

Date: 22 November 2018
 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 2018

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 2018.

Financial Highlights:

- Profit before tax of £3.82 million (2017: £4.98 million);
- Cash unchanged at £10.01 million (2017: £10.00 million) after cash outflows from investments (over the past year) of £5.17 million;
- Adjusted NAV per share of 62.21 pence per share (2017: 51.25 pence per share);
- Interim dividend of 0.44 pence per share (2017: 0.42 pence per share).

Operational Highlights:

- Assets under management £730 million (2017: £554 million);
- Third party assets under management £551 million (2017: £382 million);
- Weighted average unexpired fund management contract term: 6.30 years (2017: 6.08 years);
- Two new funds established (one invested in Poland, the other in Romania, together amounting to some €80 million) with investors including a client of Willis Towers Watson and Oxbridge colleges.

Post period-end Highlight:

- Deconsolidation of subsidiary, Fprop Opportunities plc (FOP), from 12 October 2018 following the sale of a 6.74% interest.

Financial Summary:

| | Unaudited Six months to 30 Sept 2018 | Unaudited Six months to 30 Sept 2017 | Percentage change | Audited Year to 31 March 2018 |
|--|---|--|----------------------|-------------------------------------|
| Income Statement: | | | | |
| Revenue | £11.16m | £12.09m | -7.69% | £25.46m |
| Statutory profit before tax | £3.82m | £4.98m | -23.29% | £9.23m |
| Diluted earnings per share | 1.69p | 2.84p | -40.49% | 5.70p |
| Dividend per share | 0.44p | 0.42p | +4.76% | 1.60p |
| Average £/€ rate | 0.886 | 0.881 | +0.57% | 0.881 |
| Balance Sheet at period end: | | | | |
| Net assets per share | 39.39p | 35.68p | +10.40% | 40.29p |
| Adjusted net assets per share (EPRA basis) | 62.21p | 51.25p | +21.39% | 53.07p |
| Cash Balances | 10.01m | £10.00m | +0.10% | £15.32m |
| Period end £/€ rate | 0.891 | 0.881 | +1.14% | 0.877 |
| Group Property portfolio at period end: | | | | |
| Properties at book value | £152.4m | £146.3m | +4.17% | £147.8m |
| Properties at market value | £178.3m | £171.9m | +3.72% | £171.3m |
| Gross Debt (non-recourse to the Group) | £120.8m | £117.8m | +2.55% | £117.6m |
| LTV% | 67.76% | 68.53% | | 68.65% |
| Associates and Investments at market value | £20.1m | £9.1m | +120.88% | £10.3m |
| Total assets under management: | £730m | £554m | | £626m |
| United Kingdom | 58.0% | 57.0% | | 62.3% |
| Poland | 39.9% | 40.8% | | 35.8% |
| Romania | 2.1% | 2.2% | | 1.9% |

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

"This has been a good six months for First Property.

"The reduction in profit before tax should only be temporary and is due virtually entirely to the expiry of Citi Group's lease at one of our two towers in Warsaw, CH8 (previously known as Oxford Tower), as previously flagged. We expect this vacant space to be leased in the near future.

"Third party funds under management increased by 44% from the prior year and the Group's adjusted net assets per share increased by 21% over the same period.

"We are particularly excited by the investments we are acquiring on behalf of Fprop Offices in the UK and the prospects of Eximius Park in Krakow, both of which should result in material contributions to group profits in due course.

"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 9401, passcode 613421. 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/.

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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. It has grown its adjusted net assets, together with dividends paid, by some 28% per annum since 2006.

The Group's 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 thirteen 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 comprise nine commercial properties in Poland and Romania and non-controlling interests in nine of the thirteen funds managed by FPAM.

Listed on AIM the Company has offices in London, Warsaw and Bucharest. Around one third of the shares in the Company are owned by management and their families. Further information about the Company and its products can be found at: www.fprop.com.

CHIEF EXECUTIVE'S STATEMENT

Performance:

I am pleased to report interim results for the six months ended 30 September 2018.

Revenue earned by the Group amounted to £11.16 million (2017: £12.09 million) yielding a profit before tax of £3.82 million (2017: £4.98 million). Diluted earnings per share were 1.69 pence (2017: 2.84 pence). The reduction in revenue and profit before tax was virtually entirely due to the expiry of Citi Group's lease at one of our two towers in Warsaw, CH8 (previously known as Oxford Tower). We expect this vacant space to be leased in the near future.

The Group ended the period with reported net assets of £50.76 million (2017: £44.91 million), an increase of 13.0%. 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 £70.89 million (2017: £60.84 million), an increase of 16.5%.

Group cash balances at the period end were unchanged versus the prior year at £10.01 million (2017: £10.00 million) and reduced by £5.31 million from the financial year end (31 March 2018: £15.32 million). Of the cash held, £2.03 million (2017: £2.83 million) was held by FOP (51.02% owned by the Group until 12 October 2018) and £684,000 was held by Corp Sp. z o.o. (90% owned by the Group), the property management company for Blue Tower in Warsaw. During the period the Group purchased 4,775,000 of its own Ordinary Shares for a total consideration of £2.2 million and made additional investments in its funds of £1.6 million.

Dividend:

The Directors have resolved to increase the interim dividend by 4.8% to 0.44 pence per share (2017: 0.42 pence per share) which will be paid on 28 December 2018 to shareholders on the register at 30 November 2018, with an ex-dividend date of 29 November 2018.

Review of Operations:

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

As at 30 September 2018 aggregate assets under management amounted to £730 million (2017: £554 million), an increase of 32% from the prior year. Of this £551 million was managed on behalf of third parties (2017: £382 million), an increase of 44% from the prior year and an increase of £97 million or 21% from the 2018 financial year-end. The increase since the 2018 financial year-end was attributable to two additional investments in the UK and the establishment of two new funds, Fprop Phoenix Ltd and Fprop Cluj Ltd, which are invested in Poland and Romania respectively.

