



A YES VOTE FOR THE ARROWHEAD UNBUNDLING MEANS ...

- ... Redefine executes a significant element of its property repositioning strategy in one, cost effective transaction, **through**
- ... disposing of 98 properties, almost 25% of the number of properties held by Redefine, but which account for only 7% of the income, **by ...**
- ... eliminating the risk of the deal failing when executing the disposal of properties that no longer fit its investment criteria, **through the**
- ... creation of a high yielding, quarterly paying property fund, for which there is a place in the market, **and by**
- ... providing Redefine unit holders with the option of remaining exposed to high yielding properties, **which**
- ... offers unit holders the flexibility of retaining Arrowhead "A" (defined return) or "B" (variable rate) units, **and being**
- ... exposed to a fund that has a large pipeline of acquisition possibilities to grow the distribution, **that**
- ... will be managed by a team with a proven track record in properties of this nature, **and**
- ... minimises the overall dilutionary impact to Redefine unit holders to just under 1 cent, **and creates the opportunity for**
- ... investors to benefit from a possible rerating of Redefine's unit and capital growth from Arrowhead units.

BACKGROUND ON TRANSACTION

Redefine has concluded an agreement to dispose of a diversified portfolio of ninety-eight industrial, office and retail properties to Arrowhead (which is currently a wholly owned subsidiary of Redefine) for an aggregate purchase consideration of R1 720 900 000.

Eighty-nine of the properties (the "owned properties") are, subject to the approval of the distribution by Redefine linked unit holders, being disposed of with effect from 1 September 2011 for a purchase consideration of R1 440 600 000, to be settled as follows:

- R644 415 062 in cash out of bank debt to be raised by Arrowhead;
- R172 666 613 by the issue of 169 679 350 ordinary shares in Arrowhead (the "consideration shares"); and
- R623 518 325 by the issue of 84 839 675 Arrowhead "A" class debentures and 84 839 675 Arrowhead "B" class debentures (the "consideration debentures").

Subject to the requisite approval of Redefine linked unit holders, the consideration shares will be distributed to Redefine linked unit holders by way of an unbundling in terms of section 46 of the Income Tax Act and the consideration debentures will be distributed by way of a partial repayment of the existing Redefine debentures.

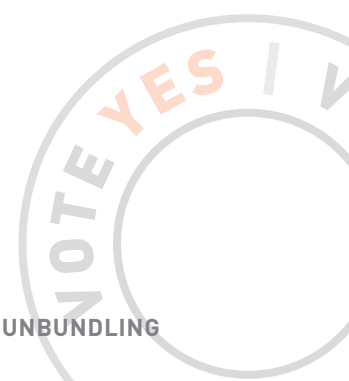
Immediately after the distribution the consideration shares and the consideration debentures will be linked to form Arrowhead "A" and "B" linked units. As a result of the distribution and the subsequent linking of the consideration shares and consideration debentures, Redefine linked unit holders will hold one Arrowhead "A" linked unit and one Arrowhead "B" linked unit for every 31.70889 Redefine linked units held by them on the record date for participation in the distribution. The JSE has granted a listing for the Arrowhead "A" and "B" linked units in the "Real Estate Holdings and Development" sector of the JSE subject to the registration of transfer of more than half (in value) of the owned properties into Arrowhead's name.

The remaining nine properties (the "pre-emptive properties" and the "leasehold properties") are subject either, in the case of five of the properties which are pre-emptive properties, to the consent of holders of pre-emptive rights over the properties concerned or, in the case of four of the properties which are leasehold properties, to the consent of the landowner to the transfer of the leasehold rights to Arrowhead.

The total purchase consideration for the pre-emptive properties and the leasehold properties is R280 300 000 which, on and subject to receipt of the necessary consents, will be settled as follows:

- R125 384 938 in cash out of bank debt to be raised by Arrowhead; and

the balance by the issue of 16 507 400 Arrowhead "A" linked units and 16 507 400 Arrowhead "B" linked units to Redefine.



RATIONALE FOR THE DISTRIBUTION

The disposal of the properties to Arrowhead and the subsequent distribution and listing of the Arrowhead linked units is in line with Redefine's strategy of restructuring and improving the quality of its core property portfolio. The Redefine board believe the transactions represent the optimal mechanism for disposing of a substantial component of the properties that no longer fit Redefine's investment profile, while at the same time providing Redefine linked unit holders with the option of continued exposure to these high-yielding assets.

The distribution and listing of Arrowhead will create a high-yielding income fund that is able to focus on growing income, through management of the existing portfolio and through the conclusion of yield enhancing acquisitions that would not fit Redefine's investment criteria. Arrowhead will be internally managed by a dedicated and experienced management team lead by Gerald Leissner who brings with him a wealth of experience in the real estate market and the listed property sector.

The "A" linked units will receive quarterly interest distributions equivalent to the higher of 15c per unit or 50% of the total distributable income and the "B" linked units will receive the balance of the distributable income. The "A" linked units should appeal to risk averse investors with the "B" linked units appealing to investors with more risk appetite. Redefine linked unitholders can elect whether to retain or trade out of their "A" and "B" linked units depending on their individual risk appetite.

EFFECTS OF THE TRANSACTION

Assuming that Arrowhead acquires all properties, and that the leasehold and pre-emptive properties are however transferred from 1 December 2011, it is anticipated that Redefine's annual distribution will dilute by 4 cents per linked unit. This decrease, will be offset by a 3.2 cents distribution arising from holding approximately 3.15 Arrowhead A and B units for every 100 Redefine units. The net effect being an overall dilution in distribution of 0.8 cents per Redefine unit. portfolio.

On the other hand, the net asset value of Arrowhead being unbundled is 29 cents per Redefine linked unit, representing a forward yield of 11%, which provides the investor with capital upside.

CONDITIONS OF THE TRANSACTION

The unbundling is subject to Redefine unit holder approval.

RECOMMENDATION

The Redefine board is of the opinion that the unbundling is beneficial to Redefine unitholders and recommends that unitholders vote in favour of the transaction.

The directors intend voting the Redefine units held or controlled by them in favour of the resolutions necessary to implement the unbundling.

KEY DATES: 2011

Circular and Arrowhead pre-listing statement posted to Redefine linked unitholders on	Friday, 30 September
Last day to trade in order to be eligible to vote at the general meetings on	Friday, 14 October
Record date in order to be eligible to vote at the general meetings on	Friday, 21 October
Last day to lodge forms of proxy in respect of the general meeting of the Redefine shareholders to be held on Friday, 28 October by 08:00 on	Wednesday, 26 October
Last day to lodge forms of proxy in respect of the general meeting of the Redefine debenture holders to be held on Friday, 28 October by 08:30 on	Wednesday, 26 October
General meeting of the Redefine shareholders at 08:00 on	Friday, 28 October
General meeting of the Redefine debenture holders at 08:30 on	Friday, 28 October

