



Property for people



We're not landlords. We're people.

Unaudited group results for the
six months ended 28 February 2014



We're not landlords. We're people.

Distribution
growth of 8%,
ahead of market
guidance

Net asset value
up 51,1 cents to
921,8 cents

R4 billion
in property
acquisitions in
progress

Fountainhead
holding up to
65,9%

Developments in
progress total
R3,5 billion

Direct investment
in Australia totals
R3,2 billion



Consolidated statements of comprehensive income

	Unaudited 28 February 2014 R'000	Unaudited 28 February 2013 R'000	Audited 31 August 2013 R'000
Revenue			
Property portfolio	2 115 771	1 381 083	3 220 615
– Contractual rental income	2 055 270	1 303 902	3 152 971
– Straight-line rental income accrual	60 501	77 181	67 644
Listed security income	99 938	182 112	311 046
Fee income	7 838	66 231	88 886
Trading income	982	1 810	3 807
Total revenue	2 224 529	1 631 236	3 624 354
Operating costs	(402 876)	(273 633)	(633 840)
Administration costs	(93 976)	(63 500)	(149 968)
Net operating income	1 727 677	1 294 103	2 840 546
Changes in fair values of properties, listed securities and financial instruments	1 703 891	236 739	1 369 451
Amortisation of intangibles	(31 428)	(31 428)	(62 856)
Equity accounted (loss)/profits	(63 623)	73 271	329 656
Income from operations	3 336 517	1 572 685	4 476 797
Net interest	(706 811)	(379 275)	(850 716)
– Interest paid	(793 883)	(402 301)	(989 407)
– Interest received	87 072	23 026	138 691
Foreign exchange gain/(loss)	43 645	26 266	(81 279)
Income before debenture interest	2 673 351	1 219 676	3 544 802
Debenture interest	(1 115 697)	(930 287)	(2 012 705)
Profit before taxation	1 557 654	289 389	1 532 097
Taxation	(1 565)	(74 235)	1 389 657
Profit for the period/year from continuing operations	1 556 089	215 154	2 921 754
Profit from discontinued operations	369 459	944 146	935 272
Profit for the period/year	1 925 548	1 159 300	3 857 026
– Redefine shareholders	1 601 077	1 159 463	3 619 654
– Continuing operations	1 235 380	216 412	2 693 667
– Discontinued operations	365 697	943 051	925 987
– Non-controlling interests	324 471	(163)	237 372
– Continuing operations	320 709	(1 258)	228 087
– Discontinued operations	3 762	1 095	9 285
Other comprehensive income	(58 550)	(342 740)	(297 087)
<i>Those items that will be reclassified to profit and loss</i>			
Exchange differences on translation of foreign discontinued operations – subsidiaries	61 505	29 976	93 449
Exchange differences on translation of foreign continuing operations – associates	(11 148)	–	(17 820)
Recycling of exchange differences on translation of disposal/deemed disposal of foreign subsidiary	(108 907)	(372 716)	(372 716)
Total comprehensive income for the period/year	1 866 998	816 560	3 559 939
– Redefine shareholders	1 538 964	820 907	3 314 344
– Continuing operations	1 224 232	250 572	2 675 847
– Discontinued operations	314 732	570 335	638 497
– Non-controlling interests	328 034	(4 347)	245 595
– Continuing operations	320 709	(1 258)	228 087
– Discontinued operations	7 325	(3 089)	17 508

