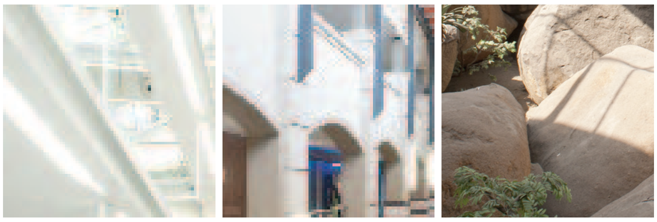
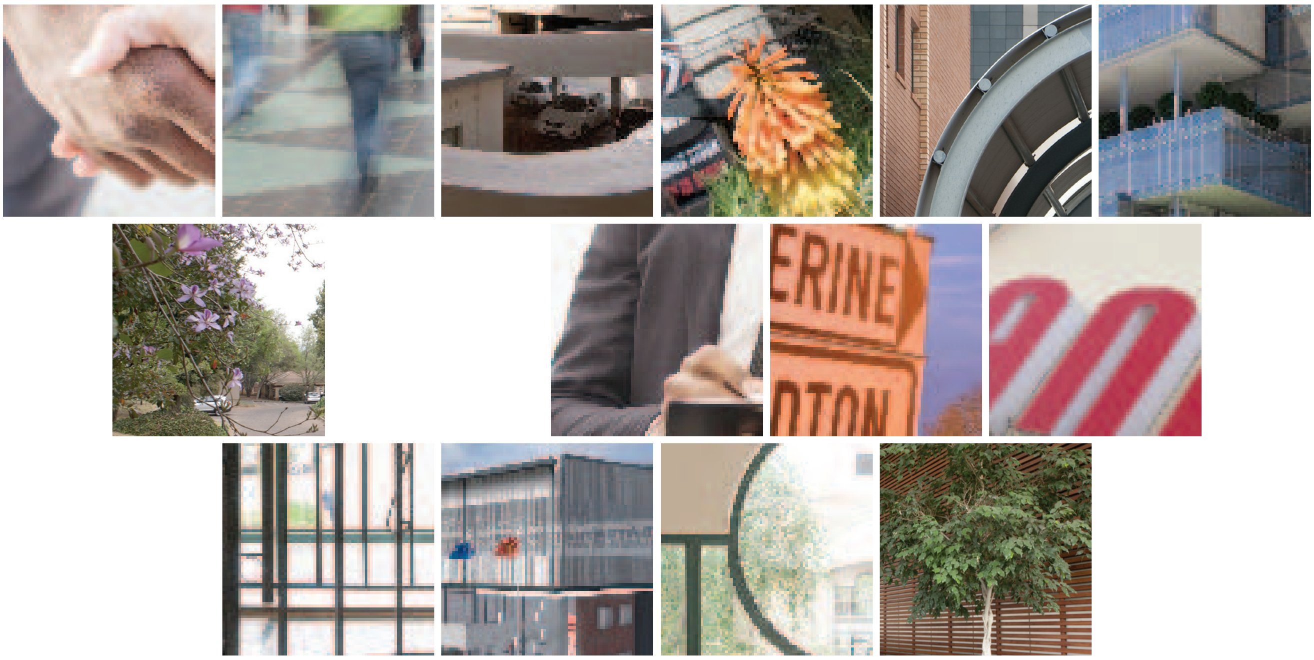
REDEFINE PROPERTIES LIMITED

CONDENSED UNAUDITED GROUP RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015





Distribution of 39 cents, +7,1% in line with guidance	Property assets +R5 billion to R56 billion under management
Market cap +25,3% to R45,6 billion	Acquisitions of R10,7 billion R5,3 billion in progress
Developments of R3,7 billion R1,1 billion completed	First direct entry into Europe R712 million German investment

