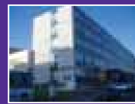
Half Yearly Report 30 September 2009

Fprop plc

First Property Group plc



PROPERTY FUND MANAGEMENT

Fprop plc

Oxford Tower, Warsaw

Highlights

Financial Highlights

	Unaudited six months to 30 Sept 2009	Unaudited six months to 30 Sept 2008	Percentage change from 30 Sept 2008	Audited Year to 31 March 2009
Profit on ordinary activities before tax	**£1.56m**	£1.77m	**-12%**	£3.86m
Operating profit	**£1.52m**	£1.52m	**0%**	£3.43m
Net profit for period	**£1.22m**	£1.32m	**-8%**	£3.22m
Net assets	**£14.38m**	£12.86m	**+12%**	£13.60m
Cash and cash equivalents	**£9.46m**	£11.20m	**-16%**	£10.1m
Diluted earnings per share	**1.06p**	1.08p	**-2%**	2.74p
Interim dividend per share	**0.31p**	0.30p	**+3%**	0.30p
Operating profit by segment:				
Operating profit from property fund management	**£1.56m**	£1.66m	**-6%**	£3.46m
Assets under management (AUM)	**£296m**	£290m	**+2%**	£310m
Operating profit from property trading	**£0.40m**	£0.16m	**+153%**	£0.85m
Operating profit from property facilities management ("FPS")	**£0.10m**	£0.35m	**-71%**	£0.61m
Unallocated central overheads	**£(0.54)m**	£(0.66)m	**-19%**	£(1.49)m

Operational Highlights

- Continued strategic emphasis to grow fund management division:
  - » Progress is being made to establish a new UK commercial property fund – commitments for in excess of £50 million of equity, subject to contract, from a group of pension schemes for a new UK commercial property fund.
  - » Marketing is commencing to raise a new CEE commercial property fund, a region in which our funds under management ranked as the top performing over the three years to 31 December 2008, as measured against the IPD CEE Benchmark.
- At the period end the Group had £296 million in assets under management (AUM), of which £281 million is property in Central and Eastern Europe ("CEE"), representing 95% of the total portfolio. This ratio is likely to shift towards the UK in coming months following recent purchases in the UK and particularly if the new UK fund, which is referred to above, is raised.
- The annualised pre-tax return on equity being earned from our existing assets under management on behalf of clients in CEE is running at in excess of 20% per annum of the equity that was deployed to acquire them.
- The property trading division acquired control of the management company responsible for its office tower in Warsaw's Central Business District ("CBD") in which the Group owns a 28% stake, and in which previously no single shareholder had control.
- The Group appointed Mr. Peter Moon, outgoing Chief Investment Officer of Universities Superannuation Scheme, as a Non-Executive Director, effective 1st May 2010.

Chief Executive's Statement

Financial Results

I am pleased to report interim results for the six months to 30 September 2009.

Revenue during the period amounted to £4,798,000 (2008: £4,736,000), yielding a decreased profit on ordinary activities before taxation of £1,555,000 (2008: £1,774,000).

Diluted earnings per ordinary share were 1.06 pence (2008: 1.08 pence).

The Group ended the period with net assets of £14.4 million (2008: £12.9 million) and a cash balance of £9.5m (2008: £11.2m). The reduction of our cash balance is largely due to the acquisition of an office building in Warsaw in December 2008, to which I refer later in this statement, and which utilised \$2.4 million (£1.6 million at the time of purchase) of our equity.

This is a creditable performance given not only the headwinds facing the property markets but also the reduced interest income on our cash balances and the general economic slowdown which has affected our facilities management division.

We are delighted to be able to report the appointment of Mr. Peter Moon, outgoing Chief Investment Officer of Universities Superannuation Scheme (USS), to our Board as a Non-Executive Director with effect from 1st May 2010. We regard his acceptance of the appointment as affirmation that our core division, First Property Asset Management, has performed well thus far with its mandate to manage funds on behalf of USS, and a sign of confidence in our abilities. This appointment also reflects the growing maturity of the Group, as we broaden and consolidate our earnings platform. We look forward to drawing on Peter's wisdom and deep knowledge, in particular of the pension funds market, our target investor client market for our core division, First Property Asset Management.

Dividend

On the basis of these results, our strong balance sheet, and the outlook for the future, the Board has recommended an increased interim dividend of 0.31 pence per share (2008: 0.30 pence per share) which will be paid on 21 December 2009 to shareholders on the register at 11 December 2009.

