THE CONYGAR INVESTMENT COMPANY PLC

INTERIM REPORT
Six Months ended 31 March 2013

The Conygar Investment Company PLC

Interim Results

for the six months ended 31 March 2013

Highlights

- Net asset value per share increased to 166.1p from 165.9p at 30 September 2012. EPRA NAV per share increased to 167.1p from 166.9p at 30 September 2012.
- Net property income £6.6 million compared with £6.3 million for the same period last year (4.8% increase).
- Net debt of £51.5 million representing gearing of 34.6% against net asset value and 29.7% on loan to value basis.
- Following disposal of Oldbury for £7.9 million in May 2013, gearing reduces to 29.4% and 26.5% loan to value.
- Completed new £11 million three year loan from Royal Bank of Scotland in April 2013. Completes refinancing of entire investment property portfolio.
- Planning application submitted in respect of the 60,000 square foot Sainsbury's retail food store and 835 residential plots in Haverfordwest.
- Contracts exchanged with Marstons to sell 0.7 acres for a pub and restaurant at Pembroke Dock. Significant first step in post-planning phase of development.
- Good progress continues to be made on all development projects.

Summary Group Net Assets as at 31 March 2013

		Per Share
	£'m	*p*
Property Assets	173.3	193.2
Development Projects	31.2	34.7
Cash	17.4	19.4
Other net (liabilities)	(4.9)	(5.4)
	217.0	241.9
Bank loans (net of fees)	(68.0)	(75.8)
Net assets	149.0	166.1

The Conygar Investment Company PLC

Interim Results

for the six months ended 31 March 2013

Chairman's and Chief Executive's Statement

Progress and Results Summary

We are pleased to present the Group's results for the six months ended 31 March 2013. We have continued to make good progress on our development projects and investment property portfolio with a number of asset management initiatives underway. The net asset value per share increased to 166.1p from 165.9p at 30 September 2012 (158.3p at 31 March 2012). On an EPRA basis, net asset value per share increased to 167.1p from 166.9p at 30 September 2012 (158.6p at 31 March 2012).

The loss before taxation of £199,000 compares with a profit of £5.1 million in the six months ended 31 March 2012. The main reason for the fall in profit being a £3.5 million (1.99%) decline in respect of the investment property valuation, arising from the continued decline in commercial property values outside London. Net property income for the period was £6.6 million, before financing and overheads, compared with £6.3 million for the same period last year.

We have submitted our planning application for the development at Haverfordwest, Pembrokeshire, to build 835 residential properties and a 60,000 square foot Sainsbury's retail food store with a separate application to re-develop the riverside area of the town centre, creating a further 74,000 square feet of mixed use space. We continue to work with both Sainsbury's and the local authority and initial reactions from all consultees have been encouraging. We are working towards a planning decision on this in the next few months although, as ever with the planning process, this task should not be underestimated.

In April 2013, we also secured a refinancing of our TOPP portfolio with an £11 million loan from The Royal Bank of Scotland. This completes our refinancing of the entire investment property portfolio begun in 2011. The market for real estate debt remains difficult and in particular, for secondary assets outside London which require significant and active management. Our net gearing is now 34.6% and the Group retains its strong balance sheet.

In May 2013, we announced that contracts had been exchanged with Marston's to sell 0.7 acres at Pembroke Dock for a family pub and restaurant. Significantly, this is the first step in the post-planning phase of our development at Pembroke Dock Waterfront and we look forward to bringing other commercial operators to the site in the coming months.

A considerable amount of work continues at our other development projects, although market conditions make this frustratingly slow. There are, however, signs that the market sentiment for residential development land is more positive as the mortgage market eases and various government initiatives are launched. Whilst it is far too early to call it a recovery such news is encouraging. We also have a considerable number of asset management initiatives underway on a number of our investment properties which will help retain tenants and increase value. Such initiatives continue to take a long time to crystallise and to be recognised in valuations, which is a reflection of the difficult occupier market outside London.

