London & Stamford
Property Plc

Half Year Report
1 October 2010

Financial highlights

	Unaudited Six months to 1 October 2010	Unaudited Six months to 30 September 2009	Audited Year to 31 March 2010
Net income	£15.0m	£6.7m	£16.1m
Revaluation surplus (including share of associates)	£20.9m	£13.9m	£101.9m
Profit for the period	£16.3m	£15.9m	£106.1m
Investment properties	£497.4m	£303.9m	£357.7m
Share of net assets of associates	£103.4m	£65.7m	£89.3m
Cash deposits	£188.8m	£290.7m	£276.6m
Bank debt	£289.3m	£139.1m	£121.6m
Net assets	£658.5m	£521.4m	£600.6m
NAV per share	121p	104p	120p
EPRA NAV per share	122p	104p	120p
Earnings per share	3.3p	4.5p	24.8p
Adjusted earnings per share	0.7p	0.6p	1.4p
EPRA earnings per share	0.7p	0.7p	(0.6)p
Dividend per share	3.0p	2.2p	4.4p
Number of shares in issue	546m	500m	500m

Contents

Chairman's statement

The last six months has been a very exciting period in London & Stamford's development.

We have reached agreement with our joint venture partner, Green Park Investments, for them to extend their commitment to the joint venture by a further £100 million to £300 million. Their committed but undrawn investment is now £180 million.

Since 1 October 2010, I am delighted to report that we have acquired two portfolios of prime distribution warehouses; a portfolio of five warehouses, located mainly in the South East of England for £82 million, reflecting an initial property yield of 7.4% and a portfolio of five further warehouses (all bar one located in the South East) for £123 million, a net initial property yield of 7.1%.

Green Park Investments have agreed to take a 50% stake in these combined portfolios for c.£40 million reducing to £140 million their committed equity still available for further investment.

In my statement to you in May, I confirmed that we had just completed the acquisition of the Radial distribution warehouse portfolio. Since then, we have successfully elected for UK-REIT status and moved into the premium listing segment of the Official List and now trade on the Main Market of the London Stock Exchange. At the same time, the Company acquired the business of LSI Management LLP (LSI), thereby bringing the management of its portfolio and its joint venture arrangements with Green Park "in house" and securing a very strong alignment of interest with management who now hold 9.5% of the issued share capital.

Immediately prior to becoming a REIT, we completed the disposal of the Racecourse Retail Park at Aintree for £101.5 million, which represented a total return on our equity in excess of 100%, having been acquired for £61.0 million in June 2009. During the course of our ownership we were able to enhance value by completing the construction of a new stand alone restaurant for City Centre Restaurants Ltd and attract Best Buy, the American electronics retailer, to open only its fourth UK store.

Results

The results are for the period to 1 October 2010, which is one day longer than the comparable period in 2009. The accounting period was extended by one day to allow for the inclusion in the results of the financial impact of London & Stamford's entry into the REIT regime and its acquisition of LSI.

The Group generated a profit for the six month period of £16.3 million (2009: £15.9 million).

Net assets at 1 October 2010 were £658.5 million (2009: £521.4 million), equivalent to 120.7p (2009: 104.3p).

The Board has approved an interim dividend of 3.0p per share (£16.4 million) in respect of the year to 31 March 2011 (2009 Interim dividend: 2.2p), which will be accounted for in the second half of the year.

We propose the payment of the interim dividend will be on 20 December 2010.

Property Portfolio

The total property portfolio at the period end comprised a combination of assets held for their investment potential, the Meadowhall joint venture and the Bridges Wharf residential trading portfolio, as follows:

Investment Properties	£497.4 million
Investment in Meadowhall	£103.4 million
Bridges Wharf, Battersea	£30.3 million
	£631.1 million

Acquisitions since the period end add a further £205 million of investment properties to the portfolio, which, when added to Green Park's investment in Meadowhall totals in excess of £1 billion of assets under LSP management.

On a like for like basis the total portfolio value has increased since 1 April 2010 by £15.7 million (3.3%). In addition, the valuation of the Radial assets has increased since acquisition by £5.8 million (2.6%).

Chairman's statement
(continued)

Asset Management

The Radial portfolio, which comprises 16 prime distribution units totalling 3.4 million square feet and has 13 tenants in total, such as Tesco, Travis Perkins, Eddie Stobart, Kuhne & Nagel and Northrop Grumman, offers exciting asset management opportunities. We expect a lease to be signed by Christmas for the vacant unit at Radial Point, Stoke on Trent. In addition, one lease regear has been completed with three further regears awaiting tenant approval.

Similarly, opportunities to add value to our joint venture interest in the Meadowhall Shopping Centre are progressing well. Footfall is expected to show an overall increase in the calendar year and there is evidence that shoppers' dwell times are increasing and that they are travelling from further afield. Consequently, sales are up by 4% with a number of retailers wanting to upsize their stores and the Centre is continuing to attract high quality retailers with 22 new leases completed during the first half including; L'Occitane, L K Bennett, Phase Eight, Lakeland and G Star.

