INGREDIENTS

HIGHLIGHTS

THE NUMBERS:

	2010	2009
Total distribution (cents)	66,50	56,55
Total return (cents)	136,50	95,55
Total annual return (%)	18,7	13,8
Closing unit price (cents)	799	729
Trading volume (%)	40	69
Market capitalisation (R-bn)	21,5	19,4
Property portfolio value (R-bn)	19,3#	18,2
Borrowings (R-bn)	8,4+	5,5
Borrowings as % of value of properties		
and listed securities (%)	34	26
Weighted average cost of borrowings (%)	9,3	9,2
Vacancy (%)	10,4	8,5

On consolidation of foreign subsidiaries:
 # The property portfolio is valued at R21,6 billion
+ The total borrowings are R11,5 billion

OPERATIONS AND TRANSACTIONS:

- Decision to move property management function in-house (page 17)
- Acquisition of additional Hyprop units (page 78)
- Launch of Redefine Properties International Limited (page 80)

REDEFINE
PROPERTIES

FIVE YEAR REVIEW

	GROUP 2010 Rm	2009 Rm	2008 Rm	2007 Rm	2006 Rm
SUMMARISED BALANCE SHEET§					
ASSETS					
Investment properties	**21 651**	18 235	5 975	5 050	2 513
Listed securities portfolio	**5 099**	2 807	3 906	4 075	3 448
Goodwill and intangibles	**4 683**	3 522	–	–	–
Other non-current assets	**2 041**	1 003	262	181	–
Current assets	**1 498**	640	574	528	142
Total assets	**34 972**	26 207	10 717	9 834	6 103
EQUITY AND LIABILITIES					
Linked unitholders' interest	**19 943**	17 968	6 012	5 572	3 153
Interest bearing liabilities	**11 549**	5 480	3 572	3 172	2 458
Deferred taxation	**2 179**	2 017	760	804	354
Other non-current liabilities	**209**	56	33	–	–
Current liabilities	**1 092**	686	340	286	138
Total equity and liabilities	**34 972**	26 207	10 717	9 834	6 103
SUMMARISED INCOME STATEMENT§					
Rental income	**2 502**	742	540	431	292
Listed securities portfolio income	**266**	308	333	300	207
Property trading income	**20**	39	24	40	–
Fee income	**193**	14	4	–	–
Total revenue	**2 981**	1 103	901	771	499
Operating costs	**(538)**	(139)	(106)	(87)	(56)
Administration costs	**(136)**	(84)	(60)	(55)	(36)
Net operating income	**2 307**	880	735	629	407
Interest in associates	**(63)**	(4)	(7)	6	–
Interest paid	**(843)**	(350)	(282)	(270)	(190)
Interest received	**283**	80	49	19	9
Taxation	**1**	–	–	–	–
Income before debenture interest	**1 685**	606	495	384	226
Debenture interest	**(1 777)**	(711)	(495)	(416)	(226)
Pre-acquisition income	**9**	105	–	32	–
Distribution adjustments	**119**	–	–	–	–
Non-controlling interests	**(36)**	–	–	–	–
Retained income	**–**	–	–	–	–
SUMMARISED CASH FLOW STATEMENT§					
Cash flows from operating activities	**(26)**	(240)	(78)	35	(62)
Cash flows from investing activities	**(3 116)**	481	(856)	(45)	(1 235)
Cash flows from financing activities	**3 678**	(288)	970	1 253	141
Net movement in cash and cash equivalents	**536**	(47)	36	1 243	(1 156)
Borrowings as % of value of properties and listed securities†	**34**	26	35	34	34
UNIT STATISTICS					
Linked units in issue* (million)	**2 684**	2 648	893	813	556
Distribution per linked unit (cents)	**66,5**	56,55	56,63	51,25	42,7
Distribution growth (%)	**17,6**	(0,1)	10,5	20	16
Net asset value per linked unit# (cents)	**824,11**	744,57	758,17	784,07	629,96
PROPERTY STATISTICS					
Number of properties	**397**	403	101	95	66
Lettable area (m^2 thousands)	**3 648**	3 610	858	777	525
Sectoral spread (%)					
Office	**37**	38	45	41	43
Retail	**33**	33	26	24	22
Industrial	**30**	29	30	35	35
Vacancy (m^2 thousands)	**378**	307	41	17	14
Vacancy factor (%)	**10,4**	8,5	4,8	2,2	2,7
Property expenses as a % of revenue	**21,50**	18,73	19,63	20,19	19,18

** Net of treasury units*
 # Excluding deferred taxation
† Excluding foreign subsidiaries
§ Foreign interests consolidated

REDEFINE AT A GLANCE

COMPANY INFORMATION

Company name:	Redefine Properties Limited*
Share code:	RDF
JSE sector:	Financial Services – Real Estate
Listing date:	23 February 2000
Total linked units in issue:	2 690 172 102

UNIT STATISTICS

AT 31 AUGUST 2010

Closing price:	799 cents per linked unit
Market capitalisation:	R21,5 billion
Net asset value:	824 cents per linked unit

YEAR TO 31 AUGUST 2010

Total distribution:	66,5 cents per linked unit
Total return:	136,5 cents per linked unit
Total return (%):	18,7%

PROPERTY PORTFOLIO AT 31 AUGUST 2010

Number of properties:	397
Valuation:	R19,3 billion#
Gross lettable area (GLA):	3 648 414 m^2
Vacancy factor:	10,4%
Valuation/m^2:	R5 330
Total gross monthly rental:	R201,8 million

LISTED SECURITIES AT 31 AUGUST 2010

Value of South African held listed securities:	R5,2 billion§

BORROWINGS AT 31 AUGUST 2010

Total:	R8,4 billion†
Weighted average cost of borrowings:	9,3%
Borrowings as % of value of properties and listed securities:	34%

** Unitholders voted in favour of changing the company name from Redefine Income Fund Limited to Redefine Properties Limited at the annual general meeting held on 4 February 2010. Redefine Properties Limited better describes the business of the company.*

On consolidation of foreign subsidiaries:
 # the property portfolio is valued at R21,6 billion
§ the value of listed securities is R5,1 billion
† the total borrowings are R11,5 billion

COMPANY PROFILE

Redefine Properties Limited (Redefine) is a property loan stock (PLS) company which listed on the JSE Limited (JSE) in the Financial Services sector on 23 February 2000.

At 31 August 2010, the company was the second largest listed PLS company in South Africa, with a market capitalisation of R21,5 billion.

The company offers investors participation in a diversified portfolio of 397 properties in South Africa valued at R19,3 billion and a R5,2 billion portfolio of South African listed property investments and significant international diversification through Redefine International and its foreign subsidiaries.

Redefine is internally managed by a proven team of entrepreneurial and experienced property and financial professionals who are committed to being the landlord of choice and to achieving sustained growth in distributions for unitholders.

Convention Tower, Cape Town

A BRIEF HISTORY

1999	Redefine was founded
2000	Redefine listed on the JSE
2007	Redefine acquired Spearhead Property Holdings Limited (Spearhead)
2009	Redefine acquired all the units of ApexHi Properties Limited (ApexHi) and Madison Property Fund Managers Limited (Madison) to effect a merger of the three companies in a record R12,7 billion transaction.

	2000	2010
Locally held investment properties and listed securities	R1,1 billion	R24,5 billion
• Properties	50%	79%
• Listed securities	50%	21%
Market capitalisation	R400 million	R21,5 billion
Unit price (cents)	200	799

STRATEGIC OBJECTIVES

SUSTAINABLE GROWING INCOME

The company's primary objective is to provide sustainable and growing income for its investors. Underscoring this is Redefine's pursuit of revenue enhancing opportunities that translate into increasing distributions for unitholders. Distributions are currently paid on a quarterly basis, however it is proposed that an amendment be made to the debenture trust deed providing for the frequency of distributions to be changed to twice a year. (See page 203)

Growth in income and distributions is targeted through:

- Organic growth from the core property portfolio
  2010: Gross revenue from the property portfolio accounted for 84% of total gross revenue (up from 67% in 2009). Recurring net income accounted for 95% of distributable income.
- Increased distributions from strategic listed securities
  2010: There was a significant increase in income from Redefine International plc (RI plc) and Hyprop Investments Limited (Hyprop) as a result of the increased investment in these companies. (See page 78)
- Yield enhancing acquisitions and disposals
  2010: Redefine acquired four properties at a yield of 11,2%, and disposed of 11 properties at a 5,7% yield. (See page 43)
- Management of debt
  2010: Interest costs increased significantly as a result of the expansion of the company. Careful strategic management of the debt exposure is a key priority. (See page 85)
- Development and redevelopment of properties to add value to the portfolio
  2010: Redefine has a number of development projects in progress, valued at R185 million, which will enhance the existing portfolio. (See page 46)
- Cost containment
  2010: Despite increases in electricity and rates tariffs, costs were contained at 21% of gross revenue.

INVESTMENT STRATEGY

Redefine aims to enhance and improve the portfolio from which its income is derived, and acquires or disposes of properties or listed securities accordingly.

See page 43 for acquisition strategy
See page 44 for disposal strategy

During the year under review, four properties were acquired for a total consideration of R514 million at an aggregate yield of 11,2%. The company sold 11 properties for a total consideration of R230,3 million at an aggregate yield of 5,7%.

INVESTMENTS IN LISTED SECURITIES

In addition to investments in fixed properties, Redefine holds strategic investments in listed property securities. Investments in other listed property companies are actively pursued if there is an opportunity for corporate action.

During the year under review, Redefine was active in acquiring units in listed securities. Notably, the company increased its stake in Hyprop from 33,3% to 45,7% at 31 August 2010. (See page 78)

Redefine also substantially increased its holdings in RI plc. (See page 79)

OFFSHORE STRATEGY

Redefine has invested in offshore property companies to further diversify risk and to provide investors with a hedge against rand weakness. The aim was to expand the offshore portfolio and to acquire further interests in Ciref Plc and to rebrand it as Redefine International plc (RI plc).

Redefine was the first listed property company to receive approval from the South African Reserve Bank for foreign direct investment in offshore property. The company received permission to hold its interest in RI plc directly through a wholly-owned South African subsidiary, Redefine Properties International Limited (RI Limited) – which listed on the JSE subsequent to year-end on 7 September 2010.

All Redefine's offshore investments are now housed in this locally listed vehicle and as a consequence of the listing, Redefine's holding has reduced to 57,2%.

MERGER INTEGRATION

The integration of Redefine, ApexHi and Madison, following the merger which took place in July 2009, took centre stage during the 2010 financial year.

Redefine has successfully consolidated the expanded portfolio to ensure that economies of scale and cost savings were realised, and the asset management division was restructured to increase efficiencies.

INTERNALISATION OF MANAGEMENT FUNCTIONS

The internalisation of asset management was successfully implemented following the merger.

During the year under review, the property management model was re-evaluated and alternative and more beneficial ways of managing the portfolio were assessed. Redefine consequently made the decision to move from an outsourced to an in-house property management model because Redefine was dissatisfied with the service levels being provided. Furthermore, due to the increased size of Redefine, it was deemed more appropriate to internalise property management, and the company commenced with the establishment of its own property management department. This is expected to result in an increase in revenue as well as considerable financial savings and efficiencies in the medium term. (See page 17)

RISK MANAGEMENT

Redefine actively manages risk within the business by identifying, assessing and monitoring the risks to which the business is exposed. (See page 118)

Portfolio risk

The size of Redefine's property portfolio significantly reduces risk due to:

- the number of properties owned;
- the geographical spread throughout South Africa;
- the spread between office, retail and industrial sectors; and
- the large number and quality of tenants within the portfolio.

Acquisitions and disposals

The investment committee, a sub-committee of the board, approves all material acquisitions and disposals based on a defined mandate and stringent technical and financial due diligence processes.

Debt

Redefine has a conservative debt profile, with a current loan to value ratio of 34%. The company actively pursues the lowest cost of finance and fixes interest rates as low as possible for long periods. In the year under review, Redefine took advantage of the favourable interest rate environment and increased its debt from R5,5 billion to R8,4 billion to facilitate the expansion strategy and has maintained the average all inclusive cost of borrowings at 9,3%. (See page 85)

Lease expiries

The company's lease expiry profile reflects that approximately 31% of the lettable area expires in the coming financial year. In the review period, 33% of the lettable area in the portfolio expired. Leases for 912 395m^2 were renewed, and new leases over 215 848 m^2 were secured. The company has an in-house leasing team, and also makes use of independent brokers. The strategy is, where practical, to secure large A-grade tenants where the likelihood of lease renewals is high.

82 on Maude, Sandton

BOARD OF DIRECTORS

From left to right: David Rice, Di Perton, Mike Flax, Dines Gihwala, Harish Mehta, Greg Heron

David Rice (54)
Executive director

Appointed on 5 August 2009

Rice was managing director of ApexHi from 2006 until the merger. He serves on the executive and investment committees and heads operations, including asset and property management.

Di Perton (63)
Independent non-executive director

Appointed on 26 October 2004

Perton was the head of the legal division at Liberty Properties until she retired in 2000.

Mike Flax (45)
Executive director

Appointed on 5 August 2009

Flax, a Chartered Accountant, headed Spearhead prior to its acquisition by Redefine. He serves on the executive and investment committees. He operates from Redefine's Cape Town office and is responsible for overseeing acquisitions, disposals, trading and development activity.

Dines Gihwala (57)
Independent non-executive chairman

Appointed on 18 April 2007

Gihwala is currently the chairman of Cliffe Dekker Hofmeyr, one of South Africa's largest legal practices. He is a director of several companies. In 2004, he was appointed as a Professor of Law. He is a member and chairman of the first Independent Regulatory Board for Auditors appointed by the Minister of Finance in terms of the Auditors' Profession Act.

Harish Mehta (60)
Independent non-executive director

Appointed on 5 August 2009

Mehta is the chairman of Clearwater Capital (Proprietary) Limited (Clearwater Capital), a strategic BEE shareholder in Redefine. He is the managing director of the Universal Print Group (Proprietary) Limited and a non-executive director of The Spar Group Limited.

Greg Heron (45)
Independent non-executive director

Appointed on 5 August 2009

Heron is the managing director of Clearwater Capital, a strategic BEE shareholder in Redefine. A Chartered Accountant, Heron serves on several boards of large private companies, and is a non-executive director of RI plc. Heron is the chairman of Redefine's audit and risk committee and is a member of the remuneration and investment committees.

From left to right: *Bernard Nackan, Brian Azizollahoff, Marc Wainer, Gerald Leissner, Janys Finn, Monica Khumalo*

Bernard Nackan (66)
Independent non-executive director

Appointed on 5 August 2009

Nackan was financial editor of the Rand Daily Mail and an executive director of Sage Group from 1974 until his retirement in 2003. He is a member of the Collective Investment Schemes Advisory Committee. Nackan serves on Redefine's audit and risk committee and is chairman of the remuneration committee. He is also a non-executive director of RI Limited.

Brian Azizollahoff (49)
Executive director

Appointed on 21 April 2003

Azizollahoff has almost 25 years' experience in the property industry. He served as CEO of Redefine from 2003 until the merger. Azizollahoff serves on the executive and investment committees. He is involved in all corporate activity and is responsible for debt and capital markets, certain joint ventures, marketing and investor relations, human resources and legal.

Marc Wainer (61)
Chief executive officer

Appointed on 1 November 1999

Wainer has 34 years' experience in all aspects of real estate. He is a non-executive director of Hyprop and a director of RI plc and RI Limited. He serves on Redefine's executive and investment committees. His primary focus is on structuring corporate transactions, acquisitions and disposals, as well as being responsible for the day-to-day operations of Redefine.

Gerald Leissner (68)
Non-executive director

Appointed on 5 August 2009

Leissner was CEO of ApexHi from 2001 until his retirement at the time of the merger. He is a director of the Johannesburg Housing Company and the Housing Development Agency. Leissner serves on Redefine's audit and risk and investment committees.

Janys Finn (46)
Executive director

Appointed on 5 August 2009

Finn, a Chartered Accountant, is the financial director of Redefine and serves on the executive and investment committees.

Monica Khumalo (45)
Independent non-executive director

Appointed on 5 August 2009

Khumalo is managing director of Loato Properties, a property company owned and managed by women.

Directors' remuneration and emoluments are on page 131

BOARD OF DIRECTORS *continued*

BOARD COMPOSITION

The Redefine board comprises 12 members who are responsible for the strategic direction of the business, determine the investment and performance criteria and oversee the proper management, control, compliance and ethical behaviour of the business under its direction.

More details can be found in the Corporate Governance section on page 116.

The board comprises:

Independent non-executive chairman:	Dines Gihwala
Chief executive officer (CEO):	Marc Wainer
Four executive directors:	Brian Azizollahoff
	Janys Finn
	Mike Flax
	David Rice
Five independent non-executive directors:	Greg Heron
	Monica Khumalo
	Harish Mehta
	Bernard Nackan
	Di Perton
One non-executive director:	Gerald Leissner

The company has a policy for appointments to the board. These appointments are formal and transparent and a matter for the board as a whole.

See page 130 for a schedule of meetings attended.

SUB-COMMITTEES OF THE BOARD

The board has established a number of committees to provide detailed attention to certain of its responsibilities and which operate within defined, written terms of reference. These are:

- Audit and risk committee
- Executive committee
- Investment committee
- Remuneration and nomination committee

Detailed descriptions of committees can be found on page 116.

CHANGES TO THE BOARD OF DIRECTORS

Wolf Cesman resigned as a director and joint CEO of Redefine on 7 May 2010. Marc Wainer has continued as the sole CEO of Redefine, with minimal disruption to the business.

There have been no further appointments to the Redefine board.

Subsequent to year-end, Janys Finn resigned as financial director with effect from 16 November 2010.

Andrew Konig has been appointed as the financial director, with effect from 14 January 2011.

OPERATIONS

ASSET MANAGEMENT

In line with international best practice, the asset management function was integrated at the time of the merger in 2009. The internal asset management team comprises experienced asset managers and specialists in key areas of leasing, retail, and development, and is responsible for the strategic management of the property portfolio and for making recommendations to the executive committee regarding acquisitions, disposals and redevelopments.

The portfolio is assessed to ensure that each property achieves maximum potential in the short and medium term. Risk analyses are conducted regularly to expose potential and current risks within the portfolios. The team oversees the preparation of income projections, which are reviewed and analysed and, where appropriate, properties are identified for disposal or redevelopment.

The portfolio is physically inspected on a regular basis to ensure that the properties are being maintained to an acceptable level. Maintenance plans are prepared and implemented in conjunction with the property managers. Careful consideration is given to identifying properties that can benefit from upgrades, renovations and extensions, and feasibility studies are conducted to appraise the opportunities.

Once the relevant approvals have been obtained, the asset management team works with the development team to appoint and brief professionals for all capital projects and oversees all of these projects. They also control the capital expenditure for new developments, refurbishments and improvements to properties in the portfolio.

*South Coast Mall,
Shelly Beach*

SPECIALIST SKILLS

A number of internal specialists are employed to manage key functions:

Development

Headed by Mike Ruttell, the development team is focused on redevelopment, refurbishment and expansion of existing properties as well as new developments. The team appoints and coordinates all professionals, deals with local councils to oversee town planning issues, and controls construction and project management.

Retail

Mike Lewin, a retail property expert, provides specialist knowledge and strategic and operational input for the retail portfolio. He is assisted by an experienced retail leasing team whose responsibilities span the 1,1 million square metre retail portfolio. He works closely with the national retailers and is integrally involved in the redevelopment of Redefine's retail centres. Whereas no contract exists between Redefine and Hyprop, due to Redefine's sizeable investment in the retail focused company, Lewin also provides strategic input for Hyprop's portfolio.

Leasing

The leasing team, under the national leasing manager, is focused on letting the vacant space in Redefine's property portfolio. Leasing strategies are devised for every building, and, where appropriate, third party brokers are appointed to secure tenants. Generous incentive programmes are provided to ensure that vacant space is let.

Park Meadows, Kensington

PROPERTY MANAGEMENT

The day-to-day property management of the Redefine portfolio has to date been outsourced to Broll Property Group (Broll). The contract terminated on 31 August 2010 subject thereafter to three calendar months' notice for cancellation.

During the year under review, Redefine announced its decision to internalise the property management function of its portfolio, Broll was given notice of termination, and the process of migrating the function to Redefine commenced.

In addition to creating the potential for significant annual savings, the substantial change in strategy was necessary to improve service levels to tenants, and better controls were required to improve the accuracy and frequency of management information and to streamline business processes and efficiency to enhance profitability.

The change will result in Redefine having direct control over the operational management of the properties as owner, which is expected to reinforce direct relationships with tenants, and improve turnaround times in decision making and service delivery.

Broll employed the services of four property managers, BKD Trading, Isivuno Properties, Primecare Properties and Top Services Properties, to assist with the management of a portion of the portfolio. Internalisation of these four managers commenced from 1 July 2010.

At 31 August 2010, the management of 25% of the properties (equating to 22% of the leases and 780 tenants) had been internalised. By 1 December 2010, 244 properties, leased by 2 946 tenants, will be managed by Redefine. Total take-on is anticipated by 1 March 2011, and a portion of the costs in respect of internalisation will be incurred during 2011.

The properties making up the ApexHi portfolio, which were integrated at the time of the merger, are managed by Broll in terms of a separate contract, which expires in June 2012. As part of Redefine's restructuring process in which all properties are being transferred from subsidiary companies to the holding company (see page 11), the ApexHi properties will become internally managed by Redefine as and when transfers are effected.

IT SYSTEM

In early 2010, Redefine commissioned the design and implementation of a sophisticated IT system required to administer the property portfolio. Through automated reporting, the state of the art system provides efficient, meaningful and accurate information enabling staff to make effective decisions.

The IT system comprises five integrated programmes including the leading South African property management system, a business process management system, a document management system, a business reporting and analytical tool and the payroll and performance management system.

At 31 August 2010, the property management system was fully functional and operational, and the other four systems are expected to be operational by February 2011.

STAFF

Redefine appointed asset manager Pieter Strydom to head the property management division, and financial manager, Aaron Suckerman to head the property management finance division.

In terms of Section 197 of the Labour Relations Act, Redefine is obliged to replace Broll as employer of the 230 staff employed exclusively for the Redefine portfolio. The utilities management division was first to be transferred to Redefine on 1 July 2010, and the remainder of the staff will transfer as the management of the portfolios are assumed by Redefine. This process has ensured a smooth transition and business continuity. Redefine will also employ additional specialists not currently employed by Broll to further enhance key areas of the business.

At 31 August 2010, the property management division employed 48 staff.

11 Diagonal Street, Johannesburg

CONTACT CENTRE

To improve service delivery, Redefine has established a contact centre as a single point of contact for its tenants to raise queries relating to maintenance, accounts and general customer service. The contact centre has been operational since September 2010.

LEGAL

Redefine has an internal legal department, which provides quick access to legal resources and opinion, and handles diverse legal matters including commercial law, conveyancing and litigation. External legal fees are carefully controlled and limited.

FINANCE

The finance department is headed by the financial director who is supported by a team of qualified accountants and support staff. The department is responsible for all aspects of financial reporting and compliance.

MARKETING AND INVESTOR RELATIONS

Redefine has an active investor relations function, which is driven by an executive director whose role is to interact with investors both formally and informally.

The company communicates with its linked unitholders and the broader investment community via news releases, advertising, newsletters and through information contained on its website. A close connection is maintained with property journalists.

Investors, analysts and other interested parties receive at least two email investor communications per month to inform them about transactions and newsworthy company information. In addition, any Redefine announcement that appears on the Stock Exchange News Service (SENS) is distributed to this database.

It is Redefine's policy to meet regularly with institutional and large unitholders and investment analysts and to provide regular information on the company and its performance.

Tours of selected buildings are arranged with investors to provide detailed insight into the property portfolio.

Redefine hosts functions through the Investment Analysts Society in Johannesburg and Cape Town to present the company's interim and annual results.

The marketing of office, retail and industrial space is handled by an in-house marketing manager who is responsible for supporting the leasing team with marketing material for distribution to potential tenants. In addition, an extensive broker liaison programme ensures that intermediaries are kept abreast of available space.

Marketing of retail centres to the communities in which they operate is decentralised to centre management who are responsible for the marketing strategy and implementation of promotions to attract shoppers.

HUMAN RESOURCES AND STAFFING

As a result of the merger, and the subsequent decision to internalise the property management function, the number of staff employed by Redefine has increased substantially from 47 at 31 August 2009 to 91 at 31 August 2010, and is anticipated to increase to a total of 230 during the 2011 financial year.

At 31 August 2010:

	Number of staff
Executive committee	5
Asset management	8
Property management	48
Development	4
Acquisitions and disposals	2
Retail	1
Marketing	1
Finance	5
Legal	4
Human resources	2
Support staff	11

As a result of the increased number of staff, Redefine has established a fully fledged human resources (HR) department, whose objective is to support the business in creating a performance driven culture to which staff will aspire.

The primary objectives of the newly established HR department are to:

- position Redefine as a sought after employer in South Africa;
- successfully integrate the newly established property management division into the business;
- provide an in-house payroll system;
- align behaviour and create a culture of performance; and
- provide excellent support levels to the business.

CHAIRMAN'S STATEMENT

THE GLOBAL ECONOMY

Although generally weak throughout the year under review, global economic growth has started to show signs of recovery, induced by stimulus policies, particularly in those countries hardest hit by the housing collapse and associated credit crisis. This rebound should eventually result in economic "convalescence", particularly in advanced economies where households, financial institutions and governments are reducing their debt.

As the temporary stimulus initiatives aimed at bolstering domestic spending are withdrawn, there is a predictable falloff in the pace of expenditure and manufacturing activity, and global economic growth is therefore expected to be muted.

With the downgrading of the world's economic and inflation prospects coming rapidly on the heels of the European sovereign debt crisis, investors have become increasingly risk averse during the past year. This has impacted corporate profit growth expectations and reduced stock market holdings, with investors favouring the safety of high-quality government securities.

Globally, pockets of economic strength persist, especially among the emerging nations such as our own where domestic conditions remain relatively robust.

The prevailing environment has been beneficial for the share prices of South African listed property companies which have generally tracked the stronger bond market upwards.

THE SOUTH AFRICAN ECONOMY

In the year under review, the South African economy has been relatively robust. This partly reflects the benefits of the 2010 FIFA World Cup and the related infrastructure spending that underpinned economic growth while much of the rest of the world economy experienced recessionary conditions in the wake of the financial and sovereign debt crises of the past 18 months.

However, despite South Africa's favourable comparative position, the trade repercussions flowing from the renewed sluggishness in the major Western trading partners, combined with rand strength, are contributing to a drag on domestic growth. The general consensus of "too few jobs, too little wage income and too little consumer spending" is hampering South Africa's recovery, and the post FIFA World Cup "hangover" has begun to be felt, with activity impacted by construction layoffs and public sector strike action.

On the positive side, inflation remains low and there is downward pressure on South African interest rates which have reached their lowest levels in over 30 years. Low rates are generally positive for the domestic property market and should benefit Redefine Properties Limited (Redefine) in the medium term.

The reduction in the Reserve Bank's repo rate lowered commercial bank prime interest rates to 9,5% at year-end, down 6% from 15,5% at 1 September 2008. This reflects the improved inflation outlook, that is an additional stimulus to the recovery of the domestic economy, but which remains vulnerable to the uncertain global environment.

THE PROPERTY INDUSTRY

South Africa's property sector has performed considerably better than most of its international counterparts. Despite the second consecutive year of declines in growth of income returns from double digit growth, property performance remains positive and net income growth remains marginally above inflation.

According to information compiled by the Investment Property Databank (IPD), South Africa produced the highest nominal returns of all countries measured in their analysis.

The three main property sectors are currently at different stages of the market cycle:

- Retail income growth peaked nearly three years ago in 2007, and has declined consistently to around 5% at 31 August 2010 but is showing signs of recovery.
- The office sector has recovered from negative income growth in 2002 and while the sector continues to improve, the outlook is generally flat.
- Industrial rentals are well below their 2007 peak, with low single digit growth in evidence.

The very large increases in municipal charges – mainly assessment rates and electricity – and other costs at above inflation which are borne by tenants will further dampen future net operating income growth in all sectors.

Over the next 12 months, the growth in income distributions from South Africa's listed property sector is expected to slow to between 5% and 8% but should still be in excess of inflation expectations.

Heron Place, Century City

REDEFINE

Despite challenging conditions during the year under review, Redefine's property and investment portfolios performed satisfactorily, although distribution growth was below expectations. The merger of ApexHi Properties Limited (ApexHi) and Madison Property Fund Managers Limited (Madison) with Redefine was fully accomplished during the year.

The merger, one of the largest transactions of its kind in South Africa during 2009, transformed the company into one of the premier real estate investment groups in South Africa and an organisation of substance even by global standards, and has allowed Redefine to enter a variety of JSE Limited (JSE) and investor indices. Redefine is close to inclusion in the JSE ALSI 40 index which should have additional benefits.

Despite being below forecast, Redefine achieved growth in distributions per unit of 17,6% for the year, driven in part by one-off benefits from the merger. The strategic focus on distributions by the Redefine team is aimed at ensuring that unitholders enjoy long-term benefits from their holdings in this well diversified property investment company.

The total return to unitholders for the year was 18,7%. The liquidity of Redefine units on the JSE remains high, with 40% of units trading in the year under review.

The company now has 397 properties, with a total gross lettable area of more than 3,6 million square metres, valued at R19,3 billion. The focus is on improving the quality of the portfolio, which although potentially diluting in the short term, better positions Redefine for medium to long-term growth.

The company's listed securities portfolio has increased significantly to R5,2 billion. This mainly reflects the company's holding in Hyprop Investments Limited (Hyprop) which increased from 33,3% to 45,7% at year-end, making Redefine the shareholder of reference in this highly-rated retail fund. In addition, Redefine increased its holding in Ciref Plc, which rebranded as Redefine International plc (RI plc), and resulted in the successful listing on the JSE of its offshore holdings through Redefine Properties International Limited (RI Limited).

Grand Arcade, Wigan, UK

THE YEAR AHEAD

We are confident that under the able leadership of its executive team, Redefine will show sustained progress, despite a difficult trading environment, and will continue to establish a solid base from which to deliver sound results for the benefit of unitholders and other stakeholders.

Redefine remains a well capitalised company which is ideally placed to take advantage of opportunities to enhance its property portfolio and to make accretive acquisitions.

APPRECIATION

I would like to thank my fellow directors for the manner in which they have handled the wide range of events which occurred within the Redefine stable this past year.

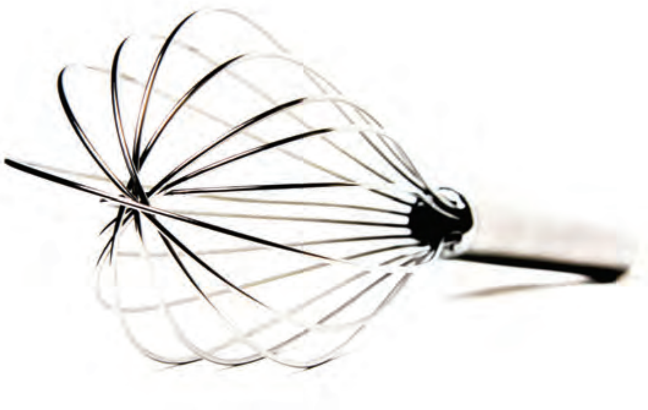
Thank you to our chief executive officer (CEO), Marc Wainer, who, together with his team, has led the company with wisdom and skill throughout the year.

We would like to acknowledge the significant contribution made by Wolf Cesman, who resigned as joint CEO during the year under review.

We would also like to acknowledge and thank the hard working Redefine staff, our valued tenants, unitholders and supporters.

We look forward to another eventful and successful year.

DINES GIHWALA
Chairman



FINANCIAL REVIEW

STATEMENT OF DISTRIBUTABLE INCOME

	2010 R000	% change	2009 R000
Investment properties – net operating income			
Core portfolio – properties held for 12 comparative months	**495 247**	5	470 249
Revenue	**634 506**	9	579 591
Property expenses	**(120 206)**	26	(95 274)
Tenant installation and letting commission	**(19 053)**	35	(14 068)
Additions – properties held for less than 12 comparative months	**1 462 951**		124 807
Revenue	**1 856 947**		152 110
Property expenses	**(342 064)**		(23 706)
Tenant installation and letting commission	**(51 932)**		(3 597)
Disposals – properties held for less than 12 comparative months	**6 298**		7 651
Revenue	**10 682**		9 919
Property expenses	**(4 137)**		(2 122)
Tenant installation and letting commission	**(247)**		(146)
Net operating income from investment properties	**1 964 496**	226	602 707
Listed securities portfolio	**275 294**	(11)	308 203
Fee income	**200 897***	1 302	14 328
Property trading income	**19 963**	(49)	39 089
Total revenue	**2 460 650**		964 327
Administration costs	**(130 207)**	88	(69 432)
Asset management fees	**(9 961)**	(76)	(41 546)
Employment costs	**(62 543)**	559	(9 496)
Investor relations and marketing	**(5 612)**	178	(2 020)
Corporate costs	**(20 558)**	753	(2 410)
Administration costs	**(31 533)**	126	(13 960)
Net operating profit	**2 330 443**		894 895
Share of distributable income/(losses) of associates	**24 571§**		(11 636)
Minority interest	**(35 897)**		1 163
Adjusted operating profit	**2 319 117**		884 422
Net finance charges	**(559 306)**	101	(278 294)
Interest paid	**(843 211)**	141	(350 129)
Interest received (net of non-distributable foreign exchange gain)	**283 905**	295	71 835
Taxation	**96**		-
Profit before distributable income adjustments	**1 759 907**		606 128
Align consolidated foreign profits with anticipated earnings	**17 505**		–
July income from ApexHi and Madison	**–**		105 226
Profit before debenture interest	**1 777 412**		711 354
Distribution per linked unit (cents)	**66,50**	18	56,55

** Includes R7,5 million fee income from offshore subsidiary that is distributable*

§ This has been adjusted by R88 million in respect of the distributable earnings of associates

OVERVIEW

The results for the year ended 31 August 2010 are the first results of Redefine Properties Limited (Redefine) for a full year since the merger with ApexHi Properties Limited (ApexHi) and Madison Property Fund Managers Limited (Madison) which became unconditional on 30 July 2009. The results also include Redefine International Fund Managers Limited (RIFM) (formerly Corovest Fund Managers Limited) and Redefine International plc (RI plc) (formerly Ciref plc) which were consolidated with effect from 1 October 2009 and 1 February 2010 respectively. This resulted in significant increases in income and expense items in 2010 as compared to 2009.

DISTRIBUTION PER LINKED UNIT

The distribution per linked unit increased by 17,6% from 56,55 cents to 66,50 cents. While this improvement was significant, the distribution was below the forecast of 68 cents to 71 cents projected in the 2009 final results announcement. The primary reasons for the lower distribution were reduced contribution from the trading operations, the yield differential on the increased investment in RI plc, challenging general economic conditions and the strength of the rand.

CORE PORTFOLIO

The core portfolio, representing properties held in the previous year, produced growth of 5% with revenue growth of 9%, in line with expectations. As a result of various factors, including electricity increases, property expenses increased by 26%. Despite the increase, property expenditure in the core portfolio was contained at 19% of operating revenue.

The significant increase in revenue from additions relates to the properties acquired from ApexHi in terms of the merger.

LISTED SECURITIES PORTFOLIO

Revenue from listed securities decreased by a net 11%. The net decrease is attributable to income from ApexHi of R123 million no longer earned by Redefine, partially offset by the acquisition of additional units in Hyprop Investments Limited (Hyprop) and RI plc which generated income of R90 million.

FEE INCOME

Fee income rose substantially due to the inclusion of Madison for the full year and the increased corporate activity that took place in RI plc during the year.

SOUTH AFRICA

Fee income of R100 million comprises transaction fees of R42,9 million, asset and property management fees of R43,8 million, guarantee fees of R9,1 million, underwriting fee of R7,5 million and sundry fees of R4,7 million. The underwriting fee is a distributable adjustment and has not been included in the statement of comprehensive income.

OFFSHORE

Fee income of R93 million mainly comprises dividends and fees received from RIFM.

PROPERTY TRADING INCOME

Property trading income of R20 million comprises profits of R9,5 million and R9,3 million from the Aengus Lifestyle Properties (Proprietary) Limited (Aengus) residential portfolio and the Buchanan sectional title development respectively. The balance comprises profits and losses from Newmarket Junction, Oasis Retirement Village and Maynard Plaza.

OPERATING AND ADMINISTRATION COSTS

The overall increase in costs of 88% includes a full 12 months of expenses post the merger.

ASSET MANAGEMENT FEES

Asset management fees decreased as Redefine is now internally managed. The amount of R10 million relates to management fees paid by RI plc to an external property management company.

EMPLOYMENT COSTS

Employment costs increased significantly due to the internalisation of asset and property management.

INVESTOR RELATIONS, MARKETING, CORPORATE AND ADMINISTRATION COSTS

Increases in expenses were due to:

- the inclusion of RI plc;
- increased costs of the annual report due to the enlarged unitholder register; and
- the increased cost of property valuations as a result of the larger number of investment properties in the portfolio.

NET FINANCE CHARGES

The increase in net finance charges is attributable to the inclusion of finance charges for a full 12 months in the current year and the increased level of borrowings.

INTEREST PAID

In addition to the above, interest paid increased by 141% in 2010 due to funding of:

- the acquisitions of additional Hyprop linked units; and
- the increased holding in RI plc.

INTEREST RECEIVED

The increase of 295% in interest received is mainly due to the investment of net operating profit for the periods between distributions.

STATEMENT OF FINANCIAL POSITION

	2010 R000	2009 R000
ASSETS		
Non-current assets	**33 122 788**	25 393 640
Investment properties	**21 650 529**	18 234 776
Fair value of property portfolio	**21 255 452**	18 101 725
Properties under development	**395 077**	133 051
Listed securities portfolio	**5 099 485**	2 807 448
Goodwill	**3 304 984**	2 569 994
Intangibles	**1 377 825**	952 326
Interest in associates	**346 227**	201 387
Loans receivable	**1 107 016**	560 600
Other financial assets	**4 115**	–
Guarantee fees receivable	**21 349**	36 040
Property, plant and equipment	**211 258**	31 069
Current assets	**1 497 974**	640 129
Properties held for trading	**128 317**	186 908
Listed securities held for trading	**–**	9 316
Trade and other receivables	**572 277**	209 993
Guarantee fees receivable	**37 037**	20 127
Loans receivable	**–**	2 003
Listed securities income	**153 363**	100 628
Cash and cash equivalents	**606 980**	111 154
Non-current assets held for sale	**351 359**	173 200
Total assets	**34 972 121**	26 206 969

STATEMENT OF FINANCIAL POSITION *continued*

	2010 R000	2009 R000
EQUITY AND LIABILITIES		
Equity	**15 111 062**	13 200 268
Share capital and premium	**11 788 301**	11 602 835
Accumulated loss	**(230 776)**	(156 310)
Non-distributable reserves	**2 900 698**	1 750 642
Capital and reserves attributable to equity holders	**14 458 223**	13 197 167
Minority interest	**652 839**	3 101
Non-current liabilities	**16 781 037**	12 036 910
Debenture capital	**4 831 731**	4 767 591
Interest bearing liabilities	**9 562 035**	5 460 099
Interest rate swaps	**199 933**	46 210
Financial guarantee contract	**8 596**	9 838
Deferred taxation	**2 178 742**	2 017 166
Current liabilities	**3 080 022**	705 797
Trade and other payables	**636 386**	374 271
Interest bearing liabilities	**1 987 306**	20 308
Linked unitholders for distribution	**456 330**	311 218
Total equity and liabilities	**34 972 121**	26 206 969
Net asset value per linked unit (cents)	**742,94**	678,38
Net asset value per unit excluding deferred taxation (cents)	**824,11**	744,57
Number of linked units in issue	**2 684 295 336**	2 648 661 529
Net asset value per unit excluding deferred taxation and minorities (cents)	**799,75**	754,42

NET ASSET VALUE

Net asset value per linked unit, excluding deferred taxation, increased by 10,7% from 744 cents per unit at 31 August 2009 to 824 cents per unit at 31 August 2010. The closing price of 799 cents at 31 August 2010 reflects a discount of 3,1% to the net asset value. Excluding non-controlling interests, the net asset value of 799,75 cents per unit was in line with the closing price at 31 August 2010.