Property Portfolio

As at 31 March 2013, the Group's investment properties were independently valued at £173.3 million compared to £176.0 million at 30 September 2012. The portfolio held at 31 March 2013 decreased in value by a net £3.5 million or 1.99% overall. The commercial property market outside London continues to decline, compounded by weak levels of bank lending and poor liquidity levels, with the lack of comparables posing a real challenge for the valuers.

The contracted annual rent roll is £16.1 million as at 31 March 2013, which is £0.3 million higher than at 30 September 2012, mainly owing to a number of new lettings and lease renewals. We continue to work hard at letting vacant space, retaining tenants and pushing down irrecoverable property costs so the cash yield on the portfolio remains strong, notwithstanding valuation movements. Our average unexpired lease length has risen slightly to 4.6 years, from 4.5 years at 30 September 2012. The portfolio vacancy rate remains at 11.4%, although several negotiations are in progress which may reduce this. Obtaining new tenants remains extremely difficult outside London and much of our focus is on retaining existing tenants. We made no acquisitions or disposals in the period but shortly after the period end in May 2013, we disposed of our warehouse at Crystal Drive, Oldbury for £7.9 million, being the valuation as at 31 March 2013.

Development Projects

We continue to make good progress on our development projects and we remain on target to deliver projects comprising more than 2,000 residential units, 1,400 marina berths and in excess of 400,000 square feet of commercial and retail development.

At Haverfordwest, we have submitted our planning application to build 835 residential properties and a 60,000 square foot Sainsbury's retail food store, with a separate application to re-develop the riverside area of the town centre, creating a further 74,000 square feet of mixed use space. We continue to work with Sainsbury's towards obtaining a planning decision albeit, as ever with the planning process, this task should not be underestimated.

Discussions and negotiations continue with potential tenants for the first phase at Pembroke Dock Waterfront in West Wales and we were pleased to be able to announce that contracts were exchanged with Marston's to sell 0.7 acres at Pembroke Dock for a family pub and restaurant. Significantly, this is the first step in the post-planning phase of our development at Pembroke Dock Waterfront and we are working towards bringing further commercial operators to the rest of the site. We have also just completed investigative drilling in the marina area as part of the design process.

At Fishguard Waterfront, we are close to completing the section 106 planning agreement and planning conditions, subject to legals and final approvals, for the marina, 225 residential units, tourist marine leisure facilities and the platform to facilitate the possible port redevelopment in conjunction with Stena Line. Negotiations with the various landowners are also progressing well.

At Holyhead Waterfront, the section 106 planning agreement and planning conditions are currently being finalised. The development consists of a 500 berth marina, 324 residential units, a hotel and 43,370 square feet of commercial use. We are also continuing discussions with potential occupiers in respect of both commercial and residential elements.

Our project at Parc Cybi, Holyhead is also progressing and it is clear that the decommissioning and re-development of the multi-billion pound Wylfa B nuclear power station by Hitachi will create demand for logistics, warehousing and other occupational requirements on the island of Anglesey. The Conygar Parc Cybi project is very well placed to take advantage of this. We have also submitted a planning application for a transport hub with ancillary facilities targeted at the logistics industry operating through the Port of Holyhead and for the companies servicing the Wylfa construction.

Our total expenditure to date on development projects amounts to £31.15 million, having spent a further £0.35 million since 30 September 2012, net of a £0.2 million fee reimbursement received from Sainsbury's. We continue to carry the development projects in our books at cost and they will be revalued once the projects are at a sufficiently advanced stage to produce a meaningful valuation. As previously stated, we will not undertake significant speculative development, so the projects rely upon us attracting suitable pre-lets or forward sales which, in our view, is the only sensible approach in these and most market conditions.

Financing and Cash Management

At 31 March 2013, the Group had cash of £17.4 million available to pursue investment opportunities. This increased to £28.4 million in April 2013 following draw down of the new loan with The Royal Bank of Scotland. In addition, the Group can draw down a further £20 million from our committed bank facility with Lloyds Banking Group. Following the re-financing with The Royal Bank of Scotland, the Group has bank debt of £80 million and our total bank debt is 46.1% loan to value, excluding cash balances, or 29.7% net of cash.

