

Date: 23 November 2016
 On behalf of: First Property Group plc ("First Property" or "the Group")
 Embargoed: 0700hrs

First Property Group plc Interim Results for the six months to 30 September 2016

First Property Group plc (AIM: FPO), the property fund manager and investor, today announces its interim results for the six months to 30 September 2016.

Highlights:

- Profit before tax of £4.47m in line with the prior year despite a significant reduction in one-off non-recurring items to £290,000 (2015: £1.58 million);
- Total assets under management up 43% to £405 million (2015: £283 million);
- Adjusted NAV per share up 20% to 45.86 pence per share (2015: 38.27 pence per share restated);
- Annualised fund management fee income at the period end, excluding performance fees, increased by 46% to some £1.9 million (2015: £1.3 million);
- Weighted average unexpired fund management contract term increased to 6.42 years (2015: 3.75 years);
- Interim dividend up 3.9% to 0.40 pence per share (2015: 0.385 pence per share).

Financial performance summary:

	Unaudited Six months to 30 September 2016	Unaudited Six months to 30 September 2015 Restated*	Percentage change	Audited Year to 31 March 2016
Income Statement:				
Statutory profit before tax	£4.47m	£4.46m	+0.2%	£7.35m
Non-recurring items	£0.29m	£1.58m	-81.6%	£1.76m
Diluted earnings per share	2.40p	2.89p	-17.0%	4.28p
Dividend per share	0.400p	0.385p	+3.9%	1.50p
Average €/£ rate used	1.217	1.386		1.363
Balance Sheet at period end:				
Net assets	£36.43m	£30.58m	+19.1%	£34.09m
Net assets per share	29.50p	25.86p	+14.1%	27.75p
Adjusted net assets	£54.43m	£45.40m	+19.9%	£51.03m
EPRA NNAV per share**	45.86p	38.27p	+19.8%	43.01p
Cash Balances	£14.12m	£14.20m	-0.6%	£8.98m
Period-end €/£ rate	1.156	1.357		1.261
Group Property Portfolio at period end:				
Group Properties at book value***	£144.3m	£125.9m	+14.6%	£134.5m
Group Properties at market value	£170.3m	£145.3m	+17.2%	£156.9m
Gross Debt secured against Group properties	£122.0m	£108.3m	+12.7%	£114.8m
LTV%	71.6%	74.5%		73.2%
Total assets under management:				
	£405m	£283m	+43.1%	£353m
Poland	48.6%	53.8%		51.5%
United Kingdom	46.6%	43.6%		43.8%
Romania	4.8%	2.6%		4.7%

- * 2015 restated in order to provide a like for like prior year comparison to the period just ended, in which a provision has been made for staff incentives pro-rated in line with the full year's charge.
- ** EPRA – European Public Real Estate Association providers of industry standards of NAV calculations.
- *** It is the Group's policy to hold assets at the lower of cost or value adjusted for prevailing FX rates.

Commenting on the results, Ben Habib, Chief Executive of First Property Group, said:

"I am very pleased by the continued good progress made by the Group.

"Assets under management have grown by 43% since the prior year and we have additional commitments which, once invested, will result in further growth.

"The quality of our earnings has continued to improve with very nearly all our profits being earned from activities of a recurring nature.

"The assets we own and manage are performing well, as are the economies in which we operate and we expect continued earnings growth.

"The contribution to earnings from Group Properties has increased substantially in recent years as a result of us taking advantage of opportunities for which we had no fund management mandates. Going forward, we expect the relative contribution from fund management to rise. The synergies between these two activities further balance the business.

"We are confident that our strong balance sheet, operational gearing and experienced team will continue to drive the Group's growth and look forward to taking advantage of the in-built opportunities available to us."

A briefing for analysts will be held at 10:30hrs today at the headquarters of First Property Group plc, 32 St James's Street, London, SW1A 1HD. Participants can also attend by telephone on +44 (20) 3043 2014 (pin 013555). A copy of the accompanying investor presentation can be accessed simultaneously at <http://www.fprop.com/plc-results/81/88/>. A recorded copy of the audio call will subsequently be posted on the company website, www.fprop.com.

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Notes to Investors and Editors:

First Property Group plc is an award winning property fund manager and investor with operations in the United Kingdom and Central Europe. Around one third of the shares in the Company are owned by management and their families.

Its focus is on higher yielding commercial property with sustainable cash flows. The company is flexible and takes an active approach to asset management. Its earnings are derived from:

- Fund management - via its FCA regulated and AIFMD approved subsidiary, First Property Asset Management Ltd (FPAM), which earns fees from investing for third parties in property. FPAM currently manages nine funds which are invested across the

United Kingdom, Poland and Romania. FPAM funds rank No.1 versus MSCI's Investment Property Databank (IPD) Central & Eastern Europe (CEE) universe for the ten years from the commencement of its operations in Poland in 2005 to 31 December 2015, and for the annualised periods from 2005 to the end of each of the years between 31 December 2008 and 31 December 2015.