Festival Town Square, Kempton Park

INVESTMENT PROPERTIES

	Consolidated R000	Offshore R000	South Africa R000
Investment properties at valuation – 31 August 2009	**17 555 250**	**–**	**17 555 250**
On acquisition of subsidiaries – RI plc	1 832 857	1 832 857	–
Other acquisitions	1 243 947	530 303	713 643
Disposals	(100 750)	–	(100 750)
Change in fair value	329 536	28 444	301 092
Tenant installations	5 284	–	5 284
Lease commissions	2 912	–	2 912
Transferred from property under development	97 417	–	97 417
Transferred from non-current assets held for sale	71 300	–	71 300
Transferred to non-current assets held for sale	(351 359)	–	(351 359)
Foreign exchange loss	(133 257)	(133 257)	–
Fair value of property portfolio	20 553 136	2 258 347	18 294 789
Straight-line rental income accrual	702 316	–	702 316
Investment properties at valuation – 31 August 2010	**21 255 452**	**2 258 347**	**18 997 105**
Non-current assets held for sale	351 359	–	351 359
Property portfolio	**21 606 811**	**2 258 347**	**19 348 464**

The year-end revaluation of the investment property portfolio resulted in an increase in value of R329 million, of which R301 million was in South Africa and R28 million offshore.

The South African portfolio, including land, was valued at R19,3 billion on a forward yield of 10,5% with an average value of R5 330/m^2.

LISTED SECURITIES PORTFOLIO

Redefine's interest in listed securities increased by R955 million.

The listed securities portfolio valued at R5,1 billion constituted 19,1% of Redefine's investment in property and listed securities at 31 August 2010. The investment in RI plc is eliminated on consolidation being replaced with its concomitant assets and liabilities. The increase in holdings in RI plc was facilitated by way of RI plc issuing additional shares and by exchanging Redefine's entire holding in Wichford P.L.C. (Wichford) for additional shares.

Redefine increased its strategic stake in Hyprop from 33,3% to 45,7% during the year under review.

Redefine owns 26,4% of Oryx Properties Limited, listed in Namibia. The 3,2% share of Sycom Property Fund, valued at R144 million at 31 August 2010, was disposed of post year-end.

Redefine's offshore listed investment comprises RI plc's 19,9% interest in Cromwell Group (Cromwell), an Australian Stock Exchange listed stapled security.

GOODWILL

Goodwill relates to the acquisition of ApexHi , Madison and RI plc.

INTANGIBLES

Intangibles comprise the management contract with Wichford P.L.C. and the right to manage the properties of ApexHi.

INTEREST IN ASSOCIATES

The increase in the interest in associates arose due to consolidation of RI plc and RIFM. As a result, Redefine has a 21,7% interest in Wichford Fund Managers and RIFM, which was an associate in the prior year, and is now a subsidiary.

Redefine continues to own 49% in each of two enterprise development initiatives, Dipula Property Investment Trust (Dipula) and Mergence Africa Property Investment Trust (Mergence).

Redefine's share of distributable profits from associates in the current year amounted to R24,6 million while its share of consolidated losses amounted to R62,9 million.

LOANS RECEIVABLE

This includes loans of R590 million denominated in British pounds, advanced by RI plc and RIFM to Corovest Mezzanine Capital Limited. These loans are secured, bear interest at rates of between 10% and 12% and are repayable within three years.

Loans to the Dipula and Mergence groups amount to R162,7 million and R159 million respectively. These loans originated from the disposal of properties to Dipula and Mergence by Redefine and ApexHi. The terms of the loans are currently being renegotiated and are not contractually due for repayment in the 2011 financial year.

Loans receivable also include a loan to Aengus of R55,9 million. The loan is secured by a first mortgage bond and is repayable by no later than 29 February 2012.

A loan of R49 million was advanced by RI plc to Schroeders (CI) Limited.

PROPERTY, PLANT AND EQUIPMENT

The increase of R181 million in property, plant and equipment is largely attributable to the Upper Eastside Hotel, a R141,5 million development and the initial cost of internalisation of property management of R37,8 million.

TRADE AND OTHER RECEIVABLES

Trade receivables increased by R362,3 million. R147 million was paid to obtain rates clearance certificates to facilitate the group rationalisation. A further R74 million represents an increase in the current portion of loans receivable. The provision for impairment increased by R2,6 million and represents 10% of the arrears at year- end. Subsequent to 31 August 2010, total arrears decreased and it is management's expectation that the internalisation of property management will ensure further improvement.

Refer to note 16 to the annual financial statements for an analysis of amounts included in other receivables.

INTEREST BEARING BORROWINGS

Total interest bearing borrowings of R11,5 billion represent a loan to value ratio of 43,8% of the value of investment properties and listed securities. Excluding the debt in RI plc and RIFM, which is ring-fenced, Redefine has interest bearing borrowings of R8,4 billion, representing a loan to value ratio of 34%. (For purposes of this calculation, the investment in RI plc is included in listed investments and RI plc's properties and debt are excluded.) 56% of borrowings are fixed for an average period of approximately 7,6 years. The average cost of borrowings is an an all inclusive rate of 9,3%.

DEFERRED TAXATION

The income statement includes a charge of R161 million for the current year which relates mainly to the revaluation of listed securities and investment properties.

TRADE AND OTHER PAYABLES

Trade and other payables increased primarily as a result of the merger. Refer to note 24 to the annual financial statements for an analysis of amounts included in other payables.

PROPERTY PORTFOLIO

SUMMARY OF THE PROPERTY PORTFOLIO

Sector	2010 Number of properties	2010 GLA m²	2010 Valuation R000	2010 Average rate R/m²	2009 Number of properties	2009 GLA m²	2009 Valuation R000	2009 Average rate R/m²
Offices	**150**	**1 313 899**	**8 427 702**	**6 414**	156	1 335 554	8 105 267	6 069
Retail	**149**	**1 134 844**	**7 141 356**	**6 293**	149	1 126 935	6 846 699	6 076
Industrial	**86**	**1 070 821**	**3 077 226**	**2 874**	86	1 021 451	2 784 938	2 726
Undivided shares in retail centres*	**3**	**55 707**	**232 240**	**8 038**	3	53 310	241 614	4 532
Parking garages	**1**		**1 100**		1			
Non-current assets held for sale#	**8**	**73 142**	**351 359**	**4 804**	8	72 800	173 200	2 379
Total property portfolio – developed properties	**397**	**3 648 414**	**19 230 985**	**5 330**	403	3 610 050	18 151 718	5 028
Vacant land			**117 479**				123 207	
Total property portfolio	**397**	**3 648 414**	**19 348 464**		403	3 610 050	18 274 925	

** Reflects total gross lettable area (GLA) of properties, Redefine's share of value and 100% of the valuation R/m²*

 # Erf 755 Denver is vacant land, included in the valuation, but not included in the number of properties

A full schedule of properties can be found on pages 60 to 74.

VALUATION OF PROPERTIES

It is Redefine Properties Limited's (Redefine) policy to revalue the entire property portfolio on an annual basis.

Properties valued at less than R20 million were valued internally by the directors. Properties worth more than R20 million were valued and certified by professional, registered independent valuers under the guidelines of the South African Institute of Valuers.

The following panel of valuers was appointed by the valuation sub-committee:

- Alternative Real Estate
- Asset Valuation Services
- DDP Valuers
- Eris Property Group
- Mills Fitchet – JHB
- Mills Fitchet – KZN
- Mills Fitchet Magnus Penny
- Quadrant Properties

These valuers have predominantly used the discounted cash flow (DCF) methodology for the valuations, which is the widely accepted method of valuation adopted by valuers worldwide.

VALUATION ASSUMPTIONS

The range of the reversionary capitalisation rates applied to the portfolio was between 8% and 17%, with the average being approximately 11%.

The discount rates applied ranged between 12,5% and 22,5%, with the average being approximately 17%.

The market rental growth rates applied to the portfolio were between 4% and 8% with the average being approximately 6%.

VALUATION RESULTS

The value of properties increased from R18,2 billion to R19,2 billion, excluding vacant land.

The average property value increased from R45 million to R48,4 million, with the average value per square metre increasing from R5 028/m^2 to R5 330/m^2.

The initial average yield of the portfolio, based on Redefine's budgeted net income for the year to August 2011, is 10,5%. (2010: 10,5%).

SUMMARY OF PROPERTIES VALUED (EXCLUDING VACANT LAND)

Properties valued	Number of properties	Property value R000	% of total portfolio (by value)
Below R20 million by directors	117	1 197 746	6
Below R20 million independently	29	406 464	2
Above R20 million independently	240	17 043 176	89
Value of undivided shares by JV partners	3	232 240	1
Value of non-current assets held for sale (assumed at selling price)	8	351 359#	2
Total	**397**	**19 230 985**	**100**

 # Erf 755 Denver is vacant land, included in the valuation, but not included in the number of properties

Redefine's largest property by value, Golden Walk, Germiston

TOP 20 PROPERTIES BY VALUE

	Property	Province	Location	GLA m²	2010 Valuation R000	Valuation R/m²
1	Golden Walk	Gauteng	Germiston	45 005	672 000	14 932
2	Standard Bank Centre	Western Cape	Cape Town CBD	59 754	408 000	6 828
3	Park Meadows	Gauteng	Kensington	27 324	356 140	13 034
4	Cleary Park	Eastern Cape	Port Elizabeth	37 970	348 407	9 176
5	Poyntons	Gauteng	Pretoria CBD	72 277	300 500	4 158
6	Convention Tower	Western Cape	Cape Town CBD	16 117	266 300	16 523
7	11 Diagonal Street	Gauteng	Johannesburg CBD	32 972	257 890	7 821
8	Foretrust Building	Western Cape	Cape Town CBD	26 775	247 000	9 225
9	90 Rivonia Road	Gauteng	Sandton	14 270	246 300	17 260
10	Knowledge Park	Western Cape	Century City	17 075	233 200	13 657
11	Maynard Mall	Western Cape	Wynberg	24 272	208 000	8 570
12	Jewel City	Gauteng	Johannesburg CBD	43 694	200 000	4 577
13	Wingfield Park	Gauteng	Jet Park	55 927	196 300	3 510
14	Trustbank Building	Gauteng	Johannesburg CBD	27 940	181 470	6 495
15	The Village @ Horizon	Gauteng	Roodepoort	20 063	180 000	8 972
16	Isivuno House	Gauteng	Pretoria CBD	23 680	177 000	7 475
17	De Beers House	Gauteng	Crown Mines	11 919	176 760	14 830
18	Pier Place	Western Cape	Cape Town CBD	14 613	173 000	11 839
19	Pepkor	Gauteng	Isando	40 438	172 000	4 253
20	111 Commissioner Street	Gauteng	Johannesburg CBD	28 467	164 000	5 761
	Total			**640 552**	**5 164 267**	**8 062**
	5% of total number of properties			**17,6%**	**26,9%**	

TOP 10 OFFICE PROPERTIES BY VALUE

	Property	Province	Location	GLA m²	2010 Valuation R000	Valuation R/m²
1	Standard Bank Centre	Western Cape	Cape Town CBD	59 754	408 000	6 828
2	Poyntons	Gauteng	Pretoria CBD	72 277	300 500	4 158
3	Convention Tower	Western Cape	Cape Town CBD	16 117	266 300	16 523
4	11 Diagonal Street	Gauteng	Johannesburg CBD	32 972	257 890	7 821
5	Foretrust Building	Western Cape	Cape Town CBD	26 775	247 000	9 225
6	90 Rivonia Road	Gauteng	Sandton	14 270	246 300	17 260
7	Knowledge Park	Western Cape	Century City	17 075	233 200	13 657
8	Jewel City	Gauteng	Johannesburg CBD	43 694	200 000	4 577
9	Trustbank Building	Gauteng	Johannesburg CBD	27 940	181 470	6 495
10	Isivuno House	Gauteng	Pretoria CBD	23 680	177 000	7 475
	Total			**334 554**	**2 517 660**	**7 525**
	6,5% of total number of office properties			**24,5%**	**29,0%**	

TOP 10 RETAIL PROPERTIES BY VALUE

	Property	Province	Location	GLA m²	2010 Valuation R000	Valuation R/m²
1	Golden Walk	Gauteng	Germiston	45 005	672 000	14 932
2	Park Meadows	Gauteng	Kensington	27 324	356 140	13 034
3	Cleary Park	Eastern Cape	Port Elizabeth	37 970	348 407	9 176
4	Maynard Mall	Western Cape	Wynberg	24 272	208 000	8 570
5	The Village @ Horizon	Gauteng	Roodepoort	20 063	180 000	8 972
6	Ottery Centre	Western Cape	Ottery	27 318	153 000	5 601
7	South Coast Mall*	KwaZulu-Natal	Shelly Beach	30 865	146 250	8 038
8	Kempton Square	Gauteng	Kempton Park	16 808	142 000	8 448
9	Smal Street Mall	Gauteng	Johannesburg CBD	7 015	126 100	17 976
10	Middestad Centre	Free State	Bloemfontein	19 879	123 300	6 203
	Total			**256 519**	**2 455 197**	**9 571**
	6,5% of total number of retail properties			**21,4%**	**33,0%**	

** Reflects total GLA, Redefine's 50% share of value, and 100% of the valuation R/m²*

TOP 10 INDUSTRIAL PROPERTIES BY VALUE

	Property	Province	Location	GLA m²	2010 Valuation R000	Valuation R/m²
1	Wingfield Park	Gauteng	Jet Park	55 927	196 300	3 510
2	Pepkor	Gauteng	Isando	40 438	172 000	4 253
3	Premier Foods	KwaZulu-Natal	Durban	89 000	144 250	1 621
4	Premier Foods	Gauteng	Waltloo	27 664	141 500	5 115
5	Waltloo	Gauteng	Waltloo	30 858	139 000	4 505
6	8 Jansen Road	Gauteng	Jet Park	22 774	110 450	4 850
7	Linpac	Western Cape	Montague Gardens	23 803	100 000	4 201
8	Festival Town Square	Gauteng	Kempton Park	11 041	93 000	8 423
9	21 Wrench Road	Gauteng	Isando	31 576	90 000	2 850
10	12 Piet Rautenbach Street	Gauteng	Rosslyn	30 506	79 300	2 599
	Total			**363 587**	**1 265 800**	**3 481**
	11,5% of total number of industrial properties			**33,5%**	**40,7%**	

ACQUISITIONS

It is Redefine's strategy to acquire revenue enhancing properties to grow the portfolio, grow income and minimise risk. All decisions in respect of acquisitions are taken by the investment committee or by the board in cases where the acquisition value is above the investment committee mandate set by the board.

INVESTMENT CRITERIA FOR ACQUISITIONS

Redefine aims to enhance and improve the portfolio from which its income is derived, and acquires properties accordingly.

The emphasis is on acquiring revenue enhancing assets, which is influenced by the method through which the purchase consideration will be settled.

More recently, the cost of mortgage funding has reduced as a result of the lower interest rate cycle and this method of funding is more advantageous than issuing additional linked units. In these circumstances, the yield on acquisition of an investment must be higher than the rate at which Redefine can borrow funds.

When selecting investments in direct properties, management aims to carefully balance revenue enhancement and overall quality, and this has been a major focus of Redefine during the year.

"Quality" incorporates factors such as tenant covenants, lease expiry profiles, rental levels, location and overall condition of the properties. Redefine invests in properties which have market related rental streams and where rental escalations contribute to growth in revenue.

During the year under review, Redefine acquired four properties for R514 million.

ACQUISITIONS DURING THE YEAR UNDER REVIEW

Property	Province	Sector	Date of transfer	GLA m^2	Purchase price R000	Initial yield %	Purchase price/ R/m^2
45 Pritchard Street	Gauteng	Retail	16 Oct 2009	16 867	105 000	10,9	6 225
Linpac	Western Cape	Industrial	11 Nov 2009	23 804	100 001	10,6	4 201
Cornerstone House	Gauteng	Office	29 Apr 2010	11 919	182 000	13,1	15 270
82 on Maude	Gauteng	Office	31 May 2010	8 821	127 000	9,0*	14 397
Total				**61 411**	**514 001**	**11,2**	**8 370**

** Assumes building is fully let at a net rental of R135/m^2*

DISPOSALS

Redefine assesses the portfolio on a regular basis to identify properties that no longer fit the profile of the company.

CRITERIA FOR THE DISPOSAL OF PROPERTIES

Disposals are determined by the ongoing assessment of the medium- to long-term potential of portfolio properties, their geographic location, management efficacy and whether sales will be revenue diluting or not.

In circumstances where a disposal may be dilutionary, the decision to sell may still be taken if management believes the property is in a state of decline or will be a drag on the portfolio in the future.

During the year under review, Redefine disposed of 11 investment properties for R230,3 million, realising a total surplus on original cost of R43,3 million.

DISPOSALS DURING THE YEAR UNDER REVIEW

Property	Province	Sector	Date of transfer	GLA m²	Purchase price R000	Selling price R000	Yield %	Selling price R/m²
32 Intersite Road	KwaZulu-Natal	Industrial	09 Sep 2009	600	2 900	3 100	8,10	4 833
Mutual Building	Eastern Cape	Office	06 Oct 2009	12 640	33 000	33 000	9,10	2 611
Cassey's Auto Benoni	Gauteng	Retail	14 Dec 2009	3 091	8 570	8 500	11,00	2 773
Meditech-Hemco	Western Cape	Industrial	22 Dec 2009	8 843	12 575	19 425	n/a	1 422
Premquip	Western Cape	Industrial	22 Dec 2009	10 111	15 500	17 300	n/a	1 533
76 Jorissen Street	Gauteng	Office	26 Mar 2010	6 251	24 000	20 500	10,55	3 279
WJM House	Western Cape	Office	03 May 2010	1 781	10 651	13 127	8,00	7 371
North State	Gauteng	Office	12 May 2010	11 568	40 275	40 000	9,00	3 458
36 Morsim Road	Gauteng	Office	11 Aug 2010	2 014	14 098	18 025	5,64	8 950
245 Voortrekker Road	KwaZulu-Natal	Industrial	24 Aug 2010	4 877	7 267	10 202	6,33	2 092
Roeland Park	Western Cape	Industrial	30 Aug 2010	11 093	18 000	47 100	1,02	4 246
Total				**72 869**	**186 836**	**230 280**	**5,70**	**3 160**

In addition, Redefine disposed of a trading property, which was originally part of the Buchanan sectional title scheme, but was later excluded and marketed separately.

TRADING PROPERTY DISPOSED OF DURING THE YEAR UNDER REVIEW

Property	Province	Sector	Date of transfer	GLA m²	Purchase price R000	Selling price R000	Yield %	Selling price R/m²
Newmarket Junction	Western Cape	Office	21 Jan 2010	7 927	35 860	41 000	n/a	5 172

POST BALANCE SHEET ACQUISITIONS AND DISPOSALS

ACQUISITIONS SUBSEQUENT TO 31 AUGUST 2010

Property	Province	Sector	Expected date of transfer	GLA m²	Purchase price R000	Initial yield %	Purchase price R/m²
Commerce Square	Gauteng	Office	28 Feb 2011	15 786	350 000	9,3	22 172
Esher Place	Gauteng	Office	28 Feb 2011	9 006	150 000	9,3	16 656
Total				**24 792**	**500 000**	**9,3**	**20 168**

DISPOSALS SUBSEQUENT TO 31 AUGUST 2010

Property	Province	Sector	GLA m²	Purchase price R000	Selling price R000	Yield %	Selling price R/m²
Non-current assets held for sale							
Name Plate Centre	Gauteng	Industrial	5 720	11 636	11 800	8,33	2 063
Union Club Place	KwaZulu-Natal	Office	5 428	4 685	11 700	4,19	2 155
Reserve Road	Gauteng	Office	5 846	35 000	35 600	4,99	6 090
Standard Bank Rustenburg	North West	Office	2 807	14 584	14 500	10,72	5 166
De Bruyn Park	Gauteng	Office	35 647	111 000	180 000	11,14	5 050
Middelburg Plaza	Mpumalanga	Retail	7 897	60 500	61 000	11,13	7 724
Business Furniture Centre	Gauteng	Industrial	7 700	15 806	20 000	9,13	2 597
Agency II	Gauteng	Office	2 598	16 516	15 460	n/a	5 951
Sub total			**73 643**	**269 727**	**350 060**	**9,60**	**4 753**
Trading property							
79 Roeland Street	Western Cape	Office	6 954	20 400	24 000	4,50	3 451
Total			**80 597**	**290 127**	**374 060**	**9,20**	**4 641**

Commerce Square, Sandhurst, acquired by Redefine subsequent to year-end

DEVELOPMENTS AND REFURBISHMENTS

Redefine has a number of developments and refurbishments in progress. All developments require the approval of the investment committee, and any development above the mandate threshold of the investment committee requires board approval.

Highly skilled managers are employed for these projects, and Redefine enters into joint ventures where opportune.

Redefine is engaged in two categories of development:

- Developments for long-term investment
- Developments for trading

DEVELOPMENTS FOR LONG-TERM INVESTMENT

These include office, retail or industrial developments in which land is acquired and the process from rezoning through to completion is managed by the development management team at Redefine.

Redefine may acquire land for future development when opportunities arise. All holding expenses are capitalised to the cost of the land. Investment in land for future development must be approved by the investment committee and is limited to a maximum of 5% of the value of the total property portfolio.

As with the investment property portfolio, vacant land is revalued annually and the increase or decrease in value is applied to non-distributable reserves. At 31 August 2010, Redefine had three vacant land properties held for development, valued at R117 million, including land located in Namibia.

Alberton Mall, Alberton
Before redevelopment

After redevelopment

Developments completed or in progress at 31 August 2010

Redefine has various developments which were completed during the financial year under review or which were in progress at year-end, on which an estimated R20,2 million remains to be spent.

The following table outlines key projects:

Development	Location	GLA m²	Projected total cost R000	Initial yield on project cost %	Completion date	% complete	To be spent R000
Festival Town Square	Kempton Park	8 436	77 500	8,0	Oct 2009	100	–
Alberton Mall	Alberton	5 458	16 500	10,0	Mar 2010	100	–
Vaal Walk	Vanderbijlpark	2 515	10 000	12,0	Apr 2010	100	–
Terminus	Klerksdorp	9 129	47 000	12,5	Oct 2010	91	4 100
Ottery Centre	Cape Town	4 474	8 920	–	Oct 2010	50	4 500
Redefine Boulevard	George	2 000	4 600	25,0	Oct 2010	30	3 200
Sable Square	Cape Town	9 603	11 948	24,0	Oct 2010	30	8 400
Total		**41 615**	**176 468**				**20 200**

DEVELOPMENTS FOR TRADING

Redefine is engaged in two developments for trading purposes. Trading opportunities are subject to stringent criteria and require investment committee approval. These trading opportunities remain a minor part of Redefine's business and profits will not account for more than 5% of Redefine's operating revenue. It is Redefine's intention to phase out trading developments over time.

Development	Location	Redefine ownership %	GLA m²	Projected total cost R000	Completion date	Sold %
Upper Eastside Phase 2*	Woodstock	50	20 738	166 086	May 2010	66
Buchanan Square	Salt River	100	20 815	121 910	Jun 2011	58
Total			**41 553**	**287 996**		

** Reflects total GLA of the property and Redefine's share of costs*

Buchanan Square

Total GLA	20 815m²
GLA sold to date	11 990m² (58%)
GLA still available	8 825m² and 238 parking bays
Capital expenditure at 31 August 2010	R109 million
Estimated balance to completion	R13 million
Total estimated capital cost at completion	R122 million
Value of sales to date	R90 million
Estimated net profit at completion	R52 million
Expected return	30%

After a quiet start to the year under review, there has been increased interest in Buchanan Square. One unit is available in the Armoury Building, five in the Hills Building, and 12 units in the Buchanan Building. A further R20 million in sales is expected to be transferred prior to the end of 2010, with the balance of sales expected to occur during 2011.

Upper Eastside Phase 2

Total sectional title area including parking	34 045m^2
Hotel	12 012m^2
Residential	5 469m^2
Retail	1 147m^2
Office	2 110m^2
Parking	329 bays (13 307m^2)
Total estimated capital cost at completion	R332 million

Hotel

Towards the end of 2008, Redefine entered into a lease agreement with Queensgate Leisure Holdings (Queensgate) for the development of a hotel at Upper Eastside. Based on an anticipated initial forward yield of 11%, Redefine entered into an agreement to purchase the hotel from Brickfield Joint Venture Company, a 50:50 joint venture between Swish Properties and Redefine, which was developing it on their behalf. An additional lease was agreed with Queensgate Leisure for 16 loft apartment suites above the hotel, based on the same terms as the main lease.

In June 2009, Redefine agreed to finance certain additional costs related to the hotel. Towards the end of 2009, Queensgate approached Redefine for further funding to complete the project. Redefine was not amenable to this request, and since Queensgate – a company which has been declared provisionally insolvent – was effectively in breach of contract, Redefine terminated both lease agreements.

The possibility for an alternative hotel group to manage or lease the hotel was investigated, but Redefine took the decision to complete the development of the hotel and to appoint Redefine International Hotels to manage the hotel. The Upper Eastside Hotel opened for business in June 2010. Various alternatives are being explored for Redefine to dispose of its interest in the hotel to reduce its exposure to the risks associated with this investment.

Residential	
Total number of apartments in Phase 2	90 units
Total number of apartments sold to date	52 units, valued at R44 million
Retail	
Total GLA	1 147m^2
Fully let	
Office	
Total GLA	2 110m^2
Of the total GLA, 736m^2 has been let.	

CAPITAL EXPENDITURE

Redefine is committed to investing in its core portfolio to maintain and upgrade the properties to ensure sustainable income.

Capital expenditure for the year amounted to R268,3 million and a further R86,2 million was spent on general maintenance of the portfolio.

The major capital expenditure projects are outlined in the following table:

Property	Location	Sector	Capex R000
Buchanan Square	Woodstock	Office/Retail	41 160
Standard Bank Centre	Cape Town CBD	Office	26 767
Terminus	Klerksdorp	Retail	26 278
The Village @ Horizon	Roodepoort	Retail	22 302
Shoprite	Alberton	Retail	13 333
China Town	Ottery	Retail	12 205
Vaal Walk	Vanderbijlpark	Retail	5 250
320 West Street	Durban	Office	4 953
Golden Walk	Germiston	Retail	4 869
Trencor	Epping	Industrial	4 311
Pier Place	Cape Town CBD	Office	3 980
Cleary Park Phase 3	Port Elizabeth	Retail	3 936
Berg River Park	Paarl	Industrial	2 918

Buchanan Square, Salt River

ANALYSIS OF THE PROPERTY PORTFOLIO

At 31 August 2010, the Redefine portfolio comprised a total of 397 (2009: 403) properties valued at R19,3 billion (2009: R18,2 billion), with a GLA of 3 648 414m^2 (2009: 3 610 050m^2).

A full schedule of properties can be found on pages 60 to 74.

				GLA				
	Number	%	Number of leases	Office m^2	Retail m^2	Industrial m^2	Total m^2	%
Single tenanted properties	116	29	116	253 823	159 345	573 618	986 786	27
Multi tenanted properties	281	71	4 658	1 111 901	1 039 103	510 624	2 661 628	73
Total	**397**	**100**	**4 774**	**1 365 724**	**1 198 448**	**1 084 242**	**3 648 414**	**100**

PARKING

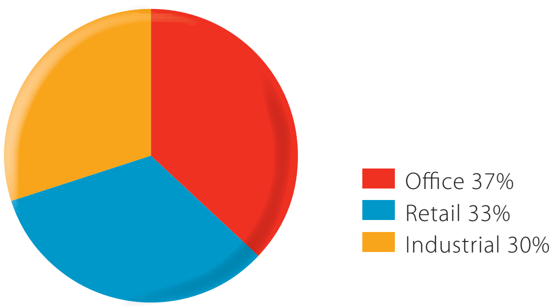
The Redefine portfolio has 42 066 parking bays, which generate monthly revenue of R13 million.

SECTORAL SPREAD

To minimise risk to any one sector, Redefine's portfolio is appropriately divided between office, retail and industrial properties.

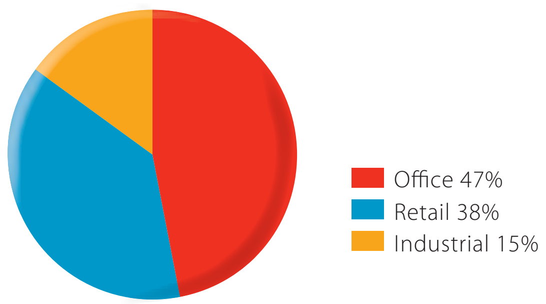
Sectoral spread by GLA

	2010		2009	
	m^2	**%**	m^2	%
Office	**1 365 724**	**37**	1 359 762	38
Retail	**1 198 448**	**33**	1 185 426	33
Industrial	**1 084 242**	**30**	1 064 862	29
Total	**3 648 414**	**100**	3 610 050	100



Sectoral spread by gross monthly rental

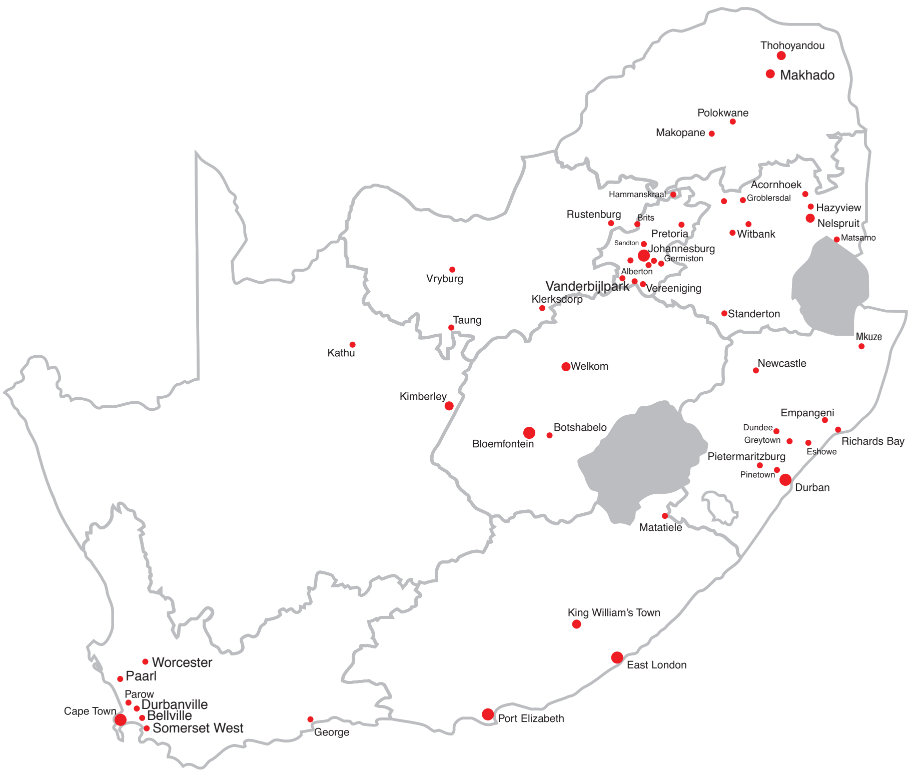
	2010		2009	
	R000	**%**	R000	%
Office	**95 888**	**47**	81 440	45
Retail	**75 829**	**38**	78 204	43
Industrial	**30 079**	**15**	22 775	12
Total	**201 796**	**100**	182 419	100



GEOGRAPHICAL SPREAD

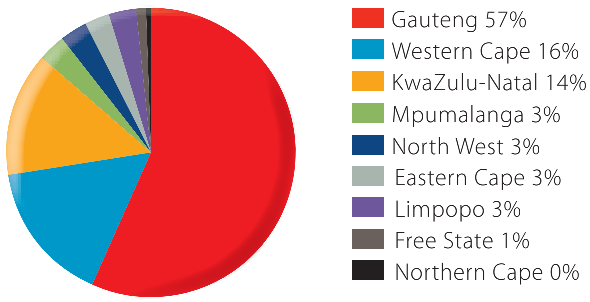
Redefine is invested in quality properties throughout South Africa in its directly held property portfolio. The portfolio comprises properties located in concentrated nodes in all nine provinces.

It is Redefine's intention to dispose of the majority of properties, particularly in the office portfolio, in the Eastern Cape, Free State, Northern Cape and North West. Redefine believes these areas are not likely to benefit from economic growth in the short to medium term.



Geographical spread by GLA

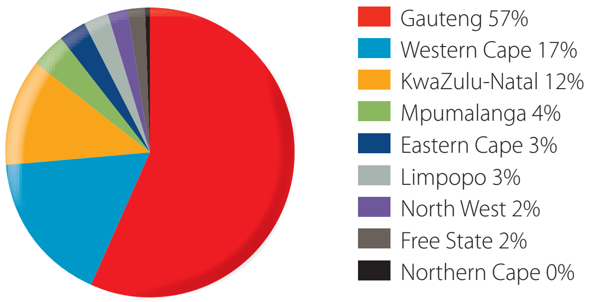
	2010		2009	
	m²	**%**	m²	%
Gauteng	**2 042 051**	**57**	1 977 151	55
Western Cape	**580 287**	**16**	587 692	16
KwaZulu-Natal	**509 986**	**14**	518 143	14
Mpumalanga	**141 503**	**3**	154 717	4
North West	**117 832**	**3**	112 783	3
Eastern Cape	**105 005**	**3**	103 917	3
Limpopo	**94 721**	**3**	108 339	3
Free State	**42 081**	**1**	32 397	1
Northern Cape	**14 948**	**0**	14 911	1
Total	**3 648 414**	**100**	3 610 050	100



Aerial view of Heron Place and Knowledge Park, Century City

Geographical spread by gross monthly rental

	2010		2009	
	R000	%	R000	%
Gauteng	**115 538**	**57**	99 203	54
Western Cape	**33 726**	**17**	30 710	17
KwaZulu-Natal	**24 887**	**12**	24 778	14
Mpumalanga	**7 788**	**4**	7 329	4
Eastern Cape	**6 265**	**3**	6 361	3
Limpopo	**4 921**	**3**	4 643	3
North West	**4 827**	**2**	5 364	3
Free State	**3 037**	**2**	2 638	1
Northern Cape	**807**	**0**	1 393	1
Total	**201 796**	**100**	182 419	100



VACANCY PROFILE

At 31 August 2010, the vacancy in the Redefine portfolio was 10,4% (2009: 8,5%). This is primarily due to economic conditions within South Africa.

Vacancy by sector

	2010			2009		
	GLA m^2	Vacancy m^2	%	GLA m^2	Vacancy m^2	%
Office	**1 365 724**	**180 234**	**13,2**	1 359 760	139 105	10,2
Retail	**1 198 448**	**88 349**	**7,4**	1 185 428	98 396	8,3
Industrial	**1 084 242**	**109 227**	**10,1**	1 064 862	69 698	6,5
Total	**3 648 414**	**377 810**	**10,4**	3 610 050	307 199	8,5

The significant variances in the sectoral vacancies can be attributed to the reclassification of properties by sector.

Sector vacancy by province

	Office		Retail		Industrial		Total	
	m²	%	m²	%	m²	%	m²	%
Gauteng	97 149	54	23 156	26	77 296	70	197 601	52
KwaZulu-Natal	41 009	24	20 701	24	11 249	11	72 959	19
Western Cape	14 948	8	20 228	23	16 200	15	51 376	14
Mpumalanga	9 685	5	10 437	12	–	–	20 122	5
Eastern Cape	5 783	3	3 868	4	4 482	4	14 133	4
North West	5 642	3	3 884	4	–	–	9 526	3
Limpopo	4 024	2	3 215	4	–	–	7 239	2
Northern Cape	1 994	1	1 989	2	–	–	3 983	1
Free State	–	–	871	1	–	–	871	0
Total	**180 234**	**100**	**88 349**	**100**	**109 227**	**100**	**377 810**	**100**

TENANT PROFILE

Redefine's policy is to lease space to quality tenants who have a high likelihood of renewal.

Tenants are classified as follows:

A-grade: National, provincial and local government departments, parastatals, national retailers and large listed companies.

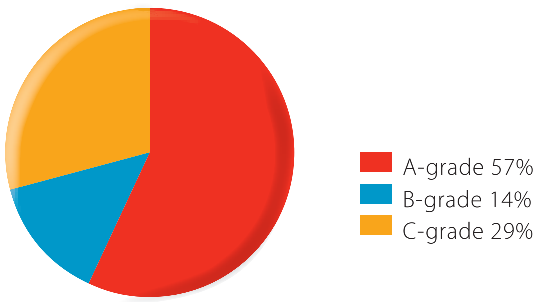
B-grade: Professional firms and medium size companies

C-grade: Other

Redefine has 4 468 tenants. Of the total number of tenants, 27% are classified as A and B-grade, accounting for 71% of the let area and the gross monthly rental. C-grade tenants represent 73% of the total number of tenants and account for 29% of the let area and gross monthly rental.

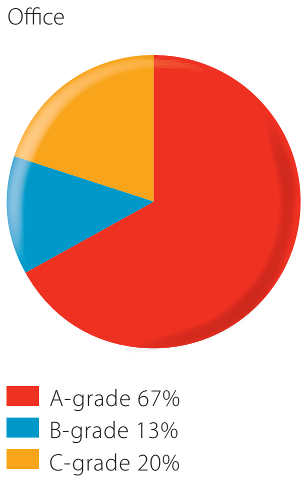
Tenant profile by let area

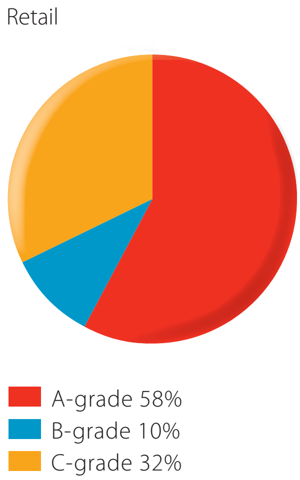
	2010		2009	
	m²	**%**	m²	%
A-grade	**1 865 667**	**57**	1 940 875	59
B-grade	**457 565**	**14**	428 465	13
C-grade	**947 372**	**29**	933 511	28
Total	**3 270 604**	**100**	3 302 851	100

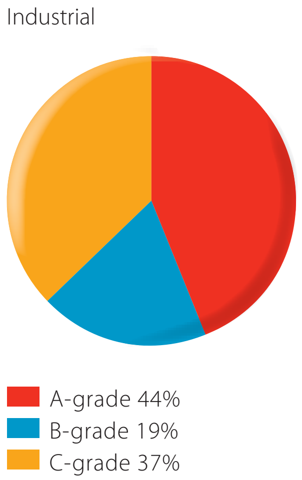


Tenant profile by let area per sector

	Office		Retail		Industrial		Total	
	m²	%	m²	%	m²	%	m²	%
A-grade	797 373	67	639 008	58	429 286	44	1 865 667	57
B-grade	156 467	13	113 833	10	187 265	19	457 565	14
C-grade	231 650	20	357 258	32	358 464	37	947 372	29
Total	**1 185 490**	**100**	**1 110 099**	**100**	**975 015**	**100**	**3 270 604**	**100**

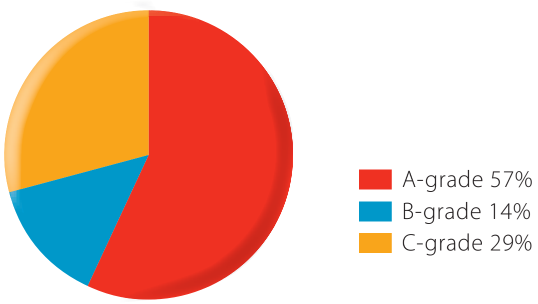






Tenant profile by gross monthly rental

	2010		2009	
	R000	%	R000	%
A-grade	**115 260**	**57**	106 346	58
B-grade	**27 609**	**14**	21 996	12
C-grade	**58 927**	**29**	54 077	30
Total	**201 796**	**100**	182 419	100

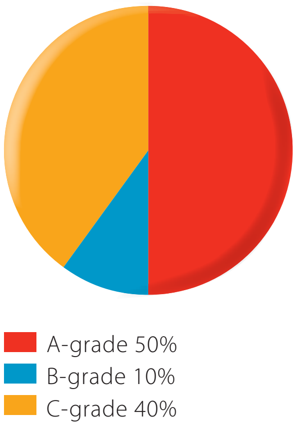


PROPERTY PORTFOLIO *continued*

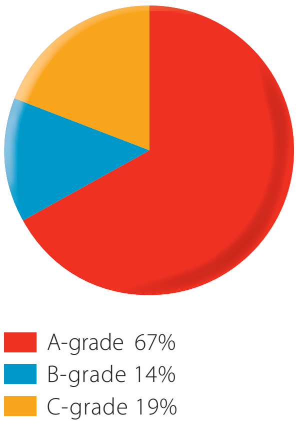
Tenant profile by gross monthly rental per sector

	Office		Retail		Industrial		Total	
	R000	%	R000	%	R000	%	R000	%
A-grade	37 673	50	63 982	67	13 604	45	115 259	57
B-grade	7 829	10	13 935	14	5 845	20	27 609	13
C-grade	30 327	40	17 970	19	10 630	35	58 927	30
Total	**75 829**	**100**	**95 887**	**100**	**30 079**	**100**	**201 796**	**100**

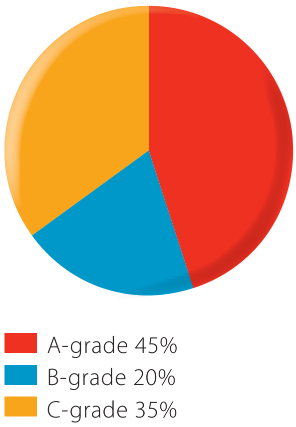
Office



Retail



Industrial



90 Rivonia Road, Sandton

Top 20 tenants

	By let area	m²	%		By gross monthly rental	R000	%
1	Government	539 217	16	1	Government	36 916	18
2	Shoprite Checkers	160 585	5	2	Edcon	8 426	4
3	Premier Foods	122 515	4	3	Absa Bank	6 679	3
4	Edcon	119 675	4	4	Shoprite Checkers	6 049	3
5	Pick 'n Pay	73 782	2	5	Standard Bank	5 307	3
6	Absa Bank	73 385	2	6	Pick 'n Pay	3 622	2
7	Pepkor	69 916	2	7	Pepkor	3 548	2
8	Standard Bank	65 038	2	8	Premier Foods	2 966	1
9	Illiad	57 829	2	9	First Rand Bank	2 567	1
10	JD Group	33 344	1	10	Alexander Forbes	2 355	1
11	Ellerines	29 508	1	11	JD Group	2 149	1
12	First Rand Bank	26 052	1	12	Nedbank	2 080	1
13	DHL	24 566	1	13	De Beers	2 067	1
14	Coricraft	23 864	1	14	Mr Price	2 028	1
15	Royal Fern Investments	23 803	1	15	Vodacom	1 935	1
16	DB Apparel	22 000	1	16	Ellerines	1 739	1
17	Nedbank	21 555	1	17	Foschini	1 672	1
18	Tedelex	21 313	0	18	Illiad	1 624	1
19	Hudaco	20 848	0	19	Glenrand MIB	1 565	1
20	Duro Pressings	20 111	0	20	Deneys Reitz	1 400	1
	Total	**1 548 906**	**47**		**Total**	**96 694**	**48**
	Total portfolio	**3 270 604**			**Total portfolio**	**201 796**	

National retailer in Golden Walk, Germiston

LEASING

Redefine employs a proactive leasing and tenant retention strategy and aims to secure long leases with stable tenants.

