

25 November 2004

TR PROPERTY INVESTMENT TRUST PLC
Unaudited interim results for the half year ended 30 September 2004

Highlights

- * NAV increase of 10.7%
- * Outperformed benchmark
- * Share price total return of 15.6%
- * Revenue per share up 20.8%
- * Dividend per share increase of 18.2%

Peter Salsbury, Chairman of TR Property Investment Trust, commented:

“Global commercial property markets remain dominated by huge positive cashflows looking for quality income from real assets.”

Dividend

An interim dividend of 1.30p (2003: 1.10p) per ordinary share has been declared payable on 7 January 2005 to shareholders on the register on 10 December 2004. The shares will be quoted ex-dividend on 8 December 2004.

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Financial Highlights

	(Unaudited) Half year ended 30 September 2004	(Unaudited) Half year ended 30 September 2003	%
			Change
Revenue			
Gross revenue (£'000)	12,106	10,711	+13.0
Net return pre-tax (£'000)	9,356	8,561	+9.3
Revenue return per share	2.15p	1.78p	+20.8
Net dividend per share	1.30p	1.10p	+18.2

	(Unaudited) As at 30 September 2004	(Audited) As at 31 March 2004	%
			Change
Balance Sheet			
Fixed asset investments (£'000)	513,663	486,266	+5.6
Shareholders' funds (£'000)	437,253	400,739	+9.1
Shares in issue at end of period (m)	349.4	354.4	-1.4
Gearing	15%	20%	
Net asset value per share	125.14p	113.07p	+10.7

Performance

	Half year ended 30 September 2004	Half year ended 30 September 2003
Assets and Benchmark		
Benchmark performance (price only)	+8.9%	+18.3%
NAV change	+10.7%	+21.0%
Benchmark performance (total return)	+12.0%	+22.0%
NAV total return	+12.3%	+22.5%
IPD Monthly Index total return	+9.5%	+5.6%
Total return from direct property	+4.4%	+2.8%

Performance

	Half year ended 30 September 2004	Year ended 31 March 2004	%
			Change
Share Price			
Share price	108.25p	95.00p	+13.9
Share price total return+	+15.6%	+66.2%	
Market capitalisation	£378.2m	£337.0m	+12.2

Sources: Thames River Capital/+AITC

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Chairman's Statement

Introduction

The six month period to the end of September 2004 was one of satisfactory progress. The asset value rose by 10.7% and the share price by 13.9%. These figures compare with an 8.9% gain in our benchmark index and a 3.4% gain from the All Share Index. Revenue per share has risen by just over 20% compared with the same period last year, and the interim dividend per share is to be increased by a similar percentage.

Before giving further details of the financial performance, I want to bring shareholders up to date with the transfer of our investment management contract from Henderson Global Investors to Thames River Capital.

Management

In his valedictory Chairman's Statement in June, Alastair Ross Goobey informed shareholders that the Board had given notice to terminate the Trust's investment management contract with Henderson Global Investors. He added that this action was taken as a consequence of the resignation, from Henderson, of the Fund Manager and his deputy. He reported that the Board had received many applications for the investment management role and that it was working with professional advisors to select the best candidate.

The Board concluded at an early stage that shareholders' interests would be best served by retaining the services of existing fund management personnel and that they should play an appropriate role in the selection process. At the same time the Board has taken the opportunity to upgrade the investment management agreement to give your directors more direct control over the quality of services provided and greater transparency on costs.

A shortlist of fund management companies, which included Henderson, was assembled in mid June, and the due diligence process was conducted over the following month. I must express my thanks to all those companies who entered this process for the time and effort they expended on our enquiries. In mid July we announced that Thames River Capital had been appointed as managers of the Trust from the start of October 2004. Since that announcement we have also concluded new agreements with our existing administrators, BNP Paribas and with Henderson Secretarial Services who will therefore continue to act as company secretary to the Trust. JP Morgan, previously our custodian for non-domestic assets, have been appointed custodian for our entire business. The costs of the move will be paid without increasing the management fee formula. The management fee will be reviewed in March 2006.

