

**Audited results and distribution declaration for
the twelve months ended 30 September 1999**

	Twelve months ended	Unaudited pro forma twelve months ended	Audited nine months ended
	30 SEPTEMBER 1999	30 SEPTEMBER 1998	30 SEPTEMBER 1998
	R000	R000	R000
Income Statement			
Net rental income from properties	141 115	137 092	82 919
Interest received	29 432	23 249	15 279
	<hr/>	<hr/>	<hr/>
	170 547	160 341	98 198
Service charge and sundry costs	5 783	6 071	3 108
	<hr/>	<hr/>	<hr/>
Net distributable income	164 764	154 270	95 090
	<hr/>	<hr/>	<hr/>
Interim distribution	81 794	77 322	18 142
Final Distribution	82 970	76 948	76 948
	<hr/>	<hr/>	<hr/>
	164 764	154 270	95 090
	<hr/>	<hr/>	<hr/>
	cents	cents	cents
Interim distribution (6 months)			
Distributable income per unit	13,90	13,14	6,21*
Units in issue (000)	588 442	588 442	292 140
Final distribution (6 months)			
Distributable income per unit	14,10	13,07	13,07
Units in issue (000)	588 442	588 442	588 442
Total distribution per unit	28,00	26,21	19,28

	R000	R000	R000
Balance Sheet			
<i>Capital employed</i>			
Capital and reserves	1 009 729	1 018 835	1 018 835
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<i>Employment of Capital</i>			
Investment in property	938 821	931 928	931 928
Net current assets	70 908	86 907	86 907
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	1 009 729	1 018 835	1 018 835
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*3months

Comments

1. Net distributable income

Allan Gray Property Trust's net distributable income for the financial year amounts to 28,00 cents per unit, slightly better than the forecast made in the annual report and a 7 % increase over the pro forma amount of 26,21 cents last year. Net property income after allowing for sales and new capital spent has increased by 11 % over last year.

2. Vacancy levels

Vacancy levels in terms of rentable area (excluding the SAPS building which was sold with vacant occupation) at 30 September were as follows (percent):

Sector	1999	1998
Office Blocks	6	11
Retail	3	3
Industrial	1	9
Other	0	0
Total	4	6

By value the vacancies also equate to 4 % of potential rental income.

Half of the office vacancies are at Melhof in Braamfontein, but only amount to a quarter of the vacancies by value in this category. Prospects for letting this space are poor. Rosebank Corner is now 91% let.

In the retail sector the vacancies remain concentrated at Northmead Mall and Bruma Boardwalk.

3. **Changes to the portfolio**

In line with our strategy to upgrade the portfolio various properties have been identified for sale. During the year the following properties in this category were sold:

*transfer still to be registered

Capital commitments at year end were R12,874 million.

The two major capital projects undertaken during the year, the Health & Racquet Club at Bruma and the alterations at Kenilworth Centre have both been substantially completed. Kenilworth Centre has been successfully repositioned as a major shopping centre offering excellent comparative shopping and has seen a significant increase in the number of shoppers and sales densities.

Various opportunities are currently being considered for the employment of the R75 million cash resources of the Trust.

4. **Sectoral Spread**

After allowing for the post year end disposal of the SAPS building, the portfolio, as valued by Rode and Associates cc, comprises the following:

Retail	654	111	56%	55%	14.0%
Industrial	92	16	8%	9%	17.6%
Other	49	8	4%	5%	14.4%
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Total Property	1 106	188	94%	91%	14.2%
Cash Resources	75	12	6%	9%	
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	1 181	200	100%	100%	
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The valuation is two percent higher than that of last year.

We note that, notwithstanding some improvement in the quality of the portfolio which promises improved rental growth, the forward earnings yield of the property portfolio has increased from 13,6% to 14,2%. This is a reflection of the market pressures still being experienced by property assets and in our view portrays a conservative valuation.

5. Pending litigation

Unitholders were advised that actions had been brought against, amongst others, Allan Gray Property Trust Management Limited by a joint undivided property owner of two of the properties previously forming part of the Mainpro portfolio. These actions were dismissed with costs. The applicants have however intimated that they will be seeking leave to appeal the judgements. The directors remain of the view that the actions have no prospects of success.

6. Year 2000 Compliance

Allan Gray Property Trust Management Limited has completed the exercise to ensure that the systems employed by the Trust's property managers and accountants are year 2000 compliant. Representations have also been obtained from suppliers to the Trust regarding their state of compliance. No material difficulties have occurred or are expected to occur. There has been no cost to unitholders in terms of this exercise. There is low risk and likelihood of the Trust facing liability directly or indirectly arising from the advent of year 2000.

7. Prospects

The sales of a number of properties are currently under negotiation at prices that compare favourably with the latest valuation.

While budgeted net rental growth in the underlying property portfolio shows an increase of approximately 9% over 1999, the forecast distribution for the year to September 2000 shows earnings at substantially the same level as for 1999 because of lower interest rates.

8. Distribution announcement

Notice is hereby given of distribution no. 33 of 14,1 cents per unit for the six months ended 30 September 1999. The distribution will be payable to unitholders registered at the close of business on Friday, 12 November 1999. On 26 November distributions will, where applicable, be electronically transferred to unitholders' bank account. In the absence of suitable mandates in this

regard, distribution cheques, post-dated to 26 November 1999 will be posted to unitholders on 19 November 1999.

By order of the Board

Allan Gray Property Trust Management Limited
(Reg No 83/03324/06)

Transfer Secretaries
Mercantile Registrars Limited
11 Diagonal Street
Johannesburg
2001
27 October 1999