www.redefine.co.za

REDEFINE PROPERTIES

We're not landlords. We're people.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited 28 February 2015 R'000	Unaudited 28 February 2014 R'000	Audited 31 August 2014 R'000
Revenue			
Property portfolio	**3 017 684**	2 665 816	5 372 149
– Contractual rental income	**2 937 252**	2 605 315*	5 310 428
– Straight-line rental income accrual	**80 432**	60 501	61 721
Listed security income	**137 334**	99 938	185 742
Insurance proceeds received	**119 420**	—	—
Fee income	**12 374**	7 838	35 204
Trading income	**1 270**	982	1 032
Total revenue	**3 288 082**	2 774 574	5 594 127
Operating costs	**(1 002 441)**	(952 921)*	(1 907 524)
Administration costs	**(105 963)**	(93 976)	(202 031)
Net operating profit	**2 179 678**	1 727 677	3 484 572
Change in fair value of properties, listed securities and financial instruments	**733 521**	1 703 891	2 051 245
Amortisation of intangibles	**(31 428)**	(31 428)	(62 856)
Equity accounted profit/(loss)	**280 620**	(63 623)	439 766
Profit from operations	**3 162 391**	3 336 517	5 912 727
Net interest	**(656 093)**	(706 811)	(1 297 768)
– Interest paid	**(783 798)**	(793 883)	(1 457 159)
– Interest received	**127 705**	87 072	159 391
Foreign exchange (loss)/gain	**(153 114)**	43 645	(13 638)
Profit before debenture interest	**2 353 184**	2 673 351	4 601 321
Debenture interest	**—**	(1 115 697)	(1 115 697)
Profit before taxation	**2 353 184**	1 557 654	3 485 624
Taxation	**(73 094)**	(1 565)	31 303
Profit for the period from continuing operations	**2 280 090**	1 556 089	3 516 927
Profit from discontinued operations	**—**	369 459	369 458
Profit for the period	**2 280 090**	1 925 548	3 886 385
– Redefine shareholders	**2 115 057**	1 601 077	3 407 818
– Continuing operations	**2 115 057**	1 235 380	3 042 122
– Discontinued operations	**—**	365 697	365 696
– Non-controlling interests	**165 033**	324 471	478 567
– Continuing operations	**165 033**	320 709	474 805
– Discontinued operations	**—**	3 762	3 762
Other comprehensive loss	**(106 973)**	(58 550)	(40 817)
Items that are or may be reclassified to profit or loss			
Exchange differences on translation of foreign continuing/discontinued operations – subsidiaries	**(1 409)**	61 505	93 230
Exchange differences on translation of foreign continuing operations – associates	**(33 570)**	(11 148)	(25 140)
Recycling of exchange differences on translation of disposal/deemed disposal of foreign subsidiary	**(71 994)**	(108 907)	(108 907)
Total comprehensive income for the period	**2 173 117**	1 866 998	3 845 568
– Redefine shareholders	**2 008 084**	1 538 964	3 363 439
– Continuing operations	**2 008 084**	1 224 232	3 016 983
– Discontinued operations	**—**	314 732	346 456
– Non-controlling interests	**165 033**	328 034	482 129
– Continuing operations	**165 033**	320 709	474 805
– Discontinued operations	**—**	7 325	7 324

** Re-presented – refer to Basis of preparation.*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited 28 February 2015 R'000	Unaudited 28 February 2014 R'000	Audited 31 August 2014 R'000
ASSETS			
Non-current assets	**60 371 740**	49 169 694	55 007 339
Investment properties	**45 112 759**	36 252 086	40 906 077
– Fair value of investment properties	**42 172 722**	33 635 897	37 710 045
– Straight-line rental income accrual	**1 294 417**	1 141 432	1 213 985
– Properties under development	**1 645 620**	1 474 757	1 982 047
Listed securities	**3 933 827**	2 047 805	2 750 900
Goodwill	**3 769 570**	3 647 251	3 769 570
Intangible assets	**1 527 678**	1 585 521	1 559 106
Interest in associates and joint ventures	**4 751 352**	3 993 422	4 173 173
Interest rate swaps	**—**	194 807	—
Loans receivable	**1 182 520**	1 259 562	1 727 212
Other financial assets	**2 462**	88 198	23 510
Guarantee fees receivable	**50 000**	50 000	50 000
Property, plant and equipment	**41 572**	51 042	47 791
Current assets	**1 862 822**	1 188 745	992 697
Properties held-for-trading	**18 677**	21 192	21 349
Trade and other receivables	**819 341**	497 899	580 021
Loans receivable	**504 926**	113 060	2 050
Listed security income receivable	**61 384**	26 936	38 671
Cash and cash equivalents	**458 494**	529 658	350 606
Non-current assets held-for-sale	**464 648**	961 070	1 490 128
Total assets	**62 699 210**	51 319 509	57 490 164
EQUITY AND LIABILITIES			
Shareholders' interest	**36 696 271**	22 352 942	32 720 342
Stated capital	**25 894 246**	14 008 735	22 558 039
Reserves	**10 802 025**	8 344 207	10 162 303
Debenture capital	**—**	5 320 447	—
Shareholders' interest	**36 696 271**	27 673 389	32 720 342
Non-controlling interests (NCI)	**3 059 279**	2 966 483	3 015 595
Total shareholders' interest	**39 755 550**	30 639 872	35 735 937
Non-current liabilities	**18 760 397**	15 479 608	14 997 245
Interest-bearing liabilities	**18 032 530**	14 853 459	14 355 324
Interest rate swaps	**158 767**	—	95 192
Other financial liabilities	**22 507**	44 848	36 731
Deferred taxation	**546 593**	581 301	509 998
Current liabilities	**4 183 263**	5 200 029	6 756 982
Trade and other payables	**1 183 027**	1 029 365	1 294 307
Interest-bearing liabilities	**2 948 477**	3 039 384	5 401 205
Interest rate swaps	**—**	926	926
Other financial liabilities	**19 832**	6 332	12 872
Taxation payable	**31 927**	8 325	47 672
Linked unitholders for distribution	**—**	1 115 697	—
Total equity and liabilities	**62 699 210**	51 319 509	57 490 164
Net asset value per share (excluding deferred tax and NCI) (cents)	**990,85**	921,82	976,03
Net tangible asset value per share (excluding deferred tax and NCI) (cents)	**849,92**	751,10	819,52

