

Half Year Report and Accounts
for the six months ended
30 September 2011

Performance Summary

- Revenue £13.9million (September 2010: £14.9million)
- Recurring operating profit before net movements on investments £5.7million (September 2010: £6.3million)⁽ⁱ⁾
- Loss before income tax £15.1million (September 2010: £1.0million loss)
- Net liabilities per share 48p (March 2011: 20p net liabilities)
- Loss per share 27.5p (September 2010: 1.8p loss)
- Group net debt reduced to £224.0million (March 2011: £244.9million)
- September quarter day cash collection remains at or above 98% within 28 days
- Void rate reduced from 10.1% at 31 March 2011 to 7.9% at 30 September 2011

(i) Adjusted for net property expenses of £0.2million (September 2010: adjusted for non-recurring management fee income of £1.1million and net property expenses of £0.2million)

Key Business Events

- 16 Upper Woburn Place, London sold in August 2011 for £18.1million (book value £19.1million); Wingate Road, Luton and St Mary's Road, Sheffield sold in April and May 2011 respectively for £4.0million (book value £3.3million).
- Bank facilities of £176m extended to 31 December 2012.
- £0.6m upgrade of Bouverie Place, Folkestone, adding TK Maxx to the existing retail offering of Asda, New Look, Peacocks, HMV and Primark.

CHAIRMAN'S STATEMENT

Discussions with the Group's three Lenders, Royal Bank of Scotland, Barclays and Lloyds Banking Group (the "Lenders"), to strengthen the Group's balance sheet remain the Group's primary focus. These discussions continue and more detail is given below. As reported in the Annual Report & Accounts on 29 July 2011, two of the Group's facilities have been extended to 31 December 2012, in line with the third facility, and there was a relaxation of certain covenants. A condition of these extensions and covenant relaxations was to market certain properties in order to reduce total outstanding debt. Details of the Group's recent disposals are set out in the Property Review below.

Net asset value per share has decreased during the six months ended 30 September 2011 from a negative 20p to a negative 48p, mainly due to losses on revaluation. Sales and reduced values also depressed asset management income and operating profit, outweighing an encouraging further reduction in the void rate. Further detail is shown below.

Results Overview

Operating profit before net movements on investments for the six months to 30 September 2011 has decreased to £5.5million (September 2010: £7.2million) with recurring operating profit before net movements on investments reducing to £5.7million (September 2010: £6.3million) due to lower asset management fee income. Recurring operating profit excludes one-off property costs of £0.2million (September 2010: excludes one-off fees received on the disposal of Radial Distribution of £1.1million offset by the movement in other accruals of £0.4million). Overall the Group made a post tax loss of £15.1million (September 2010: £1.0million loss), mainly due to fair value adjustments on investment properties and investments as well as realised losses on the disposal of investment properties.

The net finance expense for the period has increased to £9.2million (September 2010: £8.6million) as a result of a stepped increase in margin on accrued "payment in kind" interest and exit fees. The Group had hedged 61% of its gross debt as at 30 September 2011. The headline cost of debt (before exit fees) is 6.02% of which the cash cost is 3.26%. Group net debt has been reduced to £224.0million as at 30 September 2011 (March 2011: £244.9million) as a result of the disposal of certain investment properties. The net cash outflow for the period was £1.0million mainly due to repayment of debt. Two of the Group's three facilities had LTV covenants during the six months to 30 September 2011. One covenant has been tested and is compliant. On 28 November 2011, a consent and amendment letter was signed with one of the Group's lenders to remove the other LTV covenant and to agree to market certain properties. The Board has considered the likely future headroom under the remaining LTV and other financial covenants and concluded that, based on best current estimates and the Group's income and positive cash generation, the Group will, for the foreseeable future, have adequate headroom.

The Board regrets very much that it cannot recommend payment of an interim dividend.

Refinancing Discussions and Going Concern

In anticipation of the maturity of the Group's facilities on 31 December 2012 and the likely inability of the Company to meet repayment obligations at that date, the Group's discussions with its Lenders to consider potential solutions continue. These repayment obligations include the borrowings, exit fees and accrued interest. £2.8million has been accrued in respect of exit fees and £7.1million in respect of accrued interest as at 30 September 2011. There can be no certainty as to the terms of any agreement with the Group's Lenders or whether any agreement will be reached. The Board believes that in the absence of a significant rise in the value of the Group's properties in the near term, it is likely that any solution would deliver little, if any, value to existing shareholders, other than the opportunity to participate in an equity raise, were that solution to be pursued.