- Group Properties - principal investments by the Group, to earn a return on its own capital, usually in partnership with third parties. Investments include eleven directly held properties in Poland and Romania (including five held by Fprop Opportunities plc [FOP], in which the Group is currently the majority shareholder), and interests in six other funds managed by FPAM.

Listed on AIM the Company has offices in London and Warsaw. Further information about the Company and its products can be found at: www.fprop.com.

CHIEF EXECUTIVE'S STATEMENT

Financial Results

I am pleased to report interim results for the six months ended 30 September 2016.

Revenue earned by the Group amounted to £11.12 million (2015: £10.95 million) yielding a profit before tax of £4.47 million (2015: £4.46 million restated). Profit before tax was maintained without any contribution from performance fees (2015: £864,000) or from development profits from Fprop PDR (2015: £163,000) and despite the discontinuation of the fund management contract with Universities Superannuation Scheme (USS) last year (2015: £301,000).

The main new sources of income which replaced this non-recurring income were:

- Foreign exchange gains – the Euro was on average some 12% stronger versus Sterling during the period at €1.217 (2015: €1.386). This resulted in Group profit before tax being £620,000 higher than if on a constant currency basis;
- Additional income from co-investments – our share of results in associates increased to £271,000 (2015: £65,000) mainly due to our co-investment in two new funds established in Poland and in Romania in the last financial year;
- Fund management fees of £253,000 from increased investment by the Shipbuilding Industries Pension Scheme (SIPS) and from the establishment of the two new funds referred to above; and
- A realised profit of £144,000 from the strategic sale of shares in Fprop Opportunities plc (FOP).

Diluted earnings per share were 2.40 pence (2015: 2.89 pence restated). The reduction was mainly due to a higher provision for deferred tax liabilities of £645,000 (2015: £73,000) resulting from the impact of foreign exchange movements and changes in accounting treatment under UK GAAP.

The Group ended the period with reported net assets of £36.43 million (2015: £30.58 million restated). It is the accounting policy of the Group to carry its properties and interests in associates at the lower of cost or market value. The net assets of the Group when adjusted to their market value less any deferred tax liabilities, stood at £54.43 million (2015: £45.40 million restated). The increase in net assets is attributable mainly to a stronger Euro versus Sterling at the period end.

Group cash balances stood at £14.12 million (2015: £14.20 million) at the period end. Of this £5.34 million (2015: £3.26 million) was held by FOP (74% owned by the Group) and £326,000 (2015: £461,000) was held by Corp Sp z o.o. (90% owned by the Group), the property management company for Blue Tower in Warsaw. Our cash reserves enable us to take advantage of opportunities as they arise as well as to co-invest in new funds established by FPAM.

Dividend

The Directors have resolved to increase the interim dividend by 3.9% to 0.40 pence per share (2015: 0.385 pence per share) which will be paid on 30 December 2016 to shareholders on the register at 2 December 2016, with an ex-dividend date of 1 December 2016.

Review of Operations:

PROPERTY FUND MANAGEMENT - (First Property Asset Management Ltd or FPAM)

As at 30 September 2016 aggregate assets under management, calculated by reference to independent third party property valuations, stood at £405 million (2015: £283 million), including some £170.3 million (2015: £145.3 million) of properties held by the Group and FOP. Of these 48.6% were located in Poland, 46.6% in the UK and 4.8% in Romania.

Fund management fees are levied monthly by FPAM by reference to the value of properties under management.

The reconciliation of movement in funds under management during the period is shown below:

	Funds managed for third parties (including funds in which the Group is a minority shareholder)				Group Properties (including FOP)		Totals	
	UK £m.	CEE £m.	Total £m.	No. of prop's	All CEE £m.	No. of prop's	AUM £m.	No. of prop's
As at 1 April 2016	154.7	41.5	196.2	50	156.9	11	353.1	61
Purchases	37.7	-	37.7	6	-	-	37.7	6
Sales	-	-	-	-	-	-	-	-
Property Depreciation	-	-	-	-	(0.8)	-	(0.8)	-
Property Revaluation	(4.0)	0.7	(3.3)	-	(0.1)	-	(3.4)	-
FX Revaluation	-	3.9	3.9	-	14.3	-	18.2	-
As at 30 Sept 2016	188.4	46.1	234.5	56	170.3	11	404.8	67

Revenue earned by this division amounted to £918,000 (2015: £1.85 million), resulting in a profit before unallocated central overheads and tax of £273,000 (2015: £1.19 million) and representing 4.5% (2015: 18.5%) of Group profit before unallocated central overheads and tax.

The decline in revenue, in spite of the increase in assets under management, was due to the absence of performance fees (2015: £864,000) and the expiry last year of FPAM's fund management contract with USS (2015: £301,000).