House of Fraser have successfully completed a major refurbishment and re-launch of their anchor store, introducing new fashion brands, a cosmetic hall and new restaurant to the centre.

Planning consent was granted this month for the refurbishment and reconfiguration of the Oasis food court. The works scheduled to take place between January and October 2011 will include the creation of four new restaurants and once completed, will significantly improve the food and beverage offer in the centre.

In addition, we are exploring opportunities with British Land for the development of surrounding lands.

Strong demand from tenants has meant the residential flats at Highbury have remained 100% let during the period. We have completed the sale of one penthouse and in response to demand from potential buyers are now considering a sales strategy for more of the flats.

Good progress has been made at Battersea Reach where 37 residential flats have been let successfully and a further 16 are identified for sale.

Cash Management and Bank Borrowing

We continue to benefit from significant cash balances which amount to £251.2 million inclusive of the £62.4 million net cash surplus generated from the sale of Aintree shown within debtors on the Balance Sheet.

When taken with committed but unspent funds from Green Park and assuming 60% gearing, our total firepower exceeds £1 billion.

Current gearing across the property portfolio (excluding Meadowhall) is 48%, comprising asset specific debt facilities in respect of the Radial Portfolio (Bank of Scotland), Fleet Place (Santander) and our Business Space portfolio: Tamworth, Wellingborough, Crawley and Nottingham (Helaba).

The Board

With effect from 1 October the Board has changed. I am now executive Chairman of the Board and Patrick Vaughan and Martin McGann, formerly non-executive Directors of London & Stamford Property Limited, have been appointed Chief Executive and Finance Director respectively of London & Stamford Property Plc.

I am delighted also that Charles Cayzer, James Dean, Mark Burton, Richard Crowder and Humphrey Price have joined the Board as non-executive Directors. Richard Crowder was previously a non-executive Director of London & Stamford Property Limited, as was Humphrey Price, prior to his resignation on 1 April 2009. James Dean is chairman of the Remuneration Committee and Humphrey Price is chairman of the Audit Committee. Charles Cayzer has agreed to be the Senior Independent Director.

Recognising that his long association with Patrick Vaughan and myself through LSI, London & Stamford Property Limited, Pillar Property Plc and Arlington Securities causes Humphrey Price not to be considered independent under the UK Corporate Governance Code, the Board nevertheless considers that his enormous experience and skill as the Finance Director of these very successful listed property companies and his ability to be and act independently make him a uniquely well qualified person to act as chairman of the Audit Committee.

I would also like to thank Rupert Evans, Lewis Grant and Patrick Firth who stepped down from the Board of London & Stamford Property Limited on 30 September 2010 for their significant contribution to our development from November 2007 to the date of our recent reorganisation

Outlook

We continue to assess a wide range of opportunities to deploy our c.£1 billion of firepower, but we remain cautious in our approach. Our primary aim is to secure high returns on our equity, whilst also acquiring prime assets let to good quality covenants on long-term leases, with opportunities to add value. Whilst this is a challenging goal, the acquisitions of the last month demonstrate that we can achieve it.

Our caution stems from the widespread economic uncertainty we see, exacerbated by Government spending cuts, and continued uncertainties in world debt markets.

Overall property yield compression has probably peaked and evidence of strength in occupational markets is only sporadic, although we remain optimistic in respect of the City of London office market, where our asset at Fleet Place continues to perform strongly, and in respect of well located, prime distribution warehouses as discussed above. In particular, we believe that there is a strong likelihood of rental growth in our South Eastern located distribution warehouses and those located in the Midland's Golden Triangle where there is a supply side weakness and demand remains strong. We see some sense in seeking high yielding assets when growth in rents is generally modest, as this offers far better returns to shareholders than low yielding property growing equally modestly.

There is a clear divergence between the prime end of the market and secondary assets. We remain confident that we will continue to be able to acquire property that is consistent with our investment strategy and provide attractive total returns to investors, as demonstrated by our acquisitions, this financial year, of the three distribution portfolios.

We will continue to work hard to identify opportunities to work alongside the banking sector as they work out their problem property portfolios, as we demonstrated through our acquisition of the Radial portfolio from the Bank of Scotland.

H R Mould
Chairman

24 November 2010

Independent Review Report
to London & Stamford Property Plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Half Year Report for the six months and one day ended 1 October 2010 which comprises the Group Income Statement, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Cash Flow Statement and related notes. We have read the other information contained in the Half Year 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 Year Report is the responsibility of, and has been approved by, the Directors.

The Directors are responsible for preparing the Half Year Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The condensed set of financial statements included in this Half Year 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 Year Report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half yearly reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent.