Although the Group has net liabilities, mainly due to unrealised valuation movements, the Board is satisfied that, following a review of appropriately stress tested cash flow projections, the Group will continue to meet its liabilities as and when they fall due until the borrowing facilities mature on 31 December 2012.

Having taken all the above matters into account together with the key business risks and uncertainties set out in Note 1 to the financial statements and the status of the ongoing discussions with the Lenders in relation to potential solutions, the Directors have concluded that, whilst material uncertainty exists which may cast significant doubt over the ability of the Group to continue as a going concern, it is appropriate to prepare the financial statements on a going concern basis. Accordingly, the unaudited interim condensed consolidated financial statements do not include the adjustments that would result from a failure to remain a going concern.

Property Review

The decline in total assets under management (see table below) by £212.4 million since March 2011 has arisen through a combination of sales of £96.7million and valuation movements of £41.2million with the Group's regional shopping centre joint ventures, Agora and Agora Max, suffering most from the recent loss in investor confidence. In addition, as previously reported, a LPA receiver was appointed to the assets owned by the Greater London Offices joint venture, which reduced assets under management by £74.5m.

The Group's wholly owned portfolio, which is 88% weighted towards London and the South East, saw a decline in value of 2.6% on a like for like basis. A positive highlight of this revaluation was the gain attributable to the addition of TK Maxx to the already strong retail offer of Asda, New Look, Peacocks, HMV and Primark at the Group's shopping centre, Bouverie Place, Folkestone.

16 Upper Woburn Place, London was sold in August 2011 for £18.1million (book value £19.1million); Wingate Road, Luton and St Mary's Road, Sheffield were sold in April and May 2011 respectively for £4.0million (book value £3.3million).

With tenant retention rates holding up well, the wholly owned portfolio void rate has improved to 7.9% by estimated rental value as at 30 September 2011 (March 2011 : 10.1%).

As at 30 September 2011	Number of Properties	Capital Value £m	Annualised Net Rental Income £m	Estimated Rental Value £m	Net Initial Yield %	Equivalent Yield %	Void Rate %
Wholly Owned	42	183.6	14.0	15.8	7.0	7.5	7.9
Agora Shopping Centres JV	8	137.6	12.1	16.9	8.2	9.8	10.6
Agora Max Shopping Centres JV	2	73.9	7.3	9.9	9.2	10.3	6.8
Apia Regional Office Fund	13	140.1	9.8	16.2	6.0	8.8	29.0
Ashtenne Industrial Fund	356	643.4	51.9	73.0	7.9	10.1	17.5
Total	421	1,178.6	95.1	131.8	7.6	9.5	16.1

Outlook

The outcome of discussions with our Lenders will determine our future whilst operationally we continue to protect income and control costs.

Philip Warner
Chairman

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2011

	Notes	Unaudited 6 months ended 30 September 2011	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
		£m	£m	£m
Revenue		13.9	14.9	30.5
Rental and similar income		7.8	7.6	16.5
Property management expenses		(1.7)	(1.5)	(3.0)
Movement in provision for onerous contracts	14	-	0.2	-
Service charge and similar income		2.0	1.7	3.8
Service charge expense and similar charges		(2.4)	(2.4)	(5.0)
Net rental income	2	5.7	5.6	12.3
Revenue from asset management activities		4.1	5.6	10.2
Asset management expenses		(3.5)	(3.6)	(7.9)
Net income from asset management activities	2	0.6	2.0	2.3
Other operating expenses		(0.8)	(0.4)	(1.2)
Operating profit before net movements on investments	2	5.5	7.2	13.4
Net (loss) / profit from fair value adjustments on investment properties	9	(6.4)	7.2	6.9
Net loss from fair value adjustment on investments	11/12	(1.9)	(1.1)	(3.3)
(Loss) / profit on sale of investment properties		(1.4)	0.1	0.2
Profit on sale of investment in joint ventures		-	0.5	0.5
Profit on termination of asset management contract		-	3.0	3.0
Impairment of goodwill	8	(0.4)	(7.1)	(8.4)
Operating (loss) / profit		(4.6)	9.8	12.3
Finance income	3	0.5	0.5	1.7
Finance expense	4	(9.7)	(9.1)	(21.0)
Change in fair value of derivative financial instruments		(1.3)	(2.2)	(0.1)
Share of joint ventures' post tax losses	10	-	-	-
Loss before income tax		(15.1)	(1.0)	(7.1)
Taxation – current	5	-	-	(0.1)
Taxation – deferred	5	-	-	-
Loss for the period		(15.1)	(1.0)	(7.2)
		P	p	p
Loss per share	7	(27.52)	(1.81)	(12.93)
Fully diluted loss per share	7	(26.11)	(1.66)	(11.96)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

