

AUDITED RESULTS FOR THE YEAR ENDED 31 AUGUST 2010

- 17,6% increase in distributions to 66,5 cents per linked unit
 - 9,2% increase in NAV to 824 cents per linked unit
 - Total assets exceed R30 billion
 - Market capitalisation R21,2 billion
 - Hyprop investment increased to 46%
 - Controlling interest in international operations
 - Listing of Redefine Properties International

we have all the ingredients



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31 August 2010 R000	31 August 2009 R000
Revenue		
Property portfolio	2 657 976	770 139
Contractual rental income	2 502 135	741 620
Straight line rental income accrual	155 841	28 519
Listed securities	266 098	308 203
Fee income	193 364	14 328
Trading income	19 963	39 089
Total revenue	3 137 401	1 131 759
Operating costs	(537 639)	(138 913)
Administration costs	(135 904)	(84 363)
Net operating income	2 463 858	908 483
Changes in fair values of properties, listed securities and financial instruments	1 359 269	(389 841)
Amortisation of intangibles	(108 142)	-
Impairment of financial assets	(64 143)	-
Interest in associates	(62 931)	(3 938)
Income from operations	3 587 911	514 704
Interest paid	(843 211)	(350 129)
Interest received	283 905	71 835
Foreign exchange gain	28 967	7 244
Income before debenture interest	3 057 572	243 654
Debenture interest	(1 777 412)	(711 354)
Profit/(loss) before taxation	1 280 160	(467 700)
Taxation	(161 478)	176 949
Profit/(loss) for the year	1 118 682	(290 751)
Other comprehensive income/(expense)		
Exchange differences on translating foreign operations	(133 364)	(807)
Deferred profit on residential property realised	(9 488)	-
Revaluation of property, plant and equipment (net of deferred taxation)	345	549
Other comprehensive income for the year, net of taxation	(142 507)	(258)
Total comprehensive income for the year	976 175	(291 009)
Profit/(loss) attributable to:		
Redefine shareholders	1 135 752	(288 104)
Non-controlling interest	(17 070)	(2 647)
	1 118 682	(290 751)
Total comprehensive income attributable to:		
Redefine shareholders	996 788	(288 362)
Non-controlling interest	(20 613)	(2 647)
	976 175	(291 009)
Reconciliation of earnings, headline profit and distributable earnings		
Profit/(loss) for the year attributable to Redefine shareholders	1 135 752	(288 104)
Changes in fair values of properties (net of deferred taxation)	(216 503)	205 028
Changes in fair value of properties	(295 909)	380 619
Deferred taxation	79 406	(175 591)
Headline profit/(loss) to shareholders	919 249	(83 076)
Debenture interest	1 777 412	711 354

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *Continued . . .*

	31 August 2010 R000	31 August 2009 R000
Headline earnings attributable to linked unitholders	2 696 661	628 278
Changes in fair values of listed securities and financial instruments (net of deferred taxation)	(981 191)	7 864
Changes in fair values of listed securities and financial instruments	(1 063 360)	9 222
Deferred taxation	82 169	(1 358)
Amortisation of intangibles	108 142	-
Impairment of financial assets	64 143	-
Align consolidated foreign profits with anticipated dividends	17 505	1 429
Straight line rental income accrual	(155 841)	(28 519)
Foreign exchange gain	(28 967)	(7 244)
Fair value adjustment of associates and minorities	34 534	(10 610)
Fee income from foreign subsidiary	7 533	-
Capital write-offs included in administration costs	5 697	14 930
Pre-acquisition income on Hyprop units acquired in 2009	9 196	-
Pre-acquisition income of ApexHi and Madison	-	105 226
Distributable earnings	1 777 412	711 354
Quarter ended 30 November	443 651	116 111
Quarter ended 28 February	447 944	123 256
Quarter ended 31 May (2009: 4 months ended 30 June)	429 487	160 769
Quarter ended 31 August (2009: 2 months ended 31 August)	456 330	311 218
Total distributions	1 777 412	711 354
Actual number of linked units in issue (000)*	2 684 295	2 648 662
Weighted number of linked units in issue (000)*	2 661 915	1 042 258
Earnings per linked unit (cents)	109,44	40,61
Headline earnings per linked unit (cents)	101,31	60,28
Distribution per linked unit (cents)	66,50	56,55

*Excludes 5 876 766 treasury units.