Redefine concluded 1 561 leases with a gross monthly rental of approximately R44,6 million from 1 September 2009 to 31 August 2010.

Of the total number of leasing deals, 877 were renewals with a gross monthly rental of approximately R31,2 million and 684 leases with a gross monthly rental of approximately R13,4 million were concluded with new tenants for vacant space.

Leases in excess of 1,1 million square metres were concluded during the year under review.

Leasing activity for the year under review is summarised as follows:

	Renewals				New leases		Total portfolio		
Sector	Area renewed m^2	Average expiry rental R/m^2	Average achieved rental R/m^2	Increase %	Area let m^2	Average achieved rental R/m^2	Area let m^2	Gross monthly rental R000	Average rental R/m^2
Office	410 078	57,88	64,24	10,99	65 667	78,84	1 185 490	95 888	81,06
Retail	290 824	52,41	57,87	10,41	105 258	68,30	1 110 099	75 829	68,31
Industrial	211 494	27,33	28,18	3,09	44 925	24,51	975 015	30 079	30,85
Total	**912 396**	**49,06**	**53,85**	**9,77**	**215 840**	**62,40**	**3 270 604**	**201 796**	**61,75**

RENTALS

In the year under review, rentals on renewal increased by 9,77%. An average of R62,40/m^2 was achieved for new leases, compared to the portfolio average of R61,75/m^2.

Average rental escalations

Sector	%
Office	8
Retail	7
Industrial	7

The average portfolio rental increased by 11,8% to R61,75/m² (2009: R55,23/m²) based on the following sectoral split:

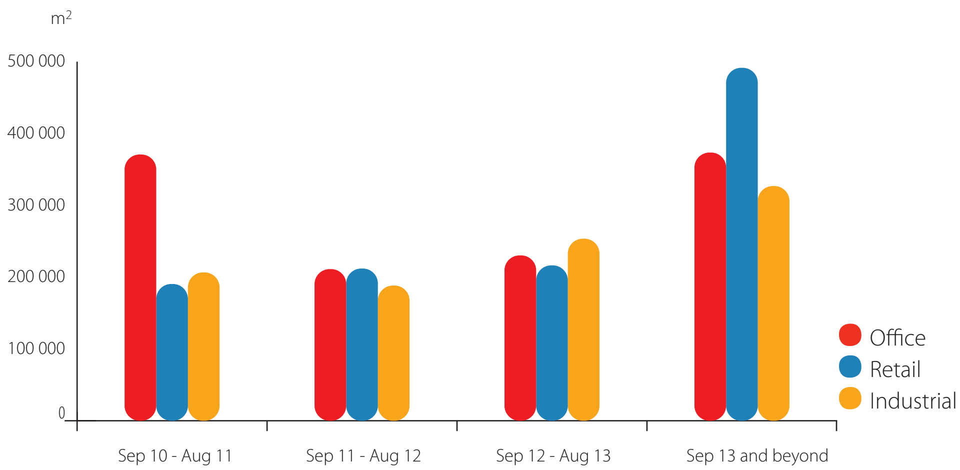
Sector	2010 R/m²	2009 R/m²
Office	**81,06**	66,72
Retail	**68,31**	71,94
Industrial	**30,85**	22,89
Average	**61,75**	55,23

The significant variances of average sectoral rentals in 2010 compared to 2009 can be attributed to the reclassification of properties by sector.

LEASE EXPIRY PROFILE

Lease expiry profile by let area

Year to 31 August	Office m²	Office %	Retail m²	Retail %	Industrial m²	Industrial %	Total m²	Total %
2011	370 727	31	190 435	17	206 532	21	767 694	23
2012	211 127	18	211 939	19	188 234	19	611 300	19
2013	230 213	19	216 311	20	253 468	26	699 992	21
Beyond	373 423	32	491 414	44	326 781	34	1 191 618	37
Total	**1 185 490**	**100**	**1 110 099**	**100**	**975 015**	**100**	**3 270 604**	**100**



Lease expiry by average gross monthly rental/m²

Year to 31 August	Office R/m²	Retail R/m²	Industrial R/m²	Total R/m²
2011	67,22	81,86	36,02	62,45
2012	93,35	82,53	32,77	70,95
2013	93,08	90,20	33,71	70,70
Beyond	113,44	89,89	40,66	83,77

SCHEDULE OF PROPERTIES

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	OFFICE PORTFOLIO					
1	2 Devonshire Place	KwaZulu-Natal	Durban	7 152	26 860	65,02
2	2 Rissik Street	Gauteng	Johannesburg CBD	5 513	34 000	49,31
3	3 Sturdee Avenue	Gauteng	Rosebank	3 459	37 750	121,34
4	6 Durban Club Place	KwaZulu-Natal	Durban	8 839	40 113	68,40
5	11 Diagonal Street	Gauteng	Johannesburg CBD	32 972	257 890	~
6	15 Baker Street	Gauteng	Rosebank	7 089	54 200	~
7	17 Harrison Street	Gauteng	Johannesburg CBD	12 377	74 700	91,63
8	37 Bath Avenue	Gauteng	Rosebank	3 187	32 300	102,18
9	61 Jorissen Street	Gauteng	Braamfontein	18 181	76 700	39,05
10	66 Peter Place	Gauteng	Hurlingham	4 310	40 900	97,81
11	82 on Maude	Gauteng	Sandton	8 282	126 930	~
12	85 on Field	KwaZulu-Natal	Durban	12 814	60 810	68,75
13	90 Grayston Drive	Gauteng	Sandton	3 735	51 660	~
14	90 Rivonia Road	Gauteng	Sandton	14 270	246 300	~
15	101 Dorp Street	Limpopo	Polokwane	5 093	23 600	74,63
16	111 Commissioner Street	Gauteng	Johannesburg CBD	28 467	164 000	74,37
17	125 Simmonds Street	Gauteng	Braamfontein	4 889	34 000	4,86
18	127 Bethlehem Street	North West	Rustenburg	5 748	25 800	72,73
19	135 Pietermaritz Street	KwaZulu-Natal	Pietermaritzburg	2 198	11 583	~
20	151/155 Juniper Road	KwaZulu-Natal	Durban	1 592	11 063	75,02
21	209 Smit Street	Gauteng	Braamfontein	28 017	118 000	54,74
22	222 Smit Street	Gauteng	Braamfontein	20 768	72 000	53,49
23	320 West Street	KwaZulu-Natal	Durban	46 282	113 700	87,06
24	360 Pretoria Avenue	Gauteng	Randburg	4 185	26 500	~
25	Absa Horizon Park	Gauteng	Roodepoort	2 427	44 910	~
26	Absa Investment Campus	Gauteng	Parktown	10 469	104 500	94,15
27	Accenture	Gauteng	Woodmead	6 388	124 270	~
28	Accord House	KwaZulu-Natal	Durban	3 045	22 120	101,03
29	Agency 1	Gauteng	Sunninghill	2 596	29 300	~
30	Allhart Park	Gauteng	Woodmead	4 435	38 140	82,98
31	Batho Pelo House	Gauteng	Pretoria CBD	14 258	85 000	~
32	BDO House	KwaZulu-Natal	Durban	2 157	12 647	95,78
33	Berolina	Limpopo	Polokwane	1 647	3 702	~
34	Besterbrown	Mpumalanga	Nelspruit	13 815	99 170	75,88
35	Bloemhof Building	Western Cape	Bellville	4 561	19 584	70,64
36	Boskruin Village Office Park	Gauteng	Randburg	7 716	92 700	109,78
37	Bruma Boulevard	Gauteng	Bruma	4 309	31 000	71,75

	Property	Province	Location	Gross lettable area m^2	2010 Valuation R000	Average gross rental R/m^2
	OFFICE PORTFOLIO *continued*					
38	CCMA House	Western Cape	Cape Town CBD	4 736	23 400	69,22
39	Centenary Branch	KwaZulu-Natal	Pietermaritzburg	966	6 421	~
40	Chamber House	Eastern Cape	Port Elizabeth	2 846	3 435	53,25
41	Chesan	Gauteng	Bryanston	1 019	5 181	~
42	College House	Gauteng	Bryanston	1 846	17 823	96,66
43	Commissioner House	Western Cape	Bellville	4 019	30 000	80,56
44	Convention Tower	Western Cape	Cape Town CBD	16 117	266 300	140,54
45	Cornerstone House	Gauteng	Crown Mines	11 919	176 760	~
46	Curator	Gauteng	Arcadia	8 132	48 500	96,73
47	De Goede Hoop Park	Western Cape	Bellville	2 278	9 994	~
48	Delpen Building	Gauteng	Riviera	5 550	25 000	~
49	Dept of Forestry & Water	Eastern Cape	King William's Town	3 790	20 200	~
50	Domus	Gauteng	Lynnwood Glen	5 314	38 600	89,05
51	Duncan Street	Gauteng	Hillcrest	1 310	15 000	141,99
52	Education Centre	Eastern Cape	King William's Town	3 100	8 696	N/A
53	Education Centre	Gauteng	Johannesburg CBD	12 488	22 200	49,81
54	Edufin	Eastern Cape	Port Elizabeth	3 500	19 700	~
55	Elna Sewing Machine	Gauteng	Randburg	3 658	5 684	23,62
56	Emanzeni	Gauteng	Pretoria CBD	9 340	32 300	~
57	Embassy House	Gauteng	Arcadia	3 419	15 348	~
58	Empire Place	Limpopo	Polokwane	1 066	8 780	81,18
59	Enel	Gauteng	Bryanston	272	2 232	~
60	Engen House	Gauteng	Vorna Valley	2 579	14 200	78,87
61	Essex Gardens	KwaZulu-Natal	Berea	6 568	49 939	80,02
62	Fedsure Forum	Gauteng	Pretoria CBD	29 281	107 200	57,47
63	Fidelity Centre	Eastern Cape	Port Elizabeth	7 434	32 500	70,39
64	Finance House	Gauteng	Bruma	7 559	54 000	74,91
65	Finsource House	Western Cape	Cape Town CBD	2 971	44 500	37,47
66	Foretrust Building	Western Cape	Cape Town CBD	26 775	247 000	88,83
67	Garlicks Building	KwaZulu-Natal	Durban	10 111	40 590	88,47
68	Glenashley Views	KwaZulu-Natal	Durban	2 654	16 060	104,74
69	Glenrand MIB House	Gauteng	Randburg	12 832	134 000	~
70	Grotto Mews	Western Cape	Rondebosch	320	2 558	86,94
71	Hartmann & Keppler	Gauteng	Sandton	3 769	30 000	~
72	Hatfield Forum East	Gauteng	Hatfield	5 449	24 760	55,50
73	Hatfield Square	Gauteng	Hatfield	15 063	107 000	90,73
74	Heron Place	Western Cape	Century City	4 731	62 000	~

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	OFFICE PORTFOLIO *continued*					
75	Hollard House & Parkade	Gauteng	Johannesburg CBD	9 632	65 890	69,47
76	Homestead	Gauteng	Bryanston	3 197	37 100	93,87
77	Hyde Park Manor	Gauteng	Hyde Park	4 379	46 000	117,28
78	Hyde West	Gauteng	Dunkeld West	1 207	13 000	~
79	Isivuno House	Gauteng	Pretoria CBD	23 680	177 000	107,99
80	Jewel City	Gauteng	Johannesburg CBD	43 694	200 000	79,19
81	Kernick House	Gauteng	Vorna Valley	3 269	26 700	~
82	Knowledge Park	Western Cape	Century City	17 075	233 200	107,81
83	Lakeside 2	Gauteng	Bruma	3 845	27 000	90,16
84	Lakeview Terrace	KwaZulu-Natal	Richards Bay	13 372	57 640	71,42
85	Mae West Building	Limpopo	Polokwane	2 922	24 000	86,42
86	Manhattan Plaza	Western Cape	Bellville	4 958	40 200	82,98
87	Matlotlo House	Gauteng	Johannesburg CBD	10 649	51 500	74,76
88	Mauff Zail	KwaZulu-Natal	Durban	4 162	24 860	~
89	Middelburg SAPS	Mpumalanga	Middelburg	3 400	10 472	N/A
90	Mineralia Building	Gauteng	Braamfontein	13 299	88 570	77,48
91	Monitor House	Gauteng	Houghton	1 709	24 700	~
92	Motswedi House	Gauteng	Rivonia	1 630	14 925	92,08
93	NBS Building	Gauteng	Johannesburg CBD	9 401	38 100	92,19
94	Nedbank Centre	KwaZulu-Natal	Durban	13 682	54 379	70,44
95	Nedbank Centre	Limpopo	Polokwane	12 768	105 600	83,26
96	Nedbank Centre	Mpumalanga	Nelspruit	15 197	98 960	78,49
97	Nedbank Centre	Northern Cape	Kimberley	1 281	8 250	91,93
98	North-End	Eastern Cape	Port Elizabeth	7 018	41 690	90,03
99	NOSA	Gauteng	Arcadia	3 770	21 300	~
100	Noswal Hall	Gauteng	Braamfontein	8 593	38 000	56,54
101	Odyssey Place	KwaZulu-Natal	Westville	1 848	11 366	93,82
102	Omnipark	Western Cape	Bellville	2 208	11 052	94,71
103	Opera Plaza	Gauteng	Pretoria CBD	14 968	63 000	67,89
104	Optiplan House	Gauteng	Muckleneuk	1 647	13 633	111,62
105	Outspan House	Gauteng	Centurion	6 470	54 200	85,38
106	Parc Du Bel	Western Cape	Bellville	2 298	15 000	72,77
107	Parliament Towers	Western Cape	Cape Town CBD	8 620	53 500	67,89
108	Pentagraph Building	Gauteng	Sunninghill	2 893	29 600	~
109	Perm Building	KwaZulu-Natal	Pietermaritzburg	1 803	9 879	77,26
110	Perm Building	Northern Cape	Kimberley	4 856	10 800	80,74
111	Perm Claremont	Western Cape	Claremont	3 180	16 370	64,67

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	OFFICE PORTFOLIO *continued*					
112	Perm Smith Street	KwaZulu-Natal	Durban	8 524	31 394	~
113	Philippi Court	Western Cape	Philippi	1 357	8 980	~
114	Pica Bethal	Mpumalanga	Bethal	10 315	15 900	38,60
115	Pier Place	Western Cape	Cape Town CBD	14 613	173 000	129,34
116	Plum Park	Western Cape	Bellville	1 987	15 536	78,17
117	Poyntons	Gauteng	Pretoria CBD	72 277	300 500	60,51
118	Redefine Place	Gauteng	Rosebank	4 542	53 000	44,03
119	Samancor House	Gauteng	Johannesburg CBD	14 652	33 200	55,98
120	Sanburn Building	Gauteng	Benoni	6 757	24 600	~
121	SAPS Mitchell's Plain	Western Cape	Mitchell's Plain	3 416	11 180	47,18
122	SAPS Worcester	Western Cape	Worcester	3 848	20 600	~
123	Servier House	Gauteng	Rivonia	974	6 513	~
124	Sevenfold	KwaZulu-Natal	Westville	670	5 144	~
125	Shell House	KwaZulu-Natal	Durban	14 022	68 092	~
126	Shepstone & Wylie	KwaZulu-Natal	Durban	5 092	17 000	~
127	Shorburg	Gauteng	Arcadia	14 553	46 400	64,68
128	Spooral Park	Gauteng	Centurion	3 688	12 500	70,06
129	Standard Bank	Gauteng	Pretoria CBD	23 754	156 500	106,29
130	Standard Bank Centre	Western Cape	Cape Town CBD	59 754	408 000	80,97
131	Standard Bank Longmarket Street	KwaZulu-Natal	Pietermaritzburg	4 743	19 500	63,55
132	Sterling Place	Western Cape	Bellville	4 173	20 000	78,57
133	Stonewedge	Gauteng	Bryanston	6 023	78 600	96,43
134	Surrey Place	Gauteng	Randburg	11 750	102 000	~
135	The Arches	Eastern Cape	King William's Town	2 707	12 601	85,07
136	The Avenues	Gauteng	Rivonia	6 244	44 800	71,32
137	The Ridge	KwaZulu-Natal	Westville	960	5 691	88,66
138	The Spearhead	Western Cape	Cape Town CBD	4 763	50 100	94,35
139	The Station Building	KwaZulu-Natal	Durban	6 621	24 420	73,03
140	Thornhill Office Park	Gauteng	Vorna Valley	8 601	86 120	125,67
141	Tolaram House	KwaZulu-Natal	Durban	6 920	35 410	~
142	Treasury House	KwaZulu-Natal	Pietermaritzburg	8 940	45 550	68,95
143	Trustbank Building	Gauteng	Johannesburg CBD	27 940	181 470	93,98
144	Victoria Gate	Gauteng	Parktown	2 418	20 100	~
145	Waterview Corner	Gauteng	Bruma	2 460	14 838	86,06
146	Wedgefield	Gauteng	Bryanston	3 598	42 500	97,97
147	West End	North West	Klerksdorp	22 311	32 400	42,90

SCHEDULE OF PROPERTIES *continued*

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	OFFICE PORTFOLIO *continued*					
148	West House	Gauteng	Rivonia	983	8 165	103,09
149	Wheat Board	Gauteng	Arcadia	8 933	58 600	72,87
150	Wynberg Mews	Western Cape	Wynberg	7 412	43 100	77,64
	Total office portfolio			**1 313 899**	**8 427 702**	**81,47**

~ Single tenanted property. The weighted average gross rental of the single tenanted office properties is R93,13/m²

N/A – Vacant property

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	RETAIL PORTFOLIO					
1	4 Weightman Avenue	KwaZulu-Natal	Empangeni	4 171	19 300	60,10
2	38 Prospecton Road	KwaZulu-Natal	Durban	1 528	12 230	83,13
3	101 Market Street	Gauteng	Johannesburg CBD	2 488	16 737	78,00
4	105 Landdros & 106 Mark Street	Limpopo	Polokwane	2 201	4 629	68,18
5	106 Landdros Mare Street	Limpopo	Polokwane	1 200	7 564	58,35
6	233 Bram Fischer Drive	Gauteng	Randburg	2 958	17 861	†
7	274 Beyers Naude Drive	Gauteng	Northcliff	3 784	45 800	103,15
8	423/429 Church Street	KwaZulu-Natal	Pietermaritzburg	4 000	23 900	67,45
9	448 West Street Durban	KwaZulu-Natal	Durban	1 485	26 120	185,94
10	452 West Street	KwaZulu-Natal	Durban	3 235	46 530	152,85
11	Absa	Gauteng	Centurion	1 306	13 468	†
12	Absa	Gauteng	Randburg	1 533	18 600	†
13	Acornhoek	Mpumalanga	Acornhoek	5 363	22 000	64,76
14	African City	Gauteng	Johannesburg CBD	9 627	35 400	60,76
15	Argyle Centre	KwaZulu-Natal	Durban	5 299	35 890	102,93
16	Berea Centre Durban	KwaZulu-Natal	Durban	17 091	59 410	70,12
17	Blackheath Galleries	Gauteng	Randburg	3 667	23 600	70,26
18	BMW	Gauteng	Bruma	1 847	19 300	†
19	Botshabelo Re A Hola Centre	Mpumalanga	Botshabelo	14 918	102 000	71,24
20	Bryanston Carvenience	Gauteng	Bryanston	3 892	41 500	103,10
21	Capital Centre	KwaZulu-Natal	Pietermaritzburg	9 765	57 870	74,27
22	Capital Park Motorcity	Gauteng	Capital Park	7 622	34 500	47,79
23	China Town	Western Cape	Ottery	8 223	63 672	54,28
24	Church Street A	KwaZulu-Natal	Pietermaritzburg	623	5 252	92,47
25	Church Street B	KwaZulu-Natal	Pietermaritzburg	973	2 704	†
26	Church Street C	KwaZulu-Natal	Pietermaritzburg	957	6 207	86,90
27	Church Street D	KwaZulu-Natal	Pietermaritzburg	398	3 260	112,49
28	Citizens Building	Eastern Cape	King William's Town	2 724	6 853	51,87
29	Citizens Building	Northern Cape	Kimberley	840	4 636	107,28
30	Citizens Building	Western Cape	Cape Town CBD	1 467	14 382	97,40
31	City Centre Eersterivier	Western Cape	Stellenbosch	6 700	47 500	79,71
32	Cleary Park	Eastern Cape	Port Elizabeth	37 970	348 407	94,64
33	Corpgro	Gauteng	Benoni	3 841	7 230	†
34	Crossing at Makhado	Limpopo	Makhado	13 422	110 000	76,61
35	Devonshire Parking	KwaZulu-Natal	Durban	800	31 780	21,30

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	RETAIL PORTFOLIO *continued*					
36	Dikai Centre	Mpumalanga	Hazyview	2 923	9 704	67,44
37	Dobsonpoint	Gauteng	Soweto	3 566	17 777	66,19
38	Edgars	Western Cape	Wynberg	2 606	15 300	†
39	Edgars Pritchard Street	Gauteng	Johannesburg CBD	15 039	114 210	78,14
40	Ellerines	Gauteng	Benoni	1 839	2 600	28,76
41	Ellerines	Mpumalanga	Nelspruit	1 147	8 090	79,72
42	Ellerines Caywood Street	Eastern Cape	Port Elizabeth	2 265	3 345	29,98
43	Ellerines Centre	Gauteng	Alberton	5 264	26 180	47,65
44	Ellerines Centre	KwaZulu-Natal	Dundee	3 518	9 793	41,65
45	Ellerines Centre	KwaZulu-Natal	Empangeni	1 656	11 000	70,09
46	Ellerines Centre	KwaZulu-Natal	Eshowe	1 185	7 073	67,17
47	Ellerines Centre	KwaZulu-Natal	Matatiele	3 165	15 476	60,23
48	Ellerines Centre	KwaZulu-Natal	Pinetown	4 269	27 180	96,76
49	Ellerines Centre	KwaZulu-Natal	Pinetown	1 742	10 004	69,04
50	Ellerines Centre	Limpopo	Thohoyandou	829	3 363	†
51	Ermelo Mall	Mpumalanga	Ermelo	20 465	97 040	49,43
52	F B Motors	Limpopo	Polokwane	2 570	7 050	†
53	Ferreiras Honeydew	Gauteng	Randburg	27 000	61 000	†
54	Ferreiras North Riding	Gauteng	Randburg	27 144	83 000	31,92
55	First National Bank	Gauteng	Centurion	1 864	24 000	125,73
56	Florida Road	KwaZulu-Natal	Durban	954	7 965	100,76
57	Freeway Centre	Gauteng	Wynberg	42 408	82 000	26,17
58	Fruit & Veg City	Mpumalanga	Groblersdal	3 980	10 430	41,19
59	Game Centre	North West	Klerksdorp	10 455	45 700	65,30
60	Golden Walk	Gauteng	Germiston	45 005	672 000	114,58
61	Greytown Centre	KwaZulu-Natal	Greytown	5 373	18 200	40,60
62	Hammanskraal	Limpopo	Hammanskraal	9 514	60 000	73,54
63	Isipingo Junction	KwaZulu-Natal	Durban	5 026	24 740	69,76
64	Jet Stores Pietersburg	Limpopo	Polokwane	3 320	23 300	†
65	Jetmart	Gauteng	Pretoria CBD	11 008	102 140	†
66	Kathu Shopping Centre	Northern Cape	Kathu	5 067	25 510	58,55
67	Kempton Square	Gauteng	Kempton Park	16 808	142 000	83,78
68	Kemsquare	Gauteng	Kempton Park	7 366	33 400	55,95
69	Kimberley Building	Northern Cape	Kimberley	1 989	2 291	N/A
70	Klein Brothers	Northern Cape	Kimberley	915	7 137	†
71	Kopanong	North West	Hammanskraal	10 712	109 000	109,01
72	Lowveld Lifestyle Centre	Mpumalanga	Nelspruit	11 170	47 090	54,95

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	RETAIL PORTFOLIO *continued*					
73	Matsamo Plaza	Mpumalanga	Matsamo	7 577	48 530	72,14
74	Maynard Mall	Western Cape	Wynberg	24 272	208 000	81,01
75	McCarthy Centre	Gauteng	Turffontein	5 935	15 000	†
76	McCarthy's Parow	Western Cape	Parow	4 193	14 040	†
77	Meadow Point	Gauteng	Soweto	4 558	25 400	73,19
78	Mega Park	Free State	Bloemfontein	6 028	33 900	60,72
79	Melville Properties	Gauteng	Melville	1 094	10 198	157,03
80	Metro Cash & Carry	KwaZulu-Natal	Matatiele	11 887	23 500	†
81	Middestad Centre	Free State	Bloemfontein	19 879	123 300	82,25
82	Mkuze Plaza	KwaZulu-Natal	Mkuze	8 656	36 670	55,85
83	Monument Commercial	Gauteng	Roodepoort	19 435	111 300	48,88
84	Moreleta Plaza	Gauteng	Moreleta	8 974	86 000	107,32
85	Motorcity Strydompark	Gauteng	Randburg	7 416	30 800	58,43
86	Nelspruit Centre	Mpumalanga	Nelspruit	1 060	7 813	92,08
87	Norwood Centre Ellerines	Gauteng	Norwood	1 102	8 975	96,06
88	OK Klerksdorp	North West	Klerksdorp	7 931	19 209	22,33
89	Olivedale Corner	Gauteng	Randburg	6 958	45 900	76,02
90	Ottery Centre	Western Cape	Ottery	27 318	153 000	51,99
91	Oudehuis Centre	Western Cape	Somerset West	4 182	22 900	76,72
92	Oxford & Terminus Street	Eastern Cape	East London	2 090	25 200	119,39
93	Palm Court	Gauteng	Randburg	6 284	50 000	94,51
94	Park Meadows	Gauteng	Kensington	27 324	356 140	141,97
95	Parkmore Shopping Centre	Gauteng	Parkmore	1 099	10 062	144,64
96	Pimville Square	Gauteng	Soweto	3 651	12 069	58,77
97	Pine Parkade	KwaZulu-Natal	Durban	2 778	66 640	122,00
98	Post House	Gauteng	Bryanston	3 122	34 250	112,11
99	Posthouse Link	Gauteng	Bryanston	4 251	45 250	114,92
100	Proshop	Gauteng	Woodmead	5 044	33 400	†
101	Proteapoint	Gauteng	Soweto	3 563	20 900	80,50
102	Rand Stadium Toyota	Gauteng	Rosettenville	7 535	12 169	19,95
103	Redefine Boulevard	Western Cape	George	11 350	58 000	69,19
104	Riverside Value Mart	Mpumalanga	Nelspruit	9 563	57 820	64,71
105	Rivonia Boulevard	Gauteng	Rivonia	3 224	23 200	90,27
106	Ronsyn Building	Western Cape	Rondebosch	2 388	22 300	93,46
107	Royal Palm Avenue	KwaZulu-Natal	Umgeni	912	3 447	110,49
108	Rustenburg Checkers	North West	Rustenburg	8 700	36 300	†
109	Sable Square	Western Cape	Century City	25 016	123 000	74,05

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	RETAIL PORTFOLIO *continued*					
110	Sammy Marks Portion 1	Gauteng	Pretoria CBD	7 331	93 500	138,59
111	Sammy Marks Portion 3	Gauteng	Pretoria CBD	6 807	82 000	123,35
112	Sanlam Centre	North West	Rustenburg	8 322	25 300	45,93
113	Sanlam Centre	North West	Vryburg	1 914	16 206	65,76
114	Scott Street Mall	KwaZulu-Natal	Newcastle	14 744	97 850	68,23
115	Scottsville Mall	KwaZulu-Natal	Pietermaritzburg	14 127	50 735	97,05
116	Shoprite	Gauteng	Alberton	16 771	112 000	64,82
117	Shoprite	Gauteng	Boksburg	3 034	15 200	69,10
118	Shoprite	Limpopo	Polokwane	10 149	53 500	†
119	Shoprite	Western Cape	Claremont	6 734	30 200	31,54
120	Shoprite Checkers	Gauteng	Johannesburg CBD	34 224	28 000	†
121	Shoprite Park	Western Cape	Parow	26 776	119 500	42,31
122	Sibasa Centre	Limpopo	Thohoyandou	4 102	26 300	63,61
123	Simunye Centre	Mpumalanga	Hazyview	6 538	24 530	55,16
124	Siyabuswa	Limpopo	Limpopo	3 213	24 600	75,96
125	Smal Street Mall	Gauteng	Johannesburg CBD	7 015	126 100	256,23
126	Southern Motors	Gauteng	Johannesburg CBD	3 863	27 900	†
127	Standard Bank	Gauteng	Blackheath	2 880	33 000	119,73
128	Standard Bank	Gauteng	Centurion	2 732	29 620	†
129	Standard Bank	Mpumalanga	Nelspruit	2 394	12 354	†
130	Standard Bank	Western Cape	George	1 199	7 654	†
131	Standerton Centre	Mpumalanga	Standerton	6 213	14 900	41,36
132	Stanhope Bridge	Western Cape	Claremont	6 406	74 100	103,99
133	Taung Forum	North West	Taung	10 231	40 500	69,62
134	Terminus	North West	Klerksdorp	11 294	22 600	53,30
135	The Forum	Western Cape	Bellville	668	4 048	†
136	The Pond	Gauteng	Midrand	5 501	25 400	48,29
137	The Riverside Centre	Western Cape	Rondebosch	10 171	87 750	78,49
138	The Village @ Horizon	Gauteng	Roodepoort	20 063	180 000	106,53
139	Thohoyandou Centre	Limpopo	Thohoyandou	4 006	17 464	50,62
140	Thohoyandou Shopping Centre	Limpopo	Thohoyandou	4 359	14 100	41,02
141	Town Centre	Gauteng	Boksburg	6 815	17 200	36,36
142	Town Talk	Mpumalanga	Groblersdal	2 057	4 455	33,82
143	Town Talk	Mpumalanga	Nelspruit	1 082	5 712	49,99
144	Truworths Corner	Western Cape	Mitchell's Plain	520	4 487	†
145	Turfloop Plaza	Limpopo	Polokwane	6 800	44 500	69,75

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	RETAIL PORTFOLIO *continued*					
146	Vaal Walk	Gauteng	Vanderbijlpark	18 126	59 000	51,88
147	West Street Parkade	Gauteng	Johannesburg CBD	3 211	65 220	105,45
148	Williams Hunt	Gauteng	Randburg	3 347	30 500	†
149	Witbank Medical Centre	Mpumalanga	Witbank	13 712	76 610	58,95
	Total retail portfolio			**1 134 844**	**7 141 356**	**68,81**

† Single tenanted property. The weighted average gross rental of single tenanted retail properties is R41,16/m²

N/A – Vacant property

SCHEDULE OF PROPERTIES *continued*

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	INDUSTRIAL PORTFOLIO					
1	1 Paarden Eiland Road	Western Cape	Paarden Eiland	5 312	13 500	39,85
2	2 Sterling Road	Gauteng	Randburg	9 301	18 900	28,98
3	3 Spartan Crescent	Gauteng	Kelvin	4 587	17 984	*
4	5 Laub Street	Gauteng	Johannesburg CBD	16 469	18 420	*
5	7 Dartfield Road	Gauteng	Kramerville	2 299	8 096	*
6	8 Jansen Road	Gauteng	Jet Park	22 774	110 450	*
7	9 Montague Drive	Western Cape	Montague Gardens	2 649	14 420	51,44
8	12 Nourse Avenue	Western Cape	Epping	10 581	20 900	21,24
9	12 Piet Rautenbach Street	Gauteng	Rosslyn	30 506	79 300	30,19
10	16 & 18 Forge Road	Gauteng	Spartan	3 166	8 312	27,10
11	16th Street	Gauteng	Midrand	3 460	17 000	*
12	21 Dartfield (Omlap)	Gauteng	Kramerville	1 021	5 293	48,81
13	21 Wrench Road	Gauteng	Isando	31 576	90 000	27,54
14	28 Marine Drive	Western Cape	Cape Town	7 484	25 000	40,93
15	30 Marine Drive	Western Cape	Paarden Eiland	2 727	9 149	39,06
16	38 Derrick Road	Gauteng	Spartan	3 846	8 451	*
17	46 Steel Road	Gauteng	Spartan	3 790	11 483	*
18	52 Mimetes Road	Gauteng	Denver	7 567	14 752	*
19	64 Mimetes Road	Gauteng	Denver	5 049	13 078	*
20	77 & 78 Plane Road	Gauteng	Spartan	9 138	23 600	29,77
21	101 Lawley	KwaZulu-Natal	Durban	33 249	36 200	*
22	Africa Glass	Gauteng	Denver	7 594	40 000	*
23	Amalgamated Appliances	Gauteng	Reuven	21 313	40 000	*
24	Avroy Shlain	Gauteng	Midrand	12 448	70 200	*
25	Berg River Park	Western Cape	Paarl	35 946	74 000	25,30
26	Cadbury	Eastern Cape	Port Elizabeth	14 509	13 700	11,39
27	Chai Properties	Gauteng	Wynberg	10 062	21 800	*
28	City Deep 45 & 46	Gauteng	City Deep	13 407	57 100	*
29	CMH	Gauteng	Spartan	2 890	6 336	28,40
30	Coricraft	Western Cape	Epping	13 417	40 500	*
31	Corpgro	Free State	Welkom	1 256	2 066	*
32	Creation	North West	Brits	28 182	37 800	24,67
33	Creston	Gauteng	Spartan	5 954	18 892	31,83
34	CTX Business Park (Acsa)	Western Cape	Airport Industria	8 914	67 700	58,23
35	Denver Industrial Park	Gauteng	Denver	12 877	30 000	31,31
36	Diesel Road	Gauteng	Isando	7 273	12 659	23,35
37	Distro Dee	Gauteng	Droste Park	6 931	16 800	*

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	INDUSTRIAL PORTFOLIO *continued*					
38	Eagle Park	Western Cape	Montague Gardens	4 048	27 625	69,32
39	Erf 681 Alrode	Gauteng	Alrode	20 111	49 000	*
40	Fabric Park	Gauteng	Midrand	13 348	29 000	35,86
41	Fabriek & Sterling Road	Gauteng	Randburg	4 976	5 678	*
42	Fascor	KwaZulu-Natal	Durban	8 282	14 023	*
43	Federal Mogul	Mpumalanga	Nelspruit	900	2 197	*
44	Festival Town Square	Gauteng	Kempton Park	11 041	93 000	53,26
45	Finpark	Gauteng	Pretoria CBD	2 957	41 150	55,06
46	Golf Air Park	Western Cape	Epping	14 788	42 000	29,60
47	Herfred	Limpopo	Polokwane	2 250	6 709	31,99
48	Hi Tech Mini Factories	Gauteng	Randburg	2 719	9 543	45,79
49	HK Parow	Western Cape	Parow	8 933	22 300	25,70
50	Hudaco Park	Gauteng	Germiston	33 077	64 000	24,44
51	Jet Industrial Park	Gauteng	Jet Park	11 786	24 000	28,41
52	JM Investment	Gauteng	Roodepoort	2 700	7 331	*
53	Kimberley Clark	Gauteng	Germiston	6 817	11 210	18,21
54	Linpac	Western Cape	Montague Gardens	23 803	100 000	39,16
55	Log Square	Gauteng	Johannesburg CBD	17 391	13 459	13,48
56	Metcash Trading	Free State	Welkom	5 202	4 949	*
57	Metcash Trading	Gauteng	Chloorkop	3 892	13 831	*
58	Metcash Trading	Limpopo	Mokopane	3 152	4 600	*
59	Nampak	Western Cape	Epping	15 398	39 000	24,50
60	Ohm Street Industrial Park	Gauteng	Kya Sands	12 773	40 700	37,77
61	Pepkor	Gauteng	Isando	40 438	172 000	*
62	Pepsi	Gauteng	Aeroton	6 902	24 200	29,80
63	Plantation Road 18	Gauteng	Edenvale	3 954	11 937	33,08
64	Plantation Road 20	Gauteng	Edenvale	4 209	12 854	37,70
65	Platinum Park	Western Cape	Montague Gardens	10 757	38 100	42,78
66	Premier Foods	Gauteng	Waltloo	27 664	141 500	*
67	Premier Foods	KwaZulu-Natal	Durban	89 000	144 250	*
68	Premier Foods	KwaZulu-Natal	Pinetown	5 850	14 450	*
69	RT Hillbank	Gauteng	Robertsham	9 707	9 939	N/A
70	S Burde	Gauteng	Germiston	19 696	30 000	*
71	Sandton Action Cricket	Gauteng	Kramerville	2 600	11 396	*
72	Sentrachem	KwaZulu-Natal	Pinetown	7 070	18 250	*
73	Southern Denver	Gauteng	Spartan	16 216	33 000	27,12
74	Spearhead Business Park	Western Cape	Montague Gardens	14 524	69 000	44,96

SCHEDULE OF PROPERTIES *continued*

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	INDUSTRIAL PORTFOLIO *continued*					
75	Stand 502	Gauteng	Isando	13 472	37 700	*
76	Star Foods	KwaZulu-Natal	Pietermaritzburg	3 114	15 418	42,34
77	Tarry's Head Office	Gauteng	Stafford	8 910	11 456	*
78	The Wang	Gauteng	Spartan	3 718	9 938	*
79	Transwire	Gauteng	Midrand	6 500	14 492	*
80	Trencor	Western Cape	Epping	6 861	30 000	*
81	Trentyre Sebenza	Gauteng	Spartan	15 482	36 600	*
82	Viking Business Park	Western Cape	Epping	9 070	33 700	60,98
83	Virgin Active	Gauteng	Benoni	3 154	18 600	*
84	Waltloo	Gauteng	Waltloo	30 858	139 000	*
85	Wholesale Housing Supplies	Gauteng	Denver	5 300	24 000	*
86	Wingfield Park	Gauteng	Jet Park	55 927	196 300	30,84
	Total industrial portfolio			**1 070 821**	**3 077 226**	**30,90**

* *Single tenanted property. The weighted average gross rental of single tenanted industrial properties is R30,36/m²*

N/A – Vacant property

	Total investment properties			**3 519 565**	**18 646 286**	

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	UNDIVIDED SHARES IN RETAIL§					
1	Blue Downs Shopping Centre (60% share)	Western Cape	Somerset West	9 236	50 100	48,70
2	Pinetown Link (50% share)	KwaZulu-Natal	Pinetown	15 606	35 890	28,91
3	South Coast Mall (50% share)	KwaZulu-Natal	Shelly Beach	30 865	146 250	61,79
	Total undivided shares in retail			**55 707**	**232 240**	**53,91**

§ GLA reflects total of the properties and valuation reflects Redefine's share

	Property	Province	Location	Number of parking bays	2010 Valuation R000	
	PARKING GARAGES/PARKADES					
1	Kimberley Printing	Northern Cape	Kimberley	781	1 100	
	Devonshire Parking △	KwaZulu-Natal	Durban	1 250	–	
	Finpark △	Gauteng	Pretoria CBD	92	–	
	Pine Parkade △	KwaZulu-Natal	Durban	1 275	–	
	West Street Parkade △	Gauteng	Johannesburg CBD	717	–	
	Total parking garages/parkades			**4 115**	**1 100**	

△ *The values in respect of the parking garages other than Kimberley Printing are all included with the respective retail component*

	Total investment properties (including undivided shares in retail and parking garages/parkades)			**3 575 272**	**18 879 626**	

SCHEDULE OF PROPERTIES *continued*

	Property	Province	Location	Gross lettable area m²	2010 Valuation R000	Average gross rental R/m²
	NON-CURRENT ASSETS HELD FOR SALE					
1	Business Furniture Centre	Gauteng	Wynberg	7 700	20 000	
2	De Bruyn Park	Gauteng	Pretoria	35 652	180 000	
3	Erf 27 Sunninghill	Gauteng	Sunninghill	2 156	15 460	
4	Middelburg Plaza	Mpumalanga	Middelburg	7 897	61 000	
5	Nameplate Centre	Gauteng	Roodepoort	5 720	11 800	
6	Reserve Road	Gauteng	Braamfontein	5 845	35 600	
7	Standard Bank	North West	Rustenburg	2 744	14 500	
8	Union Club	KwaZulu-Natal	Durban	5 428	11 700	
	Erf 755 Denver #	Gauteng	Denver	–	1 299	
	Total non-current assets held for sale			**73 142**	**351 359**	
	# Erf 755 Denver is a vacant stand					
397	**Total investment properties (including non-current assets held for sale)**			**3 648 414**	**19 230 985**	
	VACANT LAND					
	Freedom Square	Namibia	Windhoek		98 073	
	Golf Air Park	Western Cape	Airport Industria		16 500	
	Erf 4462 Clayville	Gauteng	Clayville		2 906	
	Total vacant land				**117 479**	
	Total investment properties (including vacant land)			**3 648 414**	**19 348 464**	**61,75**

LISTED SECURITIES

STRATEGIC LISTED INVESTMENTS

Redefine Properties Limited (Redefine) has core strategic holdings in listed property securities and may acquire other listed property securities on an opportunistic basis for strategic purposes or where value can be unlocked through corporate action.