Consolidated statements of financial position

	Unaudited 28 February 2014 R'000	Unaudited 28 February 2013 R'000	Audited 31 August 2013 R'000
ASSETS			
Non-current assets	49 169 694	31 345 308	42 796 057
Investment properties	36 252 086	21 601 215	32 812 494
– Fair value of investment properties for accounting purposes	33 635 897	20 605 033	30 687 910
– Straight-line rental income accrual	1 141 432	728 403	1 089 942
– Properties under development	1 474 757	267 779	1 034 642
Listed securities	2 047 805	2 664 022	2 050 203
Goodwill	3 647 251	2 755 471	3 647 251
Intangible assets	1 585 521	1 853 825	1 616 871
Interest in associates and joint ventures	3 993 422	1 585 345	1 654 067
Interest rate swaps	194 807	—	—
Loans receivable	1 259 562	737 946	837 742
Other financial assets	88 198	—	78 236
Guarantee fees receivable	50 000	50 000	50 000
Property, plant and equipment	51 042	97 484	49 193
Current assets	1 188 745	428 411	997 895
Properties held-for-trading	21 192	27 338	23 949
Trade and other receivables	497 899	277 240	453 483
Loans receivable	113 060	12 988	113 504
Listed security income receivable	26 936	61 491	48 051
Cash and cash equivalents	529 658	49 354	358 908
Non-current assets held-for-sale	961 070	3 377 582	5 087 645
Total assets	51 319 509	35 151 301	48 881 597
EQUITY AND LIABILITIES			
Shareholders' interest	22 352 942	16 061 116	19 833 320
Stated capital	14 008 735	11 660 936	12 979 046
Reserves	8 344 207	4 400 180	6 854 274
Non-current liabilities – debenture capital	5 320 447	4 791 714	5 085 419
Linked unitholders interest	27 673 389	20 852 830	24 918 739
Non-controlling interests (NCI)	2 966 483	45 842	4 240 603
Total unitholders interest	30 639 872	20 898 672	29 159 342
Non-current liabilities	15 479 608	11 895 482	13 525 562
Interest-bearing liabilities	14 853 459	9 380 964	12 873 367
Interest rate swaps	—	359 566	10 430
Other financial liabilities	44 848	54 814	52 241
Deferred taxation	581 301	2 100 138	589 524
Current liabilities	5 200 029	2 357 147	4 149 445
Trade and other payables	1 029 365	560 876	948 055
Interest-bearing liabilities	3 039 384	852 000	2 142 000
Interest rate swaps	926	—	16 165
Other financial liabilities	6 332	8 606	11 439
Taxation payable	8 325	5 378	6 390
Linked unitholders for distribution	1 115 697	930 287	1 025 396
Non-current liabilities held-for-sale	—	—	2 047 248
Total equity and liabilities	51 319 509	35 151 301	48 881 597
Net asset value per linked unit (excluding deferred tax and NCI)(cents)	921,82	831,48	870,68
Net tangible asset value per linked unit (excluding deferred tax and NCI)(cents)	751,10	664,51	691,00

Distributable income analysis

	Redefine R'000	Fountainhead R'000	International R'000	Total R'000
Net property income (excluding straight-line rental accrual)	1 179 351	473 043	—	1 652 394
Listed security income	8 240	—	81 022	89 262
Trading income	982	—	—	982
Fee income	7 838	—	—	7 838
Total revenue	1 196 411	473 043	81 022	1 750 476
Administration costs	(59 388)	(34 587)	(1)	(93 976)
Distributable equity income from interest in associates	—	—	135 284	135 284
Realised foreign exchange gains	(420)	—	5 345	4 925
Net interest	(462 148)	(101 270)	(7 298)	(570 716)
Net distributable profit before taxation from continuing operations	674 455	337 186	214 352	1 225 993
Taxation (excluding CGT and deferred tax)	(1 443)	—	(16 133)	(17 576)
Net distributable profit from continuing operations	673 012	337 186	198 219	1 208 417
Net distributable profit from discontinued operations	—	—	22 283	22 283
Net profit from operations before distributable adjustments	673 012	337 186	220 502	1 230 700
Non-controlling interest's share of Fountainhead distribution	—	(115 003)	—	(115 003)
Distributable income	673 012	222 183	220 502	1 115 697

Condensed consolidated statements of cash flow

	Unaudited 28 February 2014 R'00	Unaudited 28 February 2013 R'000	Audited 31 August 2013 R'000
Cash generated from continuing operations	1 643 842	1 354 446	2 652 809
Net interest	(732 900)	(379 275)	(923 410)
Linked unit distributions paid	(1 025 396)	(897 162)	(1 884 471)
Payments to non-controlling interests	(55 673)	—	(165 630)
Net cash (outflow)/inflow from operating activities – continuing operations	(170 127)	78 009	(320 702)
Net cash inflow from operating activities –discontinuing operations	180 979	19 100	14 523
Net cash inflow/(outflow) from operating activities	10 852	97 109	(306 179)
Net cash outflow from investing activities	(2 265 683)	(1 292 127)	(5 209 623)
Net cash outflow from investing activities – continuing operations	(2 814 235)	(1 253 025)	(4 810 258)
Net cash inflow/(outflow) from investing activities – discontinued operations	548 552	(39 102)	(399 365)
Net cash inflow from financing activities	2 447 297	891 265	5 504 581
Net cash inflow from financing activities – continuing operations	2 448 153	891 265	5 500 030
Net cash (outflow)/inflow from financing activities – discontinued operations	(856)	—	4 551
Net movement in cash and cash equivalents	192 466	(303 753)	(11 221)
Cash and cash equivalents at beginning of period/year	358 908	351 333	351 333
Translation effects on cash and cash equivalents of foreign operations	(21 716)	1 774	18 796
Cash and cash equivalents at end of period/year	529 658	49 354	358 908

