



AUDITED RESULTS FOR THE YEAR ENDED 31 AUGUST 2001

CONSOLIDATED INCOME STATEMENT

	Audited 12 months to 31 Aug 2001 R000s	Audited 6 months to 31 Aug 2000 R000s
Revenue		
Property portfolio	107,214	56,838
Listed security portfolio	106,945	46,262
	214,159	103,100
Operating costs – property portfolio	27,689	13,458
Administration costs	11,890	4,163
Operating profit	174,580	85,479
Net capital gain in non-current assets	173,298	1,529
Profit from operations	347,878	87,008
Interest received	1,894	1,558
Profit before finance charges	349,772	88,566
Finance charges	93,650	48,236
Profit before taxation	256,122	40,330
Taxation	–	–
Profit attributable to linked unitholders	256,122	40,330
Actual number of linked units in issue (000s)	237,114	232,582
Weighted number of linked units in issue (000s)	236,445	222,537
Earnings per linked unit (cents)	108,32	18,12
Headline earnings per linked unit (cents)	35,03	17,44
Distribution per linked unit (cents)	35,00	17,00

HEADLINE EARNINGS AND DISTRIBUTIONS

	Audited 12 months to 31 Aug 2001 R000s	Audited 6 months to 31 Aug 2000 R000s
Headline earnings and distributions		
First quarter	19,989	–
Second quarter	20,155	–
Third quarter	21,340	19,032
Fourth quarter	21,340	19,769
Headline earnings and total distributions	82,824	38,801
Capital gains on non-current assets	173,298	1,529
Profit attributable to linked unitholders	256,122	40,330

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited 12 months to 31 Aug 2001 R000s	Audited 6 months to 31 Aug 2000 R000s
Balance at beginning of period	462,505	–
Issue of linked units	9,085	464,769
Preliminary and issue expenses written-off	-64	-3,793
Capital gains transferred to non-distributable reserve	173,298	1,529
	644,824	462,505

CONSOLIDATED BALANCE SHEET

	Audited 31 Aug 2001 R000s	Audited 31 Aug 2000 R000s
ASSETS		
Non-current assets	1,349,994	1,197,067
Property portfolio	447,907	587,025
Listed security portfolio	902,087	610,042
Current assets	48,642	31,959
Trade and other receivables	12,600	14,964
Debtors for property sales	3,682	1,250
Cash and cash equivalents	32,360	15,745
Total assets	1,398,636	1,229,026
EQUITY AND LIABILITIES		
Capital and reserves	644,824	462,505
Linked unit capital	469,997	460,976
Non-distributable reserve	174,827	1,529
Non-current liabilities	699,202	724,318
Interest-bearing liabilities	681,577	641,964
Non-interest bearing liabilities	17,625	82,354
Current liabilities	54,610	42,203
Interest-bearing liabilities	12,583	16,917
Trade and other payables	20,687	5,517
Unitholders for distribution	21,340	19,769
Total equity and liabilities	1,398,636	1,229,026

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Audited 12 months to 31 Aug 2001 R000s	Audited 6 months to 31 Aug 2000 R000s
Cash effects from operating activities	19,105	8,626
Cash generated from operations	192,114	74,336
Net financing costs	-91,756	-46,678
Linked unit distributions paid	-81,253	-19,032
Cash effects of investing activities	17,939	-1,195,092
Net property disposals (-acquisitions)	136,013	-586,579
Net listed security acquisitions	-118,074	-608,513
Cash effects from financing activities	-20,429	1,202,211
Linked units issued	9,021	460,976
Net borrowings (-repayments)	-29,450	741,235
Net movement in cash and cash equivalents	16,615	15,745
Opening cash and cash equivalents	15,745	–
Closing cash and cash equivalents	32,360	15,745

INTEREST DISTRIBUTION NO 6

Unit holders are advised that interest distribution No. 6 in respect of the period 1 June 2001 to 31 August 2001 of 9 cents per linked unit has been declared.

