



Redefine Income Fund Limited
("Redefine" or "the Company")
Registration No: 1999/018591/06 • Share code: RDF • ISIN Code: ZAE000023503

REVIEWED INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2006

- Distributions up 21% to 20.9 cents per linked unit
- NAV per linked unit up 60% to R5,82
- Total assets up 40% to R5,2 billion
- Gearing down to 37% from 43%

CONSOLIDATED INCOME STATEMENT			
	Reviewed Feb 2006 R000	Restated and Reviewed Feb 2005 R000	Audited 31 Aug 2005 R000
Revenue			
Property portfolio	155 203	140 110	290 616
Contractual rental income	141 480	125 623	262 757
Straight-line rental income adjustment	13 723	14 487	27 859
Listed security portfolio	88 324	73 608	147 983
	243 527	213 718	438 599
Operating costs – property portfolio	26 554	28 550	61 320
Administration costs	16 064	10 489	22 827
Operating profit	200 909	174 679	354 452
Net capital gain on non-current assets	695 536	480 857	833 935
Provision against straight-lining of rental income	(13 723)	(14 487)	(27 859)
Interest rate swap termination costs	–	–	(97 784)
Profit from operations	882 722	641 049	1 062 744
Interest received	3 428	2 771	4 693
Profit before finance charges	886 150	643 820	1 067 437
Finance charges	85 964	78 903	150 197
Profit before taxation	800 186	564 917	917 240
Taxation	–	–	28 357
Profit attributable to linked unitholders	800 186	564 917	945 597
HEADLINE EARNINGS AND DISTRIBUTIONS			
Profit attributable to linked unitholders	800 186	564 917	945 597
Net capital gain on non-current assets	(695 536)	(480 857)	(833 935)
Headline earnings	104 650	84 060	111 662
Interest rate swap termination costs	–	–	69 427
• Gross	–	–	97 784
• Taxation	–	–	(28 357)
Total distributions	104 650	84 060	181 089
• First quarter	51 574	39 173	39 173
• Second quarter	53 076	44 887	44 050
• Third quarter	N/A	N/A	46 317
• Fourth quarter	N/A	N/A	51 549
Actual number of linked units in issue (000)	500 719 *	499 085 *	500 719 *
Weighted number of linked units in issue (000)	500 719 *	478 469 *	489 274 *
Earnings per linked unit (cents)	159.81	118.07	193.27
Headline earnings per linked unit (cents)	20.90	17.57	22.82
Distribution per linked unit (cents)	20.90	17.25	36.80

* Excludes 5 866 500 treasury units

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY			
	Reviewed Feb 2006 R000	Restated and Reviewed Feb 2005 R000	Audited 31 Aug 2005 R000
Balance at beginning of period	2 217 993	1 314 901	1 314 901
Net issue of linked units	–	72 509	76 545
Issue expenses written-off	–	(993)	(1 125)
Revaluation of interest rate swap	–	(54 278)	(34 620)
Deferred interest rates hedging loss removed from equity and reported in net profit	–	–	97 784
Profit attributable to linked unitholders	800 186	564 917	945 597
Distributions to linked unitholders	(104 650)	(84 067)	(181 089)
	2 913 529	1 812 999	2 217 993

Review opinion

The independent auditors, PKF (Jhb) Inc., have reviewed these interim results. Their unqualified report is available for inspection at the company's registered office.

Basis of preparation

The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IAS34 - Interim Financial Reporting. In order to comply with international interpretation of IAS17-Leases, total revenue reflects rental income recognised on a straight-line basis. The comparatives have been restated accordingly. This adjustment has no effect on prior period profit or equity. The accounting policies are materially consistent with those applied in previous years.

REDEFINE INCOME FUND LIMITED

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COMMENTS

Financial results

Redefine continues to increase distributions per linked unit with growth for the six months to 28 February 2006 of 21.2% over the comparative period.

The Board has approved an interest distribution of 10.6 cents per linked unit for the quarter ended 28 February 2006. This together with an interim distribution of 10.3 cents per linked unit for the quarter ended 30 November 2005 amounts to a total interest distribution for the six months ended 28 February 2006 of 20.9 cents per linked unit. This is in line with the forecast for the year ending August 2006.