Headline earnings and distributable earnings reconciliation

	Unaudited 28 February 2014 R'00	Unaudited 28 February 2013 R'000	Audited 31 August 2013 R'000
Profit for the period/year attributable to Redefine shareholders	1 601 077	1 159 463	3 619 654
Changes in fair values of properties (net of deferred taxation)	(802 735)	(136 860)	(2 024 718)
Profit on disposal/deemed disposal of subsidiaries	(332 713)	(939 668)	(898 651)
Profit on deemed disposal of investment in an associate (net of deferred tax)	(838 911)	—	—
Capital gains tax	—	21 136	64 542
Headline (loss)/profit attributable to Redefine shareholders	(373 282)	104 071	760 827
Debenture interest	1 115 697	930 287	2 012 705
Headline earnings attributable to Redefine linked unitholders	742 415	1 034 358	2 773 532
Changes in fair values of listed securities and financial instruments (net of deferred taxation)	(117 433)	(49 626)	(718 943)
Amortisation of intangibles (net of deferred taxation)	22 628	55 484	45 256
Alignment of consolidated foreign profits with distributions	—	(8 335)	47 589
Straight-line rental income accrual	(60 501)	(77 181)	(67 644)
Unrealised foreign exchange (loss)/gain	(38 720)	(26 266)	85 552
Fair value adjustments of associates and NCI	439 015	—	(164 203)
Withholding taxes on anticipated foreign distributions	(7 802)	—	—
Debt restructure costs	136 095	—	—
Pre-acquisition income on listed securities	—	1 853	11 566
Distributable income	1 115 697	930 287	2 012 705
Six months ended 28 February	1 115 697	930 287	987 309
Six months ended 31 August	—	—	1 025 396
Total distributions	1 115 697	930 287	2 012 705
Actual number of linked units in issue (000)*	3 065 102	2 760 497	2 929 702
Weighted number of linked units in issue (000)*	2 995 531	2 760 497	2 824 980
Earnings and diluted^ per linked unit (cents)	90,69	75,70	199,38
– continuing operations per linked unit (cents)	78,49	41,54	166,60
– discontinued operations per linked unit (cents)	12,20	34,16	32,78
Headline earnings and diluted^ headline earnings per linked unit (cents)	24,78	37,47	98,18
– continuing operations per linked unit (cents)	23,68	37,35	97,21
– discontinued operations per linked unit (cents)	1,10	0,12	0,97
Distribution per linked unit (cents)	36,40	33,70	68,70

*Excludes 5 876 766 treasury units.

*No dilutionary instruments in issue.

Condensed consolidated statements of changes in equity

	Unaudited 28 February 2014 R'000	Unaudited 28 February 2013 R'000	Audited 31 August 2013 R'000
Opening balance	24 073 923	16 551 915	16 551 915
Issue of linked units	1 029 689	—	1 318 110
Effect on NCI from deemed disposal and dilution of interest in subsidiary	—	(1 177 188)	(1 177 188)
Total comprehensive income for the period/year	1 866 998	816 560	3 559 939
Transactions with non-controlling interests	(125 520)	(8 051)	(153 782)
Changes in ownership interests in subsidiaries	(1 527 582)	—	(431 968)
Share-based payment reserve	1 917	—	5 822
NCI on acquisition of subsidiaries	—	(76 278)	4 401 075
Total stated capital, reserves and non-controlling interests	25 319 425	16 106 958	24 073 923