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 Year Report for the six months and one day ended 1 October 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

BDO LLP
Chartered Accountants and Registered Auditors

London, United Kingdom

24 November 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Group Income Statement

	Note	Unaudited Six months to 1 October 2010 £000	Unaudited Six months to 30 September 2009 £000	Audited Year to 31 March 2010 £000
Gross rental income		**16,331**	7,082	17,251
Property outgoings		**(1,294)**	(339)	(1,111)
Net income		**15,037**	6,743	16,140
General corporate costs		**(5,267)**	(3,155)	(11,695)
Negative goodwill on acquisition of subsidiaries	14	**42,917**	–	–
Write down of intangible asset	14	**(34,900)**	–	–
Acquisition costs	14	**(7,759)**	–	–
Total administrative costs		**(5,009)**	(3,155)	(11,695)
Profit on revaluation of investment properties	8	**13,657**	11,561	72,099
Profit on sale of investment properties		**2,947**	–	10,634
Share of profits of associates	9	**8,531**	3,860	29,412
Operating profit		**35,163**	19,009	116,590
Finance income	4	**651**	766	1,465
Finance costs	4	**(9,086)**	(3,142)	(8,772)
Change in fair value of derivative financial instruments	4	**(3,530)**	(1,190)	(4,451)
Profit before tax		**23,198**	15,443	104,832
Taxation	5	**(6,621)**	451	1,234
Profit for the period and total comprehensive income attributable to:				
Equity shareholders		**16,310**	15,894	106,066
Minority interest		**267**	–	–
		16,577	15,894	106,066
Earnings per share				
Basic and diluted	7	**3.3p**	4.5p	24.8p

All amounts relate to continuing activities.

The notes on pages 9 to 19 form part of these financial statements.

Group Balance Sheet

	Note	Unaudited As at 1 October 2010 £000	Unaudited As at 30 September 2009 £000	Audited As at 31 March 2010 £000
Non-current assets				
Investment properties	8	497,383	303,908	357,695
Investment in equity accounted associates	9	103,374	65,667	89,285
Intangible asset	14	18,360	–	–
Other tangible assets		385	–	–
Deferred tax assets	5	9,492	6,026	7,071
		628,994	375,601	454,051
Current assets				
Trading assets		30,294	–	–
Trade and other receivables	10	149,045	5,570	7,678
Other financial assets		–	43,510	–
Cash and cash equivalents	11	188,788	247,172	276,593
		368,127	296,252	284,271
Total assets		997,121	671,853	738,322
Current liabilities				
Trade and other payables	12	31,242	8,704	10,285
		31,242	8,704	10,285
Non-current liabilities				
Borrowings	13	289,302	139,114	121,565
Derivative financial instruments	13	13,597	2,641	5,902
		302,899	141,755	127,467
Total liabilities		334,141	150,459	137,752
Net assets		662,980	521,394	600,570
Equity				
Called up share capital	15	54,580	50,000	50,000
Special reserve		–	446,616	446,620
Other reserve		48,084	–	–
Retained earnings		555,880	24,778	103,950
Equity shareholders' funds		658,544	521,394	600,570
Minority interest		4,436	–	–
Total equity		662,980	521,394	600,570
Net asset value per share		121p	104p	120p

The notes on pages 9 to 19 form part of these financial statements.

Group Statement of Changes in Equity

As at 1 October 2010 (Unaudited)	Note	Share capital £000	Special reserve £000	Other reserve £000	Retained earnings £000	Sub-total £000	Minority interest £000	Total £000
At 1 April 2010		50,000	446,620	–	103,950	600,570	–	600,570
Profit for the period		–	–	–	16,310	16,310	267	16,577
Minority interest on acquisition of subsidiary		–	–	–	–	–	4,169	4,169
Reverse acquisition and share for share exchange		–	(446,620)	–	446,620	–	–	–
Share issue on acquisition of Property Advisor		4,580	–	48,084	–	52,664	–	52,664
Dividends paid	6	–	–	–	(11,000)	(11,000)	–	(11,000)
At 1 October 2010 (Unaudited)		54,580	–	48,084	555,880	658,544	4,436	662,980

As at 30 September 2009 (Unaudited)	Note	Share capital £000	Special reserve £000	Other Reserve £000	Retained earnings £000	Sub-total £000	Minority interest £000	Total £000
At 1 April 2009		28,500	248,597	–	14,584	291,681	–	291,681
Profit for the period		–	–	–	15,894	15,894	–	15,894
Issue of ordinary share capital		21,500	198,019	–	–	219,519	–	219,519
Dividends paid	6	–	–	–	(5,700)	(5,700)	–	(5,700)
At 30 September 2009 (Unaudited)		50,000	446,616	–	24,778	521,394	–	521,394

The notes on pages 9 to 19 form part of these financial statements.