Extracts of comprehensive income	South African	Foreign	Total
<i>Distributable income</i>	R000	R000	R000
Net property income (excluding straight line rental accrual)	1 875 841	88 655	1 964 496
Listed security portfolio	230 624	35 474	266 098
Fee income	100 351	93 013	193 364
Trading	19 963	-	19 963
Total revenue	2 226 779	217 142	2 443 921
Administration costs	(84 149)	(51 755)	(135 904)
Interest in associates (excluding fair value adjustments)	(864)	25 435	24 571
Net finance costs	(491 816)	(67 490)	(559 306)
Net distributable profit before taxation	1 649 950	123 332	1 773 282
Taxation	2 243	(2 147)	96
Non-controlling interest (excluding fair value adjustments)	1 862	(37 759)	(35 897)
Net profit before distributable adjustments	1 654 055	83 426	1 737 481
Distribution adjustments:	22 426	17 505	39 931
Align consolidated foreign profits with anticipated dividends	-	17 505	17 505
Fee income from offshore subsidiary	7 533	-	7 533
Capital write-offs included in administration costs	5 697	-	5 697
Pre-acquisition income on Hyprop units acquired in 2009	9 196	-	9 196
Distributable income	1 676 481	100 931	1 777 412

South African fee and trading income amounting to R120,3 million (5,4% of South African gross revenue) is non-recurring income.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	31 August 2010 R000	31 August 2009 R000
Net cash outflow from operating activities		
Cash generated from operations	2 180 214	1 034 422
Net financing costs	(559 306)	(271 050)
Linked unit distributions paid	(1 632 300)	(1 002 916)
Payments to non-controlling interests	(14 522)	(280)
Net cash outflow from operating activities	(25 914)	(239 824)
Net cash (outflow)/inflow from investing activities	(3 115 670)	480 928
Net cash inflow/(outflow) from financing activities	3 678 382	(288 145)
Net movement in cash and cash equivalents	536 798	(47 041)
Cash and cash equivalents at beginning of the year	111 154	158 195
Translation effects on cash and cash equivalents of foreign operations	(40 972)	-
Cash and cash equivalents at end of the year	606 980	111 154

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 August 2010 R000	31 August [†] 2009 R000
ASSETS		
Non-current assets	33 122 788	25 393 640
Investment property	21 650 529	18 234 776
Fair value of property portfolio for accounting purposes	20 553 136	17 555 250
Straight line rental income accrual	702 316	546 475
Property under development	395 077	133 051
Listed securities portfolio	5 099 485	2 807 448
Goodwill and intangibles	4 682 809	3 522 320
Interest in associates and joint ventures	346 227	201 387
Loans receivable	1 107 016	560 600
Other financial assets	4 115	-
Guarantee fees receivable	21 349	36 040
Property, plant and equipment	211 258	31 069
Current assets	1 497 974	640 129
Properties held for trading	128 317	186 908
Listed securities held for trading	-	9 316
Trade and other receivables	572 277	211 996
Guarantee fees receivable	37 037	20 127
Listed security income	153 363	100 628
Cash and cash equivalents	606 980	111 154
Non-current assets held for sale	351 359	173 200
Total assets	34 972 121	26 206 969
EQUITY AND LIABILITIES		
Share capital and reserves	15 111 062	13 200 268
Share capital and premium	11 788 301	11 602 835
Reserves	2 669 922	1 594 332
Non-controlling interests	652 839	3 101
Non-current liabilities	16 781 037	12 300 904
Debenture capital	4 831 731	4 767 591
Interest-bearing liabilities	9 562 035	5 460 099
Interest rate swaps	199 933	46 210
Financial guarantee contract	8 596	9 838
Deferred taxation	2 178 742	2 017 166
Current liabilities	3 080 022	705 797
Trade and other payables	636 386	374 271
Interest-bearing liabilities	1 987 306	20 308
Linked unitholders for distribution	456 330	311 218
Total equity and liabilities	34 972 121	26 206 969
Net asset value per linked unit (excluding deferred taxation) (cents)	824.11	754.53
The group's share in associate's post-acquisition reserves	37 287	12 757