DISTRIBUTABLE INCOME ANALYSIS

	Redefine R'000	Fountainhead R'000	International R'000	Total R'000
Net property income (excluding straight-line rental accrual)	1 441 459	493 352	—	**1 934 811**
Listed security income	39 874	—	97 460	**137 334**
Fee income	12 374	—	—	**12 374**
Trading income	1 270	—	—	**1 270**
Administration costs	(66 705)	(33 971)	(5 287)	**(105 963)**
Distributable equity income from interest in associates	—	—	158 776	**158 776**
Realised foreign exchange losses	—	—	(792)	**(792)**
Net interest	(571 649)	(103 592)	19 148	**(656 093)**
Distributable income before taxation	**856 623**	**355 789**	**269 305**	**1 481 717**
Taxation (excluding CGT and deferred tax)	(3 489)	—	(34 665)	**(38 154)**
Distributable income after taxation	**853 134**	**355 789**	**234 640**	**1 443 563**
Non-controlling interests' share of Fountainhead distribution	—	(121 349)	—	**(121 349)**
Distributable income before distributable income adjustments	**853 134**	**234 440**	**234 640**	**1 322 214**
Below the line-distributable income adjustments:				
– Pre-acquisition income on listed securities (Cromwell)	—	—	6 565	**6 565**
– Antecedent interest	137 101	—	—	**137 101**
Distributable income	**990 235**	**234 440**	**241 205**	**1 465 880**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Unaudited 28 February 2015 R'000	Unaudited 28 February 2014 R'000	Audited 31 August 2014 R'000
Cash generated from continuing operations	**1 639 360**	1 643 842	3 612 333
Net interest paid	**(656 093)**	(732 900)	(1 297 768)
Distributions paid	**(1 368 112)**	(1 025 396)	(2 141 093)
Distributions to non-controlling interests	**(106 000)**	(55 673)	(168 460)
Net cash (outflow)/inflow from operating activities – continuing operations	**(490 845)**	(170 127)	5 012
Net cash inflow from operating activities – discontinued operations	**—**	180 979	180 979
Net cash (outflow)/inflow from operating activities	**(490 845)**	10 852	185 991
Net cash outflow from investing activities	**(4 102 997)**	(2 265 683)	(5 871 318)
Net cash outflow from investing activities – continuing operations	**(4 102 997)**	(2 814 235)	(6 419 871)
Net cash inflow from investing activities – discontinued operations	**—**	548 552	548 553
Net cash inflow from financing activities	**4 961 690**	2 447 297	5 558 778
Net cash inflow from financing activities – continuing operations	**4 961 690**	2 448 153	5 559 634
Net cash outflow from financing activities – discontinued operations	**—**	(856)	(856)
Net movement in cash and cash equivalents	**367 848**	192 466	(126 549)
Cash and cash equivalents at beginning of period	**350 606**	358 908	358 908
Translation effects on cash and cash equivalents of foreign operations	**(259 960)**	(21 716)	118 247
Cash and cash equivalents at end of period	**458 494**	529 658	350 606

HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS RECONCILIATION

	Unaudited 28 February 2015 R'000	Unaudited 28 February 2014 R'000	Audited 31 August 2014 R'000
Profit for the period attributable to Redefine shareholders	**2 115 057**	1 601 077	3 407 818
Changes in fair values of properties (net of deferred taxation)	**(254 843)**	(802 735)	(1 108 787)
Insurance proceeds received	**(119 420)**	—	—
Profit on disposal/deemed disposal of subsidiaries	**—**	(332 713)	(340 949)
Profit on deemed disposal of interest in an associate (net of deferred tax)	**—**	(838 911)	(726 919)
Headline profit attributable to Redefine shareholders	**1 740 794**	(373 282)	1 231 163
Debenture interest	**—**	1 115 697	1 115 697
Headline earnings attributable to Redefine shareholders	**1 740 794**	742 415	2 346 860
Changes in fair values of listed securities and financial instruments (net of deferred taxation)	**(478 118)**	(117 433)	(238 302)
Amortisation of intangible assets (net of deferred taxation)	**22 628**	22 628	45 256
Straight-line rental income accrual	**(80 432)**	(60 501)	(61 721)
Unrealised foreign exchange gain/(loss)	**152 322**	(38 720)	29 945
Fair value adjustments of associates and NCI (other than investment property)	**(32 042)**	439 015	63 965
Anticipated withholding taxes on RI PLC distributable profit	**(2 938)**	(7 802)	(10 517)
Debt restructure costs and unrealised interest received	**—**	—	110 414
Pre-acquisition distribution received from Annuity	**—**	—	36 454
Transaction costs relating to Annuity and Fountainhead corporate action	**—**	—	14 423
Antecedent interest	**137 101**	136 095	77 446
Pre-acquisition income on listed securities (Cromwell)	**6 565**	—	—
Distributable earnings	**1 465 880**	1 115 697	2 414 223
Six months ended 28 February	**1 465 880**	1 115 697	1 115 697
Six months ended 31 August	**—**	—	1 298 526
Total distributions	**1 465 880**	1 115 697	2 414 223
Actual number of shares in issue (000)*	**3 758 667**	3 065 102	3 404 630
Weighted number of shares in issue (000)*	**3 656 134**	2 995 531	3 090 599
Diluted number of shares in issue (000)*	**3 795 745**	2 995 531	3 654 675
Basic earnings per share (cents)	**57,85**	90,69	146,36
– continuing operations per share (cents)	**57,85**	78,49	134,53
– discontinued operations per share (cents)	**—**	12,20	11,83
Diluted earnings per share (cents)^	**55,72**	90,69	123,78
– continuing operations per share (cents)	**55,72**	78,49	113,77
– discontinued operations per share (cents)	**—**	12,20	10,01
Headline earnings per share (cents)	**47,61**	24,78	75,94
– continuing operations per share (cents)	**47,61**	23,68	75,48
– discontinued operations per share (cents)	**—**	1,10	0,46
Diluted headline earnings per share (cents)^	**45,86**	24,78	64,22
– continuing operations per share (cents)	**45,86**	23,68	63,83
– discontinued operations per share (cents)	**—**	1,10	0,39
Distribution per share (cents)	**39,00**	36,40	74,54

