

PRESENTATION TO THE INVESTMENT ANALYSTS SOCIETY



ReDEFINE
INCOME FUND

2008

RESULTS FOR THE YEAR ENDED 31 AUGUST



Redefine HAS delivered

Redefine's business model:




Adding value to its existing portfolio

Diversification

Development



Financial highlights

Distribution per linked unit 56.63 cpu (2007: 51.25 cpu)	10.5%	
Property portfolio R5,8 billion (2007: R5.2 billion)	11.5%	
Total assets R10,7 billion (2007: R9,9 billion)	8.1%	
NAV per linked unit (excl. deferred tax)	R7.58	
Market cap	R6,2 b	
Listed securities portfolio	R4,1 b	
Linked units in issue traded (weighted average)	33%	

Property portfolio highlights

Added 131 383m² of “new” space through development

93 940m² of vacant space leased

51 036m² of space renewed

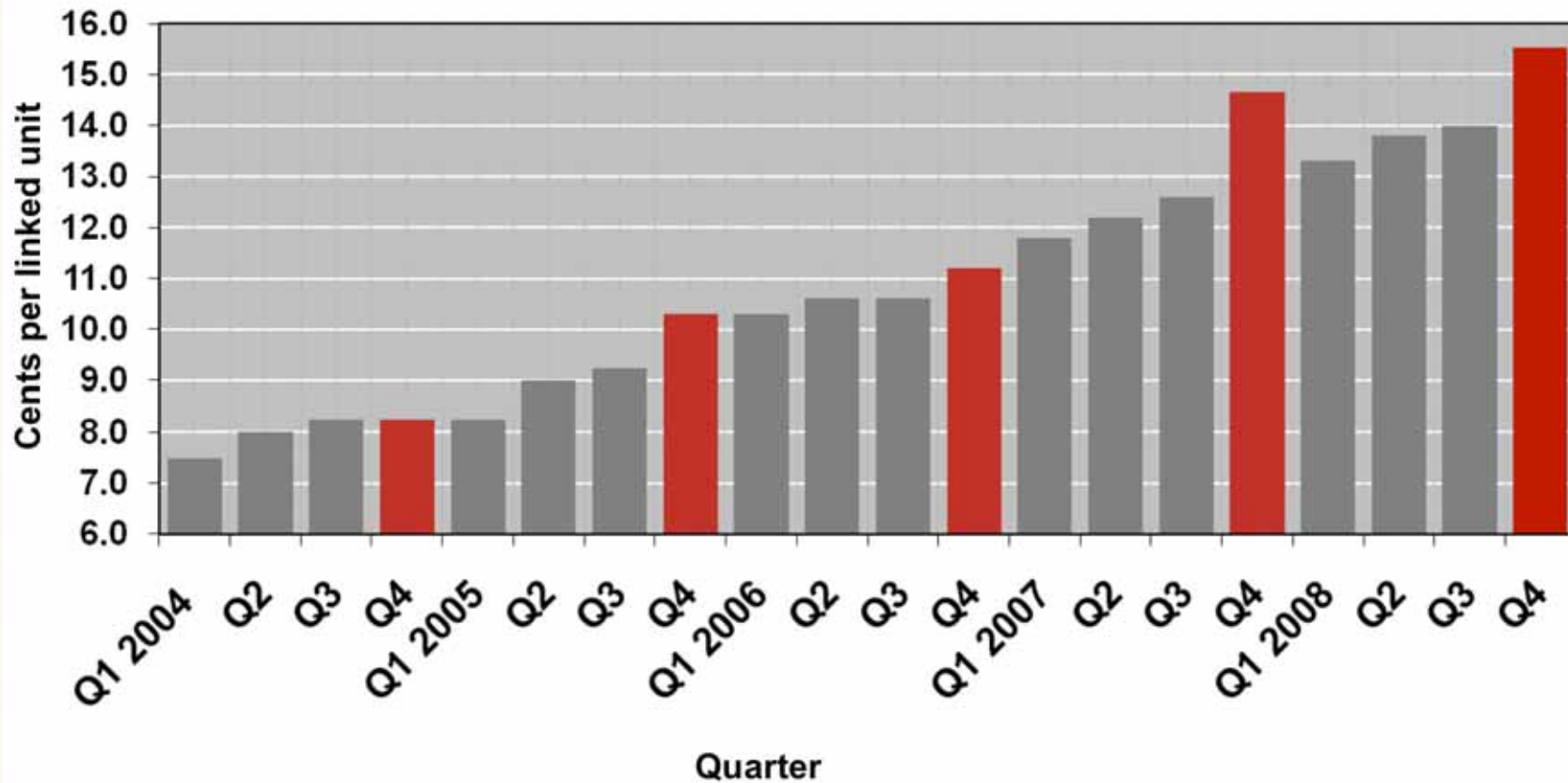
95.2% of portfolio leased (96.6% as of October)