	Unaudited 6 months ended 30 September 2011	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
	£m	£m	£m
Loss for the period	(15.1)	(1.0)	(7.2)
Other comprehensive expense			
Actuarial losses on retirement benefit obligations	(0.2)	(0.1)	-
Deferred tax arising on retirement benefit obligations	-	-	-
Total comprehensive expense for the period	(15.3)	(1.1)	(7.2)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 September 2011	Unaudited At 30 September 2010	Audited At 31 March 2011
	Notes	£m	£m	£m
ASSETS				
Non-current assets				
Goodwill	8	2.4	4.1	2.8
Investment properties	9	183.8	209.4	212.2
Plant and equipment		0.1	0.2	0.1
Investments in joint ventures	10	-	-	-
Investments in funds	11	36.1	40.2	38.0
Investments in unlisted shares	12	0.3	0.3	0.3
Net investment in finance leases		-	2.4	-
Deferred income tax assets	13	0.2	0.2	0.2
Trade and other receivables		3.8	3.1	3.0
		226.7	259.9	256.6
Current assets				
Trade and other receivables		5.6	6.3	6.1
Cash and cash equivalents	16	6.2	7.5	7.2
		11.8	13.8	13.3
Total assets		238.5	273.7	269.9
LIABILITIES				
Non-current liabilities				
Borrowings, including finance leases	16	(231.7)	(246.6)	(252.4)
Trade and other payables		(11.1)	(0.9)	(7.1)
Derivative financial liabilities		(3.9)	(4.7)	(2.6)
Retirement benefit obligations		(0.7)	(0.9)	(0.6)
Provisions for other liabilities and charges	14	(2.7)	(3.6)	(3.2)
		(250.1)	(256.7)	(265.9)
Current liabilities				
Borrowings, including finance leases	16	(1.0)	(1.1)	(1.0)
Trade and other payables		(12.3)	(18.0)	(12.3)
Current income tax liabilities		-	(0.1)	-
Provisions for other liabilities and charges	14	(1.5)	(2.9)	(1.9)
		(14.8)	(22.1)	(15.2)
Total liabilities		(264.9)	(278.8)	(281.1)
Net liabilities		(26.4)	(5.1)	(11.2)
EQUITY				
Capital and reserves attributable to the owners of the Parent Company				
Share capital		2.8	2.8	2.8
Other reserves		(28.5)	(7.0)	(13.2)
Investment in own shares		(0.7)	(0.9)	(0.8)
Total deficit		(26.4)	(5.1)	(11.2)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2011

	Share Capital	Share Premium	Share Based Payments	Revaluation Reserve	Other Reserve	Treasury Shares	Retained Earnings	Warrant reserve	Investment in own shares	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 30 September 2010 (unaudited)	2.8	40.7	1.1	(187.9)	8.0	(1.5)	131.8	0.8	(0.9)	(5.1)
Loss for the period	-	-	-	-	-	-	(6.0)	-	-	(6.0)
Other comprehensive expense	-	-	-	-	-	-	(0.1)	-	-	(0.1)
Movement on realised revaluation	-	-	-	(0.8)	-	-	0.8	-	-	-
Transactions with owners:										
Disposal of investment in own shares	-	-	-	-	-	-	-	-	0.1	0.1
Cost of share based payments	-	-	(0.1)	-	-	-	-	-	-	(0.1)
At 31 March 2011 (audited)	2.8	40.7	1.0	(188.7)	8.0	(1.5)	126.5	0.8	(0.8)	(11.2)
Loss for the period	-	-	-	-	-	-	(15.1)	-	-	(15.1)
Other comprehensive expense	-	-	-	-	-	-	(0.2)	-	-	(0.2)
Movement on realised revaluation	-	-	-	(4.2)	-	-	4.2	-	-	-
Transactions with owners:										
Disposal of investment in own shares	-	-	-	-	-	-	-	-	0.1	0.1
Transfer	-	-	-	-	-	1.5	(1.5)	-	-	-
At 30 September 2011 (unaudited)	2.8	40.7	1.0	(192.9)	8.0	-	113.9	0.8	(0.7)	(26.4)