** Excludes 5 876 766 treasury shares.*
^ In the comparative prior period there were no dilutionary shares in issue.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Unaudited 28 February 2015 R'000	Unaudited 28 February 2014 R'000	Audited 31 August 2014 R'000
Opening balance	**35 735 937**	24 073 923	24 073 923
Issue of shares	**3 336 287**	1 029 689	3 663 579
Conversion of debentures to stated capital	**(91)**	—	5 915 414
Total comprehensive income for the period	**2 173 117**	1 866 998	3 845 568
Transactions with non-controlling interests	**(121 348)**	(125 520)	(1 686 423)
Changes in ownership interests in subsidiaries	**—**	(1 527 582)	(84 004)
Share-based payment reserve	**(240)**	1 917	7 880
Dividends paid	**(1 368 112)**	—	—
Total stated capital, reserves and non-controlling interests	**39 755 550**	25 319 425	35 735 937

CONDENSED SEGMENTAL ANALYSIS

	Office R'000	**Retail R'000**	**Industrial R'000**	**Fountainhead R'000**	**Total R'000**
Six months ended 28 February 2015					
Contractual rental income¥	880 092	875 239	420 118	761 803	**2 937 252**
Operating costs	(292 518)	(348 976)	(113 222)	(247 725)**	**(1 002 441)**
Net property income	**587 574**	**526 263**	**306 896**	**514 078**	**1 934 811**
Investment property portfolio#	11 829 222	12 048 698	8 132 372	11 921 495	**43 931 787**
Six months ended 28 February 2014					
Contractual rental income¥*	791 441	723 547	309 065	781 262	**2 605 315**
Operating costs*	(277 104)	(295 444)	(89 541)	(290 832)	**(952 921)**
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**
Year ended 31 August 2014					
Contractual rental income¥	1 597 514	1 520 780	633 521	1 558 613	**5 310 428**
Operating costs	(551 164)	(619 196)	(183 896)	(553 268)	**(1 907 524)**
Net property income	**1 046 350**	**901 584**	**449 625**	**1 005 345**	**3 402 904**
Investment property portfolio#	11 781 330	11 302 104	5 162 643	12 168 081	**40 414 158**

¥ *Excluding straight-line rental income accrual.*
Excluding properties under development and held-for-trading. Properties classified as held-for-sale are included.
* *Re-presented – refer to Basis of preparation.*
** *Excludes property management fees reversed on consolidation of R20 726 000.*

COMMENTARY

PROFILE

Redefine is a diversified Real Estate Investment Trust (REIT), internally managed and focused on delivering value to stakeholders, by way of sustained long-term growth in both income and capital appreciation. Redefine controls a property income-earning asset base of R55,6 billion and is capitalised on the Johannesburg Stock Exchange (JSE) at R45,6 billion. Redefine's shares are actively traded on the JSE, making it a highly liquid investment choice for gaining exposure to the commercial real estate sector.

At 28 February 2015, Redefine's diversified, directly held, local property portfolio was valued at R35,9 billion, while Fountainhead Property Trust (Fountainhead), in which Redefine has a 65,9% equity interest, had a R11,9 billion portfolio (predominantly retail properties).

Redefine's international property investments totalling R8,2 billion and representing 14,7% of the group's property assets provide geographic diversification. Redefine has a 30,1% equity interest, equating to R3,6 billion, in Redefine International PLC (RI PLC) which is listed on both the London Stock Exchange and the JSE. Redefine recently acquired a German retail portfolio in a co-investment with RI PLC for R466 million. In addition, Redefine has a R4,1 billion presence in the Australian property market through a direct 50% interest in North Sydney's landmark tower, Northpoint, as well as a holding of 15,9% in Cromwell Property Group (Cromwell), which is listed on the Australian Stock Exchange. Redefine has an indirect equity interest of a further 10% in Cromwell through RI PLC.