Thames River Capital

The business, which is based in Berkeley Square, was started in 1998 and has grown rapidly in the last three years, now employing some 75 staff including 35 directly engaged in fund management. Assets under management total some £3 billion of which roughly 55% are in conventional "long only" funds and the remainder in hedge funds, with a strong presence in global bonds and credit, European and Japanese equities. The client base and the business strategy are orientated towards private investors in the UK and Europe, which is similar to the way the Trust's shareholder base has been moving.

Personnel

Chris Turner and Marcus Phayre-Mudge continued to manage the portfolio of the Trust at Henderson until the end of September, at which date they joined the staff of Thames River Capital to carry on with the task. James Wilkinson, who managed the Trust's direct real estate holdings at Henderson, has also joined them at Thames River, and Joanne Elliott, our finance manager since 1996, is to join the team in early 2005. John Ellman-Brown, the company secretary since 2001, continues in that role on behalf of Henderson Secretarial Services. Thus, your successful management team has been reassembled at Thames River Capital with virtually no loss of continuity.

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Outstanding Matters

For an investment trust of TR Property's size and complexity, getting divorced and moving house at the same time might have been a truly stressful experience. Happily I can report that this has not been the case and that, with only minor disturbance, the transition has gone very smoothly. I should like to record my sincere thanks to all involved and particularly to the staff and management at Henderson for the very co-operative and professional way in which they assisted with the transition.

Two matters remain: the ongoing management of the three savings schemes – Share Plan, PEP and ISA - and the name of the Trust.

• **Share Plan, PEP and ISA**

The Trust's Share Plan, PEP and ISA schemes have been popular and successful over many years. There are now over 3,000 shareholders in these schemes owning close to 10% of the outstanding shares. The Board will ensure that these schemes are maintained and available for fresh investment. Henderson has been the plan manager for all three schemes and has agreed to continue in that role until the end of the 2004/2005 tax year. The schemes are administered by Lloyds TSB Registrars and BNP Paribas Fund Services UK Limited on Henderson's behalf. A selection process for a new plan manager is now in hand, and should be concluded in early 2005. Once a choice has been made we expect to write directly to shareholders in each plan with the details of the changes proposed.

• **The Name of the Trust**

The terms of the old management agreement with Henderson place on the Board an obligation to call an EGM at which your directors are contractually bound to recommend to shareholders that the name of the Trust be changed in such a way that the initials "TR" no longer form part of the title of the Trust. Discussions with Henderson are ongoing. However, I must put shareholders on notice that an EGM will have to be called before the next AGM unless, before that date, your directors are able to reach an agreement with Henderson allowing the Trust to retain its current name.

Now I should like to revert to the report on the Trust's financial results for the interim period to the end of September 2004.

Capital Performance

The share price rose by 13.9% and produced a total return of 15.6%. The net asset value grew by 10.7% over the six months, and the NAV total return is 12.3%. The Trust's benchmark index rose 8.9% and showed a total return of 12.0%. Gearing was reduced over the summer, chiefly as a result of the very satisfactory sale for £23.5m of our leasehold property in Piccadilly to Standard Life. They will undertake the redevelopment of the building over the next three years, and the terms of the sale provide for the Trust to have a financial interest in the completed development. Otherwise the portfolio has altered only slightly and our shareholdings have generally continued to perform in line with our expectations.

Our equity investments are currently valued at "mid-market" prices - the half way figure between the best bid and offer prices shown as markets close each day. This is a practice common throughout the investment management industry for many years. Under the new international accounting standards to be introduced at the start of 2005, our managers and administrators will be required to value our equities at "bid" prices. This will result in a small one-off decline in our stated asset value at the start of 2005, probably of the order of 0.5% to 1%.

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Revenue Results

The revenue return per share for the period is 2.15p, an increase of 20.8% over last year's figure. Our gross revenue rose by 13.0% due in part to exceptional dividend growth from our French property shares. This increase was reduced to 9.3% at the pre-tax level by management fees, which rise in line with the increase in net assets, and by increased interest costs due to a higher level of borrowing. Tax is estimated at 18.7% compared with just under 14% in the comparable period, leaving post tax earnings ahead by only 3%. Shareholders may remember that almost 15% of the Trust's equity was bought back for cancellation in October 2003, so that the number of shares used to calculate the revenue per share has fallen sharply from 414 million to 353 million. The small increase in the net return in monetary terms is therefore divided by fewer shares, and thus gives rise to the healthy growth in revenue per share.