Group Cash Flow Statement

	Unaudited Six months to 1 October 2010 £000	Unaudited Six months to 30 September 2009 £000	Audited Year to 31 March 2010 £000
Cash flows from operating activities			
Profit before tax	23,198	15,443	104,832
Adjustments for non-cash items:			
Profit on revaluation of investment properties	(13,657)	(11,561)	(72,099)
Profit on sale of investment properties	(2,947)	–	(10,634)
Share of post-tax profit of associates	(8,531)	(3,860)	(29,412)
Negative goodwill on acquisition of subsidiaries	(42,917)	–	–
Write down of intangible asset	34,900	–	–
Net finance costs	11,965	3,566	11,758
Cash flows from operations before changes in working capital	2,011	3,588	4,445
Change in trade and other receivables	1,513	(585)	(3,710)
Change in trade and other payables	3,141	2,913	5,328
Acquisition of trading properties	(30,294)	–	–
Change in provisions	–	(210)	(210)
Cash flows from operations	(23,629)	5,706	5,853
Interest received	638	667	1,562
Interest paid	(4,449)	(2,092)	(5,990)
Tax paid	(207)	–	(44)
Financial arrangement fees and break costs	(1,210)	(1,366)	(3,076)
Cash flows from operating activities	(28,857)	2,915	(1,695)
Investing activities			
Purchase of subsidiary undertakings net of cash acquired	2,049	–	–
Purchase of investment properties	–	(163,330)	(199,030)
Purchase of rent guarantee arrangements	–	(3,500)	(2,679)
Capital expenditure on investment properties	(506)	(590)	(869)
Sale of investment property	–	–	52,224
Cash flow from/(to) associates	(5,558)	1,037	2,971
Purchase of short-term financial deposits	–	(43,510)	–
Cash flows from investing activities	(4,015)	(209,893)	(147,383)
Financing activities			
Proceeds from share issue	–	219,519	219,523
Dividends paid	(11,000)	(5,700)	(16,700)
New borrowings	18,315	118,205	147,995
Repayment of loan facilities	(62,248)	(47,730)	(95,003)
Cash flows from financing activities	(54,933)	284,294	255,815
Net (decrease)/increase in cash and cash equivalents	(87,805)	77,316	106,737
Opening cash and cash equivalents	276,593	169,856	169,856
Closing cash and cash equivalents	188,788	247,172	276,593

The notes on pages 9 to 19 form part of these financial statements.

Notes to the Half Year Report

1 General information

London & Stamford Property Plc was incorporated on 13 January 2010 under the Companies Act 2006 as a public limited company domiciled in the United Kingdom. The address of its registered office is 21 St James's Square, London SW1Y 4JZ.

On 1 October 2010 the Company acquired the entire issued share capital of London and Stamford Property Limited by way of a Scheme of Arrangement sanctioned by the Guernsey Court. The Company's shares were admitted to the premium listing segment of the Official List to trade on the Main Market of the London Stock Exchange. Trading in London & Stamford Property Limited's shares on AIM was cancelled on the same day. In addition, the business and assets of the Group's Property Advisor, LSI Management LLP, were acquired thereby internalising the management of the Company.

Following Admission the Group converted to a UK-REIT. London & Stamford Property Plc is the principal Company of the UK-REIT Group.

The consolidated condensed financial statements of the Group for the half year to 1 October 2010 comprise the results of the Company and its subsidiaries and were authorised by the Board for issue on 24 November 2010.

2 Basis of preparation

The financial information contained in this report has been prepared in accordance with IAS 34 "Interim Financial Reporting".

The condensed financial statements for the half year are unaudited and do not constitute statutory accounts as defined in Section 434(3) of the Companies Act 2006. The comparative figures for the year ended 31 March 2010 were derived from the statutory accounts for that year which have been delivered to the Registrar of Companies in Guernsey. Those accounts received an unqualified audit report which concluded the accounts were properly prepared in accordance with the Companies (Guernsey) Law, 2008 and IFRSs.

The accounting policies adopted are consistent with those as reported in the Group's annual financial statements for the year to 31 March 2010, and in accordance with those the Group expects to be applicable at 31 March 2011.

Under IFRS 3 "Business Combinations", the acquisition of London & Stamford Property Limited by London & Stamford Property Plc has been accounted for as a reverse acquisition. Although the consolidated financial statements have been prepared in the name of the legal parent, London & Stamford Property Plc, they are in substance a continuation of the financial statements of the legal subsidiary, London & Stamford Property Limited. The following accounting treatment has been applied in respect of the reverse acquisition:

The assets and liabilities of the legal subsidiary, London & Stamford Property Limited, are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value.

The retained earnings and special reserve recognised in the consolidated financial statements represent those of London & Stamford Property Limited to the date of the combination, and from this date to the period end represent those of London & Stamford Property Limited and London & Stamford Property Plc.

The equity structure appearing in the consolidated financial statements reflects the equity structure of the legal parent, London & Stamford Property Plc, including the equity instruments issued as part of the acquisition of London & Stamford Property Limited. Comparative numbers presented in the consolidated financial statements are those reported in the financial statements of the legal subsidiary, London & Stamford Property Limited.

The assets and liabilities of the parent company, London & Stamford Property Plc, are recognised on combination at their fair value.

3 Segmental information

During the period the Group operated in one business segment, being property investment and development in the United Kingdom and as such no further segmental information is provided.