58.0% of aggregate assets under management were located in the UK, 39.9% in Poland, and 2.1% 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 growth inevitably lags the growth in assets under management because investments made during a given period do not benefit from full period fee or profit contributions, and in the case of Fprop Offices LP also needs to overcome standard property purchase costs in the UK of 6.8% of a given property's value before a profit share can be earned.

Revenue earned from fund management increased by 4% to £1.55 million (2017: £1.49 million), resulting in a profit before unallocated central overheads and tax of £798,000 (2017: £804,000). This represents 15.8% (2017: 11.7%) of Group profit before unallocated central overheads and tax. The Group has not yet recognised any profits from Fprop Offices LP pursuant to the profit share agreement but expects to do so in the second half of the current financial year.

At the period end FPAM's fund management fee income, excluding performance fees, was being earned at an annualised rate of £2.90 million (2017: £2.64 million).

FPAM's weighted average unexpired fund management contract term at the period end was 6.30 years (2017: 6.08 years).

FPAM now has over 100 clients of which pension funds represent 76% by value, endowments funds represent 10% by value and private clients represent 9% by value. The balance is represented by the Group's investments in its funds (which are accounted for as investments and associates).

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

| | Funds managed for third parties (including funds in which the Group is a minority shareholder) | | | | Group Properties (including FOP) | | Totals | |
|---------------------------------|--|--------------|--------------|------------------|-------------------------------------|------------------|--------------|------------------|
| | UK £m. | CEE £m. | Total £m. | No. of prop's | All CEE £m. | No. of prop's | AUM £m. | No. of prop's |
| As at 1 April 2018 | 389.9 | 64.5 | 454.4 | 68 | 171.3 | 10 | 625.7 | 78 |
| Purchases | 31.8 | - | 31.8 | 2 | - | - | 31.8 | 2 |
| New fund mandates | - | 72.1 | 72.1 | 5 | - | - | 72.1 | 5 |
| Property sales | - | (4.3) | (4.3) | (4) | - | - | (4.3) | (4) |
| Transfer to Group Properties | - | (5.4) | (5.4) | (4) | 5.4 | 4 | - | - |
| Capital expenditure | - | - | - | - | 0.6 | - | 0.6 | - |
| Property depreciation | - | - | - | - | (1.2) | - | (1.2) | - |
| Property revaluation | 1.4 | 0.4 | 1.8 | - | (0.3) | - | 1.5 | - |
| FX revaluation | - | 1.0 | 1.0 | - | 2.5 | - | 3.5 | - |
| As at 30 Sept 2018 | 423.1 | 128.3 | 551.4 | 67 | 178.3 | 14 | 729.7 | 81 |

At the period end FPAM managed thirteen (2017: twelve) 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 investme nt | Fund expiry | Assets under management at market value at 30 Sept 2018 | % of total assets under management | Assets under management at market value at 30 Sept 2017 |
|---------------------------|---------------------------------|----------------|--|---|--|
| | | | £m. | %age | £m. |
| SAM & DHOW | UK | Rolling | * | * | * |
| RPT/E&S | Poland | Aug 2020 | ** | ** | 7.1 |
| 5PT | Poland | Dec 2022 | 8.2 | 1.1% | 8.7 |
| UK PPP | UK | Feb 2022 | 92.0 | 12.6% | 93.3 |
| SIPS | UK | Jan 2025 | 166.3 | 22.8% | 156.1 |
| FRS | Romania | Sept 2025 | 2.5 | 0.3% | 6.7 |
| FGC | Poland | Aug 2024 | 22.2 | 3.1% | 21.2 |
| FKR | Poland | Apr 2024 | 23.4 | 3.2% | 22.3 |
| SPEC OPPTS | UK | Jan 2027 | 19.1 | 2.6% | 15.4 |
| OFFICES | UK | June 2024 | 145.8 | 20.0% | 51.1 |
| FPL | Poland | June 2028 | 64.0 | 8.8% | - |
| FCL | Romania | June 2028 | 7.9 | 1.1% | - |
| Sub Total | | | 551.4 | 75.6% | 381.9 |
| FOP | Poland | Oct 2025 | 75.3 | 10.3% | 73.9 |
| RPT/E&S | Poland | Aug 2020 | 5.4 | 0.7% | ** |
| Wholly owned by the Group | Poland & Romania | n/a | 97.6 | 13.4% | 98.0 |
| Sub Total | | | 178.3 | 24.4% | 171.9 |
| Total | | | 729.7 | 100.0% | 553.8 |

* Not subject to recent revaluation

**With effect from 1 August 2018 RPT/E&S were consolidated into Group Properties

GROUP PROPERTIES

At the period end Group Properties comprised:

- Fourteen commercial properties in Poland and Romania, five of which were held by FOP (in which the Group was the majority shareholder until 12 October 2018), and four of which (with effect 1 August 2018) were jointly held by Regional Property Trading Ltd (RPT) and E&S Estates Ltd (E&S). These fourteen properties are accounted for under the cost model at £152 million. Their fair value is £178 million. See table 1 below.
- Non-controlling interests in nine of the thirteen funds managed by FPAM as set out in table 2 below. Of these:
 - Six are accounted for as Associates under the cost model, resulting in a carried value of £5.99 million. If the Group were to adopt the fair value model, the carrying value of its investments in Associates would increase to £16.53 million;
 - Three are accounted for as Investments in funds and are carried at fair value of £3.54 million (2017: £3.26 million).

1. Fourteen properties (including five held by FOP and four held by RPT/E&S) as at 30 September 2018:

| Country | No. of properties | Book value | Market value | Contribution to Group profit before tax period to 30 Sept 2018* | Contribution to Group profit before tax period to 30 Sept 2017* |
|-------------------------|-------------------|---------------|---------------|---|---|
| | | £m. | £m. | £m. | £m. |
| Poland | 3 | 78.93 | 92.30 | 1.96 | 3.46 |
| Romania | 2 | 4.21 | 5.25 | 0.08 | 0.46 |
| FOP (all in Poland) | 5 | 63.91 | 75.33 | 2.19 | 1.90 |
| RPT/E&S (all in Poland) | 4 | 5.39 | 5.39 | 0.01 | - |
| Total | 14 | 152.44 | 178.27 | 4.24 | 5.82 |

*Prior to the deduction of unallocated central overheads.

