

Date: 23 November 2017  
 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 2017**

First Property Group plc (AIM: FPO), the award winning property fund manager and investor with operations in the United Kingdom and Central Europe, today announces its interim results for the six months to 30 September 2017.

**Financial Highlights:**

- Profit before tax up 11% to £4.98 million (2016: £4.47 million);
- Contribution to profit by Group Properties was £6.08 million (2016: £5.84 million) prior to deduction of unallocated central overheads and tax;
- Fund management fee revenue up 63% to £1.49 million (2016: £0.92 million);
- Cash reduced to £10.00 million (2016: £14.12 million) due to investments and capital expenditure of £5.14 million;
- Interim dividend up 5% to 0.42 pence per share (2016: 0.40 pence per share);
- Adjusted NAV per share up 12% to 51.25 pence per share (2016: 45.86 pence per share);
- Growth in adjusted NAV, together with dividends paid, since 2006 has equated to 26% per annum on an annualised basis.

**Operational Highlights:**

- Total assets under management up 37% to £554 million (2016: £405 million);
- Third party assets under management up 63% to £382 million (2016: £235 million);
- Weighted average unexpired fund management contract term: 6.08 years (2016: 6.42 years);
- New fund management contract, Fprop Offices LP: £182 million in equity (of which £51 million has been invested so far) to be invested in office properties in England.

**Financial Summary:**

|                                                | <b>Unaudited<br/>Six months to<br/>30 Sept 2017</b> | Unaudited<br>Six months to<br>30 Sept 2016 | Percentage<br>change | Audited<br>Year to<br>31 March 2017 |
|------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------|-------------------------------------|
| <b>Income Statement:</b>                       |                                                     |                                            |                      |                                     |
| Revenue                                        | <b>£12.09m</b>                                      | £11.12m                                    | +8.7%                | £23.66m                             |
| Statutory profit before tax                    | <b>£4.98m</b>                                       | £4.47m                                     | +11.4%               | £9.14m                              |
| Diluted earnings per share                     | <b>2.84p</b>                                        | 2.40p                                      | +18.3%               | 6.61p                               |
| Dividend per share                             | <b>0.42p</b>                                        | 0.40p                                      | +5.0%                | 1.55p                               |
| Average £/€ rate                               | <b>0.881</b>                                        | 0.822                                      | +7.2%                | 0.841                               |
| <b>Balance Sheet at period end:</b>            |                                                     |                                            |                      |                                     |
| Net assets per share                           | <b>35.68p</b>                                       | 29.50p                                     | +21.0%               | 34.84p                              |
| Adjusted net assets per share (EPRA basis)     | <b>51.25p</b>                                       | 45.86p                                     | +11.8%               | 47.64p                              |
| Cash Balances                                  | <b>£10.00m</b>                                      | £14.12m                                    | -29.2%               | £15.95m                             |
| Period end £/€ rate                            | <b>0.881</b>                                        | 0.865                                      | +1.8%                | 0.855                               |
| <b>Group Property portfolio at period end:</b> |                                                     |                                            |                      |                                     |
| Group Properties at book value                 | <b>£146.3m</b>                                      | £144.3m                                    | +1.4%                | £143.5m                             |
| Group Properties at market value               | <b>£171.9m</b>                                      | £170.3m                                    | +0.9%                | £164.5m                             |
| Gross Debt (non-recourse to the Group)         | <b>£117.8m</b>                                      | £122.0m                                    | -3.4%                | £117.5m                             |
| LTV%                                           | <b>68.6%</b>                                        | 71.6%                                      |                      | 71.5%                               |
| <b>Total assets under management:</b>          | <b>£554m</b>                                        | £405m                                      | +36.8%               | £477m                               |
| Poland                                         | <b>40.8%</b>                                        | 48.6%                                      |                      | 45.4%                               |
| United Kingdom                                 | <b>57.0%</b>                                        | 46.6%                                      |                      | 51.4%                               |
| Romania                                        | <b>2.2%</b>                                         | 4.8%                                       |                      | 3.2%                                |

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

*"This has been another excellent six months for First Property.*

*"All our funds under management and the properties we own are performing well and third party assets under management have increased by 63% since last year.*

*"Our prospects are excellent, underpinned by our bedrock of recurring income streams and the opportunities open to us in the various markets in which we operate.*

*"We look forward to delivering continued growth and increasing levels of profitability for our clients and shareholders."*

**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 +44 330 336 9104, passcode 787807. A copy of the accompanying investor presentation can be accessed simultaneously at <http://www.fprop.com/media-news/presentations/>. An audio recording of the call will subsequently be posted on the company website, [www.fprop.com/audio/](http://www.fprop.com/audio/).**

**For further information please contact:**

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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 twelve funds which are invested across the United Kingdom, Poland and Romania.
- Group Properties - principal investments by the Group, to earn a return on its own capital, usually in partnership with third parties. Investments include ten 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 non-controlling interests in nine other funds managed by FPAM.

Listed on AIM the Company has offices in London, Warsaw and Bucharest. Further information about the Company and its products can be found at: [www.fprop.com](http://www.fprop.com).

**CHIEF EXECUTIVE'S STATEMENT**

**Performance:**

I am pleased to report interim results for the six months ended 30 September 2017.

Revenue earned by the Group amounted to £12.09 million (2016: £11.12 million) yielding a profit before tax of £4.98 million (2016: £4.47 million). Diluted earnings per share were 2.84 pence (2016: 2.40 pence).

The Euro was on average 7.2% stronger versus Sterling during the period at an average rate of £0.881 (2016: £0.822). This resulted in Group profit before tax being £392,000 higher than it would have been on a constant currency basis.

The Group ended the period with reported net assets of £44.91 million (2016: £36.43 million). 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 £60.84 million (2016: £54.43 million). The growth in adjusted net assets, together with dividends paid, since 2006 has equated to 26% per annum on an annualised basis.

Group cash balances stood at £10.00 million (2016: £14.12 million) at the period end. The reduction in cash balances was primarily attributable to investments of £3.48 million and capital expenditure of £1.66 million. Of the cash held, £2.83 million (2016: £5.34 million) was held by FOP (67.3% owned by the Group) and £750,000 was held by Corp Sp. z o.o. (90% owned by the Group), the property management company for Blue Tower in Warsaw.

**Dividend:**

The Directors have resolved to increase the interim dividend by 5% to 0.42 pence per share (2016: 0.40 pence per share) which will be paid on 29 December 2017 to shareholders on the register at 1 December 2017, with an ex-dividend date of 30 November 2017.

## Review of Operations:

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

As at 30 September 2017 aggregate assets under management, calculated by reference to independent third party property valuations, stood at £554 million (2016: £405 million), including some £172 million (2016: £170 million) of properties held by the Group and FOP. Of these 57% were located in the UK, 41% in Poland, and 2% in Romania.

Fund management fees are generally levied monthly by FPAM by reference to the value of properties under management. In the case of Fprop Offices LP the Group does not receive any fees but instead shares in the profits earned by the fund.

Revenue earned from fund management amounted to £1.49 million (2016: £0.92 million), resulting in a profit before unallocated central overheads and tax of £804,000 (2016: £273,000). This represents 11.7% (2016: 4.5%) of Group profit before unallocated central overheads and tax.

At the period end FPAM's fund management fee income, excluding performance fees, was being earned at an annualised rate of £2.64 million (2016: £1.90 million), a year on year increase of 38.9%.

FPAM's weighted average unexpired fund management contract term at the period end was 6.08 years (2016: 6.42 years).

Third party funds under management grew by some 22% since 31 March 2017 to £382 million, and by some 63% since 30 September 2016.