4 Finance income and costs

	Unaudited Six months to 1 October 2010 £000	Unaudited Six months to 30 September 2009 £000	Audited Year to 31 March 2010 £000
Finance income			
Interest on short-term deposits	651	766	1,465
	651	766	1,465
Finance costs			
Interest on bank loans	5,362	2,771	6,757
Amortisation of loan issue costs and loan break costs	3,724	371	2,015
Fair value loss on derivative financial instruments	3,530	1,190	4,451
	12,616	4,332	13,223

5 Taxation

	Unaudited Six months to 1 October 2010 £000	Unaudited Six months to 30 September 2009 £000	Audited Year to 31 March 2010 £000
The tax charge/(credit) comprises:			
Current tax			
UK income tax charge on profit	10,589	403	665
Deferred tax			
Change in deferred tax	(3,968)	(854)	(1,899)
	6,621	(451)	(1,234)

The income tax charge in the period includes £9.6 million payable on entry to the REIT regime.

5 Taxation continued

Deferred tax asset

	Revaluation deficit £000	Other temporary and deductible differences £000	Losses £000	Intangible asset £000	Total £000
At 31 March 2010 (audited)	1,945	1,652	3,474	–	7,071
Acquisition of subsidiary	(1,547)	–	–	–	(1,547)
(Charged)/credited during the period	(398)	(1,652)	(1,311)	7,329	3,968
At 1 October 2010 (unaudited)	**–**	**–**	**2,163**	**7,329**	**9,492**

Deferred tax arising on the revaluation deficit and on other temporary and deductible differences has been fully written off in the period as a result of the Group entering the REIT Regime on 1 October 2010.

6 Dividends

	Unaudited Six months to 1 October 2010 £000	Unaudited Six months to 30 September 2009 £000	Audited Year to 31 March 2010 £000
Ordinary dividends			
Amounts recognised as distributions to equity holders	**11,000**	5,700	16,700
Proposed dividend of 3p per share (30 September 2009: 2.2p)	**16,374**	11,000	–

The proposed dividend was approved by the Board on 23 November 2010 and has not been included as a liability or deducted from retained earnings as at 1 October 2010. The proposed dividend is payable on 20 December 2010 to ordinary shareholders on the register at the close of business on 3 December 2010 and will be recognised as an appropriation of earnings in the six months to 31 March 2011.

7 Earnings per share

Earnings per share of 3.3p (30 September 2009: 4.5p and 31 March 2010: 24.8p) is calculated on a weighted average of 500,000,000 (30 September 2009: 356,666,667 and 31 March 2010: 428,333,333) ordinary shares of 10p each and is based on profits attributable to ordinary shareholders of £16.3 million (30 September 2009: £15.9 million and 31 March 2010: £106.1 million).

There are no potentially dilutive or anti-dilutive share options in the current or previous periods.

Adjusting earnings for the effects of revaluing investment properties, deferred taxation, the fair value of derivatives, negative goodwill, the amortisation of intangible assets, acquisition costs and the REIT entry charge results in attributable profits of £3.3 million or 0.7p per share (30 September 2009: profits of £2.2 million or 0.6p per share and 31 March 2010: profits of £6.0 million or 1.4p per share). Prior year comparatives have been adjusted for consistency.

8 Investment properties

	Unaudited 1 October 2010			Audited 31 March 2010		
	Freehold £000	**Long leasehold £000**	**Total £000**	Freehold £000	Long leasehold £000	Total £000
Opening balance	**291,827**	**65,868**	**357,695**	119,306	7,841	127,147
Acquisitions	**217,775**	**5,264**	**223,039**	159,045	40,042	199,087
Other capital expenditure	**695**	**5**	**700**	472	480	952
Disposals	**(97,708)**	**–**	**(97,708)**	(40,748)	(842)	(41,590)
Revaluation movement	**12,374**	**1,283**	**13,657**	53,752	18,347	72,099
Closing balance	**424,963**	**72,420**	**497,383**	291,827	65,868	357,695

At 1 October 2010, certain of the Group's investment properties were externally valued by CB Richard Ellis Limited, Chartered Surveyors at £439.5 million and Savills plc, Chartered Surveyors at £60 million (£57.9 million net of income guarantees). The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards on the basis of market value. Market value represents the estimated amount for which a property would be expected to exchange at the date of valuation between a willing buyer and willing seller in an arm's-length transaction. A deduction is made to reflect purchasers' acquisition costs.

The historical cost of all of the Group's investment properties at 1 October 2010 was £453.9 million (31 March 2010: £296.3 million).

9 Investment in associate

	Unaudited Six months to 1 October 2010 £000	Unaudited Six months to 30 September 2009 £000	Audited Year to 31 March 2010 £000
Opening balance	**89,285**	62,844	62,844
Additions at cost	**7,388**	440	442
Share of profit	**8,531**	3,860	29,412
Profit distributions received	**(1,830)**	(1,477)	(3,413)
Closing balance	**103,374**	65,667	89,285

In February 2009 the Group entered into a joint venture arrangement with Green Park Investments, a wholly owned subsidiary of a major Gulf institution. The Group has a 31.4% interest in this entity, LSP Green Park Property Trust, which is equity accounted for as an associate. LSP Green Park Property Trust acquired a 50% interest in the Meadowhall Shopping Centre from The British Land Company PLC on 11 February 2009.

