



THE CONYGAR INVESTMENT
COMPANY PLC

INTERIM REPORT
Six Months ended 31 March 2009

The Conygar Investment Company PLC

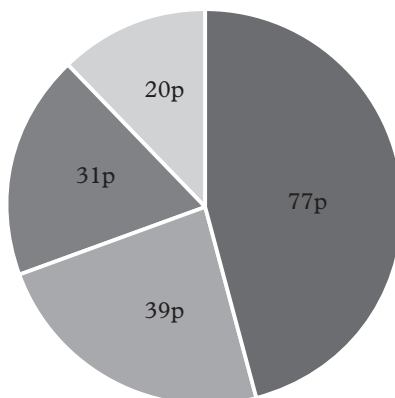
Interim Results

for the six months ended 31 March 2009

Highlights

- Triple net asset value increased by 2% to 167p from 164p at 30 September 2008. Net asset value decreased by 2% to 161p per share
- Group has £32 million of cash at 31 March 2009 representing 77p per share
- Acquisition of 28.9% stake in The Advantage Property Income Trust Limited for £5.8 million
- £12 million of uncharged property assets which can be used to secure additional funding

Analysis of Triple Net Asset Value – 167p



■ Cash ■ Properties ■ Marina Developments ■ Quoted Investments

The Conygar Investment Company PLC

Interim Results

for the six months ended 31 March 2009

Chairman's & Chief Executive's Statement

Progress and Results

It continues to be a challenging market but the Group has made steady progress on its projects and as detailed below made its first acquisition of undervalued assets. Property and other asset values continue to fall and whilst we are not immune from this, our cash position continues to shield us from the worst and enables us to position the Group for the recovery when it arises.

The loss before taxation for the six months ended 31 March 2009 was £2,331,000 (2008: £576,000 profit) of which £3,200,000 arises from a write-down of property inventory to net realisable value. We have also seen a significant fall in our interest income as deposit rates have fallen below 2%. Our net asset value per share fell 2% to 161p as at 31 March 2009 from 164p at 30 September 2008. However, our triple net asset value is 2% higher at 167p. These are good results compared with our more indebted peers and given the perilous state of the market.

As at 31 March 2009, the Group had cash of £32 million and no debt which represents 77p of our net asset value and which continues to underpin our financial strength.

We are pleased to announce that in April 2009 we exchanged contracts for the sale of two buildings in the Buckingham Street portfolio for a combined sales price of £4.25 million. Whilst 3.4% lower than our September 2008 valuation, it represents a good result in this market and in particular as one of the buildings was both vacant and required some refurbishment expenditure. Completion should occur by 30 September 2009 at the latest.

We are now left with two properties in Buckingham Street, London WC2 valued at £12 million. The buildings have an annual rent roll of £0.9 million. Our valuers continue to be extremely cautious as occupier businesses suffer and rents come under pressure. That said our smaller units remain in demand and as they continue to produce income there remains no pressure to accept poor offers.

We continue to make good progress on our three waterfront projects of Pembroke Dock, Holyhead and Fishguard. The planning process for regeneration schemes of this type and scale is both complex and can be frustratingly slow, however we remain encouraged by the support given to us by the local government bodies and the Welsh Assembly Government. We are confident that all three are exciting projects that will enhance the areas and be profitable for Conygar. It is clear that given the current state of the economy it is not viable to start any significant development straight away. However, with limited further expenditure on professional fees the Group should

ultimately obtain planning consents for projects with a potential for in excess of 1,000 marina berths, 1,200 waterside homes together with associated mixed use supporting development. The decision to progress these projects can then be assessed in the light of the economic outlook at that time.

Acquisition in Period

In January 2009, we acquired a 28.9% stake in a quoted property investment trust, The Advantage Property Income Trust Limited (“TAP”), for £5.8 million or an average price of 14p per share. TAP has approximately £180 million of UK property assets with an annual rental income of £13 million. TAP has been addressing its gearing issues and whilst according to the company it has secured its financing position with its banks, we believe there is more to be done to further improve the position and to realise additional value.

Financing

At 31 March 2009, the Group had cash of £32 million or 77p per share. Our cash balance will increase by approximately £4 million once exchanged sales have completed. In addition we have £12 million of uncharged property assets which can be used to secure additional funding if required. This enables us to fully fund our existing commitments and to pursue other opportunities.

Triple Net Asset Value

In order to show a clearer position of our value we calculate a triple net asset value (“NNNAV”) using an external valuation of our properties less any tax arising from those revaluations. As we have accounted for the net realisable value adjustment arising from this valuation, there is no further adjustment to the 161p per the balance sheet. Our three development projects remain at cost as it is not possible to appraise them with any certainty at this early stage. If our investment in TAP is valued at the closing mid-market share price on 7 May 2009 of 22p then NNNAV would increase to 167p.

