



UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 29 FEBRUARY 2004

CONSOLIDATED INCOME STATEMENT

	Unaudited Feb 2004 R000	Unaudited Feb 2003 R000	Audited 31 Aug 2003 R000
Revenue			
Property portfolio	117 238	92 940	197 919
Listed security portfolio	88 143	90 448	164 174
	205 381	183 388	362 093
Operating costs - property portfolio	36 093	23 844	52 691
Administration costs	9 026	8 041	17 415
Operating profit	160 262	151 503	291 987
Net capital gain on non-current assets	97 266	120 380	51 340
Profit from operations	257 528	271 883	343 327
Interest received	1 068	3 970	6 657
Profit before finance charges	258 596	275 853	349 984
Finance charges	92 614	89 427	182 447
Profit before taxation	165 982	186 426	167 537
Taxation	–	–	–
Profit attributable to linked unitholders	165 982	186 426	167 537
Headline earnings and distributions			
Profit attributable to linked unitholders	165 982	186 426	167 537
Net capital gain on non-current assets	(97 266)	(120 380)	(51 340)
Headline earnings and total distributions	68 716	66 046	116 197
• First quarter	32 068	29 669	29 135
• Second quarter	36 648	36 377	34 966
• Third quarter	–	–	25 369
• Fourth quarter	–	–	26 727
Earnings per linked unit			
Actual number of linked units in issue (000)	463 358	421 653	413 016
Weighted number of linked units in issue (000)	442 838	388 146	392 839
Earnings per linked unit (cents)	37.48	48.03	42.65
Headline earnings per linked unit (cents)	15.52	17.02	29.58
Distribution per linked unit (cents)	15.50	17.00	29.75
Net asset value per linked unit (cents)	265.28	265.73	240.79

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Feb 2004 R000	Unaudited Feb 2003 R000	Audited 31 Aug 2003 R000
Balance at beginning of period	994 503	761 457	761 457
• As previously stated	994 503	753 666	753 666
• Deferred interest rate hedging gain	–	7 791	7 791
Net issue of linked units	128 750	246 242	226 143
Issue expenses written-off	(443)	(979)	(1 178)
Revaluation of interest rate swaps	9 132	(6 649)	(43 259)
Profit attributable to linked unitholders	165 982	186 426	167 537
Distributions to linked unitholders	(68 716)	(66 046)	(116 197)
	1 229 208	1 120 451	994 503

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.

CONSOLIDATED BALANCE SHEET

	Unaudited Feb 2004 R000	Unaudited Feb 2003 R000	Audited 31 Aug 2003 R000
ASSETS			
Non-current asset	2 777 806	2 465 895	2 448 578
Property portfolio	1 279 546	1 171 026	1 139 256
Listed security portfolio	1 498 260	1 293 727	1 309 322
Interest rate swaps	–	1 142	–
Current assets	92 843	93 578	76 729
Trading securities	492	9 347	5 392
Deposits, prepayments and other receivables	16 724	15 837	19 667
Tenant debtors	7 718	4 814	6 384
Listed security distributions and sales	52 653	58 173	45 262
Cash and cash equivalents	15 256	5 407	24
Total assets	2 870 649	2 559 473	2 525 307
EQUITY AND LIABILITIES			
Capital and reserves	1 229 208	1 120 451	994 503
Linked unit capital	1 011 785	903 831	883 478
Non-distributable reserve	243 759	215 478	146 493
Deferred interest rate hedging (loss) gain	(26 336)	1 142	(35 468)
Non-current liabilities	1 568 362	1 375 741	1 468 072
Interest- bearing liabilities	1 542 026	1 375 741	1 432 604
Interest rate swaps	26 336	–	35 468
Current liabilities	73 079	63 281	62 732
Interest-bearing liabilities	15 221	15 480	17 086
Trade and other payables	23 049	11 424	15 754
Bank overdraft	–	–	3 165
Unitholders for distribution	34 809	36 377	26 727
Total equity and liabilities	2 870 649	2 559 473	2 525 307