Condensed segmental analysis

	Office R'000	Retail R'000	Industrial R'000	Fountainhead R'000	Total R'000
Six months ended 28 February 2014					
Contractual rental income [¥]	630 291	557 890	248 371	618 718	2 055 270
Operating costs	(115 954)	(129 787)	(28 847)	(128 288)	(402 876)
Net property income	514 337	428 103	219 524	490 430	1 652 394
Investment property portfolio [#]	9 583 149	9 418 884	4 943 461	11 792 905	35 738 399
Six months ended 28 February 2013					
Contractual rental income [¥]	594 579	490 747	218 576	—	1 303 902
Operating costs	(132 051)	(122 131)	(19 451)	—	(273 633)
Net property income	462 528	368 616	199 125	—	1 030 269
Investment property portfolio [#]	9 598 854	7 778 683	4 131 200	—	21 508 737
Year ended 31 August 2013					
Contractual rental income [¥]	1 200 156	1 026 981	437 024	488 810	3 152 971
Operating costs	(247 058)	(242 101)	(44 994)	(99 687)	(633 840)
Net property income	953 098	784 880	392 030	389 123	2 519 131
Investment property portfolio [#]	9 380 152	9 251 965	4 308 244	11 105 125	34 045 486

[¥]Excluding straight-line rental income accrual.

[#]Excluding properties under development and held-for-trading. Includes investment properties classified as non-current assets held-for-sale.

Commentary

PROFILE

Redefine with a total asset base of R51,3 billion, is a diversified Real Estate Investment Trust (REIT) capitalised on the Johannesburg Stock Exchange (JSE) at R30,3 billion and controls property assets of R44,5 billion. As at 28 February 2014, it actively managed a diversified directly held local property portfolio valued at R25,4 billion, while Fountainhead Property Trust (Fountainhead), in which Redefine has a 65,9% equity interest, had an R11,8 billion (mostly retail) property portfolio. Redefine's international property investments, which total R6,6 billion (14,7% of total property assets) provide geographic diversification. Redefine has a R3,4 billion (32,9% equity interest) in Redefine International P.L.C. (RI PLC) listed on both the London Stock Exchange and JSE and has a R3,2 billion investment in the Australian property market through a direct 50% interest in North Sydney's landmark tower, Northpoint, as well as a holding of 12,8% in Cromwell Property Group (Cromwell), which is listed on the Australian Stock Exchange – and an indirect holding of a further 13,4% through RI PLC.

Redefine's strategy is centred on delivering sustained value to stakeholders

FINANCIAL RESULTS

Redefine has declared a distribution of 36,40 cents per linked unit for the six months ended 28 February 2014, which is 8% ahead of the comparable period and is ahead of market guidance. In Rand terms, distributable income grew by 13%.

Contractual rental income for the period comprised 95% (31 August 2013: 89%) of total revenue and income from listed securities 5% (31 August 2013: 9%), while trading and fee income (31 August 2013: 2%) were no longer a feature.

Operating costs represent 19% of contractual rental income (31 August 2013: 20%) and were contained to prior period levels mainly due to the internalisation of electricity recoveries.

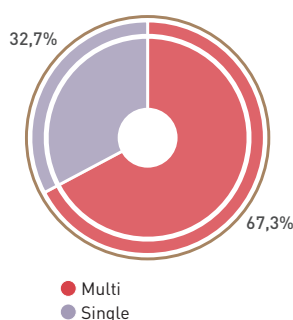
Redefine's international investments contributed 20% (31 August 2013: 11%) to distributable income.

CHANGES IN FAIR VALUES

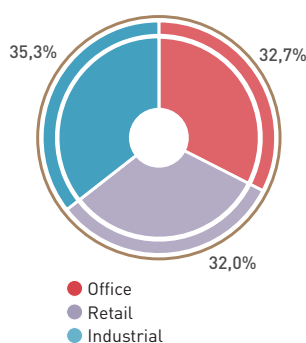
The group's property portfolio was internally valued at 28 February 2014 resulting in a net increase in value of R766 million. Investments in listed securities decreased in value by R101 million during the period. The unbundling by Redefine Properties International Limited (RIN) of RI PLC resulted in a positive fair value adjustment of R847 million. The balance mainly relates to the mark-to-market of the group's interest rate swaps, which protect the group against adverse interest rate movements.