During the period we were awarded a new fund management contract by Fprop Offices LP, to invest in office properties in England. The fund received equity commitments of £182 million and is entitled to borrow up to a further £80 million enabling it to invest up to £262 million in property. Of this amount we have thus far invested £51 million, leaving a further £211 million to be invested.

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

|                               | Funds managed for third parties<br>(including funds in which the Group<br>is a minority shareholder) |             |              |                  | Group Properties<br>(including FOP) |                  | Totals       |                  |
|-------------------------------|------------------------------------------------------------------------------------------------------|-------------|--------------|------------------|-------------------------------------|------------------|--------------|------------------|
|                               | UK<br>£m.                                                                                            | CEE<br>£m.  | Total<br>£m. | No. of<br>prop's | All CEE<br>£m.                      | No. of<br>prop's | AUM<br>£m.   | No. of<br>prop's |
| <b>As at 1<br/>April 2017</b> | <b>245.3</b>                                                                                         | <b>67.7</b> | <b>313.0</b> | <b>63</b>        | <b>164.5</b>                        | <b>10</b>        | <b>477.5</b> | <b>73</b>        |
| Purchases                     | 15.4                                                                                                 | -           | 15.4         | 3                | -                                   | -                | 15.4         | 3                |
| New fund mandates             | 51.1                                                                                                 | -           | 51.1         | 3                | -                                   | -                | 51.1         | 3                |
| Property sales                | -                                                                                                    | (3.7)       | (3.7)        | (3)              | -                                   | -                | (3.7)        | (3)              |
| Capital expenditure           | -                                                                                                    | -           | -            | -                | 1.8                                 | -                | 1.8          | -                |
| Property depreciation         | -                                                                                                    | -           | -            | -                | (1.1)                               | -                | (1.1)        | -                |
| Property revaluation          | 4.1                                                                                                  | -           | 4.1          | -                | 1.6                                 | -                | 5.7          | -                |
| FX revaluation                | -                                                                                                    | 2.0         | 2.0          | -                | 5.1                                 | -                | 7.1          | -                |
| <b>As at 30<br/>Sept 2017</b> | <b>315.9</b>                                                                                         | <b>66.0</b> | <b>381.9</b> | <b>66</b>        | <b>171.9</b>                        | <b>10</b>        | <b>553.8</b> | <b>76</b>        |

FPAM now manages twelve (2016: nine) 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 Sept 2017 | % of total assets under management | Assets under management at market value at 30 Sept 2016 |
|------------------|-----------------------|-------------|---------------------------------------------------------|------------------------------------|---------------------------------------------------------|
| SAM & DHOW       | UK                    | Rolling     | *                                                       | *                                  | *                                                       |
| RPT              | Poland                | Aug 2020    | £7.1m                                                   | 1.3%                               | £7.0m                                                   |
| 5PT              | Poland                | Dec 2022    | £8.7m                                                   | 1.6%                               | £8.5m                                                   |
| UK PPP           | UK                    | Feb 2022    | £93.3m                                                  | 16.9%                              | £93.1m                                                  |
| PDR              | UK                    | May 2018    | Nil                                                     | -                                  | Nil                                                     |
| SIPS             | UK                    | Jan 2025    | £156.1m                                                 | 28.2%                              | £95.3m                                                  |
| FRS              | Romania               | Sept 2025   | £6.7m                                                   | 1.2%                               | £10.2m                                                  |
| FGC              | Poland                | Aug 2024    | £21.2m                                                  | 3.8%                               | £20.4m                                                  |
| FKR              | Poland                | Apr 2024    | £22.3m                                                  | 4.0%                               | -                                                       |
| SPEC OPPTS       | UK                    | Jan 2027    | £15.4m                                                  | 2.8%                               | -                                                       |
| OFFICES          | UK                    | Jun 2024    | £51.1m                                                  | 9.2%                               | -                                                       |
|                  |                       |             | (Commitment of £182m)                                   |                                    |                                                         |
| <b>Sub Total</b> |                       |             | <b>£381.9m</b>                                          | <b>69.0%</b>                       | <b>£234.5m</b>                                          |
| FOP              | Poland                | Oct 2025    | £73.9m                                                  | 13.3%                              | £67.0m                                                  |
| GRP PROPS        | Poland & Romania      | n/a         | £98.0m                                                  | 17.7%                              | £103.3m                                                 |
| <b>Sub Total</b> |                       |             | <b>£171.9m</b>                                          | <b>31.0%</b>                       | <b>£170.3m</b>                                          |
| <b>Total</b>     |                       |             | <b>£553.8m</b>                                          | <b>100%</b>                        | <b>£404.8m</b>                                          |

\* Not subject to recent revaluation

## GROUP PROPERTIES

Group Properties comprises ten commercial properties in Poland and Romania, five of which are held by FOP (in which the Group is currently the majority shareholder), and non-controlling interests in nine of the twelve funds managed by FPAM, as set out in the tables below.

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. Directly held properties (including five held by FOP) held at 30 September 2017:

| Country             | No. of properties | Book value     | Market value   | Contribution to Group profit before tax period to 30 Sept 2017 | Contribution to Group profit before tax period to 30 Sept 2016 |
|---------------------|-------------------|----------------|----------------|----------------------------------------------------------------|----------------------------------------------------------------|
| Poland              | 3                 | £79.6m         | £92.5m         | £3.46m                                                         | £3.15m                                                         |
| Romania             | 2                 | £4.2m          | £5.5m          | £0.46m                                                         | £0.58m                                                         |
| FOP (all in Poland) | 5                 | £62.5m         | £73.9m         | £1.90m                                                         | £1.92m                                                         |
| <b>Total</b>        | <b>10</b>         | <b>£146.3m</b> | <b>£171.9m</b> | <b>£5.82m</b>                                                  | <b>£5.65m</b>                                                  |

### 2. Non-controlling interests in funds and joint ventures managed by FPAM at 30 September 2017:

| 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 Sept 2017 | Group's share of pre-tax profits earned by fund 30 Sept 2016 |
|-------------------------------|---------------------------------|----------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Interest in associates</b> |                                 |                                              |                                  |                                                              |                                                              |
| 5PT                           | 37.8%                           | £664,000                                     | £1,151,000                       | £56,000                                                      | £61,000                                                      |
| RPT                           | 28.6%                           | £218,000                                     | £270,000                         | £27,000                                                      | £26,000                                                      |
| FRS                           | 24.1%                           | £649,000                                     | £803,000                         | £482,000                                                     | £83,000                                                      |
| FGC                           | 28.2%                           | £1,784,000                                   | £1,987,000                       | £134,000                                                     | £101,000                                                     |
| FKR                           | 18.1%                           | £1,160,000                                   | £1,598,000                       | £41,000                                                      | -                                                            |
| <b>Sub Total</b>              |                                 | <b>£4,475,000</b>                            | <b>£5,809,000</b>                | <b>£740,000</b>                                              | <b>£271,000</b>                                              |

| <b>Investments</b> |      |                   |                   |                 |                 |
|--------------------|------|-------------------|-------------------|-----------------|-----------------|
| UK PPP             | 0.9% | £884,000          | £884,000          | £33,000         | £18,000         |
| PDR                | 5.0% | £13,000           | £13,000           | -               | -               |
| SPEC OPPTS         | 4.8% | £760,000          | £760,000          | -               | -               |
| OFFICES            | 1.6% | £908,000          | £908,000          | -               | -               |
| OTHER              |      | £693,000          | £693,000          | -               | -               |
| <b>Sub Total</b>   |      | <b>£3,258,000</b> | <b>£3,258,000</b> | <b>£33,000</b>  | <b>£18,000</b>  |
| <b>Total</b>       |      | <b>£7,733,000</b> | <b>£9,067,000</b> | <b>£773,000</b> | <b>£289,000</b> |

Revenue from Group Properties amounted to £10.60 million (2016: £10.20 million), generating a profit before unallocated central overheads and tax of £6.08 million (2016: £5.84 million) and representing 88.3% (2016: 95.5%) of Group profit before unallocated central overheads and tax.

