ALLANGRAY
PROPERTY TRUST

AUDITED RESULTS FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2003 AND DISTRIBUTION ANNOUNCEMENT

BALANCE SHEET	2003 (R000)	2002 (R000)
Assets		
Non-current assets		
Fixed properties	**2 359 852**	2 180 797
Current assets	**410 087**	392 418
Accounts receivable	**42 076**	23 183
Capital debtors	**89 019**	-
Cash and cash equivalents	**278 992**	369 235
Total assets	**2 769 939**	2 573 215
Unitholders' funds and liabilities		
Unitholders' funds	**2 358 446**	2 168 559
Capital of the fund	**1 757 354**	1 757 354
Capital reserve	**393 019**	208 257
Revaluation reserve	**208 055**	193 335
Maintenance reserve	**-**	9 597
Distributable reserve	**18**	16
Non-current liabilities	**214 557**	218 542
Interest-bearing liability	**214 557**	214 557
Deferred capital gains tax	**-**	3 985
Current liabilities	**196 936**	186 114
Accounts payable	**44 255**	39 969
Taxation	**4 674**	-
Unitholders for distribution	**148 007**	146 145
Total unitholders' funds and liabilities	**2 769 939**	2 573 215

INCOME STATEMENT	2003 (R000)	2002 (R000)
Income	**487 754**	493 620
Rent income	**441 931**	468 033
Interest received	**45 823**	25 587
Expenditure	**200 117**	207 847
Property expenses	**153 157**	163 841
Audit fees	**411**	851
Interest paid	**31 444**	30 176
Administrative charges	**802**	-
Service charge	**14 303**	12 979
Distributable earnings	**287 637**	285 773
Accelerated maintenance expense	**(9 597)**	-
Capital items	**199 482**	(33 734)
Net realised surplus on disposal of fixed properties	**5 281**	9 602
Net unrealised surplus/(deficit) on revaluation of fixed properties	**194 890**	(39 351)
Taxation	**(689)**	(3 985)
Net profit	**477 522**	252 039
Net profit per unit (cents)	**51.3**	27.1
Headline earnings per unit (cents)	**29.9**	30.7
Distribution per unit (cents)	**30.9**	30.7
Interim distribution per unit (cents)	**15.0**	15.0
Final distribution per unit (cents)	**15.9**	15.7
Units in issue	**930 857 895**	930 857 895
Headline earnings reconciliation		
Net profit	**447 522**	252 039
Less capital items	**(199 482)**	33 734
Headline earnings	**278 040**	285 773

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS	2003 (R000)	2002 (R000)
Capital of the fund		
Balance at beginning of the year	**1 757 354**	1 607 548
Units issued during the year	**-**	149 806
Balance at end of the year	**1 757 354**	1 757 354
Capital reserve		
Balance at beginning of the year	**208 257**	110 884
Net surplus on disposal of fixed properties	**184 762**	97 373
Balance at end of the year	**393 019**	208 257
Revaluation reserve		
Balance at beginning of the year	**193 335**	324 442
Revaluation reserve realised on sale of fixed properties	**(180 170)**	(87 771)
Revaluation of fixed properties	**194 890**	(43 336)
Balance at end of the year	**208 055**	193 335
Maintenance reserve		
Balance at beginning of the year	**9 597**	9 597
Transfer to distributable reserves	**(9 597)**	-
Balance at end of the year	**-**	9 597
Distributable reserves		
Balance at beginning of the year	**16**	16
Net income for the year	**477 522**	252 039
Realised surplus on disposal of fixed properties	**(4 592)**	(9 602)
Transfer (to)/from revaluation reserve	**(194 890)**	43 336
Transfer from maintenance reserve	**9 597**	-
Income distributions	**(287 635)**	(285 773)
Balance at end of the year	**18**	16
Total unitholders' funds	**2 358 446**	2 168 559

CASH FLOW STATEMENT	2003 (R000)	2002 (R000)
Cash effects from operating activities		
Cash generated from operations	**263 661**	290 571
Change in working capital	**(14 607)**	1 283
Cash available from operating activities	**249 054**	291 854
Interest received	**45 823**	25 587
Interest paid	**(31 444)**	(30 176)
Income distributions	**(285 773)**	(256 226)
	(22 340)	31 039
Cash effects of investing activities		
Additions to fixed properties	**(123 110)**	(229 260)
Net proceeds from disposal of fixed properties	**144 226**	223 748
Increase in capital debtors	**(89 019)**	-
	(67 903)	(5 512)
Cash effects of financing activities		
Units issued during the year	**-**	149 806
	-	149 806
Net (decrease)/increase in cash and cash equivalents	**(90 243)**	175 333
Cash and cash equivalents at beginning of the year	**369 235**	193 902
Cash and cash equivalents at end of the year	**278 992**	369 235

COMMENTS

1. NET DISTRIBUTABLE INCOME

Allan Gray Property Trust's net distributable income for the financial year amounted to 30,9 cents per unit, marginally up on last year.

In the last six months of the year distributable income of 15,9 cents per unit was 1,3 percent up on the corresponding period of 2002.

2. RESTRUCTURE

With the introduction of the Collective Investment Schemes Control Act of 2002, Grayprop, as required by the Act, has adopted, with effect from 1 April 2003, a new Trust Deed.

