect of the quarter ended 31 May 2008 paid on 25 August 2008;
- distribution number 34 of 15.53 cents in respect of the quarter ended 31 August 2008 paid on 24 November 2008.

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 indivisibly linked to one debenture and may only be traded on the JSE Limited.

There were no changes to the authorised number of linked units.

Directorate

The directors of the company during the year and at the date of this report are:

- B Azizollahoff (British) (Chief Executive Officer)*
- L Barnard¥
- W Cesman
- E Ellerine¥
- D Gihwala (Chairman)¥
- D Perton (British)¥
- S Shaw-Taylor
- N Venter¥
- M Wainer

*Executive
¥Independent

M Wainer, L Barnard, A Azizollahoff and E Ellerine retire at the forthcoming AGM and all are eligible for re-election. E Ellerine has decided to retire from corporate commitments and accordingly has decided not to stand for re-election.

Movement in issued linked unit capital:

	Number of linked units (R000)	Share capital (R000)	Debenture capital (R000)	Share premium (R000)
Linked units in issue at 31 August 2007	813 161*	814	1 463 689	1 641 401
BEE transaction	80 000	80	144 000	447 920
Share issue expenses written off	–	–	–	(1 272)
Linked units in issue at 31 August 2008	893 161	894	1 607 689	2 088 049
*Excludes 5 876 770 treasury units				

Directors' interests in linked units

	2008			2007		
	Beneficial		% of linked units in issue	Beneficial		% of linked units in issue
	Direct	Indirect		Direct	Indirect	
W Cesman	150 213	96 721	0.03	150 213	572 460	0.04
S Shaw-Taylor						
- linked units	82 245	–	0.01	82 245	–	0.01
- warrants	9 000	–	0.00	9 000	–	0.00
M Wainer	–	171 621	0.02	–	572 460	0.03
D Gihwala	–	6 147 669	0.69	–	–	0.00

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

On 8 September 2008, M Wainer disposed of 493 500 linked units in Madison Property Fund Managers Holdings Limited. This reduced his indirect beneficial holding in Redefine linked units to 169 693 units.

Directors interests in contracts

W Cesman and M Wainer are directors and shareholders of the company's asset manager Madison Property Fund Managers Limited. S Shaw-Taylor is an employee of The Standard Bank of South Africa. Full details of fees paid to Madison and Standard Bank are disclosed in note 29 of the financial statements.

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

Audit Committee Report

The committee has fulfilled its responsibilities during the year (refer to the Corporate Governance Statement on pages 63 to 67 for details in this regard). The committee has furthermore satisfied itself as to the independence of the external auditors and their suitability for re-appointment for the ensuing 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

Probity Business Services (Pty) Ltd will continue to render company secretarial services to the company.

Special Resolutions

A special resolution granting general authority for the repurchase of linked units in the company was passed by unitholders at the last AGM and registered by the Registrar of Companies on 5 February 2008.

Balance sheets

at 31 August

	Notes	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Assets					
Non-current assets		10 143 277	9 306 257	3 794 106	3 212 781
Investment property		5 974 522	5 049 733	–	–
Fair value of property portfolio for accounting purposes	2	5 538 362	4 503 606	–	–
Straight-line rental income accrual	2	226 166	198 613	–	–
Property under development	2	209 994	347 514	–	–
Listed securities portfolio	3	3 906 307	4 075 285	–	–
Interest in associates	4	140 227	124 097	–	–
Loans receivable	5	65 248	49 101	–	–
Interest rate swaps	6	6 514	6 262	–	–
Guarantee fee receivable	33	19 865	–	–	–
Property, plant and equipment	7	30 594	1 779	–	–
Interest in subsidiaries	8	–	–	3 794 106	3 212 781
Current assets		574 134	528 231	58	56
Properties held for trading	2	137 016	173 927	–	–
Listed securities held for trading	3	105 385	112 401	–	–
Trade and other receivables	9	64 637	54 071	58	56
Listed securities income receivable	10	108 899	58 908	–	–
Cash and cash equivalents	11	158 197	128 924	–	–
Total assets		**10 717 411**	**9 834 488**	**3 794 164**	**3 212 837**
Equity and liabilities					
Capital and reserves		4 404 397	4 107 996	2 033 905	1 615 111
Share capital and premium	12	2 088 943	1 642 215	2 093 355	1 646 628
Accumulated loss		(31 517)	(31 517)	(15 450)	(31 517)
Non-distributable reserves	13	2 341 265	2 497 298	(44 000)	–
		4 398 691	4 107 996	2 033 905	1 615 111
Minority interest		5 706	–	–	–
Non-current liabilities		5 972 087	5 440 207	1 618 268	1 474 267
Debenture capital	14	1 607 689	1 463 689	1 618 268	1 474 267
Interest-bearing liabilities	15	3 572 250	3 172 489	–	–
Interest rate swaps	6	16 823	–	–	–
Financial guarantee contract	33	15 774	–	–	–
Deferred taxation	16	759 551	804 029	–	–
Current liabilities		340 927	286 285	141 991	123 459
Trade and other payables	17	95 773	95 485	2 370	3 470
Interest-bearing liabilities	15	106 444	17 848	–	–
Taxation		–	47 564	–	–
Bank overdraft	11	2	6 295	–	–
Linked unitholders for distribution		138 708	119 093	139 621	119 989
Total equity and liabilities		**10 717 411**	**9 834 488**	**3 794 164**	**3 212 837**

Income statements

for the year ended 31 August

	Notes	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Revenue					
Property portfolio		566 856	488 799	–	–
Contractual rental income		539 303	429 948	–	–
Straight-line rental income accrual		27 553	58 851	–	–
Listed securities portfolio		332 396	300 285	–	–
Property trading income		23 638	40 486	–	–
Investment income	18	–	–	515 446	389 935
Total revenue		922 890	829 570	515 446	389 935
Operating costs		(106 324)	(86 655)	–	–
Administration costs		(60 283)	(56 401)	(2 053)	(2 620)
BEE transaction costs		(44 000)	–	(44 000)	–
Net operating profit	19	712 283	686 514	469 393	387 315
Changes in fair values of properties, listed securities and intangibles	20	(176 538)	1 105 548	–	–
Interest in associates	4	(7 407)	24 107	–	–
Profit from operations		528 338	1 816 169	469 393	387 315
Net finance (charges) / income	21	(228 722)	(251 161)	1 159	–
Proft before debenture interest		299 616	1 565 008	470 552	387 315
Debenture interest		(495 157)	(415 784)	(498 485)	(418 832)
(Loss) / profit before taxation		(195 541)	1 149 224	(27 933)	(31 517)
Taxation	22	43 282	(364 090)	–	–
(Loss) / profit for the year		(152 259)	785 134	(27 933)	(31 517)
Attributable to:					
Equity holders of the parent		(157 864)	785 134	(27 933)	(31 517)
Minority interest		5 605	–	–	–
(Loss) / profit for the year		**(152 259)**	**785 134**	**(27 933)**	**(31 517)**
Actual number of linked units in issue (000's)		893 161	813 161	899 038	819 038
Weighted number of linked units in issue (000's)		856 002	746 186	861 879	752 063
Earnings per linked unit (cents)	23	39.40	160.94	54.60	51.50
Headline earnings per linked unit (cents)	23	19.01	143.18	54.60	51.50
Diluted earnings per linked unit (cents)		39.40	160.94	54.60	51.50
Diluted headline earnings per linked unit (cents)		19.01	143.18	54.60	51.50
Distribution per linked unit (cents)		56.63	51.25	56.63	51.25
First quarter		13.30	11.80	13.30	11.80
Second quarter		13.80	12.20	13.80	12.20
Third quarter		14.00	12.60	14.00	12.60
Fourth quarter		15.53	14.65	15.53	14.65

Statements of changes in equity

for the year ended 31 August

	Notes	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Share capital					
Balance at beginning of year		813	557	819	563
Issued for acquisition of subsidiary		–	223	–	223
Issued for acquisition of listed securities		–	33	–	33
Issued for BEE transaction		80	–	80	–
Balance at end of year		893	813	899	819
Share premium					
Balance at beginning of year		1 641 402	460 871	1 645 809	465 277
Issued for acquisition of subsidiary		–	1 023 019	–	1 023 019
Issued for acquisition of listed securities		–	157 894	–	157 894
Issue and preliminary expenses written off		(1 272)	(382)	(1 273)	(381)
Issued for BEE transaction		447 920	–	447 920	–
Balance at end of year		2 088 050	1 641 402	2 092 456	1 645 809
Total share capital and premium	12	2 088 943	1 642 215	2 093 355	1 646 628
Non-distributable reserves					
Balance at beginning of year		2 497 298	1 689 742	–	–
Transfer from accumulated loss		(157 864)	807 556	(44 000)	–
Revaluation of property, plant and equipment (net of deferred taxation)		1 831	–	–	–
Balance at end of year	13	2 341 265	2 497 298	(44 000)	–
Accumulated loss					
Balance at beginning of year		(31 517)	–	(31 517)	–
(Loss) / income attributable to equity holders		(157 864)	785 134	(27 933)	(31 517)
Trading profit removed from equity and reported in net profit		–	(9 095)	–	–
Transfer to non-distributable reserve		157 864	(807 556)	44 000	–
Balance at end of year		(31 517)	(31 517)	(15 450)	(31 517)
Minority interest					
Arising on acquisition of subsidiary		101	–	–	–
Share of income		5 605	–	–	–
Balance at end of year		5 706	–	–	–
Total capital and reserves at end of year		**4 404 397**	**4 107 996**	**2 033 905**	**1 615 111**