45% of leases expire in 2012 and beyond

Expenses: 20%
(of contractual rental income)

Distribution history

Quarterly income distributions



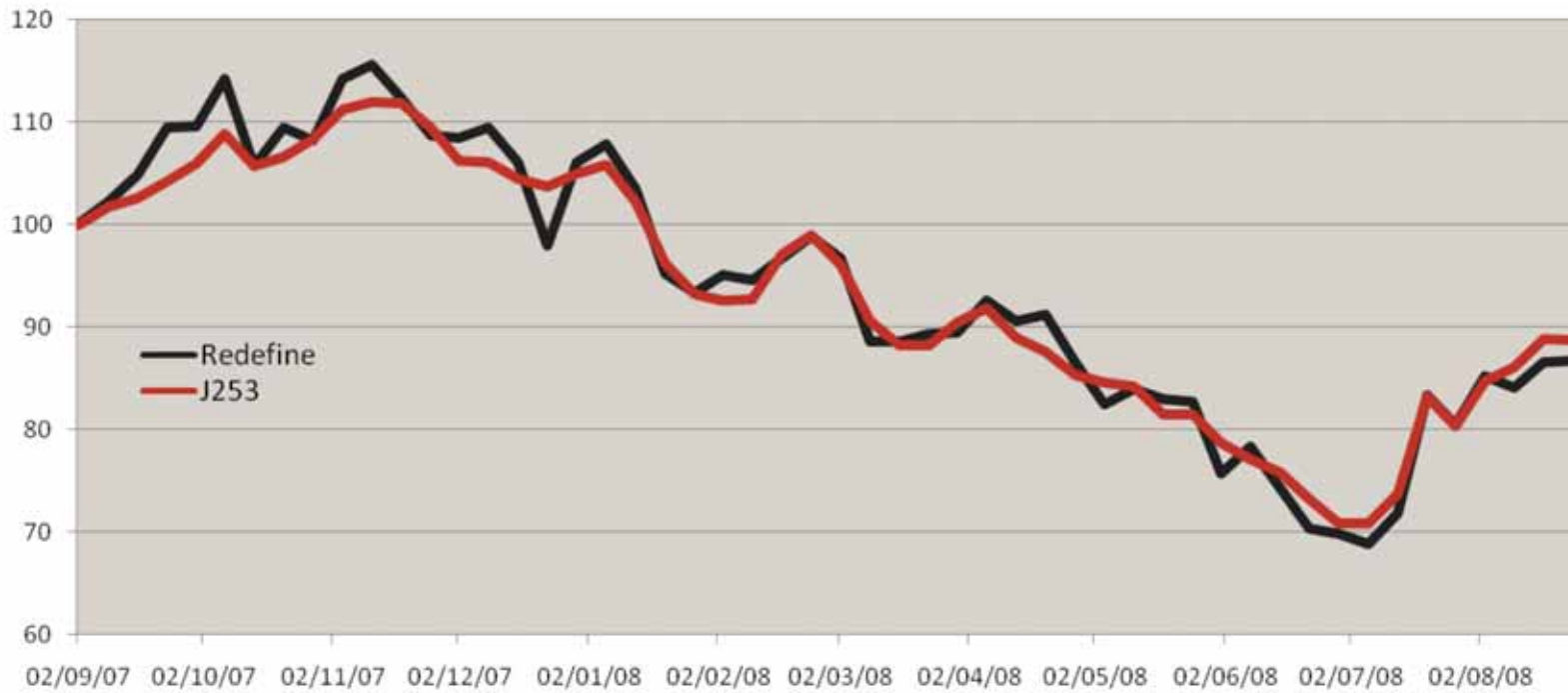
Market performance

Redefine vs PLS index (J256)



Market performance

Redefine vs Property index (J253)



Income statement (extract)

	<i>2008 R million</i>	<i>2007 R million</i>	<i>% Change</i>
Gross contractual revenue	895	770	16
• Property portfolio: 60%/56%	539	430	25
• Listed securities: 37%/39%	332	300	11
• Property trading: 3%/5% (of operating income)	24	40	(40)
Property expenses	(106)	(87)	21
Admin expenses	(60)	(55)	9
(Loss)/profit from associates	(3)	6	(300)
Operating profit	726	634	14
Net finance charges	(231)	(250)	(8)
Spearhead pre-acquisition income		32	(100)
Distribution to linked unitholders	495	416	19
No. of linked units (million)	893	813	
Distribution per linked unit (cents)	56.63	51.25	10.5

Distributable income analysis

	<i>2008 R 000</i>	<i>2007 R 000</i>	<i>% Change</i>
Investment properties			
Core portfolio	264	233	13
Spearhead buildings	135	94	
Acquired during the year	4	7	
Completed developments transferred	23	-	
Sold during the period	4	9	
Sold (to be transferred)	2	-	
Total investment properties	432	343	26