2. Non-controlling interests in nine funds managed by FPAM as at 30 September 2018:

| 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 2018 | Group's share of pre-tax profits earned by fund 30 Sept 2017 |
|-----------------------|---------------------------------|--|----------------------------------|--|--|
| | | £'000. | £'000. | £'000. | £'000. |
| a) Associates | | | | | |
| 5PT | 37.8% | 884 | 988 | 25 | 56 |
| RPT/E&S | - | - | - | (9)* | 27 |
| FRS | 24.1% | 393 | 393 | 275 | 482 |
| FGC | 28.2% | 2,040 | 2,365 | 168 | 134 |
| FKR | 18.1% | 1,279 | 1,765 | 85 | 41 |
| FPL | 23.4% | 939 | 10,556 | (59) | - |
| FCL | 17.4% | 458 | 462 | (2) | - |
| Sub Total | | 5,993 | 16,529 | 483 | 740 |
| b) Investments | | | | | |
| UK PPP | 0.9% | 887 | 887 | 29 | 33 |
| SPEC OPPTS | 4.8% | 773 | 773 | 20 | - |
| OFFICES | 1.6% | 1,883 | 1,883 | 108 | - |
| Sub Total | | 3,543 | 3,543 | 157 | 33 |
| Total | | 9,536 | 20,072 | 640 | 773 |

* Representing the Group's share of the loss from its associate share in RPT/E&S prior to its consolidation into the Group's accounts on 1 August 2018.

Revenue from Group Properties amounted to £9.61 million (2017: £10.60 million), generating a profit before unallocated central overheads and tax of £4.26 million (2017: £6.08 million) and representing 84.2% (2017: 88.3%) of Group profit before unallocated central overheads and tax.

The reduction in revenue and profit compared to the same period last year was virtually entirely due to the expiry of Citi Group's lease at Chałubińskiego 8, Warsaw (CH8, previously known as Oxford Tower), as explained in fuller detail below.

The contribution to earnings by the Group's fourteen properties, including the five held by FOP (in which the Group held 51.02% as at 30 September 2018) and the four held jointly by RPT and E&S, is detailed below. The table below excludes the Group's non-controlling interests in nine of the thirteen funds managed by FPAM.

| | Six months to 30 Sept 2018 €m. | Six months to 30 Sept 2017 €m. |
|---|--------------------------------------|--------------------------------------|
| Net operating income (NOI) | 7.91 | 9.41 |
| Interest expense on bank loans/ finance leases | (1.58) | (1.59) |
| NOI after interest expense | 6.33 | 7.82 |
| Current tax | (0.36) | (0.71) |
| Debt amortisation | (3.95) | (3.66) |
| Capital expenditure | (0.66) | (2.10) |
| Free cash | 1.36 | 1.35 |
| Market value of properties | €200.15 | €195.08 |
| Average yield on market value | 7.9% | 9.6% |
| Bank loans/ finance leases outstanding | €135.62 | €133.74 |
| Loan to value (LTV) | 67.8% | 68.6% |
| Weighted average unexpired lease term (WAULT) | 2.73 yrs | 3.13 yrs |
| Vacancy rate | 15.8% | 1.5% |

The loans secured against these fourteen properties are 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 some 40% of the loans by value. A one percentage point increase from current interest rates would increase the Group's interest bill by £650,000 per annum (2017: £563,000). The current weighted average borrowing cost is 2.83% (2017: 2.46%) per annum.

Chałubińskiego 8 (CH8, previously known as Oxford Tower)

Until February 2018 Citi Group leased some 10,000 m² of office space in CH8, equating to just over half the space we own in this tower.

Since the expiry of Citi's lease we have signed new leases over 3,049 m² (around a third of the vacated space) and are in advanced negotiations over a further 4,936 m². We expect the remaining vacant space to be fully leased in the near future.

Fprop Opportunities plc (FOP)

The contribution by FOP to Group profit before unallocated central overheads and tax amounted to £1.78 million (2017: £1.51 million).

The Group has continued to sell shares held by it in FOP. Sales during the period resulted in a capital profit for the Group of £32,000 (2017: £101,000). At the period end the Group held 51.02% (31 March 2018: 51.46%) of the issued share capital. The Group intends to continue to sell its shares until its interest has reduced to some 25%-30%.

After the period end, following further share sales, the Group's share in FOP reduced to 44.3% which permits its deconsolidation from the accounts of the Group. With effect from 12 October 2018 the Group will account for its remaining share of the profits of FOP as an associate undertaking.

Regional Property Trading Ltd (RPT) and E&S Estates Ltd (E&S)

With effect from 1 August 2018 the results of RPT and E&S, which jointly own four properties in Poland, were consolidated into the accounts of the Group, following the Group acquiring full ownership of RPT and 77% of E&S.

Associates and Investments:

The Group's non-controlling interests in funds managed by FPAM contributed £483,000 (2017: £740,000) to Group profit before tax. The reduction compared to the prior year was mainly due to the sale of three supermarkets by Fprop Romanian Supermarkets Ltd (FRS) in the previous financial year, which resulted in a reduced contribution by FRS in the period just ended of £275,000 (2017: £482,000).

The Group made two new associate investments totalling some £1.46 million during the period in the two new funds established by FPAM, Fprop Phoenix Ltd and Fprop Cluj Ltd.

Fprop Phoenix Ltd is the holding company for Eximius Park (previously known as Krakow Business Park). In late May/ early June 2018 the Group refinanced the loan secured against the properties, which was previously in default, and obtained new equity commitments totalling some €33 million. The Group is not participating in the new equity commitments made resulting in its share in Phoenix reducing to 23.4%.

