

AUDITED RESULTS FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2002 AND DISTRIBUTION ANNOUNCEMENT

BALANCE SHEET	2002 (R000)	2001 (R000)
Assets		
Non-current assets		
Fixed properties	2 180 797	2 205 243
Current assets	392 418	224 977
Accounts receivable	23 183	31 075
Cash and cash equivalents	369 235	193 902
Total assets	2 573 215	2 430 220
Unitholders' funds and liabilities		
Unitholders' funds	2 168 559	2 052 487
Capital of the fund	1 757 354	1 607 548
Capital reserve	208 257	110 884
Revaluation reserve	193 335	324 442
Maintenance reserve	9 597	9 597
Distributable reserve	16	16
Non-current liabilities	218 542	214 557
Interest-bearing liability	214 557	214 557
Deferred capital gains tax	3 985	-
Current liabilities	186 114	163 176
Accounts payable	39 969	46 578
Unitholders for distribution	146 145	116 598
Total unitholders' funds and liabilities	2 573 215	2 430 220

INCOME STATEMENT	2002 (R000)	2001 (R000)
Income	493 620	280 508
Rent income	468 033	265 325
Interest received	25 587	15 183
Expenditure	207 847	99 136
Property expenses	163 632	90 346
Audit fees	851	613
Depreciation	209	230
Interest paid	30 176	-
Service charge	12 979	7 947
Headline earnings	285 773	181 372
Capital items	(33 734)	86 175
Realised surplus on disposal of fixed properties	9 602	-
Unrealised (deficit)/surplus on revaluation of fixed properties	(39 351)	86 175
Deferred capital gains tax	(3 985)	-
Net profit	252 039	267 547
Transfer from/(to) reserves	33 734	(83 031)
Transfer from maintenance reserve	-	3 144
Transfer to capital reserve	(9 602)	-
Transfer from/(to) revaluation reserve	43 336	(86 175)
Income available for distribution	285 773	184 516
Interim paid	139 628	88 267
Final declared	146 145	96 249
	285 773	184 516
Net profit per unit (cents)	27.1	44.5
Headline earnings per unit (cents)	30.7	30.2
Income distribution per unit (cents)	30.7	30.7
Interim distribution per unit (cents)	15.0	15.0
Final distribution per unit (cents)	15.7	15.7

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS	2002 (R000)	2001 (R000)
Capital of the fund		
Balance at beginning of the year	1 607 548	900 542
Units issued during the year	149 806	707 006
Balance at end of the year	1 757 354	1 607 548
Capital reserve		
Balance at beginning of the year	110 884	110 884
Net surplus on disposal of fixed properties	97 373	-
Balance at end of the year	208 257	110 884
Revaluation reserve		
Balance at beginning of the year	324 442	238 267
Revaluation reserve realised on sale of properties	(87 771)	-
Revaluation of fixed properties	(43 336)	86 175
Balance at end of the year	193 335	324 442
Maintenance reserve		
Balance at beginning of the year	9 597	12 741
Transfer to distributable reserves	-	(3 144)
Balance at end of the year	9 597	9 597
Distributable reserves		
Balance at beginning of the year	16	16
Net income for the year	252 039	267 547
Realised surplus on disposal of fixed properties	(9 602)	-
Transfer from/(to) revaluation reserve	43 336	(86 175)
Transfer from maintenance reserve	-	3 144
Income distributions	(285 773)	(184 516)
Balance at end of the year	16	16
Total unitholders' funds	2 168 559	2 052 487

CASH FLOW STATEMENT	2002 (R000)	2001 (R000)
Cash effects from operating activities		
Cash generated from operations	290 571	166 419
Change in working capital	1 283	7 516
Cash available from operating activities	291 854	173 935
Interest received	25 587	15 183
Interest paid	(30 176)	-
Income distributions	(256 226)	(176 406)
	31 039	12 712
Cash effects of investing activities		
Additions to fixed properties	(229 260)	(99 758)
Net proceeds from disposal of fixed properties	223 748	-
Acquisition of fixed property companies	-	(647 234)
	(5 512)	(746 992)
Cash effects of financing activities		
Units issued during the year	149 806	707 006
	149 806	707 006
Net increase/(decrease) in cash and cash equivalents	175 333	(27 274)
Cash and cash equivalents at beginning of the year	193 902	145 960
Cash and cash equivalents acquired during the year	-	75 216
Cash and cash equivalents at end of the year	369 235	193 902

COMMENTS

1 NET DISTRIBUTABLE INCOME

Allan Gray Property Trust's net distributable income for the financial year amounted to 30,7 cents per unit, the same as last year.