9 Investment in associate continued

The Group's 31.4% share of the profit after tax and net assets of its associate is as follows:

	Unaudited 1 October 2010 £000	Unaudited 30 September 2009 £000	Audited 31 March 2010 £000
Summarised income statement of associate			
Net rental income	**6,322**	5,997	11,972
Administration expenses	**(766)**	(490)	(3,994)
Movement in fair value of net assets acquired over consideration paid	**1,865**	(172)	441
Surplus on revaluation of investment properties	**7,245**	2,371	29,846
Net finance costs	**(5,991)**	(3,650)	(8,695)
Tax	**(144)**	(196)	(158)
Profit after tax	**8,531**	3,860	29,412
Summarised balance sheet of associate			
Property assets	**225,295**	189,970	217,445
Current assets	**5,035**	4,909	4,449
Current liabilities	**(5,206)**	(5,288)	(7,638)
Borrowings	**(106,944)**	(106,676)	(107,196)
Other non-current liabilities	**(14,806)**	(17,248)	(17,775)
Net assets	**103,374**	65,667	89,285

The investment properties were valued on an open market value basis by CB Richard Ellis Limited, Chartered Surveyors, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

10 Trade and other receivables

	Unaudited As at 1 October 2010 £000	Unaudited As at 30 September 2009 £000	Audited As at 31 March 2010 £000
Trade receivables	**3,469**	1,313	3,806
Amounts receivable on property sales	**100,812**	–	–
Amounts receivable from income guarantees	**2,092**	3,500	2,679
Interest receivable	**17**	200	4
Prepayments and accrued income	**671**	70	447
Share-based payment prepayment	**39,498**	–	–
Performance fees receivable	**1,740**	–	–
Other receivables	**746**	487	742
	149,045	5,570	7,678

All amounts under receivables fall due for payment in less than one year.

11 Cash and cash equivalents

Cash and cash equivalents include £8.1 million (30 September 2009: £3.9 million and 31 March 2010: £1.1 million) retained in rent and restricted accounts which are not readily available to the Group for day-to-day commercial purposes.

12 Trade and other payables

	Unaudited As at 1 October 2010 £000	Unaudited As at 30 September 2009 £000	Audited As at 31 March 2010 £000
Trade payables	**538**	381	457
Amounts payable on property acquisitions and disposals	**4,853**	1,280	–
Rent received in advance	**6,166**	4,135	3,308
Accrued interest	**2,190**	1,189	1,277
Other payables	**2,057**	520	140
Other accruals and deferred income	**4,402**	763	4,449
Tax payable	**11,036**	436	654
	31,242	8,704	10,285

13 Borrowings

	Unaudited As at 1 October 2010 £000	Unaudited As at 30 September 2009 £000	Audited As at 31 March 2010 £000
Secured bank loans	**291,857**	141,025	123,542
Unamortised finance costs	**(2,555)**	(1,911)	(1,977)
	289,302	139,114	121,565

The bank loans are secured by fixed charges over certain of the Group's investment properties with a carrying value of £424.9 million and are repayable within two to five years of the balance sheet date.

Details of the fair value of the Group's derivative financial instruments that were in place at 1 October 2010 are provided below:

	Protected rate %	Expiry	Market value 31 March 2010 £000	Acquired in the period £000	Movement recognised in income statement £000	Market value 1 October 2010 £000
£10 million swap	3.61	October 2012	(497)	–	(36)	**(533)**
£38.4 million swap	3.68	June 2014	(2,035)	–	2,035	**–**
£43 million swap	3.77	October 2014	(2,367)	–	(849)	**(3,216)**
£17.5 million cap	4.00	October 2014	416	–	(238)	**178**
£12.3 million swap	3.90	October 2014	(833)	–	(814)	**(1,647)**
£19.8 million swap	3.21	January 2015	(586)	–	(658)	**(1,244)**
£18.3 million swap	1.92	January 2015	–	–	(192)	**(192)**
£85.0 million swap	3.68	October 2014	–	(4,165)	(2,821)	**(6,986)**
£38.5 million swaption	3.75	October 2014	–	–	43	**43**
			(5,902)	(4,165)	(3,530)	**(13,597)**

Derivative financial instruments

All derivative financial instruments are non-current interest rate derivatives, and are carried at fair value following a valuation as at 1 October 2010 by JC Rathbone Associates Limited.

14 Acquisitions

(a) On 1 October 2010 the Company acquired the entire issued share capital of London & Stamford Property Limited by way of a Scheme of Arrangement sanctioned by the Guernsey Court. In addition, the business and assets of the Group's Property Advisor were acquired thereby internalising the management of the Company. The consideration given to existing shareholders was new ordinary shares in London & Stamford Property Plc in exchange for existing ordinary shares in the same proportion. The fair value of assets acquired in this transaction was £50,000 and the fair value of the reverse acquisition consideration was £50,000. Consequently no goodwill arose on this transaction.