Commercial Property Markets Outlook

Poland:

GDP growth in Poland is expected at 5% in 2018 and to exceed 4% in 2019, again putting it at the forefront of EU member states. Inflation has picked up but at just over 2% per annum should be manageable. Government debt remains low by international standards at some 54% of GDP.

Investor demand for commercial property remains high. Volumes are expected to climb to €6 billion in 2018, a new record. Rental growth has been more elusive in recent years due to the volume of new development, but there are signs that this may be changing in some sub sectors, such as offices in Warsaw, due to high take up levels. 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:

In 2017 Romania was the fastest growing country in the European Union, recording GDP growth of over 7%. GDP growth is expected to slow in 2018 to 3.5%, a level which it is forecast to sustain into 2019 and 2020.

Investor demand for commercial property continues to improve but volumes remain slim. Around €1 billion of commercial property is expected to transact in 2018, as it did in 2017, but volume is expected to be more concentrated in the second half of this year. 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 decision to raise the base rate by 0.25% to 0.75% in August has had limited impact on the commercial property market so far and nor do we expect it to given the Bank's continued loose monetary policy.

We 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 a good six months for First Property.

The reduction in profit before tax should only be temporary and is due virtually entirely to the expiry of Citi Group's lease at one of our two tower's in Warsaw, CH8 (previously known as Oxford Tower), as previously flagged. We expect this vacant space to be leased in the near future.

Third party funds under management increased by 44% from the prior year, and the Group's adjusted net assets per share increased by 21% over the same period.

We are particularly excited by the investments we are acquiring on behalf of Fprop Offices in the UK and the prospects of Eximius Park in Krakow, both of which should result in material contributions to group profits in due course.

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

Ben Habib
Chief Executive
22 November 2018

CONSOLIDATED INCOME STATEMENT
for the six months to 30 September 2018

| | Six months to 30 Sept 2018 (unaudited) | Six months to 30 Sept 2017 (unaudited) | Year to 31 Mar 2018 (audited) |
|---|---|--|-------------------------------------|
| | Total results | Total results | Total results |
| | £'000 | £'000 | £'000 |
| Revenue | 11,157 | 12,089 | 25,460 |
| Cost of sales | (2,452) | (2,179) | (6,030) |
| Gross profit | 8,705 | 9,910 | 19,430 |
| Profit on sale of FOP shares | 32 | 101 | 1,112 |
| Reversal of impairment loss /(impairment loss) to investment properties | 8 | 167 | (183) |
| Goodwill on acquisition | 5 | - | - |
| Disposal of subsidiary | 6 | - | - |
| Operating expenses | (4,110) | (4,415) | (9,158) |
| Operating profit | 4,627 | 5,763 | 11,201 |
| Share of results in associates | 9 | 740 | 950 |
| Investment income | 157 | 33 | 63 |
| Interest income | 3 | 75 | 82 |
| Interest expense | 3 | (1,631) | (3,063) |
| Profit before tax | 3,819 | 4,980 | 9,233 |
| Tax charge | 4 | (1,122) | (1,473) |
| Profit for the period | 2,767 | 3,858 | 7,760 |
| Attributable to: | | | |
| Owners of the parent | 1,924 | 3,364 | 6,755 |
| Non-controlling interest | 843 | 494 | 1,005 |
| | 2,767 | 3,858 | 7,760 |
| Earnings per share | | | |
| Basic | 7 | 1.73p | 2.90p |
| Diluted | 7 | 1.69p | 2.84p |

**CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
for the six months to 30 September 2018

| | Six months to 30 Sept 2018 (unaudited) £'000 | Six months to 30 Sept 2017 (unaudited) £'000 | Year to 31 Mar 2018 (audited) £'000 |
|--|---|---|--|
| Profit for the period | 2,767 | 3,858 | 7,760 |
| Other comprehensive income | | | |
| Exchange difference on retranslation of foreign subsidiaries | (1,453) | (1,245) | 1,590 |
| Revaluation of available-for-sale financial assets | - | - | (3) |
| Taxation | - | - | - |
| Total comprehensive income for the period | 1,314 | 2,613 | 9,347 |
| Total comprehensive income for the period: | | | |
| Owners of the parent | 595 | 2,306 | 8,131 |
| Non-controlling interest | 719 | 307 | 1,216 |
| | 1,314 | 2,613 | 9,347 |

All operations are continuing.

CONDENSED CONSOLIDATED BALANCE SHEET
as at 30 September 2018

| | Notes | As at 30 Sept 2018 (unaudited) | As at 30 Sept 2017 (unaudited) | As at 31 Mar 2018 (audited) |
|---|-------|--------------------------------------|--------------------------------------|-----------------------------------|
| | | £'000 | £'000 | £'000 |
| Non-current assets | | | | |
| Goodwill | | 153 | 153 | 153 |
| Investment properties | 8 | 137,062 | 130,892 | 132,180 |
| Property, plant and equipment | | 50 | 78 | 66 |
| Interest in associates | 9a | 5,993 | 4,475 | 4,725 |
| Other financial assets | 9b | 3,543 | 3,258 | 4,517 |
| Other receivables | 10 | 1,574 | 1,905 | 1,766 |
| Deferred tax assets | | 4,417 | 4,213 | 4,518 |
| Total non-current assets | | 152,792 | 144,974 | 147,925 |
| Current assets | | | | |
| Inventories – land and buildings | | 15,505 | 15,391 | 15,586 |
| Current tax assets | | 59 | 78 | 100 |
| Trade and other receivables | 10 | 4,714 | 5,308 | 5,154 |
| Cash and cash equivalents | | 10,009 | 9,998 | 15,315 |
| Total current assets | | 30,287 | 30,775 | 36,155 |
| Current liabilities | | | | |
| Trade and other payables | 11 | (5,627) | (7,283) | (8,298) |
| Financial liabilities | 12a | (10,057) | (8,861) | (8,319) |
| Current tax liabilities | | (326) | (165) | (230) |
| Total current liabilities | | (16,010) | (16,309) | (16,847) |
| Net current assets | | 14,277 | 14,466 | 19,308 |
| Total assets less current liabilities | | 167,069 | 159,440 | 167,233 |
| Non-current liabilities | | | | |
| Financial liabilities | 12b | (112,095) | (111,104) | (110,768) |
| Deferred tax liabilities | | (4,210) | (3,423) | (3,543) |
| Net assets | | 50,764 | 44,913 | 52,922 |
| Equity | | | | |
| Called up share capital | | 1,166 | 1,166 | 1,166 |
| Share premium | | 5,790 | 5,785 | 5,789 |
| Share-based payment reserve | | 203 | 203 | 203 |
| Foreign exchange translation reserve | | 69 | (1,039) | 1,398 |
| Investment revaluation reserve | | (70) | (67) | (70) |
| Retained earnings | | 36,664 | 35,343 | 38,249 |
| Equity attributable to the owners of the parent | | 43,822 | 41,391 | 46,735 |
| Non-controlling interest | | 6,942 | 3,522 | 6,187 |
| Total equity | | 50,764 | 44,913 | 52,922 |
| Net assets per share | 7 | 39.39p | 35.68p | 40.29p |