Cash flow statements

for the year ended 31 August

	Notes	GROUP		COMPANY	
		2008 R000	2007 R000	2008 R000	2007 R000
Cash effects of operating activities		(78 070)	34 700	34 596	89 261
Cash receipts from tenants and investments		834 787	773 576	516 603	452 999
Cash paid to suppliers		(154 060)	(128 601)	(3 154)	(1 883)
Cash generated from operations	24	680 727	644 975	513 449	451 116
Interest received		47 302	18 638	–	–
Finance charges		(281 796)	(269 799)	–	–
Distributions paid	25	(475 542)	(359 114)	(478 853)	(361 855)
Taxation paid		(48 761)	–	–	–
Cash effects of investing activities		(856 072)	(44 621)	(581 325)	(307 116)
Acquisition and development of properties		(810 847)	(562 207)	–	–
Acquisition of listed securities		(572 539)	(587 700)	–	–
Acquisition of non-current assets		(1 383 386)	(1 149 907)	–	–
Proceeds on disposal of properties		252 642	443 929	–	–
Proceeds on disposal of listed securities		344 232	831 586	–	–
Acquisition of property, plant and equipment		(29 766)	–	–	–
Net loans advanced to subsidiaries		–	–	(581 325)	(285 978)
Acquisition of subsidiary	26	(105)	(21 138)	–	(21 138)
Loans to associate companies		(23 542)	(99 990)	–	–
Loans to related parties		(16 147)	(49 101)	–	–
Cash effects of financing activities		969 708	141 023	546 729	217 855
Linked units issued		546 731	217 855	546 729	217 855
Net movement in borrowings		422 977	(76 832)	–	–
Net movement in cash and cash equivalents		35 566	131 102	–	–
Opening cash and cash equivalents		122 629	(8 473)	–	–
Closing cash and cash equivalents	11	158 195	122 629	–	–

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 convention as modified by the revaluation of investment properties, listed securities and interest rate swaps 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 1.17 for details of estimates, assumptions and judgements used.

1.1 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.

1.2 Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the group. Investment property is carried at fair value, representing open market value determined annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by external valuers. Changes in fair values are recorded in the income statement.

Properties are transferred from investments properties to developments when, and only when, there is a change in use, evidenced by commencement of development with a view to sale. Developments are measured as per the accounting policy in note 1.3 below.

1.3 Property under development

Property under development comprises the costs of the land and development and is stated at cost. On completion, property under development is transferred to investment property, where it is measured under the policy stated in note 1.2 above.

1.4 Investment in listed securities

Listed securities are initially stated at cost. Subsequent to initial measurement, listed securities are measured at fair value through profit and loss. The fair value of listed securities is based on quoted market prices at the balance sheet date.

1.5 Property, plant and equipment

Land and buildings comprise a life care centre and are shown at fair value based on periodic valuations less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in equity.

All other plant and equipment are recorded at cost less depreciation and impairment.

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
Buildings	50 years

Land is not depreciated as it is deemed to have an indefinite life.

1.6 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.

1.7 Financial guarantee contracts

Financial guarantee contracts are shown at the higher of:

– the amount determined in terms of IAS37 - "Provisions, Contingent Assets and Contingent Liabilities", and
– the amount initially recognised less the cumulative amortisation of the initial amount recognised in terms of IAS18 - "Revenue".

1.8 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 land to be able to operate in the manner intended by management.

1.9 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 tax 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 at the corporate taxation and capital gains taxation rates respectively, based on the manner that the asset is expected to be realised.

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 units including any incremental external costs is deducted from linked unit holders equity as treasury stock. Where such linked units are subsequently sold or reissued, any consideration received is included in linked unit holders equity.

1.11 ***Financial instruments***

Financial instruments carried on the balance sheet include cash and cash equivalents, listed securities, interest rate swaps, guarantee fees receivable, receivables and loans, trade and other payables, financial guarantee contracts, 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;
- listed securities – refer note 1.4;
- receivables and loans are stated at amortised cost less any accumulated impairments;
- interest rate swaps are measured at fair value through profit and loss;
- trade and other payables are stated at amortised cost;
- financial guarantee contracts – refer to note 1.7;
- equity instruments are recorded at the proceeds received less direct issue costs;
- debenture liabilities are considered to be held to maturity financial instruments and are reflected at amortised cost using the effective interest rate method; and
- borrowings are stated at amortised cost using the effective interest rate method.

1.12 ***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.

1.13 ***Impairment of non-financial assets***

The carrying value of assets is 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 are recognised in the income statement.

1.14 ***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.

1.15 ***Listed securities revenue***

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

1.16 ***Property trading income***

Property trading income represents income from development units sold and excludes value added taxation. Property trading income is recognised once the risks and rewards of ownership have been transferred to the buyer, the company gives up continuing managerial involvement over the development sold, the amount of revenue and costs can be measured reliably and it is probable that economic benefits associated with the sale, will flow to the entity.

1.17 ***Key accounting estimates and assumptions***

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

- Accounting policies - notes 1.2, 1.4, 1.7, 1.11, 1.13 and 1.15;
- Investments properties - note 2;
- Listed securities - note 3;
- Interest rate swaps - note 6;
- Receivables - note 9;
- Deferred taxation - note 16;
- Taxation - note 22, and
- Guarantee fee receivable and financial guarantee contract - note 33.

1.18 Standards, Amendments and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards, Amendments and Interpretations were in issue but not yet effective.

Standard		Details of amendement	Annual periods beginning or after
IFRS 1	"First Time Adoption of International Financial Reporting Standards	Measuring the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time	1 January 2009
IFRS 2	Share Based Payments	Amendments to vesting conditions and cancellations	1 January 2009
IFRS 3	Business Combinations	Comprehensive revision to accounting for business combinations	1 July 2009
IFRS 5	Non Current Assets Held for Sale and Discontinued Operations	Plan to sell controlling interest in subsidiary	1 January 2009
IFRS 7	Financial Instruments : Disclosures	Presentation of finance costs	1 January 2009
IFRS 8	Operating Segments	New standard on segment reporting (replaces IAS 4)	1 January 2009
IAS 1	Presentation of Financial Statements	Amendments to structure of financial statements Current/non current classification of derivatives	1 January 2009
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Status of implemetation guidance	1 January 2009
IAS 10	Events after the Reporting Period	Dividends declared after the end of the reporting period	1 January 2009
IAS 16	Property, Plant and Equipment	Recoverable amount Sale of assets held for rental	1 January 2009
IAS 18	Revenue	Costs of originating a loan	1 January 2009
IAS 19	Employee Benefits	Various relating to curtailments and negative past service cost and administration costs	1 January 2009
IAS 23	Borrowing Costs	Amendment requiring capitalisation only model Components of borrowing costs	1 January 2009
IAS 27	Consolidated and Separate Financial Statements	Refer to IFRS 1 changes above Measurement of subsidiary held for sale in separate financial statements	1 January 2009
IAS 28	Investments in Associates	Refer to IFRS 1 changes above Required disclosures when investments in associates are accounted for at fair value through profit and loss Impairment of investment in associate	1 January 2009
IAS 29	Financial Reporting in Hyperinflationary Economies	Description of measurement basis in financial statements	1 January 2009
IAS 31	Interests in Joint Ventures	Refer to IFRS 1 changes above Required disclosures when joint ventures are accounted for at fair value through profit and loss	
IAS 32	Financial Instruments : Presentation	Certain financial instruments will be calssified as equity whereas before they would have been classified as financial liabilities	1 January 2009
IAS 34	Interim Financial Reporting	Earnings per share disclosures in interim financial reports	1 January 2009
IAS 36	Impairment of Assets	Disclosure of estimates used to determine recoverable amount	1 January 2009
IAS 38	Intangible Assets	Advertising and promotional activities Unit of production method of amortisation	1 January 2009

Standard		Details of amendement	Annual periods beginning or after
IAS 39	Financial Instruments : Recognition and Measurement	Amendment to eligible hedged item	1 January 2009
		Reclassification of derivatives into or out of classification of at fair value through profit or loss	
		Designating and documenting hedges at the segment level	
		Applicable interest rate on cessation of fair value hedge accounting	
IAS 40	Investment Property	Property under construction or development for future use as investment property	1 January 2009
		Consistency with terminology with IAS 8	
		Investment property held under lease	

The group is currently assessing the impact of these new standards, interpretations and amendments. Of significant relevance to the group are the changes to IAS 40 - Investment Property and IFRIC 15. However, no material impact on the financial statements is expected.

