

UNAUDITED INTERIM RESULTS AND DISTRIBUTION DECLARATION

- Market capitalisation exceeds R2 billion
- Units traded in last six months 265 million
- Distribution per unit increased by 2%
- Vacancy factor 3%
- Loan to property value ratio 11%
- Disposals R56 million
- Acquisitions and developments R218 million
- Retail exposure increased to 30%

The directors of Marriott Property Fund Managers Limited, management company of Martprop Property Fund (Martprop) submit their report on the unaudited results of the Martprop group for the six months ended 31 January 2005.

CONSOLIDATED BALANCE SHEET

(R000)	31.01.2005 (Unaudited)	31.01.2004 (Unaudited)	31.07.2004 (Audited)
Assets			
Non-current assets			
Investment properties	1 723 138	1 411 289	1 447 185
Current assets			
Trade and other receivables	32 271	18 755	21 200
Cash resources and short-term investments	21 177	103 389	78 159
TOTAL ASSETS	1 776 586	1 533 433	1 546 544
Unitholders' funds and liabilities			
Unitholders' funds	1 525 301	1 408 750	1 415 139
Non-current liabilities			
Interest bearing borrowings	127 500	18 211	-
Interest rate swap derivative	2 375	2 350	2 116
Deferred capital gains taxation	3 343	2 795	2 079
Current liabilities			
Trade and other payables	24 138	8 443	29 617
Capital gains taxation and Secondary taxation on companies	3 281	4 022	6 945
Distributions payable	90 648	88 862	90 648
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	1 776 586	1 533 433	1 546 544

CONSOLIDATED INCOME STATEMENT

(R000)	Note	Six months to 31.01.2005 (Unaudited)	Six months to 31.01.2004 (Unaudited)	Year to 31.07.2004 (Audited)
Revenue (rental income)		116 917	108 317	212 948
Net property income		100 956	88 791	176 924
Interest received		3 898	1 687	5 711
Interest paid		(7 571)	(5 595)	(4 662)
(Deficit)/surplus on revaluation of interest rate swap derivative		(258)	350	584
Fund expenses		(6 915)	(4 100)	(8 439)
Headline earnings	1.1	90 110	81 133	170 118
Capital deficit on disposal of investment properties		(848)	(1 568)	(2 800)
Write-up on revaluation of investment properties		112 819	50 776	62 668
Taxation on property revaluation		(1 271)	(524)	(3 101)
Net profit		200 810	129 817	226 885
Units in issue (000)		725 184	725 184	725 184
Units in issue - weighted* (000)		725 184	669 377*	697 128*
Headline earnings - weighted* (cents per unit)	1.1	12.43	12.12*	24.40*
Net profit - weighted* (cents per unit)	1.1	27.69	19.39*	32.55*
Distributable income (cents per unit)	1.1	12.50	12.25	24.75

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

(R000)	Six months to 31.01.2005 (Unaudited)	Six months to 31.01.2004 (Unaudited)	Year to 31.07.2004 (Audited)
Unitholders' funds at beginning of period	1 415 139	1 178 277	1 178 277
Capital movements	110 442	230 508	239 206
Write-up on revaluation of investment properties	112 819	50 776	62 668
Capital deficit on disposal of investment properties	(848)	(1 568)	(2 800)
Taxation on property revaluation	(1 271)	(524)	(3 101)
(Deficit)/surplus on revaluation of interest rate swap derivative	(258)	350	584
Loss in investment property companies carried forward	-	(1 311)	(930)
84 167 903 units issued	-	189 518	189 518
Transfer to revenue of distribution prepaid received on units issued	-	(6 733)	(6 733)
Maintenance reserves			
Net transfers from maintenance reserves	(280)	(35)	(2 344)
Revenue movements			
Net profit	200 810	129 817	226 885
Transfers to capital	(110 442)	(47 723)	(56 421)
Net transfers from maintenance reserves	280	35	2 344
Unclaimed distributions written-back repaid	-	-	(58)
Transfer from capital of distribution prepaid received	-	6 733	6 733
Available for distribution	90 648	88 862	179 483
Distribution attributable to unitholders	(90 648)	(88 862)	(179 483)
Unitholders' funds at end of period	1 525 301	1 408 750	1 415 139