All of the Group debt is hedged and the weighted average cost of all debt, including margin, has fallen to 4.15% from 4.44%, with an average debt maturity of two and a half years.

We acquired a further 3,109,838 ordinary shares at an average price of 89.6 pence per share, which enhanced net asset value per share by 1.6% or 2.6 pence per share. We will continue to utilise the share buy back authority where it makes sense to do so and suitable blocks of shares become available.

Summary Group Net Assets

The Group net assets as at 31 March 2013 may be summarised as follows:

	£'m	*Per Share p*
Property Assets	173.3	193.2
Development Projects	31.2	34.7
Cash	17.4	19.4
Other net (liabilities)	(4.9)	(5.4)
	217.0	241.9
Bank loans (net of fees)	(68.0)	(75.8)
Net Assets	149.0	166.1

Outlook

It continues to be a difficult and highly uncertain market and increasingly so outside London. There are some signs of stronger market sentiment with respect to residential development land and for good quality assets but the head winds remain for commercial property and we see little to be that positive about in the wider economy.

Conygar is not immune to such pressures and in the short term, there is no doubt that our investment property portfolio will continue to drift, driven by market declines in valuation. However, we can be confident about the future prospects for Conygar as we remain well funded, with positive cash flow and are able to continue to invest in enhancing our development projects, which we believe will ultimately drive returns over the medium and longer term. We are also engaged in a number of asset management initiatives which should both protect and add value to our investment property portfolio.

Despite some of the most difficult conditions in living memory, Conygar has continued to grow its net asset value per share throughout and the foundations are there to take advantage of recovery when it does finally arrive.

N J Hamway	**R T E Ware**
Chairman	**Chief Executive**

22 May 2013

Financial review

Net Asset Value

The net asset value at the year end was £149.0 million (31 March 2012: £158.6 million; 30 September 2012: £154.0 million). The primary movements in the period were £6.6 million net rental income, £3.5 million property revaluation deficit, £2.8 million spent on buying back shares and £1.2 million dividends paid. Excluding the amounts incurred buying back shares and paying dividends, net asset value decreased 0.5% in the period.

On an EPRA basis, the net asset value is:

	31 Mar 2013 £'m	*30 Sept 2012 £'m*	*31 Mar 2012 £'m*
Net asset value	149.0	154.0	158.6
Preference share liability	–	–	–
Diluted net asset value	149.0	154.0	158.6
Fair value of hedging instruments	0.9	0.9	0.2
EPRA net asset value	149.9	154.9	158.8
EPRA NAV per share	167.1p	166.9p	158.6p
Basic NAV per share	166.1p	165.9p	158.3p
Diluted NAV per share	166.1p	165.9p	158.3p

The EPRA net asset value is calculated on a fully diluted basis and excludes the impact of hedging instruments, as these are held for long term benefit and not expected to crystallise at the balance sheet date.

The NNNAV or "triple net asset value" is the net asset value taking into account asset revaluations, the mark to market costs of debt and hedging instruments and any associated tax effect. Our investment properties are carried on our balance sheet at independent valuation and there is no associated tax liability. Our development and trading assets are carried at the lower of cost and net realisable value. We have not sought to value these assets as, in our opinion, they are still at too early a stage in their development to provide a meaningful figure, so cost is equated to fair value for these purposes. On this basis, there is no material difference between our stated net asset value and NNNAV.

Revaluation

The Group's investment properties were independently valued by Jones Lang LaSalle at 31 March 2013. In their opinion, the open market value of the investment property portfolio was £173.3 million. The total portfolio decreased in value by £3.5 million during the period.

Cash Flow

The Group generated £1.2 million cash from operating activities (31 March 2012: £0.6 million; 30 September 2012: £4.1 million), of which £0.4 million was incurred as expenditure on development and trading properties.

The Group used a further £2.8 million on the purchase of own shares, in addition to £11.5 million repaying the Capita debt and £0.7 million on capital expenditure on the investment property portfolio, resulting in an overall cash outflow of £14.1 million (31 March 2012: £18.9 million outflow; 30 September 2012: £4.2 million outflow).

