

To Our Shareholders

Financial Results

Cash flow from operations before transaction gains was \$1.13 per share compared with \$0.98 per share in the first six months of 1999. Overall, cash flow from operations was \$51.5 million or \$1.32 per share compared with \$47.2 million or \$0.98 per share in the first half of 1999. The key contributors to these results include a 30% increase in net operating income from commercial properties to \$55.8 million and a gain recorded from a property disposition in the first quarter. Increased rental rates, renewals of below market leases and the full impact of new acquisitions made in 1999 and the first half of 2000 are the principal factors contributing to the increase in property net operating income. Cash flow from operations includes gains realized on the disposition of a repositioned property following completion of value enhancement initiatives. Net income totalled \$24.4 million, a \$1.1 million increase from \$23.3 million in the same period in 1999.

The highlight of the second quarter was the acquisition of four premier office towers in Calgary and Vancouver totalling 3.5 million square feet including the flagship Bankers Hall East and West towers and the adjacent Royal Bank building in downtown Calgary and the Royal Centre in Vancouver. The total investment in these properties was approximately \$514 million. The acquisition was funded with cash on hand and property debt of \$300 million at a weighted average rate of 7.1%.

Operations Review

During the first half of the year, Gentra focused on a number of initiatives to enhance value of its real estate portfolio and increase cash flow from operations. Specifically, Gentra:

- Increased net operating income from properties by 9% on a comparative property basis from the same period in 1999. This increase resulted from increased rental rates as well as occupancy
- Leased 399,000 square feet of office and retail space in the second quarter, bringing total leasing to 1,081,000 square for the year, and overall occupancy to 92%
- Completed the re-tenanting plan for 300,000 square feet of space vacated last fall by Eaton's including,
 - 24,000 square feet to Sportchek in Sevenoaks Shopping Centre in Abbotsford, B.C., near Vancouver
 - 65,000 square feet in Londonderry Mall in Edmonton, Alberta to two major tenants - Winners

(30,000 sq. ft.) and a major supermarket chain (35,000 sq. ft.)

- 121,000 square feet to Zellers for a new prototype store at Bramalea City Centre in Brampton, Ontario.
- Completed the financing of the loans portfolio for \$113 million on a non-recourse basis for a two year term.

Capital Initiatives

- In a continued effort to maximize shareholder value, Gentra completed the acquisition of 3,993,619 common shares in the first half of 2000 through the completion of a Dutch Auction issuer bid and purchases under the normal course issuer bid. These shares were at a weighted average price of \$14.92.

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Gentra is a leading real estate investment company focused on the ownership and value enhancement of premier commercial real estate. Gentra's current property portfolio is comprised of interests in 19 commercial properties totalling over 14 million square feet. The Company's objective is to realize superior financial returns for its shareholders by enhancing the value of its real estate assets and by making opportunistic investment in new assets. Gentra's common shares trade on the TSE under the symbol GTA and are included in the TSE 300 and the TSE Real Estate Index. Further information about the company can be found on our website at www.GentraInc.com



David D. Arthur
President and Chief Executive Officer

Regular dividends on cumulative preferred shares have been declared. Dividends of \$0.301632 per share on Series G, and \$0.316827 on Series J and M shares will be paid on August 14, 2000 to shareholders of record July 31, 2000. Regular monthly dividends on Series K and Series N preferred shares were also declared. During the first six months of 2000, the Company acquired 3,789,619 common shares at a price of \$15 per share through a substantial issuer bid initiated on January 17, 2000 and 204,000 common shares at an average price of \$13.40 per share under the normal course issuer bid.

Net income per common share has been calculated after payment of preferred share dividends of \$9.8 million using weighted average shares outstanding of 30,391,454. Fully diluted income per common share includes the effect of the exercise of all outstanding options and is calculated using weighted average shares outstanding of 31,613,042.

7. Segmented Information

Year-to-date (\$ thousands)	Office Properties		Retail Properties		Loans and Other		Total	
	2000	1999	2000	1999	2000	1999	2000	1999
Property revenue	73,458	54,961	42,281	37,957	-	-	115,739	92,918
Property expenses	38,590	29,219	21,282	20,855	-	-	59,872	50,074
Operating income	34,868	25,742	20,999	17,102	16,000	20,676	71,867	63,520
Administration and large corporations tax	4,006	3,221	1,611	1,899	961	957	6,578	6,077
Interest expense	13,402	8,090	5,310	2,190	1,577	16	20,289	10,296
Gain on disposition	-	-	6,500	-	-	-	6,500	-
Depreciation and amortization	5,620	4,126	3,162	2,705	38	-	8,820	6,831
Future income taxes	-	-	-	-	18,300	17,062	18,300	17,062
Net income	11,840	10,305	17,416	10,308	(4,876)	2,641	24,380	23,254