Strategy and The Future

Our strategy remains:

1. To seek further opportunities in all the property sectors including ports and marinas.
2. Finalise legal and planning matters on Pembroke Dock Waterfront, and to submit planning applications for the Holyhead and Fishguard Waterfront developments.
3. To continue the realisation of the Buckingham Street trading assets where appropriate.

Prospects

The Board continues to remain confident about the future prospects of the Group. With cash and no debt, the Group should be able to weather the financial and economic crisis. We continue to make progress on our pipeline of future projects so that we shall be in an excellent position as and when the economy improves. We continue to assess various further opportunities although we are content to conserve cash should the economy remain uncertain. As ever, we shall keep shareholders informed of progress and details can be found at www.conygar.com.

N J Hamway
Chairman

R T E Ware
Chief Executive

13 May 2009

The Conygar Investment Company PLC
Consolidated Income Statement
For the six months ended 31 March 2009

| | <i>Six months ended</i> | | <i>Year ended</i> |
|--------------------------------------|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2009</i> | <i>2008</i> | <i>2008</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Sales of properties | – | 6,150 | 8,150 |
| Rental income | 687 | 663 | 1,225 |
| Revenue | 687 | 6,813 | 9,375 |
| Direct costs of: | | | |
| Sales of properties | – | 4,289 | 4,963 |
| Rental income | (676) | 225 | 522 |
| Write-down of property inventory | 3,200 | – | 2,477 |
| Direct Costs | 2,524 | 4,514 | 7,962 |
| Gross (Loss)/Profit | (1,837) | 2,299 | 1,413 |
| Income from trading investments | 335 | – | – |
| Share of results of joint ventures | (11) | (13) | 3 |
| Other gains and losses | – | (97) | (137) |
| Administrative expenses | (1,264) | (2,689) | (3,615) |
| Operating Loss | (2,777) | (500) | (2,336) |
| Finance income | 446 | 1,076 | 2,233 |
| (Loss)/Profit Before Taxation | (2,331) | 576 | (103) |
| Taxation | 471 | (208) | (262) |
| (Loss)/Profit for the Period | (1,860) | 368 | (365) |
| Attributable to: | | | |
| – equity shareholders | (1,860) | 368 | (365) |
| – minority interests | – | – | – |
| Basic (loss)/earnings per share | (4.47)p | 0.92p | (0.89)p |
| Diluted (loss)/earnings per share | (4.47)p | 0.88p | (0.89)p |

All of the activities of the Group are classed as continuing.

The Conygar Investment Company PLC
Consolidated Statement of Changes in Equity
For the six months ended 31 March 2009

| | <i>Share Capital £'000</i> | <i>Share Premium £'000</i> | <i>Retained Earnings £'000</i> | <i>Total £'000</i> | <i>Minority Interests £'000</i> | <i>Total Equity £'000</i> |
|-----------------------------|------------------------------------|------------------------------------|--|------------------------|---|-----------------------------------|
| At 1 October 2007 | 2,007 | 55,492 | 7,464 | 64,963 | 5 | 64,968 |
| Profit for the period | – | – | 368 | 368 | – | 368 |
| Share based payment | – | – | 533 | 533 | – | 533 |
| Issue of share capital | 75 | 2,498 | – | 2,573 | – | 2,573 |
| Share issue costs | – | – | 8 | 8 | – | 8 |
| At 31 March 2008 | <u>2,082</u> | <u>57,990</u> | <u>8,373</u> | <u>68,445</u> | <u>5</u> | <u>68,450</u> |
| At 1 October 2007 | 2,007 | 55,492 | 7,464 | 64,963 | 5 | 64,968 |
| Loss for the period | – | – | (365) | (365) | – | (365) |
| Share based payment | – | – | 1,069 | 1,069 | – | 1,069 |
| Issue of share capital | 75 | 2,498 | – | 2,573 | – | 2,573 |
| Share issue costs | – | – | (35) | (35) | – | (35) |
| At 30 September 2008 | <u>2,082</u> | <u>57,990</u> | <u>8,133</u> | <u>68,205</u> | <u>5</u> | <u>68,210</u> |
| At 1 October 2008 | 2,082 | 57,990 | 8,133 | 68,205 | 5 | 68,210 |
| Loss for the period | – | – | (1,860) | (1,860) | – | (1,860) |
| Share based payment | – | – | 533 | 533 | – | 533 |
| At 31 March 2009 | <u>2,082</u> | <u>57,990</u> | <u>6,806</u> | <u>66,878</u> | <u>5</u> | <u>66,883</u> |