As has been noted in previous interim statements, the Trust currently receives the bulk of its income in the first half of its financial year. Our managers expect that, subject to unforeseen circumstances, gross revenue for the half year now reported will represent some 68% of our expected full year gross revenue, as against 66% last year. Therefore shareholders should not expect the same rate of gross revenue or earnings growth to be reported in the full year results.

Interim Dividend

Your Board has pleasure in raising the interim dividend by 18% from 1.1 pence per share to 1.3 pence per share, an increase closely in line with the growth of revenue earnings.

Discount and Share Repurchases

The average discount at which the shares trade compared with the underlying asset value per share has continued to narrow, and has averaged around 12% over the six months. This has given us fewer opportunities to make worthwhile share repurchases, and only 5 million shares have been bought back for cancellation in the period, at a cost of £5.14m, an average cost per share of 103p.

Gearing and Currencies

Over the six month period the Trust's net debt fell from £81m to £66m, and this reduction, combined with the increase in the value of the net assets, produced a decline in gearing from 20% to 15%. All our debt continues to be denominated in Sterling and the Trust's exposure to foreign currency movements is therefore unhedged. Between the end of March and the end of September the Euro rose against the Pound by 2.7% increasing the value of the Trust's overseas assets by some £4.3m or 1.23p per share.

Board

The appointment of new non-executive directors was put into abeyance over the summer while the selection process for the new fund manager was in hand. Now that has been completed, this matter is now in progress using professional advice and I hope to announce appointments in the near future.

Outlook

Global commercial property markets remain dominated by huge positive money flows looking for quality income based on real assets. In equity and bond markets, sustained investor demand is likely to be met by an increased supply of newly created shares or bonds. In the property investment markets this cannot happen except over the long term, and heavy investor demand has led to falling yields. In the UK the average yield for all commercial property has moved from 6.4% in March to 6.1% in September. Viewed in the context of the yield available in the bond market, I believe we will see further yield contraction in the coming months.

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In the property share market discounts have narrowed in the UK but, with asset values rising and takeover bids still occurring, any downside looks limited and our managers' view is that the outlook remains positive. The Government has made no comments on the possible introduction of UK REITs since the consultation period ended in July. Many in the property industry now expect the Treasury to defer any detailed announcement until the 2005 Budget rather than in the upcoming autumn statement.

Manager's Statement

While, in absolute terms, the total return of 12.3% for the six months is pleasing, in relative terms the performance against the benchmark, (which produced a 12.0% total return) has been no better than satisfactory. Volatility has been below average and share price movements across our benchmark have been more than usually uniform. Asset turnover has been modest and the portfolio bias continues to be overweight in retail property and in UK shares while underweight in offices and in European stocks. The large positions in the biggest property shares have been retained, and the greatest change in the portfolio has been in the direct property component, which has been reduced by a major sale from 14% to 11%. Across our markets, share prices have risen faster than asset values. Discounts to asset value have narrowed in the UK, while in Europe, where dividend yields are higher, many stocks are now trading at or above asset value thanks to persistent buying by investors seeking high income.

Property Market Background

Commercial property investment demand is strong and is coming from a wide diversity of local and international sources. Huge sums of capital are hunting for quality rental income on a global basis and, as a result, property initial yields are falling in virtually every developed country. In most economies this buying is occurring against a background of historically low base rates and low returns from bonds. In the UK the recent rise in base rates ought logically to have cooled some of the buying ardour. This has not happened, and with the threat of further base rate rises now receding and bond yields falling again, the UK property investment market continues to exude confidence.

Tenant demand, though it has improved in a few locations, generally remains muted to poor. Development activity is at a low level and there are very few speculative schemes starting, save in excellent retail locations. In March we reported that office tenant demand in the UK and Europe was generally moribund. Over the six months it has improved but not by much. In a few select locations, notably the West End of London, vacancy rates have fallen, incentives have diminished and asking rents have risen slightly. In the worst locations, notably many Continental suburban markets, vacancy rates have continued to rise. Those occupiers on the move are often taking no more space than they are leaving, so, while gross turnover figures have sometimes improved, net take-up numbers are usually still close to zero, and vacancy rates remain static. We expect the recovery in office tenant demand to continue to be very gradual and not to gather much pace until the outlook for stronger and continued economic growth is more certain. The property market looks for this to happen in 2005, we think 2006 or even 2007 is a more realistic timescale.