Quarterly Financial Information

(\$ thousands except per share amounts)	June 30, 2000	Mar 31, 2000	Dec 31, 1999	Sept 30, 1999	June 30, 1999
Commercial properties	1,580,744	1,062,031	1,074,399	963,062	948,442
Gross loans receivable	147,750	153,105	159,569	146,060	289,764
Net operating income	29,795	26,072	24,815	24,385	21,891
Investment income	7,343	8,657	9,597	7,626	10,244
Transaction gains	-	6,500	11,020	4,989	-
Cash flow from operations and transaction gains	22,114	29,386	35,097	27,657	24,152
Net income	9,719	14,661	25,011	13,472	11,928
Per common share (fully diluted)					
Cash flow from operations before gains	0.57	0.56	0.54	0.52	0.52
Cash flow from operations	0.57	0.75	0.86	0.66	0.52
Net income	0.17	0.31	0.56	0.26	0.20

Notes to the Consolidated Financial Statements

1. Accounting Policies

The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada which are consistent with those on pages 34 and 35 of the 1999 Annual Report. Certain reclassifications have been made to conform to the 2000 presentation.

2. Commercial Properties

(\$ thousands)	June 30, 2000	Dec 31, 1999
Office properties	1,156,921	639,328
Retail properties	467,049	470,569
Accumulated depreciation	(43,226)	(35,498)
	1,580,744	1,074,399

3. Loans Receivable

(\$ thousands)	June 30, 2000	Dec 31, 1999
Mortgages		
Office	67,664	69,400
Retail	34,125	37,074
Hotel	60,323	60,856
Other	4,054	12,862
	166,166	180,192
Accrued interest	1,523	807
Reserves	(19,939)	(21,430)
	147,750	159,569

4. Cash and Cash Equivalents

Cash and equivalents are comprised of demand deposits, bank term deposits and high quality commercial paper.

5. Mortgages and Other Borrowings

Mortgages and other borrowings total \$960,491 and have a weighted average interest rate of 7.5% at June 30, 2000. Mortgages of \$199,844 were assumed in conjunction with the acquisition of commercial properties during the second quarter of 2000.

6. Shareholders' Equity

The year-to-date changes in shareholders' equity are summarized below:

(\$ thousands)	Preferred Shares	Common Shares	Retained Earnings	Total
Shareholders' equity, December 31, 1999	381,743	96,072	501,176	978,991
Net income for the six months ended June 30, 2000	-	-	24,380	24,380
Repurchase of common shares	-	(13,778)	(45,806)	(59,584)
Options exercised, net	-	54	(135)	(81)
Preferred share dividends	-	-	(9,761)	(9,761)
Shareholders' equity, June 30, 2000	381,743	82,348	469,854	933,945

Properties Portfolio

Property Name	Major Tenants	Net Rentable Area (sq. ft. in 000's)	Leased (percent) (4)
OFFICE PROPERTIES			
Downtown, Toronto, Ontario			
Exchange Tower Block	Toronto Stock Exchange, Weir & Foulds, Department of Justice, Altamira, National Bank Financial	1,029	99
Exchange Tower and TSE Pavilion	Lombard General Insurance, HSBC James Capel, Markel Insurance	184	100
105 Adelaide Street West (1)			
BCE Place Block	Merrill Lynch	144	100
20-22 Front Street West	CIT Group/Newcourt Credit, Charles Schwab Canada, Digital 4 Sign, Bell Active Media	659	95
Queen's Quay Terminal	HSBC Bank of Canada, SEI Financial Services	194	100
HSBC Building			
Downtown, Calgary, Alberta			
Bankers Hall	Canadian Natural Resources, Talisman Energy, CIBC, Bennett Jones, Royal Bank	2,192	80
Petro-Canada Centre (2)	Petro-Canada, Precision Drilling Corporation, Beau Canada	1,725	96
Fifth Avenue Place	Esso Resources, Renaissance Energy, Union Pacific Resources	1,478	98
Roslyn Building	Ensign Resources, Search Energy	131	90
Downtown, Vancouver, B.C.			
Royal Centre	Royal Bank, Lang Michner, Xerox Canada, BC Insurance, Bull Houser	597	96
Parking and other		1,300	N/A
Total office		9,633	93
RETAIL PROPERTIES			
Regional Shopping Centres			
Bramalea City Centre, Brampton, ON	Sears, The Bay, SportChek, Miracle Ultramart, Zellers	1,171	96
Londonderry Mall, Edmonton, AB	Wal-Mart, The Bay, SportChek, Winners	769	87
Sevenoaks Shopping Centre, Abbotsford, BC	Sears, The Bay, Extra Foods, SportChek	554	89
Community Malls and Shopping Centres			
Sheridan Centre, Mississauga, ON (3)	Zellers, Dominion Food, Royal & Sun Alliance Insurance	549	77
West Oaks Mall, Vancouver area, BC	Wal-Mart, Save-On Foods, London Drugs	286	94
Malvern Town Centre, Scarborough, ON	Loblaws, Zellers, BiWay	285	97
Merivale Place, Nepean (Ottawa), ON	Winners, Scotiabank	162	43
Westney Heights Plaza, Pickering, ON	Cashway, White Rose, CIBC	101	100
Other			
Park Towers Apartments, Toronto, ON		551	100
Total retail and other		4,428	92
Total office, retail and other		14,061	92
Less: Proportionate shares owned by others		1,283	
Gentra's net effective ownership interest		12,778	92

