



**THE CONYGAR INVESTMENT
COMPANY PLC**

**INTERIM REPORT
Six Months ended 31 March 2011**

The Conygar Investment Company PLC

Interim Results

for the six months ended 31 March 2011

Highlights

- Net asset value per share increased by 2.7% to 154p from 150p at 30 September 2010.
- Profit before taxation of £3.4 million in the six months ended 31 March 2011 compared with profit of £7.0 million in the six months ended 31 March 2010. The prior period included a £5.8 million gain on sale of investment properties compared with a gain of £9,000 this period.
- Underlying profit, excluding disposals, increased to £3.4 million from £1.1 million in the prior period as a result of cost cutting and re-couponsing of interest rate swaps.
- Cash available for further opportunities of £45 million, increasing to £98 million including the committed bank facility available to be drawn.
- Purchase of 86 acres of land at Haverfordwest, Pembrokeshire for £14 million which has outline planning consent for 900 residential units.
- Share buy back: the Group acquired 9.8% of its ordinary share capital at a weighted average price of 115.6p per share.

Summary Group Net Assets as at 31 March 2011

| | £'m | Per Share p |
|-------------------------|-------------|----------------|
| Property Assets | 142.8 | 131.4 |
| Development Projects | 27.6 | 25.4 |
| Cash | 45.0 | 41.4 |
| Other net (liabilities) | (3.4) | (3.0) |
| | <hr/> | <hr/> |
| | 212.0 | |
| Bank loans | (34.3) | (31.6) |
| Preference shares | (10.3) | (9.5) |
| | <hr/> | <hr/> |
| Net assets | 167.4 | 154.1 |
| | <hr/> <hr/> | <hr/> <hr/> |

The Conygar Investment Company PLC

Interim Results

for the six months ended 31 March 2011

Chairman's and Chief Executive's Statement

Progress and Results

The six months ended 31 March 2011 have been another solid period for the Group, with profit before taxation of £3.4 million compared with £7.0 million in the six months ended 31 March 2010. The prior period included a £5.8 million gain on sale of investment properties compared with a gain of £9,000 this period. Excluding these, the underlying profit for the period increased from £1.1 million to £3.4 million. The majority of this improvement arises from cost cutting and reduced financing costs resulting from the re-couponsing of interest rate swaps. The net asset value per share rose 2.7% to 154p at 31 March 2011 from 150p at 30 September 2010 and 144p at 31 March 2010.

The Group continues to make disposals of properties where no further value can be added, with a view to recycling capital. During the period we disposed of three properties for £8.8 million at or slightly above 30 September 2010 valuation.

The Group had cash of £45 million as at 31 March 2011 which, combined with the funds available for draw down from the committed bank facility, increases our available firepower to £98 million before any additional re-financing or stapled debt.

The Group's investment properties as at 31 March 2011 were independently valued at £142.8 million compared to £151.1 million at 30 September 2010. Excluding the £8.8 million of disposals, the valuation was broadly flat which reflects the difficult state of the market outside London. On the positive side, we continue to make good progress in improving the quality of, and returns from, the portfolio. In particular, the letting at Advantage, Reading (detailed below) is a significant breakthrough in dealing with some of the vacancies in the portfolio.

Acquisition

In November 2010, we purchased 86 acres of land at Haverfordwest, Pembrokeshire, close to the town centre for £14 million which has outline planning consent for 900 residential units. A detailed planning application is being prepared and will be submitted before the year end. Discussions are taking place with a leading residential developer with a view to entering into a conditional contract for the sale of serviced plots of land, although negotiations are at an early stage.

Finally, in addition to other smaller investments in quoted shares, we have acquired a 4.67% stake in The Local Shopping REIT plc, a REIT quoted on the London Stock Exchange.

Share Buy Back

During the period, the Group acquired 11,827,452 ordinary shares representing 9.8% of its ordinary share capital, at a weighted average price of 115.6p per share. This utilised total cash of £13.7 million. As a result of the buy backs, net asset value per share has been enhanced by approximately 2.7 pence per share or 1.8%.

We remain disappointed by the discount of the share price to the net asset value per share and will continue to utilise the share buy back authority where it clearly enhances net asset value per share for those remaining shareholders.

Property Portfolio

As at 31 March 2011, the Group's investment properties were valued at £142.8 million. The total portfolio decreased in value by £0.2 million from 30 September 2010. Some of this movement is accounted for by capital expenditure where the value uplift is yet to come through, but the portfolio has broadly remained level on a like for like basis. The most significant reduction came at Brunswick Point, Leeds where the valuation fell 4.5% reflecting the weak occupier market in Leeds and the need for us to refurbish the building.