In the retail market, growth in consumer demand has abated across Europe over the summer but the numbers are still positive except in Germany. Retail rental growth has slowed but is expected to remain positive and ahead of the current inflation rate. Tenant demand is best for larger units in modern centres and, out of town, for units with open planning consents. Our investment in retail, which is all through shareholdings in retail property investment companies, is concentrated in these higher demand areas.

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The tone of the UK residential market has changed markedly since mid-summer, and the immediate outlook for UK base rates has changed from further increases to potential reductions. We suspect that longer-term underlying housing demand remains strong but homes need to become more affordable especially for first time buyers. A long slow price decline seems less likely and less desirable than a quicker sharper readjustment. If the latter occurs and base rates are reduced in the spring of 2005, we might see optimism creeping back into the market as early as next summer. We will continue to avoid investment in UK housing stocks for the present. Across the Channel, house prices are still rising, especially in Spain and France, and affordability is worsening. While Euro base rates remain at 2% this trend may continue. The storm cones are not yet hoisted but may need to be used before too long, especially in Spain.

Property Share Background

While general equity markets have stuttered, property shares have continued to prosper thanks to the momentum of investor activity in the direct property markets. Actual and forecast asset values have risen and the continued dearth of good quality assets in the direct market has led to more corporate activity with quoted companies being taken private, mainly for cash, at prices around net asset value. The movement in European property shares has been fairly uniform over the past six months – mirroring the direct market performance of their underlying portfolios. In our benchmark, the average total return in the UK was 11.6% - just less than the 12.2% shown by Continental shares in Sterling terms. On a country basis the best total returns were from Spain (+18%), Sweden and France (+17%) while the laggards were Belgium, Austria, Finland and Germany (+6%).

Investment Activity and Distribution of Assets

Our equity market turnover (purchases plus sales divided by two) in the six months was light totalling only some £34m. Our shareholdings have generally continued to perform in line with our expectations. We saw price declines from only some 5% of our capital invested in equities, and adding back dividends received, several of the fallers gave us positive total returns, but unfortunately the portfolio was also devoid of any significant 25%+ gains.

Reflecting the level of activity, the distribution of the portfolio has shown little alteration over the period. The largest change has been a reduction in our direct property holdings from 14.1% of the portfolio to 11.0% - a change due primarily to the disposal of our Piccadilly property. The UK quoted equity portion of the portfolio rose 1.5% to 53.6%, the European equity portion rose 1.5% to 34.9% and the UK unquoted section rose 0.1% to 0.5%. These splits compare with our benchmark weightings of 50.7% in the UK and 49.3% in the rest of Europe as at the end of September.

Largest Equity Investments

The composition of the ten largest equity investments did not change over the six-month period, but there were some slight changes to the size order, due mainly to share price performance. All the ten shares rose in value: Castellum (+17.5%) did best, with Unibail (+14%), Big Yellow (+13%) and British Land (+13%) runners up. Slough Estates (+1.5%) and Rodamco Europe (+3%) gave the lowest gains.

There have been three changes in the list of the eleventh to twentieth largest holdings. Silic, Ashtenne and Pillar have dropped out, the latter two as a result of making capital repayments to shareholders and the first as a result of sales of shares from the portfolio. They have been replaced by Helical Bar, Capital & Regional and Fonciere des Regions. The former two are well known specialist UK based investment and development companies in which the Trust has been invested for many years. Fonciere des Regions is a French investment and trading company, based in Metz, which specialises in regional offices and residential property ownership across France.

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Direct Property Portfolio

The Trust's direct property portfolio is smaller as a percentage of total assets than it has been for many years as a result of our strategy to reduce exposure to direct property in favour of equities.