Property trading	24	40	(40)
Listed securities	332	300	11
Income from Dipula and Mergence	10	6	67
Guarantee fee	4	-	-
Sundry income	1	-	-
Admin expenses	(60)	(55)	7
Interest on debt financing	(249)	(251)	(2)
Distributable income	495	416	19

Distributable income analysis

	<i>2008 R 000</i>	<i>2007 R 000</i>	<i>% Change</i>
Distribution Q1	13.3	11.8	13
Distribution Q2	13.8	12.2	13
Distribution Q3	14.0	12.6	11
Distribution Q4	15.53	14.65	6
Total	56.63	51.25	10.5

Growth outlook

	31 Aug 2008	31 Aug 2009	% change
DISTRIBUTION PER LINKED UNIT	56.63		
		61.73	9
		62.29	10
		62.86	11

Current yield (price R5.70):

9.94%

61.73cpu

62.29cpu

62.86cpu

Forward yield (price R5.70):

10.83%

10.93%

11.03%

A rating of 9.94% implies a price of

R6.21

R6.27

R6.22

Balance sheet (extract)

	<i>2008 R million</i>	<i>2007 R million</i>	<i>% Change</i>
Direct & listed assets	10 301	9 848	5
<ul style="list-style-type: none"> • Property portfolio: 59% (2007: 53%) • Listed securities: 41% (2007: 47%) 	6 112	5 223	17
	4 189	4 625	(9)
Total assets	10 717	9 834	9
Capital and reserves	4 404	4 108	7
Interest-bearing liabilities	3 572	3 172	13
Gearing as % of assets	35	34	3
NAV per linked unit excl. deferred tax (cents)	7.58	7.84	(3)