FPAM now manages nine (2015: eight) closed-end funds. A brief synopsis of the value of assets and maturity of each of these vehicles is set out below:

Fund	Country of investment	Fund expiry	Assets under management at market value at 30 September 2016	% of total assets under management	Assets under management at market value at 30 September 2015
SAM Property Company Ltd (SAM)	UK	Rolling	*	*	*
Regional Property Trading Ltd (RPT)	Poland	Aug 2020	£7.0m	1.7%	£6.3m
5 th Property Trading Ltd (5PT)	Poland	Dec 2022	£8.5m	2.1%	£7.8m
UK Pension Property Portfolio LP (UK PPP)	UK	Feb 2017	£93.1m	23%	£95.1m
Fprop PDR LP	UK	May 2018	Nil (commitment of £42m)	-	Nil
SIPS Property Nominee Ltd (SIPS)	UK	Jan 2025	£95.3m (commitment of £170m)	23.6%	£28.0m
Fprop Romanian Supermarkets Ltd (FRS)	Romania	Jan 2026	£10.2m	2.5%	-
Fprop Galeria Corso Ltd (FGC)	Poland	Jan 2026	£20.4m	5.0%	-
Sub Total			£234.5 m	57.9%	£137.2m
Fprop Opportunities plc (FOP)	Poland	Oct 2020	£67.0m	16.6%	£55.5m
Group Properties	Poland & Romania	n/a	£103.3m	25.5%	£89.8m
Sub Total			£170.3m	42.1%	£145.3m
Total			£404.8m	100%	£282.5m

* Not subject to recent revaluation

We have made good progress in investing the SIPS fund, awarded to us in January 2015. At 30 September the value of the properties acquired by it stood at £95.3 million. We have since completed the purchase of a further £14.6 million of commercial property on its behalf, and have a further £47.1 million of property under offer. In October 2016 SIPS increased its minimum commitment to the fund from £125 million to £170 million. We expect this fund to be fully invested before the financial year-end.

At the period end FPAM's fund management fee income, excluding performance fees, was being earned at an annualised rate of £1.9 million (2015: £1.3 million), a year on year increase of 46%. We expect this rate to increase as we continue to invest on behalf of SIPS and as we win new contracts. FPAM's weighted average unexpired fund management contract term increased to 6.42 years (2015: 3.75 years).

GROUP PROPERTIES

Group Properties comprises eleven commercial properties in Poland and Romania, including five held by FOP (in which the Group is currently the majority shareholder), and non-controlling interests in six of the nine funds managed by FPAM, as set out in the tables below. New investments by Group Properties are expected to be non-controlling interests.

It is the Group's policy to carry its properties and interests in associates at the lower of cost or market value for accounting purposes, and to recognise dividends when received.

1. Properties held at 30 September 2016:

Country	No. of properties	Book value	Market value	Contribution to Group profit before tax period to 30 September 2016	Contribution to Group profit before tax period to 30 September 2015
Poland	3	£79.6m	£94.0m	£3.15m	£2.79m
Romania	3	£6.0m	£9.3m	£0.58m	£0.45m
FOP (All in Poland)	5	£58.7m	£67.0m	£1.92m	£1.72m
Total	11	£144.3m	£170.3m	£5.65m	£4.96m

2. Non-controlling interests in funds and joint ventures managed by FPAM at 30 September 2016:

Fund	% owned by First Property Group	Book value of First Property's share in fund	Current market value of holdings	Group's share of pre-tax profits earned by fund 30 September 2016	Group's share of pre-tax profits earned by fund 30 September 2015
Interest in associates					
5PT	37.8%	£560,000	£1,012,000	£61,000	£59,000
RPT	28.6%	£185,000	£220,000	£26,000	£6,000
FRS	24.1%	£766,000	£764,000	£83,000	-
FGC	28.2%	£1,587,000	£1,661,000	£101,000	-
Sub Total		£3,098,000	£3,657,000	£271,000	£65,000
Investments					
UK PPP	0.9%	£905,000	£905,000	£18,000	£29,000
Fprop PDR LP	5%	£13,000	£13,000	-	£163,000
Sub Total		£918,000	£918,000	£18,000	£192,000
Total		£4,016,000	£4,575,000	£289,000	£257,000

Revenue from Group Properties amounted to £10.20 million (2015: £9.10 million), generating a profit before unallocated central overheads and tax of £5.84 million (2015: £5.22 million) and representing 95.5% (2015: 81.5%) of Group profit before unallocated central overheads and tax.

The contribution to Group earnings by the Group's eleven properties, but excluding its non-controlling interests in funds managed by FPAM, is detailed below:

	Six months to 30 Sep 2016 €m.	Six months to 30 Sep 2015 €m.
Net operating income (NOI)	9.66	9.69
Interest expense on bank loans / finance leases	(1.67)	(1.92)
NOI after interest expense	7.99	7.77
Current tax	(0.61)	(0.53)
Debt amortisation	(3.60)	(3.47)
Capital expenditure	(0.46)	(1.38)
Free cash	3.32	2.39
Market value of properties	€196.87	€197.16
Average yield on market value	9.8%	9.8%
Bank loans/ finance leases outstanding	€141.00	€146.96
Loan to value (LTV)	71.6%	74.5%
Weighted average unexpired lease term (WAULT)	3.73yrs	4.39yrs
Vacancy rate	1.8%	4.0%

The loans secured against these eleven properties are each held in separate non-recourse special purpose vehicles.

