

## Interim results and distribution declaration for the six months ended 31 March 2001

The Directors of Allan Gray Property Trust Management Limited, the management company for Allan Gray Property Trust ("Grayprop") submit their report on the unaudited results of Grayprop for the six months ended 31 March 2001.

	Unaudited Six months to 31 MARCH 2001 R'000	Unaudited Six months to 31 MARCH 2000 R'000
<b>Income Statement</b>		
Rental income	124 642	117 239
Interest received	7 025	9 145
Profit on disposal of investment property	–	1 208
Property expenditure	(40 014)	(39 740)
General administration expenditure	(4 076)	(3 356)
<b>Net profit</b>	<b>87 577</b>	<b>84 496</b>
Net change in maintenance reserve	701	(906)
Capital profit transferred to NDR	–	(1 208)
Income available for distribution	<u>88 278</u>	<u>82 382</u>
Number of units in issue	588 442 336	588 442 336
Earnings per unit (cents)	14.88	14.36
Headline earnings per unit (cents)	14.88	14.15
Interim distribution (cents)	15.00	14.00
<b>Balance Sheet</b>		
<b>Assets</b>		
Investment property	1 227 281	1 116 834
Current assets	140 598	173 853
	<u>1 367 879</u>	<u>1 290 687</u>
<b>Unitholders' Funds and Liabilities</b>		
Unitholders' funds	1 261 750	1 189 955
Current liabilities	106 129	100 732
	<u>1 367 879</u>	<u>1 290 687</u>
<b>Statement of Changes in Unitholders' Funds</b>		
Unitholders' funds at beginning of period	1 262 451	1 187 841
Net profit	87 577	84 496
Distribution declared	(88 278)	(82 382)
Unitholders' funds at end of period	<u>1 261 750</u>	<u>1 189 955</u>
<b>Cash Flow Statement</b>		
Cash generated by operations	80 552	74 143
Working capital changes	1 734	7 442
	<u>82 286</u>	<u>81 585</u>
Interest received	7 025	9 145
Distributions paid to investors	(87 678)	(82 970)
	<u>1 633</u>	<u>7 760</u>
Additions to fixed property	(26 005)	(12 124)
Proceeds on sale of fixed property	–	2 308
Cash at beginning of period	145 960	157 170
Cash at end of period	<u>121 588</u>	<u>155 114</u>

### Accounting policies

The interim results are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. In view of the recent amendments to these statements the accounting policies of Grayprop have been amended. The effect of these changes has been:

- To exclude any provision for maintenance from the calculation of net profit. As management deem it prudent to provide for long term maintenance, a reserve of unitholders' funds has been created to provide for such maintenance. The net profit will be adjusted by the net movement in the reserve to determine the distributable income for each period. In changing the accounting policy the comparative figures have been restated. The provision for maintenance of R12.7 million (2000 - R11.1 million), previously under current liabilities, is now included in unitholders' funds at the beginning of the period. The net decrease of R0.7 million (2000 - R0.9 million increase) in the reserve for maintenance during the period reserve has therefore been added to net profit in the calculation of distributable income for the period.
- To value investment properties at market value, as opposed to historic cost. In changing the accounting policy the comparative figures have been restated. The effect has been to increase the opening balance of unitholders' funds and the value of investment properties by R238 million (2000 - R167 million). In future any change in valuation will need to be recognised in the income statement, but will then be transferred to a NDR and hence have no effect on distributable income. As properties are only valued at year end there is no effect on the income statement for the interim periods.

### Comments

#### 1 Net distributable income and prospects

Allan Gray Property Trust's net distributable income for the first six months of the financial year amounts to 15.0 cents per unit. This is in line with the forecast made in the Annual Report, and 7 percent better than the comparable period last year. The forecast for the full year of approximately 31.0 cents per unit should be achieved.

#### 2 Vacancy levels

Vacancy levels by area at 31 March were as follows:

Sector	March 2001 %	Sept 2000 %
Office Blocks	10.3	6.0
Retail and Offices	3.7	3.0
Industrial	0.7	1.0
Other	0.0	0.0
Total	<u>4.8</u>	<u>4.0</u>

By value the vacancies equate to 5 percent of the total potential rental income, up from 4 percent at the end of September 2000.

The increased vacancies in the office sector are largely as the result of the loss of a tenant from Grayston Ridge Office Park in Sandton. A number of prospects have expressed interest in these premises.

In the retail sector the vacancies remain concentrated at Northmead Mall and Bruma Boardwalk. Various opportunities are being investigated at both these centres to overcome historical problems.

#### 3 Changes to the portfolio

Outstanding capital commitments at 31 March 2001 are R19.2 million, leaving a free capital balance of R17.4 million. The current capital projects are all running on time and within budget.

Various upgrading opportunities are currently being evaluated for Centurion Centre, Northmead Mall and the Rosebank Mews.

Agreement has been reached, subject to certain suspensive conditions including that of approval by the Competition Commission, for the purchase of the undivided shares of Randburg Waterfront and Bruma Boardwalk not currently owned by Grayprop. The purchase for R59.8 million, the price as valued in Grayprop, will be funded by the issue of 24 609 054 new units at a price of R2.43 per unit. The transaction is marginally earnings enhancing for Grayprop.

#### 4 STRATE

Grayprop is scheduled to move to the STRATE system during August and September 2001. Dematerialisation will start on 13 August with electronic trading commencing on 3 September and the first electronic settlement taking place on 10 September. An information pack detailing actions required by unitholders will be sent to all registered unitholders together with their copy of these interim results.

#### Distribution announcement

Notice is hereby given of distribution no. 36 of 15.0 cents per unit for the six months ended 31 March 2001. The distribution will be payable to unitholders registered at the close of business on Friday, 11 May 2001. On 25 May distributions will, where applicable, be electronically transferred to unitholders' bank accounts. In the absence of suitable mandates in this regard distribution cheques, dated 25 May 2001, will be posted to unitholders.

#### By order of the Board

Allan Gray Property Trust Management Limited  
(Reg No 1983/003324/06)  
25 April 2001

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