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2011

		Unaudited 30 September 2011	Unaudited 30 September 2010	Audited 31 March 2011
	Note	£m	£m	£m
Cash flows from operating activities				
Cash generated from operations	15	4.1	2.3	5.0
Interest paid		(4.4)	(3.2)	(7.6)
Interest received		-	0.1	0.2
UK Corporation tax paid		-	(0.2)	(0.4)
Net cash outflow from operating activities		(0.3)	(1.0)	(2.8)
Cash flows from investing activities				
Purchase of investment properties and related capital expenditure		(0.4)	(0.5)	(0.4)
Sale of investment properties		21.0	10.6	10.7
Sale of investments in joint ventures		-	0.5	0.5
Termination of asset management contract		-	3.0	3.0
Distributions received from funds		0.7	-	1.1
Net cash inflow from investing activities		21.3	13.6	14.9
Cash flows from financing activities				
Increase in bank loans		-	1.3	2.0
Repayment of bank loans		(21.9)	(10.3)	(10.8)
Finance fees paid		(0.1)	(0.6)	(0.6)
Net cash outflow from financing activities		(22.0)	(9.6)	(9.4)
Net (decrease) / increase in cash and cash equivalents		(1.0)	3.0	2.7
Cash and cash equivalents at beginning of period		7.2	4.5	4.5
Cash and cash equivalents at end of period	16	6.2	7.5	7.2

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION & ACCOUNTING POLICIES

Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 September 2011 have been prepared on a going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union ("EU"), and on the basis of accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 March 2011.

The condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2011 were approved by the Board of Directors on 29 July 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under section 498 of the Companies Act 2006. The condensed consolidated interim financial information has been reviewed, not audited.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with IFRSs as adopted by the EU.

There is no material seasonal impact on the Group's financial performance.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis. In doing so, the Directors have produced cash flow forecasts which indicate that the Group will continue to be able to meet its liabilities as and when they fall due until the facilities mature on 31 December 2012, at which time the borrowings, exit fees and accrued interest become payable. The Directors have taken into account the following key business risks and uncertainties in preparing their going concern assessment:

- the need for continued support from the Group's three lenders, Royal Bank of Scotland, Lloyds Banking Group and Barclays (together the "Lenders") to finance the Group's operations;
- the ability of the Group to remain in compliance with the existing loan covenants on a prospective basis; and
- the macro-economic and financial pressures facing the property sector and their possible impact on the Group's cash flow forecasts, property valuations, revenue streams and related costs.

In anticipation of the maturity of the Group's facilities on 31 December 2012 and the likely inability of the Company to meet repayment obligations at that date, the Group's discussions with its Lenders continue. There can be no certainty as to the terms of any agreement and whether any agreement will be reached.

Having taken into account these key business risks and uncertainties and the ongoing discussions with the Lenders in relation to potential solutions, the Directors have concluded that, whilst material uncertainty exists which may cast significant doubt over the ability of the Group to continue as a going concern, it is appropriate to prepare the financial statements on a going concern basis. Accordingly, the unaudited condensed interim consolidated financial statements do not include the adjustments that would result from a failure to remain a going concern.

Accounting policies

Except as described below, the condensed consolidated interim financial statements have been prepared on the basis of the accounting policies, methods of computation, significant judgements, key assumptions, estimates and presentation as set out in note 1 of the Group's Annual Report for the year ended 31 March 2011.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new or revised Accounting Standards or interpretations are effective for the financial year beginning 1 April 2011 but do not have a material impact on the Group's interim figures:

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments' (effective 1 July 2010)
- Amendment to IFRS 1, First time adoption on financial instrument disclosures (effective 1 July 2010)

1. BASIS OF PREPARATION & ACCOUNTING POLICIES (CONT.)

The following Accounting Standards or Interpretations are not yet effective and have not been early adopted by the Group:

- IAS 24 (revised) 'Related party disclosures' (effective 1 January 2011)
- Annual improvements 2010 (effective 1 January 2011)
- Amendment to IFRIC 14, 'Pre-payments of a Minimum Funding Requirement' (effective 1 January 2011)
- IFRS 9 'Financial Instruments' (effective 1 January 2013)

2. SEGMENTAL REPORTING

BUSINESS SEGMENTS

For management purposes the Group is organised into two operating divisions, Property Investment and Asset Management:

	Property Investment	Asset Management	Unallocated and other activities	Total
	£m	£m	£m	£m
Six months to 30 September 2011 (unaudited)				
Rental and similar income	7.8	-	-	7.8
Property management expenses	(1.7)	-	-	(1.7)
Service charge and similar income	2.0	-	-	2.0
Service charge expense and similar charges	(2.4)	-	-	(2.4)
Net rental income	5.7	-	-	5.7
Revenue from asset management activities				
Management fee income	-	4.1	-	4.1
Performance fee income	-	-	-	-
	-	4.1	-	4.1
Asset management expenses	-	(3.5)	-	(3.5)
Other operating expenses	(0.1)	(0.7)	-	(0.8)
Operating profit / (loss) before net gain on investments	5.6	(0.1)	-	5.5
Net loss from fair value adjustments on investment properties	(6.4)	-	-	(6.4)
Net loss from fair value adjustments on investments	-	-	(1.9)	(1.9)
Loss on sale of investment properties	(1.4)	-	-	(1.4)
Impairment of goodwill	-	(0.4)	-	(0.4)
Operating loss	(2.2)	(0.5)	(1.9)	(4.6)
Net interest expense and change in fair value of derivative financial instruments	-	-	(10.5)	(10.5)
Share of joint ventures' post tax losses	-	-	-	-
Loss before income tax	(2.2)	(0.5)	(12.4)	(15.1)
Taxation – current	-	-	-	-
Taxation – deferred	-	-	-	-
Loss for the period	(2.2)	(0.5)	(12.4)	(15.1)
Total assets	189.9	3.9	44.7	238.5
Total liabilities excluding borrowings and finance leases	(23.7)	(1.2)	(7.3)	(32.2)
Borrowing, including finance leases	(4.3)	-	(228.4)	(232.7)
Net assets / (liabilities)	161.9	2.7	(191.0)	(26.4)
Other segment items:				
Capital expenditure	0.4	-	-	0.4
Depreciation	-	-	-	-

2. SEGMENTAL REPORTING (CONT.)

	Property Investment	Asset Management	Unallocated and other activities	Total
	£m	£m	£m	£m
Six months to 30 September 2010 (unaudited)				
Rental and similar income	7.6	-	-	7.6
Property management expenses	(1.5)	-	-	(1.5)
Movement in provision for onerous contracts	0.2	-	-	0.2
Service charge and similar income	1.7	-	-	1.7
Service charge expense and similar charges	(2.4)	-	-	(2.4)
Net rental income	5.6	-	-	5.6
Revenue from asset management activities				
Management fee income	-	5.6	-	5.6
Performance fee income	-	-	-	-
	-	5.6	-	5.6
Asset management expenses	-	(3.6)	-	(3.6)
Other operating expenses	(0.1)	(0.3)	-	(0.4)
Operating profit before net gain on investments	5.5	1.7	-	7.2
Net profit from fair value adjustments on investment properties	7.2	-	-	7.2
Net loss from fair value adjustments on investments	-	-	(1.1)	(1.1)
Profit on sale of investment properties	0.1	-	-	0.1
Profit on sale of investments in joint ventures	-	-	0.5	0.5
Profit on termination of asset management contract	-	3.0	-	3.0
Impairment of goodwill	-	(7.1)	-	(7.1)
Operating profit / (loss)	12.8	(2.4)	(0.6)	9.8
Net interest expense and change in fair value of derivative financial instruments	-	-	(10.8)	(10.8)
Share of joint ventures' post tax losses	-	-	-	-
Profit / (loss) before income tax	12.8	(2.4)	(11.4)	(1.0)
Taxation – current	-	-	-	-
Taxation – deferred	-	-	-	-
Profit / (loss) for the period	12.8	(2.4)	(11.4)	(1.0)
Total assets	217.3	6.3	50.1	273.7
Total liabilities excluding borrowings and finance leases	(21.5)	1.4	(11.0)	(31.1)
Borrowing, including finance leases	(3.3)	-	(244.4)	(247.7)
Net assets / (liabilities)	192.5	7.7	(205.3)	(5.1)
Other segment items:				
Capital expenditure	0.5	-	-	0.5
Depreciation	-	-	-	-