In order to mitigate potential interest rate rises we have fixed the interest rate on a proportion of the loans. A one percentage point increase from current market interest rates would increase the annual interest bill by £602,000 per annum. The current weighted average borrowing cost is 2.59% (2015: 2.87%) per annum.

The income return from our four associate shareholdings in funds managed by FPAM contributed £271,000 (2015: £65,000) to Group profit before tax prior to the deduction of unallocated central overheads, representing 4.6% of the contribution by Group Properties. This represents a net increase of £206,000 from the same period last year and is primarily a result of the new investments in Fprop Romanian Supermarkets Ltd and Fprop Galeria Corso Ltd, both made in the second half of the last financial year.

Now that FOP is fully invested and generating the kind of returns we had hoped of it at its establishment in 2010, the Group has begun to sell some of its shareholding. During the period it sold £370,000 of shares and loan notes, resulting in a profit of £144,000. It is the Group's long term aim to continue to reduce its interest in FOP until it ceases to be consolidated in the Group's results, following which the Group will recognise only its share of FOP's profits and FPAM will recognise fund management fees earned from it.

Commercial Property Markets Outlook

Poland:

GDP growth in Poland continues to exceed that of most other EU nations, and is forecast to be 3.7% in 2016 and 3.6% in 2017. Inflation has been negative since the second half of 2014 but is expected to turn positive in the next few months. Government debt remains low by international standards at some 54% of GDP. There are concerns that economic growth may slow in due course due to the populist policies of the new government (elected Oct-2015) but the government is showing pragmatism by implementing its policies on generally milder terms than first proposed.

Rent levels for office property in Warsaw and other main cities have generally softened over the past couple of years, as the pace of new development has increased. Capital values for prime property have increased but for good secondary property, of the sort we favour, values remain largely unchanged from their credit crunch lows, yielding around one third more than equivalent property in Western Europe.

Investment demand from international investors remains high and transaction volumes in 2016 are expected to exceed the €4 billion recorded in 2015, which was the second highest year on record in Poland and the highest since the onset of the credit crunch.

Government plans to introduce REIT legislation in Poland should lead to increased domestic demand for commercial property in due course.

Romania:

The economic backdrop in Romania is favourable for property investment. Growth in GDP is expected to top 4% this year.

Occupier demand as well as investor demand for commercial property is picking up albeit from a relatively low level.

Meanwhile bank lending margins, which started the year at more than twice those available in Poland, are beginning to reduce, which should boost investment demand for commercial property.

United Kingdom:

Economic growth in the UK following the Referendum has been much stronger than very nearly all economists and the Bank of England predicted. The UK remains on track to finish 2016 as the fastest growing G7 nation (with GDP growth of around 2%).

Growth in GDP is expected to slow in 2017 but the forecast rate is still a respectable 1.5% and is likely to exceed expectations again.

Commercial property values fell in the wake of the Referendum, in particular for properties with shorter leases, or requiring asset management. Prime properties with longer leases were less affected, apart from in Scotland, due to heightened fears of a second referendum on Scottish independence.

It is our view that values will recover. The occupier market remains robust and the Bank of England's decision in August to cut the base rate from 0.5% to 0.25% and institute a further round of QE will provide substantial support.

Current Trading and Prospects

I am very pleased by the continued good progress made by the Group.

Assets under management have grown by 43% since the prior year and we have additional commitments which, once invested, will result in further growth.

The quality of our earnings has continued to improve with very nearly all our profits being earned from activities of a recurring nature.

The assets we own and manage are performing well, as are the economies in which we operate and we expect continued earnings growth.

The contribution to earnings from Group Properties has increased substantially in recent years as a result of our taking advantage of opportunities for which we had no fund management mandates. Going forward, we expect the relative contribution from fund management to rise. The synergies between these two activities further balance the business.

We are confident that our strong balance sheet, operational gearing and experienced team will continue to drive the Group's growth and look forward to taking advantage of the in-built opportunities available to us.

Ben Habib
Chief Executive
23 November 2016

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months to 30 September 2016

	Notes	Six months to 30 Sept 2016 (unaudited)	Six months to 30 Sept 2015 (unaudited) Restated	Year to 31 March 2016 (audited)
		Total results	Total results	Total results
		£'000	£'000	£'000
Revenue	2	11,121	10,947	21,955
Cost of sales		(1,893)	(1,773)	(4,255)
Gross profit		9,228	9,174	17,700
Reversal of impairment loss to investment properties		142	556	462
Operating expenses		(3,897)	(4,080)	(8,404)
Operating profit	2	5,473	5,650	9,758
Profit on sale of subsidiary investment		144	-	-
Share of results in associates		271	65	170
Distribution income		18	192	223
Interest income	3	81	69	126
Interest expense	3	(1,514)	(1,518)	(2,931)
Profit before tax	2	4,473	4,458	7,346
Tax charge	4	(1,220)	(661)	(1,687)
Profit for the period		3,253	3,797	5,659
Attributable to:				
Owners of the parent		2,849	3,417	5,008
Non-controlling interest		404	380	651
		3,253	3,797	5,659
Earnings per Ordinary 1p share				
-basic	5	2.46p	2.99p	4.37p
-diluted	5	2.40p	2.89p	4.28p

**CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
for the six months to 30 September 2016**

	Notes	Six months to 30 Sept 2016 unaudited	Six months to 30 Sept 2015 unaudited	Year to 31 March 2016 audited
		£'000	£'000	£'000
Profit for the period		3,253	3,797	5,659
Other comprehensive income				
Exchange difference on retranslation of foreign subsidiaries		286	(3,161)	(1,346)
Revaluation of available-for-sale financial assets		-	13	11
Taxation		-	-	-
Total comprehensive income for the period		3,539	649	4,324
Total comprehensive income for the period:				
Owners of the parent		3,321	659	3,486
Non-controlling interest		218	(10)	838
		3,539	649	4,324

CONDENSED CONSOLIDATED BALANCE SHEET as at 30 September 2016

	Notes	As at 30 Sept 2016 (unaudited) £'000	As at 30 Sept 2015 (unaudited) Restated £'000	As at 31 March 2016 (audited) £'000
Non-current assets				
Goodwill		153	153	153
Investment properties	6	129,333	112,956	120,718
Property, plant and equipment		181	162	186
Interest in associates	7a	3,098	675	3,044
Other financial assets	7b	918	916	914
Other receivables	8	139	228	186
Deferred tax assets		3,430	4,100	3,016
Total non-current assets		137,252	119,190	128,217
Current assets				
Inventories – land and buildings		14,998	12,958	13,894
Current tax assets		123	52	56
Trade and other receivables	8	5,307	5,378	10,128
Cash and cash equivalents		14,115	14,202	8,975
Total current assets		34,543	32,590	33,053
Current liabilities				
Trade and other payables	9	(7,685)	(7,869)	(7,938)
Financial liabilities	10a	(8,383)	(6,101)	(7,668)
Current tax liabilities		(187)	(162)	(200)
Total current liabilities		(16,255)	(14,132)	(15,806)
Net current assets		18,288	18,458	17,247
Total assets less current liabilities		155,540	137,648	145,464
Non-current liabilities				
Financial liabilities	10b	(115,519)	(104,061)	(108,992)
Deferred tax liabilities		(3,593)	(3,003)	(2,382)
Net assets		36,428	30,584	34,090
Equity				
Called up share capital		1,166	1,149	1,166
Share premium		5,777	5,508	5,773
Foreign Exchange Translation Reserve		(1,679)	(3,389)	(2,151)
Investment revaluation reserve		(38)	(36)	(38)
Share-based payment reserve		203	218	203
Retained earnings		28,789	26,076	27,231
Equity attributable to the owners of the parent		34,218	29,526	32,184
Non-controlling interest		2,210	1,058	1,906
Total equity		36,428	30,584	34,090
Net assets per share	5	29.50p	25.86p	27.75p

**CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
for the six months to 30 September 2016**

	Share capital	Share premium	Share Based Payment Reserve	Foreign Exchange Translation Reserve	Purchase/Sale of own Shares	Investment Revaluation Reserve	Retained Earnings Restated	Non-controlling Interest	TOTAL Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
At 1 April 2015	1,149	5,505	203	(618)	(173)	(49)	23,908	1,094	31,019
Profit for the period	-	-	-	-	-	-	3,797	-	3,797
Fair value (or revaluation) gains on available-for-sale assets	-	-	-	-	-	13	-	-	13
Movement on foreign exchange	-	-	-	(2,771)	-	-	-	(390)	(3,161)
Share based payments	-	-	15	-	-	-	-	-	15
New shares issued	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	(380)	380	-
Sale of treasury shares	-	3	-	-	66	-	-	-	69
Dividends paid	-	-	-	-	-	-	(1,142)	(26)	(1,168)
At 30 Sept 2015	1,149	5,508	218	(3,389)	(107)	(36)	26,183	1,058	30,584
Profit for the period	-	-	-	-	-	-	1,862	-	1,862
Fair value (or revaluation) gains on available-for-sale assets	-	-	-	-	-	(2)	-	-	(2)
Movement on foreign exchange	-	-	-	1,238	-	-	-	577	1,815
Share based payments	-	-	(15)	-	-	-	-	-	(15)
New shares issued	17	258	-	-	-	-	-	-	275
Non-controlling interest	-	-	-	-	-	-	(271)	271	-
Sale of treasury Shares	-	7	-	-	4	-	-	-	11
Dividends paid	-	-	-	-	-	-	(440)	-	(440)
At 1 April 2016	1,166	5,773	203	(2,151)	(103)	(38)	27,334	1,906	34,090
Profit for the period	-	-	-	-	-	-	3,253	-	3,253
Change in proportion held by non controlling interest	-	-	-	-	-	-	-	100	100
Movement on foreign exchange	-	-	-	472	-	-	-	(186)	286
Share based payments	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	(404)	404	-
Sale of treasury shares	-	4	-	-	2	-	-	-	6
Dividends paid	-	-	-	-	-	-	(1,293)	(14)	(1,307)
At 30 Sept 2016	1,166	5,777	203	(1,679)	(101)	(38)	28,890	2,210	36,428

