

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 2007.

INCOME STATEMENT

	Unaudited 6 months to 31 Mar 2007 R'000	Audited 12 months to 30 Sep 2006 R'000	Unaudited 6 months to 31 Mar 2006 R'000
Income	297 701	539 512	280 478
Contractual rental income	292 650	545 248	267 531
Straight-line lease adjustment	5 051	(5 736)	12 947
Expenses	(74 958)	(154 665)	(74 608)
Administrative expenses	(17 071)	(31 394)	(15 274)
Property operating expenses	(57 887)	(123 271)	(59 334)
Operating profit	222 743	384 847	205 870
Net finance costs	(4 539)	(2 126)	(686)
Interest received	13 206	21 476	9 693
Interest paid	(17 745)	(23 602)	(10 379)
Profit on disposal of investment properties	13 305	15 714	1 434
Fair value adjustments to investment properties	(5 051)	1 026 133	(12 947)
Profit for the period	226 458	1 424 568	193 671
Basic earnings per unit (cents)	22.7	143.0	19.4
Headline earnings and distribution income reconciliation			
Profit for the period	226 458	1 424 568	193 671
Adjusted for:			
Profit on disposal of investment properties	(13 305)	(15 714)	(1 434)
Fair value adjustments to investment properties	5 051	(1 026 133)	12 947
Headline earnings	218 204	382 721	205 184
(Less)/Add: straight-line lease adjustment	(5 051)	5 736	(12 947)
Distribution income	213 153	388 457	192 237
Headline earnings per unit (cents)	21.9	38.4	20.6
Distribution per unit (cents)	21.4	39.0	19.3
Interim distribution per unit (cents)	21.4	19.3	19.3
Final distribution per unit (cents)	-	19.7	-
Units in issue	996 043 081	996 043 081	996 043 081

BALANCE SHEET

	Unaudited as at 31 Mar 2007 R'000	Audited as at 30 Sep 2006 R'000	Unaudited as at 31 Mar 2006 R'000
ASSETS			
Property assets	5 577 096	5 491 821	4 418 839
Investment properties	5 361 962	5 281 738	4 187 242
Straight-line lease accrual	215 134	210 083	231 597
Current assets	286 670	279 015	269 277
Trade and other receivables	19 707	24 561	23 515
Cash and cash equivalents	266 963	254 454	245 762
Total assets	5 863 766	5 770 836	4 688 116
UNITHOLDERS' FUNDS AND LIABILITIES			
Unitholders' funds	5 211 381	5 198 076	4 163 399
Capital of the fund	1 933 354	1 933 354	1 933 354
Capital reserve	495 476	470 243	428 881
Revaluation reserve	2 567 357	2 584 336	1 569 507
Retained earnings	215 194	210 143	231 657
Non-current liabilities			
Interest-bearing liability	369 000	299 000	258 000
Current liabilities	283 385	273 760	266 717
Trade and other payables	70 232	77 540	74 481
Unitholders for distribution	213 153	196 220	192 236
Total unitholders' funds and liabilities	5 863 766	5 770 836	4 688 116

COMMENTARY

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim results have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 – Interim Financial Reporting and the requirements of the Collective Investment Schemes Control Act. The accounting policies are consistent in all respects with those applied in the prior year.

2. DISTRIBUTION PER UNIT

Grayprop's net distributable income for the first six months of the financial year amounts to 21.4 cents per unit, 10.9 percent greater than the comparable period last year.

3. CHANGES TO PORTFOLIO

During the period, the following sales were concluded:

Property	2006 valuation (Rm)	Proceeds (Rm)	Surplus on disposal %
271 Oak Avenue	10.5	14.0	33
Fourways Haulage	8.1	10.0	23
377 Rivonia Boulevard	13.6	21.5	58
	32.2	45.5	41

4. MAJOR CAPITAL PROJECTS

Significant capital projects and planned projects are:

N1 City Mall (58% share)

The redevelopment of N1 City is complete. The centre continues to perform well above expectations. Monthly foot count and turnover figures reflect an annual increase in excess of 30 percent. Other opportunities are being investigated to accommodate the demand for retail space.

The Brightwater Commons

Negotiations are currently under way with two major tenants. If successful, approximately 6 000 square metres will be let in phase three of the development.

Benmore Gardens Shopping Centre

The redevelopment is progressing well. Offers received for retail space thus far are well in excess of budget. The general response to the refurbishment from the market is positive.

Douglas Roberts Centre

The lease with Murray & Roberts has been signed and is effective from 1 October 2007 for 10 years. Construction of the parking garage was completed in the middle of March. Refurbishment of the office building has commenced and will continue until March 2008.

Centurion Mall (75% share)

The land adjoining the centre on the west side has now been acquired which creates opportunities for additional parking. The refurbishment of the Munpen building is nearing completion and the double-storey parking deck on the west side of the centre is complete. The east side parking deck is currently being constructed for completion in December 2007. Letting of the Munpen building has progressed well with only 1 380 square metres remaining unlet, out of the available 12 200 square metres.

