

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 2003.

| | UNAUDITED 6 MONTHS TO 31 MARCH 2003 R'000 | UNAUDITED 6 MONTHS TO 31 MARCH 2002 R'000 |
|---|--|--|
| Income Statement | | |
| Rental income | 215 513 | 230 723 |
| Interest received | 23 241 | 9 405 |
| Property expenditure | (75 891) | (78 864) |
| Interest paid | (15 979) | (14 542) |
| General administration expenditure | (7 255) | (7 093) |
| Profit on disposal of fixed property | 3 577 | 1 679 |
| Net profit | 143 206 | 141 308 |
| Capital profit transferred to NDR | (3 577) | (1 679) |
| Income available for distribution | <u>139 629</u> | <u>139 629</u> |
| | | |
| Number of units in issue | 930 857 895 | 930 857 895 |
| | | |
| Earnings per unit (cents) | 15.4 | 15.2 |
| Less capital profit per unit (cents) | <u>(0.4)</u> | <u>(0.2)</u> |
| Headline earnings per unit (cents) | 15.0 | 15.0 |
| | | |
| Interim distribution (cents) | 15.0 | 15.0 |
| Balance Sheet | | |
| Assets | | |
| Fixed properties | 2 223 815 | 2 348 317 |
| Current assets | <u>342 749</u> | <u>249 491</u> |
| | <u>2 566 564</u> | <u>2 597 808</u> |
| Unitholders' funds and liabilities | | |
| Unitholders' funds | 2 172 136 | 2 203 972 |
| Interest bearing borrowings | 214 557 | 214 557 |
| Deferred tax | 3 985 | - |
| Current liabilities | <u>175 887</u> | <u>179 279</u> |
| | <u>2 566 565</u> | <u>2 597 808</u> |
| Statement of Changes in Unitholders' Funds | | |
| Unitholders' funds at beginning of period | 2 168 559 | 2 052 487 |
| Units issued | - | 149 806 |
| Net profit | 143 206 | 141 308 |
| Distribution declared | <u>(139 629)</u> | <u>(139 629)</u> |
| Unitholders' funds at end of period | <u>2 172 136</u> | <u>2,203 972</u> |
| Cash Flow Statement | | |
| Cash generated by operations | 132 469 | 144 866 |
| Working capital changes | <u>(4 824)</u> | <u>(347)</u> |
| | 127 645 | 144 519 |
| Interest received | 23 241 | 9 405 |
| Interest paid | (15 979) | (14 542) |
| Distributions paid | <u>(146 145)</u> | <u>(116 598)</u> |
| | (11 238) | 22 784 |
| Additions to fixed property | (56 637) | (195 595) |
| Units issued | - | 149 806 |
| Disposal of fixed property | 17 093 | 54 100 |
| Cash at beginning of period | <u>369 235</u> | <u>193 902</u> |
| Cash at end of period | <u>318 453</u> | <u>224 997</u> |

1 Net distributable income and prospects

Grayprop's net distributable income for the first six months of the financial year amounts to 15,0 cents per unit, in line with the forecast made in the Annual Report, and the same as for the comparable period last year. It is still anticipated that distributions of approximately the same level as last year will be achieved for the full year.

The interim results are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are consistent with those used in the prior year.

2 Restructure

With the introduction of the Collective Investments Schemes Control Act of 2002, Grayprop, as required by the Act, has adopted, with effect from 1 April 2003, a new Trust Deed which will be standard for the industry. The Trust Deed is available on our website and should be read in conjunction with the Act. A hard copy may be obtained at the registered office.

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. It is envisaged that this will be complete before year-end. 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.

3 Vacancy levels

Vacancy levels by area were as follows:

| Sector | Mar 2003 | Sept 2002 |
|------------|----------|-----------|
| | % | % |
| Retail | 5 | 5 |
| Offices | 13 | 13 |
| Industrial | 7 | 8 |
| Other | 0 | 0 |
| Total | <u>7</u> | <u>8</u> |

By value the vacancies equate to 6 percent of the total potential rental income, the same as at the end of September 2002.

The vacancies remain concentrated in the same buildings as at year-end.

4 Changes to the portfolio

Outstanding capital commitments at 31 March 2003 are R235,9 million, leaving no free capital balance. The commitments will be funded either by the proceeds of the pending sale of buildings or from existing loan facilities. With the opening of Boardmans, the extensions at Blue

Route Mall have been completed. The project has met all expectations. The re-tenanting of Northmead Mall is well underway and should be complete before year-end.

Building works have commenced at Centurion Shopping Centre and the Randburg Waterfront. Interest in both developments has been good. Randburg, as expected, is being adversely affected during construction. The redevelopment of Centurion is being undertaken as a joint venture with Attfund Limited; transfer of 25% of the property to Attfund will occur before year-end.

During the period under review the following properties were sold:

| Property | Net Price R'000 | Valuation R'000 |
|----------------------------|--------------------|--------------------|
| Bruma Broadwalk | 7 841 | 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 |
| | <u>17 093</u> | <u>13 516</u> |

Distribution announcement

Notice is hereby given of distribution no. 40 of 15,0 cents per unit for the six months ended 31 March 2003.

The last day to trade cum the distribution will be Friday, 16 May 2003. The units of Grayprop will commence trading ex-distribution on Monday, 19 May 2003 and the record date will be Friday, 23 May 2003. The distribution will be paid on Monday, 26 May 2003.

Unit certificates may not be dematerialised or rematerialised between Monday, 19 May 2003 and Friday, 23 May 2003, both dates inclusive.

By order of the Board

Allan Gray Property Trust Management Limited
(Reg No 1983/003324/06)
24 April 2003

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