The contribution to earnings by the Group's ten properties, including the five held by FOP (in which the Group held 67.3%), is detailed below. The table below excludes the Group's non-controlling interests in funds managed by FPAM. The reduction in net operating income is very largely as a result of the sale of a Group property located in Ploiesti, Romania in March 2017.

|                                                   | <b>Six months to<br/>30 Sept 2017</b> | <b>Six months to<br/>30 Sept 2016</b> |
|---------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                   | <b>€m.</b>                            | <b>€m.</b>                            |
| Net operating income (NOI)                        | 9.41                                  | 9.66                                  |
| Interest expense on bank loans/<br>finance leases | (1.59)                                | (1.67)                                |
| <b>NOI after interest expense</b>                 | <b>7.82</b>                           | <b>7.99</b>                           |
| Current tax                                       | (0.71)                                | (0.61)                                |
| Debt amortisation                                 | (3.66)                                | (3.60)                                |
| Capital expenditure                               | (2.10)                                | (0.46)                                |
| <b>Free cash</b>                                  | <b>1.35</b>                           | <b>3.32</b>                           |
| Market value of properties                        | €195.08                               | €196.87                               |
| Average yield on market value                     | 9.6%                                  | 9.8%                                  |
| Bank loans/ finance leases<br>outstanding         | €133.74                               | €141.00                               |
| Loan to value (LTV)                               | 68.6%                                 | 71.6%                                 |
| Weighted average unexpired lease<br>term (WAULT)  | 3.13 yrs                              | 3.73 yrs                              |
| Vacancy rate                                      | 1.5%                                  | 1.8%                                  |

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

In order to mitigate the effects of potential interest rate rises we have fixed the interest rate on around 40% of the loans. A one percentage point increase from current market interest rates would increase the annual interest bill by £563,000 per annum (2016: £602,000). The current weighted average borrowing cost is 2.46% (2016: 2.59%) per annum.

#### **Fprop Opportunities plc (FOP):**

The contribution by FOP to Group profit before tax amounted to £1.51 million (2016: £1.65 million).

Galeria Ostrowiec, FOP's largest asset, was revalued by CBRE at €35.1 million, an uplift of €7.1 million (£6.26 million) from its previous appraised value, following the completion of the works to create some 4,800 m<sup>2</sup> of additional retail space at the centre. Capital expenditure incurred to date in this development amounted to £3.2 million, all of which has been capitalised. The net uplift in value is not reflected in the Group's accounts because of the Group's accounting policy to hold its assets at the lower of cost or market value. The new tenants are now completing their respective fit-outs and are expected to commence trading over the next few months. FOP's net operating income will increase as a result of this expansion and the new tenancies.

The Group has continued to sell shares held by it in FOP because it is not the Group's business model to be a controlling shareholder in funds which it manages and to simplify the Group's structure. Sales of shares in FOP during the period resulted in a capital profit for the Group of £101,000 (2016: £144,000). At the period end the Group held 67.3% (31 March 2017: 69.2%) of the issued share capital in FOP.

#### **Associates and Investments:**

The Group's non-controlling interests in funds managed by FPAM contributed £740,000 (2016: £271,000) to Group profit before tax prior to the deduction of unallocated central overheads. The bulk of this increase (£397,000) was received from Fprop Romanian Supermarkets Ltd, which sold three of its nine properties and distributed the profit to shareholders.

## **Commercial Property Markets Outlook**

### **Poland:**

GDP growth in Poland is expected to exceed 4% in 2017 and continues to exceed that of most other EU nations. Inflation has picked up but at just over 2% per annum is manageable. Government debt remains low by international standards at some 54% of GDP.

Investor demand for commercial property remains high. Volumes are expected to match or exceed that of 2016 (around €5 billion), itself the second highest year on record. Rental growth has been more elusive, particularly in some sub sectors, such as offices in Warsaw, where there has been considerable new development in recent years. Capital values for good secondary property remain attractive, yielding around one third more than equivalent property in Western Europe at around 7-9% per annum.

### **Romania:**

The economic outlook for Romania is at its best since before the credit crunch. GDP growth accelerated to 8.8% year on year in the third quarter just ended and is comfortably set to exceed 4% for the year.

Investor demand for commercial property continues to improve but volumes remain slim. Around €1 billion of commercial property is expected to transact in 2017. The occupier market is picking up too, as the economy continues to expand but, as in Poland, rental growth remains elusive given the scale of new development.

Bank lending margins are beginning to reduce, which should boost investment demand for commercial property.

### **United Kingdom:**

The Bank of England's recent decision to raise interest rates by 0.25% should have little impact on the commercial property market given the Bank's continued loose monetary policy program, and the continued limited availability of bank debt.

The buying window for commercial property which we identified last year following the UK's referendum on its membership of the EU remains open for specific kinds of property, in particular the larger institutional lot sizes.

We therefore remain bullish about the prospects of the UK commercial property market and particularly Fprop Offices LP which is currently in the process of investing its capital commitments.

## **Current Trading and Prospects**

This has been another excellent six months for First Property.

All our funds under management and the properties we own are performing well and third party assets under management have increased by 63% since last year.

Our prospects are excellent, underpinned by our bedrock of recurring income streams and the opportunities open to us in the various markets in which we operate.

We look forward to delivering continued growth and increasing levels of profitability for our clients and shareholders.

**Ben Habib**  
**Chief Executive**  
23 November 2017

**CONSOLIDATED INCOME STATEMENT**  
for the six months to 30 September 2017

|                                                                         |   | <b>Six months to<br/>30 Sept 2017<br/>(unaudited)</b> | Six months to<br>30 Sept 2016<br>(unaudited) | Year to<br>31 March 2017<br>(audited) |
|-------------------------------------------------------------------------|---|-------------------------------------------------------|----------------------------------------------|---------------------------------------|
|                                                                         |   | <b>Total results</b>                                  | Total results                                | Total results                         |
|                                                                         |   | <b>£'000</b>                                          | £'000                                        | £'000                                 |
| <b>Revenue</b>                                                          |   | <b>12,089</b>                                         | 11,121                                       | 23,663                                |
| <b>Cost of sales</b>                                                    |   | <b>(2,179)</b>                                        | (1,893)                                      | (5,065)                               |
| <b>Gross profit</b>                                                     |   | <b>9,910</b>                                          | 9,228                                        | 18,598                                |
| Profit on sale of an investment property                                |   | -                                                     | -                                            | 890                                   |
| Profit on sale of FOP shares                                            |   | <b>101</b>                                            | 144                                          | 552                                   |
| Reversal of impairment loss /(impairment loss) to investment properties | 6 | <b>167</b>                                            | 142                                          | (219)                                 |
| <b>Operating expenses</b>                                               |   | <b>(4,415)</b>                                        | (3,897)                                      | (8,207)                               |
| <b>Operating profit</b>                                                 |   | <b>5,763</b>                                          | 5,617                                        | 11,614                                |
| Share of results in associates                                          | 7 | <b>740</b>                                            | 271                                          | 519                                   |
| Distribution income                                                     |   | <b>33</b>                                             | 18                                           | 60                                    |
| Interest income                                                         | 3 | <b>75</b>                                             | 81                                           | 135                                   |
| Interest expense                                                        | 3 | <b>(1,631)</b>                                        | (1,514)                                      | (3,191)                               |
| <b>Profit before tax</b>                                                |   | <b>4,980</b>                                          | 4,473                                        | 9,137                                 |
| Tax charge                                                              | 4 | <b>(1,122)</b>                                        | (1,220)                                      | (547)                                 |
| <b>Profit for the period</b>                                            |   | <b>3,858</b>                                          | 3,253                                        | 8,590                                 |
| <b>Attributable to:</b>                                                 |   |                                                       |                                              |                                       |
| <b>Owners of the parent</b>                                             |   | <b>3,364</b>                                          | 2,849                                        | 7,833                                 |
| <b>Non-controlling interest</b>                                         |   | <b>494</b>                                            | 404                                          | 757                                   |
|                                                                         |   | <b>3,858</b>                                          | 3,253                                        | 8,590                                 |
| <b>Earnings per share</b>                                               |   |                                                       |                                              |                                       |
| <b>Basic</b>                                                            | 5 | <b>2.90p</b>                                          | 2.46p                                        | 6.75p                                 |
| <b>Diluted</b>                                                          | 5 | <b>2.84p</b>                                          | 2.40p                                        | 6.61p                                 |

**CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**  
for the six months to 30 September 2017

|                                                              | <b>Six months to<br/>30 Sept 2017<br/>(unaudited)</b> | Six months to<br>30 Sept 2016<br>(unaudited) | Year to<br>31 March 2017<br>(audited) |
|--------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|---------------------------------------|
|                                                              | <b>£'000</b>                                          | £'000                                        | £'000                                 |
| <b>Profit for the period</b>                                 | <b>3,858</b>                                          | 3,253                                        | 8,590                                 |
| <b>Other comprehensive income</b>                            |                                                       |                                              |                                       |
| Exchange difference on retranslation of foreign subsidiaries | (1,245)                                               | 286                                          | 2,008                                 |
| Revaluation of available-for-sale financial assets           | -                                                     | -                                            | (29)                                  |
| Taxation                                                     | -                                                     | -                                            | -                                     |
| <b>Total comprehensive income for the period</b>             | <b>2,613</b>                                          | 3,539                                        | 10,569                                |
| <b>Total comprehensive income for the period:</b>            |                                                       |                                              |                                       |
| <b>Owners of the parent</b>                                  | <b>2,306</b>                                          | 3,321                                        | 9,974                                 |
| <b>Non-controlling interest</b>                              | <b>307</b>                                            | 218                                          | 595                                   |
|                                                              | <b>2,613</b>                                          | 3,539                                        | 10,569                                |

All operations are continuing.

**CONDENSED CONSOLIDATED BALANCE SHEET**  
as at 30 September 2017

|                                                 | Notes | As at<br>30 Sept 2017<br>(unaudited) | As at<br>30 Sept 2016<br>(unaudited) | As at<br>31 March 2017<br>(audited) |
|-------------------------------------------------|-------|--------------------------------------|--------------------------------------|-------------------------------------|
|                                                 |       | £'000                                | £'000                                | £'000                               |
| <b>Non-current assets</b>                       |       |                                      |                                      |                                     |
| Goodwill                                        |       | 153                                  | 153                                  | 153                                 |
| Investment properties                           | 6     | 130,892                              | 129,333                              | 128,428                             |
| Property, plant and equipment                   |       | 78                                   | 181                                  | 97                                  |
| Interest in associates                          | 7a    | 4,475                                | 3,098                                | 4,347                               |
| Other financial assets                          | 7b    | 3,258                                | 918                                  | 897                                 |
| Other receivables                               | 8     | 1,905                                | 139                                  | 2,108                               |
| Deferred tax assets                             |       | 4,213                                | 3,430                                | 4,341                               |
| <b>Total non-current assets</b>                 |       | <b>144,974</b>                       | <b>137,252</b>                       | <b>140,371</b>                      |
| <b>Current assets</b>                           |       |                                      |                                      |                                     |
| Inventories – land and buildings                |       | 15,391                               | 14,998                               | 15,115                              |
| Current tax assets                              |       | 78                                   | 123                                  | 160                                 |
| Trade and other receivables                     | 8     | 5,308                                | 5,307                                | 4,890                               |
| Cash and cash equivalents                       |       | 9,998                                | 14,115                               | 15,946                              |
| <b>Total current assets</b>                     |       | <b>30,775</b>                        | <b>34,543</b>                        | <b>36,111</b>                       |
| <b>Current liabilities</b>                      |       |                                      |                                      |                                     |
| Trade and other payables                        | 9     | (7,283)                              | (7,685)                              | (9,848)                             |
| Financial liabilities                           | 10a   | (8,861)                              | (8,383)                              | (19,641)                            |
| Current tax liabilities                         |       | (165)                                | (187)                                | (314)                               |
| <b>Total current liabilities</b>                |       | <b>(16,309)</b>                      | <b>(16,255)</b>                      | <b>(29,803)</b>                     |
| <b>Net current assets</b>                       |       | <b>14,466</b>                        | <b>18,288</b>                        | <b>6,308</b>                        |
| <b>Total assets less current liabilities</b>    |       | <b>159,440</b>                       | <b>155,540</b>                       | <b>146,679</b>                      |
| <b>Non-current liabilities</b>                  |       |                                      |                                      |                                     |
| Financial liabilities                           | 10b   | (111,104)                            | (115,519)                            | (100,043)                           |
| Deferred tax liabilities                        |       | (3,423)                              | (3,593)                              | (3,208)                             |
| <b>Net assets</b>                               |       | <b>44,913</b>                        | <b>36,428</b>                        | <b>43,428</b>                       |
| <b>Equity</b>                                   |       |                                      |                                      |                                     |
| Called up share capital                         |       | 1,166                                | 1,166                                | 1,166                               |
| Share premium                                   |       | 5,785                                | 5,777                                | 5,781                               |
| Share-based payment reserve                     |       | 203                                  | 203                                  | 203                                 |
| Foreign exchange translation reserve            |       | (1,039)                              | (1,679)                              | 19                                  |
| Investment revaluation reserve                  |       | (67)                                 | (38)                                 | (67)                                |
| Retained earnings                               |       | 35,343                               | 28,789                               | 33,311                              |
| Equity attributable to the owners of the parent |       | 41,391                               | 34,218                               | 40,413                              |
| Non-controlling interest                        |       | 3,522                                | 2,210                                | 3,015                               |
| <b>Total equity</b>                             |       | <b>44,913</b>                        | <b>36,428</b>                        | <b>43,428</b>                       |
| <b>Net assets per share</b>                     | 5     | <b>35.68p</b>                        | 29.50p                               | 34.84p                              |

**CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY**  
for the six months to 30 September 2017

|                                                                                            | Share<br>Capital | Share<br>Premium | Share<br>Based<br>Payment<br>Reserve | Foreign<br>Exchange<br>Translation<br>Reserve | Purchase<br>of own<br>Shares | Investment<br>Revaluation<br>Reserve | Retained<br>Earnings | Non-<br>controlling<br>Interest | Total         |
|--------------------------------------------------------------------------------------------|------------------|------------------|--------------------------------------|-----------------------------------------------|------------------------------|--------------------------------------|----------------------|---------------------------------|---------------|
|                                                                                            | £'000            | £'000            | £'000                                | £'000                                         | £'000                        | £'000                                | £'000                | £'000                           | £'000         |
| <b>At 1 April 2016</b>                                                                     | <b>1,166</b>     | <b>5,773</b>     | <b>203</b>                           | <b>(2,151)</b>                                | <b>(103)</b>                 | <b>(38)</b>                          | <b>27,334</b>        | <b>1,906</b>                    | <b>34,090</b> |
| Profit for the period                                                                      | -                | -                | -                                    | -                                             | -                            | -                                    | 3,253                | -                               | 3,253         |
| Fair value (or revaluation) gains on available-for-sale financial assets to profit or loss | -                | -                | -                                    | -                                             | -                            | -                                    | -                    | -                               | -             |
| Movement on foreign exchange                                                               | -                | -                | -                                    | 472                                           | -                            | -                                    | -                    | (186)                           | 286           |
| <b>Total comprehensive income</b>                                                          | -                | -                | -                                    | <b>472</b>                                    | -                            | -                                    | <b>3,253</b>         | <b>(186)</b>                    | <b>3,539</b>  |
| Change in proportion held by non-controlling interests                                     | -                | -                | -                                    | -                                             | -                            | -                                    | -                    | 100                             | 100           |
| Sale of treasury shares                                                                    | -                | 4                | -                                    | -                                             | 2                            | -                                    | -                    | -                               | 6             |
| Non-controlling interest                                                                   | -                | -                | -                                    | -                                             | -                            | -                                    | (404)                | 404                             | -             |
| Dividends paid                                                                             | -                | -                | -                                    | -                                             | -                            | -                                    | (1,293)              | (14)                            | (1,307)       |
| <b>At 30 Sept 2016</b>                                                                     | <b>1,166</b>     | <b>5,777</b>     | <b>203</b>                           | <b>(1,679)</b>                                | <b>(101)</b>                 | <b>(38)</b>                          | <b>28,890</b>        | <b>2,210</b>                    | <b>36,428</b> |
| Profit for the period                                                                      | -                | -                | -                                    | -                                             | -                            | -                                    | 5,337                | -                               | 5,337         |
| Fair value (or revaluation) gains on available-for-sale financial assets to profit or loss | -                | -                | -                                    | -                                             | -                            | (29)                                 | -                    | -                               | (29)          |
| Movement on foreign exchange                                                               | -                | -                | -                                    | 1,698                                         | -                            | -                                    | -                    | 24                              | 1,722         |
| <b>Total comprehensive income</b>                                                          | -                | -                | -                                    | <b>1,698</b>                                  | -                            | <b>(29)</b>                          | <b>5,337</b>         | <b>24</b>                       | <b>7,030</b>  |
| Change in proportion held by non-controlling interests                                     | -                | -                | -                                    | -                                             | -                            | -                                    | -                    | 456                             | 456           |
| Sale of treasury shares                                                                    | -                | 4                | -                                    | -                                             | 2                            | -                                    | -                    | -                               | 6             |
| Non-controlling interest                                                                   | -                | -                | -                                    | -                                             | -                            | -                                    | (353)                | 353                             | -             |
| Dividends paid                                                                             | -                | -                | -                                    | -                                             | -                            | -                                    | (464)                | (28)                            | (492)         |
| <b>At 1 April 2017</b>                                                                     | <b>1,166</b>     | <b>5,781</b>     | <b>203</b>                           | <b>19</b>                                     | <b>(99)</b>                  | <b>(67)</b>                          | <b>33,410</b>        | <b>3,015</b>                    | <b>43,428</b> |
| Profit for the period                                                                      | -                | -                | -                                    | -                                             | -                            | -                                    | 3,858                | -                               | 3,858         |
| Fair value (or revaluation) gains on available-for-sale financial assets to profit or loss | -                | -                | -                                    | -                                             | -                            | -                                    | -                    | -                               | -             |
| Movement on foreign exchange                                                               | -                | -                | -                                    | (1,058)                                       | -                            | -                                    | -                    | (187)                           | (1,245)       |
| <b>Total comprehensive income</b>                                                          | -                | -                | -                                    | <b>(1,058)</b>                                | -                            | -                                    | <b>3,858</b>         | <b>(187)</b>                    | <b>2,613</b>  |
| Change in proportion held by non-controlling interests                                     | -                | -                | -                                    | -                                             | -                            | -                                    | -                    | 224                             | 224           |
| Sale of treasury shares                                                                    | -                | 4                | -                                    | -                                             | 2                            | -                                    | -                    | -                               | 6             |
| Non-controlling interest                                                                   | -                | -                | -                                    | -                                             | -                            | -                                    | (494)                | 494                             | -             |
| Dividends paid                                                                             | -                | -                | -                                    | -                                             | -                            | -                                    | (1,334)              | (24)                            | (1,358)       |
| <b>At 30 Sept 2017</b>                                                                     | <b>1,166</b>     | <b>5,785</b>     | <b>203</b>                           | <b>(1,039)</b>                                | <b>(97)</b>                  | <b>(67)</b>                          | <b>35,440</b>        | <b>3,522</b>                    | <b>44,913</b> |

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
for the six months to 30 September 2017

| Notes                                                                              | Six months to<br>30 Sept 2017<br>(unaudited)<br>£'000 | Six months to 30<br>30 Sept 2016<br>(unaudited)<br>£'000 | Year to<br>31 March 2017<br>(audited)<br>£'000 |
|------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|------------------------------------------------|
| <b>Cash flows from operating activities</b>                                        |                                                       |                                                          |                                                |
| Operating profit                                                                   | 5,763                                                 | 5,617                                                    | 11,614                                         |
| Adjustments for:                                                                   |                                                       |                                                          |                                                |
| Depreciation of investment property, and property, plant & equipment               | 1,138                                                 | 976                                                      | 1,960                                          |
| Profit on the sale of an investment property                                       | -                                                     | -                                                        | (890)                                          |
| Profit on the sale of FOP shares                                                   | (101)                                                 | (144)                                                    | (552)                                          |
| (Reversal of impairment loss)/ impairment loss to investment properties            | 6<br>(167)                                            | (142)                                                    | 219                                            |
| (Increase)/ decrease in inventories                                                | (149)                                                 | (135)                                                    | (130)                                          |
| (Increase)/ decrease in trade and other receivables                                | (122)                                                 | (122)                                                    | 305                                            |
| (Decrease)/ increase in trade and other payables                                   | (2,649)                                               | (364)                                                    | 1,637                                          |
| Other non-cash adjustments                                                         | 86                                                    | (112)                                                    | 615                                            |
| <b>Cash generated from operations</b>                                              | <b>3,799</b>                                          | <b>5,574</b>                                             | <b>14,778</b>                                  |
| Income taxes paid                                                                  | (727)                                                 | (667)                                                    | (1,156)                                        |
| <b>Net cash flow from operating activities</b>                                     | <b>3,072</b>                                          | <b>4,907</b>                                             | <b>13,622</b>                                  |
| <b>Cash flow from investing activities</b>                                         |                                                       |                                                          |                                                |
| Capital expenditure on investment properties                                       | (1,663)                                               | (176)                                                    | (1,990)                                        |
| Proceeds from partial disposal of available-for-sale assets                        | 612                                                   | 153                                                      | 239                                            |
| Purchase of property, plant and equipment                                          | (13)                                                  | (16)                                                     | (26)                                           |
| Consideration from the sale of FOP shares                                          | 326                                                   | 244                                                      | 1,108                                          |
| Purchase of investments                                                            | (2,361)                                               | -                                                        | -                                              |
| Investment in shares of new associates                                             | -                                                     | -                                                        | (1,119)                                        |
| Interest received                                                                  | 3<br>75                                               | 81                                                       | 135                                            |
| Dividends from associates                                                          | 7a<br>-                                               | 64                                                       | 96                                             |
| Distributions received                                                             | 33                                                    | 18                                                       | 64                                             |
| <b>Net cash flow (used in)/ from investing activities</b>                          | <b>(2,991)</b>                                        | <b>368</b>                                               | <b>(1,493)</b>                                 |
| <b>Cash flow from financing activities</b>                                         |                                                       |                                                          |                                                |
| Net repayment of shareholder loans in subsidiaries                                 | (158)                                                 | (75)                                                     | (227)                                          |
| Proceeds from bank loan                                                            | -                                                     | -                                                        | -                                              |
| Repayment of finance leases/ bank loans                                            | (3,243)                                               | (2,958)                                                  | (6,075)                                        |
| Repayment from the sale of FOP shareholder loan                                    | 131                                                   | 152                                                      | 534                                            |
| Short term loan to an associate                                                    | -                                                     | 5,083                                                    | 5,083                                          |
| Sale of shares held in Treasury                                                    | 6                                                     | 6                                                        | 12                                             |
| Interest paid                                                                      | (1,486)                                               | (1,455)                                                  | (3,100)                                        |
| Dividends paid                                                                     | (1,334)                                               | (1,293)                                                  | (1,757)                                        |
| Dividends paid to non-controlling interest                                         | (24)                                                  | (14)                                                     | (42)                                           |
| <b>Net cash flow (used in)/ from financing activities of continuing operations</b> | <b>(6,108)</b>                                        | <b>(554)</b>                                             | <b>(5,572)</b>                                 |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>                       | <b>(6,027)</b>                                        | <b>4,721</b>                                             | <b>6,557</b>                                   |
| <b>Cash and cash equivalents at the beginning of period</b>                        | <b>15,946</b>                                         | <b>8,975</b>                                             | <b>8,975</b>                                   |
| <b>Currency translation gains/ (losses) on cash and cash equivalents</b>           | <b>79</b>                                             | <b>419</b>                                               | <b>414</b>                                     |
| <b>Cash and cash equivalents at the end of the period</b>                          | <b>9,998</b>                                          | <b>14,115</b>                                            | <b>15,946</b>                                  |