[†] Restated – refer to prior year business combination.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31 August 2010 R000	31 August 2009 R000
Balance at beginning of the year	13 200 268	4 404 397
Issue of shares	185 466	9 514 815
Issue expenses written off	–	(923)
Total comprehensive income for the year	976 175	(291 009)
Effect of acquiring controlling interest in ApexHi	–	(427 054)
Changes in ownership interests in subsidiary	70 204	–
Transactions with minorities	(76 017)	42
Non-controlling interests on acquisition of subsidiaries	754 966	–
Total share capital and reserves	15 111 062	13 200 268

SEGMENTAL ANALYSIS

	Office R000	Retail R000	Industrial R000	Foreign R000	Total R000
Year ended 31 August 2010 ^					
Revenue (excluding straight line rental income accrual)	1 182 781	898 132	321 043	100 179	2 502 135
Operating costs	(275 691)	(192 631)	(57 793)	(11 524)	(537 639)
Net property income	907 090	705 501	263 250	88 655	1 964 496
Non-current assets					
– Investment property portfolio	8 427 703	7 374 696	3 194 705	2 258 348	21 255 452
Year ended 31 August 2009 *					
Revenue (excluding straight line rental income accrual)	363 556	222 502	155 562	–	741 620
Operating costs	(72 554)	(40 965)	(25 394)	–	(138 913)
Net property income	291 002	181 537	130 168	–	602 707
Non-current assets					
– Investment property portfolio	8 004 718	7 464 090	2 632 917	–	18 101 725

^ Includes results of Redefine International from the effective date of acquisition, being 1 February 2010.

* Includes results of ApexHi from the effective date of acquisition, being 1 August 2009.

Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the AC 500 series issued by the South African Institute of Chartered Accountants, JSE Listings Requirements and the requirements of the South African Companies Act. This report has been prepared in terms of IAS 34 – “Interim Financial Reporting”. The accounting policies used are consistent with those applied in the annual financial statements for the year ended 31 August 2009.

These condensed financial statements have been derived from the consolidated financial statements which have been audited by the company's auditors, PKF (Jhb) Inc. Their unqualified audit opinion is available for inspection at the company's registered office.

COMMENTARY

Introduction

Redefine is one of the largest listed South African property companies with a diversified portfolio of 397 properties in South Africa valued at R19,0 billion and a R5,2 billion portfolio of listed property investments, including a controlling interest in Redefine Properties International Limited (“RIN”). RIN, a property loan stock company which listed on the JSE Limited on 7 September 2010, owns 82% of Redefine International Plc (“Redefine International”) (formerly Ciref Plc), a property and development company listed on the AIM market of the London Stock Exchange.

Redefine is focused on achieving long-term growth in distributions and capital for its unitholders. The company seeks to meet its objectives through the superior management of its property portfolio and funding requirements, the strategic management of its listed investments and its ability to identify and execute value-adding trading and corporate opportunities.

Financial results

Redefine has declared a final distribution of 17,0 cents per linked unit for the three months ended 31 August 2010, which together with total distributions of 49,5 cents for the nine months to 31 May 2010, results in a total distribution of 66,5 cents per linked unit for the year under review. The distribution of 66,5 cents represents an increase of 17,6% over the distribution of 56,55 cents for the year ended 31 August 2009. While this improvement is significant and is in line with the company's latest communication to unitholders, the distribution is below the forecast of 68 cents to 71 cents projected in its 2009 final results announcement. The primary reasons for the lower distribution are the reduced contribution from the trading operations, the yield differential on the increased investment in Redefine International and challenging general economic conditions, including rand strength.

Contractual rental income comprises 84% of total revenue, income from listed securities 9% and trading and fee income 7%. Operating costs are 21% of contractual rental income. Redefine International contributed 2,2 cents and Redefine International Fund Managers Limited (“RIFM”), the fund manager of Redefine International, contributed 1,5 cents to the distribution for the year.