REDEFINE'S PROPERTY PROFILE (EXCLUDING FOUNTAINHEAD)

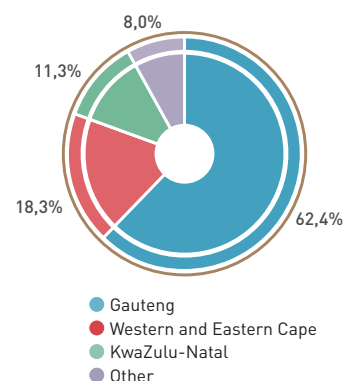
Portfolio split by tenant type



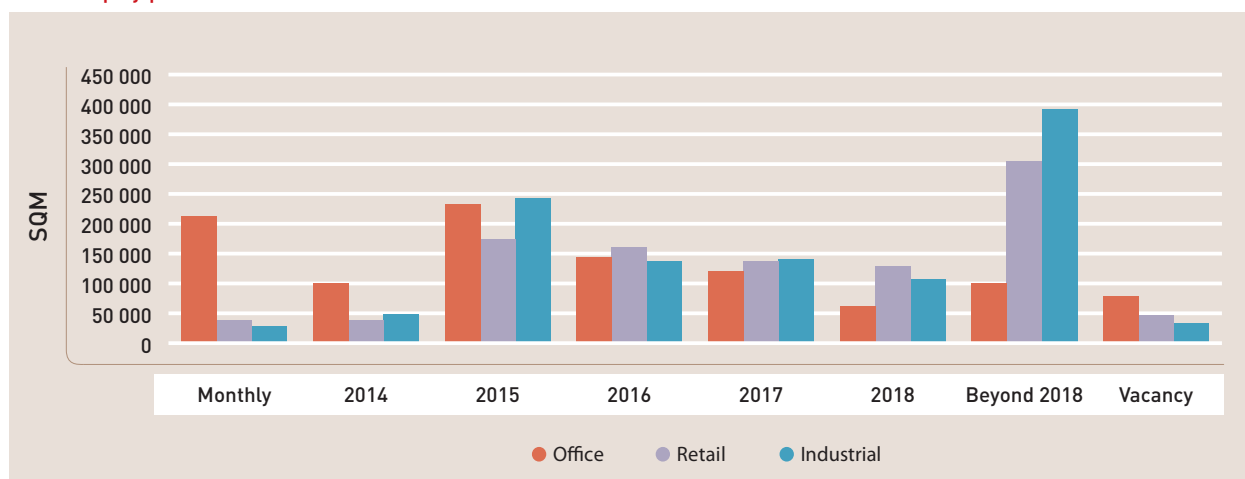
Sectoral spread by GLA



Geographic spread by GLA



Lease expiry profile



Commentary continued

Letting activity: During the period, leases covering 219 803 m² were renewed at an average rental increase of 6%. A further 158 661 m² was let across the portfolio and together with vacates, vacancies decreased by 0,4% to 4,9%. Vacancies are set out below as a percentage of gross lettable area (GLA):

	2014	2013
Office	7,4%	8,6%
Retail	4,5%	3,6%
Industrial	2,9%	3,7%
Total	4,9%	5,3%

Arrears amounted to R52 million (31 August 2013: R46 million) against which a provision for possible bad debts of R19 million (31 August 2013: R21 million) is held. Amounts due by Government total R7 million (31 August 2013: R7 million).

REDEFINE'S PROPERTY PORTFOLIO STRATEGY

Redefine has substantially advanced its strategy of repositioning and improving the quality of the core property portfolio. The emphasis in acquisitions, wherever possible, is to secure fully repairing leases with premium tenants.

Acquisitions: Three properties, with a GLA of 66 186 m², were acquired and transferred during the period for an aggregate purchase consideration of R699 million at an initial yield of 7,6%. In addition and subject to the usual conditions precedent, agreements have been concluded for the acquisition of properties for an aggregate consideration of R1,9 billion at an initial yield of 7,6% and GLA of 76 570 m². Properties with an aggregate consideration of R793 million (Maponya Mall being the largest property) transferred subsequent to the reporting period. Committed new development projects covering 157 051 m² of GLA with an approved value of R2,8 billion at an average yield of 8%, are presently in progress, with a pre-let factor in excess of 40%. Redevelopment projects of the existing portfolio with an approved value of R671 million at an average yield of 7% are also in progress.