**NOTES TO THE ACCOUNTS**  
**for the six months ended 30 September 2017**

**1. Basis of Preparation**

- These interim consolidated financial statements for the six months ended 30 September 2017 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 2017 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 financial year ended 31 March 2017 are not the full 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 2017.

## 2. Segmental Analysis

### Segment reporting six months to 30 September 2017

Head office costs and overheads that are common to all segments are shown separately under unallocated central costs. The staff incentive accrual is included under unallocated central costs but will be reallocated across all segments at the year end.

|                                                                                | Group Properties Division |                          |                  |                               | TOTAL         |
|--------------------------------------------------------------------------------|---------------------------|--------------------------|------------------|-------------------------------|---------------|
|                                                                                | Fund Management Division  | Property fund management | Group properties | Group fund properties ("FOP") |               |
|                                                                                | £000                      | £000                     | £000             | £'000                         | £'000         |
| Rental income                                                                  | -                         | 6,262                    | 3,000            | -                             | 9,262         |
| Service charge income                                                          | -                         | 626                      | 708              | -                             | 1,334         |
| Asset management fees                                                          | 1,304                     | -                        | -                | -                             | 1,304         |
| Performance fees                                                               | 189                       | -                        | -                | -                             | 189           |
| <b>Total Revenue</b>                                                           | <b>1,493</b>              | <b>6,888</b>             | <b>3,708</b>     | <b>-</b>                      | <b>12,089</b> |
| Depreciation and amortisation                                                  | (19)                      | (997)                    | (122)            | -                             | (1,138)       |
| <b>Operating profit</b>                                                        | <b>804</b>                | <b>4,526</b>             | <b>2,334</b>     | <b>(1,901)</b>                | <b>5,763</b>  |
| Share of results in associates                                                 | -                         | 740                      | -                | -                             | 740           |
| Distribution income                                                            | -                         | 33                       | -                | -                             | 33            |
| Interest income                                                                | -                         | 21                       | 54               | -                             | 75            |
| Interest expense                                                               | -                         | (749)                    | (882)            | -                             | (1,631)       |
| <b>Profit/ (loss) before tax</b>                                               | <b>804</b>                | <b>4,571</b>             | <b>1,506</b>     | <b>(1,901)</b>                | <b>4,980</b>  |
| <b>Analysed as:</b>                                                            |                           |                          |                  |                               |               |
| Underlying profit/ (loss) before tax before adjusting for the following items: | 615                       | 5,111                    | 1,465            | (486)                         | 6,705         |
| Sale of FOP shares                                                             | -                         | 101                      | -                | -                             | 101           |
| FPG's share in an associates profit from the sale of investment properties     | -                         | 397                      | -                | -                             | 397           |
| Reversal of impairment loss to investment properties                           | -                         | -                        | 167              | -                             | 167           |
| Performance and related fees                                                   | 189                       | -                        | -                | -                             | 189           |
| Depreciation                                                                   | -                         | (870)                    | -                | -                             | (870)         |
| Staff incentive accrual                                                        | -                         | -                        | -                | (1,256)                       | (1,256)       |
| Realised foreign currency (losses)/ gains                                      | -                         | (168)                    | (126)            | (159)                         | (453)         |
| <b>Profit/ (loss) before tax</b>                                               | <b>804</b>                | <b>4,571</b>             | <b>1,506</b>     | <b>(1,901)</b>                | <b>4,980</b>  |

Revenue for the six months to 30 September 2017 from continuing operations consists of revenue arising in the United Kingdom 8% (2016: 6%) and Central and Eastern Europe 92% (2016: 94%) and all relates solely to the Group's principal activities.

Segment reporting six months to 30 September 2016

|                                                                                | Group Properties Division |                  |                               |                               | TOTAL         |
|--------------------------------------------------------------------------------|---------------------------|------------------|-------------------------------|-------------------------------|---------------|
|                                                                                | Fund Management Division  | Group properties | Group fund properties ("FOP") | Unallocated central overheads |               |
|                                                                                | Property fund management  |                  |                               |                               |               |
|                                                                                | £'000                     | £'000            | £'000                         | £'000                         | £'000         |
| Rental income                                                                  | -                         | 5,960            | 2,640                         | -                             | 8,600         |
| Service charge income                                                          | -                         | 840              | 763                           | -                             | 1,603         |
| Asset management fees                                                          | 918                       | -                | -                             | -                             | 918           |
| Performance fees                                                               | -                         | -                | -                             | -                             | -             |
| <b>Total revenue</b>                                                           | <b>918</b>                | <b>6,800</b>     | <b>3,403</b>                  | <b>-</b>                      | <b>11,121</b> |
| Depreciation and amortisation                                                  | (17)                      | (864)            | (95)                          | -                             | (976)         |
| <b>Operating profit</b>                                                        | <b>273</b>                | <b>4,566</b>     | <b>2,427</b>                  | <b>(1,649)</b>                | <b>5,617</b>  |
| Share of results in associates                                                 | -                         | 271              | -                             | -                             | 271           |
| Distribution income                                                            | -                         | 18               | -                             | -                             | 18            |
| Interest income                                                                | -                         | 51               | 20                            | 10                            | 81            |
| Interest expense                                                               | -                         | (719)            | (795)                         | -                             | (1,514)       |
| <b>Profit/ (loss) before tax</b>                                               | <b>273</b>                | <b>4,187</b>     | <b>1,652</b>                  | <b>(1,639)</b>                | <b>4,473</b>  |
| <b>Analysed as:</b>                                                            |                           |                  |                               |                               |               |
| Underlying profit/ (loss) before tax before adjusting for the following items: | 273                       | 5,091            | 1,576                         | (445)                         | 6,495         |
| Reversal of impairment loss to investment properties                           | -                         | -                | 142                           | -                             | 142           |
| Sale of FOP shares                                                             | -                         | 144              | -                             | -                             | 144           |
| Performance and related fees                                                   | -                         | -                | -                             | -                             | -             |
| Depreciation                                                                   | -                         | (812)            | -                             | -                             | (812)         |
| Provision                                                                      | -                         | -                | -                             | -                             | -             |
| Staff incentive accrual                                                        | -                         | -                | -                             | (1,113)                       | (1,113)       |
| Realised foreign currency gains/ (losses)                                      | -                         | (236)            | (66)                          | (81)                          | (383)         |
| <b>Profit/ (loss) before tax</b>                                               | <b>273</b>                | <b>4,187</b>     | <b>1,652</b>                  | <b>(1,639)</b>                | <b>4,473</b>  |