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

Profit on realisation of the holdings of listed securities is not distributed as it is deemed to be capital.

The entire listed securities portfolio is revalued quarterly, based on the market value of the securities net of any distributions declared and not yet received.

LISTED SECURITIES HELD ON 31 AUGUST 2010

The following table outlines the listed securities held by Redefine, and excludes the listed securities held by Redefine International plc (RI plc), which are shown as securities held on consolidation.

	Fund type	Number of units	Total units in issue	% held	% of portfolio	Value R000
Hyprop Investments Limited	PLS	75 937 121	166 113 169	45,7	76	3 959 361*
Oryx Properties Limited	PLS	14 554 269	55 046 403	26,4	3	144 851*
Sycom Property Fund	PUT	6 530 673	216 181 503	3,0	3	144 067
Redefine Properties International Limited	PLS	168 505 303	168 505 303	100,0	18	958 104
Total					**100**	**5 206 384**

The following table outlines the listed securities held by Redefine when the foreign interests are consolidated.

	Fund type	Number of units	Total units in issue	% held	% of portfolio	Value R000
Hyprop Investments Limited	PLS	75 937 121	166 113 169	45,7	77	3 959 361*
Oryx Properties Limited	PLS	14 554 269	55 046 403	26,4	3	144 851*
Sycom Property Fund	PUT	6 530 673	216 181 503	3,0	3	144 067
Cromwell Group	SS	178 833 333	901 468 478	19,8	17	851 206
Total					**100**	**5 099 485**

* *The market value has been adjusted for the value of distributions declared and not yet received at year-end*

PLS: Property Loan Stock
PUT: Property Unit Trust
SS: Stapled Security

CHANGES TO LISTED SECURITIES PORTFOLIO IN THE YEAR UNDER REVIEW

	2010			2009		
	Units held	**Unit price cents**	**Value R000**	Units held	Unit price cents	Value R000
Hyprop Investments Limited	**75 937 121**	**53,88**	**3 959 361***	55 323 970	44,00	2 345 183
Redefine International plc	–	–	–	21 069 405	6,16	129 777
Oryx Properties Limited	**14 554 269**	**10,50**	**144 851***	14 554 269	10,50	152 862
Sycom Property Fund	**6 530 673**	**22,06**	**144 067**	6 530 673	18,00	117 552
Wichford P.L.C.	–	–	–	14 600 000	4,31	62 116
Cromwell Group	**178 833 333**	**4,76**	**851 206**	–	–	–
Total			**5 099 485**			**2 807 490**

** The market value has been adjusted for the value of distributions declared and not yet received at year-end*

In the consolidated financial statements, the assets and liabilities of RI plc have been consolidated, other than Cromwell Group (Cromwell) (which is not accounted for as an associate or subsidiary) and Wichford P.L.C. (Wichford) (which is reflected as an associate).

HYPROP INVESTMENTS LIMITED (HYPROP)

Hyprop is South Africa's leading retail property fund, which owns prime retail centres including Canal Walk (80%), The Glen (75%), Hyde Park Shopping Centre, The Mall of Rosebank, Stoneridge Mall and South Coast Mall.

The company has a proven track record of consistent growth in distributions and has been continually ranked as one of the top performing listed property funds in the country. Hyprop has delivered an average of 10,5% distribution growth per annum over the past 21 years, with average distribution growth of 17,1% per annum since 2004. The unit price has grown 13% per annum on average over the past 21 years, and 27% since 2004.

During the year under review, Redefine acquired an additional 19,7 million Hyprop units from Coronation Asset Management at R50 per unit, increasing its stake in the retail focused fund from 33,3% at 31 August 2009 to 45,2%.

The transaction, which was approved by Redefine unitholders, triggered a mandatory offer by Redefine to all remaining Hyprop unitholders at a price of R50 per unit. An additional 926 593 linked units were acquired at R50 per unit, increasing the stake marginally to 45,7%. The low acceptance of the offer was expected as the offer price was below the trading price of Hyprop's units at the time.

Redefine has undertaken to obtain approval from its unitholders before acquiring any further Hyprop units.

The Hyprop investment enhances the listed securities portfolio and is sufficient to influence strategy going forward.

Hyprop at 30 June 2010

Closing price:	49,99 cents per linked unit
Market capitalisation:	R8,1 billion
Net asset value:	4 579 cents per linked unit

Assets	Lettable area m²	At 30 June 2010 R000
Shopping centres	378 482	8 424 884
Offices	22 221	308 200
Hotels		291 000
Investment property	**400 703**	**9 024 084**
Development property		91 682
Listed property securities		1 574 363
Investment in associate		171 021
Total	**400 703**	**10 861 150**

REDEFINE INTERNATIONAL PLC (RI plc)

Formerly known as Ciref Plc (Ciref), RI plc was incorporated and registered as a closed-ended property investment and development company in 2005 in Jersey and listed on the AIM market of the London Stock Exchange (LSE) in 2006. The name change to RI plc was implemented on 1 July 2010.

The company was established to invest in commercial real estate, primarily in the United Kingdom (UK) and Europe, with a focus on retail and commercial assets. It recently expanded its objectives to include investments in Australia and hotel acquisitions in the UK. The primary strategy is to provide investors with strong investment returns through a balanced exposure to lower risk income generating assets and opportunities that will provide a capital return.

Wasserkrüger Weg, Mölln, Germany, a Redefine International plc property

The company owns a portfolio of 92 quality properties in the UK, Germany and Switzerland valued at approximately £378 million with a gross lettable area (GLA) of approximately 323 000m². The company also has significant interests in two listed funds, namely Wichford in the UK and Cromwell in Australia. RI plc has board representation on both these funds.

During the year under review, Redefine increased its holding in RI plc in a series of transactions utilising cash transfer capacity of South African institutions, commonly referred to as asset swaps.

Between December 2009 and January 2010, Redefine increased its holding in RI plc from 28,6% to 70,7% by subscribing for 102 million shares in RI plc for £51,2 million in cash and by exchanging its entire holding of 204,3 million shares in Wichford for 45,4 million shares in RI plc.

The capital raised was partially utilised by RI plc to acquire a 13,3% shareholding in Cromwell, a highly regarded property trust listed on the Australian Stock Exchange. Redefine introduced the Cromwell transaction to RI plc.

700 Collins Street, Melbourne, a property in the Cromwell portfolio

On 10 August 2010, Redefine disposed of its entire holding of 168 505 303 RI plc shares to Redefine Properties International Limited (RI Limited) for an issue of 168 505 303 linked units in RI Limited.

At 31 August 2010, RI plc's market capitalisation was £128,3 million. Post year-end, the market capitalisation had increased to more than £220 million.

REDEFINE PROPERTIES INTERNATIONAL LIMITED (RI LIMITED)

In line with Redefine's strategy to house its offshore portfolio in a vehicle for South African investors to take advantage of the recovering offshore property market, Redefine investigated the feasibility of an inward listing of RI plc on the JSE.

The inward listing was rejected by the South African Reserve Bank (SARB) but Redefine was the first listed property company to receive approval from SARB for foreign direct investment in offshore property.

The company received permission to hold its interest in RI plc directly through a South African subsidiary, RI Limited, which listed on the JSE on 7 September 2010.

RI Limited is authorised to remit additional capital from South Africa to fund the future growth of the offshore company.

RI Limited's sole asset is its shareholding in RI plc. Each linked unit in RI Limited effectively equates to one share in RI plc.

The listing of RI Limited provides South African residents and institutions an exciting rand-based opportunity to invest in an international portfolio of properties. South African participants will own an investment in good quality offshore properties at an attractive yield and a growing income stream with an added benefit that investing offshore may provide an effective rand hedge.

Distributions will be received by RI Limited in pounds and converted to rands at the ruling exchange rate on the date that they are received. In turn, the rand denominated income will be distributed to RI Limited unitholders.

During the year under review, the JSE approved the listing of 336 574 640 RI Limited linked units in the Real Estate – Real Estate Holdings and Development sector of the JSE, which included a capital raising by way of a private placement of 168 069 337 linked units and Redefine's existing interest of 168 505 303 linked units.

The private placement, which closed on 30 August 2010, afforded potential investors the opportunity to participate in the equity of RI Limited. £84 million was raised at an issue price of R5,69 per linked unit, 153% above the minimum subscription amount of £55 million set by the company.

Redefine subscribed for 24 million linked units in RI Limited in terms of the private placement, increasing its holding in RI Limited to 192,5 million linked units, or 57,2% of the RI plc units in issue.

Part of the capital raised in the private placement was used by RI Limited to subscribe for additional shares in RI plc and to repay a loan from Redefine. The capital raised by RI plc was used to acquire a portfolio of London based hotels and to expand the group's business in the UK, Europe and Australia.

ORYX PROPERTIES LIMITED

Oryx is a property loan stock company listed on the Namibian Stock Exchange that owns a premier quality retail, industrial and office property portfolio. In addition, Oryx may from time to time invest in JSE listed real estate securities to allow for flexibility in respect of new direct real estate investment opportunities, portfolio diversification and yield enhancement.

Oryx's property portfolio comprises 26 properties with a value of N$722 million. Its largest investment is the Mearua Mall, which is the major regional retail centre serving Windhoek. Oryx has a market capitalisation of approximately N$688 million.

The investment in Oryx was owned by Ambit and acquired by Redefine as a consequence of the merger with ApexHi. Redefine's strategy is to increase its stake to achieve control. In the event that it is unable to gain control, Redefine will dispose of its entire interest in Oryx.

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 and Somerset Mall in Somerset West.

Redefine has 6 530 673 Sycom units, equating to 3,18% of the units in issue. Hyprop has a right of first refusal to acquire these units should Redefine decide to sell. Redefine's strategy is to dispose of its interest in Sycom in the next financial year.

WICHFORD P.L.C.

Wichford is an Isle of Man based property investment company listed on the main market of the LSE.

During the year under review, Redefine increased its holding in Wichford to 204,3 million units by acquiring an additional 24,5 million units from RI plc and by exercising its rights in terms of the Wichford rights issue. In December 2009, Redefine exchanged its entire holding of Wichford shares, valued at R293 million, for 45,4 million shares in RI plc.

CROMWELL GROUP

Cromwell is a specialist Australian Real Estate Investment Trust and property fund manager with AU$1,86 billion in assets under management. Redefine's exposure to Cromwell is through RI plc.

DEBT PROFILE

MANAGEMENT OF DEBT

Redefine Properties Limited's (Redefine) growth has been substantially funded with debt finance. In a global environment of volatile interest rates and restricted access to finance, debt management is an important focus.

Redefine is a large, well rated company with solid assets and its longstanding relationships with the leading banks have facilitated access to funding for growth.

Redefine manages its debt in terms of a well considered hedging strategy. Over 50% of Redefine's interest rates have been fixed at low rates for as long as possible. This ensures that fluctuations in interest rates do not have a major impact on the cost of financing. The board aims to achieve a target of a minimum of 70% of total debt to be hedged.

General market consensus is that interest rates will remain stable in the short term. Redefine aims to retain the protection provided by hedging arrangements while positioning itself to take advantage of any further decreases in rates. Where appropriate, long dated fixes may be broken in order to take advantage of lower rates. The company continually assesses its debt and monitors the debt markets to identify opportunities to lower finance costs wherever possible.

DEBT FACILITIES

Historically banks have not entered into long-term funding facilities within the listed property sector and debt has generally been hedged beyond the expiry of the loan facilities. The banks have consented to this on the basis that the borrowers within the listed property sector are secure and that the facilities will be "rolled" on expiry. This has been the pattern in respect of Redefine. Whereas Redefine's loan facilities have an average expiry of two years, the hedges have an average expiry of approximately 7,6 years.

FIXED VERSUS FLOATING BORROWINGS

Redefine may opt for fixed rate or floating rate borrowings. Fixed rate borrowings imply loans with interest rates fixed at a specified rate which, by way of example, would be a base rate of JIBAR* plus costs made up of the banks' margin, a liquidity premium and the banks' reserving costs. Once the JIBAR rate has been fixed, the total all-inclusive rate remains constant over the period of the loan.

Floating debt will attract interest at either JIBAR plus costs or at the prime rate less a discount. The JIBAR rate would be reset monthly or at three monthly intervals and similarly, should the prime rate of interest change the total all-inclusive rate of the loan would change.

**JIBAR (Johannesburg Interbank Agreement Rate) is the rate that South African banks charge each other for wholesale money. The JIBAR rate is a daily updated South African money market rate as indicated by a number of local and international banks.*

REDEFINE'S POSITION AT 31 AUGUST 2010

Redefine's total consolidated debt at 31 August 2010 was R11,5 billion, made up as follows:

- Local debt of R8,4 billion
- Foreign debt of R3,1 billion

LOCAL DEBT

Approximately R8,15 billion of the local debt is direct debt and R250 million is debt in respect of various joint ventures.

Of the R8,15 billion direct debt, 48% is fixed for an average period of three years at an average rate of 9,95% inclusive of all costs. 52% of the direct debt expires in two years at an average rate of 8,79% inclusive of all costs. The average rate in respect of total debt is 9,35% inclusive of all costs.

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

Redefine has historically lowered its weighted average cost of borrowings on a consistent basis by renegotiating risk margins, unwinding high yielding borrowings and incorporating the breakage costs into the new fixes, and stretching its book's duration. The average weighted cost of borrowings is 9,35% which is a slight increase from 9,2% in the prior year mainly as a result of additional interest rate swaps taken out during the year.

Redefine has hedged a further R1 billion in terms of interest rate swaps commencing in the 2011 financial year.

Redefine management is in the process of an indepth analysis of the total debt exposure with the view to restructuring where appropriate and generally optimising gearing within the group. A portion of debt has already been restructured and further restructuring is envisaged.

Pier Place, Cape Town

INTEREST BEARING BORROWINGS

At 31 August 2010

Repayment date based on facility maturity	Repayment date based on fix/ swap maturity	Loan R000	Average rate %
FIXED RATE DEBT			
Standard Bank debt capital market		1 325 000	10,72
31 March 2011	1 July 2013	200 000	10,64
31 March 2011	1 July 2017	200 000	9,81
31 March 2011	1 July 2017	400 000	10,03
30 April 2011	11 April 2011	5 000	12,23
30 April 2011	17 January 2017	220 000	11,51
31 March 2013	11 January 2011	300 000	11,71
Standard Bank		951 249	10,26
31 March 2011	26 April 2017	17 000	10,48
31 March 2011	1 July 2015	129 000	10,07
31 March 2011	1 July 2015	196 715	10,07
31 March 2011	26 April 2017	434 249	10,48
31 March 2011	1 July 2015	174 285	10,07
Absa		200 000	9,81
1 December 2011		200 000	9,81
Nedbank		30 000	10,66
27 January 2014		30 000	10,66
Interest rate swaps		1 413 795	9,02
	12 November 2018	413 795	8,86
	8 October 2018	230 000	10,48
	5 December 2011	40 000	9,99
	1 April 2011	40 000	12,07
	25 July 2011	50 000	8,89
	11 November 2018	140 000	10,64
	12 August 2020	230 000	7,72
	12 August 2020	270 000	7,72
Total fixed debt		**3 920 044**	**9,95**
FLOATING RATE DEBT			
Standard Bank debt capital market		828 573	8,07
31 March 2011		36 000	7,30
30 April 2011		150 000	7,55
30 April 2011		122 000	7,55
30 April 2011		28 000	7,55
30 April 2011		100 000	7,55
30 April 2011		30 000	7,55
31 March 2013		162 573	8,76
9 September 2010		100 000	8,76
9 September 2010		100 000	8,76

^ *This excludes the forward rate swaps that have been entered into. Including the swaps, the rate of swapping JIBAR decreases to 8,46% and the average term changes to 7,6 years*

Repayment date based on facility maturity	Loan R000	Average rate %
Standard Bank	615 070	8,54
31 March 2011	100 000	8,54
30 March 2012	213 070	8,54
31 March 2011	285 000	8,54
31 March 2011	17 000	8,54
Standard Bank syndicated	531 000	8,36
31 August 2013	204 231	8,34
31 August 2013	204 231	8,66
31 August 2013	81 692	8,15
31 August 2013	40 846	8,34
Standard Finance (Isle of Man)	241 680	3,59
28 February 2012	86 478	2,02
23 May 2011	155 202	4,47
Absa	652 609	8,22
30 June 2012	48 362	8,50
1 December 2014	78 040	7,50
1 December 2012	140 809	8,50
8 November 2010	35 828	8,00
31 May 2012	349 570	8,25
Nedbank	1 585 505	8,67
1 September 2017	687	8,50
30 June 2015	6 928	7,80
1 March 2017	386	8,50
1 August 2017	7 019	7,80
2 February 2018	167 655	7,80
27 January 2014	75 000	8,00
27 January 2014	1 020 616	8,85
3 January 2011	307 214	8,75
Rand Merchant Bank	1 192 910	8,53
28 July 2013	439 296	8,40
28 July 2015	753 614	8,60
Floating debt	**5 647 347**	
Interest rate swaps	**(1 413 795)**	**9,02**
Total floating debt	**4 233 552**	**8,79**

SUMMARY

		Loan R000	Average rate %
Fixed debt	48%	3 920 044	9,95
Floating debt	52%	4 233 552	8,79
Total Redefine debt	**100%**	**8 153 596**	**9,35**
Joint venture debt		251 457	
Foreign debt *		3 144 149	
Total debt		**11 549 202**	

* *Redefine International plc and Redefine International Fund Managers borrowings*

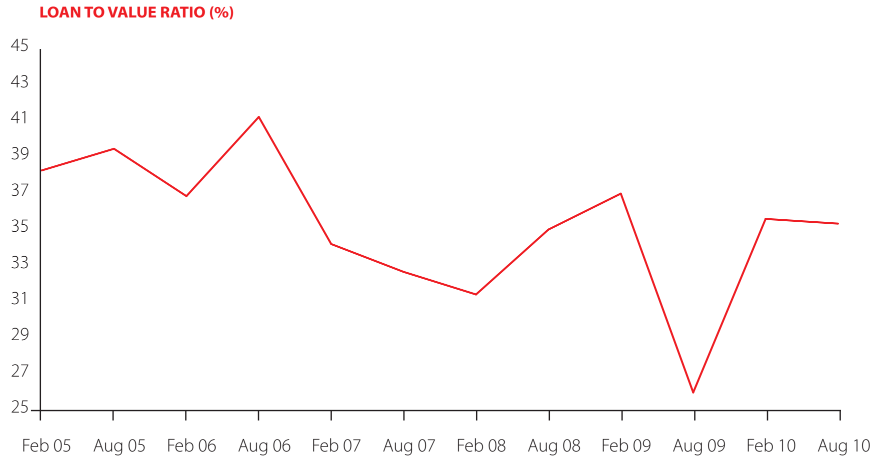
The table above reflects fixed debt of 48%. This excludes forward starting rate swaps, and when taking this into account, the fixed debt portion of Redefine's borrowings is 56%.

Linpac, Montague Gardens

LOAN TO VALUE RATIO

Although the debenture trust deed does not limit gearing, Redefine's board has imposed a limit on gearing of 45% of total assets. This limit ensures that Redefine is not exposed to high levels of debt in the event that interest rates increase but also allows the flexibility for the prudent use of debt when opportune. The board has determined that the optimal level of gearing should not exceed 30% of the value of direct property and listed securities. Excluding the foreign subsidiaries, Redefine's borrowings at 31 August 2010 represented 35% of the value of its property and listed securities portfolio.

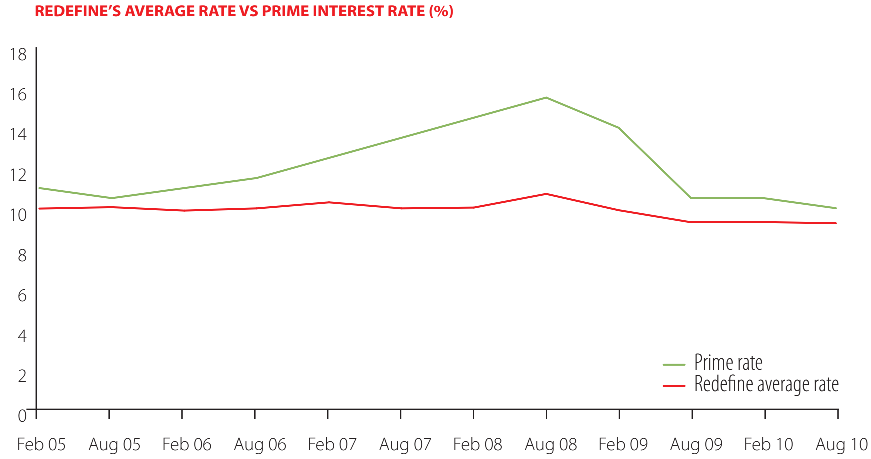
During the year under review, Redefine exceeded the optimal gearing level of 30% mainly due to corporate activity involving Hyprop and Redefine International as well as the acquisition of additional investment properties. At the outset the board took a decision to increase gearing to close to 35% in order to facilitate these transactions. Various initiatives are being investigated with a view to bringing the gearing level down to below 30%. These include the issue of corporate bonds and equity issues. In respect of new acquisitions, where appropriate, Redefine settles the purchase consideration by issuing linked units to the vendor and this also has the effect of reducing the LTV.



INVESTING SURPLUS CASH

Redefine maintains a level of floating debt which is commonly referred to as an "access facility". Surplus funds are deposited into the access facility as opposed to investing the funds in a call account where the call deposit rate would be received.

There is a constant requirement to determine the correct balance between fixed funding and access facility as floating rates are higher than fixed rates. Therefore, the ideal scenario is not to have all borrowings fixed with funds on call earning call rates. Conversely, if an access facility is not being utilised efficiently, the impact is a higher rate of interest on the floating portion of borrowings. Redefine's optimum level of floating debt (access facility) is currently approximately R650 million.



UNIT PERFORMANCE

SUMMARY OF LINKED UNIT TRADING

TRADED PRICE (cents per linked unit)

Open	1 September 2009	729
Low	25 May 2010	675
High	9 April 2010	802
Close	31 August 2010	799

TOTAL RETURN (cents per linked unit)

Opening price 1 September 2009	729
Closing price 31 August 2010	799
Increase in price	**70,0**
Total distribution to 31 August 2010	**66,5**
Total return	**136,5**
Total return (%)	**18,7**

TOTAL RETURN COMPARISONS

All share index (ALSI)	9,8%
Redefine Properties Limited (Redefine)	18,7%
SA Listed Property Index (SAPY)	18,8%
Property Loan Stock (PLS)	18,9%

LINKED UNITS IN ISSUE

	2010	2009
Total linked units in issue	**2 690 172 102**	2 654 538 299
Linked units in issue (net of treasury linked units)	**2 684 295 336**	2 648 661 529
Weighted average number of linked units in issue (net of treasury units in issue)	**2 661 915 247**	1 042 258 065

TRADING VOLUMES

	2010	2009
Value traded (R)	**7 966 000 510**	4 884 828 328
Volume traded	**1 077 987 423**	717 813 251
Volume traded as % of number of linked units in issue	**40**	27
Volume traded as % of weighted number of linked units in issue	**40**	69
Market capitalisation at 31 August 2010	**R21 494 475 095**	R19 351 384 200
Number of linked unitholders	**20 903**	18 526

UNITS ISSUED DURING THE YEAR

The following additional units were issued during the year:

- 25 633 803 linked units of R7,00 each were issued on 30 March 2010 to fund the acquisition of Cornerstone House
- 10 000 000 linked units of R7,05 each were issued on 3 June 2010 to fund the acquisition of 82 Maude Street

The additional units increased the total number of linked units in issue from 2 654 538 299 to 2 690 172 102.

UNISSUED SHARES

815 704 664 unissued shares and 5 876 766 treasury shares are under the control of the directors. This authority is in force until the next annual general meeting.

ANALYSIS OF UNITHOLDERS

UNITHOLDER PROFILE

	Number of unitholdings	%	Number of units	%
Banks	110	0,53	164 401 312	6,11
Close corporations	226	1,08	20 488 918	0,76
Collective investment schemes	228	1,09	876 835 766	32,59
Empowerment	5	0,02	170 780 156	6,35
Endowment funds	329	1,57	30 457 371	1,13
Individuals	16 275	77,86	270 221 977	10,04
Insurance companies	80	0,38	236 838 202	8,80
Investment companies	55	0,26	71 651 713	2,66
Medical schemes	19	0,09	5 492 226	0,20
Nominees and trusts	2 816	13,47	173 403 964	6,45
Other corporations	105	0,50	1 939 623	0,07
Own holdings	2	0,01	5 876 766	0,22
Private companies	371	1,77	85 982 803	3,20
Public companies	16	0,08	990 133	0,04
Retirement funds	266	1,27	574 811 172	21,37
Total	**20 903**	**100,00**	**2 690 172 102**	**100,00**

BENEFICIAL UNITHOLDERS HOLDING IN EXCESS OF 5%

	Number of units	%
Stanlib	190 526 054	7,08
Old Mutual	183 159 095	6,81
Investec	149 706 656	5,56
Government Employees Pension Fund	137 751 394	5,12
Total	**661 143 199**	**24,58**

UNITHOLDER SPREAD

	Number of unitholders	%	Number of units	%
Non-public unitholders	**32**	**0,15**	**65 668 627**	**2,44**
Directors of the company	30	0,14	59 791 861	2,22
Own holdings	2	0,01	5 876 766	0,22
Public unitholders	**20 871**	**99,85**	**2 624 503 475**	**97,56**
Total	**20 903**	**100,00**	**2 690 172 102**	**100,00**

	Number of unitholders	%	Number of units	%
1 – 999 units	4 265	20,40	1 101 139	0,04
1 000 – 9 999 units	7 991	38,23	36 097 197	1,34
10 000 – 99 999 units	7 243	34,65	208 233 315	7,74
100 000 – 999 999 units	1 142	5,46	324 466 474	12,06
1 000 000 units and over	262	1,25	2 120 273 977	78,82
Total	**20 903**	**100,00**	**2 690 172 102**	**100,00**

UNIT PRICES AND PERFORMANCE

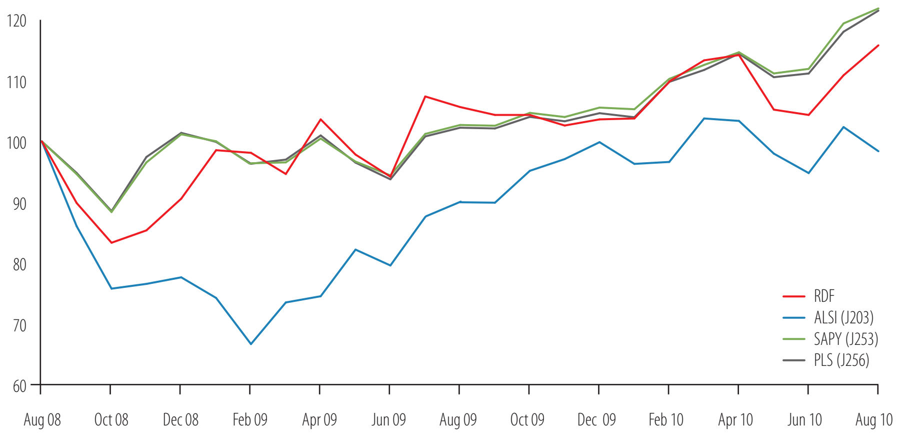
MONTHLY TRADED PRICES

Month	High	Low
September 2009	749	710
October 2009	741	715
November 2009	728	699
December 2009	715	685
January 2010	743	706
February 2010	765	715
March 2010	795	740
April 2010	802	782
May 2010	795	675
June 2010	748	696
July 2010	770	719
August 2010	799	745

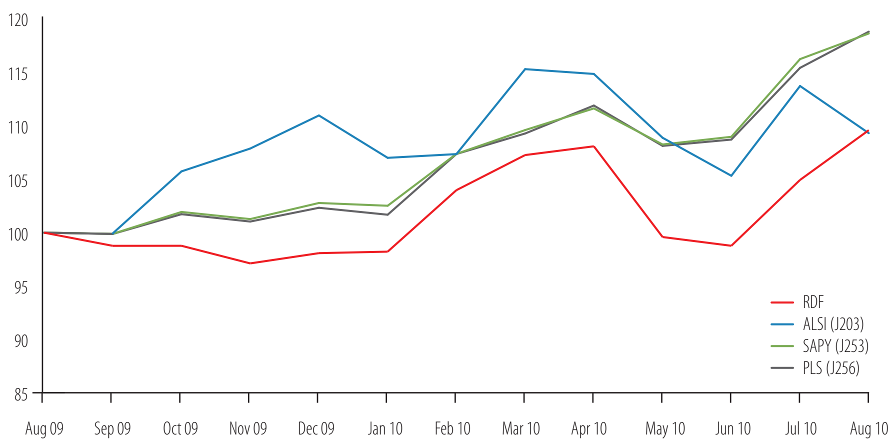
DAILY CLOSING PRICES

REDEFINE RELATIVE PERFORMANCE

OVER TWO YEARS



OVER ONE YEAR



LIQUIDITY AND TRADING VOLUMES

Liquidity and trading volumes remain high, providing investors with the opportunity to increase or decrease their investments when desired.

Period	Weighted average number of linked units in issue	Volume	Value R000	Volume traded %
Sep 09 – Nov 09	2 654 538 299	304 698 750	2 206 821	11
Dec 09 – Feb 10	2 654 538 299	216 776 178	1 568 057	8
Mar 10 – May 10	2 664 590 771	269 322 208	2 042 449	10
Jun 10 – Aug 10	2 684 748 373	287 190 287	2 148 675	11
Total		**1 077 987 423**	**7 966 001**	**40**
Weighted average of linked units traded during the year				**40%**

INDICES

JSE INDICES

Redefine is a constituent in the following JSE indices:

Index code	Index name
J201	Mid Cap
J203	All Share
J212	Financial 15
J250	SA Financials and Industrials
J253	SA Listed Property Index
J254	Capped Property Index
J256	Property Loan Stock
J263	Rafi All Share
J283	Capped Rafi All Share
J303	Capped All Share Index
J330	Value Index
J403	Shareholder Weighted All Share
J580	Financials
J863	Real Estate Development and Services

ALSI 40

Redefine is close to inclusion in the ALSI 40, and at 31 August 2010, was positioned at number 44. Whereas it would be beneficial for Redefine to be included in the ALSI 40, it is not integral to Redefine's strategy.

GLOBAL PROPERTY RESEARCH (GPR) 250 INDEX

Redefine is represented on the GPR 250 Index, a free float weighted index that tracks the performance of the 250 leading and most liquid property companies worldwide. Companies are selected on US dollar trade volume of the share over 12 months. Only companies with a free float market capitalisation of more than US$50 million and a free float percentage of at least 15% are eligible for inclusion.

MORGAN STANLEY

Redefine is also represented on Morgan Stanley's MSCI Global Standard Index in the Mid Cap segment.

EPRA/NAREIT INDICES FOR EMERGING MARKETS

The FTSE EPRA/NAREIT Global Real Estate Index Series is designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposure and development of income producing real estate. There are 12 emerging market indices and South Africa is included in three of these:

Index	% of index constituted by Redefine
EPRA/NAREIT Emerging Index	3,75
EPRA/NAREIT Emerging EMEA Index	17,85
EPRA/NAREIT Emerging Middle East and Africa Index	19,30

FITCH RATINGS

Redefine is one of the few listed South African property companies with a credit rating from an international rating company, Fitch. Fitch operates in countries where there is a demand for ratings. Its national ratings provide a relative measure of creditworthiness for rated entities.

The best risk rating within a country is 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by an identifier for the country, such as 'AAA (zaf)' for ratings in South Africa.

During the past year, Fitch Ratings reviewed and affirmed Redefine's National Long-term secured debt rating of 'A-', its National Long-term unsecured debt rating of 'BBB', and its subordinated debentures rating of 'BB'. Fitch has maintained its National Short-term rating at 'F3'.

The outlook has been revised from "Positive" to "Stable" due to the short-term nature of the company's leases and the relatively high vacancy rate, as well as the significant number of leases that are expiring in the next 18-24 months.

GLOSSARY OF TERMS

- *Affirmed: The rating was reviewed and no change has been deemed necessary.*
- *A: High credit quality: 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity, may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.*
- *BBB: Good credit quality: 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.*
- *BB: Speculative: 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.*

EMPOWERMENT

Redefine is committed to the upliftment of previously disadvantaged South Africans through black economic empowerment (BEE) programmes. In the property industry, transformation is guided by the Department of Trade and Industry's (DTI) Codes of Good Practice as well as the Property Sector Transformation Charter (Property Charter), which promotes broad-based black economic empowerment (B-BBEE) and brings about meaningful changes in ownership, control, skills development, employment equity, procurement, enterprise development and corporate social investment.

OWNERSHIP AND CONTROL

As a listed company, the owners of the company are the registered unitholders on the company's share register (see page 94 for unitholder profile). Redefine recently commissioned a report by Vaco Stakeholder Intelligence, which reflected an effective B-BBEE ownership percentage of 13,86%, summarised as follows:

	Shareholder base	Issued share capital	%
As at 27 August 2010	20 903	2 690 172 102	100
BEE shareholders	**Number of shareholdings**	**Number of shares**	**%**
Black empowerment	5	170 780 156	6,35
Clearwater Property Holdings	3	82 984 125	3,08
ApexHi BEE Trust	1	7 796 031	0,29
Cape Gannet Properties	1	80 000 000	2,97
BEE beneficiaries			
Clearwater Capital		8 000 000	
Ngatana Property Investments		20 000 000	
Mtshobela Capital Holdings		8 000 000	
Vunani Group		8 000 000	
Loato Properties		4 000 000	
B-BBEE beneficiaries			
Phutanang Youth Trust		8 000 000	
The African Lotus Education and Development Trust		8 000 000	
MaAfrika Tikkun		8 000 000	
Basadi Bapono		8 000 000	
Black investment companies	15	8 201 475	0,30
Black insurance companies	29	41 639 115	1,55
Black investment banks	4	2 265 423	0,08
Total	**53**	**222 886 170**	**8,29**
Total issued share capital		2 690 172 102	
Excluded mandated investments*		1 076 068 841	
Treasury shares		5 866 500	
Adjusted issued share capital*		**1 608 236 761**	
Effective B-BBEE shareholding in Redefine			**13,86**

** As per the Codes of Good Practice with regard to ownership, certain shareholder types can be excluded from the calculations. Mandated investments account for 1 622 204 963 units. The maximum percentage of the ownership that may be excluded is 40%. As a result, 1 076 068 841 shares were excluded from the issued share capital to establish the final unitholding.*

BLACK EMPOWERMENT

To demonstrate the company's commitment to increasing its BEE ownership, Redefine concluded a BEE transaction in October 2007 which resulted in just under 10% of the issued units in Redefine being issued to BEE parties. This investment has subsequently been diluted to 2,97% due to the significant increase in the number of Redefine linked units in issue.

The BEE parties comprise strategic economic partners, which have synergies with Redefine as they are active in the property sector, and B-BBEE partners involved in community development and upliftment of previously disadvantaged South Africans.

The BEE participants are entitled to all voting rights, but are not entitled to dispose of the BEE units for a period of seven years from issue.

STRATEGIC BEE INVESTORS

Clearwater Capital

Owned by the KwaZulu-Natal based Mehta family, Clearwater Capital is an investment company with strong interests in the property sector.

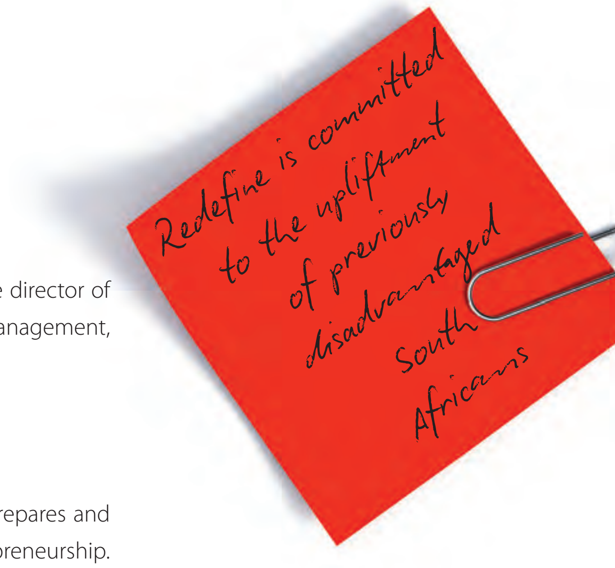
ApexHi BEE Trust

Following the merger with ApexHi Properties Limited (ApexHi) and Madison Property Fund Managers (Madison), the ApexHi BEE Trust received Redefine units for their ApexHi units. The sole beneficiary of the ApexHi BEE Trust is the DEC Investment Holding Company, which represents South Africans with disabilities.

Cape Gannet Properties

The BEE beneficiaries of Cape Gannet Properties include:

- *Clearwater Capital*
  Clearwater Capital (see above) has its own interests in Redefine, and is also a beneficiary of Cape Gannet.
- *Ngatana Property Investments*
  An empowerment group with a focus on property, Ngatana is headed by Lance Manala, who also has interest 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; Inkara 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 South African construction industry that is black-owned.
- *Vunani Group*
  Established through a management buy-out of African Harvest Capital in 2004, the group 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.



- *Loato Properties*
  An investment company owned and managed by Monica Khumalo (non-executive director of Redefine) and Oarona Khama, with more than 15 years' experience in property asset management, development and property management.

The B-BBEE beneficiaries of Cape Gannet Properties include:

- *Phutanang Youth Trust*
  A non-profit youth organisation founded and based in Soweto, the organisation prepares and introduces out-of-school and unemployed youth to professionalism and entrepreneurship. Initiatives include tourism, business processing and outsourcing, youth outreach programmes 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*
  The B-BBEE trust was 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 Western Cape. The initial trustees of the trust are Mallet Pumelele Giyose, Dr Elias Links, Abdurazak Osman and Anita Gihwala. The sole object of the trust is to provide financial assistance to the beneficiaries in the form of bursaries, grants or another form of gratuitous payment, with the aim of developing previously disadvantaged individuals in the fields of mathematics and science.
- *MaAfrika Tikkun*
  An NGO established in 1994 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 MaAfrika Tikkun. The core focus areas are adult HIV caring and skills development for the youth, with more than 10 000 previously disadvantaged beneficiaries comprising care givers, HIV/AIDS patients, orphans and other vulnerable children, youth and community volunteers.
- *Basadi Bapono*
  An organisation owned 100% by women and a broad-based community organisation De Laan Investments, representing the Proudly Mannenberg campaign. The organisation targets the working class community of Mannenberg with a view to reducing levels of unemployment and crime.