Changes in fair values

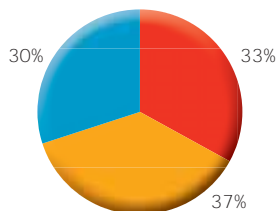
The property portfolio was valued at 31 August 2010 resulting in a net increase in value of R295,9 million. The South African portfolio increased by R320,7 million while the property portfolio owned by Redefine International decreased by R24,8 million since 1 February 2010, the effective date of acquisition. Property valuations in the United Kingdom and Europe are stabilising and indications are that values may strengthen in the medium term.

The investment in listed securities increased in value by R605,5 million during the year under review.

South African property portfolio

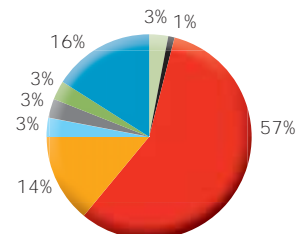
At 31 August 2010, the portfolio comprised 397 properties with a total gross lettable area (“GLA”) of 3,65 million m² valued at R19,0 billion.

**SECTORAL SPREAD
BY LETTABLE AREA**



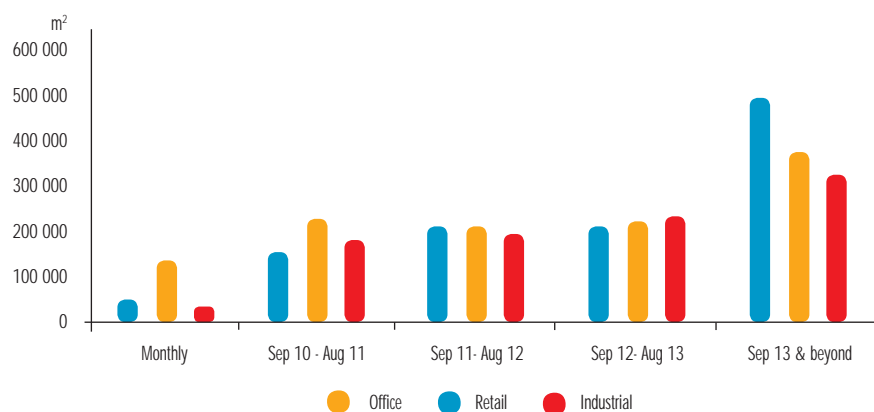
■ Retail ■ Office ■ Industrial

**GEOGRAPHICAL SPREAD
BY LETTABLE AREA**



■ Eastern Cape ■ Free State ■ Gauteng
■ KwaZulu-Natal ■ Limpopo ■ Mpumalanga
■ North West ■ Western Cape

LEASE EXPIRY PROFILE



At 31 August 2010, vacancy levels as a percentage of GLA were as follows:

Office 13,4% (2009: 10,8%)

Retail 7,4% (2009: 6,9%)

Industrial 10,1% (2009: 7,2%)

Total 10,4% (2009: 8,5%)

At 31 August 2010, arrears amounted to R39,7 million (2009: R36,2 million) against which a provision for possible bad debts of R9,7 million (2009: R7,0 million) has been raised.

Property acquisitions and disposals

During the year under review, Redefine took transfer of four properties with a GLA of 61 411 m² for an aggregate purchase price of R514 million at an average yield of 11,2% and disposed of 11 properties with a GLA of 72 869 m² for an aggregate price of R230,3 million at an average yield of 5,7%. Subsequent to year end, Redefine has entered into an agreement to acquire two properties with a GLA of 24 792 m² for R500 million at an average yield of 9,3%.

Listed securities portfolio

The listed securities portfolio comprises:

Fund	2010		2009	
	Value R000	Holding %	Value R000	Holding %
Hyprop	3 959 361	45,7	2 345 183	33,3
Cromwell	851 206	19,9	–	–
Redefine International	–*	–	129 777	28,7
Sycom	144 067	3,1	117 552	3,2
Oryx	144 851	26,4	152 862	26,4
Wichford	–	–	62 116	11,0
	5 099 485		2 807 490	

*Redefine International is consolidated by Redefine with effect 1 February 2010.