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
for the six months to 30 September 2018**

| | Share Capital | Share Premium | Share Based Payment Reserve | Foreign Exchange Translation Reserve | Purchase of own Shares | Investment Revaluation Reserve | Retained Earnings | Non- controlling Interest | Total |
|--|------------------|------------------|--------------------------------------|---|---------------------------|--------------------------------------|----------------------|---------------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 April 2017 | 1,166 | 5,781 | 203 | 19 | (99) | (67) | 33,410 | 3,015 | 43,428 |
| 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) |
| Total comprehensive income | - | - | - | (1,058) | - | - | 3,858 | (187) | 2,613 |
| 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) |
| At 30 Sept 2017 | 1,166 | 5,785 | 203 | (1,039) | (97) | (67) | 35,440 | 3,522 | 44,913 |
| Profit for the period | - | - | - | - | - | - | 3,902 | - | 3,902 |
| Fair value (or revaluation) gains on available-for-sale financial assets to profit or loss | - | - | - | - | - | (3) | - | - | (3) |
| Movement on foreign exchange | - | - | - | 2,437 | - | - | - | 398 | 2,835 |
| Total comprehensive income | - | - | - | 2,437 | - | (3) | 3,902 | 398 | 6,734 |
| Change in proportion held by non-controlling interests | - | - | - | - | - | - | - | 1,776 | 1,776 |
| Sale of treasury shares | - | 4 | - | - | 2 | - | - | - | 6 |
| Non-controlling interest | - | - | - | - | - | - | (511) | 511 | - |
| Dividends paid | - | - | - | - | - | - | (487) | (20) | (507) |
| At 1 April 2018 | 1,166 | 5,789 | 203 | 1,398 | (95) | (70) | 38,344 | 6,187 | 52,922 |
| Profit for the period | - | - | - | - | - | - | 2,767 | - | 2,767 |
| Fair value (or revaluation) gains on available-for-sale financial assets to profit or loss | - | - | - | - | - | - | - | - | - |
| Movement on foreign exchange | - | - | - | (1,329) | - | - | - | (124) | (1,453) |
| Total comprehensive income | - | - | - | (1,329) | - | - | 2,767 | (124) | 1,314 |
| Change in proportion held by non-controlling interests | - | - | - | - | - | - | - | 58 | 58 |
| Sale of treasury shares | - | 1 | - | - | 5 | - | - | - | 6 |
| Purchase of treasury shares | - | - | - | - | (2,201) | - | - | - | (2,201) |
| Non-controlling interest | - | - | - | - | - | - | (843) | 843 | - |
| Dividends paid | - | - | - | - | - | - | (1,313) | (22) | (1,335) |
| At 30 Sept 2018 | 1,166 | 5,790 | 203 | 69 | (2,291) | (70) | 38,955 | 6,942 | 50,764 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months to 30 September 2018

| Notes | Six months to 30 Sept 2018 (unaudited) £'000 | Six months to 30 30 Sept 2017 (unaudited) £'000 | Year to 31 Mar 2018 (audited) £'000 |
|--|---|--|--|
| Cash flows from operating activities | | | |
| Operating profit | 4,627 | 5,763 | 11,201 |
| Adjustments for: | | | |
| Depreciation of investment property, and property, plant & equipment | 1,177 | 1,138 | 2,272 |
| Profit on the sale of FOP shares | (32) | (101) | (1,112) |
| (Reversal of impairment loss)/ impairment loss to investment properties | 8 (32) | (167) | 183 |
| Goodwill on business acquisition | 27 | - | - |
| Loss on disposal of subsidiary | 5 | - | - |
| (Increase)/ decrease in inventories | 35 | (149) | (107) |
| (Increase)/ decrease in trade and other receivables | 728 | (122) | 240 |
| (Decrease)/ increase in trade and other payables | (2,441) | (2,649) | (1,746) |
| Other non-cash adjustments | 3 | 86 | 263 |
| Cash generated from operations | 4,097 | 3,799 | 11,194 |
| Income taxes paid | (614) | (727) | (1,407) |
| Net cash flow from operating activities | 3,483 | 3,072 | 9,787 |
| Cash flow from investing activities | | | |
| Capital expenditure on investment properties | (586) | (1,663) | (2,375) |
| Proceeds from partial disposal of available-for-sale assets | 93 | 612 | 633 |
| Purchase of property, plant and equipment | (4) | (13) | (19) |
| Cash paid on business acquisition | 5 (527) | - | - |
| Cash and cash equivalents acquired on business acquisition | 5 421 | - | - |
| Consideration from the sale of FOP shares | 149 | 326 | 3,112 |
| Investment in funds | (464) | (2,361) | (3,623) |
| Repayment from funds | 537 | - | - |
| Investment in shares of new associates | (460) | - | (122) |
| Payment for rights issue 5PT | (138) | - | - |
| Interest received | 3 47 | 75 | 82 |
| Dividends from associates | 9a 506 | - | 61 |
| Investment income received | 157 | 33 | 68 |
| Net cash flow (used in)/ from investing activities | (269) | (2,991) | (2,183) |
| Cash flow from financing activities | | | |
| Net repayment of shareholder loans in subsidiaries | (121) | (158) | (1,841) |
| Proceeds from bank loan | - | - | 3,994 |
| Repayment of bank loans | (1,656) | (1,798) | (3,498) |
| Repayment of finance leases | (1,819) | (1,445) | (3,403) |
| Repayment from the sale of FOP shareholder loan | 21 | 131 | 1,157 |
| Purchase of shares held in Treasury | (2,201) | - | - |
| Sale of shares held in Treasury | 6 | 6 | 12 |
| Interest paid | (1,419) | (1,486) | (2,915) |
| Dividends paid | (1,313) | (1,334) | (1,821) |
| Dividends paid to non-controlling interest | (22) | (24) | (44) |
| Net cash flow (used in)/ from financing activities of continuing operations | (8,524) | (6,108) | (8,359) |
| Net (decrease)/ increase in cash and cash equivalents | (5,310) | (6,027) | (755) |
| Cash and cash equivalents at the beginning of period | 15,315 | 15,946 | 15,946 |
| Currency translation gains/ (losses) on cash and cash equivalents | 4 | 79 | 124 |
| Cash and cash equivalents at the end of the period | 10,009 | 9,998 | 15,315 |