FINANCIAL RESULTS

Redefine has declared a dividend of 39,00000 cents per share for the six months ended 28 February 2015, an increase of 7,1% on the comparable period and in line with market guidance. In Rand terms, distributable income for the year increased by 31,4% (2014: 19,9%) benefiting from a number of substantial quality acquisitions made in recent years.

Property portfolio income for the review period was 95,2% (2014: 95,8%) of total revenue (excluding insurance proceeds received), income from listed securities 4,3% (2014: 3,8%), and trading and fee income 0,5% (2014: 0,4%).

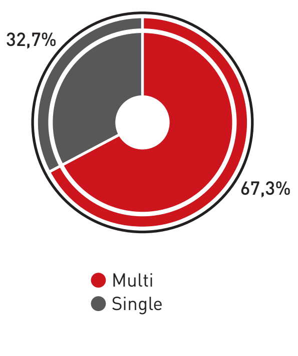
Operating costs were 34,1% (2014: 36,6%) of contractual rental income (excluding straight-line rental income accruals), with the decrease arising mainly from reduced municipal charges resulting from successful valuation objections. Net of electricity and utility recoveries, operating costs were 17,8% (2014: 19,6%) of contractual rental income. Redefine's international operations contributed 16,5% (2014: 19,8%) to distributable income.

CHANGES IN FAIR VALUES

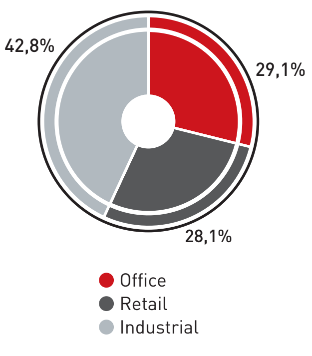
The group's property portfolio was internally valued by the directors as at 28 February 2015 resulting in a net increase in value of R209 million. In terms of IAS 40 and IFRS 7, Redefine's investment properties are measured at fair value and are categorised as level 3 investments. There were no transfers between levels 1, 2 and 3 during the period. The investment in listed securities increased in value by R608 million during the period. The balance relates to the mark-to-market of the group's interest rate swaps, which protect the group against adverse interest rate movements. In terms of IAS 39 and IFRS 7, Redefine's listed securities and interest rate swaps are measured at fair value through profit or loss and are categorised as level 1 and level 2 investments respectively. There were no transfers between levels 1, 2 and 3 during the period.

REDEFINE'S PROPERTY PORTFOLIO (EXCLUDING FOUNTAINHEAD)

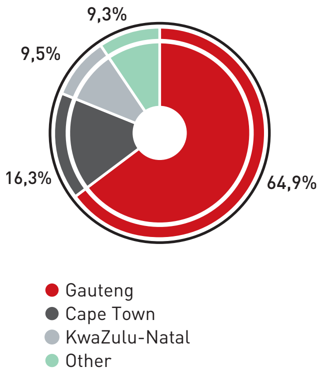
Portfolio split by tenant type



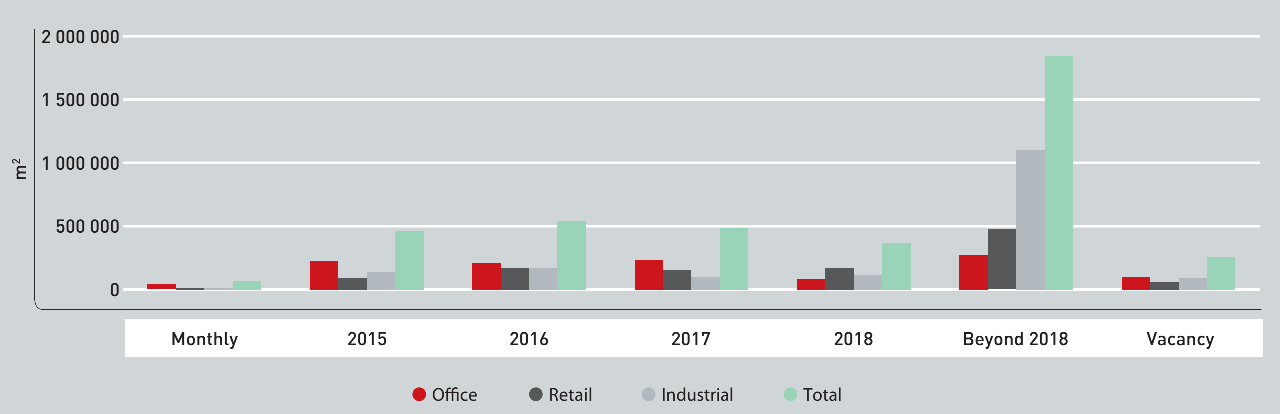
Sectoral spread by GLA



Geographic spread by GLA



Lease expiry profile



Letting activity: During the review period, the overall portfolio vacancy rate increased by 0,9% to 6,4% reflecting a number of vacates in the office sector with retail impacted by the demise of Ellerines. Leases covering 291 369 m² were renewed at an average rental increase of 1,9%, with the retention rate a pleasing 89%. A further 182 930 m² was let across the portfolio. Vacancies are set out below as a percentage of gross lettable area (GLA):

Vacancy per sector	28 February 2015	31 August 2014	28 February 2014
Office	**8,7%**	7,2%	7,4%
Retail	**5,5%**	3,9%	4,5%
Industrial	**5,3%**	5,3%	2,9%
	6,4%	5,5%	4,9%

Net arrears increased to R46 million (31 August 2014: R32 million), reflecting the growth in rental income and also the effect of a number of tenants operating under business rescue proceedings.