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Feb 2004 R000	Unaudited Feb 2003 R000	Audited 31 Aug 2003 R000
Cash effects from operating activities	12 630	(22 127)	(15 085)
Cash generated from operations	164 810	122 724	279 900
Net financing costs	(91 546)	(85 457)	(175 790)
Linked unit distributions paid	(60 634)	(59 394)	(119 195)
Cash effects of investing activities	(232 405)	(449 481)	(503 242)
Net property acquisitions	(135 331)	(362 747)	(403 936)
Net listed security acquisitions	(97 074)	(86 734)	(99 306)
Cash effects from financing activities	238 172	510 043	548 214
Linked units issued	128 750	245 263	224 965
Net borrowings	109 422	264 780	323 249
Net movement in cash and cash equivalents	18 397	38 435	29 887
Opening cash and cash equivalents	(3 141)	(33 028)	(33 028)
Closing cash and cash equivalents	15 256	5 407	(3 141)

COMMENTARY

Review of results

Redefine Income Fund Limited (“Redefine”) has increased its interest distribution to 8 cents per linked unit for the second quarter ended 29 February 2004. Distributions for the six months ended 29 February 2004 total 15,5 cents per linked unit.

Headline earnings per linked unit for the six months ended 29 February 2004 are 15,5 cents per linked unit.

Non-current assets have increased to R2,78 billion at 29 February 2004. The Net Asset Value (“NAV”) per linked unit is R2.65 (Feb 2003: R2.66).

Property portfolio

During the period under review Standard Bank Centre Cape Town which Redefine acquired for R218 million and Motown Durban which it acquired for R39,5 million were transferred.

16 properties sold to Prima Property Trust were transferred during the period under review.

The net effect of acquisitions and sales during the period reduces the number of properties owned by Redefine to 72.

Sectoral spread by revenue comprises 64% commercial, 22% retail and 14% industrial. It is Redefine’s intention to increase its retail assets to approximately 35% of its portfolio.

The lease expiry profile is better than the sector average with 41.7% of leases expiring in 2008 and beyond.

During the period under review 20 045m² of vacant space was leased and leases in respect of 33 411m² were renewed.

At 29 February 2004, 93.4% of the portfolio was leased.

Listed securities portfolio

Redefine’s listed securities portfolio increased during the period under review by 14.4% as a result of acquisitions and increases in market value. The market value of the listed securities portfolio at 29 February 2004 was R1,498 billion.

During the period under review Redefine sold 50 million A-Prop units to Corovest for R40 million in exchange for listed property units in counters which form part of Redefine’s core listed securities portfolio. As a result of the A-Prop clawback offer, Redefine will own 9.7% of A-Prop, reduced from 31.3%.

Redefine acquired 120 million units in Prima Property Trust from the sale of 16 properties. Redefine currently owns 51.3% of Prima Property Trust units, which it intends to reduce to below 35% in the medium term.

Shops for Africa unitholders approved the sale of all its properties to ApexHi Properties in return for ApexHi linked units. Accordingly Redefine will receive approximately 4 million ApexHi A and B linked units in exchange for its Shops for Africa units.

Interest rate management

Redefine’s borrowings of R1,54 billion represents gearing of 55%, a reduction from 58% at August 2003, consistent with the long-term strategy to reduce gearing to below 45%.

The current average all-in interest rate is 11.96%. 72% of the borrowings are fixed for periods of five and seven years.

Directorate

Messrs D and J Solomon resigned from the Redefine Board on 21 November 2003. Mr S Shaw-Taylor was appointed non-executive director on 4 December 2003.

Prospects

The Board anticipates that the distribution per linked unit for the quarter ended 29 February 2004 will at least be maintained for each quarter in the remainder of the current financial year.

The property portfolio comprises 45% of Redefine’s total assets. Current yield differentials favour fixed property and therefore Redefine intends to increase its fixed property holdings.

Interest distribution

Unitholders are advised that interest distribution No. 16 in respect of the period 1 December 2003 to 29 February 2004 of 8 cents per linked unit has been declared.

- The last date to trade cum interest
 - Linked units will trade ex interest
 - Record date
 - Payment of interest distribution No. 16
- Friday, 16 April 2004
 - Monday, 19 April 2004
 - Friday, 23 April 2004
 - Monday, 26 April 2004

Unitholders may not dematerialise or re-materialise their linked units between Monday, 19 April 2004 and Friday, 23 April 2004, both days inclusive.

Wolf Cesman, Chairman Brian Azizollahoff, Chief Executive Officer
Johannesburg
1 April 2004

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