ENTERPRISE DEVELOPMENT

The DTI Codes and the Property Charter place emphasis on skills transfer as well as ensuring that previously disadvantaged people are able to acquire assets.

Redefine established two enterprise development initiatives, in which suitable partners were secured and new companies formed with the partners having majority ownership of 51% and Redefine owning 49%. The intention from the outset was to transfer skills, grow the companies and facilitate the listing of these companies. The possibility of a listing is currently being investigated.

DIPULA

Redefine entered into a joint venture with a wholly-owned property company, Dijalo Property Services (Dijalo) to create Dipula Property Fund (Dipula). Dijalo owns 51% and Redefine owns 49% of Dipula. Redefine facilitated the establishment of Dipula by assisting with the financial backing of the business, and by disposing of a number of its properties to Dipula to facilitate increased property ownership among black people.

Redefine has invested R68,2 million in the company. In addition, Redefine has advanced a loan of R162,7 million. The value of Dipula's property portfolio at 31 August 2010 was R809,2 million.

MERGENCE

Redefine entered into a joint venture with Mergence Africa Properties (Mergence Africa), a substantially black-owned company, to create an enterprise development initiative called Mergence Africa Property Fund (Mergence), which is 51% owned by Mergence Africa and 49% by Redefine. Redefine facilitated the establishment of the company by assisting with financial backing to enable the company to acquire properties.

At 31 August 2010, Redefine had invested R28,0 million in Mergence and had advanced loans of R159,3 million to Mergence Africa. The value of the Mergence property portfolio was R620,1 million.

ISIVUNO

ApexHi's enterprise development initiative, Isivuno, was established to manage a portfolio of office properties let to and occupied by government departments and parastatals. Since the merger, Isivuno has been retained as a property manager on the Redefine portfolio. Isivuno is a 100% black-owned and managed property company.

EMPLOYMENT EQUITY

The objective of Redefine's employment equity strategy, underpinned by the Employment Equity Act, is twofold:

- To promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination.
- The implementation of affirmative action measures to redress the disadvantages in employment experienced by designated groups in order to ensure their equitable representation in all occupational categories in the workplace.

The company is committed to addressing the representation of historically disadvantaged groups in the composition of the workforce. The recently established human resource (HR) department is responsible for the employment equity process and provides assistance to management regarding processes such as HR planning, selection, training and education, performance evaluation and succession planning to create a culture of equality.

In the year under review, the company's employment equity profile has changed significantly, with 41% of employees representing previously disadvantaged individuals at 31 August 2010, which is expected to further improve as new staff are employed for the property management function of the business.

SKILLS DEVELOPMENT

Redefine's skills development strategy supports the HR strategy of attracting and retaining talented staff and complies with the provision of current legislation.

The objective of skills development is to assist employees to develop functional and additional competence in their current jobs to improve themselves, as well as developing in-house skills for succession planning and career advancement.

In the year under review, the skills development focus has been system orientated to train employees on the new systems.

The company has a bursary study policy to:

- ensure a competent and productive workforce;
- equip employees with the knowledge and skill to contribute to the success of the business;
- encourage employees who show a desire for career advancement;
- enhance their qualifications through further education; and
- ultimately contribute to the national skills strategy of uplifting and upskilling South Africans.

Through Redefine's enterprise development initiatives, the company actively participates in skills transfer and training and provides knowledge and resources to its partners.

PROCUREMENT

For the year under review, Redefine's major supplier was Broll Property Group (Broll), which provides outsourced property management services. Broll 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 Nalpha Investments. Broll is categorised as a "Value Adding Supplier" and Redefine can claim a procurement spend of R1,25 for every R1 spent with Broll in calculating points towards BEE ratings or assessments.

Redefine is currently internalising the property management function of the portfolio, and will no longer have Broll as its major supplier. In line with the DTI Codes and the Property Charter, Redefine will ensure that suppliers are appropriately empowered.

EMPOWERMENT RATING

Redefine is acknowledged as a contributor towards BEE, but the company is yet to attain an acceptable rating due to its structure and the high level of liquidity in its units, which are owned by institutional or private investors who can trade the units at any time.

The company plans to have its rating reviewed in the short term, following the integration of the property management function in-house.

SUSTAINABILITY

ENVIRONMENT

Redefine is committed to sound environmental principles and management through responsible use of natural resources. Redefine has adopted an applied green building design and technologies to new property developments such as Upper Eastside and Convention Tower.

This is an area of the business that has been identified as requiring more emphasis, and it is the intention of management to develop a comprehensive strategy that ensures Redefine's adherence to the highest environmental principles. To date a number of senior managers have attended conferences to uplift skills and knowledge in this area.

ENERGY EFFICIENCY

Due to the increased costs of electricity over the last few years, energy efficiency of buildings has become critical to managing operational costs. Redefine has adopted the use of energy saving long life light fittings, together with new innovative technologies for power and lighting control.

Energy efficiency is implemented in all refurbishment and retrofit projects undertaken by Redefine, and air conditioning, power and electrical fittings are replaced with the latest technology. Building management systems employ motion detection in boardrooms and parking areas, as well as time switches to save energy.

PROPERTIES AND THEIR IMMEDIATE SURROUNDINGS

Redefine has a multi-faceted approach to ensure the sustainability of its business. As a company that owns, develops, maintains, refurbishes, expands and enhances its buildings and the areas in which they are located in a responsible manner, Redefine ensures the sustainability of the environment in which it operates.

CITY IMPROVEMENT DISTRICTS

During the year under review, Redefine contributed more than R6,9 million to city improvement districts where some of Redefine's properties are located.

MAINTENANCE AND IMPROVEMENT OF PROPERTIES

Redefine applies the highest standards of maintenance to its buildings, protecting against degradation and decay to ensure there is no negative impact on the immediate environment in which they are located. Redefine also actively improves its properties to ensure their sustainability over time.

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.

CORPORATE SOCIAL INVESTMENT

CORPORATE SOCIAL INVESTMENT

Redefine identified music education as an area in which the company could contribute meaningfully to, teaching others to perform to the best of their ability and talent. The company continues to enhance its support for sustainable education by committing funds to assist disadvantaged children to play classical musical instruments.

THE SOUTH AFRICAN MUSIC EDUCATION TRUST (SAMET)

The Redefine Western Cape Music Education Project, administered by Samet, attracted 120 learners in the current academic year from different parts of the Western Cape including Ilanga, Kuilsriver, Khayelitsha and Gugulethu. Tuition is offered in most orchestral instruments, and theory of music and ensemble playing form part of the compulsory subjects at the school.

The grant from Redefine, amounting to R375 000 for the year to 31 August 2010, is utilised to contribute to the salaries of 11 teachers as well as the team leader, to purchase and maintain instruments, and for tutorial material.

In 2010, apart from the instrumental tuition, children took part in various ensembles, and performed at school and church functions, which has a positive effect on the community and the project itself. Many children have graduated to become members of the Cape Philharmonic Youth Orchestra.

Two pupils had the opportunity to attend a summer music festival in Norway, where they performed solo works, and formed part of the Festival Orchestra of 175 young musicians.

BUSKAID

Redefine has sponsored Buskaid, located in Diepkloof, Soweto for a number of years. Buskaid is a music school which offers tuition to less privileged youth from the local township community, and has been identified as one of the world's top ten most inspirational orchestras by the UK's prestigious *Gramophone* magazine.

Redefine has committed a further R440 000 for the year to 31 August 2011.

Buskaid

STAKEHOLDER RELATIONS

INVESTOR RELATIONS

Investor relations is an important priority of the company and the process is driven by an executive director whose role is to interact with investors both formally and informally. (See page 19)

TENANTS

Tenant retention is critical to the success of the company and Redefine ensures that the property managers interact with tenants on an ongoing basis. Tenant communication is also promoted through newsletters and electronic communications.

Larger tenants are dealt with directly by Redefine's asset managers who make regular visits to these tenants.

As part of the process of internalising the property management function, Redefine has launched a contact centre which provides one point of contact and reference for any queries relating to accounts, maintenance and other issues relating to the properties.

BROKER COMMUNITY

Redefine recently launched a broker incentive programme to encourage the broker community to place tenants in Redefine buildings. In addition, the broker community is kept up to date with developments at Redefine through regular newsletters and events.

Redefine produces a monthly vacancy schedule which lists and gives details of vacant space in the portfolio and this document is circulated to approximately 1 000 property brokers around the country.

An online portal for vacant space was also developed on Redefine's website, to provide ease of access to information on the properties, and to streamline the "offer to lease" process.

GOVERNMENT

Government is an important stakeholder for Redefine, both in terms of being its largest tenant and with regard to policies affecting the listed property sector.

Isivuno Properties, a specialist property management company that deals primarily with the properties let to government, has been contracted to manage relationships with government as tenant.

PROPERTY INDUSTRY PEERS

Redefine is an active member of the South African Property Owners Association (SAPOA), Investment Property Databank (IPD) and the Property Loan Stock Association (PLS).

PROSPECTS

Redefine Properties Limited (Redefine) enters the 2011 financial year firmly positioned to meet the substantial challenges that are likely to arise, and to take advantage of opportunities that could present themselves.

PROPERTY MANAGEMENT

During 2010 much of the focus was on the integration of Redefine, ApexHi and Madison. In 2011 Redefine will integrate the staff taken over from Broll and the additional property management staff who have been employed to run the property management division. The take-on of the property management function is anticipated to be completed by the end of March 2011.

Although the setting up of this division and its systems have incurred substantial costs, which will flow through to 2011, considerable savings in the medium term are anticipated. More importantly, revenue should increase and the internalisation of this function will result in substantially increased control of the portfolio. The company will be implementing programmes to ensure that, over time, it becomes the landlord of choice.

DIFFICULT TRADING CONDITIONS

The property market cycle generally lags the economy and the current improving economic climate is only expected to start having an impact on the property sector in late 2011. In the interim, trading conditions for tenants remain difficult, collection of rentals is a constant challenge and tenant failures continue to occur. All of the above result in placing rentals and escalations under pressure and the company is not expecting significant growth in this respect. Higher municipal rates and electricity tariffs, some of which are ultimately passed on to the tenant, further impede prospects for significant rental growth.

INTEREST IN HYPROP

Redefine's significant interest in Hyprop Investments Limited (Hyprop) makes it the shareholder of reference. Redefine thus holds the key to Hyprop's future strategy and any corporate activity. Redefine's investment in Hyprop has increased in value substantially, and it is anticipated that Hyprop's distribution should show above average growth once the retail sector recovers. Redefine continually evaluates its interest in Hyprop, which has a value in excess of R4 billion.

PROPERTY PORTFOLIO

As a result of the difficult trading conditions, some of which have been dealt with above, Redefine anticipates modest growth in its core income. Approximately 31% of all leases expire in the coming year which provides potential for some increase in rentals on renewals, but also poses the risk of increased vacancies. Redefine has an active leasing programme in place and is working towards reducing vacancies.

ACQUISITIONS AND DISPOSALS

Redefine's policy of acquiring excellent quality properties with a view to improving the overall quality of the portfolio and thus repositioning the company for medium- and long-term growth will continue and properties will be acquired as and when the opportunity arises. This strategy may result in small dilutions in distributable income in the short term, but the company is of the view that an overall improvement in the quality of the portfolio will have substantial medium- and long-term benefits. The company will also continue disposing of underperforming properties from time to time.

OFFSHORE INVESTMENTS

Redefine aims to take advantage of the strong rand and the attractive investment opportunities available offshore through its investment in Redefine Properties International Limited (RI Limited).

DEBT

Redefine will continue to manage its debt profile and continue to hedge and fix a substantial portion of its debt. Although this will prove more expensive in the short term, the company believes that it is prudent to ensure that it is not subject to any sudden or unanticipated upward movement in rates.

CORE INCOME

Reasonable growth is expected from the core property portfolio, primarily as a result of contractual rental escalations. Reasonable growth is similarly expected from the key investments in Hyprop and Redefine International.

NON-CORE INCOME

Redefine prides itself on its innovative and opportunistic profile. This has in the past always resulted in a portion of the distribution being derived from once-off or non-recurring income. The company's intention is to phase out trading activities but the existing projects may have the potential to provide additional income over and above that already budgeted for in the year ahead. Fee income in the year under review accounted for approximately five cents of the total distribution. Fee and trading income are largely unpredictable and difficult to forecast.

FORECAST

The year ahead is anticipated to be a period of consolidation for Redefine. For the 2010 year, growth was assisted by tailwinds from the merger. In the year ahead we anticipate headwinds. Based on the above and assuming fee and trading income are at a level similar to that of 2010, the company is anticipating a modest increase in distribution for the year ending 31 August 2011. This forecast has not been reviewed or reported on by the group's auditors.

CORPORATE GOVERNANCE

The directors of Redefine Properties Limited (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 for achieving these standards.

Redefine is committed to the principles incorporated in the Code of Corporate Practices and Conduct as set out in the King III Code on Corporate Governance.

Corporate governance practices are reviewed periodically and improvements effected where necessary to account for changes in governance requirements.

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:

- adherence to the strictest standards of corporate governance;
- 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 company;
- timeous dissemination of transparent, honest and accurate information;
- legitimate dealings in the linked units of Redefine;
- fair and ethical competition;
- commitment to the process of transformation;
- safeguarding of Redefine's assets;
- adoption of an effective system of controls; and
- sound environmental practices.

There is a clear division of responsibilities at board level such that no one individual has unfettered powers of decision making.

Cornerstone House, Crown Mines

DEALING IN SECURITIES

As prescribed by the JSE Listings Requirements, the company has a policy prohibiting dealings in units by directors, officers and staff for a designated period 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 the necessary Securities Exchange News Service (SENS) announcements are made as required.

BOARD OF DIRECTORS

The board consists of 12 directors, comprising the chief executive officer (CEO), four executive directors and seven non-executive directors, six of whom – including the chairman – are independent.

The board meets on a quarterly basis, with additional meetings convened when circumstances necessitate. The board operates in accordance with a formal board charter setting out its responsibilities. The board is responsible to unitholders for the proper management of the company and is involved in all decisions that are material to the company.

All directors have access to the advice and services of the company secretary who acts as an advisor to the board on relevant issues including compliance with company rules and procedures, statutory regulations and corporate governance issues. Board members are entitled to seek professional advice about the affairs of the company.

Details of directors' remuneration can be found on page 131.

COMMITTEES

The board has established a number of sub-committees of the board to give detailed attention to certain of its responsibilities and which operate within defined, written terms of reference.

EXECUTIVE COMMITTEE

The executive committee, comprising the five executive directors, is responsible to the board for the monitoring and supervision of the company's strategic objectives and key policies and implementation of the board's instructions. The committee meets weekly.

AUDIT AND RISK COMMITTEE

The committee's objective is to provide the board with additional assurance regarding the efficacy and reliability of the financial information used by the directors to assist them in the discharge of their duties and to assist the board of directors in discharging its duties relating to corporate accountability and the associated risk in terms of management, assurance and reporting. The committee is responsible for reviewing and assessing the integrity of the risk control systems and for ensuring that the risk policies and strategies are effectively managed.

The committee, which comprises three non-executive directors, convenes at least twice a year with management, invited attendees and the external auditors to review accounting, auditing, financial reporting, risk management and internal control matters.

The committee is tasked to deal with any complaints relating to accounting practices, the audit of the financial statements, internal audit and any other related matters.

Within this context, the board is responsible for the group's systems of internal financial and operational control. The executive directors are charged with the responsibility of determining the adequacy, extent and operation of these systems.

The committee provides an independent and objective review of the information presented by management on corporate accountability and associated risk, taking account of reports by management to the board on financial, business and strategic risk. Risk includes market risk, credit risk, liquidity risk, operational risk and commercial risk.

The committee is responsible for nominating a registered auditor who is independent of the company, and for determining the terms of engagement and fees paid to the auditor. The committee ensures that the appointment of the auditor complies with the Companies Act, and determines the nature and extent of any non-audit services to be provided by the auditor and pre-approves assignments in this regard.

See page 134 for the report of the audit and risk committee.

INVESTMENT COMMITTEE

The board established an investment committee, made up of the five executive and two non-executive directors.

The investment committee meets when necessary to consider investment opportunities in respect of direct properties and listed securities. It approves acquisitions, disposals and capital expenditure in line with the limits of authority delegated to it and strategy determined by the board.

REMUNERATION AND NOMINATION COMMITTEE

The board established a remuneration and nomination committee comprising two non-executive directors whose primary responsibility is to monitor the remuneration policies of Redefine, specifically in respect of the executive directors.

Upper Eastside, Woodstock

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.

For the year under review, Redefine relied on the internal audits conducted by Redefine's property managers, Broll. The internalisation of property management will result in the implementation of new systems and controls from the beginning of the 2011 financial year. The integrity of the data is analysed and reviewed regularly during the implementation phase of the new system. An in-house internal audit department is in the process of being established, and should be fully operational during the 2011 financial year.

RISK MANAGEMENT

Redefine, like all businesses, is exposed to a number of risks which may have a material or adverse impact on its reputation, performance and financial position. While it is not possible to identify or anticipate every risk due to the changing business environment, the company has an established risk management process to manage and mitigate those key risks which it believes could have an impact on its well-being.

The company's process for identifying and managing risk is set by the board. The board has delegated the management of risk to the audit and risk committee. The audit and risk committee has reviewed the risk management plan, the design, implementation and monitoring of which on a day-to-day basis is the responsibility of management.

The key risks facing the company, the potential impact of these risks and the mitigating actions and controls in place are as follows:

Risk	Impact	Mitigation
Strategic risk		
Ability to take advantage of changes in the economic environment, new opportunities in new territories and to meet changing tenant demands in terms of space and structure	A weak and poorly executed strategy may diminish unit-holder returns	The board and the executive continually monitor the broader business environment to ensure that the company is suitably positioned to anticipate changes in the economies and environments in which the company operates. The strategic plan of the company is constantly refined and aligned to reflect changing conditions
Financial risks		
Significant decline in property values Decrease in rental income as the result of a sustained economic downturn	Financial covenants may be breached, negatively impacting the availability of financing facilities. This will in turn affect the ability of the company to pursue suitable investment opportunities	Financial covenant ratios are continually monitored and sufficient allowance is made to allow for fluctuations in asset values
Limited lending capacity from the market	Inability to raise sufficient new funding for investments or refurbishments	Continual monitoring of current and forecast cash position Commitments only made when funding in place
Change in interest rates	Higher interest rates will result in increased borrowing cost, thereby reducing distributions to unitholders	Funding is hedged wherever possible so as to provide certainty on interest costs.
A decline in the value of the company's listed investments	A reduction in the net asset value of the company	Appropriate board representation in material investee companies Investment strategy is monitored on a regular basis
Adverse fluctuations in exchange rates	Can adversely affect the level of earnings from the company's offshore investments and reduce the company's net asset value	Funding is partly in foreign currency which provides a natural hedge

Risk	Impact	Mitigation
Financial risks *continued*		
Property value concentration	The poor performance of a single property having a material impact on overall performance	Property portfolio is highly diversified with no property comprising more than 2% of the total portfolio on a stand-alone basis The largest properties are usually retail centres with multiple national tenants
Total or partial destruction of properties	Negative impact on revenue and asset value	Properties all insured based on replacement cost as well as loss of income during reconstruction Adequacy of insurance cover regularly reviewed
Tenant concentration and failure	The failure of a large tenant to renew its lease or failing to pay in terms of its contractual lease could lead to a loss of revenue	Tenant concentration is mitigated by the company's diverse property portfolio and it is highly unlikely that non-renewal by a single tenant would impact multiple properties Regular monitoring of tenants' credit standing is undertaken Government is the company's largest tenant, representing approximately 18% of total rentals
Ability to acquire and dispose of properties at optimal prices	Returns will reduce over time	The executive and local teams are continually in the market and are well placed to negotiate transactions in line with or better than market norms All acquisitions and disposals are subject to approval through the company's investment mandates

Risk	Impact	Mitigation
Operational risks		
Health, safety and environmental risk	Impact on reputation or potential legal proceedings resulting in a negative financial impact or adverse publicity	All properties actively managed to mitigate these risks Health and safety policies are in place in most properties but in particular retail properties Active environmental programmes being instituted addressing key areas of waste and energy in particular
Business or IT system disruption	Potential loss of income while systems are re-established	Back-up procedures are in place to ensure minimal disruption
Changes or breach of regulatory requirements	Financial or reputational impact	Business is actively managed to ensure that the company is always abreast of latest developments Audit committee monitors regulatory environment at each meeting
Human resource risks		
Retention of key staff	Loss of key members of the management team could impact adversely on the company's success	Remuneration is benchmarked against industry standards Performance evaluation and personal development plans in process of being rolled out Appropriate incentive schemes in place
Succession	Inadequate succession could impact adversely on company's success	Succession planning is a priority that will be addressed

STAKEHOLDER COMMUNICATION

The company subscribes to the principle of timeous and relevant communication to all relevant parties. (See page 19)

EQUAL OPPORTUNITIES

Redefine is committed to the principle of equal opportunity employment.

CONTENTS

DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are responsible for the preparation and fair presentation of the company and group annual financial statements of Redefine Properties Limited, comprising the statement of financial position at 31 August 2010 and statements of comprehensive income, changes in equity and cash flows for the year then ended. To achieve the highest standards of financial reporting, these financial statements have been drawn up to comply with International Financial Reporting Standards and with the Companies Act of South Africa.

The directors' responsibility includes the design, implementation and maintenance of internal controls that will ensure the preparation, integrity and fair presentation of the financial statements and other financial information included in this report, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have reviewed the appropriateness of the accounting policies and conclude that estimates and judgments are reasonable. They are of the opinion that the annual financial statements fairly present the financial position of the business at 31 August 2010 and of its financial performance and cash flows for the year to 31 August 2010. The external auditors, who have unrestricted access to all records and information, as well as to the audit committee, concur with this statement. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. The unqualified audit report of PKF (Jhb) Inc. is presented on page 127.

In addition, the directors have also reviewed the cash flow forecast for the year to 31 August 2011 and believe that the company and the group have adequate resources to continue in operation for the foreseeable future. Accordingly, the annual financial statements have been prepared on a going concern basis. These financial statements support the viability of the company and of the group.

The annual financial statements were approved by the board of directors on 3 November 2010 and are signed on its behalf by:

D GIHWALA
Chairman

M WAINER
CEO

CERTIFICATE BY COMPANY SECRETARY

In terms of section 268G(d) of the South African Companies Act, 1973, as amended, we declare that to the best of our knowledge, for the year ended 31 August 2010, Redefine Properties Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.

PROBITY BUSINESS SERVICES (PROPRIETARY) LIMITED
Company secretary
3 November 2010

REPORT OF THE INDEPENDENT AUDITORS

TO THE UNITHOLDERS OF REDEFINE PROPERTIES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the annual financial statements and group annual financial statements of Redefine Properties Limited, which comprise the directors' report, the consolidated and separate statements of financial position as at 31 August 2010, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 128 to 193. These annual financial statements and group annual financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these annual financial statements and group annual financial statements based on our audit.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' 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 auditors' 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 the directors, 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 consolidated and separate financial position of Redefine Properties Limited as at 31 August 2010 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PKF (Jhb) Inc.

PKF (JHB) INC
Director: Paul Badrick
Registration number 1994/001166/21
Chartered Accountant (SA)
Registered Auditor

Sandton
3 November 2010

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2010

TO THE UNITHOLDERS OF REDEFINE PROPERTIES LIMITED

We have pleasure in presenting the annual financial statements of Redefine Properties Limited for the year ended 31 August 2010.

CORPORATE OVERVIEW

Redefine is a listed property investment company. Its subsidiaries derive rental income from investments in office, retail and industrial properties, distributions from listed security investments and income from projects developed for trading.

NATURE OF THE BUSINESS

The nature of business and operations are commented on in detail in the Company Overview section on pages 3 to 20 of the annual report.

FINANCIAL RESULTS

The financial results for the year ended 31 August 2010 are set out in detail on pages 136 to 193 of these annual financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements are prepared in terms of International Financial Reporting Standards (IFRS).

YEAR UNDER REVIEW

The year under review is covered in the financial review section on pages 27 to 36, chairman's statement on pages 21 to 26 and in the balance of the directors' report on pages 36 to 112.

SHARE AND DEBENTURE CAPITAL

The company's authorised unit capital consists of 3 500 000 000 ordinary shares of 0,1 cent each. Each share is indivisibly linked to a debenture of 180 cents. This linkage means that each share may only be traded as a linked unit together with the debenture with which it is linked.

Additional units issued during the year were as follows:

- 25 633 803 linked units of 0,1 cent each to fund the acquisition of Cornerstone House on 30 March 2010; and
- 10 000 000 linked units of 0,1 cent each to fund the acquisition of the 82 on Maude building on 3 June 2010.

DIVIDENDS AND INTEREST DISTRIBUTIONS

No dividend has been paid or declared during the year under review as the company distributes all its income as interest on the debentures.

The following distributions were declared per linked unit during the year:

- Distribution number 39 of 16,75 cents for the quarter ended 30 November 2009;
- Distribution number 40 of 16,75 cents for the quarter ended 28 February 2010;
- Distribution number 41 of 16,00 cents for the quarter ended 31 May 2010; and
- Distribution number 42 of 17,00 cents for the quarter ended 31 August 2010.

The distribution of 66,50 cents represents an increase of 17,6% over the distribution of 56,55 cents for the year ended 31 August 2009. While this improvement is significant it is in line with the company's interim announcement.

FOR THE YEAR ENDED 31 AUGUST 2010

DIRECTORATE

The directors of the company at the date of this report were:

BH Azizollahoff*+
JA Finn*
MN Flax*
DCM Gihwala
GJ Heron
MK Khumalo
GGL Leissner
HK Mehta
B Nackan
DJ Perton+
DH Rice*+
M Wainer*

* *Executive* + *British*

DCM Gihwala, GGL Leissner, HK Mehta and BH Azizollahoff retire at the forthcoming annual general meeting and are all eligible for re-election.

WE Cesman, an executive director, resigned on 7 May 2010.

DIRECTORS' INTERESTS

The interests of the directors in the linked units of Redefine at 31 August 2010 were as follows:

	Beneficial		Non-beneficial		
	Direct	Indirect	Direct	Indirect	Total
BH Azizollahoff	–	–	–	–	–
JA Finn	338 000	–	–	1 560	339 560
MN Flax	–	7 861 105	–	661 456	8 522 561
DCM Gihwala	–	–	–	–	–
GJ Heron	–	4 639 206	–	–	4 639 206
MK Khumalo	–	1 400 000	–	–	1 400 000
GGL Leissner	–	–	–	35 000	35 000
HK Mehta	197 345	27 295 238	–	–	27 492 583
B Nackan	9 000	–	–	–	9 000
DJ Perton	22 008	–	–	–	22 008
DH Rice	–	–	–	–	–
M Wainer	5 407 839	13 055 661	–	268 443	18 731 943
	5 974 192	54 251 210	–	966 459	61 191 861

There have been no changes in these holdings between the year-end and the date of this report.

FOR THE YEAR ENDED 31 AUGUST 2010

At 31 August 2009, the interests of the directors in the linked units of Redefine were as follows:

	Beneficial		Non-beneficial		
	Direct	Indirect	Direct	Indirect	Total
BH Azizollahoff	1 016 500	–	–	–	1 016 500
WE Cesman	23 027 155	–	–	–	23 027 155
JA Finn	378 000	–	–	1 560	379 560
MN Flax	–	7 861 105	–	661 456	8 522 561
DCM Gihwala	–	–	–	–	–
GJ Heron	–	4 639 206	–	–	4 639 206
MK Khumalo	–	1 400 000	–	–	1 400 000
GGL Leissner	–	–	–	35 000	35 000
HK Mehta	197 345	27 385 238	–	–	27 582 583
B Nackan	9 000	–	–	–	9 000
DJ Perton	22 008	–	–	–	22 008
DH Rice	–	–	–	–	–
M Wainer	5 407 839	16 655 661	–	268 443	22 331 943
	30 057 847	**57 941 210**	**–**	**966 459**	**88 965 516**

SCHEDULE OF MEETINGS ATTENDED

Board meetings

	28/10/09	04/02/10	04/05/10	10/05/10	04/08/10
DCM Gihwala (Chairman)	P	P	P	P	P
BH Azizollahoff	P	P	P	P	P
WE Cesman*	P	P	P	n/a	n/a
JA Finn	P	P	P	P	P
MN Flax	P	P	P	P	P
GJ Heron	P	P	P	P	P
MK Khumalo	P	P	P	P	P
GGL Leissner	P	P	A	P	P
HK Mehta	P	P	P	P	P
B Nackan	P	P	P	P	P
DJ Perton	P	P	P	P	P
DH Rice	P	P	P	P	P
M Wainer	P	P	P	P	P

P: Present/Participated

A: Apology

** Resigned 7 May 2010*

FOR THE YEAR ENDED 31 AUGUST 2010

Audit committee meetings

	10/09/09	20/10/09	27/10/09	04/02/10	04/05/10	04/08/10
GJ Heron (Chairman)	P	P	P	P	P	P
GGL Leissner	P	P	P	P	A	P
B Nackan	P	P	P	P	P	P
WE Cesman (CEO) #*	A	P	P	P	P	n/a
M Wainer (CEO) #	n/a	n/a	n/a	n/a	n/a	P
JA Finn #	P	P	P	P	P	P
DH Rice #	A	A	P	P	P	P

P: Present/Participated
A: Apology
#: Attended as invitee
**: Resigned 7 May 2010*

DIRECTORS' EMOLUMENTS

Fees earned for services as non-executive directors

	2010 R000	2009 R000
DCM Gihwala (Chairman)	**180**	183
L Barnard	**–**	217
WE Cesman (paid to Madison)	**–**	167
E Ellerine	**–**	75
GJ Heron	**250**	–
MK Khumalo	**150**	–
GGL Leissner	**220**	–
HK Mehta	**150**	–
B Nackan	**220**	–
DJ Perton	**150**	125
S Shaw-Taylor (paid to Standard Bank)	**–**	167
N Venter	**–**	175
M Wainer (paid to Madison)	**–**	167
	1 320	1 276

Executive directors' remuneration

	2010 R000	2009 R000
BH Azizollahoff	**2 327**	5 442
WE Cesman *	**4 367**	198#
JA Finn	**2 060**	100#
MN Flax	**2 368**	150#
DH Rice	**5 388**	128#
M Wainer	**5 012**	198#
	21 522	6 216

**: Resigned 7 May 2010*
#: From 1 August 2009 to 31 August 2009

GOING CONCERN

The directors are of the opinion that the group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the group annual financial statements. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

MAJOR LINKED UNITHOLDERS

Beneficial unitholders holding in excess of 5% of the units in issue, are detailed on page 94 of the annual report.

INTEREST IN SUBSIDIARIES

Details of Redefine's interest in subsidiaries at 31 August 2010 are as follows:

Subsidiary	Net profit/ (loss)* R000	Issued share capital R000	Indebted–ness R000	Shares at cost R000	Total R000
Held by Redefine Properties Limited					
ApexHi Properties Limited	410 463	64	1 371 846	12 707 507	14 079 353
Madison Property Fund Holdings Limited	–	¥	171 187	1 351 520	1 522 707
Redefine Properties Opco (Proprietary) Limited	405 680	¥	1 486 376	–	1 486 376
Spearhead Property Holdings Limited	105 204	363	448 121	1 443 095	1 891 216
Held by ApexHi Properties Limited					
Ambit Properties Limited	(45 432)	5 046	(669 551)	–	(669 551)
Held by Madison Property Fund Holdings Limited					
ApexHi Manco Trust	44	¥	–	–	–
Canal Walk Management Company (Proprietary) Limited	5 763	¥	–	–	–
Hyprop Management Company (Proprietary) Limited	–	1	–	–	–
Madison Property Fund Managers Limited	(18 943)	¥	135 542	–	135 542
Redefine International Fund Managers Limited	56 372	352	–	–	–
Held by Redefine Properties International Limited					
Redefine International plc	(68 689)	34 685	–	–	–
Held by Redefine Properties Opco (Proprietary) Limited					
Redefine Properties International Limited	(4 668)	¥	387 222	–	387 222
Portion 65 Rivonia Ext 3 (Proprietary) Limited	(50)	¥	–	–	–
Portion 68 Rivonia Ext 3 (Proprietary) Limited	–	¥	–	–	–
Terminus Klerksdorp (Proprietary) Limited	(1)	¥	–	–	–
Held by Spearhead Property Holdings (Proprietary) Limited					
Kovacs Investments 201 (Proprietary) Limited	–	¥	–	–	–
Marble Gold 168 (Proprietary) Limited	–	¥	–	–	–
Rapid Dawn 66 (Proprietary) Limited	–	¥	–	–	–
Total	**845 743**		**3 330 743**	**15 502 122**	**18 832 865**
Pre-acquisition dividends	–		–	(136 743)	(136 743)
Grand total	**845 743**		**3 330 743**	**15 365 379**	**18 696 122**

** Prior to consolidating entries*

¥ Below R1 000

EVENTS AFTER BALANCE SHEET DATE

Subsequent to year-end, Redefine has entered into an agreement to acquire two properties with a GLA of 24 792 m^2 for R500 million at an average yield of 9,3%.

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 (Proprietary) Limited will continue to render company secretarial services to the company.

SPECIAL RESOLUTIONS

The following special resolutions were passed by unitholders and registered by Cipro on 5 February 2010:

- General authority for the repurchase of linked units
- Change of name from Redefine Income Fund Limited to Redefine Properties Limited

REPORT OF THE AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

The audit and risk committee has an independent role with accountability to unitholders in respect of its statutory duties, and to the board in respect of duties assigned to it by the board as detailed in its Terms of Reference. The Terms of Reference are reviewed and updated on a regular basis. The committee has performed its duties during the past financial year in accordance with the Terms of Reference.

COMPOSITION AND MEETINGS

The committee comprises two independent non-executive directors and one non-executive director and meets at least twice per year. Members of the committee are all financially literate with the requisite levels of financial expertise. The members of the audit committee are as follows:

GJ Heron CA(SA) – Chairman
B Nackan BA (Econ), SEP (Stanford)
GGL Leissner CA(SA)

Details of the meetings and attendance have been included in the directors' report on page 131.

The members of the committee were appointed on 5 August 2009 pursuant to the merger of the company with ApexHi and Madison.

The chief executive officer, the financial director, the executive director responsible for operations and external auditor attend meetings of the committee by invitation. The external auditor meets with the committee without any of the executives on an annual basis and has unrestricted access to the committee.

STATUTORY DUTIES

In the conduct of its statutory duties, the committee has:

- Satisfied itself that the external auditor, PKF is independent of the company in terms of the Companies Act. Requisite assurance was sought and provided by PKF that internal corporate governance processes within PKF support its claim to independence;
- In consultation with executive management, agreed to the engagement letter, audit plan and budgeted fees for the 2010 year. The actual fees are in line with those agreed in the audit fee budget;
- Pre-approved all non-audit service arrangements with PKF. The nature and extent of these services has been reviewed to ensure that the fees for these services do not become so significant as to possibly impact any perception on their independence; and
- Nominated PKF as the external auditor and Paul Badrick as the designated audit partner for the 2011 financial year. These nominations are to be confirmed by unitholders at the forthcoming annual general meeting.

INTERNAL FINANCIAL CONTROLS

Based on control processes in place, assurances obtained from management and the issues raised by the external auditors in their management reports, the committee is of the opinion that the significant internal financial controls are effective.

INTERNAL AUDIT

During the year under review, outsourced internal audit services were terminated and the decision was taken to establish an in-house internal audit function. To this end an appointment has been made to head up this function which will become operational early in 2011.

FINANCE FUNCTION AND FINANCIAL DIRECTOR

The committee has considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function of the company. The committee also confirms that the company's financial director, Janys Finn had the necessary expertise and experience to carry out her duties.

ANNUAL FINANCIAL STATEMENTS

Based on processes and assurances obtained, the committee recommended the annual financial statements to the board for approval.

GOING CONCERN

The committee, through its review of the 2011 budget and discussions with management, reported to the board that it supported management's view that the company will be a going concern in the foreseeable future.

RISK MANAGEMENT

The committee reviews the analysis of the critical risks facing the company on an annual basis. The risk analysis and the company's response to these risks is detailed on page 119 of this report. While the committee is satisfied, to the extent possible given the wide range of known and unknown risks facing the company and all businesses in general, that the risks and compensating controls are largely adequate, it has tasked management with bringing the company's current interest rate risk exposure to within the approved policy of having a minimum of 70% of the company's debt subject to fixed interest rates. Management has undertaken to achieve this requirement in the 2011 year.