REDEFINE'S PROPERTY PORTFOLIO STRATEGY

Redefine continues to deliver on its strategy of diversifying, growing and improving the quality of the core property portfolio. The emphasis in acquisitions, wherever possible, is to secure fully repairing leases with blue-chip tenants.

Acquisitions: 31 properties, with a GLA of 576 435 m², were acquired and transferred during the review period for an aggregate consideration of R3 billion, at an initial yield of 8,6%. In addition, and subject to the usual conditions precedent, agreements have been concluded for the acquisition of properties, including the Leaf Property Fund Proprietary Limited (Leaf) property portfolio, for an aggregate consideration of R4,7 billion, at an initial yield of 7,8% and GLA of 274 587 m². Properties with an aggregate consideration of R4,6 billion transferred subsequent to the reporting period.

Developments: Matlosana Mall valued at R1 billion, a 65 180 m² super-regional mall, yielding 8,25%, successfully opened its doors on 23 October 2014. New development projects covering 111 410 m² of GLA with an approved value of R1,7 billion at an average yield of 8,3%, are presently in progress. Redevelopment projects in the existing portfolio with an approved value of R841 million at an average yield of 6,5% are also in progress.

Disposals: During the period, 13 properties with a GLA of 70 920 m², which no longer meet Redefine's investment criteria, were sold to various buyers for an aggregate consideration of R593 million, at an average yield of 9,3%. In addition, agreements, subject to conditions precedent, were concluded for the disposal of properties for an aggregate consideration of R251 million, with a GLA of 66 352 m².

Leaf: On 28 January 2015, Redefine announced that it had concluded an agreement to acquire Leaf which owns a portfolio of high-quality commercial property assets in prime locations across South Africa valued at R3,7 billion with an effective date of 1 March 2015. This acquisition adds 192 052 m² to the portfolio and yield approximately 8%. The acquisition is in line with Redefine's strategy of improving the quality of its core property portfolio by acquiring high-quality assets that offer cash flow comfort and low vacancy levels. Black River Park, one of the prime assets located in the Western Cape, is the first office complex to be awarded a six-star Green Star SA rating in terms of the existing building accreditation. This clearly supports and reaffirms Redefine's commitment to sustainable business practices. Subsequent to the reporting period, the transaction was completed.

Fountainhead: On 27 March 2015 Redefine announced that it had reached agreement with significant Fountainhead unitholders representing 35,7% of the minority unitholders who have irrevocably undertaken to vote in favour of the acquisition by Redefine of all of Fountainhead's assets in exchange for 85 new Redefine shares for every 100 Fountainhead units in issue and the assumption of all of Fountainhead's liabilities. Redefine has also obtained non-binding indications of support from a further 14,3% of minority unitholders. It is envisaged that Redefine and Fountainhead shareholder meetings will be convened during July 2015 to approve the transaction, which if approved, will be implemented before the financial year end.

Sustainability: Various energy-efficient and sustainable building technologies are being implemented on new developments as well as existing buildings, which includes smart metering of electricity and water, as part of Redefine's focus on sustainability and cost efficiency. To retain and attract new tenants, Redefine is taking steps to ensure that there is uninterrupted electricity supply at its key properties.

LISTED SECURITIES

Emira Property Fund (Emira): During the period under review Redefine acquired 13,7% of Emira's participatory units and subsequently realised a gain of R22 million by selling 11 million Emira units. Redefine currently holds 11,5% of Emira's participatory interests.

INTERESTS IN ASSOCIATES AND JOINT VENTURES

RI PLC: On 3 March 2015, shortly after the period end, RI PLC undertook a capital raise. Redefine participated in the capital raise and purchased 39,5 million additional RI PLC units for a consideration of R384 million, consequently maintaining its shareholding at 30,1%.

German portfolio: On 29 January 2015 Redefine entered into a joint venture arrangement with RI PLC to acquire a 50% interest in a portfolio of 56 retail properties in Germany. Redefine's aggregate consideration for the first phase of the acquisition was R418 million at an initial yield of 7,5%. The second phase of the co-investment (acquisition of a complimentary portfolio from RI PLC and refinancing of the existing debt) was concluded on 5 May 2015.

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 year to adjust the equity-accounted results from its international investments to reflect the anticipated dividends.

FUNDING

Redefine's group borrowings of R21 billion (2014: 17,9 billion) comprised borrowings of R18,2 billion (2014: R14,8 billion) by Redefine and R2,8 billion (2014: R3,1 billion) by Fountainhead. Redefine's debt represented 35,1% (2014: 37,6%) of the value of its property assets. Redefine's average cost of funding is 8,4% (2014: 8,2%) – interest rates are fixed on 86,2% (2014: 78,3%) of borrowings for an average period of 3,3 years.