2. SEGMENTAL REPORTING (CONT.)

	Property Investment	Asset Management	Unallocated and other activities	Total
	£m	£m	£m	£m
Year ended 31 March 2011 (audited)				
Rental and similar income	16.5	-	-	16.5
Property management expenses	(3.0)	-	-	(3.0)
Movement in provision for onerous contracts	-	-	-	-
Service charge and similar income	3.8	-	-	3.8
Service charge expense and similar charges	(5.0)	-	-	(5.0)
Net rental income	12.3	-	-	12.3
Revenue from asset management activities				
Management fee income	-	10.2	-	10.2
Performance fee income	-	-	-	-
	-	10.2	-	10.2
Asset management expenses	-	(7.9)	-	(7.9)
Other operating expenses	(0.2)	(1.0)	-	(1.2)
Operating profit before net gain on investments	12.1	1.3	-	13.4
Net profit from fair value adjustments on investment properties	6.9	-	-	6.9
Net loss from fair value adjustments on investments	-	-	(3.3)	(3.3)
Profit on sale of investment properties	0.2	-	-	0.2
Profit on sale of investments in joint ventures	-	-	0.5	0.5
Profit on termination of asset management contract	-	3.0	-	3.0
Impairment of goodwill	-	(8.4)	-	(8.4)
Operating profit / (loss)	19.2	(4.1)	(2.8)	12.3
Net interest expense and change in fair value of derivative financial instruments	-	-	(19.4)	(19.4)
Share of joint ventures' post tax losses	-	-	-	-
Profit / (loss) before income tax	19.2	(4.1)	(22.2)	(7.1)
Taxation – current	-	-	(0.1)	(0.1)
Taxation – deferred	-	-	-	-
Profit / (loss) for the period	19.2	(4.1)	(22.3)	(7.2)
Total assets	217.9	5.0	47.0	269.9
Total liabilities excluding borrowings and finance leases	(19.2)	(1.1)	(7.4)	(27.7)
Borrowing, including finance leases	(4.3)	-	(249.1)	(253.4)
Net (liabilities) / assets	194.4	3.9	(209.5)	(11.2)
Other segment items:				
Capital expenditure	0.4	-	-	0.4
Depreciation	-	0.1	-	0.1

All turnover and operating profit has arisen from continuing operations.

3. FINANCE INCOME

	Unaudited 6 months ended 30 September 2011	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
	£m	£m	£m
Income from investments			
Distributions from funds	0.4	0.4	1.5
Other	0.1	-	-
Other interest	-	0.1	0.2
Other finance income			
Expected return on pension scheme assets	0.2	0.2	0.4
Interest on pension scheme liabilities	(0.2)	(0.2)	(0.4)
	-	-	-
	0.5	0.5	1.7

4. FINANCE EXPENSE

	Unaudited 6 months ended 30 September 2011	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
	£m	£m	£m
Interest payable on bank loans and overdrafts	7.7	7.4	14.8
Accrued exit fees	0.1	-	2.7
Charges in respect of cost of raising finance	1.3	1.3	2.7
	9.1	8.7	20.2
Other interest payable	0.4	0.2	0.4
	9.5	8.9	20.6
Interest payable under finance leases	0.2	0.2	0.4
	9.7	9.1	21.0

5. TAXATION

The taxation charge for the period has been estimated from the expected taxable profits of the Group's non-REIT activities after taking account of capital allowances available.

6. DIVIDENDS

	Unaudited 6 months ended 30 September 2011	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
	£m	£m	£m
On Ordinary 5p shares	-	-	-
	-	-	-

7. EARNINGS PER SHARE

Basic losses per share of 27.52p (six months to 30 September 2010: losses 1.81p; year to 31 March 2011: losses 12.93p) are calculated on the loss for the period of £15.1million (six months to 30 September 2010: loss £1.0million; year to 31 March 2011: loss £7.2million) and the weighted average of 55,054,373 (six months to 30 September 2010: 55,190,142; year to 31 March 2011: 55,146,172) shares in issue throughout the period.

Diluted losses per share of 26.11p (six months to 30 September 2010: losses 1.66p; year to 31 March 2011: losses 11.96p) are based on the loss for the period as above divided by the weighted average number of shares in issue, being 58,016,904 (six months to 30 September 2010: 59,755,173; year to 31 March 2011: 59,534,067) after the dilutive impact of share options granted.

A reconciliation of the weighted average number of shares used to calculate earnings per share and to that used to calculate diluted earnings per share is shown below:

	Unaudited 6 months ended 30 September 2011	Unaudited 6 months ended 30 September 2010	Audited Year ended 31 March 2011
Earnings per share: weighted average number of shares	55,054,373	55,190,142	55,146,172
Weighted average ordinary shares to be issued under employee incentive arrangements	1,680,000	2,293,753	2,239,078
Weighted average warrants for ordinary shares to be issued	1,282,531	2,271,278	2,148,817
Diluted earnings per share: weighted average number of shares	58,016,904	59,755,173	59,534,067

