

FINANCIAL HIGHLIGHTS

- Earnings available for distribution of £9.4 million (February 2012: £9.0 million), an increase of 4.4%
- Group profit after tax attributable to equity holders of £22.3 million (February 2012: loss of £6.8 million)
- Headline earnings per linked unit of 2.08 pence (February 2012: 2.88 pence restated⁽¹⁾)
- Interim distribution of 1.47 pence per linked unit (February 2012: 2.09 pence restated⁽¹⁾)
- Adjusted net asset value⁽²⁾ per linked unit of 39.19 pence (August 2012: 34.82 pence⁽³⁾), an increase of 12.5%
- Group loan to value reduced to 51.2% (August 2012: 81.7%) and weighted debt maturity increased to 8.18 years
- Total unitholder return for reporting period of 7.3% (15.4% for 12 months to 28 February 2013)

⁽¹⁾ Adjusted for 218 141 257 new linked units issued in October 2012.

⁽²⁾ See financial review section.

⁽³⁾ August 2012 Adjusted net asset value per linked unit of 36.20 pence adjusted for the issuance of 218 141 257 new linked units at R4.60 per linked unit.

OPERATIONAL HIGHLIGHTS

- Investment targets met following R1 billion capital raising in October 2012
- Restructuring of legacy Wichford assets and associated debt largely complete
- Exceptional performance from Australian associate, Cromwell (+25% in the period)
- Capital recycling through the sale of 27% of the Cromwell holding, at significant profit
- Hotel portfolio expanded through acquisition of a 60% interest in the Earls Court Holiday Inn Express and commencement of the Southwark Holiday Inn Express redevelopment; both located in central London
- Acquisition of newly developed properties in Kaiserslautern and Huckelhoven, Germany in joint venture with a pension fund partner
- Asset management initiatives to improve asset base ongoing
- Portfolio occupancy stable at 95.9% by area (August 2012: 95.5%) notwithstanding numerous UK retail tenant failures

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	Unaudited six months ended 28 February 2013 £'000	Unaudited six months ended 29 February 2012 £'000	Audited year ended 31 August 2012 £'000
Revenue			
Gross rental income	29 421	38 537	76 150
Other income	1 087	1 257	2 028
Total revenue	30 508	39 794	78 178
Expenses			
Administrative expenses	(825)	(955)	(1 788)
Investment management and professional fees	(3 159)	(4 774)	(9 545)
Property operating expenses	(1 875)	(2 437)	(4 707)
Net operating income	24 649	31 628	62 138
Gain from financial assets and liabilities (including debentures)	23 847	49 298	50 423
Redemption of loans and borrowings	-	-	6 080
Gain/(loss) on disposal of subsidiaries	16 491	-	(2 195)
Equity accounted profit	5 082	1 879	6 325
Net fair value loss on investment property	(15 680)	(57 824)	(126 871)
Profit/(loss) from operations	54 389	24 981	(4 100)
Interest income	5 708	4 912	9 777
Interest expense	(19 972)	(46 180)	(82 090)
Foreign currency loss	(1 501)	(945)	(580)
Profit/(loss) before debenture interest	38 624	(17 232)	(76 993)
Debenture interest	(9 315)	(8 816)	(18 200)
Profit/(loss) before tax	29 309	(26 048)	(95 193)
Taxation	(2 548)	(1 164)	(3 370)
Profit/(loss) after tax	26 761	(27 212)	(98 563)
Profit/(loss) attributable to:			
RIN shareholders	22 269	(6 847)	(59 254)
Non-controlling interest	4 492	(20 365)	(39 309)
	26 761	(27 212)	(98 563)
Other comprehensive income			
Foreign currency translation on foreign operations - subsidiaries	(1 533)	138	618
Foreign currency translation on foreign operations - associates and joint ventures	5 338	3 692	(1 546)
Transfer of foreign currency translation reserve on disposal of foreign operation	298	-	(381)
Total comprehensive income for the period	32 244	(23 382)	(99 872)
Total comprehensive income attributable to:			
RIN unitholders	26 222	(4 148)	(59 979)
Non-controlling interest	6 022	(19 234)	(39 893)
	32 244	(23 382)	(99 872)
Reconciliation of earnings/(loss) and headline earnings			
Profit/(loss) for the period attributable to RIN unitholders	22 269	(6 847)	(59 254)
Debenture interest	9 315	8 816	18 200
Changes in fair value of investment property and intangible assets	12 397	53 757	116 869
Gain/(loss) on disposal of subsidiaries	(10 853)	-	1 574
Fair value adjustment on debentures	(20 765)	(44 549)	(48 480)
Headline earnings attributable to linked unitholders	12 363	11 177	28 909
Earnings available for distribution			
Net operating income	24 649	31 628	62 138
Operating income from equity accounted entities	7 950	5 633	12 314
Straightline rental income accrual	99	96	496
Non-distributable expenses (including reverse acquisition costs)	-	-	214
Interest income	322	184	252
Interest expense	(13 169)	(23 163)	(44 118)
Foreign exchange loss	(36)	(160)	(278)
Taxation	(941)	(766)	(2 216)
Non-distributable operating income from Gamma, Delta and VBG	(3 377)	-	(1 916)
Earnings available for distribution	15 497	13 452	26 886
Attributable to non-controlling interest	(6 082)	(4 476)	(8 686)
Earnings available for distribution to linked unitholders	9 415	8 976	18 200
Interim distribution	-	-	(8 684)
Earnings available for distribution to linked unitholders at period end/year end	9 415	8 976	9 516
Actual number of linked units in issue ('000)	633 648	405 507	415 507
Weighted number of linked units in issue ('000)	593 877	387 654	399 690
Basic earnings per linked unit (pence)*	5.32	0.51	(10.27)
Headline earnings per linked unit (pence)*	2.08	2.88	7.23
Earnings available for distribution per linked unit (pence)	1.49	2.21	4.38
Distributions per linked unit	1.47	2.09	4.38
Interim distribution per linked unit	1.47	2.09	2.09
Year-end distribution per linked unit	-	-	2.29