During the period Redefine raised R1,4 billion (143,1 million shares) through an accelerated bookbuild, issued 107 million shares for the acquisition of Redefine's stake in Emira and retained R988 million (103,9 million shares) through the distribution reinvestment alternative.

Subsequent to the reporting period a further 139,6 million shares in respect of the Leaf acquisition were issued taking the total number of shares in issue to 3 904 153 777.

Moody's credit rating: The rating was refreshed during August 2014 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

CONTINGENCIES AND COMMITMENTS

At 28 February 2015, Redefine had guarantees and suretyships in respect of its BEE initiatives amounting to R220 million (2014: R280 million). Redefine has capital commitments outstanding of R2,6 billion (2014: R3,5 billion) and committed property acquisitions of R4,7 billion (2014: R2,0 billion). The commitments are funded by the issue of Redefine shares and undrawn banking facilities.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT INITIATIVES

Redefine Empowerment Trust

As part of Redefine's commitment to sustainable, long-term economic and social development it has established the Redefine Empowerment Trust. Redefine will issue up to 300 million shares to the Trust, which will be funded by a loan advanced by Redefine. The Trust will focus on activities to improve education and training; through the provision of scholarships and bursaries and community development programmes. The Trust is constituted as a capital preserving trust and as such will not be entitled to dispose of the shares not used to redeem the loan from Redefine. The Trust will therefore continue in perpetuity. A SENS announcement has been released in this regard and a circular will be distributed in order to obtain shareholder approval.

Fountainhead Empowerment Transaction

Fountainhead, which is a property unit trust, is not permitted to provide financial assistance for BEE initiatives. As part of Redefine's BEE strategy for the group, Redefine agreed in principle in late 2014 to enable a wholly owned subsidiary of Bakgatla-Ba-Kgafela Investment Holdings Proprietary Limited (BBK), the investment company for the broad-based Sedibelo Community Development Trust (Sedibelo Trust) serving the 350 000 strong platinum-rich Bakgatla-Ba-Kgafela tribe of the North West to acquire a stake in Fountainhead. The transaction, which was formalised earlier this year remains conditional on the conclusion of debt funding agreements, involves the sale of 75 million Fountainhead units to a special purpose wholly owned subsidiary of BBK (BBK SPV) at a price of R9,19 per unit. The Fountainhead units will be sold *ex* the entitlement to the Fountainhead distribution for the six months ended 28 February 2015. The transaction will be partly equity funded by BBK (in an amount of R150 million equating to R2 per Fountainhead unit) with the balance being funded by debt which will be credit enhanced by Redefine. The sold Fountainhead units will be subject to a five-year lock-in period and contractual commitments on the part of BBK SPV, BBK and the Sedibelo Trust to retain their empowerment credentials. These restrictions will remain in place in respect of any Redefine shares received by BBK SPV should Redefine's offer for Fountainhead's assets be successful. A SENS announcement setting out further details of the transaction has been released.

PROSPECTS

Property fundamentals remain challenging and the operating environment across all sectors continues to be subject to uncertainty around electricity supply and local service delivery. In addition upward interest rate pressure will pose a challenge going forward, but will no doubt also create opportunities during the remainder of the year. The diversified asset base, combined with Redefine's dedicated commitment to the execution of its stated strategies will enable it to deliver on its long-term goals. We are therefore confident of achieving distribution growth of between 7% and 7,5% for the full 2015 year compared with the distribution of 74,54 cents to 31 August 2014.

The forecast is predicated on the assumption that current trading conditions will prevail. Forecast rental income is based on contractual terms and anticipated market-related renewals. This forecast has not been reviewed or reported on by the group's independent external auditors.

DECLARATION OF A CASH DIVIDEND WITH THE ELECTION TO REINVEST THE CASH DIVIDEND IN RETURN FOR REDEFINE SHARES

The board of directors of Redefine have declared an interim cash dividend of 39,00000 cents per share, for the six months ended 28 February 2015, out of the company's distributable income (the cash dividend).

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to reinvest the cash dividend in return for Redefine shares (the share alternative), failing which they will receive the cash dividend of 39,00000 cents per share that will be paid to those shareholders not electing to participate in the share alternative.

A circular providing further information in respect of the cash dividend and share alternative will be posted to Redefine shareholders on 7 May 2015.

Shareholders who have dematerialised their shares 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 dividend and share alternative are as set out below.