The contracted annual rent roll is £12.4 million as at 31 March 2011, which is £0.9 million lower than at 30 September 2010, primarily reflecting the asset disposals. We continue to work hard on the asset management aspects and are pleased to announce that we have let 8,448 square feet at Advantage, Reading to Atex Group Limited on a twelve year lease, with a tenant only break at year seven. The rent will be £185,856 per annum, subject to fixed uplifts for which the tenant is receiving a two year rent free period. This is excellent progress on letting up void space in the very difficult Reading occupier market and other new lettings have added a further £178,000 per annum in rental income.

We continue to make disposals of properties where no further value can be added and we sold three properties during the period; Fishers Grove Portsmouth, Caswell Road Northampton and Cambridge Road Leicester. The total consideration was £8.8 million, of which the largest asset was Cambridge Road Leicester at £7 million. This asset was acquired as part of the Lamont portfolio and sold for 30 September 2010 valuation.

Development Projects

We continue to make significant progress on our development projects in which the total invested to date is £27.6 million, all held at cost having invested a further £13 million since 30 September 2010.

At Holyhead, our joint venture with Stena Line, we have submitted our planning application for the mixed use development. The application includes plans for 380 apartments and town houses, a 500 berth marina, 43,470 square feet of office, commercial and retail/leisure facilities in addition to a hotel. We are encouraged by the level of local support received thus far but we must await the outcome of the statutory

consultation process which should be announced this summer. We hope that planning consent will be granted before the year end.

Marketing is underway at our development site at Parc Cybi, Holyhead, Anglesey and discussions are on-going with transport operators. We are seeking to expand the current 110,000 square feet distribution/storage warehouse scheme to include lorry park facilities. This is a much needed facility for the port, which is one of the busiest trade ports in the UK. In conjunction with the ferry operators and local politicians, we are making representations to the Welsh Government to release land for this purpose, as the lorry park would also be the catalyst to the successful development of the distribution park.

At Pembroke Dock, we continue to work through the various design and engineering solutions and we are pleased to report that the client group, comprising Pembrokeshire County Council, the Welsh Government, the Crown Estate and the Milford Haven Port Authority, recognising the current state of the market, has consented to our adopting a phased approach. Given current market conditions, this is a massive boost to the viability of the entire project and we are in discussions with various interested parties with a view to commencing the first phase of the development.

In November 2010, we reported that we had exchanged contracts to acquire an eleven acre site for a lorry stop and distribution park on the perimeter of the port at Fishguard, Pembrokeshire. We have now obtained the necessary planning consent and once the judicial review period is exhausted, we will complete the purchase for £329,500. The consent covers the provision of a 24 hour truck stop, industrial and warehouse units together with ancillary facilities.

As noted above, we have acquired 86 acres of land at Haverfordwest, Pembrokeshire for £14 million, close to the town centre, which has outline planning consent for 900 residential consents. The acquisition of such a large percentage of the residential consents in the administrative centre of Pembrokeshire should provide an opportunity for good returns over the medium term. We are currently preparing the detailed planning application which will be submitted before the year end. Discussions are also taking place with a leading residential developer with a view to the potential sale of serviced plots of land.

Financing and Cash Management

At 31 March 2011, the Group had cash of £45 million to pursue investment opportunities which, when combined with the funds available on draw down of the committed bank facility, increases to £98 million.

During December, the Group re-coupled its existing interest rate swaps from 5.24% to 2.38%. Aside from considerably reducing the interest rate and retaining the hedging protection, the transaction resulted in a one-off gain of £1.4 million, as the cost of breaking the swaps had fallen from the mark to market provision at 30 September 2010. The weighted average cost of all debt including margin has fallen to 3.34%.

Our bank debt at 31 March 2011 was £35.6 million, unchanged from the year end. The loan to value remains low at 25% and would only rise to 62% in the event we drew down in full on the bank facility.

Low returns on cash continue to act as a drag on our income, though the Board takes the view that the ability to deploy cash quickly remains a major competitive advantage when seeking suitable investment opportunities.

Summary Group Net Assets

The Group net assets as at 31 March 2011 may be summarised as follows:

| | <i>£'m</i> | <i>Per Share</i> <i>p</i> |
|-----------------------|---------------------|------------------------------|
| Investment Properties | 142.8 | 131.4 |
| Development Projects | 27.6 | 25.4 |
| Cash | 45.0 | 41.4 |
| Other Net Liabilities | (3.4) | (3.0) |
| | <u>212.0</u> | |
| Bank Loans | (34.3) | (31.6) |
| Preference Shares | (10.3) | (9.5) |
| | <u><u>167.4</u></u> | <u><u>154.1</u></u> |

Outlook

The economic outlook remains difficult with, in our view, considerably more negatives than positives in the market. Central London remains positive though fundamentals remain weak and the outlook for the rest of the country seems patchy at best. We believe asking prices for property are in many cases still too high, with a clear and widening divergence between primary and secondary assets. That is, of course, before we factor in the property stock that must eventually emerge as a result of the deleveraging required by the banks and by some of their more highly leveraged clients.