The last date to trade cum interest will be Friday, 19 October 2001, and the linked unit will commence trading ex interest from commencement of business on Monday, 22 October 2001, with the record date being Friday, 26 October 2001. Payment will be made to linked unitholders on or about Monday, 29 October 2001.

COMMENTARY

Review of results

Since listing on 23 February 2000, Redefine has accomplished the goals it set for the first full financial year ended 31 August 2001. Revenue increased to R214,2m, divided evenly between the property portfolio and the listed securities portfolio. Headline earnings of 35,03 cents per linked unit is in line with expectations. Other notable achievements are a 14 percent decline in gearing to 52 percent of non-current assets of R1,4bn and cash resources rising to R32,3m. Redefine declared a fourth quarterly distribution of 9 cents per linked unit, increasing total distributions for the financial year to 35 cents per linked unit. This represents an income yield of 13 percent and capital growth of 34 percent on the closing price of R2,70 per linked unit. Net asset value increased 36 percent from the initial listing price of R2,00 to R2,72 per linked unit at year end.

Property portfolio

During the year Redefine disposed of 18 non-core properties for a total consideration of R177m. The majority of the properties were acquired by ApexHi Properties Limited in exchange for ApexHi A and B class linked units at a combined price of R10 per unit. The subsequent re-rating of the ApexHi units has increased Redefine's net asset value at year end by R50 million. As a consequence Redefine's ratio of listed securities to properties has increased from 50:50 to 67:33 and its exposure to convenience retail property has reduced in favour of the office sector. This creates an opportunity to restructure and increase the property portfolio to restore the preferred 50:50 investment relationship. Vacancies in the property portfolio at year end were 6,8 percent. The lease expiry profile of the property portfolio remains extremely sound, with 30 percent of current leases expiring after financial year 2006 and the net present value of contractual rental income equating to R1,05 per linked unit.

Listed Security Investments

The market value of the listed securities portfolio at year end is R906m, an increase of R160m over the cost of R746m. Redefine's investments in listed securities include R800m in six prominent counters: ApexHi, Capital, GrayProp, HyProp, Marriott, and Sycom, which represent 90 percent of Redefine's investment in listed securities. Gains from realignment in listed security linked units during the year were utilised to reduce interest-bearing debt.

Liquidity

Progressive marketing by way of advertising, presentations to investment advisers, and increased demand for quality linked units in the listed property sector by both major and smaller institutional investors as well as private individuals resulted in Redefine being one of the most highly traded property loan stock counters. This is reflected in a total of 78,9m units having traded during the financial year at a value of R180m representing liquidity of 33 percent of total units in issue.

Interest rate management and debt restructuring

The programme of interest rate swaps reported in Redefine's interim financial announcement is unchanged with 70 percent of total long-term debt covered over a two- to three-year period by rolling interest rate swaps with staggered maturity dates. Settlement of the majority of deferred vendor payments was funded from internal resources, with the balance of R18m to be repaid in March 2002.

Post balance sheet developments

Investments totalling R118m in ApexHi, Growthpoint, Rand Leases Properties and Sycom funded through a combination of proceeds from disposal of listed securities, ApexHi linked unit asset swaps, and new debt increased the listed securities portfolio to 14 counters. Five properties (two offices, two industrial and one retail) with single tenants and long leases have been acquired for R100m. This post balance sheet activity increases Redefine's investment in total non-current assets to R1,6bn.

Prospects

Redefine intends taking advantage of the re-rating in certain listed property counters in which it is invested, where forward yields are trading below cost of capital by reducing its holdings and utilising proceeds for asset expansion at income-enhancing yields. The Board is confident that Redefine will maintain annualised linked unit distribution growth in excess of current inflation levels in the 2002 financial year, although any forward view must be tempered by the aftermath of the tragic events in the United States on September 11, 2001.

Accounting policies

The accounting policies applied in the preparation of the financial statements are consistent with those applied in the prior year.

Wolf Cesman, *Chairman*
Johannesburg

Peter Penhall, *Chief Executive Officer*
3 October, 2001