	2015
Circular and form of election posted to shareholders	**Thursday, 7 May**
Finalisation information including the share ratio and price per share published on SENS	**Friday, 15 May**
Last day to trade in order to participate in the election to receive the share alternative or to receive a cash dividend (LDT)	**Friday, 22 May**
Shares to trade ex-dividend	**Monday, 25 May**
Listing of maximum possible number of shares under the share alternative	**Wednesday, 27 May**
Last day to elect to receive the share alternative or to receive a cash dividend (no late forms of election will be accepted) at 12:00 (SA time)	**Friday, 29 May**
Record date for the election to receive the share alternative or to receive a cash dividend (record date)	**Friday, 29 May**
Announcement of results of cash dividend and share alternative released on SENS	**Monday, 1 June**
Cash dividend cheques posted to certificated shareholders on or about	**Monday, 1 June**
Accounts credited by CSDP or broker to dematerialised shareholders with the cash dividend payment	**Monday, 1 June**
Share certificates posted to certificated shareholders on or about	**Wednesday, 3 June**
Accounts updated with the new shares (if applicable) by CSDP or broker to dematerialised shareholders	**Wednesday, 3 June**
Adjustment to shares listed on or about	**Friday, 5 June**

Notes

1. Shareholders electing the share alternative are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3, due to the fact that settlement of the shares will be three days after the record date, which differs from the conventional one day after record date settlement process.
2. Shares may not be dematerialised or rematerialised between Monday, 25 May 2015 and Friday, 29 May 2015, 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 with effect from 1 September 2013 in line with the REIT structure as provided for in the Income Tax Act, 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 dividend of 39,00000 cents per share 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 shareholders must be included in the gross income of such shareholders (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 shareholder. These qualifying distributions are however exempt from dividends withholding tax, provided that the South African resident shareholders provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:
  - a declaration that the dividends are 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. Shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the above mentioned 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 shareholders 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 shareholder. Assuming dividends withholding tax will be withheld at a rate of 15%, the net dividend amount due to non-resident shareholders is 33,15000 cents per share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied upon if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:
  - a declaration that the dividend 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 shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the above mentioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Shareholders are advised that in electing to participate in the share alternative, pre-taxation funds are utilised for the reinvestment purposes and that taxation will be due on the total cash dividend amount of 39,00000 cents per share.

OTHER INFORMATION

- The ordinary issued share capital of Redefine is 3 904 153 777 ordinary shares of no par value before any election to reinvest the cash dividend.
- Income tax reference number of Redefine: 917/852/484/0.

The cash dividend or share alternative may have tax implications for resident as well as non-resident shareholders. Shareholders are therefore encouraged to consult their professional advisers should they be in any doubt as to the appropriate action to take.

DIVIDEND DECLARATION AFTER REPORTING DATE

In line with IAS 10 *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event which is not recognised in the financial statements. In prior periods, the distribution consisted of debenture interest which accrued on a daily basis.

CHANGES TO THE BOARD

Phumzile Langeni has been appointed to the Board as an independent non-executive director, with effect from 6 May 2015.

BASIS OF PREPARATION

The condensed unaudited interim financial statements for the six months ended 28 February 2015 are prepared in accordance with International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the South African Companies Act, 2008 (as amended).

Except for the amendments to the standards adopted as set out below, the accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements. Redefine adopted the following amendments to existing standards:

- Amendments to IAS 32: *Financial Instruments Presentation*.
- Amendments to IAS 36: *Impairment of Assets*.

There was no material impact to the group's interim financial statements.

The prior period comparatives have been represented to reflect the change in accounting policy for property portfolio revenue as set out below.

In terms of IAS 18 *Revenue*, Redefine acts as a principal for the collection of operating cost recoveries and as such these recoveries should be accounted for as revenue and included in contractual rental income. In light thereof the directors of Redefine decided during the previous financial year to revise the accounting policy relating to the recognition of the operating costs recoveries received from tenants. In the prior comparative period these recoveries were offset against the relevant operating costs. The revised policy adopted is as follows: Recoveries of costs from lessees are included in contractual rental income; however, where Redefine merely acts as an agent and makes payment of these costs on behalf of lessees, the recoveries are offset against the relevant costs. In our view this policy better reflects the economic substance of the transaction and is seen as best practice in the REIT industry. This change provides more relevant information to the users of the financial statements. This change has not resulted in any impact on the profit of the group. This change has been applied retrospectively and as a result the prior comparative period's statements of comprehensive income and the segmental analysis have been represented to reflect this change.

The results were prepared under the supervision of Leon Kok CA(SA), Redefine's Financial Director.

These condensed interim financial statements have not been reviewed or audited by Redefine's independent auditor, Grant Thornton.

By order of the board

Redefine Properties Limited

6 May 2015

Redefine Properties Limited
(Incorporated in the Republic of South Africa)
Registration number: 1999/018591/06
JSE share code: RDF ISIN: ZAE000190252
("Redefine" or "the company" or "the group")
(Approved as a REIT by the JSE)

Directors:
M Wainer* (Chairman), A J Konig* (CEO), L C Kok* (FD), D H Rice*† (COO), H K Mehta, B Nackan+, D A Nathan, M J Ruttell*@, G Z Steffens#, M J Watters

*Executive †British @Irish #German +Lead independent

Registered office:
3rd Floor, Redefine Place, 2 Arnold Road, Rosebank, 2196.
(PO Box 1731, Parklands, 2121)

Transfer secretaries:
Computershare Investor Services Proprietary Limited

Sponsor:
Java Capital

Company secretary:
CIS Company Secretaries Proprietary Limited