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

(R000)	Six months to 31.01.2005 (Unaudited)	Six months to 31.01.2004 (Unaudited)	Year to 31.07.2004 (Audited)
Cash flow from operating activities			
Net profit for the period	200 810	129 817	226 885
Adjustment for:			
Interest received	(3 898)	(1 687)	(5 711)
Interest paid	7 571	5 595	4 662
Write-up on revaluation of investment properties net of taxation	(111 548)	(50 252)	(59 567)
Capital deficit on disposal of investment properties	848	1 568	2 800
Deficit/(surplus) on revaluation of interest rate swap derivative	258	(350)	(584)
Operating profit before working capital changes	94 041	84 691	168 485
Working capital changes and taxation	(20 220)	(8 752)	9 558
Cash generated from operations	73 821	75 939	178 043
Interest received	3 898	1 687	5 711
Interest paid	(7 571)	(5 595)	(4 662)
Distributions paid	(90 648)	(76 971)	(165 757)
Net cash (outflow)/inflow from operating activities	(20 500)	(4 940)	13 335
Cash outflow from investing activities	(163 982)	(42 830)	(68 124)
Cash inflow from financing activities			
Increase/(decrease) in interest bearing borrowings	127 500	(47 433)	(65 644)
Units issued	-	182 785	182 785
Distribution pre-payments received	-	6 733	6 733
Net (decrease)/increase in cash	(56 982)	94 315	69 085
Cash resources at beginning of period	78 159	9 074	9 074
Cash resources at end of period	21 177	103 389	78 159

OTHER INFORMATION

(R000)	Six months to 31.01.2005 (Unaudited)	Six months to 31.01.2004 (Unaudited)	Year to 31.07.2004 (Audited)
Debt funding facility (R000)			
Loan facility	350 000	350 000	350 000
Less: Facility utilised	127 500	18 211	-
Drawdown on facility	197 500	35 711	17 500
Facility repaid, available for re-advance	(70 000)	(17 500)	(17 500)
Facility available at end of period	222 500	331 789	350 000
Adjusted for future capital commitments and proceeds on disposal	(86 937)	(58 918)	(173 101)
Capital commitments	(153 200)	(115 527)	(223 277)
Proceeds on disposal	66 263	56 609	50 176
Anticipated available loan facility	135 563	272 871	176 899
Capital cash	7 161	38 106	8 846
Vacancy factor (based on lettable area)	3%	5%	4%
Valuation analysis (cents per unit)			
Net asset value (including interim distribution yet to be paid)	223	207	208
Listed market price	288	222	225
Capitalised interest (R000)	1 483	798	2 998

NOTES TO THE FINANCIAL STATEMENTS

1. This group interim report has been prepared using accounting policies which are in accordance with South African Statements of Generally Accepted Accounting Practice and are consistent with those applied in preparation of the audited financial statements for the year ended 31 July 2004.

1.1 Headline earnings and distribution attributable to unitholders

	31.01.2005 (Unaudited) R000 CPU	31.01.2004 (Unaudited) R000 CPU	31.07.2004 (Audited) R000 CPU
Net profit (earnings) - (weighted) CPU	200 810	129 817	19,39* 226 885
Adjustments for:			
Capital deficit on disposal of investment properties	848	1 568	2 800
Write-up on revaluation of investment properties net of taxation	(111 548)	(50 252)	(59 567)
Headline earnings - (weighted) CPU	90 110	12,43	81 133
Deficit/(surplus) on revaluation of interest rate swap derivative	258	(350)	(584)
Net transfers from maintenance reserves	280	35	2 344
Unclaimed distributions written-back repaid	-	-	(58)
Losses in investment property companies carried forward	-	1 311	930
Distributable income	90 648	82 129	172 750
Distribution pre-payment received	-	6 733	6 733
Distribution attributable to unitholders**	90 648	12,50	88 862
			12,25
			179 483
			24,75

*Weighted earnings and weighted headline earnings are based on a weighted number of units of 689 376 793 units for the six months to 31 January 2004 and 697 127 804 units for the twelve months to 31 July 2004.

**Distribution per unit is based on 725 183 772 units in issue.

1.2 Primary operational segments for the six months ended 31 January 2005

Business segment	Industrial	Office	Retail	Corporate	Group
Income statement					
Revenue	73 961	11 778	31 178	-	116 917
Net property income	66 503	8 181	26 272	-	100 956
Interest received	1 668	318	162	1 750	3 898
Interest paid	-	-	-	(7 571)	(7 571)
Fund expenses	-	-	-	(6 915)	(6 915)
Deficit on revaluation of interest rate swap derivative	-	-	-	(258)	(258)
Capital deficit on disposal of investment properties	(428)	(185)	(235)	-	(848)
Write-up/(down) on revaluation of investment properties	81 255	(1 552)	33 116	-	112 819
Taxation on property revaluation	(1 264)	-	(7)	-	(1 271)
Net profit	147 734	6 762	59 308	(12 994)	200 810
Balance sheet					
Investment properties	1 080 440	130 700	511 998	-	1 723 138
Current assets	21 206	4 362	11 616	16 264	53 448
Total assets	1 101 646	135 062	523 614	16 264	1 776 586
Interest bearing borrowings	-	-	-	127 500	127 500
Interest rate swap derivative	-	-	-	2 375	2 375
Deferred capital gains taxation	3 343	-	-	-	3 343
Current liabilities	9 273	2 171	2 726	9 968	24 138
Capital gains taxation and Secondary taxation on companies	2 935	154	192	-	3 281
Distributions payable	-	-	-	90 648	90 648
Total liabilities	15 551	2 325	2 918	230 491	251 285
Acquisition and development of investment properties	22 733	271	195 080	-	218 084