Net Income From Property Activities

	31 Mar 2013 £'m	*30 Sept 2012 £'m*	*31 Mar 2012 £'m*
Rental income	8.1	16.2	7.7
Direct property costs	(1.5)	(2.8)	(1.4)
Rental surplus	6.6	13.4	6.3
Sale of investment properties	–	4.1	3.2
Cost of investment properties sold	–	(3.7)	(2.8)
Gain on sale of investment properties	–	0.4	0.4
Total net income arising from property activities	6.6	13.8	6.7

Administrative Expenses

The administrative expenses for the period ended 31 March 2013 were £1.28 million, unchanged from the same period last year. The major items are salary costs (£0.8 million) and various costs arising as a result of the Group being quoted on AIM.

Financing

At 31 March 2013, the Group had cash of £17.4 million (31 March 2012: £16.8 million; 30 September 2012: £31.5 million). Unutilised facilities available for draw down from our committed Lloyds Banking Group facility amounted to £20 million.

The bank debt at 31 March 2013 was £69 million, which rose to £80 million following the refinancing of the TOPP portfolio in April 2013. The total bank debt is currently 46.1% by loan to value or 29.7% net of cash.

The interest rate risk on the facility continues to be managed by way of interest rate swaps and caps, with 100% of debt protected by hedging. The weighted average cost of all debt, including margin, has fallen to 4.15% from 4.44% at 30 September 2012. The fair value of these derivative financial instruments is provided for in full on the balance sheet.

Property Information

Summary of Investment property portfolio

	31 March 2013	*30 September 2012*
Valuation	£173,325,000	£175,995,000
Number of properties	48	48
Contracted rent (pa)	£16,078,173	£15,766,763
Current ERV (pa)	£17,434,352	£17,549,979
Net initial yield	8.56%	8.22%
Equivalent yield	9.18%	9.15%
Reversionary yield	9.57%	9.48%
Vacancy rate	11.4%	10.4%
Average unexpired lease lengths	4.6 years	4.5 years

Summary of Development Projects

	31 March 2013 £m	*30 September 2012 £m*
Haverfordwest	15.24	15.26
Holyhead Waterfront	8.87	8.74
Pembroke Dock Waterfront	4.55	4.47
King's Lynn	0.83	0.83
Fishguard Waterfront	0.82	0.76
Fishguard Lorry Stop	0.52	0.52
Parc Cybi, Holyhead	0.32	0.22
Total investment to date	31.15	30.80

The Conygar Investment Company PLC
Consolidated Statement of Comprehensive Income
For the six months ended 31 March 2013

	Note	*Six months ended 31 March 2013 £'000*	*Six months ended 31 March 2012 £'000*	*Year ended 30 Sept 2012 £'000*
Rental income		7,991	7,747	15,807
Other property income		107	–	380
Revenue		8,098	7,747	16,187
Direct costs of:				
Rental income		1,518	1,465	2,745
Direct Costs		1,518	1,465	2,745
Gross Profit		6,580	6,282	13,442
Income from trading investments		41	66	117
Share of results of joint ventures		11	(7)	24
Loss on sale of trading investments		(370)	–	–
Gain on sale of investment properties		–	369	431
Movement on revaluations of investment properties	6	(3,495)	1,450	354
Other gains and losses		102	(255)	(1,259)
Administrative expenses		(1,277)	(1,248)	(2,456)
Operating Profit		1,592	6,657	10,653
Finance costs	3	(1,830)	(1,630)	(3,306)
Finance income	3	39	78	110
Profit Before Taxation		(199)	5,105	7,457
Taxation		(797)	(1,500)	(1,810)
Profit and Total Comprehensive Income for the Period		(996)	3,605	5,647
Attributable to:				
– equity shareholders		(996)	3,605	5,647
– minority interests		–	–	–
		(996)	3,605	5,647
Basic earnings per share	5	(1.09)p	3.53p	5.60p
Diluted earnings per share	5	(1.09)p	3.53p	5.60p