That said, and having painted a gloomy picture of the market, we remain positive as to the future prospects of the Group. Along with many of our cash-rich peers, we continue to assess the various opportunities and, although it is taking longer than expected, we are content to wait patiently for the considerable amount of stock to emerge which is necessary for the inevitable deleveraging. In the meantime, we are making significant progress on our development projects which look increasingly exciting. We are unashamedly opportunistic but not gamblers.

We look forward to reporting further progress in due course.

N J Hamway
Chairman

R T E Ware
Chief Executive

23 May 2011

The Conygar Investment Company PLC
Consolidated Statement of Comprehensive Income
For the six months ended 31 March 2011

| | | <i>Six months ended</i> | | <i>Year ended</i> |
|---|------|-------------------------|---------------------|----------------------|
| | | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | Note | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Sales of trading properties | | – | 3,100 | 3,100 |
| Rental income | | 6,686 | 7,804 | 15,415 |
| Revenue | | <u>6,686</u> | <u>10,904</u> | <u>18,515</u> |
| Direct costs of: | | | | |
| Sales of trading properties | | – | 3,222 | 5,052 |
| Rental income | | 1,348 | 1,513 | 2,955 |
| Write-down of property inventory | | – | – | (1,830) |
| Direct Costs | | <u>1,348</u> | <u>4,735</u> | <u>6,177</u> |
| Gross Profit | | 5,338 | 6,169 | 12,338 |
| Gain in respect of acquisition | | – | 608 | 608 |
| Income from trading investments | | 22 | – | – |
| Share of results of joint ventures | | (5) | (45) | (10) |
| Gain on sale of investment properties | | 9 | 5,842 | 5,529 |
| Movement on revaluations of investment properties | 5 | (231) | 672 | 7,205 |
| Other gains and losses | | 1,522 | 82 | (475) |
| Administrative expenses | | (1,212) | (1,602) | (3,011) |
| Operating Profit | | <u>5,443</u> | <u>11,726</u> | <u>22,184</u> |
| Finance costs | 3 | (2,174) | (4,970) | (7,586) |
| Finance income | 3 | 112 | 205 | 280 |
| Profit Before Taxation | | <u>3,381</u> | <u>6,961</u> | <u>14,878</u> |
| Taxation | | (1,134) | (239) | (637) |
| Profit and Total Comprehensive Income for the Period | | <u><u>2,247</u></u> | <u><u>6,722</u></u> | <u><u>14,241</u></u> |
| Attributable to: | | | | |
| – equity shareholders | | 2,247 | 6,700 | 14,219 |
| – minority interests | | – | 22 | 22 |
| | | <u>2,247</u> | <u>6,722</u> | <u>14,241</u> |
| Basic earnings per share | 4 | 1.96p | 5.73p | 12.13p |
| Diluted earnings per share | 4 | 1.96p | 5.72p | 11.57p |

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 2011

| | <i>Share Capital</i> | <i>Share Premium</i> | <i>Merger Reserve</i> | <i>Equity Reserve</i> | <i>Treasury Shares</i> | <i>Retained Earnings</i> | <i>Total</i> | <i>Non- controlling Interests</i> | <i>Total Equity</i> |
|---|--------------------------|--------------------------|---------------------------|---------------------------|----------------------------|------------------------------|----------------|---|-------------------------|
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| At 1 October 2009 | 5,809 | 123,094 | 7,640 | 1,254 | – | 23,126 | 160,923 | 1,122 | 162,045 |
| Credit to equity for equity settled share based payment | – | – | – | – | – | 434 | 434 | – | 434 |
| Net income recognised directly in equity | – | – | – | – | – | 434 | 434 | – | 434 |
| Profit for the period | – | – | – | – | – | 6,700 | 6,700 | 22 | 6,722 |
| Total recognised income and expense for the period | – | – | – | – | – | 7,134 | 7,134 | 22 | 7,156 |
| Issue of share capital | 56 | 896 | – | – | – | – | 952 | – | 952 |
| Issue of preference shares | – | – | – | 2 | – | – | 2 | – | 2 |
| Preference share conversion | 4 | – | 77 | 9 | – | – | 90 | – | 90 |
| Purchase of minority interest | – | – | – | – | – | – | – | (1,124) | (1,124) |
| At 31 March 2010 | 5,869 | 123,990 | 7,717 | 1,265 | – | 30,260 | 169,101 | 20 | 169,121 |
| At 1 October 2009 | 5,809 | 123,094 | 7,640 | 1,254 | – | 23,126 | 160,923 | 1,122 | 162,045 |
| Profit for the year | – | – | – | – | – | 14,219 | 14,219 | 22 | 14,241 |
| Total recognised income and expense for the year | – | – | – | – | – | 14,219 | 14,219 | 22 | 14,241 |
| Credit to equity for equity settled share based payment | – | – | – | – | – | 434 | 434 | – | 434 |
| Issue of share capital | 56 | 896 | – | – | – | – | 952 | – | 952 |
| Issue of preference shares | – | – | – | 2 | – | – | 2 | – | 2 |
| Preference share conversion | 5 | 99 | – | (9) | – | – | 95 | – | 95 |
| Purchase of non- controlling interests | – | – | – | – | – | – | – | (1,124) | (1,124) |
| At 30 September 2010 | 5,870 | 124,089 | 7,640 | 1,247 | – | 37,779 | 176,625 | 20 | 176,645 |
| Changes in equity for six months ended 31 March 2011 | | | | | | | | | |
| At 1 October 2010 | 5,870 | 124,089 | 7,640 | 1,247 | – | 37,779 | 176,625 | 20 | 176,645 |
| Profit for the period | – | – | – | – | – | 2,247 | 2,247 | – | 2,247 |
| Total recognised income and expense for the period | – | – | – | – | – | 2,247 | 2,247 | – | 2,247 |
| Dividend paid | – | – | – | – | – | (1,175) | (1,175) | – | (1,175) |
| Preference share conversion | 157 | 3,534 | – | (309) | – | – | 3,382 | – | 3,382 |
| Purchase of own shares | – | – | – | – | (13,674) | – | (13,674) | – | (13,674) |
| At 31 March 2011 | 6,027 | 127,623 | 7,640 | 938 | (13,674) | 38,851 | 167,405 | 20 | 167,425 |