Review of operations

Property fund management (First Property Asset Management Limited)

Revenue earned by this division amounted to £1,949,000 (2008: £1,948,000) generating an operating profit of £1,555,000. This represents 75% of Group operating profit (2008: 76%) prior to the deduction of unallocated central (PLC) costs.

At 30th September assets under management (AUM) within the fund management division stood at £296 million (2008: £290 million). These funds are managed within fixed life closed ended funds. The largest of these funds, Fund 7, which we manage on behalf of USS and which accounts for 93% of our funds under management at the period end, was awarded as a ten year contract in 2005.

Chief Executive's Statement

continued

We completed one acquisition, a warehouse in Poland costing €22 million, during the period. We won no new funds to manage, and made no disposals. We still have some £43 million of equity available to be drawn down by Fund 7. No fees are receivable on un-drawn equity.

The like for like aggregate value of properties held by our funds has reduced by some 18% in Euro terms and 4.5% in Sterling terms for the 12 months to 30 September 2009. However, total AUM have increased by 2.1% due to the purchase of the warehouse in Poland. It is worth noting that, notwithstanding these downward revaluations, the rental income of our AUM is generating an annualised rate of return of more than 20% per annum on the original equity deployed to acquire the portfolio.

When we announced our results in June for the year ended 31st March 2009, we signalled our planned return to the UK property market, having largely exited the market in 2005 due to concerns over the inflated values being ascribed to properties. In October 2009, after the period end, we exchanged contracts to acquire two UK properties, on behalf of Fund 7, for a combined value of some £10m and we have a third UK property under offer for some £3.5m, also for Fund 7.

In that final results statement I also indicated that we were considering the launch of a new fund to invest in UK commercial property, following the marked reduction in the value of UK commercial property. We have since then been in due diligence with a group of pension schemes and lawyers have now been instructed to draw up contractual documentation for such a fund. These documents are still subject to negotiation and it would be premature to conclude that such a fund will certainly be raised, but considerable progress has been made. The size of the fund is still to be finalised but we have indications of interest in excess of £50 million of equity. If we are successful in raising this fund it will be a significant step towards diversifying the Group's earnings and client base.

In CEE, where our funds were ranked as the top performing funds over the three years to 31 December 2008, as measured against the IPD CEE Benchmark, we are nearing the end of our available equity to be invested. We are optimistic about the growth outlook there, particularly in our favoured market, Poland, and are therefore commencing the process of raising a new CEE (Polish) fund. Such a fund raising process typically takes several months to complete but in the intervening period it is our intention to exploit attractive investment opportunities that we come across by entering into joint ventures (JV's) with funding partners, using part of the £9.5 million of the Group's cash as our (minority) equity contribution. We are confident that we have access to third party equity funding for the right purchases. Indeed we have agreed JV terms on two occasions this year with third party equity providers, in order to complete transactions that fell outside of our fund mandates (although on both occasions the transactions failed to complete for reasons unrelated to equity funding or the properties themselves).

Chief Executive's Statement
continued

The geographic split of our funds under management at the period end was 90% in Poland, 5% in Romania, and 5% in UK. We expect these weightings to shift in favour of the UK in the coming months given our recent purchases in the UK and particularly in the event that we are successful in raising our new UK fund.

Property trading

Revenue from this activity was £884,000 (2008: £457,000), producing an operating profit of £397,000 (2008: £157,000). This represents 19% of Group operating profit prior to the deduction of unallocated central (PLC) costs (2008: 7%).

We hold two assets directly within this division, both of which are held at the lower of cost or valuation for accounting purposes. We have not had these properties externally revalued recently but are confident that their valuation comfortably exceeds cost, being the level at which we hold them for accounting purposes. They generated a rental income of £801,000 within the period, an annualised pre-tax return on equity deployed of 17% per annum.

Both assets are located in Warsaw and were purchased as special situations with the aim of utilising our in house asset management expertise to unlock capital value, whilst providing a high rate of running return in the intervening period.

The first asset is a Class C office building within a residential suburb of Warsaw which we acquired in November 2007 for £2.6 million and which has no borrowings secured against it. Our business plan is to achieve planning consent for change of use to residential and then either develop it ourselves, or sell to a developer. We have commenced the planning process and expect to have a decision within the second half of the year, although this process has taken longer than we first envisaged and is unpredictable. In the meantime the asset is earning us an 11.3% yield on cost.