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COMMENTS

1. Results

Distributable income for the six months to 31 January 2005 amounts to 12,50 cents per unit, resulting in growth of 2,0% over the 12,25 cents per unit for the corresponding period in 2004. Net property income increased by 14% over the same period last year, primarily due to recent retail acquisitions and developments, which was partially offset by higher interest charges and service fee. During the period under review R0,28 million was released from maintenance reserves, leaving remaining reserves of R1,7 million. The strong unit price of the Fund gave rise to increased Fund expenses, although unitholders have benefited from the capital appreciation in their Martprop units. During the period under review 36,5% of the Fund's units in issue were traded.

The property portfolio has been revalued, resulting in an increase of R112,8 million in the carrying value of the Fund's properties at 31 January 2005. The investment demand for direct property has increased considerably in recent months, with capitalisation rates falling and values increasing. This trend is expected to continue in the medium term given the investment environment.

2. Property portfolio

In the six month period Martprop has successfully completed the developments of Stellenbosch Square, a community shopping centre anchored by Pick 'n Pay and Woolworths, the first phase of the Pick 'n Pay Centre in Tokai and a distribution centre for the Fuel Group in Centurion.

The acquisition of an undivided half share in Musgrave Centre in Durban for R187,5 million with SA Retail Properties Limited, was finalised in September 2004. The performance of this asset has been most encouraging and the trade over the festive season very clearly illustrates the strong position which the centre holds in the local Durban market. In addition, agreement was reached by Martprop and SA Retail to proceed jointly with the development of the first phase of a sub-regional shopping centre located in Umlazi, Durban. The capital cost of the first phase is estimated at R125,0 million, out of a total development cost of R150,0 million. The development has continued to receive strong tenant interest from major national retailers and the local community, resulting in an expected initial development yield of 11,25%. Negotiations are underway to dispose of one third of the development to an Empowerment Fund.

The sale of twelve properties have been concluded for a total sum of R55,9 million. Agreements have been concluded for the sale of a further thirteen properties at a price of R66,3 million. These disposals will contribute to the Fund's vacancy level, by area, being reduced to 1,7% post transfer, and are a continuation of management's initiatives to raise the overall quality of the Fund's properties and optimise future earnings growth.

Following the said portfolio activity, Martprop's exposure to the retail sector has increased to 30%. This is in line with the Fund's investment strategy and management is of the view that unitholders will benefit from this strategic approach. The current geographic and sectoral weightings are set out below.

Geographic Weightings	Sectoral Weightings
Kwa-Zulu Natal 55%	Industrial 62%
Cape Province 12%	Commercial 8%
Gauteng 33%	Retail 30%

The performance and quality of the Fund's property portfolio was highlighted when Martprop was awarded, for the second consecutive year, the Financial Mail IPD award for the top listed industrial portfolio in 2004. With the improvement in performance of industrial property across the board, Martprop is very well placed to entrench long term growth from these assets and this will be enhanced by the increased retail exposure.

3. Funding

At 31 January 2005 the Fund's capital borrowings amounted to R197,5 million. This represents 11% of the value of the Fund's investment properties. Capital commitments of R153,2 million will be settled by the receipt of proceeds on disposal of existing properties and through the balance of R152,5 million available of the loan facility.

4. Restructure of the Fund

The registration of transfer of the majority of properties from the underlying subsidiary companies to the Fund is ongoing. The entire process is anticipated to be completed by 31 July 2005.

5. Future prospects

The property market and, in particular, the industrial sector has performed well and management is of the view that Martprop's reconstructed portfolio is well positioned to yield growing earnings to unitholders.

6. Trading statements

In terms of paragraph 3.4 (b) (v) of the Listings Requirements of the JSE, Martprop in agreement with the JSE, has adopted distributable earnings per unit as the financial results measurement for trading statement purposes. It is effective for the financial year ending 31 July 2005.

DISTRIBUTION DECLARATION AND IMPORTANT DATES

Notice is hereby given of the declaration of distribution no. 20 in respect of the income distribution period 1 August 2004 to 31 January 2005. The distribution amounts to 12,50 cents per unit.

Last date to trade cum distribution	Wednesday, 16 March 2005
Units will trade ex-distribution	Thursday, 17 March 2005
Record date to participate in the distribution	Thursday, 24 March 2005
Payment of distribution	Tuesday, 29 March 2005

Unit certificates may not be dematerialised or re-materialised between Thursday, 17 March 2005 and Thursday, 24 March 2005 both days inclusive.

MARRIOTT PROPERTY SERVICES (PTY) LIMITED
SECRETARIES

25 February 2005