

Group Income Statement

* From 23 February 2000 (date of JSE listing) to end of financial year 31 August 2000

	AUDITED R000's	PRO-FORMA FORECAST R000's†
REVENUE		
Property portfolio	56 838	50 292
Listed securities portfolio	46 262	43 919
	103 100	94 211
Operating costs	17 621	17 382
Operating profit	85 479	76 829
Capital profit on disposal of listed securities	1 529	–
Profit before finance charges	87 008	76 829
Finance charges	46 678	38 974
Profit before taxation	40 330	37 855
Taxation	–	374
Profit attributable to linked unitholders	40 330	37 481
Linked unit distributions	38 801	37 481
Interim distribution	19 032	18 740
Final distribution	19 769	18 741
Profit after distributions	1 529	–
Transfer to non-distributable reserve	1 529	–
Retained profit	–	–
Actual number of units in issue (000's)	232 582	–
Weighted number of units in issue (000's)	222 537	220 478
Earnings per unit (cents)	18,12	17,00
Headline earnings per unit (cents)	17,44	17,00
Distribution per unit (cents)	17,00	17,00

† A pro-forma forecast, drawn from the pre-listing prospectus and adjusted for the review period, is presented in the Income Statement for comparative purposes.

Statement of Changes in Equity (abridged)

	AUDITED R000's
Linked units issued	464 769
Preliminary expenses written off	(3 793)
Profit attributable to linked unitholders	40 330
Distributions to linked unitholders	(38 801)
Balance at 31 August 2000	462 505

COMMENTS

Review of results

The Company was listed as a Property Loan Stock on 23 February 2000 and no comparative figures are tabled as these are maiden results.

Revenue is 9 percent higher than forecast, reflecting an increased performance from both the property and listed securities portfolios.

Vacancies have declined from 7,9 percent of total lettable area at listing date to 5,6 percent.

Redefine has been awarded an A+ investment grade rating by the international rating agency FitchIBCA.

During the review period, two properties classified as trading stock were sold at a nominal trading profit and 4 properties were acquired at a cost of R30,8m.

The share in Hyprop Investments Limited was increased from 20 percent to 32 percent and certain listed securities were disposed of at a capital profit of R1,529m.

Post year-end events

An industrial building in Isando, leased to national tenants, has been acquired for R28,5m. Four properties, which do not conform to Redefine's investment profile, have been disposed of at a selling price of R24,7m, subject to fulfillment of certain conditions.

Group Balance Sheet

	AUDITED R000's
ASSETS	
Non-current assets	1 197 067
Property portfolio	587 025
Listed securities portfolio	610 042
Current assets	31 959
Trade and other receivables	16 214
Cash and cash equivalents	15 745
	1 229 026
EQUITY AND LIABILITIES	
Capital and reserves	462 505
Linked unit capital	460 976
Non-distributable reserve	1 529
Non-current liabilities	724 318
Interest bearing liabilities	641 964
Non-interest bearing liabilities	82 354
Current liabilities	42 203
Interest bearing liabilities	16 917
Trade and other payables	5 517
Unitholders for distribution	19 769
	1 229 026
Net asset value per unit (cents)	198,86

Group Cash Flow Statement (abridged)

	AUDITED R000's
Cash effects from operating activities	8 626
Cash generated from operations	74 336
Net financing costs	(46 678)
Distribution paid	(19 032)
Cash effects of investing activities	(1 195 092)
Net property acquisitions	(586 579)
Net securities acquired	(608 513)
Cash effects of financing activities	1 202 211
Linked units issued	460 976
Borrowings raised	741 235
Cash and cash equivalents	15 745

The investment in Compass Properties Ltd has been increased at a cost of R5,7m.

Objectives

The company aims to:

- restructure non-interest bearing liabilities;
- reduce the level of gearing;
- increase assets by the acquisition of quality properties and listed securities.

Prospects

The Board intends to actively expand the capital base of the company and, through this policy, improve liquidity.

Interest distribution No. 2

Linked unitholders are advised that Interest Distribution No. 2 in respect of the quarter 1 June 2000 to 31 August 2000 of 8,5 cents per linked unit is hereby declared.

Payment will be made to linked unitholders registered in the books of the company at close of business on 20 October 2000. Cheques will be posted on or about 31 October 2000.

By order of the Board

Wolf Cesman, *Chairman*
Johannesburg

Peter Penhall *Chief Executive Officer*
5 October 2000

Redefine Income Fund Limited

Incorporated in the Republic of South Africa: Registration number: 1999/018591/06. JSE Code: RDF
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