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 2013

	Share Capital £'000	*Share Premium £'000*	*Capital Redemption Reserve £'000*	*Merger Reserve £'000*	*Equity Reserve £'000*	*Treasury Shares £'000*	*Retained Earnings £'000*	*Total £'000*	*Non-controlling Interests £'000*	*Total Equity £'000*
At 1 October 2011	6,169	130,973	–	7,640	650	(24,649)	37,682	158,465	20	158,485
Profit for the period	–	–	–	–	–	–	3,605	3,605	–	3,605
Total recognised income and expense for the period	–	–	–	–	–	–	3,605	3,605	–	3,605
Dividend paid	–	–	–	–	–	–	(1,123)	(1,123)	–	(1,123)
Preference share conversion	1	37	–	(3)	–	–	–	35	–	35
Preference share redemption	–	(6,993)	323	(7,637)	(650)	–	14,333	(624)	–	(624)
Purchase of own shares	–	–	–	–	–	(1,817)	–	(1,817)	–	(1,817)
Cancellation of treasury shares	(495)	–	495	–	–	11,275	(11,275)	–	–	–
At 31 March 2012	5,675	124,017	818	–	–	(15,191)	43,222	158,541	20	158,561
At 1 October 2011	6,169	130,973	–	7,640	650	(24,649)	37,682	158,465	20	158,485
Profit for the year	–	–	–	–	–	–	5,647	5,647	–	5,647
Total comprehensive income for the year	–	–	–	–	–	–	5,647	5,647	–	5,647
Dividend paid	–	–	–	–	–	–	(1,123)	(1,123)	–	(1,123)
Preference share conversion	1	37	–	(3)	–	–	–	35	–	35
Preference share redemption	–	(6,993)	323	(7,637)	(650)	–	14,333	(624)	–	(624)
Purchase of own shares	–	–	–	–	–	(8,463)	–	(8,463)	–	(8,463)
Cancellation of treasury shares	(495)	–	495	–	–	11,275	(11,275)	–	–	–
At 30 September 2012	5,675	124,017	818	–	–	(21,837)	45,264	153,937	20	153,957
Changes in equity for six months ended 31 March 2013										
At 1 October 2012	5,675	124,017	818	–	–	(21,837)	45,264	153,937	20	153,957
Loss for the period	–	–	–	–	–	–	(996)	(996)	–	(996)
Total recognised income and expense for the period	–	–	–	–	–	–	(996)	(996)	–	(996)
Dividend paid	–	–	–	–	–	–	(1,160)	(1,160)	–	(1,160)
Purchase of own shares	–	–	–	–	–	(2,785)	–	(2,785)	–	(2,785)
Cancellation of treasury shares	(750)	–	750	–	–	15,547	(15,547)	–	–	–
At 31 March 2013	4,925	124,017	1,568	–	–	(9,075)	27,561	148,996	20	149,016

The Conygar Investment Company PLC
Consolidated Balance Sheet
As at 31 March 2013

	Note	*31 March 2013 £'000*	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Non-Current Assets				
Property, plant and equipment		126	181	153
Investment properties	6	173,325	177,875	175,995
Investment in joint ventures	7	5,510	5,499	5,523
Goodwill		3,173	3,173	3,173
		182,134	186,728	184,844
Current Assets				
Trading Investments		–	1,579	1,257
Development and trading properties	8	22,469	21,604	22,106
Trade and other receivables		4,239	3,874	3,763
Cash and cash equivalents		17,444	16,753	31,515
		44,152	43,810	58,641
Total Assets		226,286	230,538	243,485
Current Liabilities				
Trade and other payables		6,054	6,174	6,412
Bank loans	9	772	14,484	12,286
Tax liabilities		2,360	2,041	2,435
		9,186	22,699	21,133
Non-Current Liabilities				
Bank loans	9	67,219	49,032	67,456
Derivatives	9	865	246	939
		68,084	49,278	68,395
Total Liabilities		77,270	71,977	89,528
Net Assets	10	149,016	158,561	153,957
Equity				
Called up share capital		4,925	5,675	5,675
Share premium account		124,017	124,017	124,017
Capital redemption reserve		1,568	818	818
Treasury shares		(9,075)	(15,191)	(21,837)
Retained earnings		27,561	43,222	45,264
Equity Attributable to Equity Holders		148,996	158,541	153,937
Minority interests		20	20	20
Total Equity		149,016	158,561	153,957
Net Assets Per Share		166.1p	158.3p	165.9p