The Conygar Investment Company PLC
Consolidated Balance Sheet
As at 31 March 2011

| | | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
|--|------|-----------------|-----------------|----------------|
| | | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | Note | £'000 | £'000 | £'000 |
| Non-Current Assets | | | | |
| Property, plant and equipment | | 227 | 10 | 219 |
| Investment properties | 5 | 142,770 | 160,664 | 151,145 |
| Investment in joint ventures | 6 | 5,430 | 5,079 | 5,344 |
| Goodwill | | 3,173 | 3,173 | 3,173 |
| Derivatives | 8 | 64 | – | – |
| | | <u>151,664</u> | <u>168,926</u> | <u>159,881</u> |
| Current Assets | | | | |
| Trading Investments | | 2,277 | – | – |
| Development and trading properties | 7 | 19,040 | 4,180 | 6,111 |
| Trade and other receivables | | 2,578 | 1,751 | 2,230 |
| Cash and cash equivalents | | 44,961 | 71,974 | 67,322 |
| | | <u>68,856</u> | <u>77,905</u> | <u>75,663</u> |
| Total Assets | | 220,520 | 246,831 | 235,544 |
| Current Liabilities | | | | |
| Trade and other payables | | 7,272 | 5,886 | 5,766 |
| Preference Shares | 9 | 10,326 | – | – |
| Tax liabilities | | 1,211 | 31 | 677 |
| | | <u>18,809</u> | <u>5,917</u> | <u>6,443</u> |
| Non-Current Liabilities | | | | |
| Bank loans | 8 | 34,286 | 54,268 | 34,090 |
| Preference shares | 9 | – | 13,188 | 13,324 |
| Derivatives | 8 | – | 4,337 | 5,042 |
| | | <u>34,286</u> | <u>71,793</u> | <u>52,456</u> |
| Total Liabilities | | <u>53,095</u> | <u>77,710</u> | <u>58,899</u> |
| Net Assets | 10 | <u>167,425</u> | <u>169,121</u> | <u>176,645</u> |
| Equity | | | | |
| Called up share capital | | 6,027 | 5,869 | 5,870 |
| Share premium account | | 127,623 | 123,990 | 124,089 |
| Merger reserve | | 7,640 | 7,717 | 7,640 |
| Equity reserve | | 938 | 1,265 | 1,247 |
| Treasury shares | | (13,674) | – | – |
| Retained earnings | | 38,851 | 30,260 | 37,779 |
| | | <u>167,405</u> | <u>169,101</u> | <u>176,625</u> |
| Equity Attributable to Equity Holders | | <u>167,405</u> | <u>169,101</u> | <u>176,625</u> |
| Minority interests | | 20 | 20 | 20 |
| Total Equity | | <u>167,425</u> | <u>169,121</u> | <u>176,645</u> |
| Net Assets Per Share | | 154p | 144p | 150p |