As envisaged in the 2002 Annual Report, the Trust is in the process of taking transfer of all the properties from the Fixed Property Companies. This is substantially complete, with the last three properties anticipated to be transferred within the next month. While it will trigger minimal capital gains tax in the Trust, Grayprop will be able in future to sell properties without the burden of this tax. The net asset value of the Trust will be protected in future accordingly and in addition, savings in expenses will be able to be passed onto unitholders.

Two consequences of the restructure have been a program of value enhancing accelerated planned maintenance spending due to the fact that the maintenance reserve no longer enjoys preferential tax treatment, and the cessation of the policy of capitalising interest on development projects as the Trust now undertakes these on its own behalf and no longer lends the funds to the fixed property companies to do so. This latter has reduced distributions by approximately 0,4 cents per unit for the current year and by approximately 1,0 cent per unit for the coming year, but protects capital and enables it to be profitably invested to improve long-term earnings.

3. CHANGES TO PORTFOLIO

During the year the following properties were sold:

Property	Net price (R'000)	Value (R'000)
Bruma Broadwalk	7 840	5 273
Robertson Spices	2 800	1 508
Stone Stamcor	2 400	2 005
La Lucia Ridge vacant land	2 374	3 655
Express House	898	517
Pittsburg Industrial Park	780	558
Game Bruma	22 000	19 652
Riverside Centre	13 800	10 071
Wynberg Mews	14 590	16 231
Melhof	1 457	1 049
Centurion Shopping Centre (25%)	63 287	67 676
The Northgate Dome	12 000	10 750
	144 226	**138 945**

The major capital projects previously announced have all progressed better than anticipated.

The sectoral spread of the portfolio, as independently valued at 30 September 2003, comprises the following:

Sector	Value (Rm)	cents/unit	2003	Forward EY	2002
Retail	1 595	171	67%	12,1%	65%
Office blocks	382	41	16%	13,5%	18%
Industrial	227	24	10%	16,0%	10%
Other	156	17	7%	11,3%	7%
Total property	2 360	253	100%	12,7%	100%
Long-term borrowings	(215)	(23)			
Net current assets	213	23			
	2 358	**253**			

The valuation is 8,7 percent higher than that of last year, largely as a result of the improved retail valuations. The market rating of the property portfolio in terms of the forward earnings yield has increased marginally from 12,9 percent last year to 12,7 percent.

Subsequent to year-end, agreement has been reached to purchase MIFA Industrial Park and The Boulders Shopping Centre in Midrand, for R36 million and R140 million respectively, to be settled with the issue of 65 185 186 Grayprop units at R2.70 each. Competition Board's approval has been obtained for the Park which is in the process of being transferred, and is pending for The Boulders. Both properties are anticipated to give a forward earnings yield of 14 percent.

Capital commitments at year-end were R167 million which will leave uncommitted capital of R45 million.

4. VACANCY LEVELS

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

Sector	2003	2002
Retail	5	5
Office blocks	10	13
Industrial	9	8
Other	0	0
Total	**7**	**8**

By value, the vacancies remained at 6 percent of potential rental income over the past financial year.

In the retail sector 75 percent of the vacancies are contained in the following properties:

- Northmead, where the redevelopment has been successfully completed and the final elements are now being leased; and
- The Brightwater Commons (ex Randburg Waterfront), where the redevelopment is underway to transform the centre into a family friendly venue with increased traditional retail shopping and significantly reduced reliance on restaurants and pubs. The first phase is complete and substantially fully let. The remaining vacancies are concentrated in the second phase, construction of which is commencing in 2004.

In the office sector significant vacancies by area and value remain at Grayston Ridge and Rosebank Corner. Dunkeld Park has more recently experienced significant vacancies. In addition, certain major leases in the office portfolio expire in the first half of the new year and are not going to be renewed. This could increase vacancy levels in the short-term. However, during the current year leases for 22 percent of the area were renewed and new leases concluded for 12 percent, reflecting increased activity in this sector.

In the industrial sector demand has improved and some positive lettings have occurred.

5. PROSPECTS

Budgeted distributable income for 2004 is similar to that of 2003.

6. 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.

7. DISTRIBUTION ANNOUNCEMENT

Notice is hereby given of distribution no. 41 of 15,9 cents per unit for the six months ended 30 September 2003.

The last date to trade cum the distribution will be Friday, 14 November 2003. The units of Grayprop will commence trading ex-distribution on Monday, 17 November 2003 and the record date will be Friday, 21 November 2003. The distribution will be paid on Monday, 24 November 2003.

Unit certificates may not be dematerialised or rematerialised between Monday, 17 November 2003 and Friday, 21 November 2003, both dates inclusive.

BY ORDER OF THE BOARD

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

30 October 2003

Transfer Secretaries	Secretary and registered office
Computershare Limited,	Broll Property Group (Proprietary) Limited
Investor Services Division	Broll House
70 Marshall Street	27 Fricker Road, Illovo
Johannesburg	Johannesburg, 2196
2001	(PO Box 1455 Saxonwold, 2132)

SHORTNAME: **GRAYPROP** CODE: **GRY** ISIN: **ZAE000013165**

Directors: WJC Mitchell (Chairman), JD Rainier (Managing), WT Fairhead, M Herdman, WM Kirchmann, SP McCoy, DM Nurek, E Osrin, S Shaw-Taylor

Sponsor: Standard Corporate and Merchant Bank (A division of The Standard Bank of South Africa Limited) (Reg No 1962/000738/06)

e-mail: info@allangray.co.za website: www.allangray.co.za