8. GOODWILL

	£m
Cost	
At 31 March 2011 (audited)	11.2
Additions	-
At 30 September 2011	11.2
Impairment	
At 31 March 2011 (audited)	(8.4)
Charge for period	(0.4)
At 30 September 2011	(8.8)
Net book value at 30 September 2011	2.4
Net book value at 31 March 2011 (audited)	2.8

Goodwill is not amortised but is subject to an half yearly impairment test. Goodwill of £2.4million is allocated to the cash generating unit ("CGU") defined as the asset management business owned by Industrial Funds Limited. The recoverable amount of the asset management business has been used to assess whether the goodwill is impaired. The recoverable amount of the CGUs has been calculated based on the value-in-use calculations. These calculations use cash flow projections based on financial projections approved by management covering the period to the termination of the asset management contract. Year 1 is based on the budget as approved by management. This is determined by past experience and management's expectations of the current market conditions. Cash flows beyond year 1 are based on the assumption of nil growth in management fee income and no increase or decrease in associated administrative costs. A discount rate of 3.88% (March 2011: 3.09%) has been used to calculate the recoverable amount. The impairment arises from the Group reassessing a number of factors including the maturity of the contract in 2016 and the potential impact on management fees of uncertain capital values given that the fees of this business are based on gross asset values.

9. INVESTMENT PROPERTIES

	Freehold	Leasehold with over 50 years unexpired	Total Investment Properties
	£m	£m	£m
At 1 April 2011 (audited)	133.9	78.3	212.2
Capital expenditure	0.4	-	0.4
Disposals	(22.4)	-	(22.4)
Net loss from fair value adjustments on investment property	(3.5)	(2.9)	(6.4)
At 30 September 2011 (unaudited)	108.4	75.4	183.8

10. JOINT VENTURES

	Unaudited At 30 September 2011	Unaudited At 30 September 2010	Audited At 31 March 2011
	£m	£m	£m
Share of joint ventures			
At 1 April	-	-	-
Share of post-tax profit / (loss) for the period / year	-	-	-
Net equity movements	-	-	-
At 30 September / 31 March	-	-	-
Unlisted shares at cost	73.4	73.4	73.4
Group's share of post acquisition retained losses and reserves	(73.4)	(73.4)	(73.4)
	-	-	-

There are no outstanding loan balances between the Group and its joint ventures.

11. INVESTMENTS IN FUNDS

	£m
As at 31 March 2011 (audited)	38.0
Net loss from fair value adjustments	(1.9)
At 30 September 2011 (unaudited)	36.1
AIF	14.8
Apia	21.3
At 30 September 2011 (unaudited)	36.1

12. INVESTMENTS IN UNLISTED SHARES

	Unaudited	Unaudited	Audited
	At	At	At
	30 September	30 September	31 March
	2011	2010	2011
	£m	£m	£m
Unlisted investments	0.3	0.3	0.3

13. DEFERRED TAXATION

	Unaudited	Unaudited	Audited
	At	At	At
	30 September	30 September	31 March
	2011	2010	2011
	£m	£m	£m
Deferred taxation assets			
Deferred taxation arising from:			
Retirement benefit obligations	0.2	0.2	0.2
Deferred taxation liabilities			
Deferred taxation arising from:			
Unrealised derivative financial instruments valuations	-	-	-
Unrealised property and investment valuations	-	-	-
	-	-	-

14. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Onerous contracts	Performance fees	Total
	£m	£m	£m
At 31 March 2011 (audited)	4.3	0.8	5.1
Utilised during the period	(0.6)	(0.3)	(0.9)
At 30 September 2011 (unaudited)	3.7	0.5	4.2

Provisions have been analysed between current and non-current as follows:

	Unaudited	Unaudited	Audited
	At	At	At
	30 September	30 September	31 March
	2011	2010	2011
	£m	£m	£m
Non-current	2.7	3.6	3.2
Current	1.5	2.9	1.9
	4.2	6.5	5.1

The onerous lease provision is made in relation to onerous contracts on leasehold properties which are vacant or sublet at a level which renders the properties loss-making over the remaining life of the lease. The provision represents the Directors' estimate of the net cash flows on the properties.

The performance fee provision is repayable on demand, £0.3million was repaid during the year; the remaining balance is expected to be repaid within the next 12 months.