The Conygar Investment Company PLC
Consolidated Cash Flow Statement
For the six months ended 31 March 2013

	Six months ended 31 March 2013 £'000	*Six months ended 31 March 2012 £'000*	*Year ended 30 Sept 2012 £'000*
Cash Flows From Operating Activities			
Operating profit	1,592	6,657	10,653
Depreciation and amortisation	28	28	196
Share of results of joint ventures	(11)	7	(24)
Other gains and losses	(86)	255	1,341
Gain on sale of investment properties	–	(369)	(431)
Movement on revaluation of investment properties	3,495	(1,450)	(354)
Dividend income	(41)	(66)	(117)
Cash Flows From Operations Before Changes In Working Capital	4,977	5,062	11,264
Change in trade and other receivables	(476)	(1,260)	(1,149)
Change in land, developments and trading properties	(363)	(825)	(1,327)
Change in trade and other payables	(794)	(1,267)	(1,703)
Cash Generated From Operations	3,344	1,710	7,085
Finance costs	(1,640)	(1,304)	(2,621)
Finance income	39	78	110
Tax (paid)/repaid	(582)	94	(434)
Cash Flows Generated From Operating Activities	1,161	578	4,140
Cash Flows From Investing Activities			
Acquisition of investment properties	–	(39,818)	(40,247)
Capital expenditure on investment properties	(670)	(324)	–
Disposal of trading investments	879	–	–
Sale proceeds of investment properties	–	3,186	4,047
Investment in joint ventures	2	(52)	(33)
Purchase of plant and equipment	(1)	–	–
Leasehold improvements	–	–	(1)
Dividend income	41	66	117
Cash Flows Generated From/(Used In) Investing Activities	251	(36,942)	(36,117)
Cash Flows From Financing Activities			
Bank loan drawdown	–	33,000	53,000
Bank loans repaid	(11,538)	(3,360)	(6,827)
Dividend Paid	(1,160)	(1,123)	(1,123)
Preference share redemption	–	(8,080)	(8,081)
Purchase of own shares	(2,785)	(1,817)	(7,924)
Re-couponing of interest rate swaps	–	(1,177)	(1,177)
Purchase of interest rate cap	–	–	(50)
Cash Flows (Used In)/Generated From Financing Activities	(15,483)	17,443	27,818
Net decrease in cash and cash equivalents	(14,071)	(18,921)	(4,159)
Cash and cash equivalents at 1 October	31,515	35,674	35,674
Cash and Cash Equivalents at 31 March	17,444	16,753	31,515

The Conygar Investment Company PLC
Notes to the Interim Results
For the six months ended 31 March 2013

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 2012 other than the mandatory adoption of new standards, revisions and interpretations that are applicable to accounting periods commencing on or after 1 October 2012, as detailed in the annual financial statements. Principal among these are the adoption of IAS 12 (amendment) and IAS 1 (amendment).

Amendment to IAS 12 "Income taxes on deferred tax" (effective for accounting periods beginning on or after 1 January 2012);

Amendment to IAS 1 "Financial statement presentation" (effective for accounting periods beginning on or after 1 July 2012).

The condensed financial information for the six month period ended 31 March 2013 and the six month period ended 31 March 2012 has been reviewed but not audited 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 2012 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 2012 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 22 May 2013.

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.