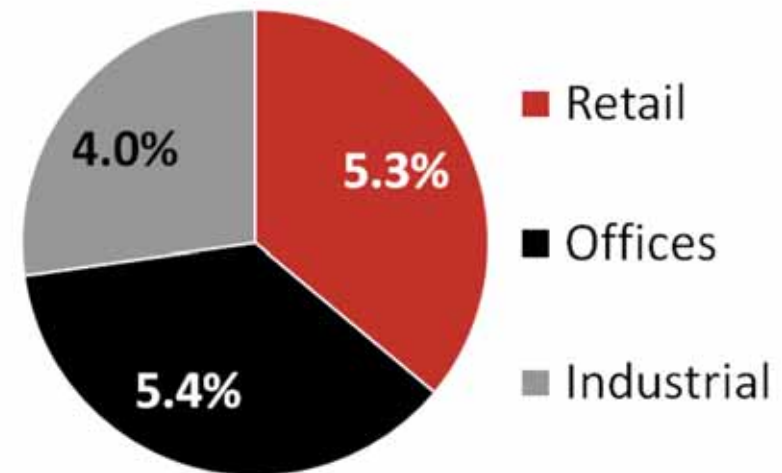
Direct property

Portfolio overview

Total GLA	858 357m ²
A-grade	85%
Leases expiring in 2012 and beyond	45%
Occupancy at 31 August 2008	95.2%

Vacancy profile by sector (GLA)

Vacancy	4.8%
	m²
Retail	10 315
Office	15 926
Industrial	14 685
Total	40 926

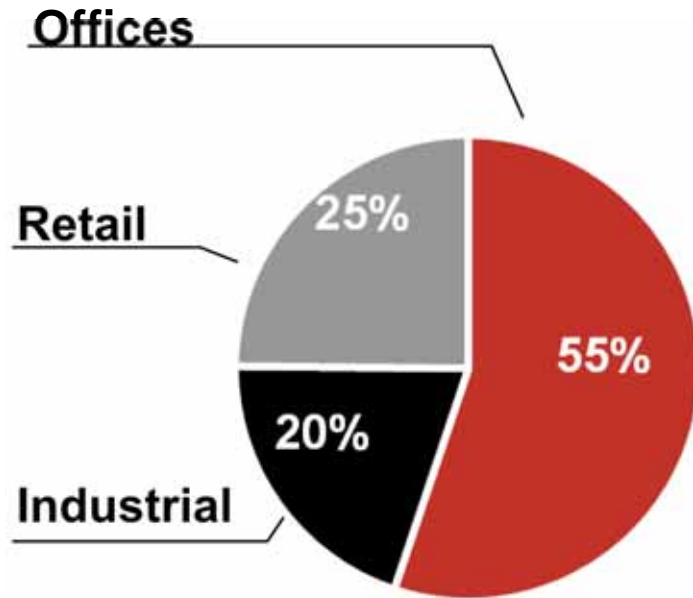


(Current occupancy

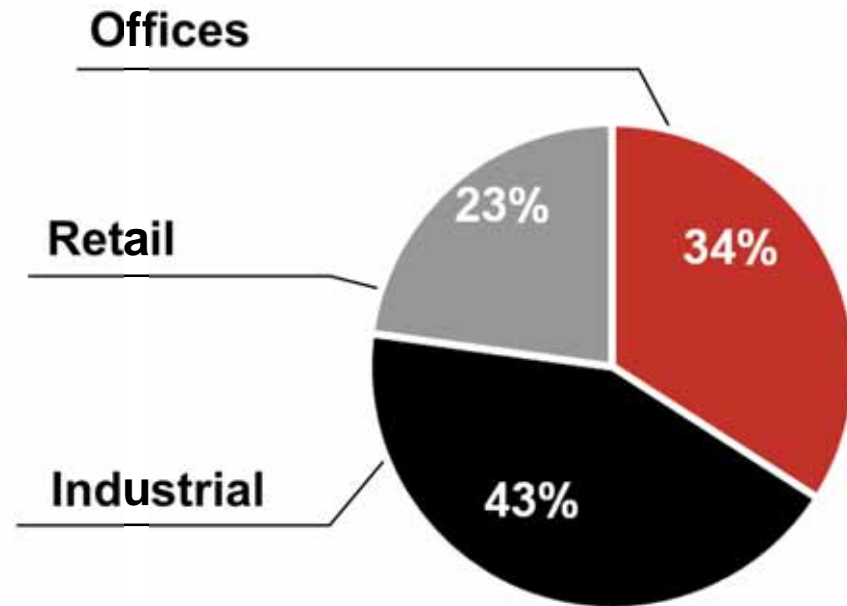
96.6%)