The Conygar Investment Company PLC
Consolidated Cash Flow Statement
For the six months ended 31 March 2011

| | <i>Six months ended</i> | | <i>Year ended</i> |
|---|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Cash Flows From Operating Activities | | | |
| Operating profit | 5,443 | 11,726 | 22,184 |
| Depreciation and amortisation | 26 | 1 | 35 |
| Share of results of joint ventures | 5 | 45 | (10) |
| Other gains and losses | (1,522) | (82) | (136) |
| Gain on sale of investment properties | (9) | (5,842) | (5,529) |
| Movement on revaluation of investment properties | 231 | (672) | (7,205) |
| Gain in respect of acquisition | – | (608) | (608) |
| Share based payment charge | – | 434 | 434 |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows From Operations Before Changes In Working Capital | 4,174 | 5,002 | 9,165 |
| Change in trade and other receivables | (348) | 17,326 | 16,845 |
| Change in land, developments and trading properties | (12,929) | 2,908 | 977 |
| Change in trade and other payables | 1,118 | (6,554) | (6,326) |
| | <hr/> | <hr/> | <hr/> |
| Cash (Used In)/Generated From Operations | (7,985) | 18,682 | 20,661 |
| Finance costs | (1,582) | (4,152) | (6,457) |
| Finance income | 112 | 205 | 280 |
| (Tax paid)/credit received | (618) | 691 | 1,054 |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows (Used In)/Generated From Operating Activities | (10,073) | 15,426 | 15,538 |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows From Investing Activities | | | |
| Acquisition of investment properties | – | (44,763) | (44,763) |
| Capital expenditure on investment properties | (690) | – | – |
| Acquisition of trading investments | (2,277) | – | – |
| Sale proceeds of investment properties | 8,795 | 42,202 | 57,937 |
| Investment in joint ventures | (91) | (44) | (243) |
| Acquisition of non-controlling interests | – | (76) | (76) |
| Purchase of plant and equipment | (23) | (4) | (99) |
| Leasehold improvements | (8) | – | (148) |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows Generated From/(Used In) Investing Activities | 5,706 | (2,685) | 12,608 |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows From Financing Activities | | | |
| Bank loans repaid | – | (43,966) | (64,023) |
| Re-couponing of interest rate swaps | (3,692) | – | – |
| Issue of shares | – | 372 | 372 |
| Purchase of own shares | (13,127) | – | – |
| Dividend Paid | (1,175) | – | – |
| | <hr/> | <hr/> | <hr/> |
| Cash Flows Used In Financing Activities | (17,994) | (43,594) | (63,651) |
| | <hr/> | <hr/> | <hr/> |
| Net decrease in cash and cash equivalents | (22,361) | (30,853) | (35,505) |
| Cash and cash equivalents at 1 October | 67,322 | 102,827 | 102,827 |
| | <hr/> | <hr/> | <hr/> |
| Cash and Cash Equivalents at 31 March 2011 | 44,961 | 71,974 | 67,322 |

The Conygar Investment Company PLC
Notes to the Interim Results
For the six months ended 31 March 2011

1. Basis of Preparation

The accounting policies used in preparing the condensed financial information are consistent with those of the annual financial statements for the year ended 30 September 2010 other than the mandatory adoption of new standards, revisions and interpretations that are applicable to accounting periods commencing on or after 1 October 2010 as detailed in the annual financial statements. Principal among these are the adoption of IAS 32 (amendment), IFRS 2 (amendment) and IFRIC 19.

The amendment to IAS 32 requires rights issues for a fixed amount of foreign currency to be classified as equity. As the group does not transact in foreign currencies this standard has had no impact on the interim information.

The amendment to IFRS 2 clarifies the accounting for group cash-settled share-based payment transactions. No such transactions have occurred in the period, so the amendment has not affected the underlying figures.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The convertible preference shares are not captured by this standard as the issuance of equity shares is in accordance with the original terms of the financial liability.

The condensed financial information for the six month period ended 31 March 2011 and the six month period ended 31 March 2010 has not been audited or reviewed and does not constitute full financial statements within the meaning of section 435 of the Companies Act 2006.

The financial information for the year ended 30 September 2010 does not constitute the Group's statutory accounts for that period but it is derived from those accounts. Statutory accounts for the year ended 30 September 2010 have been delivered to the Registrar of Companies. The auditors have reported on these accounts; their report was unqualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The board of directors approved the above results on 23 May 2011.

Copies of the interim report may be obtained from the Company Secretary, The Conygar Investment Company PLC, Fourth Floor, 110 Wigmore Street, London W1U 3RW.

The Conygar Investment Company PLC
Notes to the Interim Results (Continued)
For the six months ended 31 March 2011

2. Segmental Information

IFRS 8 requires the identification of the Group's operating segments which are defined as being discrete components of the Group's operations whose results are regularly reviewed by the board of directors. The Group divides its business into the following segments:

- Investment properties, which are owned or leased by the Group for long-term income and for capital appreciation, and trading properties which are owned or leased with the intention to sell; and,
- Development properties, which include sites, developments in the course of construction and sites available for sale.