	GROUP		COMPANY	
	2008 R000	**2007 R000**	**2008 R000**	**2007 R000**
2. Investment property				
Balance at beginning of year	5 205 301	2 577 915	–	–
Subsidiary acquired	83 561	1 753 563	–	–
Acquisitions and development costs	789 241	540 350	–	–
Disposals	(252 642)	(443 929)	–	–
Revaluation	255 697	777 402	–	–
	6 081 158	5 205 301	–	–
Tenant installations	16 119	11 120	–	–
Capitalised	54 722	42 549	–	–
Amortised	(38 603)	(31 429)	–	–
Lease commissions	14 261	7 239	–	–
Capitalised	29 992	18 726	–	–
Amortised	(15 731)	(11 487)	–	–
Property portfolio at valuation	6 111 538	5 223 660	–	–
Property under development at cost	(209 994)	(347 514)	–	–
Straight-line rental income accrual	(226 166)	(198 613)	–	–
Properties held for sale transferred to current assets	(137 016)	(173 927)	–	–
Fair value of investment property portfolio for accounting purposes	5 538 362	4 503 606	–	–

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).

The valuations were based on the discounted cash flow method, where future cash flows are discounted using an appropriate rate.

A schedule of investment properties is set out on pages 22 to 31. A register of investment properties is available for inspection at the registered office of the company.

The properties are encumbered as set out in note 15.

Borrowing costs amounting to R50 963 441 (2007: R18 110 937) have been capitalised to acquisitions and developments during the year under review.

	GROUP		COMPANY	
	2008 R000	**2007 R000**	**2008 R000**	**2007 R000**

3. Listed securities portfolio

Balance at beginning of year	4 187 686	3 447 830	–	–
Additions	572 539	587 700	–	–
Disposals	(344 232)	(831 586)	–	–
Revaluation (deficit) / surplus	(390 522)	983 742	–	–
Foreign exchange loss	(13 779)	–	–	–
Listed securities portfolio at valuation	4 011 692	4 187 686	–	–
Listed securities held for sale transferred to current assets	(105 385)	(112 401)	–	–
Balance at end of year	3 906 307	4 075 285	–	–

A schedule of listed securities is set out on page 38.

The listed securities are encumbered as set out in note 15.

The group holds more than 20% of the issued equity of Hyprop Investments Limited and of CIREF Limited. As the group does not have significant influence in terms of IAS28 – "Associates", it accounts for these investments at fair value through profit and loss.

4. Interest in associates

Balance at beginning of year	124 097	–		
Share of (loss) / profit	(7 407)	24 107	–	–
Distributable (loss) / income	(3 171)	5 870	–	–
Changes in fair values of properties (net of deferred taxation)	(4 236)	18 237	–	–
Loans advanced	23 537	99 990	–	–
Balance at end of year	140 227	124 097	–	–

Comprises:				
Share of post acquisition reserves	16 700	24 107	–	–
Loans advanced	123 527	99 990	–	–
	140 227	124 097	–	–

The loans are unsecured, bear interest at variable rates and have no fixed terms of repayment.

The group's share of the results of its associates, all of which are unlisted, and its share of the assets and liabilites are as follows:

	Country of incorporation	Assets R000	Liabilities R000	Revenues R000	(Loss) / Profit R000	% interest held
2008						
Dipula Property Investment Fund (Proprietary) Limited ("Dipula")	South Africa	366 172	348 235	31 255	(6 354)	49
Mergence Africa Property Fund (Proprietary) Limited ("MAPF")	South Africa	293 118	295 507	31 258	(1 053)	49
Arrow Creek Investments 28 (Proprietary) Limited	South Africa	1 976	2 293	–	–	25
		661 266	646 035	62 513	(7 407)	
2007						
Dipula	South Africa	154 604	129 333	8 416	23 237	49
MAPF	South Africa	116 140	116 140	2 533	870	49
		270 744	245 473	10 949	24 107	

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
5. Loans receivable				
5.1 *Dijalo Property Services (Proprietary) Limited*	19 895	9 985	–	–
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. The loan bears interest at prime less 2.2% per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
5.2 *Mergence Africa Properties (Proprietary) Limited*	12 988	7 104	–	–
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. The loan bears interest at prime less 2.2% per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
5.3 *Madison Property Fund Managers Limited*	65	919	–	–
This loan is unsecured, bears interest at prime plus 2% per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
5.4 *Brickfield Joint Venture*	721	1 305	–	–
This loan is unsecured, bears interest at prime less 1.5% per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
5.5 *The Nest Trust*	11 001	9 232	–	–
This loan is unsecured, bears interest at prime plus 3% per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
5.6 *Oasis Joint Venture*	10 426	17 887	–	–
This loan is unsecured, bears interest at the prime lending rate per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
5.7 *Broadlands Stud Farm Development Joint Venture*	3 658	2 669	–	–
This loan is unsecured, bears interest at prime less 1% per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
5.8 *Josdel 137 (Proprietary) Limited*	6 494	–	–	–
This loan is unsecured, bears interest at prime plus 2% per annum and has no fixed terms of repayment. Payment is not expected within the next 12 months.				
	65 248	49 101	–	–

Loans stated under 5.3 to 5.8 are receivable from related parties.

Notes 5.4 to 5.8 represent the group's pro rata share of joint venture loans.

	GROUP		COMPANY	
	2008 R000	**2007 R000**	**2008 R000**	**2007 R000**
6. Interest rate swaps				
6.1 Swap contract no. 489778:				
At fair value through profit and loss	2 382	2 358	–	–
– The notional amount is R50 million				
– The fixed rate is 7.83%				
– The contract matures on 10 February 2010				
6.2 Swap contract no. 790286:				
At fair value through profit and loss	2 007	1 785	–	–
– The notional amount is R50 million				
– The fixed rate is 8.89%				
– The contract matures on 25 July 2011				
6.3 Swap contract no. 771079:				
At fair value through profit and loss	–	322	–	–
– The notional amount is R50 million				
– The fixed rate is 7.25%				
– The contract matures on 21 April 2010				
6.4 Swap contract no. 771080:				
At fair value through profit and loss	2 125	1 797	–	–
– The notional amount is R50 million				
– The fixed rate is 8.52%				
– The contract matures on 21 April 2010				
	6 514	6 262	–	–
6.5 Swap contract no. 2451057:				
At fair value through profit and loss	(16 823)	–	–	–
– The notional amount is R230 million				
– The fixed rate is 10.48%				
– The contract matures on 8 October 2018				
Total interest rate swaps	(10 309)	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

	2008			2007		
	Cost or valuation R000	Accumulated depreciation R000	Carrying amount R000	Cost or valuation R000	Accumulated depreciation R000	Carrying amount R000
Computer equipment	782	740	42	774	609	165
Furniture and fittings	1 848	841	1 007	1 603	553	1 050
Motor vehicles	969	599	370	969	405	564
Building	29 513	338	29 175	–	–	–
	33 112	2 518	30 594	3 346	1 567	1 779

Reconciliation between opening and closing balance	Carrying amount 31 August 2007 R000	Acquisition R000	Revaluation R000	Depreciation R000	Carrying amount 31 August 2008 R000
Computer equipment	165	7	–	(130)	42
Furniture and fittings	1 050	246	–	(289)	1 007
Motor vehicles	564	–	–	(194)	370
Building	–	26 970	2 543	(338)	29 175
	1 779	27 223	2 543	(951)	30 594

The group's building was revalued on 31 August 2008 by independent valuers.

Valuations were made on the same basis as for investment properties (refer note 2). The revaluation surplus was credited to non-distributable reserves, net of deferred taxation.

If the buildings were stated on the historic cost basis, the book value would be R26.6 million.

The property is located at erf no. 6246 Cape Town at Montague Gardens situate in the City of Cape Town, Cape Division, Western Cape Province.

8. Interest in subsidiaries

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Shares at cost – net	–	–	1 411 578	1 411 578
Costs incurred	–	–	1 443 095	1 443 095
Less: pre-acquisition dividend	–	–	(31 517)	(31 517)
Loans to subsidiaries	–	–	2 382 528	1 801 203
	–	–	3 794 106	3 212 781

The loans are unsecured, bear interest at variable rates and have no fixed terms of repayment.

A schedule of subsidiaries is set out on page 124.

