

The Directors of Allan Gray Property Trust Management Limited, the manager of Allan Gray Property Trust ("Grayprop"), submit their report on the audited results of Grayprop for the year ended 30 September 2004.

BALANCE SHEET	2004 (R000)	2003 (R000)
Assets		
Non-current assets		
Investment properties	3 133 499	2 359 852
Current assets	266 040	410 087
Accounts receivable	32 172	42 076
Capital debtors	-	89 019
Cash and cash equivalents	233 868	278 992
Total assets	3 399 539	2 769 939
Unitholders' funds and liabilities		
Unitholders' funds	2 966 800	2 358 446
Capital of the fund	1 933 354	1 757 354
Capital reserve	400 265	393 019
Revaluation reserve	633 163	208 055
Distributable reserve	18	18
Non-current liabilities		
Interest-bearing liability	214 557	214 557
Current liabilities	218 182	196 936
Accounts payable	52 839	44 255
Taxation payable	-	4 674
Unitholders for distribution	165 343	148 007
Total unitholders' funds and liabilities	3 399 539	2 769 939

INCOME STATEMENT	2004 (R000)	2003 (R000)
Income	540 251	487 754
Rent income	509 844	441 931
Interest received	30 407	45 823
Expenditure	219 525	200 117
Property expenses	178 638	153 157
Audit fees	642	411
Interest paid	22 913	31 444
Administrative charges	1 559	802
Service charge	15 773	14 303
Distributable earnings	320 726	287 637
Accelerated maintenance expense	-	(9 597)
Capital items	432 354	199 482
Net realised surplus on disposal of investment properties	6 134	5 281
Net unrealised surplus on revaluation of investment properties	425 335	194 890
Taxation	885	(689)
Net profit	753 080	477 522
Net profit per unit (cents)	75.6	51.3
Headline earnings per unit (cents)	32.2	29.9
Net asset value per unit (cents)	297.9	253.4
Income distribution per unit (cents)	32.2	30.9
Interim distribution per unit (cents)	15.6	15.0
Final distribution per unit (cents)	16.6	15.9
Units in issue	996 043 081	930 857 895
Headline earnings reconciliation		
Net profit	753 080	477 522
Less capital items	(432 354)	(199 482)
Headline earnings	320 726	278 040

COMMENTS

1. NET DISTRIBUTABLE INCOME

Allan Gray Property Trust's net distributable income for the financial year amounted to 32.2 cents per unit, 4.2 percent up on last year.

In the last six months of the year distributable income of 16.6 cents per unit was 4.4 percent up on the corresponding period of 2003.

2. CHANGES TO PORTFOLIO

During the year, the following changes have been made to the portfolio:

Property	Net price (Rm)	2003 valuation (Rm)
1 Stan Road	4.6	3.3
Judd Industrial Park	4.4	4.0
Aerospace Industrial Park	2.5	2.2
Cadbury	3.5	2.2
Col-B-House	3.0	1.8
Sunshine Place	2.3	1.5
Ace House	1.6	1.5
House of Fibre	1.6	1.5
Engine Plan	1.5	1.1
Wade Industrial Park	1.1	0.9
Ville Industrial Place	0.6	0.5
	26.7	20.5

Property	Gross price (Rm)	Effective date	Initial yield %
The Boulders Shopping Centre	140	1 October 2003	15.5
Mifa Industrial Park	36	1 October 2003	16.3
Munpen (75%)	18	30 September 2004	13.3
Remaining 8.62% of Douglas Roberts Centre	3	30 September 2004	16.8
	197		

Capital Projects

Significant capital projects with updated expectations are:

Property	Original Viability		Latest Anticipated Status	
	Cost (Rm)	Anticipated initial return	Cost (Rm)	Anticipated initial return
Centurion Mall	206	15.0%	190	17.0%
The Brightwater Commons	126	15.0%	130	14.0%
	332		320	

The sectoral spread of the portfolio, as independently valued at 30 September 2004, comprises the following:

Sector	Value (Rm)	Cents/unit	Forward EY % of portfolio		
			Forward EY (%)	2004	2003
Retail	2 256	227	11.7	72	67
Office blocks	409	41	13.7	13	16
Industrial	305	31	14.4	10	10
Other	163	16	11.7	5	7
Total property	3 133	315	12.2	100	100
Long-term borrowings	(215)	(22)			
Net current assets	48	5			
	2 966	298			

The gross value of the property portfolio is 32.8 percent higher than that of last year, largely as a result of the acquisitions of The Boulders Shopping Centre and Mifa Industrial Park, the redevelopment of Centurion Mall and improved retail and industrial valuations. The market rating of the property portfolio in terms of the anticipated forward earnings yield has improved marginally from 12.7 percent last year to 12.2 percent.