In the first half of the year we completed the sale of the Trust's largest property asset at Piccadilly for £23.5 million, £2 million over the March 2004 valuation, and exchanged contracts for the sale of Battersea to a residential developer for over £7.1 million, compared to a March book value of £6.75 million. Completion of this sale is due in January 2005.

However, we also made our first purchase for 3 years, buying a multi-let freehold office building in the insurance quarter of the City of London for £8.275 million. The property is let to 22 tenants on short leases and offers numerous opportunities to increase value through management initiatives. Whilst we are in no rush to increase the Trust's exposure to direct property in the very short term, it is likely that we will make a small number of additional purchases over the next year.

The direct property portfolio produced a total return of 4.4% for the half year, reflecting an income return of 3.0% and capital growth of 1.4%. This compared to the IPD Monthly index return of 9.5%, made up of income return of 3.4% and capital growth of 6.1%. During the period we incurred significant capital expenditure at The Colonnades in connection with the redevelopment of 7,000 sq ft of storage space as air-conditioned offices. These works have now been completed and the new space is being marketed.

Unquoted Investments

We made one small unquoted investment in May of £640,000 into Duelguide, the private company formed to acquire Chelsfield. Since the half year end a cash takeover bid has been made for this business, valuing the Trust's holding at £880,000 and we are accepting this offer. As reported in March, all the assets of Controlrun have now been realised and our final exit from this business is expected to be completed before the year end.

Looking ahead to 2005

The momentum of demand for direct property investment shows little sign of abating, and the recent decline in bond yields has improved the gilt/property yield gap again. We believe that UK property yields still have further to fall. Property shares are now standing at premiums to asset value in every location where tax free (REIT) status has been introduced, and discounts to NAV are only available in countries such as the UK, Sweden, Spain, Italy and Germany where property companies are still subject to corporation tax. Our Government is looking at introducing REITs here, but hopes have faded that any decisive move will be made in the near future. However, even without the early introduction of UK REITs, the outlook for property shares into 2005 is positive.

There must be a danger that the current popularity of commercial property as an investment reflects little more than the lack of attraction of gilts and equities, rather than demand for the asset class per se. If this is so then property's new found fan club might dissipate as soon as the outlook for other asset classes improves. To be sustainable in the medium to longer term, continued property value growth must be a consequence of rising rental values. This is not currently the position. We hope that, by mid 2005, the European economic outlook will have improved to a point where a return to general rental growth can be predicted with some degree of confidence.

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Group Statement of Total Return (Incorporating the Revenue Account)

for the half year ended 30 September 2004

	(Unaudited)			(Unaudited)			(Audited)		
	Half year ended 30 September 2004			Half year ended 30 September 2003			Year ended 31 March 2004		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total capital gains from investments	-	39,940	39,940	-	60,162	60,162	-	147,478	147,478
Investment income	10,486	-	10,486	8,705	-	8,705	12,608	-	12,608
Net rental income	1,561	-	1,561	1,889	-	1,889	3,353	-	3,353
	<u>12,047</u>	<u>39,940</u>	<u>51,987</u>	<u>10,594</u>	<u>60,162</u>	<u>70,756</u>	<u>15,961</u>	<u>147,478</u>	<u>163,439</u>
Interest receivable and similar income	59	-	59	117	-	117	286	-	286
Gross revenue and capital gains	12,106	39,940	52,046	10,711	60,162	70,873	16,247	147,478	163,725
Management and performance fees	(1,066)	(533)	(1,599)	(801)	(401)	(1,202)	(1,764)	(2,149)	(3,913)
Other administrative expenses	(293)	-	(293)	(276)	-	(276)	(643)	-	(643)
Net return on ordinary activities before interest payable and taxation	10,747	39,407	50,154	9,634	59,761	69,395	13,840	145,329	159,169
Interest payable and similar charges	(1,391)	(1,391)	(2,782)	(1,073)	(1,073)	(2,146)	(2,512)	(2,512)	(5,024)
Net return on ordinary activities before taxation	9,356	38,016	47,372	8,561	58,688	67,249	11,328	142,817	154,145
Taxation on net return on ordinary activities	(1,752)	577	(1,175)	(1,194)	442	(752)	(1,564)	912	(652)
Net return on ordinary activities after taxation	7,604	38,593	46,197	7,367	59,130	66,497	9,764	143,729	153,493
Ordinary dividends									
Interim of 1.30p (2003: 1.10p)	(4,542)	-	(4,542)	(3,899)	-	(3,899)	(3,899)	-	(3,899)
Final (year ended 31 March 2004: 1.40p)	-	-	-	-	-	-	(4,961)	-	(4,961)
	<u>(4,542)</u>	<u>-</u>	<u>(4,542)</u>	<u>(3,899)</u>	<u>-</u>	<u>(3,899)</u>	<u>(8,860)</u>	<u>-</u>	<u>(8,860)</u>
Transfer to reserves	3,062	38,593	41,655	3,468	59,130	62,598	904	143,729	144,633
Return per ordinary share (Note 1)	2.15p	10.94p	13.09p	1.78p	14.29p	16.07p	2.51p	36.96p	39.47p