	GROUP		COMPANY	
	2008 R000	2007 R000	2008 R000	2007 R000
9. Trade and other receivables				
Tenant and trade debtors	15 260	10 890	–	–
Less: Provision for impairment	(5 236)	(3 044)	–	–
Deposits and prepayments	38 370	34 829	58	56
Loan receivable	14 105	11 396	–	–
Other	2 138	–	–	–
	64 637	54 071	58	56
Credit analysis				
Allowance for impairment				
Opening balance	3 044	1 573	–	–
Impairment losses recognised on receivables	7 318	3 814	–	–
Impairment losses reversed on receivables	(5 126)	(2 343)	–	–
Closing balance	5 236	3 044	–	–
Ageing of impaired trade receivables				
Not more than 30 days	430	282	–	–
More than 30 days but not more than 60 days	619	220	–	–
More than 60 days but not more than 90 days	447	299	–	–
More than 90 days	3 740	2 243	–	–
Total	5 236	3 044	–	–
Ageing of trade receivables past due but not impaired				
Not more than 30 days	3 580	1 648	–	–
More than 30 days but not more than 60 days	1 004	1 140	–	–
More than 60 days but not more than 90 days	677	1 029	–	–
More than 90 days	4 763	4 029	–	–
Total	10 024	7 846	–	–
Maximum exposure to credit losses of receivables				
Tenant and trade debtors net of impairment	10 024	7 846		
Less: Tenant deposits include in trade and other payables	(2 408)	(1 228)		
Total	7 616	6 618		
10. Listed securities income receivable				
Distributions due from listed securities	108 899	58 908	–	–
11. Cash and cash equivalents				
For the purpose of the cash flow statement, cash and cash equivalents comprise:				
Bank balances	158 197	128 924	–	–
Bank overdraft	(2)	(6 295)	–	–
	158 195	122 629		

The group has a R10 million overdraft facility with The Standard Bank of South Africa Ltd, secured on the same terms as the loans in note 15 below.

Material bank balances are with Standard Bank who have a Fitch rating of A minus.

	GROUP		COMPANY	
	2008 R000	2007 R000	2008 R000	2007 R000
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				
899 037 507 (2007: 819 037 507) ordinary shares of 0.1 cent	899	819	899	819
Less: Treasury scrip (5 876 770 (2007: 5 876 770) ordinary shares)	(6)	(6)	–	–
	893	813	899	819
Share premium				
Premium arising on the issue of linked units	2 103 968	1 656 048	2 103 968	1 656 048
Issue and preliminary expenses written off	(11 512)	(10 240)	(11 512)	(10 239)
Treasury units	(4 410)	(4 410)	–	–
Gain on disposal of treasury units	4	4	–	–
	2 088 050	1 641 402	2 092 456	1 645 809
Share capital and premium	2 088 943	1 642 215	2 093 355	1 646 628

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

	Group 2008 R000	Group 2007 R000	Company 2008 R000	Company 2007 R000
Gain on revaluation of properties	1 785 613	1 529 918	–	–
Gain on revaluation of listed securities	1 962 001	2 352 523	–	–
Gain on revaluation of property, plant and equipment	1 831	–	–	–
Capital gains taxation	(703 057)	(746 339)	–	–
Interest rate swap termination costs	(69 427)	(69 427)	–	–
Goodwill written off	(590 161)	(590 161)	–	–
Other reserves	(45 535)	20 784	(44 000)	–
	2 341 265	2 497 298	(44 000)	–

14. Debenture capital

	Group 2008 R000	Group 2007 R000	Company 2008 R000	Company 2007 R000
899 037 507 (2007: 819 037 507) debentures of 180 cents	1 618 267	1 474 267	1 618 268	1 474 267
Less: Treasury units 5 876 770 (2007: 5 876 770) debentures	(10 578)	(10 578)	–	–
	1 607 689	1 463 689	1 618 268	1 474 267

Debentures bear interest at a variable rate. 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	
	2008 R000	**2007 R000**	**2008 R000**	**2007 R000**
15. Interest bearing liabilities				
15.1 Absa				
Total liability	541 366	461 451	–	–
Accout 40-6694-7074	249 800	250 000	–	–
The facility is for an amount of R250 million. R200 million is being funded as a fixed rate loan at a rate of 9.81% NACM. The balance of R50 million is funded at prime less 2% per annum. The facility expires on November 2011 and is secured with listed securities with a carrying value of R421.3 million.				
Accounts 4058229460, 513085-ZAR-2203-01	286 522	206 306	–	–
The first facility is for an amount of R55.7 million and is being funded at prime less 2% per annum. This facility expires in December 2012 and is secured with fixed properties with a carrying value of R204.7 million.				
The second facility is for an amount of R230.8 million and is being funded as an overnight call loan which interest rate varies daily. The facility expires on 28 February 2010 and is secured with fixed properties with a carrying value of R502.5 million.				
Account 0000008064955651	5 044	5 145	–	––
The mortgage bond is secured by a first covering mortgage bond over fixed property with a carrying value of R50 million. Interest is charged at prime less 1% per annum. The bond is repayable in full within 12 months.				
15.2 Nedbank Corporate (a division of Nedbank Limited)				
Total liability	105 585	442 994	–	–
Account 30016626	6 200	7 155	–	–
Secured by first mortgage bonds over fixed properties with a carrying value of R18.3 million. Interest is charged at prime less 1.75% per annum. The loan facility is to be repaid in full by 31 August 2017.				
Account 1000569838	23 433	333 220	–	–
Secured by first mortgage bonds over fixed properties with a carrying value of R617.4 million. Interest is charged at varying rates linked to prime. The loan facility is to be repaid in full by 31 August 2017.				
Account 1001201984	10 748	10 916	–	–
Secured by first mortgage bonds over fixed properties with a carrying value of R37.5 million. Interest accrues at prime less 1.5% per annum and is payable monthly in arrears. The loan facility is to be repaid in full by 9 November 2015.				
Account 30088958, 30089727, 30098506	37 680	90 416	–	–
Secured by first mortgage bonds over fixed properties with a carrying value of R58.9 million. Interest accrues at prime less 1% per annum and is payable monthly in arrears. The loan facility is to be repaid in full by 30 October 2009.				
Account 30103611	23 763	–	–	–
Secured by first mortgage bonds over fixed properties with a carrying value of R30.5 million. Interest accrues at prime less 1.25% per annum and is repayable monthly in arrears. 50% of the capital amount is repayable within 2 years from the proceeds from the sale of the life rights. Repayment of the balance of the capital portion commences after 5 years.				
Account 30110843	3 761	1 287	–	–
Secured by first mortgage bonds over fixed properties with a carrying value of R8.4 million. Interest accrues at prime less 1.5% per annum and is payable monthly in arrears. The loan facility is to be repaid in full by 9 November 2015.				

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
15.3 Standard Bank Property Finance and Advisory Services (a division of The Standard Bank of South Africa Limited)				
Total liability	1 531 644	1 042 531	–	–
Account 5002017	1 514 848	1 025 131	–	–
Secured by first mortgage bonds over fixed properties with a carrying value of R1,330.5 million and pledge of listed securities with a carrying value of R3,117.8 million. The fixed portion of loan is structured as follows:				

Amount **(R000)**	Maturity	NACM **Rate (%)**
500 000	1 July 2015	10.07
451 249	26 April 2017	9.69
285 000	15 November 2017	12.35
238 672	Floating – listed	13.30
39 927	Floating – direct	13.30

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Account 5008090	16 796	17 400	–	–
Secured by a mortgage bond over fixed properties with a carrying value of R39.9 million. The loan bears interest at prime less 1.5% per annum. The loan facility is to be repaid in full by 31 October 2015.				
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 R1,942.9 million. The loan is structured as follows:				

Amount **(R000)**	Maturity	NACQ **Rate (%)**
500 000	1 July 2017	9.02
451 249	1 July 2012	9.24
285 000	1 July 2013	10.64
238 672	Floating	13.32

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
The loan facility expires on 31 March 2011.				
15.5 Standard Finance (Isle of Man) Limited				
Total liability	301 501	110 000	–	–
This loan is unsecured and denominated in pounds. Interest accrues at rates linked to the ruling GBP LIBOR rate. Interest is payable bi-annually in arrears. The loan facility is to be repaid in full by 25 January 2012.				
15.6 Rand Merchant Bank				
Total liability	149 829	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 less 1.75% per annum. The loan facility is to be repaid in full by 1 July 2014.				
15.7 Sanlam				
Total liability	101 400	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%.				