Property portfolio by sector

Revenue



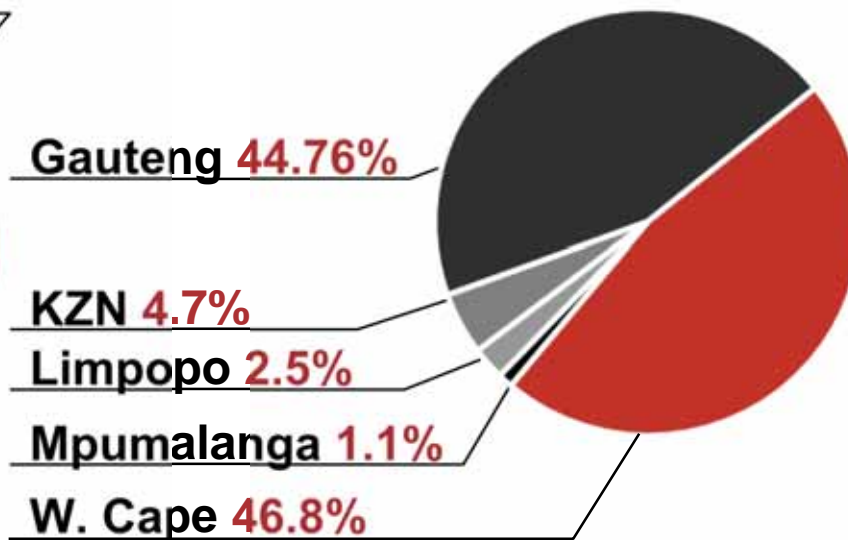
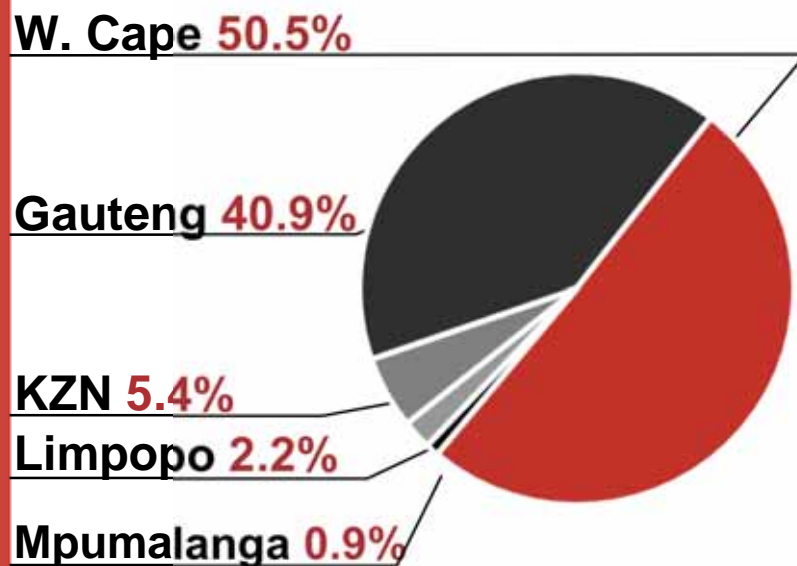
GLA



Geographic spread

Revenue

GLA



Strategy: direct properties

Acquire properties:

With values above R30m

Across all sectors

In prime locations

With longer leases

Mainly A-grade covenants

Yield enhancing/ strategic importance/ development opportunity

Focus on major centres which are growth nodes

Strategy: direct properties

Properties acquired in F2008

Property	Type	Gross lettable area (m ²)	Purchase price (R'000)	Initial yield (%)	Price per m ² (R)
City Deep	Industrial	13 400	47 000	8.9	3 507
Paarden Eiland	Commercial/retail	16 203	70 000	7.8	4 184
Foreshore (50%)	Commercial	76 124	51 700	n/a	n/a

- The Paarden Eiland property is made up of 3 contiguous buildings with excellent re-development potential
- The Foreshore property has been acquired 50/50 with SA Reit and is earmarked for redevelopment

Properties sold in F2008

Property	Type	Gross lettable area (m ²)	Selling price (R'000)	Yield (%)	Price per m ² (R)	Original cost (R'000)
Old Oak	Retail	2 328	17 500	8.7	7 517	11 600
Shoprite – Strand & Vredenburg	Retail	5 958	20 000	8.4	3 357	11 500

Expansion through development

Developments completed during the year

Property	Location	% Owned	GLA m ²	Project Development Cost (R'000)	Projected Initial Yield (%)	% Let
WESTERN CAPE						
Industrial						
CTX Business Park 1	Airport CT	100	8 941	44 694	9.7	75
Platinum Park 3	Montague Gardens	100	2 515	9 688	10.8	100
Berg River Park	Paarl	100	36 518	76 400	11.0	80
Spearhead Business Park 4	Montague Gardens	100	495	3 232	10.6	0
Offices						
Convention Tower	CT Eoreshore	100	17 223	245 625	10.9	98
Knowledge Park 3	Century City	100	3 757	49 700	9.3	30
Heron Place	Century City	100	4 722	60 304	9.6	0

Expansion through development

Developments completed during the year

Property	Location	% Owned	GLA m ²	Project Development Cost (R'000)	Projected Initial Yield (%)	% Let
WESTERN CAPE						
Retail						
China City	Ottery	100	8 276	51 975	9.0	95
Sable Square 2	Century City	100	8 900	110 409	7.5	57
GAUTENG						
Industrial						
Pepkor	Isando	100	40 000	100 800	11.8	
Total completed developments			131 383	753 832	10.12	



Expansion through development

Proposed investment developments

CURRENT DEVELOPMENTS	Location	% Owned	GLA m ²	Project Development Cost (R'000)	Projected Initial Yield (%)	Expected Completion Date	% Let
GAUTENG							
Retail							
Festival Town Square	Kempton Park	100	19 593	196 254	9.7	Oct-09	56

Expansion through

Trading developments

	Location	% Owned	GLA m ²	Project Development Cost (R'000)	Project'd Initial Return (%)	Expected Completion Date	% Sold
WESTERN CAPE Residential							
Oasis Phase 1	Century City	50	N/A	156 500	14.3	Complete	67
Offices							
Newmarket & Buchanan	Woodstock	50	27 837	180 464	23.8	May-10	90
Mixed-use							
Upper East Side Phase 2	Woodstock	25	19 456	270 469	13.8	May-10	90











Development “pipeline”

Investment developments				Project Development Cost (R'000)	*Expected Initial Yield (%)	Expected Completion Date
	Location	% owned	GLA m ²			
WESTERN CAPE						
Industrial						
CTX Freight Park Phase 2	Airport	100	2 307	53 000	10	
Mixed- use						
Annandale Land - investment & trading Offices	Annandale	25	277 000	1 250 000	10	
Dock Road	Foreshore	50	25 000	650 000	10	Aug-10
GAUTENG						
Retail						
Little Falls Retail Centre	Roodepoort	100	27 000		10	
NAMIBIA						
Mixed-use						
Freedom Plaza Phase 1	Windhoek	51	33 000	165 000	20.5	June-11

*The expected initial yield refers to the minimum threshold below which the development would not be considered