Segment reporting year to 31 March 2017

|                                                                                | Fund Management Division | Group Properties Division |                               |                               | TOTAL         |
|--------------------------------------------------------------------------------|--------------------------|---------------------------|-------------------------------|-------------------------------|---------------|
|                                                                                | Property fund management | Group properties          | Group fund properties ("FOP") | Unallocated central overheads |               |
|                                                                                | £'000                    | £'000                     | £'000                         | £'000                         | £'000         |
| Rental income                                                                  | -                        | 12,165                    | 5,229                         | -                             | 17,394        |
| Service charge income                                                          | -                        | 2,464                     | 1,759                         | -                             | 4,223         |
| Asset management fees                                                          | 2,046                    | -                         | -                             | -                             | 2,046         |
| Performance fees                                                               | -                        | -                         | -                             | -                             | -             |
| <b>Total revenue</b>                                                           | <b>2,046</b>             | <b>14,629</b>             | <b>6,988</b>                  | <b>-</b>                      | <b>23,663</b> |
| Depreciation and amortisation                                                  | (41)                     | (1,786)                   | (133)                         | -                             | (1,960)       |
| <b>Operating profit</b>                                                        | <b>404</b>               | <b>10,192</b>             | <b>3,866</b>                  | <b>(2,848)</b>                | <b>11,614</b> |
| Share of results in associates                                                 | -                        | 519                       | -                             | -                             | 519           |
| Distribution income                                                            | -                        | 60                        | -                             | -                             | 60            |
| Interest income                                                                | -                        | 37                        | 48                            | 50                            | 135           |
| Interest expense                                                               | -                        | (1,535)                   | (1,656)                       | -                             | (3,191)       |
| <b>Profit/ (loss) before tax</b>                                               | <b>404</b>               | <b>9,273</b>              | <b>2,258</b>                  | <b>(2,798)</b>                | <b>9,137</b>  |
| <b>Analysed as:</b>                                                            |                          |                           |                               |                               |               |
| Underlying profit/ (loss) before tax before adjusting for the following items: | 907                      | 9,993                     | 2,791                         | (857)                         | 12,834        |
| Impairment loss to investment properties                                       | -                        | -                         | (219)                         | -                             | (219)         |
| Sale of FOP shares                                                             | -                        | 552                       | -                             | -                             | 552           |
| Sale of property                                                               | -                        | 890                       | -                             | -                             | 890           |
| Performance and related fees                                                   | -                        | -                         | -                             | -                             | -             |
| Depreciation                                                                   | -                        | (1,662)                   | -                             | -                             | (1,662)       |
| Provision                                                                      | -                        | -                         | -                             | (44)                          | (44)          |
| Staff incentive accrual                                                        | (503)                    | (172)                     | (173)                         | (1,922)                       | (2,770)       |
| Realised foreign currency gain/ (loss)                                         | -                        | (328)                     | (141)                         | 25                            | (444)         |
| <b>Profit/ (loss) before tax</b>                                               | <b>404</b>               | <b>9,273</b>              | <b>2,258</b>                  | <b>(2,798)</b>                | <b>9,137</b>  |
| Assets - Group                                                                 | 792                      | 95,923                    | 67,026                        | 8,394                         | 172,135       |
| Share of net assets of associates                                              | -                        | 4,655                     | -                             | (308)                         | 4,347         |
| Liabilities                                                                    | (189)                    | (79,817)                  | (50,652)                      | (2,396)                       | (133,054)     |
| <b>Net assets</b>                                                              | <b>603</b>               | <b>20,761</b>             | <b>16,374</b>                 | <b>5,690</b>                  | <b>43,428</b> |

### 3. Interest Income/ (Expense)

|                                 | Six months ended<br>30 Sept 2017 | Six months ended<br>30 Sept 2016 | Year ended<br>31 March 2017 |
|---------------------------------|----------------------------------|----------------------------------|-----------------------------|
|                                 | £'000                            | £'000                            | £'000                       |
| Interest income – bank deposits | 14                               | 18                               | 35                          |
| Interest income – other         | 61                               | 63                               | 100                         |
| <b>Total interest income</b>    | <b>75</b>                        | <b>81</b>                        | <b>135</b>                  |

|                                   | Six months ended<br>30 Sept 2017 | Six months ended<br>30 Sept 2016 | Year ended<br>31 March 2017 |
|-----------------------------------|----------------------------------|----------------------------------|-----------------------------|
|                                   | £'000                            | £'000                            | £'000                       |
| Interest expense – property loans | (1,049)                          | (982)                            | (2,192)                     |
| Interest expense – bank and other | (87)                             | (100)                            | (160)                       |
| Finance charges on finance leases | (495)                            | (432)                            | (839)                       |
| <b>Total interest expense</b>     | <b>(1,631)</b>                   | <b>(1,514)</b>                   | <b>(3,191)</b>              |

### 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.

|              | Six months ended<br>30 Sept 2017 | Six months ended<br>30 Sept 2016 | Year ended<br>31 March 2017 |
|--------------|----------------------------------|----------------------------------|-----------------------------|
|              | £'000                            | £'000                            | £'000                       |
| Current tax  | (687)                            | (575)                            | (1,155)                     |
| Deferred tax | (435)                            | (645)                            | 608                         |
| <b>Total</b> | <b>(1,122)</b>                   | <b>(1,220)</b>                   | <b>(547)</b>                |

### 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<br>30 Sept 2017 | Six months ended<br>30 Sept 2016 | Year ended<br>31 March 2017 |
|---------------------------|----------------------------------|----------------------------------|-----------------------------|
| Basic - pence per share   | 2.90p                            | 2.46p                            | 6.75p                       |
| Diluted - pence per share | 2.84p                            | 2.40p                            | 6.61p                       |

|                                                               | Number             | Number             | Number             |
|---------------------------------------------------------------|--------------------|--------------------|--------------------|
| Weighted average number of ordinary shares in issue for basic | 115,992,763        | 115,967,888        | 115,975,959        |
| Share options                                                 | 2,700,000          | 2,700,000          | 2,700,000          |
| <b>Total for diluted</b>                                      | <b>118,692,763</b> | <b>118,667,888</b> | <b>118,675,959</b> |

|                                                            | £'000 | £'000 | £'000 |
|------------------------------------------------------------|-------|-------|-------|
| Basic earnings                                             | 3,364 | 2,849 | 7,833 |
| Notional interest on share options assumed to be exercised | 4     | 4     | 8     |
| Diluted earnings                                           | 3,368 | 2,853 | 7,841 |

|                                      | Six months ended<br>30 Sept 2017 | Six months ended<br>30 Sept 2016 | Year ended<br>31 March 2017 |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------------|
| <b>Net assets per share</b>          | <b>35.68p</b>                    | <b>29.50p</b>                    | <b>34.84p</b>               |
| <b>Adjusted net assets per share</b> | <b>51.25p</b>                    | <b>45.86p</b>                    | <b>47.64p</b>               |