	Group 2008 R000	Group 2007 R000	Company 2008 R000	Company 2007 R000
15.8 United Property Management				
Total liability	63 209	–	–	–
This loan is unsecured, bears interest at the prime interest rate per annum and is repayable in 2010 with an option to renew thereafter.				
15.9 Madison Property Fund Managers Limited				
Total liability	514	–	–	–
This loan is unsecured and bears interest at a rate of prime less 1.5% per annum. There are no fixed terms of repayment and the loan is not expected to be repaid within the next 12 months.				
15.10 Swish Property Finance	795	1 287	–	–
Total liability				
This loan is unsecured and bears interest at prime less 1.5% per annum. There are no fixed terms of repayment and the loan is not expected to be repaid within the next 12 months.				
15.11 Dreamworld				
Total liability	1 426	1 025	–	–
This loan is unsecured and bears interest at prime plus 3% per annum. There are no fixed terms of repayment and the loan is not expected to be repaid within the next 12 months.				
15.12 Lehman Bros				
Total liability	693	–	–	–
This loan is unsecured and bears interest at prime plus 3% per annum. There are no fixed terms of repayment and the loan is not expected to be repaid within the next 12 months.				
15.13 Kine Homes (Pty) Ltd				
Total liability	997	1 994	–	–
This loan is unsecured and bears interest at prime less 1% per annum. There are no fixed terms of repayment and the loan is not expected to be repaid within the next 12 months.				
15.14 Harries				
Total liability	6 495	–	–	–
This loan is unsecured and bears interest at the prime interest rate. There are no fixed terms of repayment and the loan is not expected to be repaid within the next 12 months.				
15.15 National Textiles				
Total liability	400	467	–	–
This loan is unsecured, interest free and has no fixed terms of repayment and the loan is not expected to be repaid within the next 12 months.				
15.16 Other	1 640	3 086	–	–
The average all in interest rate in respect of total borrowings is 10.50% (2007: 9.99%). 88.1% (2007: 76.5%) of borrowings are fixed for three, five, seven and ten years.				
Total borrowings represent 35% (2007: 34%) of the value of the assets.				
Total interest-bearing liabilities	3 678 694	3 190 337	–	–
Short-term portion	106 444	17 848	–	–
Long-term portion	3 572 250	3 172 489	–	–

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
16. Deferred taxation				
Arising on revaluation of property and listed security investments	759 551	804 029	–	–
Balance at beginning of year	804 029	353 891	–	–
Subsidiary acquired	–	133 612	–	–
(Credited) / charged to income statement	(44 478)	316 526	–	–
Balance at end of year	759 551	804 029	–	–
17. Trade and other payables				
Trade payables	17 340	18 531	–	–
Accrued expenses	53 742	56 774	2 370	3 740
Tenant deposits	24 691	20 179	–	–
	95 773	95 484	2 370	3 740
18. Investment income				
Interest received from subsidiaries	–	–	515 446	389 935
19. Net operating profit				
Net operating income includes the following charges:				
Amortisation and depreciation	12 369	16 444	–	–
Auditor's remuneration	1 465	1 275	–	–
– External auditor – final audit	904	835	–	–
– External auditor – interim review	100	90	–	–
– Internal audit	461	350	–	–
Asset management fees	45 638	40 997	–	–
Fee in respect of CEO's remuneration	5 522	2 687	–	–
Property management fees	18 215	17 155	–	–
Valuation fees paid to third parties	915	649	–	–
Directors remuneration				
– For services as directors			1 590	795
L Barnard			260	132
W Cesman (Paid to Madison)			200	105
C Clarke			–	86
E Ellerine			150	65
D Gihwala			220	56
D Perton			150	132
S Shaw-Taylor (Paid to The Standard Bank of SA)			200	115
N Venter			210	39
M Wainer (Paid to Madison)			200	65

	GROUP		COMPANY	
	2008 R000	**2007 R000**	**2008 R000**	**2007 R000**
20. Changes in fair values of properties, listed securities and intangibles				
Property portfolio - unrealised gain on revaluation	228 143	718 550	–	–
Listed securities portfolio - unrealised (loss) / gain on revaluation	(390 522)	963 622	–	–
Interest rate swap - mark to market	(16 572)	13 537	–	–
Goodwill written off	–	(590 161)	–	–
Life rights liability - unrealised gain on revaluation	2 413	–	–	–
	(176 538)	1 105 548	–	–
21. Net finance charges				
Interest paid on non-current liabilities	(281 794)	(269 286)	–	–
Interest paid on bank overdraft	(2)	(513)	–	–
Interest received	51 393	18 638	1 159	–
Foreign exchange gain (net)	1 681	–	–	–
	(228 722)	(251 161)	1 159	–
22. Taxation				
Normal taxation				
Current	1 197	47 564	–	–
– Current year	–	41 027	–	–
– Prior year	1 197	6 537	–	–
Deferred	(44 479)	316 526	–	–
– Current year	(9 076)	316 526	–	–
– Prior year	(7 977)	–	–	–
– Change in rate	(27 426)	–	–	–
	(43 282)	364 090	–	–
Reconciliation between applicable taxation rate and effective taxation rate				
S A normal taxation rate applied to income before taxation	(54 753)	333 275	–	–
Taxation effect of				
– Rate change	(27 426)	–	–	–
– Capital gains taxation rate applied to revaluation of listed securities portfolio held for investment	50 955	(101 979)	–	–
– Permanent differences	(5 278)	(44 890)	–	–
– Goodwill written off	–	171 147	–	–
– Underprovision in respect of prior year	(6 780)	6 537	–	–
Effective taxation	(43 282)	364 090	–	–

Notes to the annual financial statements for the year ended 31 August *continued*

23. Earnings and distribution per linked unit

Earnings per linked unit are calculated on the weighted average number of units ranking for distribution of 856 002 267 (2007: 746 186 061) and net income before taxation and before interest distributions to linked unitholders of R299 611 478 (2007: R1 565 008 094).

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Reconciliation of headline earnings and distributable earnings				
(Loss) / profit attributable to equity holders	(157 864)	785 134	–	–
Changes in fair values of properties and intangibles (net of deferred taxation)	(175 776)	(180 090)	–	–
Changes in fair values of properties and intangibles	(228 143)	(391 531)	–	–
Deferred taxation on properties	52 367	211 441	–	–
Taxation - CGT	1 197	47 564	–	–
Headline (loss) / earnings attributable to shareholders	(332 443)	652 608	–	–
Debenture interest	495 157	415 784	–	–
Headline earnings attributable to linked unitholders	162 714	1 068 392	–	–
Changes in fair values of listed securities and financial instruments (net of deferred taxation)	335 261	(608 931)	–	–
Changes in fair values of listed securities and financial instruments	404 681	(714 017)	–	–
Deferred taxation	(69 420)	105 086	–	–
Deferred taxation rate change	(27 426)	–	–	–
Straight-line rental income accrual	(27 553)	(58 851)	–	–
Foreign exchange gain	(1 681)	–	–	–
Spearhead pre-acquisition income	–	31 517	–	–
Fair value adjustment in associate	4 237	(18 237)	–	–
VAT and interest disallowed	–	1 894	–	–
Minority interest	5 605	–	–	–
BEE transaction costs	44 000	–	–	–
Distributable earnings attributable to linked unitholders	495 157	415 784	–	–

24. Cash generated from operations

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
(Loss) / profit before taxation	(195 541)	1 149 224	(27 933)	(31 517)
Adjusted for:				
Changes in fair values of properties, listed securities and intangibles	176 538	(1 105 548)	–	–
Income from associates	7 407	(24 107)	–	–
Interest income	(51 393)	(18 638)	–	–
Amortisation and depreciation	12 369	16 442	–	–
Finance charges paid	281 796	269 799	–	–
Debenture interest	495 157	415 784	498 485	418 832
BEE transaction costs	44 000	–	44 000	–
Foreign exchange gain	(1 681)	–	–	–
Straight-line rental income accrual	(27 553)	(58 851)	–	–
Operating income before working capital changes	741 099	644 105	514 552	387 315
Working capital changes				
Movement in trade, listed security income and other receivables	(60 550)	2 859	–	63 064
Movement in trade and other payables	178	(1 989)	(1 103)	737
	680 727	644 975	513 449	451 116

	GROUP		COMPANY	
	2008 R000	2007 R000	2008 R000	2007 R000

25. Distributions paid

Opening balance payable	119 093	62 422	119 989	63 012
Distributions declared	495 157	415 785	498 484	418 832
Closing balance payable	(138 708)	(119 093)	(139 620)	(119 989)
	475 542	359 114	478 853	361 855

26. Business combinations

Combinations in 2008 financial year

On 26 March 2008 the group acquired 51% of the interest in Freedom Square (Proprietary) Limited. The acquired company contributed profit after taxation of R5 384 010 (fair value adjustments on land) for the period 26 March 2008 to 31 August 2008. The acquired company did not trade for the period 1 September 2007 to 25 March 2008 and accordingly had no revenue or profit for that period.

Fair value of assets and liabilities acquired :				
Investment property	83 561	–	–	–
Interest bearing debt	(83 252)	–	–	–
Trade and other receivables	7	–	–	–
Trade and other payables	(110)	–	–	–
Fair value of assets and liabilities acquired	206	–	–	–
Attributable to minority interest	(101)	–	–	–
Cash outflow on acquisition and purchase consideration	105	–	–	–

The fair value of the assets and liabilities at acquisition was the same as the assets and liabilities carried in the Freedom Squares' books.

The purchase consideration of R104 550 was paid for in cash.

Combinations in 2007 financial year

On 1 December 2006 the group acquired 51% of the interest in Spearhead Property Holdings Limited ("Spearhead"). 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. Spearhead generated revenue of R38 151 128 and profit after tax of R17 606 444 for the period 1 September to 3 December 2006.

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

Purchase price:				
– Cash consideration	–	4 634	–	–
– Acquisition costs	–	13 948	–	–
– Fair value of linked units purchased	–	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 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.