There was no revenue or profit/loss relating to the development properties and therefore only the segmented impact of the balance sheet can be reported.

| Balance Sheet | 31 March 2011 | | | 30 September 2010 | | | | |
|----------------------------------|--|---|--------------|------------------------|--|---|--------------|------------------------|
| | <i>Invest- ment Properties</i> | <i>Develop- ment Properties</i> | <i>Other</i> | <i>Group Total</i> | <i>Invest- ment Properties</i> | <i>Develop- ment Properties</i> | <i>Other</i> | <i>Group Total</i> |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Investment properties | 142,770 | - | - | 142,770 | 151,145 | - | - | 151,145 |
| Investment in joint ventures | - | 5,430 | - | 5,430 | - | 5,344 | - | 5,344 |
| Goodwill | - | 3,173 | - | 3,173 | - | 3,173 | - | 3,173 |
| Development & trading properties | - | 19,040 | - | 19,040 | - | 6,111 | - | 6,111 |
| | 142,770 | 27,643 | - | 170,413 | 151,145 | 14,628 | - | 165,773 |
| Other assets | 12,226 | - | 37,881 | 50,107 | 8,863 | - | 60,908 | 69,771 |
| Total assets | 154,996 | 27,643 | 37,881 | 220,520 | 160,008 | 14,628 | 60,908 | 235,544 |
| Liabilities | (40,730) | - | (12,365) | (53,095) | (44,304) | - | (14,595) | (58,899) |
| Net assets | 114,266 | 27,643 | 25,516 | 167,425 | 115,704 | 14,628 | 46,313 | 176,645 |

3. Finance Income/Costs

| | <i>Six months ended</i> | | <i>Year ended</i> |
|--|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Finance income | | | |
| Bank interest | 112 | 205 | 280 |
| | <u>112</u> | <u>205</u> | <u>280</u> |
| Finance costs | | | |
| Bank loans | (1,582) | (2,431) | (4,266) |
| Loan repayment costs | – | (1,721) | (2,191) |
| Amortisation of arrangement fees | (211) | (169) | (339) |
| Notional interest on preference shares | (381) | (649) | (790) |
| | <u>(2,174)</u> | <u>(4,970)</u> | <u>(7,586)</u> |

4. Earnings per Share

The calculation of earnings per ordinary share is based on the profit after tax of £2,247,000 (March 2010: £6,700,000; September 2010: £14,219,000) and on the number of shares in issue being the weighted average number of shares in issue during the period of 114,690,363 (net of 11,827,452 shares purchased by the Company and held as treasury shares) (March 2010: 117,017,275; September 2010: 117,203,241). The weighted average number of shares on a fully diluted basis was 127,185,295 (March 2010: 117,047,446; September 2010: 129,720,010) and profit after tax of £2,628,000 (March 2010: £7,349,000; September 2010: £15,009,000). No adjustment has been made for anti-dilutive potential ordinary shares. The total number of ordinary shares in issue (net of 11,827,452 shares purchased by the Company and held as treasury shares) at the date of this report was 108,675,783.

The Conygar Investment Company PLC
Notes to the Interim Results (Continued)
For the six months ended 31 March 2011

5. Investment Properties

| | <i>Freehold</i> | <i>Long- Leasehold</i> | <i>Reverse Lease Premiums</i> | <i>Total</i> |
|---------------------------------------|-----------------|----------------------------|---------------------------------------|----------------|
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Valuation at 30 September 2010 | 108,697 | 42,003 | 445 | 151,145 |
| Additions | 690 | – | – | 690 |
| Disposals | (8,785) | – | – | (8,785) |
| Reverse lease premium amortisation | – | – | (49) | (49) |
| Revaluation movement | (386) | 155 | – | (231) |
| Valuation at 31 March 2011 | <u>100,216</u> | <u>42,158</u> | <u>396</u> | <u>142,770</u> |

The historical cost of the properties acquired in the period is £nil (March and September 2010: £73,254,000). The historical cost of properties held at 31 March 2011 is £219,760,000 (March 2010: £251,519,000; September 2010: £233,328,000).

The properties were valued by King Sturge, independent valuers not connected with the Group, at 31 March 2011 at market value in accordance with the Practice Statements contained in the RICS Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors which conform to international valuation standards.

The Group has pledged £109,435,000 (March 2010: £80,030,000; September 2010: £112,310,000) of investment property to secure Lloyds Banking Group debt facilities and £33,335,000 (March 2010: £35,515,600; September 2010: £35,235,000) to secure Capita debt facilities. Further details of these facilities are provided in note 8.

The property rental income earned from investment property, all of which is leased out under operating leases, amounted to £6,686,000 (March 2010: £7,723,000; September 2010: £15,099,000).