Non-current assets have increased by 42.0% to R5,1 billion at 28 February 2006 (Feb 2005: R3,6 billion).

Net Asset Value (NAV) per linked unit is R5,82 (Feb 2005: R3.63)

Valuation of property portfolio

The directors have valued the property portfolio by applying market related rates which are substantiated by the independent external valuers. This has resulted in an increase in the value of the portfolio of R324,1 million or 15.7%. Deferred capital gains taxation of R47,0 million has been provided in respect of the revaluation surplus.

The property portfolio is revalued by independent external valuers at the end of each financial year.

Property acquisitions

During the period under review the following property was acquired:

Property	Location	GLA (m²)	Purchase Price R000	Initial Yield (%)
Celtic Freight	Isando	13 472	16 100	12
			16 100	

Property disposals

During the period under review the followings properties were disposed of and ownership transferred:

Property	Location	GLA (m²)	Net Proceeds R000
Woodmead 4 & 5*	Woodmead	1 527	9 898
18 Hurlingham Road	Illovo	1 189	7 750
44 Wierda Road	Wierda Valley	1 044	6 300
ERP.com*	Sunninghill	775	4 242
Kyalami Park - Stand 36	Kyalami	837	3 150
			31 340

* Transferred on 13 March 2006

Property portfolio

The property portfolio comprises 47.0% of Redefine's total non-current assets (Feb 2005: 57.7%). The reduction in the ratio arises from a positive re-rating of the listed property sector.

Sectoral spread by revenue comprises 56.8% commercial, 24.5% retail and 18.7% industrial. It is Redefine's strategy to increase its retail assets.

During the period under review 16 038m² of vacant space was leased and leases in respect of 21 575m² were renewed.

The lease expiry profile has continued to improve and outperform the sector average with 63.5% of leases expiring in 2009 and beyond.

At 28 February 2006, 97.3% of the property portfolio was leased (Feb 2005: 96.3%).

Listed securities portfolio

Hyprop Investments Limited made an offer to acquire SA Retail Properties Limited linked units from unitholders holding SA Retail units in terms of which the consideration was 1 Hyprop linked unit for every 2.7 SA Retail linked units. Redefine accepted the offer and obtained an additional 20,7 million Hyprop linked units. Subsequently an additional 8,2 million Hyprop linked units were purchased increasing Redefine's holding in Hyprop to 28.9%.

ApexHi Properties Limited purchased the entire business of Prima Property Trust. Prima unitholders received 5.9 ApexHi 'A' and 5.9 ApexHi 'B' units for every 100 Prima units held. As a result Redefine received an additional 12,3 million ApexHi 'A' and 12,3 million ApexHi 'B' linked units.

Redefine purchased an additional 15,6 million units in Marriott Property Fund.

The value of Redefine's listed securities portfolio increased by 77.7% from February 2005 to R2,7 billion.

Borrowings

Redefine's borrowings of R1,9 billion represent gearing of 36.9% a reduction from 39.5% at August 2005 (Feb 2005: 42.6%).

The current average all-in interest rate is 9.9% and the interest rate of 69.3% on borrowings is fixed for an average period of five years.

Liquidity

Redefine is one of the most liquid counters in the listed property sector with 29.2% of its linked units in issue having traded during the six months ended February 2006.

Prospects

The Board anticipates that the total distribution per linked unit for the six months ended 28 February 2006 will at least be maintained for the remainder of the current financial year.

Rights Issue

Unitholders are advised that the Board has resolved to implement a rights offer to raise capital of up to R310,3 million, full details of which are published in an announcement released simultaneously with this announcement.

Distribution

Unitholders are advised that interest distribution No. 24 in respect of the period 1 December 2005 to 28 February 2006 of 10.6 cents per linked unit has been declared.

- The last date to trade cum interest Thursday, 20 April 2006
- Linked units will trade ex interest Friday, 21 April 2006
- Record Date Friday, 28 April 2006
- Payment of interest distribution No. 24 Tuesday, 2 May 2006

Unitholders may not dematerialise or re-materialise their linked units between Friday, 21 April and Friday, 28 April 2006, both days inclusive.

Wolf Cesman, Chairman Brian Azizollahoff, Chief Executive Officer

Johannesburg

10 April 2006