	GROUP		COMPANY	
	2008 R000	2007 R000	2008 R000	2007 R000
Fair value of assets and liabilities acquired:				
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 taxation	–	(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 in issue to finance acquisition	–	(1 424 514)	–	–
Net cash outflow on acquisition of subsidiary	–	21 138	–	–

27. Contingent liabilities and capital commitments

Capital expenditure of R172.1 million (2007: R196.2 million) has been authorised. Guarantees issued amount to R104.0 million (2007: R41.4 million) in respect of municipal deposits and property purchases. Suretyships limited to R119.1 million (2007: R100.0 million) have been provided relating to BEE initiatives. Liabilities of JV's up to an amount of R30.8 million (2007: R79.8 million) have been guaranteed.

28. Post balance sheet events

Fixed property disposal

Sale of TBWA Benmore for R18.75 million (cost = R8.75 million).

29. 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 Property Fund Managers Holdings Limited – Asset manager, board representation and common directors.

The Standard Bank of South Africa Ltd – Unitholder, board representation and funders.

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.

Material related party transactions

Transactions with Madison:

- Asset management fee - R45 637 946 (2007: R40 997 045)
- Development management fee - R15 127 004 (2007: R11 839 828)
- Directors fees - R400 000 (2007: R170 000)

Transactions with The Standard Bank of South Africa Ltd:

- Bond administration fee - R717 500 (2007: R1 450 919)
- Bank charges - R280 173 (2007: R73 561)
- Directors fees - R200 000 (2007: R115 000)
- Interest on finance facilities - R223 954 038 (2007: R123 090 657)
- Interest on overdraft - R1 608 (2007: R470 934)
- Lease revenue - R29 218 442 (2007: R28 888 444)
- Interest received on interest rate swaps - R1 422 321 (2007: R850 972)

Directors emoluments - R5 546 480 (2007: R2 686 776)

Refer to notes 5.3 to 5.8 for loans to related parties. Interest received on loans amounted to R5 232 402 (2007: R3 642 329).

30. Minimum lease payments receivable

	GROUP		COMPANY	
	2008 R000	2007 R000	2008 R000	2007 R000
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	486 042	409 937	–	–
Receivable within two to five years	1 215 120	986 268	–	–
Receivable beyond five years	1 039 250	599 250	–	–
	2 740 412	1 995 455	–	–

31. Financial instruments by category

	Non financial asset/ liability R000	Financial assets at amortised cost R000	Financial assets at fair value through profit and loss R000	Financial liabilities at amortised cost R000	Financial liabilities at fair value through profit and loss R000	Total R000
Group – 2008						
Investment property	5 974 522	–	–	–	–	5 974 522
Listed securities portfolio	–	–	3 906 307	–	–	3 906 307
Interest in associates	16 695	123 532	–	–	–	140 227
Loans receivable	–	65 248	–	–	–	65 248
Interest rate swaps	–	–	6 514	–	–	6 514
Guarantee fee asset	–	19 865	–	–	–	19 865
Property, plant and equipment	30 594	–	–	–	–	30 594
Total non current assets	6 021 811	208 645	3 912 821	–	–	10 143 277
Properties held for trading	137 016	–	–	–	–	137 016
Listed securities held for trading	–	–	105 385	–	–	105 385
Trade and other receivables	–	64 637	–	–	–	64 637
Listed security income	–	108 899	–	–	–	108 899
Cash and cash equivalents	–	158 197	–	–	–	158 197
Total current assets	137 016	331 733	105 385	–	–	574 134
Total assets	**6 158 827**	**540 378**	**4 018 206**	**–**	**–**	**10 717 411**
Debenture capital	–	–	–	1 607 689	–	1 607 689
Interest bearing liabilities	–	–	–	3 572 250	–	3 572 250
Interest rate swaps	–	–	–	–	16 823	16 823
Financial guarantee contract	–	–	–	15 774	–	15 774
Deferred taxation	759 551	–	–	–	–	759 551
Total non current liabilities	759 551	–	–	5 195 713	16 823	5 972 087
Trade and other payables	–	–	–	95 773	–	95 773
Interest bearing liabilities	–	–	–	106 444	–	106 444
Bank overdraft	–	–	–	2	–	2
Linked unit holders for distribution	–	–	–	138 708	–	138 708
Total current liabilities	–	–	–	340 927	–	340 927
Total liabilities	**759 551**	**–**	**–**	**5 536 640**	**16 823**	**6 313 014**

	Non financial asset/ liability R000	Financial assets at amortised cost R000	Financial assets at fair value through profit and loss R000	Financial liabilities at amortised cost R000	Financial liabilities at fair value through profit and loss R000	Total R000
Group - 2007						
Investment property	5 049 733	–	–	–	–	5 049 733
Listed securities portfolio	–	–	4 075 285	–	–	4 075 285
Interest in associates	24 107	99 990	–	–	–	124 097
Loans receivable	–	49 101	–	–	–	49 101
Interest rate swaps	–	–	6 262	–	–	6 262
Property, plant and equipment	1 779	–	–	–	–	1 779
Total non current assets	5 075 619	149 091	4 081 547	–	–	9 306 257
Properties held for trading	173 927	–	–	–	–	173 927
Listed securities held for trading	–	–	112 401	–	–	112 401
Trade and other receivables	–	54 071	–	–	–	54 071
Listed security income	–	58 908	–	–	–	58 908
Cash and cash equivalents	–	128 924	–	–	–	128 924
Total current assets	173 927	241 903	112 401	–	–	528 231
Total assets	**5 249 546**	**390 994**	**4 193 948**	**–**	**–**	**9 834 488**
Debenture capital	–	–	–	1 463 689	–	1 463 689
Interest bearing liabilities	–	–	–	3 172 489	–	3 172 489
Deferred taxation	804 029	–	–	–	–	804 029
Total non current liabilities	804 029	–	–	4 636 178	–	5 440 207
Trade and other payables	–	–	–	95 485	–	95 485
Interest bearing liabilities	–	–	–	17 848	–	17 848
Bank overdraft	–	–	–	6 295	–	6 295
Taxation	47 564	–	–		–	47 564
Linked unit holders for distribution	–	–	–	119 093	–	119 093
Total current liabilities	47 564	–	–	238 721	–	286 285
Total liabilities	**851 593**	**–**	**–**	**4 874 899**	**–**	**5 726 492**

	Non financial asset/ liability R000	Financial assets at amortised cost R000	Financial assets at fair value through profit and loss R000	Financial liabilities at amortised cost R000	Financial liabilities at fair value through profit and loss R000	Total R000
Company – 2008						
Interest in subsidiaries	1 411 578	2 382 528	–	–	–	3 794 106
Total non current assets	1 411 578	2 382 528	–	–	–	3 794 106
Trade and other receivables	–	58	–	–	–	58
Total current assets	–	58	–	–	–	58
Total assets	**1 411 578**	**2 382 586**	**–**	**–**	**–**	**3 794 164**
Debenture capital	–	–	–	1 618 268	–	1 618 268
Total non current liabilities	–	–	–	1 618 268	–	1 618 268
Trade and other payables	–	–	–	2 370	–	2 370
Linked unit holders for distribution	–	–	–	139 621	–	139 621
Total current liabilities	–	–	–	141 991	–	141 991
Total liabilities	**–**	**–**	**–**	**1 760 259**	**–**	**1 760 259**
Company – 2007						
Interest in subsidiaries	1 411 578	1 801 203	–	–	–	3 212 781
Total non current assets	1 411 578	1 801 203	–	–	–	3 212 781
Trade and other receivables	–	56	–	–	–	56
Total current assets	–	56	–	–	–	56
Total assets	**1 411 578**	**1 801 259**	**–**	**–**	**–**	**3 212 837**
Debenture capital	–	–	–	1 474 267	–	1 474 267
Total non current liabilities	–	–	–	1 474 267	–	1 474 267
Trade and other payables	–	–	–	3 470	–	3 470
Linked unit holders for distribution	–	–	–	119 989	–	119 989
Total current liabilities	–	–	–	123 459	–	123 459
Total liabilities	**–**	**–**	**–**	**1 597 726**	**–**	**1 597 726**

32. Financial management and financial instruments

Formalisation of a risk management framework is the responsibility of the company and the board of directors. The framework ensures :

- efficient allocation of capital across various activities in order to maximise returns and diversification of income streams ;
- risk taking within levels acceptable to the company as a whole ;
- efficient liquidity management and control of funding costs ; and
- improved risk management and control.

Whilst the board is ultimately responsible for the management of risk, the board relies on management to operate within the control structures and frameworks, established by the board and has delegated the responsibility for implementation of the risk framework to functions within the business.

Risk management structure

The company's risk management framework is summarised below. Key responsibilities lie with the following bodies and committees.

Board of directors – responsible for strategic direction, supervision and control of the entity and for defining the entity's tolerance for risk.

Internal auditors – responsible for assisting the board and management in fulfilling their responsibilities by providing an objective and independent evaluation of the effectiveness of control, risk management and governance processes.

The nature of key risks to which the company is exposed are categorised as follows :

32.1 Interest rate risk

The company is exposed to interest rate risk through its variable rate cash balances and long term borrowings. An interest rate sensitivity analysis is set out below. The analysis indicates the financial assets and liabilities sensitive to interest rate fluctuations and the income statement and tax effects of possible changes in the rates to which the financial assets and liabilities are linked.