GJ HERON
Chairman
3 November 2010

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 AUGUST 2010

	Note	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
ASSETS					
Non-current assets		**33 122 788**	25 393 640	**19 002 719**	16 608 865
Investment properties		**21 650 529**	18 234 776	**306 597**	–
Fair value of property portfolio for accounting purposes	2	**20 553 136**	17 555 250	**304 490**	–
Straight-line rental income accrual	3	**702 316**	546 475	**2 107**	–
Properties under development	4	**395 077**	133 051	**–**	–
Listed securities portfolio	5	**5 099 485**	2 807 448	**–**	–
Goodwill	6	**3 304 984**	2 569 994	**–**	–
Intangibles	7	**1 377 825**	952 326	**–**	–
Interest in associates	8	**346 227**	201 387	**–**	–
Loans receivable	9	**1 107 016**	560 600	**–**	–
Other financial assets	10	**4 115**	–	**–**	–
Guarantee fees receivable	11	**21 349**	36 040	**–**	–
Property, plant and equipment	12	**211 258**	31 069	**–**	–
Interest in subsidiaries	13	**–**	–	**18 696 122**	16 608 865
Current assets		**1 497 974**	640 129	**91 854**	60
Properties held for trading	14	**128 317**	186 908	**–**	–
Listed securities held for trading	15	**–**	9 316	**–**	–
Trade and other receivables	16	**572 277**	209 993	**80 137**	60
Guarantee fees receivable	11	**37 037**	20 127	**–**	–
Loans receivable	9	**–**	2 003	**–**	–
Listed securities income		**153 363**	100 628	–	–
Cash and cash equivalents	17	**606 980**	111 154	**11 717**	–
Non-current assets held for sale	18	**351 359**	173 200	**–**	–
Total assets		**34 972 121**	26 206 969	**19 094 573**	16 608 925
EQUITY AND LIABILITIES					
Shareholders' interest		**15 111 062**	13 200 268	**11 606 184**	11 441 216
Share capital and premium	19	**11 788 301**	11 602 835	**11 792 712**	11 607 246
Reserves		**2 669 922**	1 594 332	**(186 528)**	(166 030)
Non-controlling interests		**652 839**	3 101	**–**	–
Non-current liabilities		**16 781 037**	12 300 904	**6 704 457**	4 847 689
Debenture capital	20	**4 831 731**	4 767 591	**4 842 309**	4 778 169
Interest bearing liabilities	21	**9 562 035**	5 460 099	**1 772 272**	–
Interest rate swaps	22	**199 933**	46 210	**13 267**	–
Financial guarantee contract	11	**8 596**	9 838	**2 273**	–
Deferred taxation	23	**2 178 742**	2 017 166	**74 336**	69 520
Current liabilities		**3 080 022**	705 797	**783 932**	320 020
Trade and other payables	24	**636 386**	374 271	**19 389**	8 112
Interest bearing liabilities	21	**1 987 306**	20 308	**307 214**	–
Linked unitholders for distribution		**456 330**	311 218	**457 329**	311 908
Total equity and liabilities		**34 972 121**	26 206 969	**19 094 573**	16 608 925
Number of linked units in issue		**2 684 295 336**	2 648 661 529		
Net asset value per linked unit (cents)		**742,94**	678,38		
Net asset value per linked unit (excluding deferred taxation) (cents)		**824,11**	744,57		
Net asset value per linked unit (excluding deferred taxation and non-controlling interests) (cents)		**799,75**	754,42		

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2010

	Note	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
Revenue					
Property portfolio		**2 657 976**	770 139	**16 503**	–
Contractual rental income		**2 502 135**	741 620	**14 396**	–
Straight-line rental income accrual		**155 841**	28 519	**2 107**	–
Listed securities		**266 098**	308 203	**–**	–
Fee income		**193 364**	14 328	**13 296**	–
Trading income		**19 963**	39 089	**–**	–
Total revenue		**3 137 401**	1 131 759	**29 799**	–
Operating costs		**(537 639)**	(138 913)	**(418)**	–
Administration costs		**(135 904)**	(84 363)	**(8 271)**	(5 031)
Net operating income	25	**2 463 858**	908 483	**21 110**	(5 031)
Changes in fair values of properties, listed securities and financial instruments	27	**1 359 269**	(387 468)	**(21 345)**	–
Amortisation of intangibles	27	**(108 142)**	–	**–**	–
Impairment of financial assets	27	**(64 143)**	(2 373)	**–**	–
Interest in associates	8	**(62 931)**	(3 938)	**–**	–
Income from operations		**3 587 911**	514 704	**(235)**	(5 031)
Interest paid	28	**(843 211)**	(350 129)	**(11 901)**	–
Interest received	29	**283 905**	71 835	**1 777 775**	613 128
Foreign exchange gain	30	**28 967**	7 244	**–**	–
Income before debenture interest		**3 057 572**	243 654	**1 765 639**	608 097
Debenture interest	34	**(1 777 412)**	(711 354)	**(1 781 321)**	(714 677)
Profit/(loss) before taxation		**1 280 160**	(467 700)	**(15 682)**	(106 580)
Taxation	31	**(161 478)**	176 949	**(4 816)**	–
Profit/(loss) for the year		**1 118 682**	(290 751)	**(20 498)**	(106 580)
Other comprehensive income/(expense)					
Exchange differences on translating foreign operations		**(133 364)**	(807)	**–**	–
Deferred profit on residential property realised		**(9 488)**	–	**–**	–
Revaluation of property, plant and equipment (net of deferred taxation)		**345**	549	**–**	–
Other comprehensive income for the year, net of taxation		**(142 507)**	(258)	**–**	–
Total comprehensive income/(loss) for the year		**976 175**	(291 009)	**(20 498)**	(106 580)
Profit/(loss) attributable to:					
Redefine shareholders		**1 135 752**	(288 104)	**(20 498)**	(106 580)
Non-controlling interests		**(17 070)**	(2 647)	**–**	–
Profit/(loss) for the year		**1 118 682**	(290 751)	**(20 498)**	(106 580)
Total comprehensive income attributable to:					
Redefine shareholders		**996 788**	(288 362)	**(20 498)**	(106 580)
Non-controlling interests		**(20 613)**	(2 647)	**–**	–
Total comprehensive income/(loss) for the year		**976 175**	(291 009)	**(20 498)**	(106 580)
– Actual number of linked units in issue (000)		**2 684 295***	2 648 662*		
– Weighted number of linked units in issue		**2 661 915**	1 042 258		
– Earnings per linked unit (cents)		**109,44**	40,61		
– Headline earnings per linked unit (cents)		**101,31**	60,28		
– Distribution per linked unit (cents)		**66,50**	56,55		

* *Net of treasury shares*

The reconciliation between earnings and headline earnings and distributable earnings is disclosed in note 32.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2010

	Share capital R000	Share premium R000	Non-distributable reserve R000	Accumulated profit/ (loss) R000	Non-controlling interests R000	Total R000
GROUP						
Balance at 1 September 2008	893	2 088 050	2 341 265	(31 517)	5 706	4 404 397
Issue of ordinary shares	1 756	9 513 059	–	–	–	9 514 815
Issue and preliminary expenses written off	–	(923)	–	–	–	(923)
Loss for the year	–	–	–	(288 104)	(2 647)	(290 751)
Transfer to non-distributable reserve (net of deferred tax)	–	–	(163 311)	163 311	–	–
Revaluation of property, plant and equipment (net of deferred tax)	–	–	552	–	–	552
Foreign currency translation reserve	–	–	(807)	–	–	(807)
Transactions with non-controlling interests	–	–	–	–	(281)	(281)
Non-controlling interests on acquisition of subsidiaries	–	–	(427 057)	–	323	(426 734)
Balance at 31 August 2009	**2 649**	**11 600 186**	**1 750 642**	**(156 310)**	**3 101**	**13 200 268**
Issue of ordinary shares	**36**	**185 430**	**–**	**–**	**–**	**185 466**
Changes in ownership interests in subsidiary	**–**	**–**	**70 204**	**–**	**–**	**70 204**
(Loss)/profit for the year	**–**	**–**	**(9 488)**	**1 135 752**	**(17 070)**	**1 109 194**
Transfer to non-distributable reserve (net of deferred tax)	**–**	**–**	**1 210 216**	**(1 210 216)**	**–**	**–**
Revaluation of property, plant and equipment (net of deferred tax)	**–**	**–**	**345**	**–**	**–**	**345**
Foreign currency translation reserve	**–**	**–**	**(129 820)**	**–**	**(3 544)**	**(133 364)**
Transactions with non-controlling interests	**–**	**–**	**8 597**	**–**	**(84 614)**	**(76 017)**
Non-controlling interests on acquisition of subsidiaries	**–**	**–**	**–**	**–**	**754 966**	**754 966**
Balance at 31 August 2010	**2 685**	**11 785 616**	**2 900 696**	**(230 774)**	**652 839**	**15 111 062**

	Share capital R000	Share premium R000	Non-distributable reserve R000	Accumulated profit/ (loss) R000	Non-controlling interests R000	Total R000
COMPANY						
Balance at 1 September 2008	899	2 092 456	(44 000)	(15 450)	–	2 033 905
Issue of ordinary shares	1 756	9 513 059	–	–	–	9 514 815
Issue and preliminary expenses written off	–	(924)	–	–	–	(924)
Loss for the year	–	–	–	(106 580)	–	(106 580)
Balance at 31 August 2009	**2 655**	**11 604 591**	**(44 000)**	**(122 030)**	**–**	**11 441 216**
Issue of ordinary shares	**36**	**185 430**	**–**	**–**	**–**	**185 466**
Loss for the year	**–**	**–**	**–**	**(20 498)**	**–**	**(20 498)**
Transfer to non-distributable reserve (net of deferred tax)	**–**	**–**	**(24 054)**	**24 054**	**–**	**–**
Balance at 31 August 2010	**2 691**	**11 790 021**	**(68 054)**	**(118 474)**	**–**	**11 606 184**

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2010

	Note	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated/(utilised) from operations	33	**2 180 116**	1 034 422	**(49 797)**	610 255
Interest paid		**(843 211)**	(350 129)	**(11 901)**	–
Interest received		**283 905**	79 079	**1 777 775**	–
Distributions paid	34	**(1 632 300)**	(1 002 916)	**(1 635 900)**	(1 006 461)
Distributions paid to non-controlling interests		**(14 522)**	(280)	**–**	–
Taxation refund		**98**	–	**–**	–
Net cash (utilised)/generated in operating activities		**(25 914)**	(239 824)	**80 177**	(396 206)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition and development of investment properties		**(1 338 596)**	(211 255)	**(310 461)**	–
Acquisition of listed securities		**(1 629 368)**	(376 933)	**–**	–
Acquisition of property, plant and equipment		**(42 062)**	(1 182)	**–**	–
Acquisition of subsidiaries – net of cash acquired		**(249 766)**	–	**–**	–
Net loans advanced to subsidiaries		**–**	–	**(2 087 091)**	396 206
Proceeds on disposal of investment properties		**121 085**	20 689	**–**	–
Proceeds on disposal of listed securities		**9 316**	298 553	**–**	–
Proceeds on disposal of property, plant and equipment		**260**	1 511	**–**	–
Loans to associated companies		**–**	(12 456)	**–**	–
Proceeds on disposal of property held for trading		**22 192**	–	**–**	–
Loans to related parties		**14 438**	(25 123)	**–**	–
Dividend from associates		**16 995**	–	**–**	–
Increase in associates		**(38 574)**	–	**–**	–
Cash balances from subsidiaries acquired (net of acquisition costs)		**–**	794 562	**–**	–
Increase in guarantee fees		**–**	(7 438)	**–**	–
Other financial assets acquired		**(1 590)**	–	**–**	–
Net cash (utilised in)/generated from investing activities		**(3 115 670)**	480 928	**(2 397 552)**	396 206
CASH FLOWS FROM FINANCING ACTIVITIES					
Linked units issued		**249 606**	–	**249 606**	–
Issue expenses		**–**	(923)	**–**	–
Increase in interest bearing borrowings		**3 428 776**	(287 222)	**2 079 486**	–
Net cash generated from/(utilised in) financing activities		**3 678 382**	(288 145)	**2 329 092**	–
Net increase/(decrease) in cash and cash equivalents		**536 798**	(47 041)	**11 717**	–
Cash and cash equivalents at beginning of year		**111 154**	158 195	**–**	–
Effect of foreign exchange fluctuations on acquisition (or acquisition)		**(40 972)**	–	**–**	–
Cash and cash equivalents at end of year	17	**606 980**	111 154	**11 717**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

1. ACCOUNTING POLICIES

The financial statements and group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the AC 500 series issued by the Accounting Practices Board, the JSE Listings Requirements and the Companies Act of South Africa 1973, as amended.

The financial statements are prepared on the historical cost basis except for investment properties and certain financial instruments which are carried at fair value, and incorporate the principal accounting policies set out below. These accounting policies have been applied consistently with the previous year.

The group has implemented changes and additions to the accounting policies based on the revision or adoption of the following accounting standards:

- **IAS 1: Presentation of Financial Statements (revised)** became effective for all annual reporting periods commencing on or after 1 January 2009. As a result the group presents a primary statement called the statement of changes in equity where all the changes in owner equity are recorded; and a statement of comprehensive income where all non-owner changes in equity are provided. This presentation has been applied in the financial statements. Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change in accounting policy only impacts presentational aspects, there is no impact on earnings per share.

- **IFRS 3: Business Combinations (revised)** became effective for all annual reporting periods commencing on or after 1 July 2009. All business combinations occurring on or after that date are accounted for by applying the acquisition method. The change in accounting policy has been applied prospectively and there has been no material impact on earnings per share.

- **IAS 27: Consolidated and Separate Financial Statements (revised)** became effective for all annual reporting periods commencing on or after 1 July 2009. Transactions with non-controlling interests in which control is not gained or lost (eg part disposal of shares in a subsidiary and purchases of shares held by non-controlling interests) are accounted for as equity transactions. No income statement gain or loss is recorded and no adjustment is made to goodwill. The change in accounting policy has been applied prospectively and there has been no material impact on earnings per share.

- **IFRS 8: Operating Segments** was adopted by the group as of 1 September 2009. The group determines and presents operating segments based on the information that is internally provided to the executive management committee (exco), the group's operating decision making forum. Previously operating segments were determined and presented in accordance with IAS 14: Segment Reporting. The change is of a presentation and disclosure nature only and there is no impact on earnings per share.

- **IAS 28: Investment in Associates (revised)** became effective for all periods beginning on or after 1 January 2009. The amendments to IAS 28 clarified that (i) the investment in an associate is treated as a single asset for impairment testing, (ii) any impairment loss is not allocated to specific assets included within the investment, for example, goodwill, and (iii) reversals of impairments are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. There is no impact on earnings per share.

- **IAS 40: Investment Properties (revised)** became effective for periods beginning on or after 1 January 2009. Following this amendment, property under construction or development for future use as investment property is within the scope of IAS 40 (previously under IAS 16: Property, Plant and Equipment). Where the fair value model is applied, such property is, therefore, measured at fair value. However where the fair value of investment property under redevelopment is not reliably measurable, the property is measured at cost. There is no impact on earnings per share.

- **Amendments to IFRS 7: Improving Disclosures about Financial Instruments** became effective for all annual reporting periods commencing on or after 1 January 2009. The amendment requires enhanced disclosures about fair value measurements and liquidity risk in respect of financial instruments. The change is of a presentation and disclosure nature only and there is no impact on earnings per share.

1.1 BASIS OF CONSOLIDATION

The group financial statements include those of the holding company and enterprises controlled by the company. Control is achieved when the company has the power to govern the financial and operating policies of an investee enterprise. All significant intercompany transactions, unrealised profits and balances between group enterprises are eliminated on consolidation.

(a) Subsidiaries

Subsidiaries are entities over which the company has the power to govern the financial and operating policies of the entities so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

In the separate financial statements of the company, investments in subsidiaries are accounted for at cost and adjusted for impairment if applicable.

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the group and all entities controlled by the group. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss from the date of acquisition or up to the date of disposal. Inter company transactions and balances between group companies are eliminated on consolidation.

All business combinations which occurred on or after 1 September 2009 were accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The group measures goodwill at the acquisition date as follows:

- The fair value of the consideration transferred; plus
- The recognised amount of the non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Where the excess is negative this is immediately recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Business combinations which occurred before 1 September 2009 were accounted for using the purchase method of accounting. The assets and liabilities acquired were assessed and included in the statement of financial position at their estimated fair values to the group at acquisition date.

(b) Associates

Associates are companies over which the group has significant influence but not control.

In the separate financial statements of the company, investments in associates are accounted for at cost and adjusted for impairment if applicable.

Associates are accounted for in the consolidated financial statements using the equity method of accounting. Under this method, the interest in associate is initially recognised at cost and the group's share of post acquisition profits or losses is recognised in the statement of comprehensive income. The interest in associate is adjusted for post acquisition profits or losses, distributions received and other adjustments to the carrying amount.

(c) Joint ventures

Investments in joint ventures are accounted for using the proportionate consolidation method, whereby the attributable share of the assets, liabilities, revenues, expenses and cash flows are combined on a line by line basis with similar items in the group financial statements. The results of the joint ventures are proportionately consolidated from the effective date of acquisition until the company ceases to have joint control over the entity.

1.2 INTANGIBLE ASSETS

Intangible assets with an indefinite useful life are stated at cost less accumulated impairment losses. Intangible assets are tested for impairment annually by comparing the recoverable amount with its carrying amount. Useful life is reviewed in each period to determine whether events and circumstances continue to support an indefinite useful life assessment. If they do not, the change in useful life assessment from indefinite to finite is accounted for as a change in estimate.

Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the assets. The estimate useful lives of the assets are:

• Right to manage property	15 years
• Wichford P.L.C. management contract	15 years

1.3 FINANCIAL INSTRUMENTS

Financial Instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the statement of financial position when the group becomes party to the contractual provisions of the instrument. All transaction costs relating to financial instruments at fair value through profit or loss are immediately expensed. Any gains or losses on these instruments do not affect distributable earnings.

The group de-recognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

Financial assets and liabilities are initially measured at fair value. Subsequent to initial recognition, these instruments are measured as follows:

Financial assets

- Listed securities are measured at fair value through profit and loss, less the accrual for distributions receivable which is included in current assets.
- Other financial assets are measured at fair value through profit and loss. Any movements in the impairment allowance are recognised in profit and loss.
- Trade and other receivables are stated at amortised cost less any accumulated impairments.
- Cash and cash equivalents are measured at fair value.
- Guarantee fee receivable is measured at fair value.

Financial liabilities

- Debenture capital is considered to be a held-to-maturity financial instrument and is recognised at amortised cost using the effective interest rate method.
- Interest bearing borrowings are recognised at amortised cost.
- Interest rate swaps are measured at fair value through profit and loss.
- Financial guarantee contracts are measured at the higher of fair value or the amount initially recognised less accumulative amounts recorded as income to date.
- Trade and other payables are stated at fair value.

1.4 INVESTMENT PROPERTIES

Investment properties, both freehold and leasehold, are properties held for the purpose of earning rental income and for capital appreciation. Investment properties are initially recorded at cost and include transaction costs on acquisition. Subsequent expenditure to add to or to replace a part of the property is capitalised at cost.

Investment properties are valued annually and adjusted to fair value as at the reporting date.

Investment properties above R20 million at the last valuation date are valued by external independent registered valuers. Investment properties below R20 million at the last valuation date are valued internally by the directors.

Any gain or loss arising from a change in the fair value of the investment property is included in profit or loss for the period to which it relates. Changes in fair value are transferred to a fair value reserve in the statement of changes in equity.

Gains and losses on the disposal of investment properties are recognised in profit or loss and are calculated as the difference between the sale price and the carrying value of the property. Realised gains and losses are transferred to a capital reserve, including any prior period fair value adjustments.

1.5 PROPERTIES UNDER DEVELOPMENT

Properties under development comprise the costs of the land and development and are stated at cost as the fair value cannot be reasonably determined. On completion, properties under development are transferred to investment property.

1.6 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.

All other borrowing costs are expensed in the period in which they are incurred.

1.7 GOODWILL

Goodwill arises on the acquisition of a business and represents the excess of the cost of the acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Negative goodwill is recognised immediately in profit or loss.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

1.8 PROPERTY, PLANT AND EQUIPMENT

Land and buildings are shown at fair value based on periodic valuations less subsequent depreciation. Any gain or loss arising from a change in fair value is accounted for directly in the statement of changes 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 over the current useful lives of the assets. The estimated useful lives of the assets are:

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.

1.9 PROPERTIES HELD FOR TRADING

Properties held for trading are recorded at the lower of cost and net realisable value.

Costs include all costs of purchase, transaction costs, costs of conversion and other costs incurred in bringing the properties to their present condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of selling.

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

1.10 TREASURY STOCK

Where a subsidiary company holds linked units in the holding company, the consideration paid to acquire these units is deducted from linked unitholders' equity as treasury stock. When these units are sold or reissued, any consideration received is included in linked unitholders' equity.

1.11 REVENUE RECOGNITION

(a) Property portfolio revenue

Property portfolio revenue comprises operating lease income and operating cost recoveries from the letting of investment properties. Operating lease income is recognised on a straight-line basis over the term of the lease.

Contingent rents (turnover rentals) are included in revenue when the amounts can be reliably measured.

(b) Listed securities revenue

Distributions from listed securities are recognised on a time apportionment basis over the effective holding period.

c) Property trading income

Property trading income represents income from development units sold and is recognised once:

- The risks and rewards of ownership have transferred;
- The company no longer has managerial involvement;
- The amount of revenue and costs can be measured reliably; and
- It is probable that the economic benefits from the sale will flow to the company.

(d) Interest received

Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

1.12 TAXATION

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted by the reporting date.

Deferred income tax is provided using the comprehensive liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit and is not a business combination.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax on the fair value adjustment on investment properties has been provided at a combination of the income tax and capital gains tax rates, based on the manner in which each asset is expected to be realised and only to the extent that there are not sufficient tax losses to shield the charge.

Deferred taxation on the fair valuation 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.

1.13 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 profit or loss.

1.14 OPERATING SEGMENTS

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by exco to make decisions about resources to be allocated to the segment and assess its performance, and for which distinct financial information is available.

1.15 LETTING COSTS

Tenant installations and lease commissions are carried at cost less accumulated depreciation. Depreciation is provided to write down the cost, less residual value, by equal instalments over the period of the lease.

1.16 FOREIGN CURRENCY

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling on the dates that the values are determined.

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve (FCTR). They are released into the statement of comprehensive income upon disposal. On consolidation, the statement of financial position of foreign subsidiaries is translated at the closing rate and the statement of comprehensive income is translated at the average rate for the period. Differences arising are taken to the FCTR.

The movement in the FCTR during the reporting period is accounted for in the statement of other comprehensive income.

1.17 KEY ESTIMATES AND ASSUMPTIONS

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

- Accounting policies – note 1
- Investment properties – note 2
- Trade and other receivables – note 16
- Deferred taxation – note 23
- Taxation – note 31

1.18 STANDARDS AND INTERPRETATIONS APPLICABLE NOT YET EFFECTIVE

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that are material to the business of the group and may have an impact on future financial statements, or those for which the impact has not as yet been assessed.

IAS 24: Related Party Disclosures

IAS 24 (revised) will be adopted by the group for the first time for its financial reporting period ending 31 August 2012. The standard will be applied retrospectively. IAS 24 (revised) addresses the disclosure requirements in respect of related parties, with the main changes relating to the definition of a related party. Redefine has not yet determined if the revised definition of a related party will result in additional relationships being identified as related parties.

IFRS 9: Financial Instruments

IFRS 9 will be adopted by the group for the first time for its financial reporting period ending 31 August 2014. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39. Under IFRS 9 there are two options in respect of classification of financial assets:

- financial assets measured at amortised cost; or
- at fair value.

Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

All other financial assets are measured at fair value.

Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host. The impact on the financial statements for the group has not yet been estimated.

1.19 IMPROVEMENTS TO STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Improvements have been made to Standards and Interpretations in issue not yet effective per the Improvements to IFRS 2009 Standards and Improvements to IFRS 2010 Standards with an effective date for Redefine of 1 September 2010 or 1 September 2011.

Management has considered all the improvements and has concluded that they will have either no or minimal impact with the exception of the following:

Subject of amendment	Amendment	Potential effect
Improvements to IFRS 2009		
IFRS 5: Non-current assets held for sale and discontinued operations	The disclosures for non-current assets (or disposal groups) classified as held for sale or discontinued operations are specified in that standard. The disclosure requirements of other IFRSs are applicable to those assets (or disposal groups) only if they specifically require disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or they relate to items not within the measurement scope of IFRS 5	Potential additional disclosure required
IAS 17: Leases	The deletion of the guidance stating that a lease of land with an indefinite economic life is normally classified as an operating lease, unless at the end of the lease term title is expected to pass to the lessee. In terms of the amendment, a land lease with a lease term of several decades may be classified as a finance lease even if at the end of the lease term title will not pass to the lessee	This is in line with the current accounting policy
IAS 36: Impairments of Assets	IAS 36 is amended to state that the largest unit to which goodwill should be allocated is the operating segment level as defined in IFRS 8 before applying the aggregation criteria of IFRS 8	Potential change in method of impairment testing
Improvements to IFRS 2010		
IFRS 7: Financial Instruments	IFRS 7 is amended to state that additional disclosures are needed for collateral held relating to an entity's exposure to credit risk	Potential additional disclosure required

2. INVESTMENT PROPERTIES

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
2.1 NET CARRYING VALUE				
Cost	**14 035 282**	15 834 060	**310 461**	–
Fair value surplus (deficit)	**6 517 854**	1 721 190	**(5 971)**	–
	20 553 136	17 555 250	**304 490**	–
2.2 MOVEMENT FOR THE YEAR				
Investment properties at beginning of year	**17 555 250**	5 538 362	**–**	–
On acquisition of subsidiaries	**1 832 857**	12 224 420	**–**	–
Acquisitions	**1 243 946**	165 510	**312 568**	–
Transfer from non-current assets held for sale (note 18)	**71 300**	–	**–**	–
Disposals	**(100 750)**	(46 545)	**–**	–
Change in fair value	**485 377**	(310 381)	**(5 971)**	–
Tenant installations	**5 284**	23 514	**–**	–
Capitalised	**35 924**	30 859	**–**	–
Amortised	**(30 640)**	(7 345)	**–**	–
Lease commissions (and marketing commission)	**2 912**	6 189	**–**	–
Capitalised	**32 619**	13 092	**–**	–
Amortised	**(29 707)**	(6 903)	**–**	–
Transferred from property under development (note 4)	**97 417**	–	**–**	–
Transferred to non-current assets held for sale (note 18)	**(351 359)**	(17 300)	**–**	–
Straight-line rental income accrual – charge per the income statement	**(155 841)**	(28 519)	**(2 107)**	–
Translation differences	**(133 257)**	–	**–**	
Balance at end of year	**20 553 136**	17 555 250	**304 490**	–
2.3 RECONCILIATION TO INDEPENDENT VALUATIONS				
Investment properties at valuation at end of year per 2.2 above	**20 553 136**	17 555 250	**304 490**	–
Straight-line rental income accrual – per the balance sheet	**702 316**	546 475	**2 107**	–
Independent valuations at 31 August	**21 255 452**	18 101 725	**306 597**	–

Full details of freehold and leasehold investment properties owned by the company are contained in a register of investment properties which is open for inspection by members at the registered office of the company (see pages 60 to 74)

2. INVESTMENT PROPERTIES *continued*

2.3 RECONCILIATION TO INDEPENDENT VALUATIONS *continued*

In terms of the accounting policy, the portfolio is valued annually. For the purposes of the independent valuation at 31 August 2010, all properties above R20 million were valued. Independent valuations were also obtained for a portion of the properties under R20 million. Properties under R20 million are valued externally on a three year rotational basis. Valuations were obtained from the following valuers who are all registered valuers in terms of Section 19 of the Property Valuers Professional Act (Act No 47 of 2000):

- Asset Valuation Services
- DDP Valuers
- Mills Fitchet Gauteng
- Mills Fitchet KZN
- Mills Fitchet Magnus Penny
- Eris Property Group
- Quadrant Properties
- Alternative Real Estate

The remainder of the portfolio was valued by the directors. The majority of valuations were performed using the discounted cash flow methodology and the remaining properties were valued using the capitalisation method. Both methods used are based on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate and discount rate to a property.

Investment properties are encumbered as set out in note 21.

	GROUP		COMPANY	
	2010	2009	**2010**	2009
	R000	R000	**R000**	R000
3. STRAIGHT-LINE RENTAL INCOME ACCRUAL				
Balance at beginning of year	**546 475**	226 166	**–**	–
Subsidiaries acquired	**–**	291 790	**–**	–
Current year movement	**155 841**	28 519	**2 107**	–
Balance at end of year	**702 316**	546 475	**2 107**	–
4. PROPERTIES UNDER DEVELOPMENT				
At cost				
At beginning of year	**133 051**	132 160	**–**	–
Acquired on acquisition of subsidiary	**420 823**	–	**–**	–
Development costs	**26 107**	41 011	**–**	–
Completed developments transferred to investment properties (note 2)	**(97 417)**	–	**–**	–
Developments impaired	**(57 186)**	(40 120)	**–**	–
Translation differences	**(30 301)**	–	**–**	–
Balance at end of year	**395 077**	133 051	**–**	–

The impairment in the prior year related to the write off of expenses of a proposed retail development, Little Falls Retail Centre. A decision was made to terminate the development due to a legal dispute with the vendor of the land.

The impairment in the current year relates to a UK owned shopping centre. The directors of RI plc (formerly Ciref Plc) are of the opinion that redevelopment of the property is likely to be delayed due to the current unfavourable economic climate in the UK.

As the fair value cannot be reasonably determined the properties under development are carried at cost.

	GROUP 2010 R000	GROUP 2009 R000
5. LISTED SECURITIES PORTFOLIO		
5.1 AT FAIR VALUE		
Hyprop Investments Limited	**3 959 361**	2 345 183
Oryx Properties Limited	**144 851**	152 820
Redefine International plc	**–**	129 777
Sycom Property Fund	**144 067**	117 552
Wichford P.L.C.	**–**	62 116
Cromwell Group	**851 206**	–
Balance at end of year	**5 099 485**	2 807 448
5.2 MOVEMENT FOR THE YEAR		
Balance at beginning of year	**2 807 448**	3 906 307
Additions	**2 480 421**	562 558
Disposals	**(1 606 454)**	(501 421)
On acquisition of subsidiaries	**499 495**	139 558
Transfer from held for trading	**–**	105 385
Effect of acquiring controlling interest in ApexHi	**–**	(1 359 834)
Revaluation	**954 907**	(20 936)
Translation differences	**(36 332)**	(24 169)
Balance at end of year	**5 099 485**	2 807 448

5.3 DETAILS OF LISTED SECURITIES	**Stock Exchange**	**% held**	**Number of units held** (2010)	Number of units held (2009)
Hyprop Investments Limited	JSE	45,71	**75 937 121**	55 323 970
Oryx Properties Limited	NSX	26,44	**14 554 269**	14 554 269
Redefine International plc	LSE AIM	–	**–**	21 069 405
Sycom Property Fund	JSE	3,02	**6 530 673**	6 530 673
Wichford P.L.C.	LSE	–	**–**	14 600 000
Cromwell Group	ASX	19,85	**178 833 333**	–

Listed securities have been encumbered as set out in note 21.

During the year the investments in RI plc and Wichford P.L.C. were held utilising the asset swap capacity of South African institutions.

	GROUP	
	2010 **R000**	2009 R000
6. GOODWILL		
Reconciliation of goodwill		
Balance at beginning of year	**2 569 994**	–
Purchased on acquisition of subsidiary	**88 431**	–
Additions through business combinations	**650 369**	2 569 994
Translation differences	**(3 810)**	–
Balance at end of year	**3 304 984**	2 569 994
Goodwill acquired in a business combination is allocated at acquisition, to the cash generating units that are expected to benefit from that business combination.		
For the purpose of annual impairment testing goodwill is allocated to the following cash generating units expected to benefit from the synergies of the business combination in which goodwill arises:		
– ApexHi, Ambit and Madison	**2 570 534**	2 569 994
– RI plc	**734 450**	–
• The group tests goodwill annually for impairments, or more frequently if there are any indications that goodwill might be impaired. • The recoverable amount of each cash generating unit was based on its value in use. The carrying amount of each cash generating unit was compared to the recoverable amount. • The value in use of each cash generating unit was determined by using the discounted cash flow valuation methodology. Discounted cash flow valuations were based on cash flow forecasts in respect of the continuing use of the cash generating unit. • For the year ended 31 August 2010 the value in use calculations were based on the following key assumptions: – discount rates of between 7,4% and 14%, which are based on the risk profiles and expected yields of the relevant property portfolios; – growth rates of between 3% and 4,5% which do not exceed forecast average long-term growth rates relative to the markets in which the cash generating units operate. • No goodwill was impaired in either period under review.		
Balance at end of year	**3 304 984**	2 569 994

In the current period, the purchase price allocation of the prior year business combination has been completed. This resulted in the recognition of an intangible asset, the right to manage property. The effect on the prior year balance sheet is an increase in intangible assets of R942 million (refer note 7), an increase in the deferred tax liability of R264 million (refer note 23) and a corresponding decrease in goodwill of R679 million. The comparatives have been restated accordingly.

	GROUP	
	2010	2009
	R000	R000
7. INTANGIBLE ASSETS		
7.1 CARRYING AMOUNT		
The right to manage property	**879 979**	942 835
– Cost	**942 835**	942 835
– Amortisation	**(62 856)**	–
Management contract – Wichford P.L.C.	**491 303**	–
– Cost	**523 288**	–
– Amortisation	**(31 985)**	–
Aviva – Guarantee	**6 543**	–
Management contract – Hyprop Investments Limited	**–**	9 491
– Cost	**11 864**	11 864
– Amortisation	**(11 864)**	(2 373)
Balance at end of year	**1 377 825**	952 326
7.2 MOVEMENT FOR THE YEAR		
Balance at beginning of year	**952 326**	–
Purchased on acquisition of subsidiary	**544 023**	954 699
Amortisation	**(108 142)**	(2 373)
Guarantee issued	**6 543**	–
Translation differences	**(16 925)**	–
Balance at end of year	**1 377 825**	952 326

See Goodwill (note 6) in respect of prior year business combination and reclassification.

	GROUP	
	2010	2009
	R000	R000
8. INTEREST IN ASSOCIATES		
8.1 CARRYING AMOUNT		
49% interest in Dipula Property Investment Fund (Proprietary) Limited	**89 380**	89 473
– Loan	**68 273**	67 832
– Share of fair valuation reserve	**26 888**	26 888
– Share of equity accounted results	**(5 781)**	(5 247)
49% interest in Mergence Africa Property Fund (Proprietary) Limited	**18 216**	52 392
– Loan	**67 968**	59 848
– Impairment of loan	**(40 000)**	–
– Share of fair valuation reserve	**4 606**	4 606
– Share of equity accounted results	**(14 358)**	(12 062)
34% interest in Redefine International Fund Managers Limited (became a subsidiary during 2010)	**–**	59 522
– Gross consideration	**–**	62 657
– Dividend paid	**–**	(899)
– Share of fair valuation reserve	**–**	(1 935)
– Share of equity accounted results	**–**	506
– Translation difference	**–**	(807)
Wichford P.L.C.	**215 408**	–
– Gross consideration	**273 186**	–
– Dividend paid	**(8 028)**	–
– Share of equity accounted results	**(30 907)**	–
– Translation difference	**(18 843)**	–
Other	**23 223**	–
– Gross consideration	**63 470**	–
– Dividend paid	**(5 622)**	–
– Share of equity accounted results	**(29 350)**	–
– Translation difference	**(5 275)**	–
	346 227	201 387

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

	GROUP 2010 R000	2009 R000
8. INTEREST IN ASSOCIATES *continued*		
8.2 MOVEMENT FOR THE YEAR		
Balance at beginning of year	**201 387**	140 227
On acquisition of subsidiaries	**298 083**	62 657
Acquisitions	**38 573**	–
Equity accounted results of associates for the year	**(62 931)**	(3 938)
Share of distributable losses	**(62 931)**	(11 130)
Fair value adjustments (net of deferred taxation)	**–**	7 192
Loans advanced	**8 560**	12 456
Impairment of loan	**(40 000)**	–
Impairment of investment	**–**	(8 308)
Foreign currency translation adjustment	**(27 202)**	(807)
Deemed disposal on associate becoming a subsidiary	**(53 248)**	–
Dividend paid	**(16 995)**	(900)
Balance at end of year	**346 227**	201 387
8.3 GROUP'S SHARE OF POST ACQUISITION RESERVES		
Fair valuation reserves		
Share of reserves at beginning of year	**29 559**	22 368
Share of profit for the year	**–**	7 191
Deemed disposal on associate becoming a subsidiary	**1 935**	–
Share of reserves at end of year	**31 494**	29 559
Accumulated losses		
Share of reserves at beginning of year	**(16 803)**	(5 673)
Share of loss for the year	**(62 931)**	(11 130)
Deemed disposal on associate becoming a subsidiary	**(662)**	–
Share of reserves at end of year	**(80 396)**	(16 803)
Total post acquisition reserves	**(48 902)**	12 756

8.4 SUMMARISED FINANCIAL STATEMENTS

The following are the summarised statements of financial position and income statements of the associated companies as per their financial statements.

	Assets R000	Liabilities R000	Revenues R000	Profit /(loss) R000
2010				
49% interest in Dipula Property Investment Fund (Proprietary) Limited	**818 062**	**749 399**	**86 361**	**20 465**
49% interest in Mergence Africa Property Fund (Proprietary) Limited	**624 662**	**618 526**	**89 951**	**15 463**
Wichford P.L.C.	**72 465 451**	**6 597 703**	**250 473**	**49 180**
Other	**967 496**	**978 068**	**109 665**	**(59 889)**
	74 875 671	**8 943 696**	**536 450**	**25 219**

8. INTEREST IN ASSOCIATES *continued*

8.4 SUMMARISED FINANCIAL STATEMENTS *continued*

	Assets R000	Liabilities R000	Revenues R000	Profit /(loss) R000
2009				
Dipula Property Investment Fund (Proprietary) Limited	783 568	735 370	73 231	11 127
Mergence Africa Property Fund (Proprietary) Limited	614 770	624 047	51 666	(4 506)
Redefine International Fund Managers Limited (incorporated in British Virgin Isles)	274 440	221 002	2 341*	1 493*
	1 672 778	1 580 419	127 238	8 114

* *Effective 1 August 2009*

	GROUP 2010 R000	GROUP 2009 R000
9. LOANS RECEIVABLE		
9.1 AENGUS LIFESTYLE PROPERTIES (PROPRIETARY) LIMITED	**55 944**	196 777
9.2 DIJALO PROPERTY SERVICES (PROPRIETARY) LIMITED	**162 722**	159 613
9.3 MERGENCE AFRICA PROPERTIES (PROPRIETARY) LIMITED	**159 283**	154 063

9. LOANS RECEIVABLE

9.1 AENGUS LIFESTYLE PROPERTIES (PROPRIETARY) LIMITED

The loan bears interest at 12,5% per annum, 12% is payable monthly and the balance is capitalised. The loan is repayable on 29 February 2012. The loan is secured by a mortgage bond over investment properties with a carrying value of R52 million.

9.2 DIJALO PROPERTY SERVICES (PROPRIETARY) LIMITED

R127,3 million of the loan is repayable on 31 January 2011, bears interest at 11,5% per annum, 9,5% is payable monthly and the remainder is capitalised to the loan.

R32,3 million of the loan bears interest at the rate of prime less 2,2% per annum and has no fixed terms of repayment.

Payment is not expected within the next 12 months as the loans are in the process of being renegotiated. 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.

9.3 MERGENCE AFRICA PROPERTIES (PROPRIETARY) LIMITED

R135,3 million of the loan is repayable on 31 January 2011, bears interest at 11,5% per annum, 9,5% is payable monthly and the remainder is capitalised to the loan.

R2,9 million of the loan bears interest at 11,5% per annum. Interest and capital is repaid monthly until 31 January 2011.

R15,8 million of the loan bears interest at the rate of prime less 2,2% per annum and has no fixed terms of repayment.

Payment is not expected within the next 12 months as the loans are in the process of being renegotiated. In the event of default by Mergence, Redefine has a call option to take ownership and transfer of all of Mergence's interests in Mergence Africa Property Fund (Proprietary) Limited.

	GROUP 2010 R000	2009 R000
9. LOANS RECEIVABLE *continued*		
9.4 THE NEST TRUST	**16 657**	15 072
Interest is charged at prime on the first R4,2 million and at prime plus 3% on amounts in excess of R4,2 million.		
No fixed terms of repayment have been determined. Payment is not expected within the next 12 months.		
9.5 OASIS JOINT VENTURE	**18 246**	14 611
The loan is unsecured and bears interest at prime.		
No fixed terms of repayment have been determined. Payment is not expected within the next 12 months.		
9.6 AFHCO (PROPRIETARY) LIMITED	**–**	10 529
In the prior year loan interest was charged at 11,5% per annum. Interest and capital were repaid monthly.		
9.7 BROADLANDS STUD FARM DEVELOPMENT JOINT VENTURE	**6 696**	4 977
Interest is charged at prime plus 2%.		
No fixed terms of repayment have been determined. Payment is not expected within the next 12 months.		
9.8 JOSDEL 137 (PROPRIETARY) LIMITED	**6 650**	4 604
The loan is unsecured and there is no fixed rate of interest. Interest charged during the financial year ended 31 August 2010 ranged from 0% to 10% per annum.		
No fixed terms of repayment have been determined. Payment is not expected within the next 12 months.		
9.9 SHARE SCHEME LOAN TO EMPLOYEES SECONDED TO HYPROP INVESTMENTS LIMITED	**28**	1 546
The loans are secured by a pledge and cession of 156 722 linked units in Hyprop Investments Limited held by employees, bear interest at variable rates and are repayable by 9 June 2012.		
9.10 BRICKFIELD JOINT VENTURE	**40 108**	811
The loan is unsecured and bears interest at the rate of prime less 1,5% per annum.		
No fixed terms of repayment have been determined. Payment is not expected within the next 12 months.		
9.11 EAGLE CREEK INVESTMENTS 40 (PROPRIETARY) LIMITED	**258**	–
The loan is unsecured and bears interest at prime plus 3% and has no fixed terms of repayment. Payment is not expected within the next 12 months.		

	GROUP 2010 R000	GROUP 2009 R000
9. LOANS RECEIVABLE *continued*		
9.12 SCHRODERS (C.I.) LIMITED	**49 021**	–
The loan is represented by security deposits. These bear interest at 6,725% per annum.		
The security deposits are secured by investment property and mature between one and three years.*		
9.13 COROVEST MEZZANINE CAPITAL LIMITED	**590 082**	–
The loans are secured and bear interest at rates between 10% and 12% per annum.		
The loans are repayable between one and three years.*		
9.14 PEARL HOUSE SWANSEA LIMITED	**1 321**	–
The loans are unsecured and bear interest at rates between 0% and 7% per annum.		
The loans are repayable on demand however, payment is not expected within the next 12 months.*		
Total loans receivable	**1 107 016**	562 603
Current portion	**–**	(2 003)
Non-current portion	**1 107 016**	560 600

** Pound denominated*

	GROUP 2010 R000	GROUP 2009 R000
10. OTHER FINANCIAL ASSETS		
Unlisted investments	**4 115**	–

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
11. GUARANTEE FEES RECEIVABLE				
Receivable from BEE participants	**58 386**	56 167	**–**	–
Current portion	**(37 037)**	(20 127)	**–**	–
Non-current portion	**21 349**	36 040	**–**	–
Present value of financial guarantee contract liability	**(8 596)**	(9 838)	**(2 273)**	–
Net guarantee fees receivable	**12 753**	26 202	**(2 273)**	–

The guarantee fees are payable by BEE participants as a result of the group's undertaking to guarantee repayment of their loans to banks for the funding of Redefine linked units acquired by BEE participants in prior years.