The second asset is a Class B office building, located in the centre of Warsaw's central business district (CBD), in which we acquired a 28% interest in December 2008 for USD 13.0 million, and against which we have secured a non-recourse loan of USD 10.6 million. The pre-tax return on equity deployed is some 28% per annum. The building and its management company were owned by a number of different owners with no single owner exercising control, resulting in an inefficient and costly management service. One of our aims at the time of purchase was to consolidate the shareholdings in the management company under our control in order to maximise the value of our interest in the building. We achieved this earlier this month at a purchase cost of PLN 1.1 million, or some £250,000. We expect to increase our earnings from this investment by at least £150,000 per annum once we have reduced the costs of the management company.

In addition to the two properties held directly within this division we also own a 41% stake in two of our funds, Fund 5 and Fund 6. These produced post tax profits in the period of £120,000 (2008: £76,000). These are both geared funds and so the 58% jump in post tax profits can be attributed to reductions in interest rates. We hold these shares at original cost plus their share of accumulated profits. At the period end the carried valuation was £551,000. Due to IFRS we are required to report this at the Group level as "share of associate's net assets" but refer to it in this Property Trading segment because we regard all earnings derived from investments (excluding cash) to be a trading activity.

First Property Services Ltd ("FPS")

Revenue earned by this subsidiary, in which we own a 60% share, was £1,915,000 (2008: £2,276,000), generating a pre-tax profit of £104,000 (2008: £354,000) which represents 5% of Group operating profit prior to the deduction of unallocated central (PLC) costs (2008: 16%).

FPS is engaged in the provision of specialty facilities maintenance to clients in the commercial property sector, predominantly the installation of air conditioning units. Revenue from ongoing maintenance contracts has been steady at some £0.5 million per annum. However, sales of new installation contracts, which typically take a few months to complete, are not contractually recurring, and the reduction in profit is as a result of reduced sales from this activity. In view of the adverse economic climate in the UK, this is not surprising.

The second half performance of this company is also likely to yield a reduced profit compared to last year, though we do expect it to remain profitable.

Commercial property markets outlook

Widespread fire sales in the property market, in the wake of the credit crunch, have failed to materialise. The coordinated global programme of loose monetary policy has resulted in many would be forced sellers being able to hold on to their assets, with the banks choosing to overlook the fact that many may be in breach of loan to value covenants as a result of asset price falls. Consequently transactional activity has been low. This may yet change and there are indications that banks may now be beginning to sell properties, but not at fire sale prices.

In the last few months investor demand for well let commercial property has been building, particularly in the UK but now spreading eastwards across Europe, as a result of limited stock and a desire to lock into higher returns than cash can offer. This demand is polarised towards properties with good quality covenants and long lease lengths.

Despite this picture of limited supply and building investor demand, asset prices are still off by about one third from their peak, and more importantly are showing a sufficient spread over the cost of finance to make acquisitions attractive.

We favour both the UK and Polish property investment markets, but for differing reasons.

In the UK we believe that pricing has fallen sufficiently to compensate for further anticipated rent reductions. The occupier market is still weak though, as is the state of the economy, so consequently, like much of our competition, our acquisition focus is on good quality covenants with long unexpired leases.

Chief Executive's Statement

continued

In Poland, which is the only EU member country to have thus far avoided recession, and where there are lower levels of personal and state indebtedness, the economic outlook is brighter. The widespread shunning by investors of CEE markets, as experienced after the collapse of Lehman Brothers, would appear to have abated and investors are now differentiating between Poland and other CEE markets. The PLN/ Euro exchange rate, which is key for property investors because rents are largely Euro denominated, appears to have stabilised within a range of PLN/ Euro of 4.1 to PLN 4.25, up from its low of PLN/ Euro 4.95, which should materially reduce the stress on tenants.

The value of commercial properties in Poland has dropped over the last year by some 20% since its peak level in 2008. There are now signs that this is stabilising with an increase in transactions and bank lending, albeit from a very low level. As global growth returns, we expect Poland's economy to benefit and for rents to begin to rise, with a commensurate increase in the value of properties.

Current trading and prospects

I am happy with our performance in the first half of the year and I believe this pause in earnings growth to be temporary. The Group has achieved several milestones in the period which should translate into resumed earnings growth in the next financial year.

We have a strong balance sheet and a stable earnings platform of recurring revenues. Our primary focus remains to exploit this position of strength and to grow our AUM within our core division, First Property Asset Management. Our good track record should be of considerable help in this regard.