The Conygar Investment Company PLC
Consolidated Balance Sheet
As at 31 March 2009

| | Notes | Six months ended | | Year ended |
|--|-------|---------------------------|--|--------------------------|
| | | 31 March 2009 £'000 | 31 March 2008 £'000 (Re-stated) | 30 Sept 2008 £'000 |
| Non-Current Assets | | | | |
| Property, plant and equipment | | 7 | 10 | 8 |
| Investment in joint ventures | 3 | 5,042 | 4,681 | 5,047 |
| Goodwill | | 3,173 | 3,173 | 3,173 |
| Deferred tax assets | | 272 | 392 | 304 |
| | | <u>8,494</u> | <u>8,256</u> | <u>8,532</u> |
| Current Assets | | | | |
| Development and trading properties | 4 | 20,023 | 26,163 | 22,895 |
| Trading investments | 5 | 5,784 | – | – |
| Trade and other receivables | | 308 | 361 | 726 |
| Tax receivable | | 940 | – | 134 |
| Derivative financial instruments | | – | 40 | – |
| Cash and cash equivalents | | 32,585 | 41,163 | 38,290 |
| | | <u>59,640</u> | <u>67,727</u> | <u>62,045</u> |
| Total Assets | | 68,134 | 75,983 | 70,577 |
| Current Liabilities | | | | |
| Trade payables and other payables | | 1,251 | 6,020 | 2,367 |
| Tax liabilities | | – | 1,513 | – |
| | | <u>1,251</u> | <u>7,533</u> | <u>2,367</u> |
| Total Liabilities | | 1,251 | 7,533 | 2,367 |
| Net Assets | | 66,883 | 68,450 | 68,210 |
| Equity | | | | |
| Called-up share capital | | 2,082 | 2,082 | 2,082 |
| Share premium account | | 57,990 | 57,990 | 57,990 |
| Retained earnings | | 6,806 | 8,373 | 8,133 |
| Equity Attributable to Equity Holders | | 66,878 | 68,445 | 68,205 |
| Minority interests | | 5 | 5 | 5 |
| Total Equity | | 66,883 | 68,450 | 68,210 |
| Net Assets Per Share | | 161p | 164p | 164p |

The Conygar Investment Company PLC
Consolidated Cash Flow Statement
For the six months ended 31 March 2009

| | <i>Six months ended</i> | | <i>Year ended</i> |
|---|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2009</i> | <i>2008</i> | <i>2008</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Cash Flows From Operating Activities | | | |
| Operating loss | (2,777) | (500) | (2,336) |
| Depreciation | 3 | 2 | 5 |
| Share of results of joint ventures | 11 | 13 | (3) |
| Other gains and losses | – | – | 137 |
| Share based payment charge | 533 | 533 | 1,069 |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows From Operations Before Changes In Working Capital | (2,230) | 48 | (1,128) |
| Change in trade and other receivables | 418 | 2,489 | 2,150 |
| Change in land, developments and trading properties | 2,872 | 4,685 | 7,953 |
| Change in trading investments | (5,784) | – | – |
| Change in trade and other payables | (1,116) | 485 | (3,168) |
| | <hr/> | <hr/> | <hr/> |
| Cash (Used In)/Generated From Operations | (5,840) | 7,707 | 5,807 |
| Finance income | 446 | 1,076 | 2,207 |
| Dividends from joint ventures | 10 | – | 90 |
| Tax paid | (314) | (644) | (2,257) |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows (Used In)/From Operating Activities | (5,698) | 8,139 | 5,847 |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows From Investing Activities | | | |
| Investment in joint venture | (5) | (4,498) | (5,043) |
| Acquisition of minority interest | – | (600) | (600) |
| Purchase of plant and equipment | (2) | (1) | (2) |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows Used In Investing Activities | (7) | (5,099) | (5,645) |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows From Financing Activities | | | |
| Issue costs of shares | – | – | (35) |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows Used In Financing Activities | – | – | (35) |
| | <hr/> | <hr/> | <hr/> |
| Net (decrease)/increase in cash and cash equivalents | (5,705) | 3,040 | 167 |
| Cash and cash equivalents at 1 October | 38,290 | 38,123 | 38,123 |
| | <hr/> | <hr/> | <hr/> |
| Cash and Cash Equivalents at 31 March 2009 | 32,585 | 41,163 | 38,290 |
| | <hr/> | <hr/> | <hr/> |

The Conygar Investment Company PLC
Notes to the Interim Results
For the six months ended 31 March 2009

1. Basis of Preparation

The interim results for the period ended 31 March 2009 have been prepared using the recognition and measurement principles of IFRS including IAS 34 'Interim Financial Reporting' as adopted by the European Union and are unaudited. The accounting policies adopted are consistent with those in the financial statements for the year ended 30 September 2008, as described in those financial statements. The condensed half-yearly financial statements should be read in conjunction with those annual financial statements. The condensed half-yearly financial statements do not comprise full financial statements within the meaning of the Companies Act 2006.

