

The directors of Allan Gray Property Trust Management Limited, the manager of Allan Gray Property Trust ("Grayprop"), submit their report on the unaudited results of Grayprop for the six months ended 31 March 2005. 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.

	Unaudited 6 months to 31 Mar 2005 R'000	Audited 12 months to 30 Sept 2004 R'000	Unaudited 6 months to 31 Mar 2004 R'000
<b>INCOME STATEMENT</b>			
<b>Income</b>	<b>294 672</b>	540 251	260 181
Rent income	284 754	509 844	243 358
Interest received	9 918	30 407	16 823
<b>Expenditure</b>	<b>121 361</b>	219 525	104 800
Property expenses	99 899	178 638	84 420
Audit fees	222	642	304
Interest paid	10 164	22 913	11 978
Administrative charges	627	1 559	619
Service charge	10 449	15 773	7 479
<b>Distributable earnings</b>	<b>173 311</b>	320 726	155 381
<b>Capital items</b>	<b>540</b>	432 354	2 098
Net realised surplus on disposal of investment properties	540	6 134	2 098
Net unrealised surplus on revaluation of investment properties	-	425 335	-
Taxation	-	885	-
<b>Net profit</b>	<b>173 851</b>	753 080	157 479
<b>Net profit per unit (cents)</b>	<b>17.5</b>	75.6	15.8
<b>Headline earnings per unit (cents)</b>	<b>17.4</b>	32.2	15.6
<b>Distribution per unit (cents)</b>	<b>17.4</b>	32.2	15.6
Interim distribution per unit (cents)	17.4	15.6	15.6
Final distribution per unit (cents)	-	16.6	-
<b>Units in issue</b>	<b>996 043 081</b>	996 043 081	996 043 081
<b>Headline earnings reconciliation</b>			
Net profit	173 851	753 080	157 479
Less: capital items	(540)	(432 354)	(2 098)
<b>Headline earnings</b>	<b>173 311</b>	320 726	155 381

	Unaudited 6 Months to 31 Mar 2005 R'000	Audited 12 Months to 30 Sept 2004 R'000	Unaudited 6 Months to 31 Mar 2004 R'000
<b>CASH FLOW STATEMENT</b>			
<b>Cash effects from operating activities</b>			
Cash generated from operations	173 557	313 232	150 536
Change in working capital	22 358	18 488	12 245
Cash available from operating activities	195 915	331 720	162 781
Interest received	9 918	30 407	16 823
Interest paid	(10 164)	(22 913)	(11 978)
Taxation paid	-	(3 789)	(184)
Income distributions	(165 343)	(303 390)	(148 007)
	<b>30 326</b>	32 035	19 435
<b>Cash effects of investing activities</b>			
Additions to investment properties	(46 819)	(192 844)	(86 184)
Net proceeds from disposal of investment properties	3 197	26 666	6 895
Decrease in capital debtors	-	89 019	89 019
	<b>(43 622)</b>	(77 159)	9 730
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13 296)</b>	(45 124)	29 165
Cash and cash equivalents at beginning of the period	233 868	278 992	278 992
<b>Cash and cash equivalents at end of the period</b>	<b>220 572</b>	233 868	308 157

## COMMENTS

### 1. NET DISTRIBUTABLE INCOME

Grayprop's net distributable income for the first six months of the financial year amounts to 17.4 cents per unit, 11.5 percent greater than the comparable period last year.

It is still anticipated that distributions for the full year will be approximately 8 percent greater than last year.

### 2. CHANGES TO PORTFOLIO

In the period under review, the following sales have taken place:

Property	Net Price Rm	2004 valuation Rm
Eaststar Place	2.2	1.8
Delta Place	1.0	0.9
	<b>3.2</b>	<b>2.7</b>

### 3. MAJOR CAPITAL PROJECTS

Significant capital projects are:

#### N1 City Mall (58% share)

Work has begun on a R110 million refurbishment of and extension to the N1 City Mall. The project includes the refurbishment of the existing mall, the construction of an additional 8 500 m<sup>2</sup> and 250 additional parking bays. The project is expected to generate an initial return of 10.2 percent.

#### The Boulders Shopping Centre

Plans to reconfigure the largely vacant lower level and introduce fashion and homeware are well advanced. The project is expected to cost R35 million, but timing is dependent on Council approval.

#### The Brightwater Commons

The third phase of the repositioning of the centre is currently being finalised. Woolworths and other national retailers set to anchor the fashion and homeware node on the south end of the centre are currently giving input into design and work should commence shortly.

#### Benmore Gardens Shopping Centre

Extensive renovations planned for this centre require rezoning which is currently being sought from Council.

