



UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2003

CONSOLIDATED INCOME STATEMENT			
	Unaudited 6 months to 28 Feb 2003 R000	Unaudited 6 months to 28 Feb 2002 R000	Audited 12 months to 31 Aug 2002 R000
Revenue			
Property portfolio	92 940	45 128	106 695
Listed security portfolio	90 448	66 106	142 116
	183 388	111 234	248 811
Operating costs – property portfolio	23 844	11 034	25 678
Administration costs	8 041	5 506	11 451
Operating profit	151 503	94 694	211 682
Net capital gain (loss) on non-current assets	120 380	(116 222)	(79 674)
Profit (loss) from operations	271 883	(21 528)	132 008
Interest received	3 970	752	1 211
Profit (loss) before finance charges	275 853	(20 776)	133 219
Finance charges	89 427	50 145	109 437
Profit (loss) before taxation	186 426	(70 921)	23 782
Taxation	–	–	–
Profit (loss) attributable to linked unitholders	186 426	(70 921)	23 782

Headline earnings and distributions			
Profit (loss) attributable to linked unitholders	186 426	(70 921)	23 782
Net capital loss (gain) on non-current assets	(120 380)	116 222	79 674
Headline earnings and total distributions	66 046	45 301	103 456
– First quarter	29 669	22 530	22 530
– Second quarter	36 377	22 771	22 771
– Third quarter	–	–	28 430
– Fourth quarter	–	–	29 725

Earnings per linked unit			
Actual number of linked units in issue (000)	421 653	253 014	321 068
Weighted number of linked units in issue (000)	388 146	248 578	279 096
Earnings per linked unit (cents)	48,03	(28,53)	8,52
Headline earnings per linked unit (cents)	17,02	18,22	37,07
Distribution per linked unit (cents)	17,00	18,00	37,00
Net asset value per linked unit (cents) (excluding unpaid distributions)	265,73	228,69	234,74

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY			
	Unaudited 6 months to 28 Feb 2003 R000	Unaudited 6 months to 28 Feb 2002 R000	Audited 12 months to 31 Aug 2002 R000
Opening balance	761 457	644 824	644 824
– As previously stated	753 666	753 666	753 666
– Gains on interest rate swaps	7 791	–	–
Issue of linked units	246 242	50 091	190 888
Issue expenses written-off	(979)	(85)	(2 372)
Net change in interest rate swaps	(6 649)	–	–
Profit (loss) attributable to linked unitholders	186 426	(70 921)	23 782
Distributions to linked unitholders	(66 046)	(45 301)	(103 456)
Closing balance	1 120 451	578 608	753 666

CONSOLIDATED BALANCE SHEET			
	Unaudited 6 months to 28 Feb 2003 R000	Unaudited 6 months to 28 Feb 2002 R000	Audited 12 months to 31 Aug 2002 R000
ASSETS			
Non-current assets	2 465 895	1 366 073	1 894 390
Property portfolio	1 171 026	550 251	807 777
Listed security portfolio	1 293 727	815 822	1 086 613
Interest rate swaps	1 142	–	–
Current assets	93 578	56 025	58 698
Trading securities	9 347	–	–
Deposits, prepayments and other receivables	9 854	6 351	11 270
Tenant debtors	4 814	1 126	3 120
Managing agent debtors	5 983	1 918	764
Listed security distributions receivable	58 173	45 074	43 539
Cash and cash equivalents	5 407	1 556	5
Total assets	2 559 473	1 422 098	1 953 088
EQUITY AND LIABILITIES			
Capital and reserves	1 120 451	578 608	753 666
Linked unit capital	903 831	520 002	658 513
Non-distributable reserve	215 478	–	–
Gains on interest rate swaps	1 142	58 606	95 153
Non-current liabilities	1 375 741	795 665	1 100 201
Interest-bearing liabilities	1 375 741	778 145	1 100 201
Non-interest bearing liabilities	–	17 520	–
Current liabilities	63 281	47 825	99 221
Interest-bearing liabilities	15 480	7 702	26 240
Trade and other payables	11 424	17 352	10 223
Bank overdraft	–	–	33 033
Unitholders for distribution	36 377	22 771	29 725
Total equity and liabilities	2 559 473	1 422 098	1 953 088