Listed portfolio

<i>Property fund</i>	<i>Fund type</i>	<i>% held</i>	<i>% of portfolio</i>	<i>Value R m</i>
	PLS	9.6	4.1	168
 "A"	PLS	7.2	6.3	256
 "B"	PLS	17.9	19.2	784
 "C"	PLS	4.6	2.0	83
	CO	26.9	8.8	358
	PLS	29.2	49.0	1 999
	PUT	3.2	2.8	116
	PLS	11.1	7.7	312
TOTAL			100.0	4 075



Strategy: Listed securities

Redefine actively pursues and supports corporate activity

Larger counters ensure greater liquidity

Offshore diversification

- Increased exposure to CIREF

Potential to grow offshore exposure by backing CIREF's further expansion

- Wichford

Gearing

Maintained below 45% target at 35% (2007: 34%)

R3,5 billion total borrowings at average all-in rate of 10.71% (2007: 9.99%)

Average length of fixed debt is 7 years (weighted)

More than 80% of debt is fixed

Debt is managed pro-actively and consultants utilised

Black economic empowerment

- Committed to the Property Sector Charter
- Implemented two enterprise development initiatives with Dijalo Property Services and Mergence Africa
- Issued 80 million linked units to BEE parties
 - Economic cost of 15% of Redefines market cap
- Approximately 23% of issued units owned by Black unitholders

Goals:

- Build critical mass then list Dipula/Mergence
- Skills transfer

Corporate social responsibility



- Redefine Income Fund Western Cape Music Education project
- Music classes for 120 learners



Helping Young Black Musicians in South African Townships

- Located in Diepkloof and Soweto
- International standards of teaching
- www.buskaid.org.za