In the last six months of the year distributable income of 15,7 cents per unit was the same as for the corresponding period of 2001.

2 CHANGES TO PORTFOLIO

During the year the following properties were sold:

Property	Net price (Rm)	Value (Rm)	Indicative exit yield
Bedford Centre	149,4	141,5	14,7%
Middestad Centre	27,0	27,0	19,3%
Caltex House	8,1	6,4	24,2%
Greenmarket Holiday Inn	20,2	20,2	23,1%
BCG House	19,0	19,0	15,9%
	223,7	214,1	16,4%

Major capital expenditure has been approved on the following properties:

Property	Cost (Rm)	Anticipated initial return
Blue Route Mall	45,1	14,0%
Randburg Waterfront	45,0	15,1%
Northmead Mall	23,5	13,7%
Southgate Mall	12,5	13,7%

The sectoral spread of the portfolio, as independently valued at 30 September 2002, comprises the following:

Sector	Value (Rm)	cents/unit	2002	Forward EY	2001
Retail	1 426	153	65%	13.1%	65%
Office blocks	413	45	19%	11.0%	20%
Industrial	198	21	9%	14.8%	9%
Other	144	15	7%	15.0%	6%
Total property	2 181	234	100%	12.9%	100%
Less provision for capital gains tax	(4)	0			
Net realisable property value	2 177	234			
Long-term borrowings	(215)	(23)			
Cash resources	197	21			
	2 159	232			

The valuation is 2 percent lower than that of last year, largely as a result of the depressed office sector. The market rating of the property portfolio in terms of the forward earnings yield has increased marginally from 12,8 last year to 12,9 percent.

Capital commitments at year-end were R115,8 million which will leave uncommitted capital of R80,9 million.

3 VACANCY LEVELS

Vacancy levels in terms of rentable area at 30 September were as follows (percent):

Sector	2002	2001
Retail	5	6
Office blocks	13	10
Industrial	8	10
Other	0	0
Total	8	7

By value, the vacancies equate to 6 percent of potential rental income compared with 7 percent last year.

In the retail sector, 70 percent of the vacancies are contained in the following properties:

- Bruma Boardwalk, where a sale has been negotiated
- Northmead, where a re-tenancing proposal is being implemented
- Randburg Waterfront, where a significant refocusing of the property is underway to reduce the reliance on entertainment by converting various premises to true retail. This will strengthen the demand from Randburg office workers who no longer choose to shop in the CBD.

In the office sector, significant vacancies by area and value are at Wynberg Mews, 377 Rivonia Boulevard, Grayston Ridge, Rosebank Corner and Wierda Mews. In addition, certain major leases expire in the first half of the new year and are not going to be renewed, which could increase vacancy levels in the short-term. Nevertheless some encouraging enquiries are currently being received, and leases concluded, albeit at lower rentals than the current escalated levels.

In the industrial sector, demand is sporadic but some positive lettings have occurred, reducing the vacancy levels from last year. Significant vacancies are concentrated in Supreme Industrial Park and the Jet Park portfolio.

4 PROSPECTS

Budgeted distributable income for 2003 is substantially the same as 2002. Contributing to this is the sale of properties during the year at yields above the portfolio yield, but which were anticipated to detract from earnings growth in the years to come. Reinvestment is taking place in properties which provide a lower initial yield but have much better growth prospects. As a result the quality of the portfolio is being significantly improved.

5 AUDIT REPORT

The results are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and on a basis consistent with last year. The results for the year have been audited by KPMG Inc., and their unqualified audit report is available for inspection at the Trust's registered office.

6 DISTRIBUTION ANNOUNCEMENT

Notice is hereby given of distribution no. 39 of 15,7 cents per unit for the six months ended 30 September 2002.

The last date to trade cum the distribution will be Friday, 15 November 2002. The units of Grayprop will commence trading ex-distribution on Monday, 18 November 2002 and the record date will be Friday, 22 November 2002. The distribution will be paid on Monday, 25 November 2002.

Unit certificates may not be dematerialised or rematerialised between Monday, 18 November 2002 and Friday, 22 November 2002, both dates inclusive.

BY ORDER OF THE BOARD

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

31 October 2002

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