CONDENSED CONSOLIDATED CASH FLOW STATEMENT			
	Unaudited 6 months to 28 Feb 2003 R000	Unaudited 6 months to 28 Feb 2002 R000	Audited 12 months to 31 Aug 2002 R000
Cash effects from operating activities	(22 127)	(43 323)	(47 252)
Cash generated from operations	122 724	49 940	156 045
Net financing costs	(85 457)	(49 393)	(108 226)
Linked unit distributions paid	(59 394)	(43 870)	(95 071)
Cash effects of investing activities	(449 481)	(129 069)	(621 308)
Net property acquisitions	(362 747)	(98 379)	(352 570)
Net listed security acquisitions	(86 734)	(30 690)	(268 738)
Cash effects from financing activities	510 043	141 588	603 172
Linked units issued	245 263	50 006	188 516
Net borrowings	264 780	91 582	414 656
Net movement in cash and cash equivalents	38 435	(30 804)	(65 388)
Opening cash and cash equivalents	(33 028)	32 360	32 360
Closing cash and cash equivalents	5 407	1 556	(33 028)

BASIS OF PREPARATION
The financial results are determined in accordance with South African Statements of Generally Accepted Accounting Practice and the accounting policies applied are consistent with those applied in the previous financial year, except for the adoption of AC133 Financial Instruments: Recognition and Measurement.

COMMENTARY  
Review of results

Redefine has maintained its interest distribution at 8,5 cents per linked unit for the second quarter of the current financial year notwithstanding the difficult economic conditions experienced by the property sector. Total distributions for the six months ended 28 February 2003 are 17 cents per linked unit.

Headline earnings per linked unit are marginally lower than those for the comparable period of the previous year because of the significant changes in the composition of Redefine's listed security portfolio as well as amended distribution patterns of certain funds in which Redefine is invested.

Non-current assets increased by 30 percent to R2,46-billion and Net Asset Value per linked unit of 265,73 cents at 28 February 2003 increased by 16 percent as compared with the previous year.

**Property portfolio**

The acquisition of 27 prime investment properties – 24 commercial and three retail – from Rand Leases Properties increased the property portfolio value to R1,2-billion. Integration of these properties is almost complete in that 20 have been transferred.

The property portfolio comprising 98 properties derives 62 percent of its gross revenue from commercial, 23 percent from retail, and 15 percent from the industrial, sectors. Overall, the quality of the portfolio has been enhanced to 73 percent A-grade and 27 percent B-grade properties.

Redefine's policy of investing primarily in properties with few tenants and long leases has ensured that its overall lease expiry profile is below the listed property sector averages. The lease expiry risk in financial 2003 is 15 percent and 42 percent of gross revenue is contracted for the next five years. Vacancies by area have been reduced from 6,9 percent in August 2002 to 6,2 percent.

**Listed security portfolio**

The listed security portfolio increased by R207-million arising from net acquisitions of R86-million and increases in market value of R121-million. Post 28 February 2003, the listed security portfolio, which is continually being appraised, has continued to appreciate in value.

**Linked unit capital – issue for cash**

During February 2003 Redefine issued 55-million linked units for cash raising R137-million net of costs which assisted in reducing gearing from 60 percent to 55 percent.

**Interest rate management**

Redefine increased the level of interest rate hedging to closely cover total interest bearing liabilities in the knowledge that rate hedges of R550-million mature within the next 14 months. A combination of five- and seven-year rate swaps have been effected in the review period.

**Net current assets**

Listed security distributions receivable represent income declared but not received at 28 February 2003 which, added to cash resources, cover Redefine's current liabilities, including unitholders for distribution.

**Directorate**

Peter Penhall has accepted an appointment abroad and has tendered his resignation with effect from 31 March 2003. The Board extends its appreciation for his valuable contribution and wishes him well in his future endeavours. Until such time as a replacement is secured, management will be under the control of Corpcapital, Redefine's asset manager.

**Prospects**

It is anticipated that Redefine will be able to maintain its total distributions per linked unit at substantially similar levels to those of the previous financial year provided the property sector does not deteriorate and anticipated distributions from the listed security portfolio materialise.

**Interest distribution**

Unitholders are advised that interest distribution No. 12 in respect of the period 1 December 2002 to 28 February 2003 of 8,5 cents per linked unit has been declared.

- The last date to trade cum interest Wednesday, 16 April 2003
- Linked units will trade ex interest Thursday, 17 April 2003
- Record date to participate Friday, 25 April 2003
- Payment of interest distribution No. 12 Tuesday, 29 April 2003

Unitholders may not dematerialise or re-materialise their linked units between Thursday, 17 April 2003 and Friday, 25 April 2003, both days inclusive.

Wolf Cesman, Chairman Peter Penhall, Chief Executive Officer  
Johannesburg 31 March, 2003