CASH FLOW STATEMENT

	Unaudited 6 months to 31 Mar 2007 R'000	Audited 12 months to 30 Sep 2006 R'000	Unaudited 6 months to 31 Mar 2006 R'000
Cash effects from operating activities			
Profit for the period	226 458	1 424 568	193 671
Adjustments for:			
Straight-line lease adjustment	(5 051)	5 736	(12 947)
Interest received	(13 206)	(21 476)	(9 693)
Interest paid	17 745	23 602	10 379
Profit on disposal of investment properties	(13 305)	(15 714)	(1 434)
Fair value adjustments to investment properties	5 051	(1 026 133)	12 947
	217 692	390 583	192 923
Trade and other receivables reduced	4 854	2 411	3 457
Trade and other payables (reduced)/raised	(7 308)	7 596	4 537
Cash generated from operations	215 238	400 590	200 917
Interest received	13 206	21 476	9 693
Interest paid	(17 745)	(23 602)	(10 379)
Income distributions	(196 220)	(367 541)	(175 304)
Cash flows from operating activities	14 479	30 923	24 927
Cash effects from investing activities			
Additions to investment properties	(117 470)	(160 502)	(56 975)
Proceeds from disposal of investment properties	45 500	76 523	11 300
	(71 970)	(83 979)	(45 675)
Cash effects from financing activities			
Long-term loan raised	84 000	123 000	29 000
Long-term loan repaid	(14 000)	(53 000)	-
	70 000	70 000	29 000
Net increase in cash and cash equivalents	12 509	16 944	8 252
Cash and cash equivalents at beginning of period	254 454	237 510	237 510
Cash and cash equivalents at end of the period	266 963	254 454	245 762

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

(R'000)	Capital of the fund	Capital reserve	Revaluation reserve	Retained earnings	Total unitholders' funds
Balance as at 1 October 2005	1 933 354	421 754	1 588 147	218 710	4 161 965
Profit/Total income and expenses for the period				193 671	193 671
Profit and revaluation reserve realised on sale of properties transferred to capital reserve		7 127	(5 693)	(1 434)	-
Fair value adjustment on investment properties transferred to revaluation reserve			(12 947)	12 947	-
Income distributions				(192 237)	(192 237)
Balance as at 31 March 2006	1 933 354	428 881	1 569 507	231 657	4 163 399
Balance at 1 October 2006	1 933 354	470 243	2 584 336	210 143	5 198 076
Profit/Total income and expenses for the period				226 458	226 458
Profit and revaluation reserve realised on sale of properties transferred to capital reserve		25 233	(11 928)	(13 305)	-
Fair value adjustment on investment properties transferred to revaluation reserve			(5 051)	5 051	-
Income distributions				(213 153)	(213 153)
Balance as at 31 March 2007	1 933 354	495 476	2 567 357	215 194	5 211 381

5. SEGMENTAL INFORMATION

	31 Mar 2007 6 months			31 Mar 2006 6 months		
	Revenue Rm	income Rm	% of Total	Revenue Rm	income Rm	% of Total
Retail	212	172	80	186	143	74
Office blocks	42	32	15	40	31	16
Industrial	28	21	10	32	24	13
Specialised	11	10	5	10	10	5
Corporate	-	(22)	(10)	-	(16)	(8)
Total	293	213	100	268	192	100

6. VACANCY LEVELS

Vacancy levels in terms of rentable area were as follows:

Sector	31 Mar 2007 %	30 Sep 2006 %	31 Mar 2006 %
Retail	8	8	5
Office blocks	3	5	7
Industrial	9	11	8
Specialised	-	-	-
Total	7	8	6

By value, the vacancies equated to 6 percent of potential rental income, an improvement on the 7 percent as at year-end.

In the retail sector 87 percent of the vacancies were contained in The Boulders, The Brightwater Commons and the offices at Centurion Mall. The bulk of these offices have been let for future occupation.

There were no significant vacancies in the office sector.

In the industrial sector, the Nashua building in Midrand remains a challenge to let and has been vacant since June 2006. The Metcash building in Epping, Cape Town, which constitutes 33 percent of the sector's vacancy, has been let from 1 June 2007.

7. CHANGE OF CONTROL OF THE MANAGER

Unitholders are referred to the information announcement of 10 January 2007 in which it was stated that Allan Gray Limited had been approached regarding the sale of its interests in Allan Gray Property Trust Management Limited. Following these discussions The Standard Bank of South Africa Limited has, subject to regulatory approval, purchased these interests and resultant will become the sole shareholder in Allan Gray Property Trust Management Limited. A further announcement will be made in due course.

8. DISTRIBUTION ANNOUNCEMENT

Notice is hereby given of distribution no. 48 of 21.4 cents per unit for the six months ended 31 March 2007.

The last date to trade cum distribution will be Friday, 18 May 2007. The units of Grayprop will commence trading ex-distribution on Monday, 21 May 2007 and the record date will be Friday, 25 May 2007. The distribution will be paid on Monday, 28 May 2007.

Unit certificates may not be dematerialised or rematerialised between Monday, 21 May 2007 and Friday, 25 May 2007, both dates inclusive.

BY ORDER OF THE BOARD

Allan Gray Property Trust Management Limited. (Reg No 1983/003324/06)
2 May 2007