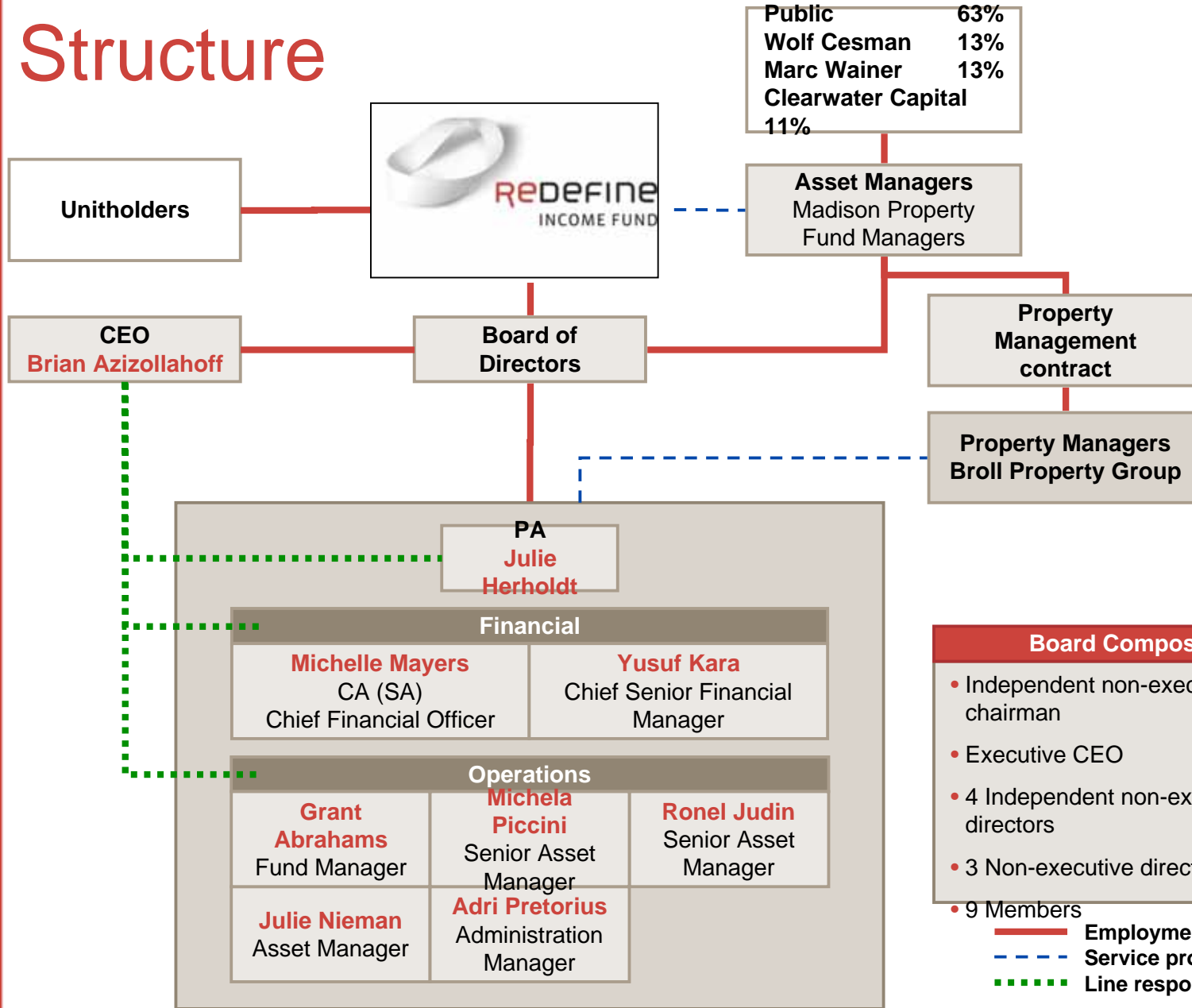
Unitholder profile

Holder in excess of 5% of the total linked units in issue

Post-BEE transaction

BEE Holders	23%
Stanlib Funds	15%
Old Mutual	14%
Investec	12%

Structure



Board composition

Independent Non-Executive Chairman

Dines Gihwala	
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Independent Non-Executive Directors

Liliane Barnard	Chairperson - Investment Committee (Direct properties & listed securities) Member of Audit Committee
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Neville Venter	Chairman - Audit Committee
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Eric Ellerine	
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Di Perton	Member of Remuneration Committee
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Non-Executive Directors

Wolf Cesman	Member of Audit, Investment and Remuneration Committees
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Stewart Shaw-Taylor	Member of Audit and Investment Committees
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Marc Wainer	Member of Investment Committee
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Executive Director

Brian Azizollahoff (CEO)	Member of Investment Committee
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Outlook for the industry

Economic growth slowing to < 3%

- Rentals firm
- Low vacancies
- Growth from portfolio >12% (includes developments completed during 2008)
- Property trading revenue 3.4% of operating income (+/- R30 million)

Costs of funding

- Sustained high interest rates
- Liquidity crisis so ~~so~~ bank margins
- Debt expensive so acquisitions requiring debt more difficult

Development

- Increased costs of building and debt
- Slowing retail sales
- New developments curtailed

Outlook for Redefine

Net income from portfolio

- Growth from portfolio >12% (includes developments completed during 2008)
- Expenses will remain at 20% of gross rental
- New developments will be enhancing – full 12 months of

Development income

- Developments that will continue will be:
 - Festival Town Square
 - Completion of Berg River Park (modifications for tenants)
 - Freedom Plaza (Windhoek)
 - Possibility of Little Falls if yield is acceptable to Investment Committee

Trading

- Property trading revenue 3.4% of operating income (+/- R30 million)
- Oasis – care centre will be cash positive during 2009
- Upper East Side Phase 2 is substantially pre-sold

Outlook for Redefine

Listed securities portfolio

- Expecting muted growth in distributions
- Hyprop stake is strategic (30%)
- Further corporate action?

Off-shore expansion

- Continue to grow via CIREF when opportune (exchange rate favourable)
- Will consider other investments in light of market “melt down” in UK, Europe and Australia

Admin expenses

- Discussions with Madison regarding the asset management

Gearing

- Continual pro-active management of debt
- Expert input – reduce cost of capital

Dipula/Mergence

- Will look to dispose of holding in line with original strategy

Summary



Questions?