CONDENSED CONSOLIDATED CASH FLOW STATEMENT for the six months to 30 September 2016

Notes	Six months to 30 Sept 2016 (unaudited) £'000	Six months to 30 Sept 2015 (unaudited) Restated £'000	Year to 31 March 2016 (audited) £'000
Cash flows from operating activities			
	5,473	5,650	9,758
Operating profit			
Adjustments for:			
	976	815	1,704
Depreciation of investment property, and property, plant & equipment			
Reversal of impairment loss to investment properties	6 (142)	(556)	(462)
Share based payments	-	15	-
(Increase)/decrease in inventories	(135)	(141)	(291)
(Increase)/decrease in trade and other receivables	(122)	307	903
Increase/(decrease) in trade and other payables	(364)	241	(356)
Other non-cash adjustments	40	43	460
Cash generated from operations	5,726	6,374	11,716
Income taxes paid	(667)	(357)	(922)
Net cash flow from operating activities	5,059	6,017	10,794
Cash flow from investing activities			
Capital expenditure on investment properties	(176)	(1,009)	(1,216)
Proceeds from partial disposal of available-for-sale assets	153	627	628
Purchase of property, plant and equipment	(16)	(125)	(197)
Consideration from the sale of FOP shares	244	-	-
Investment in shares of new associates	-	-	(2,293)
Dividends from associates	7a 64	62	90
Distributions received	18	192	223
Interest received	3 81	69	126
Net cash flow from /(used in) investing activities	368	(184)	(2,639)
Cash flow from financing activities			
Net repayment of shareholder loans in subsidiaries	(75)	(48)	(95)
Interest paid	3 (1,455)	(1,462)	(2,825)
Proceeds from bank loan	-	7,813	8,993
Repayment of finance leases/bank loans	(2,958)	(9,015)	(11,787)
Short term loan to an associate	5,083	-	(4,729)
Sale of shares held in Treasury	6	69	80
Proceeds from the issue of share capital	-	-	275
Dividends paid	(1,293)	(1,142)	(1,582)
Dividends paid to non-controlling interest	(14)	(26)	(26)
Net cash flow (used in) financing activities of continuing operations	(706)	(3,811)	(11,696)
Net increase/(decrease) in cash and cash equivalents	4,721	2,022	(3,541)
Cash and cash equivalents at the beginning of period	8,975	12,240	12,240
Currency translation gains/(losses) on cash and cash equivalents	419	(60)	276
Cash and cash equivalents at the end of the period	14,115	14,202	8,975

NOTES TO THE CONDENSED CONSOLIDATED RESULTS

for the six months ended 30 September 2016

1. Basis of Preparation

- These interim condensed consolidated financial statements for the six months ended 30 September 2016 have not been audited or reviewed and do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. They have been prepared in accordance with the Group's accounting policies as set out in the Group's latest annual financial statements for the year ended 31 March 2016 and are in compliance with IAS 34 "Interim Financial Reporting". These accounting policies are drawn up in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted by the European Union (EU).
- The comparative figures for the half year ended 30 September 2015 have been restated from those previously reported. The restated figures include one adjustment for £1,471,000 being an accrual for staff incentives pro-rated in line with the full year's charge. There has been no re-statement for the comparative figure for the full year ended 31 March 2016. See note 5 for a reconciliation of the restated earnings and net assets.
- The comparative figures for the financial year ended 31 March 2016 are not the statutory accounts for the financial year but are abridged from those accounts prepared under IFRS which have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include references to any matter to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.
- These interim financial statements were approved by a committee of the Board on 22 November 2016.

2. Segmental Analysis

Segment reporting six months to 30 September 2016

The parent holding company costs and related listing costs are shown separately under unallocated central costs.

	Property fund management	Group properties	Group fund properties ("FOP")	Unallocated central overheads	TOTAL
	£'000	£'000	£000	£'000	£'000
Total Revenue	918	6,800	3,403	-	11,121
Depreciation and amortisation	(17)	(864)	(95)	-	(976)
Operating profit					
Existing operations	273	4,422	2,427	(1,649)	5,473
Profit on sale of subsidiary investment	-	144	-	-	144
Share of results in associates	-	271	-	-	271
Distribution income	-	18	-	-	18
Interest income	-	51	20	10	81
Interest expense	-	(719)	(795)	-	(1,514)
Profit/(loss) before tax	273	4,187	1,652	(1,639)	4,473
Analysed as:					
Before performance fees and related items:					
	273	5,235	1,576	(445)	6,639
Performance fees	-	-	-	-	-
Reversal of impairment loss to investment properties	-	-	142	-	142
Depreciation	-	(812)	-	-	(812)
Staff incentives	-	-	-	(1,113)	(1,113)
Realised foreign currency loss	-	(236)	(66)	(81)	(383)
Profit/(loss) before tax	273	4,187	1,652	(1,639)	4,473

Revenue for the six months to 30 September 2016 from continuing operations consists of revenue arising in the United Kingdom 6% (2015: 14%) and Central and Eastern Europe 94% (2015: 86%) and all relates solely to the Group's principal activities.