6. 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>31 March</i> 2011 £'000 | <i>31 March</i> 2010 £'000 | <i>30 Sept</i> 2010 £'000 |
|---------------------|----------------------------------|----------------------------------|---------------------------------|
| Assets | | | |
| Current assets | 5,434 | 5,082 | 5,348 |
| | <u>5,434</u> | <u>5,082</u> | <u>5,348</u> |
| Liabilities | | | |
| Current liabilities | (4) | (3) | (4) |
| | <u>(4)</u> | <u>(3)</u> | <u>(4)</u> |
| Net assets | <u>5,430</u> | <u>5,079</u> | <u>5,344</u> |

| | <i>Six months ended</i> | | <i>Year ended</i> |
|-----------------------|----------------------------------|----------------------------------|---------------------------------|
| | <i>31 March</i> 2011 £'000 | <i>31 March</i> 2010 £'000 | <i>30 Sept</i> 2010 £'000 |
| Operating loss | (5) | (45) | (10) |
| Finance income | - | - | - |
| Loss before tax | (5) | (45) | (10) |
| Tax | - | - | - |
| Loss after tax | <u>(5)</u> | <u>(45)</u> | <u>(10)</u> |

7. Property Inventories

| | <i>31 March</i> 2011 £'000 | <i>31 March</i> 2010 £'000 | <i>30 Sept</i> 2010 £'000 |
|---|----------------------------------|----------------------------------|---------------------------------|
| Properties held for resale or development | 19,040 | 4,180 | 6,111 |
| | <u>19,040</u> | <u>4,180</u> | <u>6,111</u> |

The above amounts relate to development properties, which include sites, developments in the course of construction and sites available for sale.

The Conygar Investment Company PLC
Notes to the Interim Results (Continued)
For the six months ended 31 March 2011

8. Bank Loans

| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
|------------------|-----------------|-----------------|----------------|
| | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Bank loans | 35,586 | 55,643 | 35,586 |
| Debt issue costs | (1,300) | (1,375) | (1,496) |
| | <u>34,286</u> | <u>54,268</u> | <u>34,090</u> |

The interest rate profile of the Group bank borrowings at 31 March 2011 was as follows:

| | <i>Interest</i> | | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
|----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | <i>Rate</i> | <i>Maturity</i> | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | | | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Lloyds Banking | | | | | |
| Group (1) | LIBOR +2% | 2 – 5 years | 20,150 | 34,494 | 20,150 |
| Capita (2) | 5.24% | 2 – 5 years | 15,436 | 21,149 | 15,436 |
| | | | <u>35,586</u> | <u>55,643</u> | <u>35,586</u> |

- (1) As at 31 March 2011, TAPP Property Limited maintained a facility with the Lloyds Banking Group of up to £78,000,000 (March and September 2010: £78,000,000) under which £20,150,000 (March 2010: £34,494,000; September 2010: £20,150,000) had been drawn down. This facility is repayable on or before 27 January 2015 and is secured by fixed and floating charges over the assets of the TAPP Property Limited group and the Lamont companies. The facility is subject to a maximum loan to value covenant of 70% and an interest cover ratio covenant of 150%. Margin is on a sliding scale from 2% to 3.5% subject to loan to value covenants.
- (2) As at 31 March 2011, TOPP Property Limited maintained a facility with Capita of £35,267,000 (March and September 2010: £35,267,000) of which £15,435,000 (March 2010: £21,149,000; September 2010: £15,435,000) had been drawn down. This facility is repayable on or before 18 January 2013 and is secured by fixed and floating charges over the assets of the TOPP Property Limited group. The facility is subject to a maximum loan to value covenant of 70% and an interest cover ratio covenant of 135%. The interest rate is fixed until 18 January 2013.

8. Bank Loans (continued)

Two swaps are in place relating to the Lloyds Banking Group facility with notional amounts of £12,693,000 (March 2010: £18,393,000; September 2010: £12,693,000) and £21,800,000 (March 2010: £21,800,000; September 2010: £21,800,000) and both with fixed rates of 2.38% (March and September 2010: 5.15% and 5.135% respectively), which expire on 17 February 2015.

At 31 March 2011, the fair value of the swaps was valued at £64,000 (March 2010: £4,337,000 deficit; September 2010: £5,042,000 deficit). The valuation of the swaps was provided by JC Rathbone Associates and represents the change in fair value since execution.

9. Preference Shares

| | <i>31 March 2011 £'000</i> | <i>31 March 2010 £'000</i> | <i>30 Sept 2010 £'000</i> |
|-------------------|------------------------------------|------------------------------------|-----------------------------------|
| Preference Shares | <u>10,326</u> | <u>13,188</u> | <u>13,324</u> |

As part of the offer for The Advantage Property Income Trust Limited, the Company issued 62,979,750 convertible preference shares of £0.01 each, of which 46,846,545 (March 2010: 62,332,275; September 2010: 62,313,045) were outstanding at the period end. The preference shares are convertible at any point into ordinary shares at the option of the preference shareholder. The conversion rate is one ordinary share for five preference shares. Any preference shares not converted are redeemable for £0.25 each on 31 December 2011.