The revenue columns of this statement represent the revenue accounts of the Group.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued during the period.

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Group Balance Sheet
as at 30 September 2004

	(Unaudited) Half year ended 30 September 2004 £'000	(Unaudited) Half year ended 30 September 2003 £'000	(Audited) Year ended 31 March 2004 £'000
Fixed asset investments	513,663	427,416	486,266
Current assets			
Debtors	1,162	574	5,982
Cash at bank	4,887	2,815	2,360
	6,049	3,389	8,342
Creditors - amounts falling due within one year	42,501	28,275	53,668
Net current liabilities	(36,452)	(24,886)	(45,326)
Total assets less current liabilities	477,211	402,530	440,940
Creditors - amounts falling due after more than one year	39,958	40,201	40,201
Total net assets	437,253	362,329	400,739
Capital and reserves			
Called up share capital	87,354	102,549	88,604
Share premium	37,063	37,063	37,063
Other reserves	291,927	202,306	257,225
Revenue reserve	20,909	20,411	17,847
Equity shareholders' funds	437,253	362,329	400,739
Net asset value per share	125.14p	88.33p	113.07p

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Group Cash Flow Statement

for the half year ended 30 September 2004

	(Unaudited) Half year ended 30 September 2004 £'000	(Unaudited) Half year ended 30 September 2003 £'000	(Audited) Year ended 31 March 2004 £'000
Net cash inflow from operating activities	9,291	7,930	11,837
Net cash outflow from servicing of finance	(2,790)	(2,150)	(5,018)
Net tax recovered	233	313	541
Net cash inflow/(outflow) from financial investment	18,481	(9,325)	15,425
Equity dividends paid	(4,961)	(4,774)	(8,672)
	-----	-----	-----
Net cash inflow/(outflow) before financing	20,254	(8,006)	14,113
Net cash outflow from financing*	(5,141)	(4,396)	(48,021)
	-----	-----	-----
Increase/(decrease) in cash	<u>15,113</u>	<u>(12,402)</u>	<u>(33,908)</u>

Reconciliation of operating revenue to net cash inflow from operating activities

Net revenue before interest payable and taxation	10,747	9,634	13,840
Decrease/(increase) in operating debtors	388	468	(24)
Increase/(decrease) in operating creditors	1,082	(646)	1,180
Tax deducted at source	(1,191)	(930)	(815)
Scrip dividends included in investment income	-	(195)	(195)
Performance fees paid	(1,201)	-	-
Management and performance fees charged to capital	(534)	(401)	(2,149)
	-----	-----	-----
	<u>9,291</u>	<u>7,930</u>	<u>11,837</u>

Reconciliation of net cash flow to movement in net debt

Increase/(decrease) in cash as above	15,113	(12,402)	(33,908)
Exchange differences	(13)	(76)	(148)
Other	(7)	(7)	(7)
	-----	-----	-----
Movement in net debt in the period	15,093	(12,485)	(34,063)
Net debt at the beginning of the period	(81,164)	(47,101)	(47,101)
	-----	-----	-----
Net debt at the end of the period	<u>(66,071)</u>	<u>(59,586)</u>	<u>(81,164)</u>

Represented by:

Bank balances and overdrafts	4,887	2,599	2,360
Debt falling due within one year	(31,000)	(21,984)	(43,323)
Debt falling due after more than one year	(39,958)	(40,201)	(40,201)
	-----	-----	-----
	<u>(66,071)</u>	<u>(59,586)</u>	<u>(81,164)</u>

* Financing comprises cash outflows from share buy-backs.