32.2 Liquidity risk

The company maintains sufficient cash and ensures that funds remain available through an adequate amount of credit facilities. The company manages its liquidity requirements by monitoring forecasted cash flows. A maturity analysis of financial assets and liabilities are set out below.

32.3 Equity price risk

The group is exposed to equity securities price risk because of the investments held by the group. Any fluctuations in equity prices do not affect the distributable income paid to linked unit holders. The group's investment in equities are publically traded on the Johannesburg Securities Exchange and on the London Stock Exchange.

If the equity securities price increased or decreased by 5% of the carrying amount at year end the effect of net income before tax would have been R200 584 603.

32.4 Foreign exchange risk

The group has a loan denominated in pounds payable to the Standard Bank Isle of Man (refer to note 15). The loan was used to acquire listed securities in Ciref Limited, a company listed on the London Stock Exchange. Therefore, any fluctuations in the pound result in either an increase or decrease in the carrying amount of the liability which is offset by a corresponding increase or decrease in the carrying amount of the listed security (relative to any change in the equity price of the listed security). Any effect on net profit is therefore not material.

32.5 Capital risk management

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

Consistent with others in the industry, the company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest bearing debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity as well as debenture capital.

The debt-to-adjusted capital ratios for the group at 31 August 2008 and 2007 were as follows:

Interest bearing borrowings	3 678 694	3 190 337
Less: Cash and cash equivalents	(158 195)	(122 629)
Net borrowing position	3 520 499	3 067 708
Total equity	6 012 086	5 571 685
Debt-to-adjusted capital ratio	**0.58 : 1**	**0.55 : 1**

32.6 *Interest rate sensitivity*

	2008					2007				
	Carrying value per the balance sheet at year end R000	Index to which interest rate is linked	Reason-able possible change	Income statement effect R000	Tax effect R000	Carrying value per the balance sheet at year end R000	Index to which interest rate is linked	Reason-able possible change	Income statement effect R000	Tax effect R000
Group										
Financial assets										
Loans to associates	123 532	variable	1%	1 235	346	99 990	variable	1%	999	280
Loans receivable	65 248	various - refer to note 5	1%	652	182	49 101	various - refer to note 5	1%	491	137
Cash and cash equivalents	158 197	prime	1%	1 581	443	128 924	prime	1%	1 289	361
Financial liabilities										
Interest bearing liabilities	3 678 694	various - refer to note 15	1%	36 786	10 300	3 190 337	various - refer to note 15	1%	31 903	8 933

32.7 *Maturity analysis of financial instruments*

	Carrying amount R000	Non financial instru-ment R000	< 3 months R000	3-12 months R000	1-5 years R000	> 5 years R000	Total R000
Group – 2008							
Investment property	5 974 522	5 974 522	–	–	–	–	5 974 522
Listed securities portfolio	3 906 307	–	–	–	–	3 906 307	3 906 307
Interest in associates	140 227	16 695	–	–	–	123 532	140 227
Loans receivable	65 248	–	–	–	–	65 248	65 248
Interest rate swaps	6 514	–	–	–	6 514	–	6 514
Guarantee fee asset	19 865	–	–	–	19 865	–	19 865
Property, plant and equipment	30 594	30 594	–	–	–	–	30 594
Total non-current assets	**10 143 277**	**6 021 811**	**–**	**–**	**26 379**	**4 095 087**	**10 143 277**
Properties held for trading	137 016	137 016	–	–	–	–	137 016
Listed securities held for trading	105 385	–	–	105 385	–	–	105 385
Trade and other receivables	64 637	–	64 637	–	–	–	64 637
Listed security income	108 899	–	108 899	–	–	–	108 899
Cash and cash equivalents	158 197	–	158 197	–	–	–	158 197
Total current assets	**574 134**	**137 016**	**331 733**	**105 385**	**–**	**–**	**574 134**
Total assets	**10 717 411**	**6 158 827**	**331 733**	**105 385**	**26 379**	**4 095 087**	**10 717 411**
Debenture capital	1 607 689	–	–	–	–	1 607 689	1 607 689
Interest bearing liabilities	3 572 250	–	–	–	–	3 572 250	3 572 250
Contractual interest	1 177 692	–	96 628	289 884	770 480	20 699	1 177 692
Interest rate swaps	16 823	–	–	–	16 823	–	16 823
Financial guarantee contract	15 774	–	–	–	15 774	–	15 774
Deferred taxation	759 551	759 551	–	–	–	–	759 551
Total non-current liabilities (including contractual interest)	**7 149 779**	**759 551**	**96 628**	**289 884**	**803 077**	**5 200 638**	**7 149 779**

	Carrying amount R000	Non financial instru-ment R000	< 3 months R000	3-12 months R000	1-5 years R000	> 5 years R000	Total R000
Trade and other payables	95 773	–	95 773	–	–	–	95 773
Interest bearing liabilities	106 444	–	–	106 444	–	–	106 444
Contractual interest	3 413	–	2 272	1 141	–	–	3 413
Bank overdraft	2	–	2	–	–	–	2
Linked unit holders for distribution	138 708	–	138 708	–	–	–	138 708
Total current liabilities (including contractual interest)	**344 340**	**–**	**236 755**	**107 585**	**–**	**–**	**344 340**
Total liabilities (including contractual interest)	**7 494 119**	**759 551**	**333 383**	**397 469**	**803 077**	**5 200 638**	**7 494 119**
Group – 2007							
Investment property	5 049 733	5 049 733	–	–	–	–	5 049 733
Listed securities portfolio	4 075 285	–	–	–	–	4 075 285	4 075 285
Interest in associates	124 097	24 107	–	–	–	99 990	124 097
Loans receivable	49 101	–	–	–	–	49 101	49 101
Interest rate swaps	6 262	–	–	–	6 262	–	6 262
Property, plant and equipment	1 779	1 779	–	–	–	–	1 779
Total non current assets	**9 306 257**	**5 075 619**	**–**	**–**	**6 262**	**4 224 376**	**9 306 257**
Properties held for trading	173 927	173 927	–	–	–	–	173 927
Listed securities held for trading	112 401	–	–	112 401	–	–	112 401
Trade and other receivables	54 071	–	54 071	–	–	–	54 071
Listed security income	58 908	–	58 908	–	–	–	58 908
Cash and cash equivalents	128 924	–	128 924	–	–	–	128 924
Total current assets	**528 231**	**173 927**	**241 903**	**112 401**	**–**	**–**	**528 231**
Total assets	**9 834 488**	**5 249 546**	**241 903**	**112 401**	**6 262**	**4 224 376**	**9 834 488**
Debenture capital	1 463 689		–	–	–	1 463 689	1 463 689
Interest bearing liabilities	3 172 489		–	–	–	3 172 489	3 172 489
Deferred taxation	804 029	804 029	–	–	–	–	804 029
Total non current liabilities	**5 440 207**	**804 029**	**–**	**–**	**–**	**4 636 178**	**5 440 207**
Trade and other payables	95 485	–	95 485	–	–	–	95 485
Interest bearing liabilities	17 848	–	–	17 848	–	–	17 848
Bank overdraft	6 295	–	6 295	–	–	–	6 295
Taxation	47 564	–	–	47 564	–	–	47 564
Linked unit holders for distribution	119 093	–	119 093	–	–	–	119 093
Total current liabilities	**286 285**	**–**	**220 873**	**65 412**	**–**	**–**	**286 285**
Total liabilities	**5 726 492**	**804 029**	**220 873**	**65 412**	**–**	**4 636 178**	**5 726 492**

33. Guarantee fee receivable and financial guarantee contract

The guarantee fee is payable by the BEE parties who were issued linked units during the year as a result of the company agreeing to guarantee repayment of their loans to Standard Bank. The guarantee fee is based on 10% of the market price of the units in February 2013, less the cost of the units and funding costs of the units to February 2013.