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 2013				*31 March 2012*			
	Investment Properties	*Development Properties*	*Other*	*Group Total*	*Investment Properties*	*Development Properties*	*Other*	*Group Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Investment properties	173,325	–	–	173,325	177,875	–	–	177,875
Investment in joint ventures	–	5,510	–	5,510	–	5,499	–	5,499
Goodwill	–	3,173	–	3,173	–	3,173	–	3,173
Development & trading properties	–	22,469	–	22,469	–	21,604	–	21,604
	173,325	31,152	–	204,477	177,875	30,276	–	208,151
Other assets	16,329	–	5,480	21,809	14,085	–	8,302	22,387
Total assets	189,654	31,152	5,480	226,286	191,960	30,276	8,302	230,538
Liabilities	(74,519)	–	(2,751)	(77,270)	(69,609)	–	(2,368)	(71,977)
Net assets	115,135	31,152	2,729	149,016	122,351	30,276	5,934	158,561

The Conygar Investment Company PLC
Notes to the Interim Results (Continued)
For the six months ended 31 March 2013

3. Finance Income/Costs

	Six months ended		*Year ended*
	31 March 2013 £'000	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Finance income			
Bank interest	39	78	110
Finance costs			
Bank loans	(1,559)	(1,304)	(2,656)
Loan repayment costs	(20)	–	(99)
Amortisation of arrangement fees	(251)	(212)	(438)
Notional interest on preference shares	–	(114)	(113)
	(1,830)	(1,630)	(3,306)

4. Dividend

The final dividend of 1.25 pence per ordinary share in respect of the year ended 30 September 2012 (2011 – 1.1 pence) was approved at the AGM and paid in January 2013. This final dividend amounted to £1,160,000 (2011: £1,124,000).

5. Earnings per Share

The calculation of earnings per ordinary share is based on the loss after tax of £996,000 (March 2012 profit: £3,605,000; September 2012 profit: £5,647,000) and on the number of shares in issue being the weighted average number of shares in issue during the period of 91,195,305 (net of 8,767,819 shares purchased by the Company and held as treasury shares) (March 2012: 102,032,880; September 2012: 100,847,230). The weighted average number of shares on a fully diluted basis was 91,203,097 (March 2012: 102,039,067; September 2012: 100,848,260) and loss after tax of £996,000 (March 2012 profit: £3,605,000; September 2012 profit: £5,647,000). No adjustment has been made for anti-dilutive potential ordinary shares. The total number of ordinary shares in issue (net of 8,767,819 shares purchased by the Company and held as treasury shares) at the date of this report was 89,721,304.

6. Investment Properties

	Freehold £'000	Long-Leasehold £'000	Reverse Lease Premiums £'000	Total £'000
Valuation at 30 September 2012	134,156	41,234	605	175,995
Additions	783	7	117	907
Reverse lease premium amortisation	–	–	(82)	(82)
Revaluation movement	(3,610)	115	–	(3,495)
Valuation at 31 March 2013	131,329	41,356	640	173,325

The historical cost of properties held at 31 March 2013 is £245,754,000 (March 2012: £245,728,000; September 2012: £244,847,000).

The properties were valued by Jones Lang LaSalle, independent valuers not connected with the Group, at 31 March 2013 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 £100,900,000 (March 2012: £104,735,000; September 2012: £102,550,000) of investment property to secure Lloyds Banking Group debt facilities and £41,600,000 (March 2012: £nil; September 2012: £42,360,000) to secure Barclays debt facilities. Further details of these facilities are provided in note 9.

The property rental income earned from investment property, all of which is leased out under operating leases, amounted to £8,098,000 (March 2012: £7,747,000; September 2012: £16,187,000).

7. 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:

	31 March 2013 £'000	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Assets			
Current assets	5,522	5,516	5,538
	5,522	5,516	5,538
Liabilities			
Current liabilities	(12)	(17)	(15)
	(12)	(17)	(15)
Net assets	5,510	5,499	5,523

	Six months ended		*Year ended*
	31 March 2013 £'000	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Operating profit/(loss)	11	(7)	24
Finance income	–	–	–
Profit/(loss) before tax	11	(7)	24
Tax	–	–	–
Profit/(loss) after tax	11	(7)	24

8. Property Inventories

	31 March 2013 £'000	31 March 2012 £'000	30 Sept 2012 £'000
Properties held for resale or development	22,469	21,604	22,106