Ben Habib
Chief Executive
30 November 2009

Consolidated Income Statement

for the six months to 30 September 2009

	Notes	6 months to 30 Sept 2009 (unaudited) Total results £'000	6 months to 30 Sept 2008 (unaudited) Total results £'000	Year to 31 March 2009 (audited) Total results £'000
Revenue	2/3	**4,798**	4,736	11,226
Cost of sales		**(1,823)**	(1,832)	(4,350)
Gross profit		**2,975**	2,904	6,876
Operating expenses		**(1,450)**	(1,385)	(3,442)
Operating profit	3	**1,525**	1,519	3,434
Share of associated companies' profits after tax		**120**	76	135
Interest income		**70**	182	408
Interest expense		**(160)**	(3)	(115)
Profit on ordinary activities before taxation		**1,555**	1,774	3,862
Tax expense	4	**(332)**	(446)	(642)
Profit for the half year		**1,223**	1,328	3,220
Attributable to:				
Equity holders of the parent company		**1,193**	1,234	3,042
Minority interests		**30**	94	178
Earnings per Ordinary 1p share				
– basic	5	**1.10p**	1.14p	2.81p
– diluted	5	**1.06p**	1.08p	2.74p

Consolidated Balance Sheet

as at 30 September 2009

	Notes	As at 30 Sept 2009 (unaudited) £'000	As at 30 Sept 2008 (unaudited) £'000	As at 31 March 2009 (audited) £'000
Non-current assets				
Goodwill		**25**	25	25
Property, plant and equipment		**110**	106	109
Investments – including share of associates net assets	6	**217**	45	104
Other financial assets		**46**	10	42
Deferred tax assets		**97**	113	89
Total non-current Assets		**495**	299	369
Current assets				
Inventories – land and buildings		**10,691**	2,804	11,130
Trade and other receivables	7	**1,921**	1,838	2,874
Cash and cash equivalents		**9,458**	11,215	10,096
Total current assets		**22,070**	15,857	24,100
Current liabilities:				
Trade and other payables	8	**(1,147)**	(2,541)	(3,110)
Financial liabilities		**(24)**	(35)	(25)
Current tax liabilities		**(211)**	(474)	(166)
Total current liabilities		**(1,382)**	(3,050)	(3,301)
Net current assets		**20,688**	12,807	20,799
Total assets less current liabilities		**21,183**	13,106	21,168
Non-current liabilities:				
Financial Liabilities		**(6,682)**	(31)	(7,452)
Deferred tax liabilities		**(124)**	(220)	(112)
Net assets		**14,377**	12,855	13,604
Equity				
Called up share capital		**1,116**	1,116	1,116
Share premium		**5,307**	5,306	5,307
Merger reserve		**–**	5,823	–
Foreign Exchange Translation Reserve		**489**	938	169
Share-based payment reserve		**92**	83	80
Retained earnings		**7,241**	(477)	6,806
Issued capital and reserves attributable to the equity holders of the parent		**14,245**	12,789	13,478
Equity minority interest		**132**	66	126
Total equity		**14,377**	12,855	13,604

Consolidated Statement of Changes in Equity

for the six months to 30 September 2009

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share Based Payment Reserve £'000	Foreign Exchange Translation Reserve £'000	Purchase/ Sale of own Shares £'000	Retained Earnings £'000	Equity Minority Interest £'000
At 1 April 2008	1,116	5,298	5,823	71	780	(634)	(468)	83
Profit/(Loss) for the period	–	–	–	–	–	–	1,328	–
FETR*	–	–	–	–	158	–	–	–
Treasury Shares	–	8	–	–	–	92	–	–
Equity M I	–	–	–	–	–	–	(94)	94
Share-based payments	–	–	–	12	–	–	–	–
Dividends Paid	–	–	–	–	–	–	(701)	(111)
At 30 Sept 2008	**1,116**	**5,306**	**5,823**	**83**	**938**	**(542)**	**65**	**66**
Profit/(Loss) for the period	–	–	–	–	–	–	1,892	–
Transfer of merger reserve	–	–	(5,823)	–	–	–	5,823	–
FETR*	–	–	–	–	(769)	–	–	–
Treasury Shares	–	1	–	–	–	(22)	–	–
Equity MI	–	–	–	–	–	–	(84)	84
Share-based payments	–	–	–	(3)	–	–	–	–
Dividends Paid	–	–	–	–	–	–	(326)	(24)
At 1 April 2009	1,116	5,307	–	80	169	(564)	7,370	126
Profit/(Loss) for the period	–	–	–	–	–	–	1,223	–
FETR*	–	–	–	–	320	–	–	–
Treasury Shares	–	–	–	–	–	–	–	–
Equity MI	–	–	–	–	–	–	(30)	30
Share-based payments	–	–	–	12	–	–	–	–
Dividends paid	–	–	–	–	–	–	(758)	(24)
At 30 Sept 2009	**1,116**	**5,307**	**–**	**92**	**489**	**(564)**	**7,805**	**132**