* The Company does not have any dilutionary instruments in issue.

SEGMENTAL ANALYSIS

	UK					Total £'000
	Stable Income £'000	Retail £'000	Europe £'000	Hotels £'000	Cromwell £'000	
Period ended 28 February 2013						
Gross rental income	15 681	4 519	4 149	5 072	-	29 421
Property operating expenses	(735)	(850)	(290)	-	-	(1 875)
Net property income	14 946	3 669	3 859	5 072	-	27 546
Non-current assets						
Investment property	137 161	112 929	86 634	150 625	-	487 349
Assets held for sale	56 630	-	3 696	-	-	60 326
Investments designated at fair value	-	79	20	-	-	99
Investment in associates	-	-	-	-	158 208	158 208
Period ended 29 February 2012						
Gross rental income	18 258	6 858	8 721	4 700	-	38 537
Property operating expenses	(1 001)	(795)	(641)	-	-	(2 437)
Net property income	17 257	6 063	8 080	4 700	-	36 100
Non-current assets						
Investment property	418 702	167 911	94 861	123 775	-	805 249
Assets held for sale	-	-	109 231	-	-	109 231
Investments designated at fair value	222	228	79	-	-	529
Investment in associates	-	-	-	-	129 795	129 795
Period ended 31 August 2012						
Gross rental income	40 856	9 303	16 591	9 400	-	76 150
Property operating expenses	(2 112)	(1 696)	(899)	-	-	(4 707)
Net property income	38 744	7 607	15 692	9 400	-	71 443
Non-current assets						
Investment property	309 489	110 669	87 395	123 725	-	631 278
Assets held for sale	61 450	-	74 559	-	-	136 009
Investments designated at fair value	222	118	59	-	-	399
Investment in associates	-	-	-	-	124 507	124 507

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		
	Unaudited as at 28 February 2013 £'000	Unaudited as at 29 February 2012 £'000	Audited as at 31 August 2012 £'000
ASSETS			
Non-current assets			
Investment property	487 349	805 249	631 278
Long-term receivables	103 559	91 881	98 470
Investments designated at fair value	5 529	529	399
Investments in joint ventures	14 068	2 201	2 159
Investments in associates	158 208	129 795	124 507
Total non-current assets	763 283	1 029 655	856 813
Current assets			
Assets held for sale	60 326	109 231	136 009
Trade and other receivables	32 335	23 939	23 429
Cash and cash equivalents	58 223	34 072	18 150
Total current assets	150 884	167 242	177 588
Total assets	914 167	1 196 897	1 034 401
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	53	36	36
Retained earnings	(42 062)	(11 496)	(63 057)
Non-distributable reserve	(7 272)	(7 222)	(7 833)
Currency translation reserve	8 911	8 383	4 959
Total equity attributable to equity shareholders	(40 370)	(10 299)	(65 895)
Non-controlling interest	110 570	78 047	53 551
Total equity	70 200	67 748	(12 344)
Non-current liabilities			
Debenture capital	196 543	142 554	142 098
Borrowings	449 306	468 829	353 115
Derivatives	2 120	5 487	4 244
Deferred taxation	3 219	1 732	2 489
Total non-current liabilities	651 188	618 602	501 966
Current liabilities			
Borrowings	141 938	458 377	400 455
Liabilities held for sale	-	-	91 935
Provisions for liabilities and commitments	12 079	-	12 079
Trade and other payables	34 527	40 830	34 951
Derivatives	4 235	11 340	5 379
Total current liabilities	192 779	510 547	544 799
Total liabilities	843 967	1 129 149	1 046 765
Total equity and liabilities	914 167	1 196 897	1 034 401
Net asset value per linked unit (pence)	24.65	32.61	18.34
Number of linked units in issue	633 648 414	405 507 157	415 507 157