Hyprop Investments Limited ("Hyprop")

In August 2010, Redefine acquired an additional 19,7 million Hyprop units at R50 per unit, increasing its stake in the retail focused fund from 33,3% to 45,2%. This transaction triggered a mandatory offer by Redefine to all remaining Hyprop unitholders in terms of which Redefine acquired 926 593 linked units at R50 per unit, thereby increasing its stake marginally to 45,7%. The transaction has further enhanced Redefine's position as Hyprop's shareholder of reference.

International

Redefine International

During the year, Redefine increased its interest in Redefine International from 28,6% to 70,7% by exchanging its 19,2% interest in Wichford, at a market value of R248,5 million, and by subscribing for additional shares in Redefine International at a cost of R636,9 million. In August 2010, Redefine exchanged its entire holding in Redefine International for a 100% interest in RIN which was diluted to 57,2% after the listing of RIN on 7 September 2010.

The investments in Redefine International and RIN have been consolidated from the effective dates of acquisition, being 1 February 2010 and 31 August 2010, respectively. The results and financial position of Redefine International were consolidated at a GBP:ZAR closing rate of R11,38 and an average exchange rate of R11,44 for the period.

RIFM

Effective 1 October 2009, Redefine increased its interest in RIFM from 34,0% to 75,9% at a cost of R178 million and in May 2010, further increased its investment to 76,0% at a cost of R29,8 million. RIFM, which was previously equity-accounted, has now been consolidated at the same closing and average exchange rates used for Redefine International.

Accounting for Redefine International and RIFM

The estimated fair value of the assets and liabilities acquired in the initial acquisitions on the effective dates were as follows:

	Redefine International R000	RIFM R000	Total R000
Investment properties	2 253 680	–	2 253 680
Listed securities portfolio	499 495	–	499 495
Intangible assets	88 431	544 023	632 454
Investment in associates and joint ventures	298 083	–	298 083
Loans receivable	481 247	136 096	617 343
Property, plant and equipment	–	658	658
Other financial assets	2 723	–	2 723
Trade and other receivables	140 588	33 635	174 223
Cash and cash equivalents	562 772	2 352	565 124
Non-controlling interests	(652 710)	(102 369)	(755 079)
Interest-bearing borrowings	(2 622 900)	(252 132)	(2 875 032)
Interest rate swaps	(57 873)	–	(57 873)
Trade and other payables	(157 790)	(39 867)	(197 657)
Acquirees' carrying amount at acquisition	835 746	322 396	1 158 142
Goodwill	650 369	–	650 369
	1 486 115	322 396	1 808 511
Value of shares in Wichford swapped	(248 483)	–	(248 483)
Value of investment already owned by Redefine	(600 756)	(144 382)	(745 138)
Purchase consideration settled in cash	636 876	178 014	814 890

The acquired businesses contributed revenues of R217,1 million and a net loss after taxation and fair value adjustments of R6,2 million to the group for the year under review.

If the acquisitions had occurred on 1 September 2009, the contribution to group revenue and net loss after taxation and fair value adjustments would have been R265,7 million and R124,8 million, respectively.

The business combinations have been accounted for using provisional figures in terms of IFRS 3 – "Business Combinations". The excess of the purchase price over Redefine International's net assets has been reflected as goodwill. A detailed assessment of the assets, liabilities and contingent liabilities acquired will be completed by the 2011 financial year end and the required adjustments processed.

Distribution adjustment

It is Redefine's policy to distribute its share of income from foreign subsidiaries to the extent of dividends received. Accordingly, an adjustment of R17,5 million has been made to Redefine's distributable income for the year to align the consolidated results from its foreign subsidiaries for the year with the anticipated dividends.

Interest in associates and joint ventures

This includes Redefine International's 21,7% interest in Wichford Property Management valued at R215,4 million, together with its interest in joint venture property investments of R23,2 million. It also includes Redefine's 49% interest in two Enterprise Development Initiatives, Dipula Property Investment Trust and Mergence Africa Property Investment Trust, valued at R147,6 million.