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

9. Bank Loans

	31 March 2013 £'000	31 March 2012 £'000	30 Sept 2012 £'000
Bank loans	68,989	64,392	80,925
Debt issue costs	(998)	(876)	(1,183)
	67,991	63,516	79,742

The interest rate profile of the Group bank borrowings at 31 March 2013 was as follows:

	Interest Rate	*Maturity*	*31 March 2013 £'000*	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Lloyds Banking Group (1)	LIBOR +2%	2 - 5 years	49,387	49,790	49,387
Capita (2)	5.24%	< 1 year	–	14,602	11,538
Barclays (3)	LIBOR + 3.5%	1-4 years	19,602	–	20,000
			68,989	64,392	80,925

(1) As at 31 March 2013, TAPP Property Limited maintained a facility with the Lloyds Banking Group of up to £78,000,000 (March and September 2012: £78,000,000) under which £49,387,000 (March 2012: £49,790,000; September 2012: £49,387,000) 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) In January 2013, TOPP Property Limited repaid the facility with Capita in full.

(3) As at 31 March 2013, Conygar Dundee Limited, Conygar Hanover Street Limited, Conygar Stafford Limited and Conygar St Helens Limited jointly maintained a facility with Barclays Bank PLC of up to £20,000,000 (March 2012: £nil; September 2012: £20,000,000) of which £19,602,000 (March 2012: £nil; September 2012: £20,000,000) had been drawn down. This facility is repayable on or before 20 August 2016 and is secured by fixed and floating charges over the assets of Conygar Dundee Limited, Conygar Hanover Street Limited, Conygar Stafford Limited and Conygar St Helens Limited. The facility is subject to a maximum loan to value covenant of 58% and an interest cover ratio covenant of 225%.

9. Bank Loans (continued)

Three swaps are in place relating to the Lloyds Banking Group facility with notional amounts of £12,693,000 (March and September 2012: £12,693,000), £21,800,000 (March and September 2012: £21,800,000) and £15,297,344 (March 2012: £nil; September 2012: £15,297,344), the former two both with fixed rates of 1.329% (March and September 2012: 1.329%) and the latter swap 0.9925% (March 2012: n/a; September 2012: 0.9925%). All three swaps expire on 17 February 2015.

A swap and cap are in place relating to the Barclays Bank PLC facility. The swap has a notional amount of £15,602,000 (March 2012: £nil; September 2012: £16,000,000) with a fixed rate of 1.055% (March 2012: n/a; September 2012: 1.055%). The cap has a notional amount of £4,000,000 (March 2012: £nil; September 2012: £4,000,000) with a strike rate of 1%. Both the swap and the cap expire on 20 August 2016.

At 31 March 2013, the fair value of the hedging instruments was valued at £865,000 deficit (March 2012: £246,000 deficit; September 2012: £939,000 deficit). The valuation of the swaps was provided by JC Rathbone Associates and represents the change in fair value since execution.

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.

	31 March 2013 £'000	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Net asset value	149,016	158,561	153,957
Adjustments:			
Derivatives	865	246	939
EPRA net asset value	149,881	158,807	154,896
	No.	No.	No.
Shares in issue	89,721,304	100,151,142	92,831,142
EPRA net asset value per share	167.1p	158.6p	166.9p

10. Net Asset Value per share (continued)

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.

	31 March 2013 £'000	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Joint Ventures			
Conygar Stena Line Limited	5,629	5,635	5,652
	5,629	5,635	5,652

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

	31 March 2013 £'000	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Secured interest bearing loan	2,609	2,615	2,632
Unsecured non-interest bearing shareholder loan	3,020	3,020	3,020
	5,629	5,635	5,652

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:

	Six months ended		*Year ended*
	31 March 2013 £'000	*31 March 2012 £'000*	*30 Sept 2012 £'000*
Short term employee benefits	481	500	950
	481	500	950

REES POLLOCK
Chartered Accountants

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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 2013 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 2013 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
22 May 2013

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	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
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

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