#### Douglas Roberts Centre

The refurbishment of the building and construction of the parking garage is currently being planned in conjunction with the tenant. It is anticipated that construction will begin this calendar year.

### 4. SEGMENTAL ANALYSIS

	Mar 2005 Rm	% of Total	Mar 2004 Rm	% of Total
Retail	127	73	102	65
Office blocks	26	15	29	19
Industrial	23	14	20	13
Specialised	9	5	9	6
Corporate	(12)	(7)	(4)	(3)
<b>Total</b>	<b>173</b>	100	156	100

## BALANCE SHEET

	Unaudited as at 31 Mar 2005 R'000	Audited as at 30 Sept 2004 R'000	Unaudited as at 31 Mar 2004 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	3 177 662	3 133 499	2 617 239
<b>Current assets</b>	<b>249 612</b>	266 040	342 602
Accounts receivable	29 040	32 172	34 445
Cash and cash equivalents	220 572	233 868	308 157
<b>Total assets</b>	<b>3 427 274</b>	3 399 539	2 959 841
<b>Unitholders' funds and liabilities</b>			
<b>Unitholders' funds</b>	<b>2 967 340</b>	2 966 800	2 536 544
Capital of the fund	1 933 354	1 933 354	1 933 354
Capital reserve	401 491	400 265	394 742
Revaluation reserve	632 477	633 163	208 430
Distributable reserve	18	18	18
<b>Non-current liabilities</b>			
Interest-bearing liability	214 557	214 557	214 557
<b>Current liabilities</b>	<b>245 377</b>	218 182	208 740
Accounts payable	72 066	52 839	48 869
Taxation payable	-	-	4 490
Unitholders for distribution	173 311	165 343	155 381
<b>Total unitholders' funds and liabilities</b>	<b>3 427 274</b>	3 399 539	2 959 841

## STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

	Unaudited 6 months to 31 Mar 2005 R'000	Audited 12 months to 30 Sept 2004 R'000	Unaudited 6 months to 31 Mar 2004 R'000
<b>Capital of the fund</b>			
Balance at beginning of the period	1 933 354	1 757 354	1 757 354
Units issued during the period	-	176 000	176 000
Balance at end of the period	<b>1 933 354</b>	1 933 354	1 933 354
<b>Capital reserve</b>			
Balance at beginning of the period	400 265	393 019	393 019
Net realised surplus on disposal of investment properties	1 226	7 246	1 723
Balance at end of the period	<b>401 491</b>	400 265	394 742
<b>Revaluation reserve</b>			
Balance at beginning of the period	633 163	208 055	208 055
Revaluation reserve realised on sale of investment properties	(686)	(227)	375
Revaluation of investment properties	-	425 335	-
Balance at end of the period	<b>632 477</b>	633 163	208 430
<b>Distributable reserves</b>			
Balance at beginning of the period	18	18	18
Net profit for the period	173 851	753 080	157 479
Net realised surplus on disposal of investment properties	(540)	(7 019)	(2 098)
Transfer to revaluation reserve	-	(425 335)	-
Income distributions	(173 311)	(320 726)	(155 381)
Balance at end of the period	<b>18</b>	18	18
<b>Total unitholders' funds</b>	<b>2 967 340</b>	2 966 800	2 536 544

## 5. VACANCY LEVELS

Vacancy levels in terms of rentable area at 31 March were as follows:

Sector	Mar 2005	Sept 2004
	%	%
Retail	5	5
Office blocks	13	11
Industrial	6	5
Other	-	-
<b>Total</b>	<b>7</b>	6

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

In the retail sector 62 percent of the vacancies were in the following two properties:

- The Brightwater Commons where redevelopment is under way 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. In addition, there are now major vacancies at 25 Owl Street and 377 Rivonia Boulevard where refurbishment options are being considered.

## 6. DISTRIBUTION ANNOUNCEMENT

Notice is hereby given of distribution no. 44 of 17.4 cents per unit for the six months ended 31 March 2005.

The last date to trade cum the distribution will be Friday, 20 May 2005. The units of Grayprop will commence trading ex-distribution on Monday, 23 May 2005 and the record date will be Friday, 27 May 2005. The distribution will be paid on Monday, 30 May 2005.

Unit certificates may not be dematerialised or rematerialised between Monday, 23 May 2005 and Friday, 27 May 2005, both dates inclusive.

## BY ORDER OF THE BOARD

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

4 May 2005

**Transfer Secretaries:** Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107)

**Secretary and registered office:** Broll Property Group (Pty) Ltd, Broll House, 27 Fricker Road, Illovo, Johannesburg, 2196, (PO Box 1455, Saxonwold, 2132)

**Short Name:** GRAYPROP **Share code:** GRY **ISIN:** ZAE000013165

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

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