Disposals: During the period, four properties with a total GLA of 19 773 m², no longer meeting Redefine's investment criteria, were sold to various buyers for an aggregate consideration of R79 million at an average yield of 10,9%. Agreements for the disposal of properties for an aggregate consideration of R124 million with a GLA of 39 161 m², were concluded, which are subject to the usual conditions precedent.

Government tenanted office portfolio: As a result of the structural change in listed property yields, the sale of the portfolio has been put on hold. In terms of the Government policy, Redefine is renewing leases for three year periods whereas previously many of these were monthly tenancies or one year leases. These properties are no longer included in non-current assets held-for-sale.

Fountainhead: During the period, Redefine used 15,4 million Hyprop units as currency to acquire 12% of Fountainhead's units in issue and an additional 4,2% was acquired on the open market for cash taking Redefine's equity interest to 65,9%. Redefine and Fountainhead have begun engaging in relation to the possible terms of a potential merger between Redefine and Fountainhead. These engagements are still at an early stage.

Annuity Properties Limited (Annuity): Subsequent to the period end, Redefine reached agreement with Annuity to acquire its entire issued capital by way of a scheme of arrangement as well as its asset and property management companies for a cash consideration of R103 million. Annuity linked unitholders will receive 57,752 Redefine linked units for every 100 Annuity linked units, equating to 136,6 million new Redefine linked units. The transaction, which will be with effect from 1 March 2014, is subject to fulfilling various conditions precedent, including approvals by Annuity linked unitholders and the usual regulatory approvals.

LISTED SECURITIES PORTFOLIOS

Cromwell: During the period Redefine received South African Reserve Bank approval to hold its interest in Cromwell directly and increased its holding by 0,4% to 12,8%.

Hyprop: In line with its stated objective, Redefine disposed of its entire holding during the period by swapping Hyprop units for Fountainhead units and selling the remaining balance in a single trade for cash.

INTERESTS IN ASSOCIATES

RI PLC: RIN's unitholders approved the distribution of the RI PLC shares held by RIN at a general meeting held on 18 October 2013. Following the secondary listing on the JSE on 28 October 2013 of RI PLC, RIN unbundled all of the RI PLC shares it held. With effect from 1 December 2013, Redefine International Fund Managers (RIFM) was internalised as part of RI PLC's conversion to a UK REIT. Redefine received as consideration 69,3 million RI PLC units. Redefine has a 32,9% interest in RI PLC.

Cromwell Partners Trust (CPT): During the period CPT, which is a 50/50 joint venture between Redefine and Cromwell, acquired an office building Northpoint Tower (Northpoint) for AUD279 million. Northpoint is North Sydney's tallest and most recognisable office tower with a total land areas of more than 5 000 m² and a net lettable area of 35 145 m² spread across 42 levels, which is fully let. Redefine's equity contribution of AUD80 million was funded through gearing obtained in Australia, on a non-recourse basis, against its holding in Cromwell.

Distribution adjustment: It is Redefine's policy to distribute its share of income from international investments to the extent of dividends received. Accordingly, an adjustment has been made to the company's distributable earnings for the period to equate the equity accounted results from its international investments for the period to the anticipated dividends.

FUNDING

Redefine's group borrowings of R17,9 billion at 28 February 2014 comprised borrowings of R14,8 billion by Redefine and R3,1 billion by Fountainhead. Redefine's debt represented 37,6% of the value of its property assets. Redefine's average cost of funding is 7,8% (31 August 2013: 8,0%) – interest rates are fixed on 81% of borrowings for an average period of four years.

During the period, Redefine issued 135,4 million linked units as part of an accelerated bookbuild, taking the total number of linked units, ranking for distribution to 3 065 101 503 excluding linked units held in treasury.

During the first week of September 2013, Redefine launched an American Depositary Receipt Programme, which trades under the symbol "REDPY" – this is designed to make investing into Redefine more accessible to international investors.

Commentary continued

Moody's credit rating:

The rating was refreshed on 5 August 2013 and remains unchanged as follows:

Global long term Baa3
Global short term P-3
National long term A3.za
National short term P-2.za

CAPITAL CONVERSION

To align the company's capital structure with a structure that is anticipated to become the REIT standard in South Africa, as well as to comply with JSE Listings Requirements for REITs, Redefine is in the process of converting its existing linked unit capital structure into an all share capital structure within the scheme of arrangement framework provided for in terms of section 114 of the Companies Act, 2008. This process is anticipated to be completed by the end of the company's financial year.