NOTES TO THE ACCOUNTS
for the six months ended 30 September 2018

1. Basis of Preparation

- These interim consolidated financial statements for the six months ended 30 September 2018 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 2018 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 2018 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 21 November 2018.

2. Segmental Analysis

Segment reporting six months to 30 September 2018

Direct costs incurred by First Property Group plc relating to the cost of the Board and the related share listing costs 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 | - | 5,020 | 3,272 | - | 8,292 |
| Service charge income | - | 515 | 798 | - | 1,313 |
| Asset management fees | 1,474 | - | - | - | 1,474 |
| Performance fees | 78 | - | - | - | 78 |
| Total Revenue | 1,552 | 5,535 | 4,070 | - | 11,157 |
| Depreciation and amortisation | (19) | (964) | (194) | - | (1,177) |
| Operating profit | 798 | 2,522 | 2,544 | (1,237) | 4,627 |
| Share of results in associates | - | 483 | - | - | 483 |
| Investment income | - | 157 | - | - | 157 |
| Interest income | - | 15 | 31 | 1 | 47 |
| Interest expense | - | (702) | (793) | - | (1,495) |
| Profit/ (loss) before tax | 798 | 2,475 | 1,782 | (1,236) | 3,819 |
| Analysed as: | | | | | |
| Underlying profit/ (loss) before tax before adjusting for the following items: | 720 | 3,363 | 1,798 | (498) | 5,383 |
| Profit on the sale of FOP shares | - | 32 | - | - | 32 |
| Goodwill on acquisition of associates | - | (27) | - | - | (27) |
| FPG's share in an associate's profit from the sale of investment properties | - | 216 | - | - | 216 |
| Loss on disposal of subsidiary | - | (5) | - | - | (5) |
| Reversal of impairment loss to investment properties | - | - | 32 | - | 32 |
| Performance and related fees | 78 | - | - | - | 78 |
| Depreciation on investment property | - | (874) | - | - | (874) |
| Staff incentive accrual | - | - | - | (735) | (735) |
| Realised foreign currency (losses)/ gains | - | (230) | (48) | (3) | (281) |
| Profit/ (loss) before tax | 798 | 2,475 | 1,782 | (1,236) | 3,819 |

Revenue for the six months to 30 September 2018 from continuing operations consists of revenue arising in the United Kingdom 10% (2017: 8%) and Central and Eastern Europe 90% (2017: 92%) and all relates solely to the Group's principal activities.

Segment reporting six months to 30 September 2017

| | Fund | Group Properties Division | | | TOTAL |
|--|---------------------|---------------------------|------------------|-------------------------------|---------------|
| | 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 |
| Total Revenue | 1,493 | 6,888 | 3,708 | - | 12,089 |
| Depreciation and amortisation | (19) | (997) | (122) | - | (1,138) |
| Operating profit | 804 | 4,526 | 2,334 | (1,901) | 5,763 |
| Share of results in associates | - | 740 | - | - | 740 |
| Investment income | - | 33 | - | - | 33 |
| Interest income | - | 21 | 54 | - | 75 |
| Interest expense | - | (749) | (882) | - | (1,631) |
| Profit/ (loss) before tax | 804 | 4,571 | 1,506 | (1,901) | 4,980 |
| Analysed as: | | | | | |
| Underlying profit/ (loss) before tax before adjusting for the following items: | 615 | 5,111 | 1,465 | (486) | 6,705 |
| Profit on the sale of FOP shares | - | 101 | - | - | 101 |
| FPG's share in an associate's 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 on investment property | - | (870) | - | - | (870) |
| Staff incentive accrual | - | - | - | (1,256) | (1,256) |
| Realised foreign currency (losses)/ gains | - | (168) | (126) | (159) | (453) |
| Profit/ (loss) before tax | 804 | 4,571 | 1,506 | (1,901) | 4,980 |