The fair value of the consideration payable by the Company under the LSI Acquisition Agreement to acquire the business of the Property Advisor was £52.7 million, satisfied by the issue of 45,795,171 new ordinary shares at 115p per share. Acquisition costs incurred of £3.8 million have been charged to the profit and loss in the period.

	Book value of net assets acquired £000	Intangible asset £000	Share-based payment £000	**Fair value of net assets acquired £000**
Non current assets				
Intangible assets	–	53,260	–	**53,260**
Tangible assets	385	–	–	**385**
Current assets				
Trade and other receivables	339	1,740	–	**2,079**
Share-based payment	–	–	39,498	**39,498**
Cash and cash equivalents	241	–	–	**241**
Current liabilities				
Trade and other payables	(965)	–	–	**(965)**
Net assets acquired	–	55,000	39,498	**94,498**
Negative goodwill on acquisition				**(41,834)**
Cost of acquisition				**52,664**

The intangible asset created represented the fair value of the two Property Advisory Agreements acquired by the Company. The value attributed to the agreement with London & Stamford Property Plc of £34.9 million has been treated as a payment to avoid making future payments under the contract and has been fully written down in the period. The value attributed to the contract with the LSP Green Park Property Trust of £18.4 million will be amortised over the remaining period of the contract.

Of the purchase consideration of £52.7 million payable under the LSI Acquisition Agreements, £39.5 million is subject to bad leaver provisions and is contingent on future services being provided by the former members of the Property Advisor for three years post acquisition. This creates a share-based payment prepayment which will be charged to the profit and loss evenly over the three year period.

14 Acquisitions continued

(b) On 17 May 2010 the Group completed the corporate acquisition of a 94% interest in Radial Distribution Limited (subsequently renamed London & Stamford (Anglesea) Limited) from Warner Estates for a cash consideration of £1 million. As part of the acquisition the Group lent Radial Distribution Limited £62.2 million in cash and utilised its loan facility with Bank of Scotland to repay the outstanding bank borrowings acquired. Acquisition costs incurred of £4.0 million have been charged to the profit and loss in the period. The negative goodwill arising on the acquisition of £1.1 million has been credited to the profit and loss in the period.

	Book value of net assets acquired £000	Bank loans £000	REIT conversion charge £000	Derivative financial instruments £000	Other £000	Revaluation £000	**Fair value of net assets acquired £000**
Non-current assets							
Investment property	204,918	–	–	–	–	18,121	**223,039**
Current assets							
Trade and other receivables	2,009	–	–	–	(1,531)	–	**478**
Cash and cash equivalents	3,931	–	(1,123)	–	–	–	**2,808**
Current liabilities							
Trade and other payables	(3,236)	–	1,123	–	–	–	**(2,113)**
Non-current liabilities							
Bank debt	(216,907)	67,735	–	–	(828)	–	**(150,000)**
Shareholder loans	–	(62,248)	–	–	–	–	**(62,248)**
Derivative financial instruments	–	–	–	(4,165)	–	–	**(4,165)**
Deferred tax liabilities	(1,547)	–	–	–	–	–	**(1,547)**
Minority interests	–	–	–	–	(4,169)	–	**(4,169)**
Net assets acquired	(10,832)	5,487	–	(4,165)	(6,528)	18,121	**2,083**
Negative goodwill on acquisition							**(1,083)**
Cost of acquisition							**1,000**

15 Share capital

	Unaudited 1 October 2010 Number	Unaudited 1 October 2010 £000	Audited 31 March 2010 Number	Audited 31 March 2010 £000
Authorised				
Ordinary shares of 10p each	**Unlimited**	**Unlimited**	Unlimited	Unlimited

	Unaudited 1 October 2010 Number	Unaudited 1 October 2010 £000	Audited 31 March 2010 Number	Audited 31 March 2010 £000
Issued, called up and fully paid				
Classified within equity				
Ordinary shares of 10p each	**545,795,171**	**54,580**	500,000,000	50,000
Classified within liabilities				
Ordinary shares of 10p each	**500,000**	**50**	–	–

The Company was incorporated on 13 January 2010 with issued share capital of two subscriber shares of £1 each. On 26 January 2010 these were subdivided into 20 ordinary shares of 10p each. These initial shares were cancelled on 22 September 2010.

On 10 June 2010, 500,000 ordinary shares were issued and the Company entered into Initial Share Buyback Agreements granting call and put options in relation to these. Under the Initial Share Buyback Agreements, the Company granted options to purchase all of the 500,000 shares for a sum equal to the nominal value of such shares and the relevant shareholders granted options to the Company to sell all of the 500,000 shares to the Company for such sum. These shares were redeemed on 5 October 2010 and have been treated as non equity shares within trade and other payables in the balance sheet.

On 1 October 2010 the Company acquired the entire share capital of London & Stamford Property Limited by way of a share for share exchange by issuing 500,000,000 ordinary shares.