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW

	Unaudited	Unaudited	Audited
	At	At	At
	30 September	30 September	31 March
	2011	2010	2011
	£m	£m	£m
Operating profit before net gains on investments	5.5	7.2	13.4
Depreciation of plant and equipment	-	-	0.1
Decrease in retirement benefit obligations	(0.1)	-	(0.2)
Increase in trade and other receivables	(0.5)	(0.3)	-
Decrease in trade and other payables	(0.8)	(4.6)	(8.3)
Cash inflows from operations	4.1	2.3	5.0

16. BORROWINGS, CASH AND CASH EQUIVALENTS

	Unaudited	Unaudited	Audited
	At	At	At
	30 September	30 September	31 March
	2011	2010	2011
	£m	£m	£m
Amounts falling due after more than one year:			
Bank loans	229.2	247.7	251.1
Future finance costs	(1.8)	(4.3)	(3.0)
	227.4	243.4	248.1
Finance lease obligations	4.3	3.2	4.3
	231.7	246.6	252.4
Amounts falling due within one year:			
Bank loans	1.0	1.0	1.0
	1.0	1.0	1.0
Finance lease obligations	-	0.1	-
	1.0	1.1	1.0
Total borrowings, including finance leases	232.7	247.7	253.4
Cash and cash equivalents at end of period	6.2	7.5	7.2

During the period £22.8million of bank loans were repaid and £0.9m borrowed.

17. RELATED PARTY TRANSACTIONS

In accordance with IAS 27 "Consolidated and Separate Financial Statements," transactions between the company and subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of key management personnel:

	Unaudited Six months ended 30 September 2011 £m	Unaudited Six months ended 30 September 2010 £m	Audited Year ended 31 March 2011 £m
Short-term employee benefits	0.4	0.3	0.9
Post-employee benefits	-	-	0.1
Share based payments	-	-	-
	0.4	0.3	1.0

Details of transactions between the Group and joint ventures are as set out below.

There are no outstanding loan balances between the Group and its joint ventures.

	Agora Shopping Centres Limited £m	Radial Distribution Limited £m	Agora Max Limited £m	Greater London Offices Limited £m	Total £m
Amounts receivable by Group					
Unaudited 6 months ended 30 September 2011					
Asset management fees	0.4	-	0.1	0.1	0.6
Unaudited 6 months ended 30 September 2010					
Asset management fees	0.3	1.3	0.2	0.1	2.3
Audited year ended 31 March 2011					
Asset management fees	0.7	1.3	0.5	0.3	2.8

18. POST BALANCE SHEET EVENTS

On 28 November 2011, a consent and amendment letter was signed with one of the Group's lenders to remove the LTV covenant and market certain properties.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors confirm that this consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and that the Half Yearly Report herein includes a fair review of the information as required by 4.2.7R and 4.2.8R of the Disclosure and Transparency Rules, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of Warner Estate Holdings PLC are as stated in the Group's Annual Report for the year ended 31 March 2011.

The Chairman's Statement on pages 2 to 3 refers to important events which have taken place in the period.

The principal risks and uncertainties facing the business are as set out on page 9 of the Annual Report and Accounts.

Any material related party transactions which have taken place in the period are set out in note 17.

By the order of the Board

D J Lanchester

Secretary

30 November 2011

INDEPENDENT REVIEW REPORT TO WARNER ESTATE HOLDINGS PLC

Introduction

We have been engaged by the company to review the condensed Half Year Report and Accounts for the six months ended 30 September 2011, which comprises the Unaudited Consolidated Income Statement, the Unaudited Consolidated Statement of Comprehensive Income, the Unaudited Consolidated Statement of Financial Position, the Unaudited Consolidated Statement of Changes in Equity, the Unaudited Consolidated Cash Flow Statement and related notes. We have read the other information contained in the Half Year Report and Accounts and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Directors' responsibilities

The Half Year Report and Accounts is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Year Report and Accounts in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated interim financial statements included in this Half Year Report and Accounts have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the Half Year Report and Accounts based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the Half Year Report and Accounts for the six months ended 30 September 2011 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Emphasis of matter – going concern

In forming our conclusion on the condensed consolidated interim financial statements, which is not modified, we have considered the disclosures made in Note 1 to the condensed consolidated interim financial statements concerning the Group's ability to continue as a going concern.

These disclosures indicate that there is a material uncertainty as to whether an agreement can be reached with the Group's three lenders in relation to the maturity of the borrowing facilities on 31 December 2012, and the related exit fees and accrued interest due at that date. These conditions, along with other matters disclosed in Note 1, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. The condensed consolidated interim financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

PricewaterhouseCoopers LLP
Chartered Accountants
30 November 2011
London

Notes:

- (a) The maintenance and integrity of the Warner Estate Holdings PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.