



UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2002

CONSOLIDATED INCOME STATEMENT			
	Unaudited 6 months to 28 Feb 2002 R000	Unaudited 6 months to 28 Feb 2001 R000	Audited 12 months to 31 Aug 2001 R000
Revenue			
Property portfolio	45 128	55 250	107 214
Listed security portfolio	66 106	47 779	106 945
	111 234	103 029	214 159
Operating costs – property portfolio	11 034	13 994	27 689
Administration costs	5 506	5 384	11 890
Operating profit	94 694	83 651	174 580
Net capital gain (loss) on non-current assets	(116 222)	1 897	173 298
Profit (loss) from operations	(21 528)	85 548	347 878
Interest received	752	972	1 894
Profit (loss) before finance charges	(20 776)	86 520	349 772
Finance charges	50 145	44 479	93 650
Profit (loss) before taxation	(70 921)	42 041	256 122
Taxation	–	–	–
Profit (loss) attributable to linked unitholders	(70 921)	42 041	256 122
Headline earnings and distributions			
Profit (loss) attributable to linked unitholders	(70 921)	42 041	256 122
Net capital loss (gain) on non-current assets	116 222	(1 897)	(173 298)
Headline earnings and total distributions	45 301	40 144	82 824
– First quarter distribution	22 530	19 989	19 989
– Second quarter distribution	22 771	20 155	20 155
– Third quarter distribution	–	–	21 340
– Fourth quarter distribution	–	–	21 340
Earnings per linked unit			
Actual number of linked units in issue (000)	253 014	237 114	237 114
Weighted number of linked units in issue (000)	248 578	235 764	236 445
Earnings per linked unit (cents)	(28,53)	17,83	108,32
Headline earnings per linked unit (cents)	18,22	17,03	35,03
Distribution per linked unit (cents)	18,00	17,00	35,00

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY			
	Unaudited 6 months to 28 Feb 2002 R000	Unaudited 6 months to 28 Feb 2001 R000	Audited 12 months to 31 Aug 2001 R000
Balance at beginning of period	644 824	462 505	462 505
Issue of linked units	50 091	9 085	9 085
Preliminary and issue expenses written-off	(85)	(64)	(64)
Net capital gain (loss) transferred to non-distributable reserve	(116 222)	1 897	173 298
	578 608	473 423	644 824

CONSOLIDATED BALANCE SHEET			
	Unaudited 28 Feb 2002 R000	Unaudited 28 Feb 2001 R000	Audited 31 Aug 2001 R000
ASSETS			
Non-current assets	1 366 073	1 214 232	1 349 994
Property portfolio	550 251	611 260	447 907
Listed security portfolio	815 822	602 972	902 087
Current assets	56 025	35 742	48 642
Trade and other receivables	54 019	17 455	12 600
Debtors for property sales	450	491	3 682
Cash and cash equivalents	1 556	17 796	32 360
Total assets	1 422 098	1 249 974	1 398 636
EQUITY AND LIABILITIES			
Capital and reserves	578 608	473 423	644 824
Linked unit capital	520 002	469 996	469 997
Non-distributable reserve	58 606	3 427	174 827
Non-current liabilities	795 665	724 182	699 202
Interest-bearing liabilities	778 145	689 456	681 577
Non-interest bearing liabilities	17 520	34 726	17 625
Current liabilities	47 825	52 369	54 610
Interest-bearing liabilities	7 702	16 639	12 583
Trade and other payables	17 352	15 575	20 687
Unitholders for distribution	22 771	20 155	21 340
Total equity and liabilities	1 422 098	1 249 974	1 398 636

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS			
	Unaudited 6 months to 28 Feb 2002 R000	Unaudited 6 months to 28 Feb 2001 R000	Audited 12 months to 31 Aug 2001 R000
Cash effects from operating activities	(43 323)	7 941	19 105
Cash generated from operations	49 940	91 205	192 114
Net financing costs	(49 393)	(43 507)	(91 756)
Linked unit distributions paid	(43 870)	(39 757)	(81 253)
Cash effects of investing activities	(129 069)	(14 497)	17 939
Net property disposals (acquisitions)	(98 379)	(23 390)	136 013
Net listed security disposals (acquisitions)	(30 690)	8 893	(118 074)
Cash effects from financing activities	141 588	8 607	(20 429)
Linked units issued	50 006	9 021	9 021
Net borrowings (repayments)	91 582	(414)	(29 450)
Net movement in cash and cash equivalents	(30 804)	2 051	16 615
Opening cash and cash equivalents	32 360	15 745	15 745
Closing cash and cash equivalents	1 556	17 796	32 360