On 1 October 2010 the Company also acquired the entire share capital of LSI Management Limited by way of a share for share exchange by issuing 45,795,171 ordinary shares.

16 Reserves

The Statements of Changes in Equity are shown on page 7.

The following describes the nature and purpose of each reserve within equity:

Share capital	The nominal value of shares issued.
Special reserve	A distributable reserve to be used for all purposes permitted under Guernsey company law, including the buy back of shares and payment of dividends.
Other reserve	A reserve established on the application of merger relief in the acquisition of LSI Management Limited by London & Stamford Property Plc.
Retained earnings	The cumulative profits and losses after the payment of dividends.

17 Related party transactions and balances

The interests of the current and former Directors and their families in shares of the Company are as follows:

	Ordinary shares of 10p each 1 October 2010	Ordinary shares of 10p each 30 September 2009	Ordinary shares of 10p each 31 March 2010
H R Mould	**18,942,380**	7,500,000	7,500,000
P L Vaughan	**18,383,510**	6,941,330	6,941,130
M F McGann	**3,823,795**	142,857	142,857
C Cayzer	**–**	–	–
H J M Price	**2,143,127**	1,414,568	1,414,568
J Dean	**–**	–	–
M Burton	**–**	–	–
R J Crowder	**100,000**	100,000	100,000
L R H Grant	**150,000**	150,000	150,000
R A R Evans	**700,000**	700,000	700,000
P A S Firth	**25,000**	25,000	25,000

Mr C Cayzer is a Director of Caledonia Investments Plc and the Cayzer Trust Company Limited, which hold 31,497,094 and 2,785,506 ordinary shares in London & Stamford Property Plc representing 5.8% and 0.5% respectively of the issued share capital.

There has been no change in the beneficial and non-beneficial shareholdings of the Directors between 1 October 2010 and the date of this report.

Transactions between the Company and its subsidiaries which are related parties have been eliminated on consolidation.

18 Post balance sheet events

The 500,000 initial non-equity shares held by the Directors on 1 October 2010 were bought back by the Company on 5 October 2010 and immediately cancelled.

On 4 October 2010, following the sale of Aintree on 30 September 2010, the related bank debt of £38.4 million with Deutsche Postbank was fully repaid.

On 5 November the Group acquired a portfolio of five distribution assets for £82 million from Harbert Management Corporation (Europe). The portfolio is a corporate acquisition inclusive of existing debt. The Group has committed £42.3 million of cash (inclusive of costs) to complete the acquisition.

On 18 November the Group announced the £123 million acquisition of a prime distribution portfolio of five assets located mainly in the South East of England. The Group has committed £64 million of cash (inclusive of costs) to complete the acquisition.

On 18 November the Group also announced an additional £100 million equity commitment agreed with Green Park Investments, its existing joint venture partner.

Principal Risks and Uncertainties

The value of the property portfolio is affected by conditions prevailing in the property investment market and the general economic environment. As a result of economic recession, the credit crisis and reduced confidence in financial markets, values of UK Commercial Real Estate have declined.

However, the property portfolio is of prime quality, well located and let to high quality tenant covenants. These factors should mitigate any negative impact arising from changes in the financial and property markets.

The portfolio is valued by external, professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors' Appraisal Valuation Standards on the basis of market value.

Investments

Opportunities for us to deploy our cash resources are a key focus. The evidence of the last six months supports our capability to deliver off-market transactions at attractive prices.

Liquidity Risk

Liquidity risk is low. The Company has significant cash balances and no debt requires refinancing before 2014.

Interest Rate Risk

The interest charged on borrowings is a significant cost. To manage the risk of changes in interest rates, we set guidelines for our exposure to fixed and floating interest rates, using interest rates and currency swaps as appropriate.

Letting Risk and Tenant Default Risk

The portfolio is 96% let and therefore letting risk is low. The unexpired lease term is c.10.3 years and the quality of tenant covenants is high, so we consider risk of default to be well managed.

These and other risks identified within the Group, as disclosed in our listing admission in September 2010, are reviewed regularly. The principal risks are reviewed on behalf of Audit Committee and discussed by the Board regularly.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

1. The condensed set of financial statements has been prepared in accordance with International Accounting Standard 34 ("Interim Financial Reporting");

2. The adoption of a going concern basis for the preparation of the financial statements continues to be appropriate based on the current and forecast financial position of the Group; and

3. The interim management report includes a fair review of the information required by Sections DTR 4.2.7R of the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority ("FSA").

By order of the Board

Martin McGann

Martin McGann
Finance Director

24 November 2010

Radley Yeldar www.ry.com
Design & Production

Further Information

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(Chairman)

Patrick Vaughan
(Chief Executive)

Martin McGann
(Finance Director)

Charles Cayzer
(Non-executive Director and Senior Independent Director)

Humphrey Price
(Non-executive Director and Chairman of Audit Committee)

James Dean
(Non-executive Director and Chairman of Remuneration Committee)

Mark Burton
(Non-executive Director)

Richard Crowder
(Non-executive Director)

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