CONTINGENCIES AND COMMITMENTS

At 28 February 2014, Redefine had guarantees and suretyships in respect of its BEE initiatives and subsidiaries amounting to R280 million (31 August 2013: R272 million). Redefine has capital commitments outstanding amounting to R3,5 billion (31 August 2013: R3,1 billion) and committed property acquisitions of R2,0 billion (31 August 2013: R2,4 billion).

CHANGES TO THE BOARD OF DIRECTORS (BOARD)

Monica Khumalo (independent non-executive) resigned from the Board with effect from 11 November 2013 to avoid possible conflicts of interest which might arise as a result of her assuming an executive role with another organisation. Diana Perton (independent non-executive) retired from the Board with effect from 30 January 2014 and David Nathan (independent non-executive) was appointed to the Board and as a member of the Audit and Risk Committee with effect from 17 March 2014.

PROSPECTS

A challenging trading environment, disproportionate increases in utility costs and continued financial market volatility are anticipated to continue. Notwithstanding these factors, Redefine is well focused on managing the variables within its control. Accordingly, Redefine anticipates growth in distributable income per linked unit for the second half of 2014 at a rate similar to that achieved in the current period. This forecast has not been reviewed or reported on by the group's independent external auditors and is the responsibility of the Board.

The forecast is predicated on the assumption that the current trading conditions will prevail. Forecast rental income is based on contractual terms and anticipated market related renewals.

DECLARATION OF A CASH DISTRIBUTION WITH THE ELECTION TO REINVEST THE CASH DISTRIBUTION IN RETURN FOR REDEFINE LINKED UNITS

Linked unitholders were advised today, 8 May 2014 in the company's interim results for the six months ended 28 February 2014 that the Board of directors of Redefine has declared a cash distribution of 36,40 cents per linked unit out of the company's distributable income for the six months ended 28 February 2014 (the cash distribution).

Linked unitholders will be entitled, in respect of all or part of their linked unitholding, to elect to re-invest the cash distribution in return for Redefine linked units (the linked unit reinvestment alternative), failing which they will receive the cash distribution of 36,40 cents per linked unit that will be paid to those linked unitholders not electing to participate in the linked unit reinvestment alternative.

A circular providing further information in respect of the cash distribution and linked unit reinvestment alternative will be posted to Redefine linked unitholders today, 8 May 2014.

Linked unitholders who have dematerialised their linked units through a Central Securities Depository Participant (CSDP) or broker should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

SALIENT DATES AND TIMES

The salient dates and times for the cash distribution and linked unit reinvestment alternative are as set out below.

	2014
Circular and form of election posted to linked unitholders	Thursday, 8 May
Finalisation information including the linked unit ratio and price per linked unit published on SENS	Friday, 16 May
Last day to trade in order to participate in the election to receive the linked unit reinvestment alternative or to receive a cash distribution (LDT)	Friday, 23 May
Linked units trade ex-distribution	Monday, 26 May
Listing of maximum possible number of linked units under the linked unit reinvestment alternative	Tuesday, 27 May
Last day to elect to receive the linked unit reinvestment alternative or to receive a cash distribution (no late forms of election will be accepted) at 12:00 (SA time)	Friday, 30 May
Record date for the election to receive the linked unit reinvestment alternative or to receive a cash distribution (record date)	Friday, 30 May
Announcement of results of cash distribution and linked unit reinvestment alternative released on SENS	Monday, 2 June
Cash distribution cheques posted to certificated linked unitholders on or about	Monday, 2 June
Accounts credited by CSDP or broker to dematerialised linked unitholders with the cash distribution payment	Monday, 2 June
Linked unit certificates posted to certificated unitholders on or about	Tuesday, 3 June
Accounts updated with the new linked units (if applicable) by CSDP or broker to dematerialised linked unitholders	Tuesday, 3 June
Adjustment to linked units listed on or about	Wednesday, 4 June

Notes:

¹ Linked unitholders electing the linked unit reinvestment alternative are alerted to the fact that the new linked units will be listed on LDT + 2 and that these new linked units can only be traded on LDT + 2, due to the fact that settlement of the linked units will be two days after the record date, which differs from the conventional one day after record date settlement process.