INTEREST DISTRIBUTION NO. 8

Unitholders are advised that interest distribution No. 8 in respect of the period 1 December 2001 to 28 February 2002 of 9 cents per linked unit has been declared.

- The last date to trade cum interest Wednesday, 17 April 2002
- Units will trade ex interest Thursday, 18 April 2002
- Record date to participate Wednesday, 24 April, 2002
- Payment of interest distribution No. 8 Thursday, 25 April 2002

Unitholders may not dematerialise or re-materialise their linked units between Thursday, 11 April 2002 and Wednesday, 24 April 2002, both days inclusive.

COMMENTARY

Review of results

During the six months ended 28 February 2002, Redefine Income Fund Limited ('Redefine') increased revenue by 8 percent over the comparable period of the previous year which, combined with a reduction in operating costs, increased operating profit by 13 percent. After allowing for an increase in the cost of finance as a result of the growth in the asset base, profit available for distribution to linked unitholders is R45,3-million, representing an increase of 6 percent. The company has continued to deliver an increasing income return to unitholders. This growth has been achieved against the general decline in earnings in the listed property sector.

Redefine has also achieved growth in its asset base and continues with its restructuring strategy within its asset base, the result of which is a significant reduction in its hybrid portfolio risk profile through the implementation of positive asset management strategies.

Property portfolio

As reported in the 2001 annual report, Redefine has concluded agreements, subsequent to 31 August 2001, for the acquisition of 12 properties at a total cost of R194-million. Nine properties have been transferred, with the transfer of the remaining 3 properties, costing R104-million, expected to be completed by 31 May 2002. Another 3 properties, tenanted by a major commercial bank, have been acquired and transferred for R22,5-million. One vacant industrial property was sold at a marginal gain.

The composition of the property portfolio has been substantially upgraded, with the lease expiry profile strengthening to more than 50 percent of the contractual rental income being secured beyond the next 5 years. Constant attention to tenant retention, together with an active leasing strategy, enabled Redefine to hold its vacancy levels at under 6 percent, well below current market norms.

Listed security portfolio

The composition of Redefine's listed securities portfolio is continually being re-evaluated. Following the implementation of a capital realignment strategy, the excessive holding in ApexHi linked units has been reduced, the proceeds being utilised to fund the acquisition of other listed securities and directly-held property. This strategy has significantly improved the composition and profile of the listed security portfolio.

The recent increases in interest rates have contributed to a downward re-rating of the listed property sector of the JSE. This has resulted in a significant negative adjustment against accumulated NDR being effected through the income statement, in keeping with generally accepted accounting practice.

Conversely, quality listed property counters are currently trading at yields substantially in excess of the average yields applicable for quality physical property, offering Redefine unique opportunities inherent through its hybrid asset structure.

In keeping with its commitment to unitholders, Redefine has increased and will continue to increase its asset base from whichever sector offers the best opportunities at any given time.

Interest rate management and debt restructuring

Redefine's policy of implementing interest rate hedging mechanisms to a minimum cover of 70 percent of debt has ensured that the effect from recent interest rate increases on distributable income is minimised. Redefine has entered into several interest rate swap instruments covering a total of R550-million at an average cost of 13 percent for two years, effective February 2002. Redefine's long-term finance rate is linked to long bond yields, further reducing the effects of short-term rate increases on the uncovered portion of total debt.

Prospects

The Board is confident that Redefine will deliver growth in its annual distributions for the 2002 financial year, notwithstanding that many of the listed property funds in which Redefine is invested have indicated that growth in their distributions may be muted.

Redefine continues to seek and take advantage of value-adding activities within the sector.

Wolf Cesman, *Chairman*
Johannesburg

Peter Penhall, *Chief Executive Officer*
3 April, 2002