Calculation of estimated guarantee fee:

Effective date	18 February 2008
Number of units on which guarantee is based	80 000 000
Unit price assumed in February 2013 (R)	11.56
Actual cost of unit (R)	6.85
Estimated funding cost to February 2013 (R)	0.70
Share of profit (%)	10
Total estimated guarantee fee over period (R000)	32 074
Guarantee fee per annum (R000)	6 415
Date guarantee fee payable on	February 2013

	R000
Present value of estimated guarantee fee	19 865
Present value of financial guarantee contract liability	(15 774)
Guarantee fee income recognised in current year	4 091

34. Jointly controlled assets

	2008 R000	2007 R000
34.1 Southcoast Mall		
Southcoast Mall is a jointly controlled asset and there is co-ownership between Redefine and Hyprop and is therefore being proportionately consolidated on a line by line basis.		
Summarised aggregate financial information relating to the company's interest in Southcoast Mall:		
Non-current assets	153 555	140 000
Current assets	1 278	168
Non-current liabilities	–	–
Current liabilities	1 657	1 388
Income	15 047	13 326
Expenses	3 055	2 673
34.2 101 Dock Road		
101 Dock Road is a jointly controlled asset and there is co-ownership between Redefine and SA Reit and is therefore being proportionately consolidated on a line by line basis.		
Summarised aggregate financial information relating to the company's interest in 101 Dock Road:		
Non-current assets	52 483	–
Current assets	–	–
Non-current liabilities	–	–
Current liabilities	–	–
Income	–	–
Expenses	–	–

	2008 R000	2007 R000
34.3 Oasis Joint Venture (50% interest)		
Non-current assets	–	–
Current assets	59 401	121 330
Non-current liabilities	37 680	115 843
Current liabilities	12 706	7 156
Income	83 877	5 161
Expenses	77 459	–
34.4 Broadlands Joint Venture (50% interest)		
Non-current assets	64	80
Current assets	6 890	9 317
Non-current liabilities	–	8 520
Current liabilities	9 701	136
Income	4	6
Expenses	1 336	142
34.5 Brickfield Joint Venture (25% interest)		
Non-current assets	–	–
Current assets	9 023	18 156
Non-current liabilities	5 310	1 723
Current liabilities	185	16 519
Income	31 990	14
Expenses	26 531	109
34.6 Josdel 137 (Proprietary) Limited (50% interest)		
Non-current assets	42 069	–
Current assets	1 662	–
Non-current liabilities	28 030	–
Current liabilities	13 890	–
Income	5 489	–
Expenses	5 502	–

Interest in subsidiaries

Interest in subsidiaries at 31 August 2008	Issued share capital	Indebtedness R000	Shares at cost R000
Outward Investments (Pty) Ltd	100	2 093 282	¥
Portion 65 Rivonia Ext 3 (Pty) Ltd	100	*	*
Portion 68 Rivonia Ext 3 (Pty) Ltd	100	*	*
Terminus Klerksdorp (Pty) Ltd	4	*	*
Spearhead Property Holdings (Pty) Ltd	362 189	289 246	1 411 578
Rapid Dawn 66 (Pty) Ltd	100	#	#
Marble Gold 168 (Pty) Ltd	100	#	#
Kovacs Investments 201 (Pty) Ltd	200	#	#
		2 382 528	1 411 578

¥ Below R1 000

* Held by Outward Investments (Pty) Ltd

Held by Spearhead Property Holdings (Pty) Ltd

Definitions of financial terms

Accounting policies	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.
Amortisation (depreciation)	The systematic allocation of the depreciable amount of an asset over its useful life.
Asset	A resource: (a) controlled by an entity as a result of past events; and (b) from which future economic benefits are expected to flow to the entity.
Associate	An entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.
Basic earnings per share	Profit or loss attributable to ordinary equity holders of the parent entity (the numerator) divided by the weighted average number of ordinary shares outstanding during the period (the denominator).
Borrowing costs	Interest and other costs that an entity incurs in connection with the borrowing of funds.
Capitalisation	Recognising a cost as part of the cost of an asset.
Carrying amount	The amount at which an asset is recognised after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon.
Cash equivalents	Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Cash flows	Inflows and outflows of cash and cash equivalents.
Current asset	An entity shall classify an asset as current when: (a) it expects to realise the asset or intends to sell or consume it in its normal operating cycle; (b) it holds the asset primarily for the purpose of trading; (c) it expects to realise the asset within twelve months after the reporting period (d)the asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. An entity shall classify all other assets as non-current.

Current liability	An entity shall classify a liability as current when: (a) it expects to settle the liability in its normal operating cycle; (b) it holds the liability primarily for the purpose of trading; (c) the liability is due to be settled within twelve months after the reporting period; or (d)the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. An entity shall classify all other liabilities as non-current.
Deferred tax assets	The amounts of income taxes recoverable in future periods in respect of: (a) deductible temporary differences; (b) the carryforward of unused tax losses; and (c) the carryforward of unused tax credits.
Deferred tax liabilities	The amounts of income taxes payable in future periods in respect of taxable temporary differences.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
Financial asset	Any asset that is: (a) cash; (b) an equity instrument of another entity; (c) a contractual right.
Financial liability	Any liability that is: (a) a contractual obligation such as to deliver cash or another financial asset to another entity.
Goodwill	An asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.
Impairment loss	The amount by which the carrying amount of an asset exceeds its recoverable amount.
Investment property	Property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.
Joint venture	A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.
Jointly controlled entity	A joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity.
Liability	A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
Loans and receivables	Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
Loans payable	Financial liabilities other than short-term trade payables on normal credit terms.
Non-controlling interest	The equity in a subsidiary not attributable, directly or indirectly, to a parent.
Non-current asset	An asset that does not meet the definition of a current asset.
Property, plant and equipment	Tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.
Proportionate consolidation	A method of accounting and reporting whereby a venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.
Revaluation	Restatement of assets and liabilities.

Unitholders' diary

Event	Date
Annual General Meeting	16 February 2009
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)	February
• Quarter 2 (December – February)	May
• Quarter 3 (March – May)	August
• Quarter 4 (June – August)	November

Notice of AGM of shareholders and debenture holders

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS 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 and debenture holders ("unitholders") of Redefine Income Fund Limited ("the company") will be held at the offices of the company at 2 Arnold Road, Rosebank, Gauteng on Monday, 16 February 2009 at 10h00 for the following purposes:

A. To consider the financial statements for the year ended 31 August 2008;

B. To transact such 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 71 and 72); and

1. To consider and, if deemed fit, pass, with or without modification, the shareholder 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 general 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, at any point in time, 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 2008) 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 date on which the transaction is effected;

1.1.5. repurchases may not take place during a prohibited period (as defined in the JSE Listings Requirements), unless a repurchase programme is in place and 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 undertake that, 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, for a period of 12 (twelve) months after the date of notice of this annual general meeting:

- the company will in the ordinary course of business be able to pay its debts;
- 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 – pages 71 to 72
- Major beneficial unitholders – page 58
- Directors' interests in linked units – page 89
- Share capital of the company – page 88

Litigation

The directors, whose names appear on pages 59 to 60 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 pages 71 to 72 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 2008 and up to the date of this notice.

Reason for and effect 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 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 general 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 and not related parties, all as defined in the Listings Requirements of the JSE;
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 2008) 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 per linked unit, net tangible asset value per linked unit, earnings per linked unit, headline earnings per linked unit and if applicable, diluted earnings and headline earnings per inked 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 shareholders present or represented by proxy at the annual general meeting must be cast in favour of Ordinary Resolution 2 for it to be approved.

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

1.5 Ordinary Resolution Number 4: Re-election of Director
"Resolved that B. Azizollahoff be and is hereby re-elected as a Director of the company."

1.6 Ordinary Resolution Number 5: Re-election of Director
"Resolved that M. Wainer be and is hereby re-elected as a Director of the company."
A brief CV of each of the directors standing for re-election appears on pages 71 to 72 of the annual report of which this notice forms part.

1.7 Ordinary Resolution Number 6: Confirmation non-executive 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."

1.8 Ordinary Resolution Number 7: 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 and 6 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.

C. To transact such 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 general 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, at any point in time, 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 2008) 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 date on which the transaction is effected;

1.1.5. repurchases may not take place during a prohibited period (as defined in the JSE Listings Requirements), unless a repurchase programme is in place and 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 undertake that, 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, for a period of 12 (twelve) months after the date of notice of this annual general meeting:

- the company in the ordinary course of business will be able to pay its debts;
- 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 in 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 – pages 71 to 72
- Major beneficial unitholders – page 58
- Directors' interests in linked units – page 89
- Share capital of the company – page 88

Litigation

The directors, whose names appear on pages 71 to 72 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 pages 71 to 72 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 2008 and up to the date of this notice.

Reason for and effect 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 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 effect of Debenture Special Resolution Number 2

Reason for and effect 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 Redefine Debenture Trust Deed, the directors of the company be and are hereby authorized until this general 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:

a) the allotment and issue of linked units for cash shall be made only to persons qualifying as public unitholders and not related parties, all as defined in the Listings Requirements of the JSE;

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 2008) 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;

c) the maximum discount at which linked units may be issued for cash is 5% (five 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 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 asset value per linked unit, net tangible asset value per linked unit, earnings per linked unit, headline earnings per linked unit and if applicable, diluted earnings and headline 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

Unitholders should note that seperate forms of proxy must be completed by shareholders and debenture holders in order for their votes to be valid

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 (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

23 January 2009

Registered address

2 Arnold Road

Rosebank

Johannesburg

PO Box 1731, Parklands, 2121

Transfer Secretaries

Computershare Investor Services (Pty) Ltd

70 Marshall Street

Johannesburg

2001

PO Box 61051, Marshalltown, 2107

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 onMonday, 16 February 2009 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 resolution:				
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 L. Barnard a director of the company			
1.5.	To re-elect B. Azizollahoff a director of the company			
1.6.	To re-elect M. Wainer a director of the company			
1.7.	To confirm non-executive directors' remuneration			
1.8.	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 ______________ 2009

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 (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 (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.

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 Monday, 16 February 2009 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 resolutions:				
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 ______________ 2009

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 (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 (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 (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