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Notes to the Accounts

1. Return per ordinary share

Revenue return per ordinary share is calculated by dividing the net revenue return available for ordinary shareholders of £7,604,000 (half year ended 30 September 2003: £7,367,000 and year ended 31 March 2004: £9,764,000) by 352,828,854 (half year ended 30 September 2003: 413,645,046 and year ended 31 March 2004: 388,831,553) being the weighted average number of ordinary shares in issue.

Capital return per ordinary share is calculated by dividing the net capital gain attributable to ordinary shareholders of £38,593,000 (half year ended 30 September 2003: £59,130,000 and year ended 31 March 2004: £143,729,000) by the weighted average number of ordinary shares in issue, as shown above.

2. Changes in share capital

During the period the Company made authorised market purchases for cancellation of 5,000,000 of its own issued ordinary shares of 25p. As at 30 September 2004 there were 349,416,286 ordinary shares in issue.

3. Interim statement

The interim accounts were approved by the directors on 25 November 2004.

4. Comparative information

The financial information contained in this interim statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the six months ended 30 September 2003 and 30 September 2004 has not been audited. The figures and financial information for the year ended 31 March 2004 are an extract from the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors, which was unqualified and did not contain a statement under either section 237(2) or 237(3) of the Companies Act 1985.

TR PROPERTY INVESTMENT TRUST PLC
Unaudited interim results for the half year ended 30 September 2004

Largest Quoted Investments as at 30 September 2004

	Market Value £'000		Market Value £'000		Market Value £'000
Land Securities	52,222	Eurocommercial Properties (Netherlands)	7,947	Wereldhave (Netherlands)	4,767
British Land	37,200	Metrovacesa (Spain)	7,829	London Merchant Securities	4,694
Hammerson	29,756	Fonciere des Regions (France)	6,871	Brixton	4,354
Unibail (France)	25,211	Capital & Regional	6,553	Bail Investissement (France)	4,108
Rodamco Europe (Netherlands)	21,723	Helical Bar	5,948	Ashtenne Holdings	3,865
Liberty International	20,675	Quintain Estates & Developments	5,928	Rugby Estates	3,827
St Modwen Properties	19,341	Inmobiliaria Colonial (Spain)	5,804	Kungsleden (Sweden)	3,753
Castellum (Sweden)	19,265	Pillar Property Group	5,769	Pirelli Real Estate (Italy)	3,679
Slough Estates	18,630	Silic (France)	5,701	Development Securities	2,937
Big Yellow Group	17,940	Cofinimmo (Belgium)	5,513	IVG Immobilien (Germany)	2,659
Corio (Netherlands)	11,528	Vastned Retail (Netherlands)	5,449	PSP Swiss Property (Switzerland)	2,540
Gecina (France)	10,490	NHP	5,288	Tops Estates 7.5%	1,989
Klepierre (France)	9,255	Beni Stabili (Italy)	5,232		
Grainger Trust	8,716	Derwent Valley	4,767		

The above 40 largest quoted investments amount to £429,723,000 or 84% of total investments (convertibles and all classes of equities in any one company being treated as one investment).

Principal Investment Properties as at 30 September 2004

Location	Sector	Tenure	Size (sq ft)
Value in excess of £5m			
Elizabeth House, Duke Street, Woking, Surrey	Offices	Freehold	54,150
The Colonnades, Bishops Bridge Road, London W2	Mixed Use	Freehold	44,000
Cambridge Science Park, Cambridge	Offices	Leasehold	38,500
6 Lloyd's Avenue, London EC3	Offices	Freehold	34,410
Southbank Commercial Centre, Battersea Park Road, London SW11	Light Industrial and Offices	Freehold	49,000
Ferrier Street Industrial Estate, Ferrier Street, Wandsworth, London SW18	Industrial	Freehold	38,500
Value below £5m			
Unit 3, Interface Business Park, Wootton Bassett	Industrial	Freehold	38,249
Locke King House, Balfour Road, Weybridge	Offices	Freehold	5,250

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