* *Foreign exchange translation reserve*

Summarised Consolidated Cash Flow Statement

for the six months to 30 September 2009

	6 months to 30 Sept 2009 (unaudited) £'000	6 months to 30 Sept 2008 (unaudited) £'000	12 months to 31 March 2009 (audited) £'000
Cash flows from operating activities			
Operating profit	**1,525**	1,519	3,434
Adjustments for:			
Depreciation of tangible assets	**24**	39	77
(Profit)/Loss on sale of tangible assets	**2**	–	2
(Profit)/Loss on sale of investments	**–**	4	2
Impairment loss on investments	**–**	–	11
Share-based payments	**12**	12	9
Foreign currency translation	**320**	158	(611)
(Increase)/Decrease in inventories	**439**	108	(8,218)
(Increase)/Decrease in trade and other receivables	**953**	6,317	5,281
Increase/(Decrease) in trade and other payables	**(1,963)**	(1,635)	(1,066)
Revaluation of foreign currency bank loan	**(767)**	–	–
Cash generated from operations	**545**	6,522	(1,079)
Income taxes paid	**(284)**	(967)	(1,555)
Net cash flow from operating activities	**261**	5,555	(2,634)
Cash flow from investing activities			
Proceeds on disposal of investments	**–**	34	35
Purchase of investments	**(4)**	(56)	(98)
Proceeds on disposal of tangible assets	**14**	–	7
Purchase of tangible assets	**(40)**	(20)	(70)
Interest received	**70**	182	408
Net cash flow from investing activities	**40**	140	282
Cash flow from financing activities			
Proceeds from bank borrowings	**–**	–	7,400
Interest paid	**(160)**	(3)	(115)
Proceeds from finance lease	**25**	–	–
Repayment of finance lease	**(29)**	(10)	1
Sale/(Purchase) of shares held in Treasury	**–**	100	79
Dividends received	**7**	–	–
Dividends paid	**(758)**	(701)	(1,027)
Dividends paid to minority interest	**(24)**	(111)	(135)
Net cash flow from financing activities	**(939)**	(725)	6,203
Net increase/(decrease) in cash and cash equivalents	**(638)**	4,970	3,851
Cash and cash equivalents at the beginning of period	**10,096**	6,245	6,245
Cash and cash equivalents at the end of the period	**9,458**	11,215	10,096

Notes to the Consolidated Results

for the six months to 30 September 2009

1. Basis of preparation

- These half year financial statements have not been audited and do not constitute statutory accounts within the meaning of section 434 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 2009 and are in compliance with IFRS 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 2009 are not the statutory accounts for the financial year but are abridged from those accounts prepared under IFRS which have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include references to any matter to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.
- These interim financial statements were approved by the Board of Directors on 27th November 2009.

2. Revenue consists of revenue arising in the United Kingdom 57% (2008: 57%) and Central and Eastern Europe 43% (2008: 43%) and all relates solely to the Group's principal activities.

3. Segmental Analysis

Segment Reporting 6 months to 30 September 2009

	Property fund management £'000	Property trading £'000	Property facilities management ("FPS") £'000	Other fees & income £'000	Unallocated central overheads £'000	TOTAL £'000
External revenue	1,949	884	1,915	50	–	4,798
Deprecation and amortisation	(5)	–	(17)	–	(2)	(24)
Operating profit	1,555	397	104	9	(540)	1,525
Analysed as:						
Before performance fees and related items	–	–	–	–	–	–
Performance fees	–	–	–	–	–	–
Staff bonus	–	–	–	–	–	–
Hedging cost	–	–	–	–	–	–
Assets	831	10,879	1,107	34	9,714	22,565
Liabilities	(516)	(6,697)	(935)	(1)	(39)	(8,188)
Net assets	315	4,182	172	33	9,675	14,377