Segment reporting year to 31 March 2018

| | Fund | Group Properties Division | | | TOTAL |
|--|--------------------------|---------------------------|-------------------------------|-------------------------------|---------------|
| | Management Division | Group properties | Group fund properties ("FOP") | Unallocated central overheads | |
| | Property fund management | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Rental income | - | 12,132 | 6,177 | - | 18,309 |
| Service charge income | - | 2,498 | 1,733 | - | 4,231 |
| Asset management fees | 2,731 | - | - | - | 2,731 |
| Performance fees | 189 | - | - | - | 189 |
| Total revenue | 2,920 | 14,630 | 7,910 | - | 25,460 |
| Depreciation and amortisation | (40) | (1,983) | (249) | - | (2,272) |
| Operating profit | 1,004 | 9,404 | 3,749 | (2,956) | 11,201 |
| Share of results in associates | - | 950 | - | - | 950 |
| Distribution income | - | 63 | - | - | 63 |
| Interest income | - | 53 | 20 | 9 | 82 |
| Interest expense | - | (1,455) | (1,608) | - | (3,063) |
| Profit/ (loss) before tax | 1,004 | 9,015 | 2,161 | (2,947) | 9,233 |
| Analysed as: | | | | | |
| Underlying profit/ (loss) before tax before adjusting for the following items: | 1,329 | 9,975 | 2,843 | (941) | 13,206 |
| Impairment loss to investment properties | - | (193) | (183) | - | (376) |
| Profit on the sale of FOP shares | - | 1,112 | - | - | 1,112 |
| FPG's share in associate's profit on the sale of investment property | - | 397 | - | - | 397 |
| Performance and related fees | 189 | - | - | - | 189 |
| Depreciation on investment property | - | (1,739) | - | - | (1,739) |
| Staff incentive accrual | (538) | (214) | (213) | (1,915) | (2,880) |
| Realised foreign currency gain/ (loss) | 24 | (323) | (286) | (91) | (676) |
| Profit/ (loss) before tax | 1,004 | 9,015 | 2,161 | (2,947) | 9,233 |
| Assets - Group | 1,362 | 100,072 | 68,147 | 9,774 | 179,355 |
| Share of net assets of associates | - | 5,033 | - | (308) | 4,725 |
| Liabilities | (204) | (75,337) | (53,562) | (2,055) | (131,158) |
| Net assets | 1,158 | 29,768 | 14,585 | 7,411 | 52,922 |

3. Interest Income/ (Expense)

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|---------------------------------|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Interest income – bank deposits | 10 | 14 | 28 |
| Interest income – other | 37 | 61 | 54 |
| Total interest income | 47 | 75 | 82 |

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|-----------------------------------|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Interest expense – property loans | (1,057) | (1,049) | (2,078) |
| Interest expense – bank and other | (32) | (87) | (142) |
| Finance charges on finance leases | (406) | (495) | (843) |
| Total interest expense | (1,495) | (1,631) | (3,063) |

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 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|--------------|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Current tax | (752) | (687) | (1,383) |
| Deferred tax | (300) | (435) | (90) |
| Total | (1,052) | (1,122) | (1,473) |

The period's charge for current tax includes an under accrual from last year of £131,000.

5. Business Acquisitions

| | E and S Estates Ltd £'000 | Regional Property Trading Ltd £'000 | E and S Sp. z o.o. £'000 | Total £'000 |
|--|---------------------------------|--|--------------------------------|------------------------|
| Acquisitions of net assets acquired at Fair Value | | | | |
| Cash | 67 | 54 | 300 | 421 |
| Trade Receivables | - | - | 31 | 31 |
| Bad Debt Provision | - | - | (17) | (17) |
| Other Debtors | - | - | 95 | 95 |
| Deferred Tax Asset | - | - | 59 | 59 |
| Share in Subsidiary | 4 | 4 | - | 8 |
| Investment Property | - | - | 5,406 | 5,406 |
| Intercompany Loans | 142 | 134 | (276) | - |
| Dividend Payable/Receivable | 684 | 684 | (1,368) | - |
| Trade and Other Payables | (3) | (4) | (195) | (202) |
| Tax Liabilities | (1) | - | (499) | (500) |
| Financial Liabilities | - | (2) | (4,485) | (4,487) |
| Goodwill on acquisition | 18 | 9 | - | 27 |
| Total net assets acquired before NCI | 911 | 879 | (949) | 841 |
| Non-controlling interest share of net assets | (95) | - | - | (95) |
| Total net assets acquired | 816 | 879 | (949) | 746 |

Note(i)

| | | | | |
|---|--------------|--------------|------------|--------------|
| Cash paid on buy out investors (current year) | (226) | (301) | - | (527) |
| Less: cash acquired | 67 | 54 | 300 | 421 |
| Net cash acquired | (159) | (247) | 300 | (106) |

Note(ii)

| | | | | |
|--|------------|------------|----------|------------|
| Cash paid on original purchase (prior years) | 122 | 48 | 7 | 177 |
| Share of Post Acquisition Profits to 31 March 2018 (since original purchase) | 29 | 206 | - | 235 |
| Less impairment to 31 March 2018 | (40) | (153) | - | (193) |
| | 111 | 101 | 7 | 219 |
| Cash paid on buy out of investors (current year) | 226 | 301 | - | 527 |
| Total consideration | 337 | 402 | 7 | 746 |

6. Disposal of a Subsidiary

| | Net Assets £'000 |
|---|---------------------|
| Disposal of net assets | |
| Financial Assets – Shares in KBP entities | 900 |
| Cash | 16 |
| Trade Receivables | 9 |
| VAT | 31 |
| Prepayments | 214 |
| Other Debtors | 39,496 |
| Deferred Tax Asset | 39 |
| Intercompany Loans | (986) |
| Trade Payables | (243) |
| Other Payables | (39,445) |
| Other Tax Liabilities | (7) |
| Total net assets disposed | 24 |
| Sale proceeds | 19 |
| Loss on disposal of subsidiary | (5) |

On 5 June 2018 the First Property Group plc sold its investment in Scaup sp. Z o.o. to Fprop Phoenix Limited.