(1) The proportionate share owned by the Company is 55%
(2) The proportionate share owned by the Company is 50%

(3) Property under redevelopment
(4) Includes space committed under leases where occupancy will occur upon completion of tenant improvements

Consolidated Balance Sheets
(unaudited)

(\$ thousands)	Note	June 30, 2000	Dec 31, 1999
Assets			
Commercial properties	2	1,580,744	1,074,399
Loans receivable	3	147,750	159,569
Cash and cash equivalents	4	85,513	164,217
Future income taxes		153,204	171,400
Other assets		36,923	31,418
		2,004,134	1,601,003
Liabilities and Shareholders' Equity			
Accounts payable and other liabilities		109,698	96,446
Mortgages and other borrowings	5	960,491	525,566
Shareholders' equity	6	933,945	978,991
		2,004,134	1,601,003

Consolidated Statements of Income
(unaudited)

(\$ thousands, except per share amounts)	Three months ending June 30, 2000	Six months ending June 30, 2000	Six months ending June 30, 1999
Commercial properties			
Revenue	60,757	115,739	93,942
Expenses	30,962	59,872	51,098
Net operating income	29,795	55,867	42,844
Investment income	7,343	16,000	20,676
	37,138	71,867	63,520
Expenses			
Administration and large corporations tax	3,527	6,578	6,077
Interest	11,497	20,289	10,296
	15,024	26,867	16,373
Cash flow from operations	22,114	45,000	47,147
Gain on disposition of property	-	6,500	-
Cash flow from operations and gain on disposition	22,114	51,500	47,147
Depreciation and amortization	4,695	8,820	6,831
Future income taxes	7,700	18,300	17,062
Net income	9,719	24,380	23,254
Net income per common share			
Basic	\$0.16	\$0.48	\$0.37
Fully diluted	\$0.17	\$0.48	\$0.37
Cash flow per fully diluted common share	\$0.57	\$1.32	\$0.98

Consolidated Statements of Cash Flow
(unaudited)

(\$ thousands)	Three months ending June 30, 2000	Six months ending June 30, 2000	Six months ending June 30, 1999
Operating activities			
Net income	9,719	24,380	23,254
Add items not providing or requiring cash			
Future income taxes	7,700	18,300	17,062
Depreciation and amortization	4,695	8,820	6,831
Add (deduct) other items			
Gain on disposition of property	-	(6,500)	-
Other assets	(3,651)	(5,541)	(10,262)
Accounts payable and other liabilities	6,714	13,252	6,110
	25,177	52,711	42,995
Investing activities			
Loan receivable, principal paydowns and payoffs	5,355	11,819	19,465
Commercial properties			
Acquisition of properties	(308,384)	(308,384)	(13,425)
Tenant improvements	(7,253)	(13,972)	(7,036)
Redevelopment expenditures	(7,889)	(8,934)	(8,208)
Disposition of property	-	22,507	-
	(318,171)	(296,964)	(9,204)
Financing activities			
Increase in mortgages payable and other borrowings, net	208,982	235,081	64,957
Preferred share dividends paid	(5,078)	(9,761)	(9,480)
Repurchase of common shares	(1,674)	(59,584)	(83,999)
Options exercised, net	(31)	(187)	-
	202,199	165,549	(28,522)
Increase (decrease) in cash and cash equivalents	(90,795)	(78,704)	5,269
Cash and cash equivalents, beginning of period	176,308	164,217	14,327
Cash and cash equivalents, end of period	85,513	85,513	19,596