Notes to the Consolidated Results

for the six months to 30 September 2009 continued

3. Segmental Analysis continued

Segment Reporting 6 months to 30 September 2008

	Property fund management £'000	Property trading £'000	Property facilities management ("FPS") £'000	Other fees & income £'000	Unallocated central overheads £'000	TOTAL £'000
External revenue	1,948	457	2,276	55	–	4,736
Deprecation and amortisation	(9)	(1)	(20)	–	(9)	(39)
Operating profit	1,655	157	354	19	(666)	1,519
Analysed as:						
Before performance fees and related items	1,655	157	394	19	(666)	1,559
Performance fees	–	–	–	–	–	–
Staff bonus	–	–	(40)	–	–	(40)
Hedging cost	–	–	–	–	–	–
Assets	574	2,884	947	35	11,716	16,156
Liabilities	(296)	(55)	(1,309)	(45)	(1,596)	(3,301)
Net assets	278	2,829	(362)	(10)	10,120	12,855

Notes to the Consolidated Results

for the six months to 30 September 2009 continued

3. Segmental Analysis continued

Segment Reporting 12 months to 31 March 2009

	Property fund management £'000	Property trading £'000	Property facilities management ("FPS") £'000	Other fees & income £'000	Unallocated central overheads £'000	TOTAL £'000
External revenue	4,571	1,202	5,355	98	–	11,226
Deprecation and amortisation	(14)	(2)	(52)	(1)	(8)	(77)
Operating profit	3,457	849	613	8	(1,493)	3,434
Analysed as:						
Before performance fees and related items	2,962	860	653	8	(869)	3,614
Performance fees	589	–	–	–	–	589
Staff bonus	(94)	(11)	(40)	–	(624)	(769)
Hedging cost	–	–	–	–	–	–
Assets	582	11,658	2,045	88	10,096	24,469
Liabilities	(231)	(7,598)	(2,166)	(48)	(822)	(10,865)
Net assets	351	4,060	(121)	40	9,274	13,604

Interest income and interest expense are not allocated to a separate segment because all cash is managed centrally. Head office costs and overheads that are common to all segments are shown separately under unallocated central costs. Assets, liabilities and costs that relate to Group central activities have not been allocated to business segments.

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

Notes to the Consolidated Results

for the six months to 30 September 2009 continued

5. Earnings per Ordinary 1p share

	6 months to 30 Sept 2009	6 months to 30 Sept 2008	12 months to 31 March 2009
Basic	1.10p	1.14p	2.81p
Diluted	1.06p	1.08p	2.74p

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

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

	Number	Number	Number
Weighted average number of ordinary shares in issue	108,170,527	107,897,037	108,079,973
Share options	4,450,000	8,437,500	3,100,000
Total	112,620,527	116,334,537	111,179,973

	£'000	£'000	£'000
Basic earnings	1,193	1,234	3,042
Diluted earnings assuming full dilution at closing share price	1,197	1,254	3,046

6. Investments – Share of associates' net assets

	30 Sept 2009 £'000	30 Sept 2008 £'000	31 March 2009 £'000
Cost of investment at beginning of period	104	(50)	(50)
Share of accumulated post tax profit	113	76	135
Additions	–	56	56
Disposals	–	(37)	(37)
Cost of investment at end of period	217	45	104

Notes to the Consolidated Results

for the six months to 30 September 2009 continued

7. Trade and other receivables

	30 Sept 2009 £'000	30 Sept 2008 £'000	31 March 2009 £'000
Trade receivables	856	945	1,475
Amounts due from undertakings in which the company has a participation interest	230	251	230
Other receivables	536	342	200
Prepayments and accrued income	299	300	969
	1,921	1,838	2,874

8. Trade and other payables

	30 Sept 2009 £'000	30 Sept 2008 £'000	31 March 2009 £'000
Trade payables	439	630	1,392
Other taxation and social security	172	471	180
Other payables and accruals	472	1,378	1,453
Deferred income	64	62	85
	1,147	2,541	3,110

9. The interim results are being circulated to all shareholders and can be downloaded from the company's web site (www.fprop.com). Further copies can be obtained from the registered office at 17 Quayside Lodge, William Morris Way, London SW6 2UZ.

Directors and Advisers

Directors
Alasdair J D Locke
(Non-executive Chairman)

Benyamin N Habib
(Chief Executive)

George R W Digby
(Finance Director)

Company Secretary
George R W Digby

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17 Quayside
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London
SW6 2UZ
Registered No. 02967020

Website: www.fprop.com

Registered Auditors
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Oxford
OX5 2DH

Registrars
Capita Registrars
Northern House
Woodsome Park
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