The comparatives for the period ended 31 March 2008 have been re-stated to reclassify an item previously shown within development and trading properties as goodwill in line with the financial statements for the year ended 30 September 2008. There is no impact upon net assets or income.

The comparative figures for the year ended 30 September 2008 are derived from the company's statutory accounts for that financial period. The accounts have been reported upon by the company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

The board of directors approved the above results on 13 May 2009.

Copies of the interim report may be obtained from the Company Secretary, The Conygar Investment Company PLC, Fourth Floor, Bond House, 19-20 Woodstock Street, London W1C 2AN.

2. Earnings per Share

The calculation of earnings per ordinary share is based on the loss after tax of £1,860,000 (March 2008: £368,000 profit; September 2008: £365,000 loss) and on the number of shares in issue being the weighted average number of shares in issue during the period of 41,647,906 (March 2008: 40,147,906; September 2008: 40,899,961). The weighted average number of shares on a fully diluted basis was 41,647,906 (March 2008: 41,793,515; September 2008: 40,899,961). No adjustment has been made in respect of the exercise of options which were anti-dilutive throughout the period. The total number of ordinary shares in issue at the date of this report was 41,647,906.

3. Investment in Joint Ventures

The group has a 50% interest in a joint venture, Conygar Stena Line Limited, which is a property development company. It also has a 50% interest in a joint venture, CM Sheffield Limited, which is a property trading company.

The following amounts represent the group's 50% share of the assets and liabilities, and results of the joint ventures. They are included in the balance sheet and income statement:

| | <i>Six months ended</i> | | <i>Year ended</i> |
|--------------------------------|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2009</i> | <i>2008</i> | <i>2008</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Assets | | | |
| Current assets | 5,059 | 4,702 | 5,061 |
| | <u>5,059</u> | <u>4,702</u> | <u>5,061</u> |
| Liabilities | | | |
| Current liabilities | (17) | (21) | (14) |
| | <u>(17)</u> | <u>(21)</u> | <u>(14)</u> |
| Net assets | <u>5,042</u> | <u>4,681</u> | <u>5,047</u> |
| Operating loss | (11) | (15) | (1) |
| Finance income | – | 3 | 5 |
| (Loss)/profit before tax | (11) | (12) | 4 |
| Tax | – | (1) | (1) |
| (Loss)/profit after tax | <u>(11)</u> | <u>(13)</u> | <u>3</u> |

4. Development and Trading Properties

| | <i>Six months ended</i> | | <i>Year ended</i> |
|---|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2009</i> | <i>2008</i> | <i>2008</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Properties held for resale or development | 25,700 | 26,163 | 25,372 |
| Write-down of property inventory | (5,677) | – | (2,477) |
| | <u>20,023</u> | <u>26,163</u> | <u>22,895</u> |

The Conygar Investment Company PLC
Notes to the Interim Results (Continued)
For the six months ended 31 March 2009

5. Trading Investments

| | <i>Six months ended</i> | | <i>Year ended</i> |
|--------------------|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2009</i> | <i>2008</i> | <i>2008</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Quoted Investments | 5,784 | – | – |
| | <u>5,784</u> | <u>–</u> | <u>–</u> |

During the period ended 31 March 2009, the Group acquired a 28.9% shareholding in The Advantage Property Income Trust Limited. The investment has been classified as a current asset investment held for trading (and is therefore carried at fair value with changes to fair value being recorded in the income statement) as in the opinion of the Directors it does not meet the requirements of IAS 28 'Investments in Associates'.



REESPOLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408

Independent Review Report to The Conygar Investment Company PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2009 which comprises the consolidated income statement, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies issued by the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and

accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2009 is not prepared, in all material aspects, in accordance with International Accounting Standard 34 as adopted by the European Union and AIM Rules for Companies issued by the London Stock Exchange.

Rees Pollock

Chartered Accountants and Registered Auditors

13 May 2009

Notes:

- (a) The maintenance and integrity of The Conygar Investment Company PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.
- (b) Legislation in the United Kingdom governing the presentation and dissemination of financial information may differ from legislation in other jurisdictions.

Directors and Advisers

Directors

N J Hamway (*Chairman*)
R T E Ware (*Chief Executive*)
P A Batchelor (*Finance Director*)
S M Vaughan (*Property Director*)
M D Wigley (*Non-executive Director*)

Secretary

P A Batchelor

Registered Office

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Registrar

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Solicitors to the Company

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55 Colmore Row
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Auditors

Rees Pollock
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London EC4V 6BW

Company Registration No 4907617