Segment reporting six months to 30 September 2015 as restated

	Property fund management	Group properties	Group fund properties ("FOP")	Unallocated central overheads	TOTAL As restated
	£'000	£'000	£000	£'000	£'000
Total Revenue	1,845	6,099	3,003	-	10,947
Depreciation and amortisation	(13)	(747)	(55)	-	(815)
Operating profit					
Existing operations	1,188	3,952	2,471	(1,961)	5,650
Share of results in associates	-	65	-	-	65
Distribution income	-	192	-	-	192
Interest income	-	14	45	10	69
Interest expense	-	(721)	(797)	-	(1,518)
Profit/(loss) before tax	1,188	3,502	1,719	(1,951)	4,458
Analysed as:					
Before performance fees and related items:	324	4,324	1,242	(480)	5,410
Performance fees	864	-	-	-	864
Reversal of impairment loss to investment properties	-	-	556	-	556
Depreciation	-	(717)	-	-	(717)
Staff incentives as restated	-	-	-	(1,471)	(1,471)
Realised foreign currency loss	-	(105)	(79)	-	(184)
Profit/(loss) before tax	1,188	3,502	1,719	(1,951)	4,458

Segment reporting year to 31 March 2016

	Property fund management	Group properties	Group fund properties ("FOP")	Unallocated central overheads	TOTAL
	£'000	£'000	£'000	£'000	£'000
Total revenue	2,895	12,894	6,166	-	21,955
Depreciation and amortisation	(31)	(1,535)	(138)	-	(1,704)
Operating profit	1,384	7,316	3,962	(2,904)	9,758
Share of results in associates	-	170	-	-	170
Distribution income	-	223	-	-	223
Interest income	-	101	5	20	126
Interest expense	-	(1,424)	(1,507)	-	(2,931)
Profit/(loss) before tax	1,384	6,386	2,460	(2,884)	7,346
Analysed as:					
Before performance fees and related items	783	8,268	2,321	(899)	10,473
Performance fees	1,131	-	-	-	1,131
Reversal of impairment loss to investment properties	-	-	462	-	462
Depreciation	-	(1,450)	-	-	(1,450)
Provision	(49)	(17)	(17)	(663)	(746)
Staff incentives	(481)	(169)	(164)	(1,610)	(2,424)
Realised foreign currency gain/(loss)	-	(246)	(142)	288	(100)
Profit/(loss) before tax	1,384	6,386	2,460	(2,884)	7,346
Assets - Group	497	88,670	62,283	6,776	158,226
Share of net assets of associates	-	3,352	-	(308)	3,044
Liabilities	(249)	(76,454)	(48,132)	(2,345)	(127,180)
Net Assets	248	15,568	14,151	4,123	34,090

Assets, liabilities and costs that relate to Group central activities (including free cash) have not been allocated to business segments.

3. Interest income/(expense)

	Sept 2016	Sept 2015	March 2016
	£'000	£'000	£'000
Interest income – bank deposits	18	18	36
Interest income – other	63	51	90
Total interest income	81	69	126

	Sept 2016	Sept 2015	March 2016
	£'000	£'000	£'000
Interest expense – property loans	(1,141)	(1,153)	(2,254)
Interest expense – bank and other	(59)	(51)	(106)
Finance charges on finance leases	(314)	(314)	(571)
Total interest expense	(1,514)	(1,518)	(2,931)

4. Tax Expense

The tax charge is based on a combination of actual current and deferred tax charged at an effective rate that is expected to apply to the profits for the full year.

	Sept 2016	Sept 2015	March 2016
	£'000	£'000	£'000
Current tax	(575)	(588)	(1,203)
Deferred tax	(645)	(73)	(484)
Total	(1,220)	(661)	(1,687)

5. Earnings/NAV per share

The basic earnings per ordinary share is calculated on the profit on ordinary activities after taxation and after non-controlling interests on the weighted average number of ordinary shares in issue, during the period.

Figures in the table below have been used in the calculations.

	Six months ended 30 Sept 2016	Six months ended 30 Sept 2015 Restated	Year ended 31 March 2016
Basic - pence per Share	2.46p	2.99p	4.37p
Diluted - pence per Share	2.40p	2.89p	4.28p

		Number	Number
Weighted average number of ordinary shares in issue for basic	115,967,888	114,177,240	114,543,523
Share options	2,700,000	4,450,000	2,700,000
Total for diluted	118,667,888	118,627,240	117,243,523

	£'000	£'000	£'000
Basic earnings as previously reported	2,849	4,888	5,008
Restatement for staff incentive	-	(1,471)	-
Basic earnings as restated	2,849	3,417	5,008
Adjustment for dilution	4	7	8
Diluted earnings assuming full dilution	2,853	3,424	5,016

	Six months ended 30 Sept 2016	Six months ended 30 Sept 2015 Restated	Year ended 31 March 2016
Net assets per share	29.50p	25.86p	27.75p
Adjusted net assets per share	45.86p	38.27p	43.01p

The following numbers have been used to calculate both the net assets and adjusted net assets per share.