	GROUP	
	2010	2009
	R000	R000
12. PROPERTY, PLANT AND EQUIPMENT		
Computer equipment	**36 062**	797
– Cost	**39 753**	1 591
– Accumulated depreciation	**(3 691)**	(794)
Furniture and fittings	**4 381**	92
– Cost	**7 095**	1 272
– Accumulated depreciation	**(2 714)**	(1 180)
Motor vehicles	**322**	249
– Cost	**605**	867
– Accumulated depreciation	**(283)**	(618)
Building	**170 493**	29 931
– Cost	**170 493**	27 432
– Accumulated depreciation	**(479)**	(597)
– Revaluation	**479**	3 096
Balance at end of year	**211 258**	31 069
12.1 MOVEMENT FOR THE YEAR		
Balance at beginning of year:	**31 069**	30 594
Subsidiaries acquired	**658**	869
– Computer equipment	**628**	764
– Furniture and fittings	**30**	–
– Motor vehicles	**–**	105
Acquisitions	**42 061**	1 181
– Computer equipment	**37 803**	44
– Furniture and fittings	**3 996**	377
– Motor vehicles	**–**	298
– Building	**262**	462
Transfer from properties held for trading	**141 573**	–
Revaluation		
– Building	**479**	553
Depreciation	**(4 323)**	(675)
– Computer equipment	**(2 507)**	(54)
– Furniture and fittings	**(1 227)**	(339)
– Motor vehicles	**(110)**	(23)
– Building	**(479)**	(259)
Disposals	**(259)**	(1 453)
– Computer equipment	**(259)**	–
– Furniture and fittings	**–**	(953)
– Motor vehicles	**–**	(500)

	GROUP	
	2010	2009
	R000	R000
12. PROPERTY, PLANT AND EQUIPMENT *continued*		
12.1 MOVEMENT FOR THE YEAR *continued*		
Property, plant and equipment at end of year	**211 258**	31 069

The Oasis Care Center is located at erf 6246, Montague Gardens, Cape Town.

The Upper Eastside Hotel is located at erf 14109, Woodstock, Cape Town.

The Oasis Care Center building was revalued on 31 August 2010 by independent valuers on the same basis as investment properties (note 2). The revaluation surplus was credited to non-distributable reserves, net of deferred taxation. On the historic cost basis the book value would be R26,4 million.

The Upper Eastside Hotel was brought into use close to year-end and as a result the cost is a close approximation of the fair value.

The buildings are encumbered as set out in note 21.

	COMPANY	
	2010	2009
	R000	R000
13. INTEREST IN SUBSIDIARIES		
Shares at cost – net	**15 365 379**	15 365 379
Costs incurred	**15 502 122**	15 502 122
Less: Pre acquisition dividends	**(136 743)**	(136 743)
Loans to subsidiaries	**3 330 743**	1 243 486
	18 696 122	16 608 865

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 132.

	GROUP	
	2010	2009
	R000	R000
14. PROPERTIES HELD FOR TRADING		
Properties acquired and developed for sale	**128 317**	186 908

	GROUP 2010 R000	GROUP 2009 R000
15. LISTED SECURITIES HELD FOR TRADING		
15.1 AT FAIR VALUE		
SA Corporate Real Estate Fund	–	9 316
	–	9 316
15.2 MOVEMENT FOR THE YEAR		
Balance at beginning of year	**9 316**	105 385
Transfer to listed securities portfolio	–	(105 385)
On acquisition of subsidiary	–	8 666
Disposal	**(9 995)**	–
Revaluation	**679**	650
Balance at end of year	–	9 316
15.3 NUMBER OF UNITS HELD		
SA Corporate Real Estate Fund	–	3 611 000

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
16. TRADE AND OTHER RECEIVABLES				
Trade receivables	**95 027**	32 531	–	–
Less: Impairments	**(9 653)**	(7 005)	–	–
	85 374	25 526	–	–
Deposits and prepayments	**90 469**	56 240	**38 814**	60
Loan receivable	**88 300**	14 409	–	–
Municipal recoveries	**17 223**	10 456	**199**	–
Executive sign on incentives	**6 387**	11 650	–	–
Debtors for properties sold	**35 672**	43 149	**31 036**	–
Capital gains taxation refundable	**10 215**	10 215	–	–
Rates clearances	**147 130**	–	–	–
Other receivables	**91 507**	38 348	**10 088**	–
	572 277	209 993	**80 137**	60
17. CASH AND CASH EQUIVALENTS				
For the purpose of the cash flow statement, cash and cash equivalents comprise:				
Bank balances	**606 980**	111 154	**11 717**	–

The group has a R10 million overdraft facility with The Standard Bank of South Africa Limited secured on the same terms as the loans in note 21 below.

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

	GROUP		COMPANY	
	2010 R000	2009 R000	**2010 R000**	2009 R000
18. NON-CURRENT ASSETS HELD FOR SALE				
Investment properties to be disposed of after year-end				
At beginning of year	**173 200**	17 585	**–**	–
Transferred to investment properties (note 2)	**(71 300)**	–	**–**	–
Disposals	**(101 900)**	(17 585)	**–**	–
Transferred from investment properties (note 2)	**351 359**	17 300	**–**	–
On acquisition of subsidiaries	**–**	155 900		
Balance at end of year	**351 359**	173 200	**–**	-
19. SHARE CAPITAL AND PREMIUM				
Authorised				
3 500 000 000 (2009: 3 500 000 000) ordinary shares of 0,1 cent each	**3 500**	3 500	**3 500**	3 500
Issued				
2 690 172 102 (2009: 2 654 538 299) ordinary shares of 0,1 cent each	**2 691**	2 655	**2 691**	2 655
Less: 5 876 766 treasury shares (2009: 5 876 770)	**(6)**	(6)	**–**	–
Balance at end of year	**2 685**	2 649	**2 691**	2 655
Share premium				
Balance at beginning of year	**11 600 186**	2 088 050	**11 604 591**	2 092 456
Premium on shares issued	**185 430**	9 513 059	**185 430**	9 513 059
Share issue expenses	**–**	(923)	**–**	(924)
Balance at end of year	**11 785 616**	11 600 186	**11 790 021**	11 604 591
Total share capital and premium	**11 788 301**	**11 602 835**	**11 792 712**	11 607 246

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 20).

	GROUP		COMPANY	
	2010 **R000**	2009 R000	**2010** **R000**	2009 R000
20. DEBENTURE CAPITAL				
Authorised				
3 500 000 000 (2009: 3 500 000) ordinary debentures of 180 cents each	**6 300 000**	6 300 000	**6 300 000**	6 300 000
Issued				
2 690 172 102 (2009: 2 654 538 299) debentures of 180 cents	**4 842 309**	4 778 169	**4 842 309**	4 778 169
Less: 5 876 766 treasury units debentures (2009: 5 876 770)	**(10 578)**	(10 578)	**–**	–
Balance at end of year	**4 831 731**	4 767 591	**4 842 309**	4 778 169
Movement for the year				
Balance at beginning of year	**4 767 591**	1 607 689	**4 778 169**	1 618 268
Issued during the year	**64 140**	3 159 902	**64 140**	3 159 901
Balance at end of year	**4 831 731**	4 767 591	**4 842 309**	4 778 169

(a) The debentures are irrevocably linked to the issued ordinary shares of the company and can only be sold together with the relevant linked shares.

(b) The debentures are unsecured and are subordinated in favour of the company's other creditors.

(c) Interest accrues to the debenture holder quarterly. The interest entitlement on each debenture will in aggregate be 100% of the group's net operating income for that distribution period. The net operating income as defined in the debenture trust deed excludes capital items and the effects of straight-lining of leases.

(d) In terms of the trust deed, the debentures are redeemable by special resolution at the instance of the debenture holders, on five years' notice, at any time after 23 February 2025. Full details and the terms and conditions of the debentures are set out in the trust deed which is available for inspection.

	GROUP		COMPANY	
	2010 R000	2009 R000	**2010 R000**	2009 R000
21. INTEREST BEARING BORROWINGS				
21.1 ABSA	**857 684**	1 005 284	**48 362**	–
The loan bore interest at the 3 month JIBAR rate, and was secured by a first mortgage bond over investment properties	**–**	413 795	**–**	–
The loan bore interest at 11,58%, and was secured by a first mortgage bond over investment properties	**–**	231 672	**–**	–
The loan bears interest at a rate of 9,81%, is repayable in December 2011 and is secured by investment properties (2009: secured by listed securities)	**200 000**	200 000	**–**	–
The loan bore interest at a floating rate of prime less 2,0% and was secured by a first bond over investment property	**–**	74 781	**–**	–
The loan bore interest at 9,65% per annum and was secured by a first mortgage bond over investment property	**–**	40 000	**–**	–
The loan bore interest at 9,87% per annum and was secured by a first mortgage bond over investment property	**–**	40 000	**–**	–
The loan bears interest at prime less 1% and is secured by a mortgage bond over investment property	**5 074**	5 036	**–**	–
The loan bears interest at 1,10% over 3 month JIBAR, is secured by a mortgage over investment property and is repayable on 1 December 2014	**78 041**	–	**–**	–
The loan bears interest at 2,10% over 3 month JIBAR, is secured by a mortgage over investment property and is repayable on 1 December 2012	**140 809**	–	**–**	–
The loan bears interest at 1,85% over 3 month JIBAR, is secured by a mortgage over investment property and is repayable on 31 May 2012	**349 570**	–	**–**	–
The loan bears interest at prime less 1,5%, is secured by a mortgage over investment property and a pledge of listed securities, and is repayable on 30 June 2012	**48 362**	–	**48 362**	–
The loan bears interest at prime less 2%, is unsecured and is repayable on 8 November 2010	**35 828**	–	**–**	–

	GROUP		COMPANY	
	2010 R000	2009 R000	**2010 R000**	2009 R000
21. INTEREST BEARING BORROWINGS *continued*				
21.2 NEDBANK CORPORATE (A DIVISION OF NEDBANK LIMITED)	**1 768 508**	221 609	**307 214**	–
The loan bears interest at prime less 2% (2009: fixed at 9,40% to March 2009). The loan is secured by bonds over investment property and is repayable in January 2014	**75 000**	75 000	**–**	–
The loan bore interest at prime less 1,5%, and was secured by a first mortgage bond over investment property	**–**	66 907	**–**	–
The loan bears interest at 10,66% until September 2010 and at prime less 2% thereafter. The loan is secured by bonds over investment property and is repayable in January 2014	**30 000**	30 000	**–**	–
The loan bears interest at prime less 1,25% is secured by a first mortgage bond over a building valued at R29,9 million (note 12) and is repayable within two years of the sale of the care centre. Repayment of the balance of the capital portion commences after five years	**23 723**	23 718	**–**	–
The loan was unsecured and bore interest at prime less 2,0%	**–**	9 501	**–**	–
The loan bore interest at varying rates linked to the prime rate and was secured by a first mortgage bond over investment property	**–**	16 483	**–**	–
The loan bears interest at 2,45% over 3 month JIBAR, is secured by a mortgage over investment property and is repayable on 27 January 2014	**1 020 616**	–	**–**	–

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
21. INTEREST BEARING BORROWINGS *continued*				
21.2 NEDBANK CORPORATE (A DIVISION OF NEDBANK LIMITED) *continued*				
The loan bears interest at 1,4% over 3 month JIBAR, is secured by a mortgage over investment property and is repayable on 30 June 2015	**6 928**	–	**–**	–
The loan bears interest at 1,4% over 3 month JIBAR, is secured by a mortgage over investment property and is repayable on 1 August 2017	**7 019**	–	**–**	–
The loan bears interest at 1,4% over 3 month JIBAR, is secured by a mortgage over investment property and is repayable on 2 February 2018	**167 655**	–	**–**	–
The loan bears interest at prime less 1,50%, is secured by a mortgage over investment property and is repayable on 1 September 2017	**687**	–	**–**	–
The loan bears interest at prime less 1,50%, is secured by a mortgage over investment property and is repayable on 1 March 2017	**386**	–	**–**	–
The loan bears interest at 2,35% over 3 month JIBAR, is unsecured and is repayable on 3 January 2011	**307 214**	–	**307 214**	–
The loan bears interest at prime less 1%, is secured by a mortgage over investment property and is repayable on 1 February 2011	**107 058**	–	**–**	–
The loan bears interest at 9,5%, is secured by a mortgage over investment property and is repayable on 30 November 2010	**22 222**	–	**–**	–
21.3 THE STANDARD BANK OF SOUTH AFRICA LIMITED	**2 111 512**	1 809 037	**531 000**	–
Secured by mortgage bonds over investment property	**1 580 512**	1 809 037	**–**	–
Maturity / **Rates**				
31 March 2011 – 10,07%	**500 000**	500 000	**–**	–
31 March 2011 – 10,48%	**451 249**	451 249	**–**	–
31 March 2011 – 1,94% over 3 month JIBAR	**117 000**	285 000	**–**	–
31 March 2011 – 1,75% over 3 month JIBAR	**285 000**	100 000	**–**	–
31 March 2011 – 2,26% over 3 month JIBAR	**213 070**	98 527	**–**	–
31 March 2011 – Prime less 1,5%	**14 193**	70 200	**–**	–
Floating – 8,98%	**–**	304 061	**–**	–
Standard Bank syndicated loan				
The loan bears interest at 2,2% over 1 month JIBAR, is secured over investment property and matures 31 August 2013	**531 000**	–	**531 000**	–

		GROUP		COMPANY	
		2010 R000	2009 R000	**2010 R000**	2009 R000
21. INTEREST BEARING BORROWINGS *continued*					
21.4 BLUEPRINT ORIGINATOR (PROPRIETARY) LIMITED		**2 153 573**	1 962 145	**–**	–
Secured by mortgage bonds over investment property. The loan is structured as follows:					
Maturity	**Rate**				
31 March 2011	2,3% over 3 month JIBAR	**200 000**	–	**–**	–
31 March 2011	Fixed rates of 9,81% – 10,64%	**800 000**	687 870	**–**	–
31 March 2011	0,90% over 3 month JIBAR	**36 000**	438 275	**–**	–
30 April 2011	11,51%	**225 000**	400 000	**–**	–
30 April 2011	1,15% over 3 month JIBAR	**430 000**	200 000	**–**	–
31 March 2013	11,71%	**300 000**	164 800	**–**	–
31 March 2013	2,42% over 1 month JIBAR	**162 573**	71 200	**–**	–
21.5 STANDARD FINANCE (ISLE OF MAN) LIMITED		**314 532**	270 935	**–**	–
The loan is unsecured and denominated in pounds. Interest accrues at rates linked to the ruling LIBOR rate. Interest is payable bi-annually in arrears. The loan is structure as follows:					
Maturity	**Rate**				
28 February 2012	1,52% over LIBOR*	**86 478**	96 946	**–**	–
23 May 2011	3,97% over LIBOR*	**155 202**	173 989	**–**	–
The loan bears interest at 4% over 3 months LIBOR, is secured over an investment in Wichford Property Management Limited and matures 3 May 2011*		**72 852**	–	**–**	–
21.6 RAND MERCHANT BANK		**1 192 910**	143 679	**1 192 910**	–
The loans are secured by mortgage bonds over investment property and by a pledge of listed securities and are structured as follows					
Maturity	**Rate**				
28 July 2013	2% over 3 month JIBAR	**439 296**	–	**439 296**	–
28 July 2015	2,5% over 3 month JIBAR	**753 614**	–	**753 614**	–
1 July 2014	Prime less 1,75%	**–**	143 679	**–**	–

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
21. INTEREST BEARING BORROWINGS *continued*				
21.7 UNITED PROPERTY MANAGEMENT	**50 113**	49 440	**–**	–
The loan bears interest at the Namibian prime interest rate, is secured by a mortgage bond over investment property and is repayable in 2011 with an option to renew thereafter.	**50 113**	49 440	**–**	–
21.8 AVIVA BANK	**1 468 875**	–	**–**	–
The loan bears interest at a fixed rate of 6,37% and is secured by mortgage bonds over investment property maturing 2029*	**127 452**	–	**–**	–
The loan bears interest at a fixed rate of 6,49%, is secured by mortgage bonds over investment property and is repayable in 2011*	**195 222**	–	**–**	–
The loan bears interest at a fixed rate of 6,29% and is secured by mortgage bonds over investment property maturing 2027*	**639 539**	–	**–**	–
The loan bears interest at a fixed rate of 6,44%, is secured by mortgage bonds over investment property and is repayable in 2011*	**506 662**	–	**–**	–
21.9 BARCLAYS BANK	**82 763**	–	**–**	–
The loan bears interest at a fixed rate of 5,75%, is secured by mortgage bonds over investment property and matures in 2011*	**39 088**	–	**–**	–
The loan bears interest at a fixed rate of 5,91%, is secured by mortgage bonds over investment property matures in 2011*	**43 675**	–	**–**	–

21. INTEREST BEARING BORROWINGS *continued*

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
21.10 OTHER	**733 738**	–	**–**	–
RBS – The loan bears interest at 1,35% over LIBOR, is secured by a mortgage over investment property and is repayable in 2011*	**33 922**	–	**–**	–
Allied Irish Bank – The loan bears interest at 1,25% over LIBOR, is secured by a mortgage over investment property and is repayable in 2011*	**76 256**	–	**–**	–
Citibank – The loan bears interest at 0,95% over LIBOR, is secured by a mortgage over investment property and is repayable in 2014*	**203 902**	–	**–**	–
KBC – The loan bears interest at 1,25% over LIBOR, is secured by a mortgage over investment property and is repayable in 2011*	**15 936**	–	**–**	–
Merrill Lynch – The loan bears interest at a fixed rate of 1,25% over LIBOR, is secured by a mortgage over investment property and is repayable in 2011*	**143 637**	–	**–**	–
Coronation Capital Limited – The loan bears interest at a fixed rate of 4%, is secured by a mortgage over investment property and is repayable in 2011*	**154 806**	–	**–**	–
Valovis Bank – The loan bears interest at a fixed rate of 4,95%, is secured by a mortgage over investment property and is repayable in 2011*	**47 904**	–	**–**	–
Schroeders (CI) Limited – The loan bears interest at a fixed rate of 7% and is secured on cash deposits*	**57 375**	–	**–**	–

	GROUP		COMPANY	
	2010 **R000**	2009 R000	**2010** **R000**	2009 R000
21. INTEREST BEARING BORROWINGS *continued*				
21.10 OTHER *continued*	**815 133**	–	**–**	–
Dresdner –The loan bears interest at 1,20% over EURIBOR, is secured by a mortgage over investment property and is repayable in 2013+	**212 633**	–	**–**	–
Corovest Mezzanine Capital Limited – mezzanine loan secured by a cash deposit repayable 30 April 2011*	**92 204**	–	**–**	–
Corovest Mezzanine Capital Limited – The loan bears interest at fixed rates ranging from 7,10% to 10%, is unsecured and matures in 2012*	**460 153**	–	**–**	–
Kine Homes (Proprietary) Limited – The loan bears interest at prime plus 2%. The loan has been subordinated by Kine Homes until the assets of the company exceed its liabilities	**1 481**	–	**–**	–
Matterhorn Brig SARL and Matterhorn Vich SARL – The loan bears interest at rates ranging from 5,5% to 7,5%, is unsecured and has no fixed terms of repayment+	**7 323**	–	**–**	–
Dream World Investments 169 (Proprietary) Limited – The loan bears interest at prime plus 3%, is unsecured and has no fixed repayment terms	**1 918**	–	**–**	–
Josdel Property No 136 (Proprietary) Limited – The loan bears interest at prime, is unsecured and has no fixed repayment terms	**4 592**	–	**–**	–
Shareholders' loans – the loans are unsecured and have no fixed terms of repayment. The loans are not expected to be repaid within the next 12 months	**34 829**	18 278	**–**	–
Total interest-bearing liabilities	**11 549 341**	5 480 407	**2 079 486**	–
Current portion	**(1 987 306)**	(20 308)	**(307 214)**	–
Non-current portion	**9 562 035**	5 460 099	**1 772 272**	–

21. INTEREST BEARING BORROWINGS *continued*

The average all-in interest rate in respect of total borrowings is 9,35% (2009: 9,2%).

Total borrowings represent 34% (2009: 35%) of the value of the assets.

Interest bearing borrowings valued at R10,2 billion have been secured by mortgage bonds over investment property (note 2, 4, 14 and 18) and pledges over listed securities (note 5) valued at R4,2 billion.

Certain loans are repayable in the next 12 months in terms of the original loan agreements. At the balance sheet date the directors are currently negotiating a refinancing deal which will extend the repayment period outside of the next financial year. In the unlikely event that the loans will not be renegotiated, the group has adequate available facilities with other institutions to replace these loans.

During the year Redefine restructured and renegotiated loans.

** Denominated in pounds*

+ Denominated in euros

	GROUP		COMPANY	
	2010 R000	2009 R000	**2010 R000**	2009 R000
22. INTEREST RATE SWAPS				
Swap liabilities				
22.1 R230 million at a fixed rate of 10,48% per annum, maturing on 8 October 2018	**45 680**	30 014	**–**	–
22.2 R413,8 million at a fixed rate of 8,86% per annum, maturing on 12 November 2018	**38 866**	8 735	**–**	–
22.3 R140 million at a fixed rate of 8,84% per annum, maturing on 11 November 2018	**28 838**	2 453	**–**	–
22.4 R40 million at a fixed rate of 12,07% per annum, maturing on 1 April 2011	**1 175**	2 171	**–**	–
22.5 R50 million at a fixed rate of 8,89% per annum, maturing on 25 July 2011	**1 303**	1 338	**–**	–
22.6 R40 million at a fixed rate of 9,99% per annum, maturing on 5 December 2011	**1 285**	911	**–**	–
22.7 R50 million at a fixed rate of 8,52% per annum, matured on 21 April 2010	**–**	467	**–**	–
22.8 R50 million at a fixed rate of 7,83% per annum, matured on 10 February 2010	**–**	121	**–**	–
22.9 R230 million at a fixed rate of 7,72% per annum, maturing on 12 August 2020	**5 888**	–	**5 888**	–
22.10 R270 million at a fixed rate of 7,72% per annum maturing on 12 August 2020	**7 379**	–	**7 379**	–
22.11 R205 million at a fixed rate of 5,17% per annum, maturing on 16 August 2022*	**45 412**	–	**–**	–
22.12 R76,3 million at a fixed rate of 4,59% per annum, maturing on 25 October 2010*	**731**	–	**–**	–
22.13 R22,8 million at a fixed rate of 4,81% per annum, maturing on 16 December 2010*	**489**	–	**–**	–
22.14 R93,3 million at a fixed rate of 4,61% per annum, maturing on 15 April 2014*	**10 774**	–	**–**	–
22.15 R83 million at a fixed rate of 4,2% per annum, maturing on 15 April 2014*	**8 357**	–	**–**	–
22.16 R36,4 million at a fixed rate of 4,2% per annum, maturing on 15 April 2014*	**3 756**	–	**–**	–
Net interest rate swaps	**199 933**	46 210	**13 267**	–

** Pound denominated*

	GROUP		COMPANY	
	2010 R000	2009 R000	**2010 R000**	2009 R000
22. INTEREST RATE SWAPS *continued*				
Reflected under:				
Non-current liabilities	**199 933**	46 210	**13 267**	–
Net interest rate swaps	**199 933**	46 210	**13 267**	–
23. DEFERRED TAXATION				
Arising on revaluation of property and listed security investments	**2 178 742**	2 017 166	**74 336**	69 520
Movement for the year				
Balance at beginning of year	**2 017 166**	759 551	**69 520**	–
Subsidiaries acquired	**–**	1 507 349	**–**	–
Effect of acquiring controlling interest in ApexHi	**–**	(72 785)	**–**	69 520
Deferred capital gains tax	**161 576**	(176 949)	**4 816**	–
Balance at end of year	**2 178 742**	2 017 166	**74 336**	69 520
In the current period, the purchase price allocation of the prior year business combination was completed. This resulted in the recognition of an intangible asset, the right to manage property. The effect on the prior year balance sheet was an increase in the deferred taxation liability of R264 million, which arose on the recognition of the intangible asset, and a corresponding increase in goodwill. The comparatives were restated accordingly.				
24. TRADE AND OTHER PAYABLES				
Trade payables	**32 053**	98 609	**–**	–
Accrued expenses	**135 798**	6 643	**5 187**	8 112
Tenant deposits	**81 713**	72 551	**–**	–
Tenant receipts paid in advance	**101 252**	49 854	**13 992**	–
Municipal expenses	**126 511**	116 266	**210**	–
VAT	**9 806**	11 196	**–**	–
Sundry creditors	**143 143**	12 734	**–**	–
Life rights liability	**4 601**	1 222	**–**	–
Other	**1 509**	5 196	**–**	–
Balance at end of year	**636 386**	374 271	**19 389**	8 112

	GROUP		COMPANY	
	2010	2009	**2010**	2009
	R000	R000	**R000**	R000
25. NET OPERATING INCOME				
Net operating income includes the following charges:				
Amortisation and depreciation	**112 470**	15 124	**–**	–
Auditor's remuneration	**2 707**	2 980	**31**	–
– External auditor – final audit	**2 659**	2 100	**31**	–
– External auditor – interim review	**–**	110	**–**	–
– Internal audit	**48**	770	**–**	–
Asset management fees	**9 961**	41 546	**–**	–
Staff costs	**68 541**	8 183	**–**	–
Property management fees	**105 666**	22 996	**162**	–
Valuation fees paid to third parties	**1 417**	1 150	**–**	–
26. DIRECTORS' EMOLUMENTS				
26.1 FEES EARNED FOR SERVICES AS NON-EXECUTIVE DIRECTORS				
DCM Gihwala			**180**	183
DJ Perton			**150**	125
L Barnard			**–**	217
WE Cesman (paid to Madison)			**–**	167
E Ellerine			**–**	75
S Shaw-Taylor (paid to The Standard Bank of SA)			**–**	167
N Venter			**–**	175
M Wainer (paid to Madison)			**–**	167
GJ Heron			**250**	–
MK Khumalo			**150**	–
GGL Leissner			**220**	–
HK Mehta			**150**	–
B Nackan			**220**	–
			1 320	1 276

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
26. DIRECTORS' EMOLUMENTS *continued*				
26.2 EXECUTIVE DIRECTORS' REMUNERATION				
BH Azizollahoff			**2 327**	5 442
– Salary			**1 827**	1 709
– Bonus			**500**	1 200
– Other long term employee benefit: staff incentive scheme			**–**	2 533
WE Cesman			**4 367**	198*
– Salary			**1 867**	198
– Bonus			**2 500**	–
JA Finn			**2 060**	100*
– Salary			**1 360**	100
– Bonus			**700**	–
MN Flax			**2 368**	150*
– Salary			**1 868**	150
– Bonus			**500**	–
DH Rice			**5 388**	128*
– Salary			**1 638**	128
– Bonus			**3 750**	–
M Wainer			**5 012**	198*
– Salary			**2 512**	198
– Bonus			**2 500**	–
			21 522	6 216

* *From 1 August 2009 (effective date)*

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
27. CHANGES IN FAIR VALUES				
Property portfolio – unrealised gain/(loss) on revaluation	**295 888**	(379 020)	**(8 078)**	–
Listed securities portfolio – unrealised gain/(loss) on revaluation	**605 546**	(14 207)	**–**	–
Interest rate swaps – mark to market	**(104 278)**	7 358	**(13 267)**	–
Life rights liability – unrealised loss on revaluation	**–**	(1 599)	**–**	–
Deemed profit on associate/listed security becoming a subsidiary	**562 113**	–	**–**	–
Changes in fair value	**1 359 269**	(387 468)	**(21 345)**	–
Amortisation of intangibles	**(108 142)**	–	**–**	–
Impairment of financial assets	**(64 143)**	(2 373)	**–**	–
Amortisation and impairment	**(172 285)**	(2 373)	**–**	–
	1 186 984	(389 841)	**(21 345)**	–

	GROUP 2010 R000	GROUP 2009 R000	COMPANY 2010 R000	COMPANY 2009 R000
28. INTEREST PAID				
Interest paid on interest bearing borrowings	**(843 211)**	(350 129)	**(11 901)**	–
29. INTEREST RECEIVED				
Interest received on cash invested	**283 905**	71 835	**–**	–
Interest received from subsidiaries			**1 777 775**	613 128
30. FOREIGN EXCHANGE GAIN				
Foreign exchange gain	**28 967**	7 244	**–**	–
31. TAXATION				
NORMAL TAXATION				
Current	**98**	–	**–**	–
– Current	**(2 202)**	–	**–**	–
– Adjustment to prior year	**2 300**	–	**–**	–
Deferred	**(161 576)**	176 949	**(4 816)**	–
	(161 478)	176 949	**(4 816)**	**–**
Reconciliation between applicable taxation rate and effective taxation rate				
SA normal taxation rate applied to income before taxation	**(358 444)**	130 956	**4 391**	–
Taxation effect of				
– Capital gains taxation payable at a lower rate	**169 098**	(17 375)	**(92)**	–
– Change in accounting estimate	**–**	96 484	**–**	–
– Permanent differences	**63 014**	–	**–**	–
– Deferred tax asset not recognised in respect of tax losses	**(47 201)**	(33 507)	**(9 115)**	–
– Assessed loss utilised	**27 149**	–	**–**	–
– Foreign rate differential	**(20 452)**	–	**–**	–
– Other	**5 358**	391	**–**	–
Effective taxation	**(161 478)**	176 949	**(4 816)**	-

	GROUP	
	2010 **R000**	2009 R000
32. EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS		
Earnings per linked unit are calculated on the weighted average number of units of 2 661 915 247 (2009: 1 042 258 065) and net income before taxation and interest distributions to linked unitholders of R3,1 billion (2009: R243,7 million).		
Reconciliation between earnings, headline earnings and distributable earnings		
Profit/(loss) attributable to equity holders	**1 135 752**	(288 104)
Changes in fair value of properties (net of deferred taxation)	**(216 503)**	205 028
Changes in fair value of properties	**(295 909)**	380 619
Deferred taxation on properties	**79 406**	(175 591)
Headline profit/(loss) attributable to shareholders	**919 249**	(83 076)
Debenture interest	**1 777 412**	711 354
Headline earnings attributable to linked unitholders	**2 696 661**	628 278
Changes in fair values of listed securities and financial instruments (net of deferred taxation)	**(981 191)**	7 864
Changes in fair values of listed securities and financial instruments	**(1 063 360)**	9 222
Deferred taxation	**82 169**	(1 358)
Amortisation of intangibles	**108 142**	–
Impairment of financial assets	**64 143**	–
Align consolidated foreign profits with anticipated dividends	**17 505**	–
Straight-line rental income accrual	**(155 841)**	(28 519)
Foreign exchange gain	**(28 967)**	(7 244)
Fair value adjustment of associates and minorities	**34 534**	(10 610)
Fee income from foreign subsidiary	**7 533**	–
Capital write offs included in administration costs	**5 697**	14 930
Pre-acquisition income on Hyprop units acquired in 2009	**9 196**	–
Equity accounted results of foreign associate	**–**	1 429
July income from ApexHi and Madison	**–**	105 226
Distributable earnings attributable to linked unitholders	**1 777 412**	711 354

	GROUP		COMPANY	
	2010 R000	2009 R000	**2010 R000**	2009 R000
33. CASH GENERATED/(UTILISED) FROM OPERATIONS				
Profit/(loss) before taxation	**1 280 160**	(467 700)	**(15 682)**	(106 580)
Adjusted for:				
Non-cash flow items	**(1 247 530)**	406 031	**19 238**	(3 582)
Interest paid	**843 211**	350 129	**11 901**	–
Interest received	**(283 905)**	(79 079)	**(1 777 775)**	–
Debenture interest	**1 777 412**	711 354	**1 781 321**	714 677
Operating income before working capital changes	**2 369 348**	920 735	**19 003**	604 515
Working capital changes	**(189 232)**	113 687	**(68 800)**	5 740
Trade, listed security income and other receivables	**(266 673)**	57 834	**(80 077)**	(2)
Properties held for trading	**–**	12 673	**–**	–
Trade and other payables	**77 441**	43 180	**11 277**	5 742
	2 180 116	1 034 422	**(49 797)**	610 255
Non-cash flow items				
Depreciation and amortisation	**112 470**	1 107	**–**	–
Impairments	**64 143**	8 309	**–**	–
Fair value adjustments	**(1 359 269)**	389 783	**21 345**	–
Straight-line lease accrual	**(155 841)**	(28 519)	**(2 107)**	–
Forex (profit)/loss	**(28 967)**	7 244	**–**	–
Guarantee fee income	**3 871**	3 938	**–**	–
Equity accounted results of associates	**62 931**	–	**–**	–
Other non-cash flow items	**2 273**	–	**–**	–
Lease commissions and amortised tenant installations	**60 347**	–	**–**	–
Listed securities	**–**	24 169	**–**	–
Deferred profit	**(9 488)**	–	**–**	–
Merger costs accrued	**–**	–	**–**	(3 582)
Total non-cash flow items	**(1 247 530)**	406 031	**19 238**	(3 582)

	GROUP		COMPANY	
	2010 R000	2009 R000	**2010 R000**	2009 R000
34. DISTRIBUTIONS PAID				
Distributions payable at beginning of year	**(311 218)**	(138 708)	**(311 908)**	(139 620)
On acquisition of subsidiary	**–**	(464 072)	**–**	(464 072)
Distributions declared	**(1 777 412)**	(711 354)	**(1 781 321)**	(714 677)
Distributions payable at end of year	**456 330**	311 218	**457 329**	311 908
	(1 632 300)	(1 002 916)	**(1 635 900)**	(1 006 461)

35. BUSINESS COMBINATIONS

2010

Acquisition of additional interest in Redefine International plc (RI plc) and Redefine International Fund Managers (RIFM)

On 1 October 2009, the group acquired an additional 41,9% interest in RIFM (formerly Corovest Fund Managers Limited) which increased the shareholding from 34% to 76%. With effect from 1 February 2010, Redefine increased its holding in RI plc by 42,1% increasing its stake to 76%.

The acquired businesses contributed revenues of R217,1 million and net loss after tax of R6,2 million, including the effect of fair value adjustments, to the group for the period under review. These amounts have been calculated using the group's accounting policies together with consequential tax effects.

If the acquisitions had occurred on 1 September 2009, the contribution to group revenue and net profit after tax would have been R265,7 million and R124,8 million respectively.

35. BUSINESS COMBINATIONS *continued*

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

	RI plc R000	RIFM R000	Total R000
The provisional carrying amounts of the assets and liabilities on the dates acquired are as follows:			
Investment properties and properties under development	2 253 680	–	2 253 680
Listed securities portfolio	499 495	–	499 495
Intangible assets	88 431	544 023	632 454
Investment in associates and joint ventures	298 083	–	298 083
Loans receivable	481 247	136 096	617 343
Property, plant and equipment	–	658	658
Other financial assets	2 723	–	2 723
Trade and other receivables	140 588	33 635	174 223
Cash and cash equivalents	562 772	2 352	565 124
Non-controlling interest	(652 710)	(102 369)	(755 079)
Interest bearing borrowings	(2 622 900)	(252 132)	(2 875 032)
Interest rate swaps	(57 873)	–	(57 873)
Trade and other payables	(157 790)	(39 867)	(197 657)
Acquirees' carrying amount at acquisition	835 746	322 396	1 158 142
Goodwill	650 369	–	650 369
	1 486 115	322 396	1 808 511
Value of shares in Wichford swapped for RI plc shares	(248 483)	–	(248 483)
Value of investment already owned by Redefine	(600 756)	(144 382)	(745 138)
Purchase consideration settled in cash	**636 876**	**178 014**	**814 890**

The business combinations were accounted for using provisional figures in terms of IFRS 3: Business Combinations. The excess of the purchase price over RI plc's net assets was reflected as goodwill.

Completion of prior year business combination

In 2009, Redefine acquired all of the ApexHi A, B and C linked units it did not already own and all of the linked units in Madison. The excess of the purchase price over the net assets acquired was reflected as goodwill in Redefine's annual financial statements at 31 August 2009. In the current period, the purchase price allocation was completed. This resulted in the recognition of an intangible asset, the right to manage property, as follows:

Right to manage property	942 835
Deferred taxation thereon	(263 994)
Net asset recognised	678 841
Goodwill initially recognised in 2009	3 248 835
Net goodwill after purchase price allocation	**2 569 994**

The intangible asset will be amortised over a period of 15 years.

The effect on the prior year balance sheet was an increase in the deferred taxation liability of R264 million, which arose on the recognition of the intangible asset, and a corresponding increase in goodwill. The comparatives were restated accordingly.

35. BUSINESS COMBINATIONS *continued*

2009

Acquisition of ApexHi Properties Limited (ApexHi) and Madison Property Fund Managers Limited (Madison)

The acquired businesses contributed revenues to the group for the period 1 August to 31 August 2009 of R145,2 million and net profit after tax of R162,2 million including the effect of the fair value adjustments. These amounts were calculated using the group's accounting policies together with the consequential tax effects.

If the acquisition had occurred on 1 September 2008, the contribution to group revenue and net profit after tax would have been R1,8 billion and R691 million respectively.

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

Purchase consideration :	R000
– Cash paid	–
– Fair value of linked units issued	12 674 716
– Direct costs relating to the acquisition	24 477
Total purchase consideration	**12 699 193**

The fair value of linked units issued was based on the published share price of Redefine on 14 August 2009, the day prior to that on which the new units commenced trading on the JSE Limited.

The assets and liabilities as at 1 August 2009 arising from the acquisition are as follows :

	Acquiree's carrying amount R000
Cash and cash equivalents	819 039
Investment properties	12 224 420
Straight-line rental income accrual	291 790
Non-current assets held for sale	155 900
Listed securities portfolio	139 558
Listed securities held for trading	8 666
Intangible asset	942 835
Property, plant and equipment	869
Loans receivable	470 229
Intangible assets	11 863
Investment in associate	62 657
Guarantee fee receivable	34 800
Trade and other receivables	197 354
Properties held for trading	2 059
Deferred taxation	(1 507 349)
Interest bearing borrowings	(2 119 261)
Interest rate swaps	(43 258)
Trade and other payables	(235 318)
Linked unitholders for distribution	(464 072)
Fair value of net assets	10 992 781
Minority interests	(323)
Goodwill	2 569 994
Total purchase consideration	13 562 452
Value of ApexHi linked units already owned by Redefine	(863 259)
Costs of acquisition	(24 477)
Purchase consideration settled by issue of linked units	**12 674 716**

	GROUP		COMPANY	
	2010	2009	**2010**	2009
	R000	R000	**R000**	R000
36. COMMITMENTS				
36.1 CAPITAL COMMITMENTS				
Property under development	**33 000**	205 000	**–**	–
Capital improvements on investment properties	**1 086 418**	19 000	**500 000**	–
– approved and committed	**1 080 543**	19 000	**500 000**	–
– approved not yet committed	**5 875**	–	**–**	–
	1 119 418	224 000	**500 000**	–
36.2 OPERATING EXPENSE COMMITMENTS				
The only significant long-term contractual commitments are in respect of general maintenance of lifts, escalators and air conditioning installations.				
– Due within one year	**17 605**	35 440	**–**	–
– Due within two to five years	**18 418**	30 116	**–**	–
	36 023	65 556	**–**	–
36.3 OPERATING LEASE COMMITMENTS				
Commitments due in respect of leases entered into by Redefine on leasehold property				
– Due within one year	**11 214**	9 811	**–**	–
– Due within two to five years	**32 201**	32 188	**–**	–
– Due beyond five years	**270 000**	273 548	**–**	–
	313 415	315 547	**–**	–
37. MINIMUM LEASE PAYMENTS RECEIVABLE				
Minimum lease payments comprise contractual rental income, excluding the straight-line lease adjustment, and operating expense recoveries due in terms of signed lease agreements on investment properties				
– Receivable within one year	**2 342 191**	1 909 905	**26 737**	–
– Receivable within two to five years	**5 140 913**	3 936 458	**119 183**	–
– Receivable beyond five years	**3 586 060**	1 517 249	**–**	–
	11 069 164	7 363 612	**145 920**	–

38. CONTINGENT LIABILITIES AND GUARANTEES

Suretyships limited to R459 million have been provided relating to BEE initiatives.

Liabilities of joint ventures have been guaranteed to a maximum amount of R30,8 million.

At the date of this report the company has provided guarantees in respect of loans to Clearwater to a maximum of R200 million.

At year-end, all parties had met all their obligations in respect of their loans.

There are no other material guarantees or contingent liabilities.

39. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, derivative instruments, amounts due from subsidiaries, associates and third parties, trade and other receivables, trade and other payables, listed securities, debentures and linked unitholders for distribution. In respect of the aforementioned financial instruments, book value approximates fair value. Exposure to market, credit and liquidity risk arises in the normal course of business.

The group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

While risk management is the ultimate responsibility of the board of directors, the board has delegated this responsibility to the audit and risk committee which is responsible for developing and monitoring the group's risk management policies.

The group's risk management policies are established to ensure:
- Improved risk management and control;
- The efficient allocation of funds to maximise returns;
- The maintenance of acceptable levels of risk within the group as a whole; and
- Efficient liquidity management and control of funding costs.

The audit and risk committee reviews management's compliance with the group's risk policies and procedures and assesses the adequacy of the risk management framework. The committee reports regularly to the board of directors.