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		
	Unaudited six months ended 28 February 2013 £'000	Unaudited six months ended 29 February 2012 £'000	Audited year ended 31 August 2012 £'000
Cash flows from operating activities			
Cash generated by operations	28 134	22 567	51 838
Interest paid	(27 418)	(34 315)	(70 478)
Taxation paid	(2 101)	(718)	(1 412)
Interest received	2 804	3 754	7 908
Distribution received from associates and joint ventures	7 590	5 083	11 263
Net cash (utilised in)/generated from operating activities	9 009	(3 629)	(881)
Net cash (utilised in)/generated from investing activities	(78 454)	(24 940)	(32 537)
Net cash generated from financing activities	109 769	10 131	(191)
Net movement in cash and cash equivalents	40 324	(18 438)	(33 609)
Effect of exchange rate fluctuations on cash held	(251)	695	561
Cash and cash equivalents at the beginning of the period/year	18 150	51 815	51 815
Net cash and cash equivalents at the end of the period/year	58 223	34 072	18 150

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	GROUP		
	Unaudited six months ended 28 February 2013 £'000	Unaudited six months ended 29 February 2012 £'000	Audited year ended 31 August 2012 £'000
Reported balance at the beginning of the period/year	(65 895)	(7 511)	(7 511)
Change in accounting policy	-	745	745
Balance at the beginning of the year - restated	(65 895)	(6 766)	(6 766)
Shares issued	16	3	3
Comprehensive income attributable to RIN linked unitholders	26 222	(4 148)	(59 979)
Other reserves	(713)	612	847
Total equity	40 370	(10 299)	(65 895)

Commentary

Introduction

RIN holds as its main asset a controlling 65.81% shareholding in Redefine International P.L.C. ("RI PLC"). Each linked unit in RIN effectively equates to one share in RI PLC.

Background to RI PLC

RI PLC is an income-focused property investment company with exposure to a broad range of properties and geographical areas and is listed on the Main Market of the London Stock Exchange (the "LSE"). It is domiciled in the Isle of Man and has investments in the UK, Germany, Switzerland, the Channel Islands, the Netherlands and Australia.

The Group's strategy is to deliver sustainable and growing income returns through investment into income yielding assets let to high-quality occupiers on long leases. Development exposure is generally limited to asset management and ancillary development of existing assets in order to enhance and protect capital values. RI PLC distributes the majority of its earnings available for distribution on a semi-annual basis, providing investors with attractive income returns and exposure to capital growth opportunities. In terms of its trust deed, RIN makes semi-annual interest distributions based on distributable earnings.

RI PLC acquires real estate investments in large, well-developed economies with established and transparent real estate markets. The investment portfolio is geographically diversified across the UK, Europe and Australia providing exposure to the retail, office, industrial and hotel sectors.

RI PLC has announced its intention to convert to a UK REIT. Recent changes to the UK REIT regime enacted in the UK Finance Bill 2012 including, inter alia, the abolition of the 2% entry charge, have made the conversion to a UK REIT more attractive to RI PLC and its shareholders.

Restructuring

As previously announced, RI PLC has highlighted its intention to seek an inward listing on the JSE Limited ("JSE") to enable the Group to simplify its corporate structure and consolidate its shareholder base. RI PLC has received confirmation from the South African Reserve Bank that it is agreeable to consider an application for an inward listing onto the JSE which will be subject to all necessary approvals. It is expected to result in an unbundling of the RI PLC shares held by RIN and should have the impact of enhancing the Group's liquidity and free float, with existing unitholders in RIN becoming direct shareholders in RI PLC through a dual listing on the LSE and the JSE.

Chairman's statement

It is pleasing to report another solid half-year performance. The Group met its earnings and investment targets and has made substantial progress towards completing the restructuring of the Wichford legacy assets and associated debt. Once again our diversified income base has been a major contributor to our performance, with Cromwell and the European portfolio delivering outstanding returns while the UK investment silos struggled in trying market conditions.

The exceptional returns achieved on the Cromwell investment have more than justified the decision to invest in Australia and Cromwell in particular. Approximately 27% of the Cromwell holding post period end was disposed of, as part of a process of capital recycling. The Company remains an equity supporter of Cromwell and the management team over the long term.

Prospects and strategy

The Group will continue to focus on upgrading the size and quality of properties under ownership and eliminating low-grade, low-growth properties.

Capital is being invested into the UK retail portfolio to enhance and expand existing centres. Consideration is also being given to the acquisition of a major shopping centre to take advantage of the favourable investment market.

With the Wichford legacy assets and debt largely resolved, RI PLC can look forward to expanding its asset base through capital recycling and investing in growth areas.

Europe is expected to be a major expansion area for the Group, with management working on a significant retail acquisition.

Investors are referred to the trading statement update below.

RI