	Number	Number	Number
Number of shares in issue at period end	115,980,040	114,192,541	115,967,111
	£'000	£'000	£'000
		Restated	
Net assets excluding non- controlling interest	34,218	29,526	32,184

Adjusted net assets per share	Number	Number	Number
Number of shares in issue at period end	115,980,040	114,192,541	115,967,111
Number of share options assumed to be exercised	2,700,000	4,450,000	2,700,000
Total	118,680,040	118,642,541	118,667,111

Adjusted net assets per share	£'000	£'000	£'000
Net assets excluding non-controlling interest	34,218	30,997	32,184
Restatement of net assets	-	(1,471)	-
Adjustments for market value of assets less deferred tax	19,359	14,814	18,133
Other adjustments	850	1,059	716
Total	54,427	45,399	51,033

6. Investment Properties

	Six months ended 30 Sept 2016	Six months ended 30 Sept 2015	Year ended 31 March 2016
	£'000	£'000	£'000
1 April	120,718	114,262	114,262
Capital expenditure	176	1,009	1,216
Depreciation	(947)	(786)	(1,654)
Fair value adjustment	142	556	462
Foreign exchange translation	9,244	(2,085)	6,432
End of period	129,333	112,956	120,718

7. Interest in Associates and Other Financial Assets

	Six months ended 30 Sept 2016	Six months ended 30 Sept 2015	Year ended 31 March 2016
	£'000	£'000	£'000
a) Associated undertakings			
Cost of investment at beginning of period	3,044	671	671
Additions	-	-	2,293
Disposals	(153)	-	-
Share of associates profit after tax	271	66	170
Dividends received	(64)	(62)	(90)
Cost of investment at end of period	3,098	675	3,044
Investments in associated undertakings			
5 th Property Trading Ltd	868	838	871
Regional Property Trading Ltd	185	145	159
Fprop Romanian Supermarkets Ltd	766	-	737
Fprop Galeria Corso Ltd	1,587	-	1,585
	3,406	983	3,352
Less: Group share of profit after tax withheld on sale of property to an associate in 2007	(308)	(308)	(308)
Cost of investment at end of period	3,098	675	3,044
b) Other financial assets and investments			
Cost of investment at beginning of period	914	1,531	1,531
Additions	4	-	-
Disposal	-	(627)	(628)
Net increase in fair value	-	12	11
Cost of investment at end of period	918	916	914

8. Trade and Other Receivables

	Six months ended 30 Sept 2016	Six months ended 30 Sept 2015	Year ended 31 March 2016
	£'000	£'000	£'000
Current assets			
Trade receivables	1,758	1,756	1,684
Other receivables	3,159	2,971	7,554
Prepayments and accrued income	390	651	890
	5,307	5,378	10,128
Non-current assets			
	139	228	186

9. Trade and Other Payables

	Six months ended 30 Sept 2016 £'000	Six months ended 30 Sept 2015 £'000	Year ended 31 March 2016 £'000
Trade payables	2,787	2,144	2,189
Other taxation and social security	673	1,336	575
Other payables and accruals	4,214	4,378	5,163
Deferred income	11	11	11
	7,685	7,869	7,938

10. Financial Liabilities

	Six months ended 30 Sept 2016 £'000	Six months ended 30 Sept 2015 £'000	Year ended 31 March 2016 £'000
a) Current liabilities			
Loans repayable by subsidiary (FOP) to third party shareholders	1,918	-	1,841
Bank loans	3,340	3,426	3,014
Finance leases	3,125	2,675	2,813
	8,383	6,101	7,668
b) Non-current liabilities			
Loans repayable by subsidiary (FOP) to third party shareholders	-	1,888	-
Bank loans	66,022	57,413	62,038
Finance leases	49,497	44,760	46,954
	115,519	104,061	108,992
c) Total obligations under financial liabilities			
Repayable within one year	8,383	6,101	7,668
Repayable within one and five years	99,041	67,584	93,150
Repayable after five years	16,478	36,477	15,842
	123,902	110,162	116,660

Loans repayable by Fprop Opportunities plc (FOP) to third party shareholders are unsecured and repayable on demand.

Eight bank loans and three finance leases (all denominated in Euros) totalling £121,984,000 (31 March 2016: £114,819,000) included within financial liabilities are secured against investment properties owned by the Group and Fprop Opportunities plc (FOP), and one property owned by the Group shown under inventories. These bank loans and finance leases are otherwise non-recourse to the Group's assets.

The interim results are being circulated to all shareholders and can be downloaded from the company's web site (www.fprop.com). Further copies can be obtained from the registered office at 32 St James's Street, London SW1A 1HD.