Borrowings

Excluding Redefine International and RIFM, Redefine's borrowings at 31 August 2010 represented 34,7% of the value of its property and listed securities portfolio. Redefine's average cost of borrowing is 9,25%. Interest rates are fixed on 48% of Redefine's borrowings with a further 8% (R1,0 billion) hedged in terms of interest rate swaps commencing in the 2011 financial year. Redefine International and RIFM borrowings of R3,1 billion (GBP 275,7 million) are negotiated directly by Redefine International and RIFM and have no recourse to Redefine's South African balance sheet.

Contingencies

At year end, Redefine had guarantees and suretyships in respect of its BEE initiatives amounting to R459,3 million.

Linked units and liquidity

35 633 803 linked units were issued during the year to fund the acquisition of investment properties. The linked units were issued at an average price of R7,01.

During the year, 1,078 billion Redefine linked units traded for R7,966 billion, equivalent to 40% of the weighted number of linked units in issue.

Prior year business combination

In 2009, Redefine acquired all of the ApexHi A, B and C linked units it did not already own and all of the linked units in Madison. The excess of the purchase price over the net assets acquired was reflected as goodwill in Redefine's annual financial statements at 31 August 2009. In the current period, the purchase price allocation has been completed. This has resulted in the recognition of an intangible asset, the right to manage property, as follows:

	R000
Right to manage property	942 835
Deferred taxation thereon	(263 994)
Net asset recognised	678 841
Goodwill initially recognised in 2009	3 248 835
Net goodwill after purchase price allocation	2 569 994

The effect on the prior year balance sheet is an increase in the deferred taxation liability of R264 million, which arises on the recognition of the intangible asset, and a corresponding increase in goodwill. The comparatives have been restated accordingly.

The intangible asset will be amortised over a period of 15 years.

Property management

The property management function, which was previously outsourced, is in the process of being brought in-house. While this project is not without challenges, Redefine believes that internalised property management will enhance its tenant offering and will result in increased efficiencies and economies. The benefit of this initiative will be realised in the second half of the 2011 financial year.

Changes to the Board

Wolf Cesman resigned as joint CEO of Redefine on 10 May 2010.

Janys Finn will be resigning as financial director of Redefine with effect from 31 December 2010. The Board has embarked on a process of appointing a suitable replacement and expects to make an announcement in this regard in the near future.

Prospects

The company anticipates economic conditions remaining at levels similar to those currently being experienced with a possibility of moderate growth in the latter half of the 2011 financial year. Reasonable growth is expected from the core property portfolio, primarily as a result of contractual rental escalations, and the key investments in Hyprop and RIN. Fee and trading income are largely unpredictable and difficult to forecast. Based on this, and assuming fee and trading income are at a level similar to that of 2010, the company is anticipating a modest increase in distributions for the year ending 31 August 2011. This forecast has not been reviewed as reported on by the group's auditors.

Debenture interest distribution

Unitholders are advised that interest distribution number 42 of 17,0 cents per linked unit has been declared for the three months ended 31 August 2010. The distribution will be payable to Redefine linked unitholders in accordance with the abbreviated timetable set out below:

	2010
Last day to trade "cum" interest distribution	Friday, 19 November
Linked units "ex" interest distribution	Monday, 22 November
Record date	Friday, 26 November
Payment date	Monday, 29 November

There may be no dematerialisation or rematerialisation of linked units between Monday, 22 November 2010 and Friday, 26 November 2010, both days inclusive.

By order of the Board

Redefine Properties Limited

3 November 2010

www.redefine.co.za

REDEFINE PROPERTIES LIMITED

(formerly Redefine Income Fund Limited)

Registration number 1999/018591/06

JSE share code: RDF ISIN: ZAE000143178

("Redefine" or "the company" or "the group")

Directors

D Gihwala (Chairman), M Wainer* (CEO), B Azizollahoff*[†]
J A Finn*, M N Flax*, G J Heron, M K Khumalo, G G L Leissner
H K Mehta, B Nackan, D Pertont, D H Rice*[†]

*Executive [†]British

Registered office

3rd Floor, Redefine Place, 2 Arnold Road, Rosebank, 2196
(PO Box 1731, Parklands, 2121)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited

Sponsor

Java Capital

Company secretary

Probity Business Services (Proprietary) Limited