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         | 116,004,464        | 115,980,040        | 115,992,699        |
|                                                 | £'000              | £'000              | £'000              |
| Net assets excluding non-controlling interest   | 41,391             | 34,218             | 40,413             |
| <b>Adjusted net assets per share</b>            | Number             | Number             | Number             |
| Number of shares in issue at period end         | 116,004,464        | 115,980,040        | 115,992,699        |
| Number of share options assumed to be exercised | 2,700,000          | 2,700,000          | 2,700,000          |
| <b>Total</b>                                    | <b>118,704,464</b> | <b>118,680,040</b> | <b>118,692,699</b> |

| <b>Adjusted net assets per share</b>                      | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>  |
|-----------------------------------------------------------|---------------|---------------|---------------|
| Net assets excluding non-controlling interest             | 41,391        | 34,218        | 40,413        |
| Investment properties at fair value net of deferred taxes | 13,315        | 17,350        | 10,740        |
| Inventories at fair value net of deferred taxes           | 4,409         | 2,009         | 4,128         |
| Other adjustments                                         | 1,726         | 850           | 1,267         |
| <b>Total</b>                                              | <b>60,841</b> | <b>54,427</b> | <b>56,548</b> |

## 6. Investment Properties

|                              | <b>Six months ended<br/>30 Sept 2017</b> | Six months ended<br>30 Sept 2016 | Year ended<br>31 March 2017 |
|------------------------------|------------------------------------------|----------------------------------|-----------------------------|
|                              | <b>£'000</b>                             | £'000                            | £'000                       |
| 1 April                      | 128,428                                  | 120,718                          | 120,718                     |
| Capital expenditure          | 1,663                                    | 176                              | 1,990                       |
| Disposals                    | -                                        | -                                | (1,711)                     |
| Depreciation                 | (1,105)                                  | (947)                            | (1,891)                     |
| Fair value adjustment        | 167                                      | 142                              | (219)                       |
| Foreign exchange translation | 1,739                                    | 9,244                            | 9,541                       |
| <b>End of period</b>         | <b>130,892</b>                           | <b>129,333</b>                   | <b>128,428</b>              |

Investment properties owned by the Group, and indirectly via FOP are stated at cost less depreciation and accumulated impairment losses.

## 7. Interest in Associates and Other Financial Assets

|                                                                                            | <b>Six months ended<br/>30 Sept 2017</b> | Six months ended<br>30 Sept 2016 | Year ended<br>31 March 2017 |
|--------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------|-----------------------------|
|                                                                                            | <b>£'000</b>                             | £'000                            | £'000                       |
| <b>a) Associated undertakings</b>                                                          |                                          |                                  |                             |
| Cost of investment at beginning of period                                                  | 4,347                                    | 3,044                            | 3,044                       |
| Additions                                                                                  | -                                        | -                                | 1,119                       |
| Disposals                                                                                  | (612)                                    | (153)                            | (239)                       |
| Share of associates profit after tax                                                       | 740                                      | 271                              | 519                         |
| Dividends received                                                                         | -                                        | (64)                             | (96)                        |
| Cost of investment at end of period                                                        | 4,475                                    | 3,098                            | 4,347                       |
| <b>Investments in associated undertakings</b>                                              |                                          |                                  |                             |
| 5 <sup>th</sup> Property Trading Ltd                                                       | 972                                      | 868                              | 916                         |
| Regional Property Trading Ltd                                                              | 218                                      | 185                              | 192                         |
| Fprop Romanian Supermarkets Ltd                                                            | 649                                      | 766                              | 750                         |
| Fprop Galeria Corso Ltd                                                                    | 1,784                                    | 1,587                            | 1,678                       |
| Fprop Krakow Ltd                                                                           | 1,160                                    | -                                | 1,119                       |
|                                                                                            | 4,783                                    | 3,406                            | 4,655                       |
| 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                                                        | 4,475                                    | 3,098                            | 4,347                       |

The withheld profit figure of £308,000 represents the removal of the percentage of intercompany profit resulting from the sale of the property in 2007 to 5<sup>th</sup> Property Trading Ltd (an associate). The figure will reduce when there is a reduction in First Property Group's stake in 5<sup>th</sup> Property Trading Ltd.

| <b>b) Other financial assets and investments</b>    |       |     |      |
|-----------------------------------------------------|-------|-----|------|
| Cost of investment at beginning of period           | 897   | 914 | 914  |
| Additions                                           | 2,361 | 4   | 12   |
| Disposal                                            | -     | -   | -    |
| (Decrease)/increase in fair value during the period | -     | -   | (29) |
| Cost of investment at end of period                 | 3,258 | 918 | 897  |

## 8. Trade and Other Receivables

|                                              | Six months<br>ended<br>30 Sept 2017<br>£'000 | Six months<br>ended<br>30 Sept 2016<br>£'000 | Year<br>ended<br>31 March 2017<br>£'000 |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|
| <b>Current assets</b>                        |                                              |                                              |                                         |
| Trade receivables                            | 2,514                                        | 2,392                                        | 2,003                                   |
| Less provision for impairment of receivables | (490)                                        | (634)                                        | (626)                                   |
| Trade receivables net                        | 2,024                                        | 1,758                                        | 1,377                                   |
| Other receivables                            | 2,426                                        | 3,159                                        | 2,435                                   |
| Prepayments and accrued income               | 858                                          | 390                                          | 1,078                                   |
|                                              | <b>5,308</b>                                 | <b>5,307</b>                                 | <b>4,890</b>                            |
| <b>Non-current assets</b>                    | <b>1,905</b>                                 | <b>139</b>                                   | <b>2,108</b>                            |

Other receivables include a balance of £1.88 million relating to the deferred consideration from the sale of an investment property located in Romania, which is receivable after one year. This has been discounted to reflect its current value.

## 9. Trade and Other Payables

|                                    | Six months<br>ended<br>30 Sept 2017<br>£'000 | Six months<br>ended<br>30 Sept 2016<br>£'000 | Year<br>ended<br>31 March 2017<br>£'000 |
|------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|
| Trade payables                     | 3,457                                        | 2,787                                        | 2,941                                   |
| Other taxation and social security | 891                                          | 673                                          | 799                                     |
| Other payables and accruals        | 2,272                                        | 4,214                                        | 5,275                                   |
| Deferred income                    | 663                                          | 11                                           | 833                                     |
|                                    | <b>7,283</b>                                 | <b>7,685</b>                                 | <b>9,848</b>                            |

## 10. Financial Liabilities

|                                                                 | Six months<br>ended<br>30 Sept 2017<br>£'000 | Six months<br>ended<br>30 Sept 2016<br>£'000 | Year<br>ended<br>31 March 2017<br>£'000 |
|-----------------------------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|
| <b>a) Current liabilities</b>                                   |                                              |                                              |                                         |
| Loans repayable by subsidiary (FOP) to third party shareholders | 2,121                                        | 1,918                                        | 2,148                                   |
| Bank loans                                                      | 3,470                                        | 3,340                                        | 3,180                                   |
| Finance leases                                                  | 3,270                                        | 3,125                                        | 14,313                                  |
|                                                                 | <b>8,861</b>                                 | <b>8,383</b>                                 | <b>19,641</b>                           |
| <b>b) Non-current liabilities</b>                               |                                              |                                              |                                         |
| Bank loans                                                      | 63,757                                       | 66,022                                       | 63,850                                  |
| Finance leases                                                  | 47,347                                       | 49,497                                       | 36,193                                  |
|                                                                 | <b>111,104</b>                               | <b>115,519</b>                               | <b>100,043</b>                          |
| <b>c) Total obligations under financial liabilities</b>         |                                              |                                              |                                         |
| Repayable within one year                                       | 8,861                                        | 8,383                                        | 19,642                                  |
| Repayable within one and five years                             | 78,099                                       | 99,041                                       | 65,725                                  |
| Repayable after five years                                      | 33,005                                       | 16,478                                       | 34,317                                  |
|                                                                 | <b>119,965</b>                               | <b>123,902</b>                               | <b>119,684</b>                          |

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 £117.84 million (31 March 2017: £117.54 million) 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](http://www.fprop.com)). Further copies can be obtained from the registered office at 32 St James's Street, London SW1A 1HD.