39.1 CREDIT RISK MANAGEMENT

Potential areas of credit risk consist of trade receivables and short-term cash investments. Trade receivables are widely spread over a large customer base. The financial positions of these customers are monitored on an ongoing basis. All specific doubtful debts have been impaired at year-end and management did not consider there to be any material credit risk exposure that was not already covered by an impairment adjustment.

The impairment allowance at 31 August 2010 was R9,7 million (2009: R7,0 million) net of tenant deposits or guarantees held as security. The company held tenant cash deposits and guarantees with a fair value of R116,3 million at 31 August 2010 (2009: R87,5 million).

The specifically impaired receivables relate to tenants who have either been summonsed for non-payment, vacated the premises or who have a history of payment default. It is expected that a portion of the specifically impaired receivables will be recovered.

	GROUP	
	2010	2009
	R000	R000
Ageing of impaired trade receivables		
Not more than 30 days	**967**	1 839
More than 30 days but not more than 60 days	**1 056**	901
More than 60 days but not more than 90 days	**2 002**	231
More than 90 days	**5 628**	4 034
Total	**9 653**	7 005
Movements on the allowance for the impairment of trade receivables are as follows:		
Opening balance	**7 005**	11 183
Impairment losses recognised on receivables	**16 806**	13 846
Impairment losses reversed on receivables	**(14 158)**	(18 024)
Balance at end of year	**9 653**	7 005

39. FINANCIAL RISK MANAGEMENT *continued*

39.1 CREDIT RISK MANAGEMENT *continued*

The allowance for impaired receivables and receivables written off is included in property expenses. Amounts charged to the allowance will be written off when all avenues for recovery have been exhausted and there is no expectation that any further cash will be received.

At reporting date no geographic area, rental sector or size of tenant had been identified as a specific credit risk.

Receivables past due but not impaired

Receivables are considered to be "past due" when they are uncollected one day or more beyond their contractual due date.

As at 31 August 2010, trade receivables of R30,1 million (2009: R25,5 million) were considered past due but not impaired. These include varied customers with no recent history of payment default.

The ageing of these trade receivables is as follows:

	GROUP 2010 R000	GROUP 2009 R000
Ageing of trade receivables past due but not impaired		
Not more than 30 days	**18 049**	11 710
More than 30 days but not more than 60 days	**5 218**	3 422
More than 60 days but not more than 90 days	**5 694**	2 032
More than 90 days	**1 125**	8 362
	30 086	25 526

39.2 LIQUIDITY RISK

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group ensures that it always has adequate funds available and seeks to borrow for as long as possible at the lowest possible cost. Liquidity requirements are managed by monitoring forecasted cash flows and the maturity profile of financial liabilities.

39. FINANCIAL RISK MANAGEMENT *continued*

39.2 LIQUIDITY RISK *continued*

A maturity analysis of financial assets and liabilities is set out in the table below. This analysis excludes interest payments as the amounts involved are dependent on future changes in interest rates.

	Maturity			
	Less than 1 year R000	1–5 years R000	More than 5 years R000	Total R000
Year ended 31 August 2010				
Financial assets				
Listed securities	**–**	**–**	**5 099 485**	**5 099 485**
Loans receivable	**–**	**–**	**1 107 016**	**1 107 016**
Other financial asset	**–**	**–**	**4 115**	**4 115**
Guarantee fee	**37 037**	**21 349**	**–**	**58 386**
Trade and other receivables	**572 277**	**–**	**–**	**572 277**
Listed securities income	**153 363**	**–**	**–**	**153 363**
Cash and cash equivalents	**606 980**	**–**	**–**	**606 980**
Total financial assets	**1 369 657**	**21 349**	**6 210 616**	**7 601 622**
Financial liabilities				
Debenture capital	**–**	**–**	**4 831 731**	**4 831 731**
Interest bearing liabilities	**1 987 306**	**9 364 765**	**197 270**	**11 549 341**
Interest rate swaps	**3 698**	**24 172**	**172 063**	**199 933**
Financial guarantee contract	**–**	**8 596**	**–**	**8 596**
Trade and other payables	**636 386**	**–**	**–**	**636 386**
Linked unitholders for distribution	**456 330**	**–**	**–**	**456 330**
Total financial liabilities	**3 083 720**	**9 397 533**	**5 201 064**	**17 682 317**
Year ended 31 August 2009				
Financial assets				
Listed securities	9 316	–	2 807 448	2 816 764
Loans receivable	–	–	560 600	560 600
Guarantee fee	20 127	36 040	–	56 167
Trade and other receivables	211 996	–	–	211 996
Listed securities income	100 628	–	–	100 628
Cash and cash equivalents	111 154	–	–	111 154
Total financial assets	453 221	36 040	3 368 048	3 857 309
Financial liabilities				
Debenture capital	–	–	4 767 591	4 767 591
Interest bearing liabilities	20 308	–	5 460 099	5 480 407
Interest rate swaps	–	35 022	11 188	46 210
Financial guarantee contract	–	9 838	–	9 838
Trade and other payables	374 271	–	–	374 271
Linked unitholders for distribution	311 218	–	–	311 218
Total financial liabilities	705 797	44 860	10 238 878	10 989 535

39. FINANCIAL RISK MANAGEMENT *continued*

39.2 LIQUIDITY RISK *continued*

The table below sets out the group's accounting classification of each class of financial asset and liability and their fair values at 31 August 2010 and 31 August 2009.

Financial instruments by category

	Financial assets		Financial liabilities		
	At amortised cost R000	At fair value through profit or loss R000	At amortised cost R000	At fair value through profit or loss R000	Total R000
Year ended 31 August 2010					
Financial assets					
Listed securities	**–**	**5 099 485**	**–**	**–**	**5 099 485**
Loans receivable	**1 107 016**	**–**	**–**	**–**	**1 107 016**
Other financial asset	**–**	**4 115**	**–**	**–**	**4 115**
Guarantee fee	**–**	**58 386**	**–**	**–**	**58 386**
Trade and other receivables	**572 277**	**–**	**–**	**–**	**572 277**
Listed securities income	**153 363**	**–**	**–**	**–**	**153 363**
Cash and cash equivalents	**–**	**606 980**	**–**	**–**	**606 980**
Total financial assets	**1 832 656**	**5 768 966**	**–**	**–**	**7 601 622**
Financial liabilities					
Debenture capital	**–**	**–**	**4 831 731**	**–**	**4 831 731**
Interest bearing liabilities	**–**	**–**	**11 549 341**		**11 549 341**
Interest rate swaps	**–**	**–**	**–**	**199 933**	**199 933**
Financial guarantee contract	**–**	**–**	**–**	**8 596**	**8 596**
Trade and other payables	**–**	**–**	**–**	**636 386**	**636 386**
Linked unitholders for distribution	**–**	**–**	**456 330**	**–**	**456 330**
Total financial liabilities	**–**	**–**	**16 837 402**	**844 915**	**17 682 317**
Year ended 31 August 2009					
Financial assets					
Listed securities	–	2 816 764	–	–	2 816 764
Loans receivable	560 600	–	–	–	560 600
Guarantee fee	–	56 167	–	–	56 167
Trade and other receivables	211 996	–	–	–	211 996
Listed securities income	100 628	–	–	–	100 628
Cash and cash equivalents	–	111 154	–	–	111 154
Total financial assets	873 224	2 984 085	–	–	3 857 309
Financial liabilities					
Debenture capital	–	–	4 767 591	–	4 767 591
Interest bearing liabilities	–	–	5 480 407	–	5 480 407
Interest rate swaps	–	–	–	46 210	46 210
Financial guarantee contract	–	–	–	9 838	9 838
Trade and other payables	–	–	–	374 271	374 271
Linked unitholders for distribution	–	–	311 218	–	311 218
Total financial liabilities	–	–	10 559 216	430 319	10 989 535

39. FINANCIAL RISK MANAGEMENT *continued*

39.3 MARKET RISK

Interest rate risk

The group is exposed to interest rate risk through its variable rate cash balances and long-term balances (refer to managing debt section).

The group reduces its exposure to changes in interest rates by fixing interest rates in respect of 56% of its borrowings. This is achieved by entering into agreements to receive variable and pay fixed interest rate swaps.

An increase (or decrease) of 1% in interest rates for the year ending 31 August 2010 would have decreased (increased) distributions to unitholders by approximately R29,9 million (2009: R11,5 million).

Equity price risk

The group is exposed to equity securities price risk in respect of listed securities held by the group. Any fluctuations in equity prices do not affect distributions paid to unitholders. If equity security prices increased or decreased by 5% of the carrying amount at year-end, the effect on net income before taxation would have been R255 million (2009: R140,8 million).

Currency risk

The group is exposed to currency risk due to the investment in RI plc. As this is held through Redefine Properties International Limited, Redefine's exposure is limited to fluctuations in Redefine Properties International Limited's share price.

The group controls currency risk relating to its investment in its associate by adopting a policy of not distributing attributable income from this investment until a dividend has been declared and paid by the associate.

39.4 FAIR VALUE HIERARCHY

IFRS 7 requires that an entity disclose for each class of financial instruments measured at fair value, the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The table below analyses financial instruments carried at fair value, by valuation method:

The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

39. FINANCIAL RISK MANAGEMENT *continued*

39.4 FAIR VALUE HIERARCHY continued

	Designated at fair value R000	Level 1 R000	Level 2 R000	Level 3 R000
Financial assets				
Listed securities portfolio	**5 099 485**	5 099 485	–	–
Other financial assets	**4 115**	–	–	4 115
Guarantees fee receivable	**58 386**	–	58 386	–
Cash and cash equivalents	**606 980**	606 980	–	–
	5 768 966	5 706 465	58 386	4 115
Financial liabilities				
Interest rate swaps	**199 933**	–	199 933	–
Financial guarantee contract	**8 596**	–	8 596	–
Trade and other payables	**636 386**	–	636 386	–
	844 915	–	844 915	–

39.4.1 Reconciliation between the opening balance and closing balance for fair value measurements in Level 3

	Total R000
Opening balance	**–**
On acquisition/disposal of subsidiary	4 115
Closing balance	**4 115**

There have been no transfers between Levels 1 – 3 and there have been no changes to the valuation methods used.

39.4.2 Sensitivity of fair values to reasonably possible alternative assumptions by Level 3 instrument type

The fair value of financial instruments in Level 3 is measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

	Reflected in the statement of comprehensive income	
	Favourable changes R000	Unfavourable changes R000
Other financial assets	1 029	4 115
Total	**1 029**	**4 115**

As these other financial assets relate to unlisted investments in the UK, a favourable change has been included as a 25% increase in underlying value while an unfavourable change has been included as a 100% decrease in investment, i.e. a total loss.

40. CAPITAL MANAGEMENT

RI plc and RIFM borrowings of R3,1 billion (GBP275,7 million) are negotiated directly by them, have no recourse to Redefine's South African balance sheet, and are excluded in all the ratios below. The investment in Redefine Properties International Limited (RI Limited) has been included in the value of listed investments.

In terms of the articles of association and the trust deed, there are no restrictions on borrowings. However, to protect Redefine's exposure, the board has imposed a limit on borrowings of 45% of total assets.

Excluding RI plc and RIFM, Redefine's borrowings at 31 August 2010, borrowings represented 34% (2009: 26%) of the value of its property and listed securities portfolio.

The group's capital management objective is to maintain a strong capital base to safeguard the entity's ability to provide returns to unitholders and other stakeholders. The group manages its capital structure with reference to risk and other changes in economic conditions.

	GROUP	
	2010 R000	2009 R000
Value of the property portfolio	**19 538 532**	18 594 884
– Consolidated property portfolio	**22 130 205**	18 594 884
– Ring-fenced UK property portfolio	**(2 591 673)**	–
Value of listed investments	**5 206 384**	2 816 764
– Consolidated listed investments	**5 099 485**	2 816 764
– Investment in Redefine Properties International Limited	**958 104**	–
– Ring-fenced UK listed investments	**(851 205)**	–
South African property portfolio and listed investments	**24 744 916**	21 411 648
45% (2009: 30%) thereof	**11 135 212**	6 423 494
South African borrowings utilised	**8 405 192**	5 480 407
– Consolidated borrowings	**11 549 341**	5 480 407
– Ring-fenced UK borrowings	**(3 144 149)**	–
South African unutilised borrowings capacity	**2 730 020**	943 087

	GROUP	
	2010 R000	2009 R000
41. RELATED PARTY TRANSACTIONS		
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.		
Related parties with whom Redefine transacted during the year were:		
Madison Property Fund Managers		
Transactions concluded	–	47 845
– Asset management fee	–	41 546
– Development fees	–	5 966
– Directors' fees	–	333
Relationship: Asset manager board representation		
Standard Bank of South Africa		
Transactions concluded	–	220 571
– Interest	–	253 193
– Bond administration fees	–	585
– Lease revenue	–	(33 207)
Relationship: Shareholder and financier		
ApexHi BEE Trust		
Income comprising interest distributions	**5 184**	916
Relationship: Trustee and shareholding		
Dipula Property Investment Trust		
Asset management fees	**1 896**	155
Relationship: Associate company		
Mergence Africa Property Investment Trust		
Asset management fees	**1 454**	122
Relationship: Associate company		
Directors' emoluments (note 26)		
Non-executive directors	**1 320**	1 276
Executive directors	**21 522**	6 216

	GROUP	
	2010	2009
	R000	R000
42. JOINTLY CONTROLLED ASSETS		
42.1 South Coast Mall (50% interest)		
South Coast Mall, a jointly controlled and co-owned asset between Redefine and Hyprop, is proportionately consolidated on a line by line basis.		
Summarised aggregate financial information relating to Redefine's interest in South Coast Mall:		
Non-current assets	**146 261**	159 616
Current assets	**1 981**	1 526
Non-current liabilities	**106 652**	–
Current liabilities	**1 011**	2 788
Income	**22 486**	16 194
Expenses	**29 577**	3 372
42.2 Dock Road (50% interest)		
101 Dock Road, a jointly controlled and co-owned asset between Redefine and SA Reit, is proportionately consolidated on a line by line basis.		
Summarised aggregate financial information relating to Redefine's interest in 101 Dock Road:		
Non-current assets	**61 752**	61 733
Current assets	**–**	–
Non-current liabilities	**–**	–
Current liabilities	**–**	–
Income	**–**	–
Expenses	**–**	–
42.3 Oasis Joint Venture (50% interest)		
Non-current assets	**–**	–
Current assets	**45 917**	54 563
Non-current liabilities	**–**	–
Current liabilities	**46 757**	52 152
Income	**13 032**	6 703
Expenses	**16 282**	13 307
42.4 Broadlands Joint Venture (50% interest)		
Non-current assets	**32**	48
Current assets	**6 780**	6 899
Non-current liabilities	**4 592**	–
Current liabilities	**8 659**	11 251
Income	**170**	11
Expenses	**2 305**	1 568
42.5 Brickfield Joint Venture (50% interest)		
Non-current assets	**–**	–
Current assets	**147 787**	73 253
Non-current liabilities	**3 616**	3 550
Current liabilities	**147 515**	68 884
Income	**20 878**	1 707
Expenses	**24 041**	1 942

	GROUP	
	2010	2009
	R000	R000
42. JOINTLY CONTROLLED ASSETS *continued*		
42.6 Josdel 137 (Proprietary) Limited (50% interest)		
Non-current assets	**42 848**	42 859
Current assets	**414**	577
Non-current liabilities	**47 687**	31 312
Current liabilities	**4 374**	16 380
Income	**6 774**	5 677
Expenses	**11 321**	12 297

43. SEGMENTAL REPORT

	Office R000	Retail R000	Industrial R000	Offshore R000	Total R000	Listed securities R000	Property trading R000	Admin R000	Total R000
2010									
Contractual rental income	1 182 781	898 132	321 043	100 179	**2 502 135**	–	–	–	**2 502 135**
Straight-line rental income accrual	115 166	16 702	23 973	–	**155 841**	–	–	–	**155 841**
Listed securities portfolio	–	–	–	–	**–**	266 098	–	–	**266 098**
Property trading income	–	–	–	–	**–**	–	19 963	–	**19 963**
Fee income	–	–	–	–	**–**	–	–	193 364	**193 364**
Revenue	1 297 947	914 834	345 016	100 179	**2 657 976**	266 098	19 963	193 364	**3 137 401**
Property expenses	(275 691)	(192 631)	(57 793)	(11 524)	**(537 639)**	–	–	–	**(537 639)**
Admin and corporate costs	–	–	–	–	**–**	–	–	(135 904)	**(135 904)**
Segment profit from operations	1 022 256	722 203	287 223	88 655	**2 120 337**	266 098	19 963	57 460	**2 463 858**
Other information									
Investment properties	8 427 703	7 374 696	3 194 705	2 258 348	**21 255 452**	–	–	–	**21 255 452**
Other assets	242 760	75 500	31 800	2 312 131	**2 662 191**	5 099 485	128 317	5 826 678	**13 716 671**
Total assets	8 670 463	7 450 196	3 226 505	4 570 479	**23 917 643**	5 099 485	128 317	5 826 678	**34 972 123**
Total liabilities	–	–	–	(3 612 996)	**(3 612 996)**	–	–	(16 248 064)	**(19 861 059)**
2009									
Contractual rental income	363 556	222 502	155 562	–	**741 620**	–	–	–	**741 620**
Straight-line rental income accrual	8 051	30 163	(9 695)	–	**28 519**	–	–	–	**28 519**
Listed securities portfolio	–	–	–	–	**–**	308 203	–	–	**308 203**
Property trading income	–	–	–	–	**–**	–	39 089	–	**39 089**
Fee income	–	–	–	–	**–**	–	–	14 328	**14 328**
Revenue	371 607	252 665	145 867	–	**770 139**	308 203	39 089	14 328	**1 131 759**
Property expenses	(72 554)	(40 965)	(25 394)	–	**(138 913)**	–	–	–	**(138 913)**
Admin and corporate costs	–	–	–	–	**–**	–	–	(84 363)	**(84 363)**
Segment profit from operations	299 053	211 700	120 473	–	**631 226**	308 203	39 089	(70 035)	**908 483**
Investment properties	8 004 718	7 464 090	2 632 918	–	**18 101 726**	–	–	–	**18 101 726**
Other assets	73 000	33 800	66 400		**173 200**	2 816 764	186 908	4 664 377	**7 841 249**
Total assets	8 077 718	7 497 890	2 699 318	–	**18 274 926**	2 816 764	186 908	4 664 377	**25 942 975**
Total liabilities	–	–	–	–	**–**	–	–	(12 742 707)	**(12 742 707)**

UNITHOLDERS' DIARY

Financial year end	31 August 2010
Annual report to be posted to unitholders	January 2011
Annual general meeting	31 January 2011

Distribution timetable for 2011 financial year				
Distribution number	43	44	45	46
Quarter ended	30 November 2010	28 February 2011	31 May 2011	31 August 2011
Declaration date	2 February 2011	4 May 2011	3 August 2011	2 November 2011
Payment date of interest distribution	28 February 2011	30 May 2011	29 August 2011	28 November 2011

The above distribution timetable relates to quarterly distributions. It is proposed that an amendment be made to the debenture trust deed providing for the frequency of distributions to be changed to twice a year. Should this resolution be passed, the dates above will be amended and communicated accordingly.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS

REDEFINE PROPERTIES LIMITED

(previously Redefine Income Fund Limited)

Registration number 1999/018591/06

(Redefine or the company)

JSE share code: RDF

ISIN code: ZAE 000023503

Notice is hereby given that the annual general meeting of shareholders and debenture holders (unitholders) of Redefine will be held at the offices of the company at Redefine Place, 2 Arnold Road, Rosebank on Monday, 31 January 2011 at 10:00 for the purposes of:

A. Considering and adopting the annual financial statements of the company for the year ended 31 August 2010;

B. Transacting any other business as may be transacted at an annual general meeting of shareholders of a company;

1. Considering and, if deemed fit, adopting with or without modification, the shareholder special and ordinary resolutions set out below:

1.1 SPECIAL RESOLUTION 1: LINKED UNIT REPURCHASES

"Resolved that the directors be authorised in terms of the company's articles of association, until this authority lapses at the next annual general meeting of the company unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months, to enable the company or any subsidiary of the company to acquire linked units of the company subject to the Listings Requirements of the JSE Limited (JSE) and the Companies Act, 61 of 1973, as amended, on the following bases:

a) the acquisition of linked units must be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the company and the counterparty;

b) the company (or any subsidiary) must be authorised to do so in terms of its articles of association;

c) the number of linked units which may be acquired pursuant to this authority in any financial year (which commenced 1 September 2010) may not in the aggregate exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's share capital as at the date of this notice of annual general meeting;

d) repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the linked units in question for the five business days immediately preceding the repurchase;

e) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE) 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;

f) after the company has acquired linked units which constitute, on a cumulative basis, 3% of the number of linked units in issue (at the time that authority from linked 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 applicable from time to time;

g) the company's sponsor must confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of linked units in writing to the JSE prior to the company (or any subsidiary) entering the market to proceed with the repurchase;

h) the company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf."

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

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

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

- *the company and the group will, in the ordinary course of business, be able to pay its debts;*
- *the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and the group after the buyback; and*
- *the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.*

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 Listings Requirements of the JSE for purposes of this general authority:

- Directors – pages 12 and 13;
- Major beneficial unitholders – page 94;
- Directors' interests in linked units – page 129; and
- Capital structure of the company – page 128.

LITIGATION STATEMENT

In terms of section 11.26 of the Listings Requirements of the JSE, the directors, whose names appear on pages 12 and 13 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 months) a material effect on the company's financial position.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors whose names appear on pages 12 and 13 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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 by the Companies Act, 61 of 1973, as amended, and the Listings Requirements of the JSE.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual report of which this notice forms part, 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 financial year ended 31 August 2010 and up to the date of this notice.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 1

The reason for Special Resolution 1 is to afford directors of the company a general authority for the company (or a subsidiary of the company) to effect a buyback 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 Listings Requirements of the JSE and the Companies Act, 61 of 1973, as amended, to effect acquisitions of the company's linked units on the JSE.

1.2 SPECIAL RESOLUTION 2: AMENDMENT OF ARTICLES OF ASSOCIATION

"Resolved as a special resolution in terms of section 62 of the Companies Act, 1973 (as amended), that the articles of association of the company be and are hereby amended, subject to any necessary approvals in terms of the Listings Requirements of the JSE Limited, by the addition of the following new article:

"26.12 Notwithstanding the provisions of Article 26.9 hereof regarding the payment of dividends, interest or other moneys by cheque, warrant or coupon, the directors may determine that all future payments to members be made by way of electronic funds transfer directly to the bank account of the member entitled to such payment, and that no future payments shall be made by cheque."

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 2

The reason for special resolution 2 is to amend the articles to permit the company to cease payments to members by way of cheques and to effect payments utilising only electronic funds transfers. The effect of the resolution will be that the articles of association will be so amended.

1.3 ORDINARY RESOLUTION 1: RE-ELECTION OF DIRECTOR

"Resolved that DN Gihwala who retires by rotation in terms of the company's articles of association and who, being eligible, offers himself for re-election, be re-elected as a director of the company."

An abridged *curriculum vitae* is included in the annual report of which this notice forms part.

1.4 ORDINARY RESOLUTION 2: RE-ELECTION OF DIRECTOR

"Resolved that B Azizollahoff who retires by rotation in terms of the company's articles of association and who, being eligible, offers himself for re-election, be re-elected as a director of the company."

An abridged *curriculum vitae* is included in the annual report of which this notice forms part.

1.5 ORDINARY RESOLUTION 3: RE-ELECTION OF DIRECTOR

"Resolved that G Leissner who retires by rotation in terms of the company's articles of association and who, being eligible, offers himself for re-election, be re-elected as a director of the company."

An abridged *curriculum vitae* is included in the annual report of which this notice forms part.

1.6 ORDINARY RESOLUTION 4: RE-ELECTION OF DIRECTOR

"Resolved that HK Mehta who retires by rotation in terms of the company's articles of association and who, being eligible, offers himself for re-election, be re-elected as a director of the company."

An abridged *curriculum vitae* is included in the annual report of which this notice forms part.

1.7 ORDINARY RESOLUTION 5: RE-APPOINTMENT OF AUDITORS

"Resolved that PKF (Jhb) Inc. be re-appointed as the auditors of the company."

1.8 ORDINARY RESOLUTION 6: UNISSUED LINKED UNITS

"Resolved that all authorised but unissued linked units of the company be placed under the control of the directors of the company until the next annual general meeting, with the authority to allot and issue all or part thereof in their discretion, subject to sections 221 and 222 of the Companies Act, 1973, as amended, and the Listings Requirements of the JSE Limited."

1.9 ORDINARY RESOLUTION 7: ISSUE OF LINKED UNITS FOR CASH

"Resolved that, pursuant to the articles of association of the company, the directors of the company be and are hereby authorised until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to allot and issue linked units for cash subject to the 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 shareholders and not to related parties, 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 2010) exceed 5% 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 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 10% of the weighted average price on the JSE of those linked units over 30 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% 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, net tangible asset value, earnings, headline earnings, and if applicable diluted earnings and diluted 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% majority of the votes cast by unitholders present or represented by proxy at the annual general meeting must be cast in favour of ordinary resolution 7 for it to be approved.

1.10 ORDINARY RESOLUTION 8: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION PROPOSED FOR THE YEAR ENDING 31 AUGUST 2011

"Resolved that the non-executive directors' remuneration proposed for the year ending 31 August 2011 as set out below, be and is approved:

- Board chairman: R200 000 pa
- Non-executive director: R165 000 pa
- Audit committee chairman: R70 000 pa
- Audit committee member: R60 000 pa
- Remuneration and nomination committee member: R30 000 pa

1.11 ORDINARY RESOLUTION 9: SIGNATURE OF DOCUMENTATION

"Resolved that a director of the company or the company secretary 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 ordinary resolutions 1, 2, 3, 4, 5, 6, 7 and 8 and special resolutions 1 and 2 which are passed by the linked unitholders with and subject to the terms thereof."

C. Transacting any other business as may be transacted at an annual general meeting of debenture holders of a company; and

1. CONSIDERING AND, IF DEEMED FIT, ADOPTING WITH OR WITHOUT MODIFICATION, THE DEBENTURE HOLDER SPECIAL AND ORDINARY RESOLUTIONS SET OUT BELOW:

1.1. DEBENTURE SPECIAL RESOLUTION 1: LINKED UNIT REPURCHASES

"Resolved that the directors be authorised in terms of the company's articles of association and the provisions of the Redefine Debenture Trust Deed, until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to enable the company or any subsidiary of the company to acquire linked units of the company subject to the Listings Requirements of the JSE Limited (JSE) and the Companies Act, 61 of 1973, as amended, on the following bases:

a) the acquisition of linked units must be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the company and the counterparty;

b) the company (or any subsidiary) must be authorised to do so in terms of its articles of association;

c) the number of linked units which may be acquired pursuant to this authority in the financial year (which commenced 1 September 2010) may not in the aggregate exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's issued linked units as at the date of this notice of annual general meeting;

d) repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the linked units in question for the five business days immediately preceding the repurchase;

e) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE) 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;

f) after the company has acquired linked units which constitute, on a cumulative basis, 3% of the number of linked units in issue (at the time that authority from linked 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 applicable from time to time.

g) the company's sponsor must confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of linked units in writing to the JSE prior to the company (or any subsidiary) entering the market to proceed with the repurchase;

h) the company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf."

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

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

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

- *the company and the group will, in the ordinary course of business, be able to pay its debts;*

- *the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and the group after the buyback; and*
- *the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.*

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 Listings Requirements of the JSE for purposes of this general authority:

- Directors – pages 12 and 13;
- Major beneficial unitholders – page 9;
- Directors' interests in linked units – page 129; and
- Capital structure of the company – page 128.

LITIGATION STATEMENT

In terms of section 11.26 of the Listings Requirements of the JSE, the directors, whose names appear on pages 12 and 13 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 months) a material effect on the company's financial position.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors whose names appear on pages 12 and 13 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this debenture 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 debenture resolution contains all information required by the Companies Act, 61 of 1973, as amended, and the Listings Requirements of the JSE.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual report of which this notice forms part, 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 financial year ended 31 August 2010 and up to the date of this notice.

In terms of the Redefine Debenture Trust Deed, the resolution is classed as a debenture special resolution and as such is required to be passed by a majority consisting of not less than 75% of the votes cast by debenture holders present in person or represented by proxy at the meeting.

1.2 DEBENTURE SPECIAL RESOLUTION 2: 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 authorised until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to allot and issue linked units for cash subject to the 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 to related parties, 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 2010) exceed 5% 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 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 10% of the weighted average price on the JSE of those linked units over 30 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% 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, net tangible asset value, earnings, headline earnings, and if applicable diluted earnings and diluted 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% 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 2 for it to be approved.

1.3 DEBENTURE SPECIAL RESOLUTION 3: RATIFICATION AND APPROVAL OF FIFTH SUPPLEMENTAL DEBENTURE TRUST DEED

"Resolved that, subject to the requisite approval of the debenture trustee and (to the extent required in terms of the JSE Listings Requirements) the approval of the JSE Limited, the amendments to the Redefine Debenture Trust Deed required to (i) change the income distributions on the Redefine debentures from quarterly distributions in respect of the three months ending November, February, May and August of each financial year to semi-annual distributions in respect of the six months ending February and August of each financial year; and (ii) allow for payment by way of electronic funds transfer, on the terms set out more fully in the Fifth Supplemental Debenture Trust Deed executed between the company and Webber Wentzel Inc (a copy of which will be initialled by the chairman of the meeting for identification) be and are hereby ratified and approved."

REASONS FOR AND EFFECTS OF DEBENTURE SPECIAL RESOLUTION NUMBER 3

The reason for debenture special resolution 1 is to amend the debenture trust deed so as to change the frequency of interest distributions from four times per year to twice per year in line with the industry norm and to provide for payment of distributions by electronic funds transfer (EFT). The amendment is subject to the ratification by debenture holders of the company. Subject to the requisite approval of the debenture trustee and (to the extent required in terms of the JSE Listings Requirements) the approval of the JSE Limited, the effect of the resolution will be that the debenture trust deed will be amended accordingly and that the next interest Redefine income distribution will be in respect of the six months ending 28 February 2011.

1.4 DEBENTURE ORDINARY RESOLUTION 1: UNISSUED LINKED UNITS

"Resolved that all authorised but unissued linked units of the company be placed under the control of the directors of the company until the next annual general meeting, with the authority to allot and issue all or part thereof in their discretion, subject to sections 221 and 222 of the Companies Act, 61 of 1973, as amended, and the Listings Requirements of the JSE Limited."

1.5 DEBENTURE ORDINARY RESOLUTION 2: SIGNATURE OF DOCUMENTATION

"Resolved that a director of the company or the company secretary 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 and Debenture Ordinary Resolution number 1, which are passed by the linked unitholders with and subject to the terms thereof."

VOTING AND PROXIES

Each of Redefine's linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised unitholders are therefore advised that they must complete a separate form of proxy for shareholders and for debenture holders in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised shareholders and the form of proxy for certificated and own-name dematerialised debenture holders are set out at the end of the annual report.

A unitholder of the company entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and to vote in his stead. The proxy need not be a unitholder of the company.

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 in the company by such unitholder.

A form of proxy is attached for the convenience of certificated and own-name dematerialised unitholders holding linked units in the company who cannot attend the annual general meeting but wish to be represented thereat.

Such unitholders must complete and return the attached form of proxy and lodge it with the transfer secretaries of the company.

Dematerialised unitholders who have not elected own-name registration in the sub-register of the company through a Central Securities Depository Participant (CSDP) and who wish to attend the annual general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.

Dematerialised unitholders who have not elected own-name registration in the sub-register of the company through a CSDP and who are unable to attend, but wish to vote at the annual general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that unitholder and the CSDP or broker. Such unitholders are advised that they must provide their CSDP or broker with separate voting instructions in respect of the shares and the debentures in terms of their linked units.

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), to be received at least 48 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 annual general meeting should the unitholder subsequently decide to do so.

By order of the board.

PROBITY BUSINESS SERVICES (PROPRIETARY) LIMITED
Company secretary

Registered office
2nd Floor
Redefine Place
2 Arnold Road
Rosebank
2196

Transfer Secretaries
Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg
2001

FORM OF PROXY

OF SHAREHOLDERS

REDEFINE PROPERTIES LIMITED

(previously Redefine Income Fund Limited)
Registration number 1999/018591/06
(Redefine or the company)
JSE Share code: RDF
ISIN code: ZAE 000023503

Each of Redefine's linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised shareholders are therefore advised that they must complete a separate form of proxy for certificated and own-name dematerialised shareholders and a separate form of proxy for certificated and own-name dematerialised debenture holders in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised debenture holders is included in the annual report.

This form of proxy is 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 and who cannot attend but wish to be represented at the annual general meeting of the company at Redefine Place, 2 Arnold Road, Rosebank on Monday, 31 January 2011 at 10:00 or any adjournment if required. Additional forms of proxy are available at the company's registered office.

Not for the 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 but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

For use at the annual general meeting on Monday, 31 January 2011 at 10:00:

I/We (Name in block letters)

of (Address)

being the registered holder of linked units hereby

appoint: of

or failing him/her, of

or failing him/her, the chairperson of the general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	In favour of	Against	Abstain
1.1 Special resolution 1: General authority to enable the company (or any subsidiary) to repurchase linked units of the company			
1.2 Special resolution 2: Amendment of articles of association			
1.3 Ordinary resolution 1: To re-elect DN Gihwala as a director of the company			
1.4 Ordinary resolution 2: To re-elect B Azizollahoff as a director of the company			
1.5 Ordinary resolution 3: To re-elect G Leissner as a director of the company			
1.6 Ordinary resolution 4: To re-elect HK Mehta as a director of the company			
1.7 Ordinary resolution 5: To re-appoint PKF (Jhb) Inc as auditors of the company			
1.8 Ordinary resolution 6: To place the unissued linked units under the control of directors			
1.9 Ordinary resolution 7: General authority to enable the company to issue for cash up to 5% of the authorised but unissued linked units			
1.10 Ordinary resolution 8: To approve the proposed remuneration of non-executive directors for 2011			
1.11 Ordinary resolution 9: To authorise the signature of documentation			

Signed this day of 2010/2011

Signature assisted by (if applicable)

Please read the notes on the reverse.

NOTES TO THE FORM OF PROXY

OF SHAREHOLDERS

1. Each of Redefine's linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised shareholders are therefore advised that they must complete a separate form of proxy for certificated and own-name dematerialised shareholders and a separate form of proxy for certificated and own-name dematerialised debenture holders in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised debenture holders is included in the annual report.

2. This form of proxy is to be completed only by those members who are:
   - holding linked units in certificated form; or
   - recorded in the sub-register in electronic form in their "own-name".

3. Each unitholder is entitled to appoint one or more proxies (none of whom need to be a unitholder of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.

4. Unitholders that are certificated or own-name dematerialised unitholders may insert the name of a proxy or the names of two alternate proxies of the unitholder'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 shareholders. The person whose name stands first on the form of proxy and who is present at the annual 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.

5. 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.

6. 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 from may not exceed the total of the votes exercisable in respect of the linked units held by the unitholder.

7. Forms of proxy must be lodged at, posted or faxed to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), to be received at least 48 hours prior to the meeting.

8. The completion and lodging of this form of proxy will not preclude the relevant unitholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such 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.

9. Where there are joint holders of any linked units, only that holder whose name appears first in the register in respect of such linked units need sign this form of proxy.

10. The chairperson of the annual 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.

11. 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 (Proprietary) Limited or waived by the chairperson of the annual general meeting.

12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

13. 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 (Proprietary) Limited.

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FORM OF PROXY

OF DEBENTURE HOLDERS

REDEFINE PROPERTIES LIMITED
(previously Redefine Income Fund Limited)
Registration number 1999/018591/06
(Redefine or the company)
JSE Share code: RDF
ISIN code: ZAE 000023503

Each of Redefine's linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised debenture holders are therefore advised that they must complete a separate form of proxy for certificated and own-name dematerialised shareholders and a separate form of proxy for certificated and own-name dematerialised debenture holders in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised shareholders is included in the annual report.

This form of proxy is 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 and who cannot attend but wish to be represented at the annual general meeting of the company at Redefine Place, 2 Arnold Road, Rosebank on Monday, 31 January 2011 at 10:00, or any adjournment if required. Additional forms of proxy are available at the company's registered office.

Not for the use by dematerialised unitholders 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 but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

For use at the annual general meeting on Monday, 31 January 2011 at 10:00:

I/We ________________________________ (Name in block letters)

of ________________________________ (Address)

being the registered holder of ________________________________ linked units hereby

appoint: ________________ of ________________

or failing him/her, ________________ of ________________

or failing him/her, the chairperson of the general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

		In favour of	Against	Abstain
1.1	Debenture special resolution 1: General authority to enable the company (or any subsidiary) to repurchase linked units of the company			
1.2	Debenture special resolution 2: General authority to enable the company to issue for cash up to 5% of the authorised but unissued linked units			
1.3	Debenture special resolution 3: Approval of Fifth Supplemental Debenture Trust Deed			
1.4	Debenture ordinary resolution 1: To place the unissued linked units under the control of directors			
1.5	Debenture ordinary resolution 2: To authorise the signature of documentation			

Signed this ________________ day of ________________ 2010/2011

Signature ________________ assisted by ________________ (if applicable)

Please read the notes on the reverse.

NOTES TO THE FORM OF PROXY

OF DEBENTURE HOLDERS

1. Each of the linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised debenture holders are therefore advised that they must complete a separate form of proxy for certificated and own-name dematerialised shareholders and a separate form of proxy for certificated and own-name dematerialised debenture holders in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised shareholders' included in the annual report.

2. This form of proxy is to be completed only by those members who are:
   - holding linked units in certificated form; or
   - recorded in the sub-register in electronic form in their "own-name".

3. Each unitholder is entitled to appoint one or more proxies (none of whom need to be a unitholder of the company) to attend, speak and vote in place of that unitholder at the annual general meeting.

4. Unitholders that are certificated or own-name dematerialised unitholders may insert the name of a proxy or the names of two alternate proxies of the unitholder'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 unitholders. The person whose name stands first on the form of proxy and who is present at the annual 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.

5. 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.

6. 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 from may not exceed the total of the votes exercisable in respect of the linked units by the unitholder.

7. Forms of proxy must be lodged at, posted or faxed to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to be received at least 48 hours prior to the meeting.

8. The completion and lodging of this form of proxy will not preclude the relevant unitholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such 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.

9. Where there are joint holders of any linked units, only that holder whose name appears first in the register in respect of such linked units need sign this form of proxy.

10. The chairperson of the annual 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.

11. 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 (Proprietary) Limited or waived by the chairperson of the annual general meeting.

12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

13. 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 (Proprietary) Limited.

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ADMINISTRATION

REDEFINE PROPERTIES LIMITED (formerly Redefine Income Fund Limited)
Company registration number: 1999/018591/06

REGISTERED OFFICE AND BUSINESS ADDRESS

JOHANNESBURG OFFICE
Redefine Place, 2 Arnold Road, Rosebank 2196
PO Box 1731, Parklands 2121
Telephone: +27 11 283 0000
Fax: +27 11 283 0055

CAPE TOWN OFFICE
The Spearhead, 42 Hans Strijdom Avenue
Foreshore, Cape Town 8001
PO Box 7089, Roggebaai 8012
Telephone: +27 21 425 1000
Fax: +27 21 425 1010

E-mail: mail@redefine.co.za
www.redefine.co.za

COMMERCIAL BANKERS

The Standard Bank of South Africa Limited

INDEPENDENT AUDITORS

PKF (Jhb) Inc.
42 Wierda Road West, Wierda Valley 2196
Telephone: +27 11 384 8000

COMPANY SECRETARY

Probity Business Services (Pty) Limited
3rd Floor, The Mall Offices, 11 Cradock Avenue, Rosebank 2196
Telephone: +27 11 327 7146

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg 2001
Telephone: +27 11 370 5000

CORPORATE ADVISOR AND SPONSOR

Java Capital
Redefine Place, 2 Arnold Road, Rosebank 2196
Telephone: +27 11 283 0042

TRUSTEE FOR DEBENTURE HOLDERS

Webber Wentzel Attorneys
15th Floor, Convention Tower, Heerengracht
Foreshore, Cape Town 8001
Telephone: +27 21 431 7000

PROPERTY MANAGERS*

Broll Property Managers
Broll House, 27 Fricker Road, Illovo 2196
Telephone: +27 11 441 4000

INVESTOR RELATIONS

Should you wish to be placed on the mailing list to receive regular email updates, please visit the website on www.redefine.co.za and fill in the feedback form, or contact breakingnews@redefine.co.za

** Until 1 March 2011*