² Linked units may not be dematerialised or rematerialised between Monday, 26 May 2014 and Friday, 30 May 2014, both days inclusive.

³ The above dates and times are subject to change. Any changes will be released on SENS.

TAX IMPLICATIONS

Redefine was granted REIT status by the JSE Limited with effect from 1 September 2013 in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the Income Tax Act) and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income. The cash distribution of 36,40 cents per linked unit meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (a qualifying distribution) with the result that:

- qualifying distributions received by resident Redefine linked unitholders must be included in the gross income of such linked unitholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Redefine linked unitholder. These qualifying distributions are however exempt from dividends withholding tax, provided that the South African resident linked unitholders provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated linked units, or the company, in respect of certificated linked units:

- a declaration that the distribution is exempt from dividends tax; and
- a written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Linked unitholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

- qualifying distributions received by non-resident Redefine linked unitholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that until 31 December 2013 qualifying distributions received by non-residents were not subject to dividends withholding tax. From 1 January 2014, any qualifying distribution will be subject to dividends withholding tax at 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the unitholder. Assuming dividends withholding tax will be withheld at a rate of 15%, the net distribution amount due to non-resident linked unitholders is 30,94 cents per linked unit. A reduced dividends withholding rate in terms of the applicable DTA, may only be relied upon if the non-resident linked unitholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated linked units, or the company, in respect of certificated linked units:

- a declaration that the distribution is subject to a reduced rate as a result of the application of a DTA; and
- a written undertaking to inform their CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident linked unitholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

Linked unitholders are advised that in electing to participate in the linked unit reinvestment alternative, pre-taxation funds are utilised for the reinvestment purposes and that taxation will be due on the total cash distribution amount of 36,40 cents per linked unit.

Other information:

- The ordinary issued share capital of Redefine is 3 070 978 269 ordinary shares of no par value before any election to reinvest the cash distribution.
- Income Tax Reference Number of Redefine: 917/852/484/0.
- There are no Secondary Tax on Company credits available for utilisation against the dividend tax.

The cash distribution or linked unit reinvestment alternative may have tax implications for resident as well as non-resident linked unitholders. Linked unitholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

BASIS OF PREPARATION

The results for the period ended 28 February 2014 have not been reviewed or reported on by the group's independent external auditors Grant Thornton (Jhb) Inc. These results have been prepared in accordance with International Financial Reporting Standards, IAS 34 – Interim Financial Reporting, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Listings Requirements and the requirements of the South African Companies Act, 2008 (as amended). Except for the new standards adopted as set out below, all accounting policies applied by the group in the preparation of these condensed consolidated interim financial statements are consistent with those applied by the group in its consolidated annual financial statements as at and for the year ended 31 August 2013. The group has adopted the following new standards:

- Amendment to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income
- Amendments to IAS 16 – Property, Plant and Equipment
- Revised IAS 27 and 28 – Investments in Associates and Joint Ventures
- Amendments to IAS 32 – Financial Instrument Presentation
- Amendments to IAS 34 – Interim Financial Reporting

There was no material impact on the interim financial statements identified based on management's assessment of these standards. The prior period's statements of comprehensive income, cash flows and segmental analysis have been represented to reflect the treatment of RIFM as a discontinued operation in terms of IFRS 5.

These financial results have been prepared under the supervision of Andrew König (CA)SA, the financial director of the group.

By order of the Board

Redefine Properties Limited

8 May 2014



Property for the future



We're not landlords. We're people.

REDEFINE PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1999/018591/06

JSE share code: RDF ISIN: ZAE000143178

"Redefine" or "the company" or "the group"

(Approved as a REIT by the JSE)

Directors:

D Gihwala (Chairman), M Wainer* (CEO), A J Konig* (FD),
H K Mehta, B Nackan, D A Nathan, R W Rees†,
D H Rice*† (COO), R Robinson, M J Ruttell*[®], G Z Steffens#

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Transfer secretaries:

Computershare Investor Services (Pty) Ltd

Sponsor:

Java Capital

Company secretary:

Probit Business Services (Pty) Ltd

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