7. Earnings/ NAV Per Share

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

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

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|---------------------------|-------------------------------------|-------------------------------------|------------------------------|
| Basic - pence per share | 1.73p | 2.90p | 5.82p |
| Diluted - pence per share | 1.69p | 2.84p | 5.70p |

| | Number | Number | Number |
|---|--------------------|--------------------|--------------------|
| Weighted average number of ordinary shares in issue for basic | 111,398,291 | 115,992,763 | 116,004,730 |
| Share options | 2,700,000 | 2,700,000 | 2,700,000 |
| Total for diluted | 114,098,291 | 118,692,763 | 118,704,730 |

| | £'000 | £'000 | £'000 |
|--|-------|-------|-------|
| Basic earnings | 1,924 | 3,364 | 6,755 |
| Notional interest on share options assumed to be exercised | 4 | 4 | 8 |
| Diluted earnings | 1,928 | 3,368 | 6,763 |

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|--------------------------------------|-------------------------------------|-------------------------------------|------------------------------|
| Net assets per share | 39.39p | 35.68p | 40.29p |
| Adjusted net assets per share | 62.21p | 51.25p | 53.07p |

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 | 111,253,003 | 116,004,464 | 116,016,546 |
| Net assets excluding non-controlling interest | 43,822 | 41,391 | 46,735 |
| Adjusted net assets per share | Number | Number | Number |
| Number of shares in issue at period end | 111,253,003 | 116,004,464 | 116,016,546 |
| Number of share options assumed to be exercised | 2,700,000 | 2,700,000 | 2,700,000 |
| Total | 113,953,003 | 118,704,464 | 118,716,546 |
| Adjusted net assets per share | £'000 | £'000 | £'000 |
| Net assets excluding non-controlling interest | 43,822 | 41,391 | 46,735 |
| Investment properties at fair value net of deferred taxes | 11,211 | 13,315 | 10,272 |
| Inventories at fair value net of deferred taxes | 4,922 | 4,409 | 4,582 |
| Other adjustments | 10,932 | 1,726 | 1,409 |
| Total | 70,887 | 60,841 | 62,998 |

8. Investment Properties

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|------------------------------|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| 1 April | 132,180 | 128,428 | 128,428 |
| Capital expenditure | 586 | 1,663 | 2,375 |
| Business Acquisition | 5,406 | - | - |
| Depreciation | (1,146) | (1,105) | (2,204) |
| Fair value adjustment | 32 | 167 | (183) |
| Foreign exchange translation | 4 | 1,739 | 3,764 |
| 30 Sept | 137,062 | 130,892 | 132,180 |

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

9. Interest in Associates and Other Financial Assets

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|--|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| a) Associated undertakings | | | |
| Cost of investment at beginning of period | 4,725 | 4,347 | 4,347 |
| Additions | 1,595 | - | 122 |
| Repayment of shareholder loan | (92) | (612) | (633) |
| Transfer from associate to subsidiary status | (212) | - | - |
| Share of associates profit after tax | 483 | 740 | 1,143 |
| Impairment | - | - | (193) |
| Dividends received | (506) | - | (61) |
| Cost of investment at end of period | 5,993 | 4,475 | 4,725 |

Investments in associated undertakings

| | | | |
|--|-------|-------|-------|
| 5 th Property Trading Ltd | 1,192 | 972 | 1,029 |
| Regional Property Trading Ltd | - | 218 | 105 |
| E and S Estates Ltd | - | - | 116 |
| Fprop Romanian Supermarkets Ltd | 393 | 649 | 624 |
| Fprop Galeria Corso Ltd | 2,040 | 1,784 | 1,920 |
| Fprop Krakow Ltd | 1,279 | 1,160 | 1,239 |
| Fprop Cluj Ltd | 458 | - | - |
| Fprop Phoenix Ltd | 939 | - | - |
| | 6,301 | 4,783 | 5,033 |
| 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 | 5,993 | 4,475 | 4,725 |

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 5th Property Trading Ltd (an associate). The figure will reduce when there is a reduction in First Property Group's stake in 5th Property Trading Ltd.

b) Other financial assets and investments

| | | | |
|---|-------|-------|-------|
| Cost of investment at beginning of period | 4,517 | 897 | 897 |
| Additions | 463 | 2,361 | 3,623 |
| Repayments | (537) | - | - |
| Disposal | (900) | - | - |
| (Decrease)/increase in fair value during the period | - | - | (3) |
| Cost of investment at end of period | 3,543 | 3,258 | 4,517 |

10. Trade and Other Receivables

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|--|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Current assets | | | |
| Trade receivables | 2,124 | 2,514 | 2,070 |
| Less provision for impairment of receivables | (912) | (490) | (640) |
| Trade receivables net | 1,212 | 2,024 | 1,430 |
| Other receivables | 2,459 | 2,426 | 2,462 |
| Prepayments and accrued income | 1,043 | 858 | 1,262 |
| | 4,714 | 5,308 | 5,154 |
| Non-current assets | 1,574 | 1,905 | 1,766 |

Other receivables include a balance of £1.57 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.

11. Trade and Other Payables

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|------------------------------------|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Trade payables | 2,841 | 3,457 | 3,405 |
| Other taxation and social security | 827 | 891 | 946 |
| Other payables and accruals | 1,426 | 2,272 | 3,425 |
| Deferred income | 533 | 663 | 522 |
| | 5,627 | 7,283 | 8,298 |

12. Financial Liabilities

| | Six months ended 30 Sept 2018 | Six months ended 30 Sept 2017 | Year ended 31 Mar 2018 |
|---|-------------------------------------|-------------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| a) Current liabilities | | | |
| Loans repayable by subsidiary (FOP) to third party shareholders | 1,356 | 2,121 | 1,464 |
| Bank loans | 4,951 | 3,470 | 3,411 |
| Finance leases | 3,750 | 3,270 | 3,444 |
| | 10,057 | 8,861 | 8,319 |
| b) Non-current liabilities | | | |
| Bank loans | 68,181 | 63,757 | 65,719 |
| Finance leases | 43,914 | 47,347 | 45,049 |
| | 112,095 | 111,104 | 110,768 |
| c) Total obligations under financial liabilities | | | |
| Repayable within one year | 10,057 | 8,861 | 8,319 |
| Repayable within one and five years | 97,876 | 78,099 | 96,087 |
| Repayable after five years | 14,219 | 33,005 | 14,681 |
| | 122,152 | 119,965 | 119,087 |

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

Nine bank loans and three finance leases (all denominated in Euros) totalling £120.80 million (30 Sept 2017: £117.84 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). Further copies can be obtained from the registered office at 32 St James's Street, London SW1A 1HD.