The net asset value per unit is 17.6 percent higher than last year, reflecting the improved valuations.

Capital commitments at year-end were R101.7 million which leaves capital and existing loan facilities of R369.3 million available for investment.

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS	2004 (R000)	2003 (R000)
Capital of the fund		
Balance at beginning of the year	1 757 354	1 757 354
Units issued during the year	176 000	-
Balance at end of the year	1 933 354	1 757 354
Capital reserve		
Balance at beginning of the year	393 019	208 257
Net surplus on disposal of investment properties	7 246	184 762
Balance at end of the year	400 265	393 019
Revaluation reserve		
Balance at beginning of the year	208 055	193 335
Revaluation reserve realised on sale of investment properties	(227)	(180 170)
Revaluation of investment properties	425 335	194 890
Balance at end of the year	633 163	208 055
Maintenance reserve		
Balance at beginning of the year	-	9 597
Transfer from distributable reserves	-	(9 597)
Balance at end of the year	-	-
Distributable reserves		
Balance at beginning of the year	18	16
Net income for the year	753 080	477 522
Realised surplus on disposal of investment properties	(7 019)	(4 592)
Transfer to revaluation reserve	(425 335)	(194 890)
Transfer from maintenance reserve	-	9 597
Income distributions	(320 726)	(287 635)
Balance at end of the year	18	18
Total unitholders' funds	2 966 800	2 358 446

CASH FLOW STATEMENT	2004 (R000)	2003 (R000)
Cash effects from operating activities		
Cash generated from operations	313 232	263 661
Change in working capital	18 488	(14 607)
Cash available from operating activities	331 720	249 054
Interest received	30 407	45 823
Interest paid	(22 913)	(31 444)
Taxation paid	(3 789)	-
Income distributions	(303 390)	(285 773)
	32 035	(22 340)
Cash effects of investing activities		
Additions to investment properties	(192 844)	(123 110)
Net proceeds from disposal of investment properties	26 666	144 226
Decrease / (increase) in capital debtors	89 019	(89 019)
	(77 159)	(67 903)
Net decrease in cash and cash equivalents	(45 124)	(90 243)
Cash and cash equivalents at beginning of the year	278 992	369 235
Cash and cash equivalents at end of the year	233 868	278 992

3. VACANCY LEVELS

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

Sector	2004	2003
Retail	5	5
Offices	11	10
Industrial	5	9
Other	0	0
Total	6	7

By area, vacancies were 7 percent at half-year. By value, the vacancies equated to 6 percent of potential rental income, the same percentage as at half year.

In the retail sector 73 percent of the vacancies were contained in the following two properties:

- 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 bars.
- The Boulders Shopping Centre, where the vacancies are concentrated in the lower level and plans are advanced to reconfigure this space.

In the office sector, significant vacancies by area and value remain at Grayston Ridge, Summit Park and Rosebank Corner. During the past year 11 067 m² of new leases were signed up in the portfolio and 16 717 m² of leases were renewed, a total of 20 percent of the rentable area of the portfolio.

In the industrial sector, demand has improved significantly and some positive lettings have occurred. During the past year 40 360 m² of new leases were signed by the portfolio and 53 923 m² of leases were renewed, a total of 38 percent of the rentable area of the portfolio.

4. TRADING STATEMENT

Based on the current property portfolio and market conditions it is anticipated that the distribution per unit for the 2005 financial year could grow by approximately 8 percent. The forecast financial information on which this Trading Statement is based has not been reviewed and/or reported on by Grayprop's auditors.

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 registered office.

6. DISTRIBUTION ANNOUNCEMENT

Notice is hereby given of distribution no. 43 of 16.6 cents per unit for the six months ended 30 September 2004.

The last date to trade cum the distribution will be Friday, 19 November 2004. The units of Grayprop will commence trading ex-distribution on Monday, 22 November 2004 and the record date will be Friday, 26 November 2004. The distribution will be paid on Monday, 29 November 2004.

Unit certificates may not be dematerialised or rematerialised between Monday, 22 November 2004 and Friday, 26 November 2004, both dates inclusive.

BY ORDER OF THE BOARD

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

27 October 2004

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