Although equity share capital at law, the preference shares are classified as hybrid instruments under IFRS consisting of a discounted debt element of £0.20 per share and an equity element of £0.02 per share which has been credited to an equity reserve. A notional interest element is charged to the income statement over the period to redemption.

The movement on the preference shares during the period was as follows:

| | |
|--|------------------------------------|
| | <i>31 March 2011 £'000</i> |
| At 30 September 2010 | 13,324 |
| Conversions to ordinary shares in the period at carrying value | (3,379) |
| Notional interest charge | <u>381</u> |
| At 31 March 2011 | <u><u>10,326</u></u> |

The Conygar Investment Company PLC
Notes to the Interim Results (Continued)
For the six months ended 31 March 2011

10. Net Asset Value per share

Net asset value per share is calculated as the net assets of the Group divided by the number of shares in issue.

The European Public Real Estate Association (“EPRA”) guidelines provide for a measure of net asset value excluding the effects of fluctuations in derivative financial instruments, deferred tax and taking into account the fair value of development properties. EPRA net asset value per share is calculated as the EPRA net asset value divided by the number of shares in issue on a fully diluted basis.

| | <i>31 March</i> <i>2011</i> <i>£'000</i> | <i>31 March</i> <i>2010</i> <i>£'000</i> | <i>30 Sept</i> <i>2010</i> <i>£'000</i> |
|--------------------------------|--|--|---|
| Net asset value | 167,425 | 169,121 | 176,645 |
| Adjustments: | | | |
| Derivatives | (64) | 4,337 | 5,042 |
| Preference share liability | 10,326 | 13,188 | 13,324 |
| EPRA net asset value | <u>177,687</u> | <u>186,646</u> | <u>195,011</u> |
| | <i>No.</i> | <i>No.</i> | <i>No.</i> |
| Shares in issue | 108,656,981 | 117,387,287 | 117,391,133 |
| Preference share dilution | 9,369,309 | 12,466,455 | 12,462,609 |
| | <u>118,026,290</u> | <u>129,853,742</u> | <u>129,853,742</u> |
| EPRA net asset value per share | <u>150.5p</u> | <u>143.7p</u> | <u>150.2p</u> |

The above calculations exclude the fair value of the Group’s development properties. We have not sought to value these assets as, in our opinion, they are at too early a stage in their development to provide a meaningful figure.

11. Related Party Transactions

The Group has made advances to the following joint ventures in order to provide both long term and additional working capital funding. All amounts are repayable upon demand and will be repaid from the trading activities of those subsidiaries. No provisions have been made against the outstanding amounts.

| | <i>Six months ended</i> | | <i>Year ended</i> |
|----------------------------|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Joint Ventures | | | |
| Conygar Stena Line Limited | 5,556 | 5,235 | 5,465 |
| | <u>5,556</u> | <u>5,235</u> | <u>5,465</u> |

The loans to Conygar Stena Line Limited may be analysed as follows:

| | <i>Six months ended</i> | | <i>Year ended</i> |
|--|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Secured interest bearing loan | 2,536 | 2,215 | 2,445 |
| Unsecured non-interest bearing shareholder loan | 3,020 | 3,020 | 3,020 |
| | <u>5,556</u> | <u>5,235</u> | <u>5,465</u> |

Key Management Compensation

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Group and are considered to be the directors of the Company. Amounts paid in respect of key management compensation were as follows:

| | <i>Six months ended</i> | | <i>Year ended</i> |
|------------------------------|-------------------------|-----------------|-------------------|
| | <i>31 March</i> | <i>31 March</i> | <i>30 Sept</i> |
| | <i>2011</i> | <i>2010</i> | <i>2010</i> |
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Short term employee benefits | 450 | 469 | 899 |
| Share based payments charge | – | 434 | 434 |
| Pension contributions | – | 20 | 20 |
| | <u>450</u> | <u>923</u> | <u>1,353</u> |



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 2011 which comprises the consolidated statement of comprehensive income, 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 2011 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

London

23 May 2011

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

Secretary

P A Batchelor

Registered Office

Fourth Floor
110 Wigmore Street
London W1U 3RW

Registrar

Share Registrars Limited
Suite E
First Floor
9 Lion and Lamb Yard
Farnham
Surrey GU9 7LL

Nominated Adviser & Stockbroker

Oriel Securities Limited
150 Cheapside
London EC2V 6ET

Solicitors to the Company

Wragge & Co LLP
55 Colmore Row
Birmingham B3 2AS

Auditors

Rees Pollock
35 New Bridge Street
London EC4V 6BW

Company Registration No 4907617

