



UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2001

CONSOLIDATED INCOME STATEMENT

The audited comparatives are for the first six months from date of listing	Unaudited 6 months to 28 Feb 2001 R000's	Audited 6 months to 31 Aug 2000 R000's
Revenue		
Property portfolio	55,250	56,838
Listed securities portfolio	47,779	46,262
	103,029	103,100
Operating costs – property portfolio	13,994	13,458
Administration costs	5,384	4,163
Operating profit	83,651	85,479
Capital profit on disposal of properties	74	–
Capital profit on disposal of listed securities	1,823	1,529
Profit from operations	85,548	87,008
Interest received	972	1,558
Profit before finance charges	86,520	88,566
Finance charges	44,479	48,236
Profit before taxation	42,041	40,330
Taxation	–	–
Profit attributable to linked unitholders	42,041	40,330
Linked unit distributions	40,143	38,801
First quarter	19,988	–
Second quarter	20,155	–
Third quarter	–	19,032
Fourth quarter	–	19,769
Profit after distribution	1,898	1,529
Transfer to non-distributable reserve	1,898	1,529
Retained profit for the period	–	–
Actual number of linked units in issue (000's)	237,114	232,582
Weighted number of linked units in issue (000's)	235,764	222,537
Earnings per linked unit (cents)	17.83	18.12
Headline earnings per linked unit (cents)	17.03	17.44
Distribution per linked unit (cents)	17.00	17.00

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The audited comparatives are for the first six months from date of listing	Unaudited 6 months to 28 Feb 2001 R000's	Audited 6 months to 31 Aug 2000 R000's
Balance at beginning of period	462,505	–
Issue of linked units – private placement	–	58,000
Issue of linked units – acquisition of property portfolios	6,350	399,769
Issue of linked units – acquisition of listed securities portfolios	2,735	7,000
Preliminary expenses written-off	-64	-3,793
Transfer to non-distributable reserve	1,898	1,529
	473,424	462,505

CONSOLIDATED BALANCE SHEET

The audited comparatives are for the first six months from date of listing	Unaudited 28 Feb 2001 R000's	Audited 31 Aug 2000 R000's
ASSETS		
Non-current assets	1,214,232	1,198,174
Property portfolio	611,260	588,132
Listed securities portfolio	602,972	610,042
Current assets	35,742	30,852
Trade and other receivables	17,455	13,857
Debtors for property sales	491	1,250
Cash and cash equivalents	17,796	15,745
Total assets	1,249,974	1,229,026
EQUITY AND LIABILITIES		
Capital and reserves	473,424	462,505
Linked unit capital	469,997	460,976
Non-distributable reserve	3,427	1,529
Non-current liabilities	724,182	724,318
Interest-bearing liabilities	689,456	641,964
Non-interest bearing liabilities	34,726	82,354
Current liabilities	52,369	42,203
Interest-bearing liabilities	16,639	16,917
Trade and other payables	15,275	5,217
Provision for maintenance	300	300
Unitholders for distribution	20,155	19,769
Total equity and liabilities	1,249,974	1,229,026

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

The audited comparatives are for the first six months from date of listing	Unaudited 6 months to 28 Feb 2001 R000's	Audited 6 months to 31 Aug 2000 R000's
Cash effects from operating activities	7,941	9,732
Cash generated from operations	91,205	75,442
Net financing costs	-43,507	-46,678
Distribution costs	-39,757	-19,032
Cash effects of investing activities	-14,497	-1,196,198
Net property acquisitions	-23,390	-587,685
Net listed securities disposals/acquisitions	8,893	-608,513
Cash effects from financing activities	8,607	1,202,211
Linked units issued	9,021	460,975
Borrowings (repaid)/raised	-414	741,236
Net movement in cash and cash equivalents	2,051	15,745
Opening cash and cash equivalents	15,745	–
Closing cash and cash equivalents	17,796	15,745

INTEREST DISTRIBUTION NO 4

Linked unitholders are advised that Interest Distribution No. 4, in respect of the quarter 1 December 2000 to 28 February 2001, 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 12 April 2001. Cheques will be posted on or about 30 April 2001.

Commentary

Review of results

During the interim review period ending 28 February 2001, the focus was on consolidating asset management strategies, adding value to the property portfolio and preparing non-core properties for subsequent disposal.

Revenue of R103m was consistent with the R103m earned in the previous six months to 31 August 2000. Redefine's hybrid investment structure continued to deliver healthy income streams, with the property portfolio contributing R55m and the listed securities portfolio R48m. Operating and administrative costs were higher at R19m. This was partially due to increased expenditure in enhancing the standard of finish of certain of the properties. Administration costs were higher, in part reflecting an increase in asset management fees arising from the underlying increase in Redefine's net asset value.

Deferred vendor payment settlement

During the period under review, Redefine paid deferred liabilities totalling R48m to vendors of property acquired during initial property portfolio assembly. Payment was met through effective asset management strategies and by partial conversion of non interest-bearing debt into interest-bearing debt. The full cost of meeting deferred liability obligations has been factored into Redefine's budgets and the Board is confident there will be no dilution in Redefine's profitability.

Property portfolio rationalisation

In keeping with its policy of continuously re-evaluating the property portfolio, Redefine disposed of two properties in the review period and has since purchased two further properties for R17,5m.

Listed Security Investments

Investment in Compass Holdings has been increased by R5,7m while the total holding in Richway Retail Properties has been sold. Redefine is now invested in 12 listed counters. A substantial rerating of the listed property sector has resulted in Redefine's investment therein increasing by 12,8 percent from R604m to R681m, representing an increase in NAV of 33 cents per linked unit, without taking account of any potential increase in the value of the property portfolio.

Liquidity

It is pleasing to note a marked rise in volume of trades in Redefine linked units during the review period, with strong evidence that individual investors as well as investment funds are active buyers. In the review period, 46m linked units were traded on the JSE, representing an annualised 38 percent of the total number of linked units in issue.

Interest rate management and debt restructuring

Close attention to interest rate management has resulted in a saving on finance charges of 8 percent. Utilising the R150 long bond as a yardstick, further interest rate swaps have been introduced to lower the overall cost of medium and long-term borrowings. The existing R450m swap, maturing on 31 January 2002, has been replaced on maturity by further forward starting swaps to take advantage of current attractive long-term interest rates. Seventy percent of Redefine's total long-term debt is covered over a rolling two-year period by interest rate swaps.

Prospects

The Board is confident that Redefine will maintain annualised income growth in excess of the inflation rate. Opportunities to increase and enhance Redefine's assets are continually being evaluated. In this regard linked unitholders' attention is drawn to the cautionary announcement published on Wednesday, 28 March 2001.

By order of the Board

Wolf Cesman, *Chairman*
Johannesburg

Peter Penhall *Chief Executive Officer*
28 March 2001