

# Daejan Holdings PLC

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*Interim Statement 2007*



## *Chairman's Statement*

The Board is pleased to present the Interim Statement for the half year ended 30 September 2007.

	<i>30 September</i> 2007 £000	<i>30 September</i> 2006 £000
Profit before tax	16,117	15,566
Profit after tax	28,707	10,903

- Overall, performance for the first half has been satisfactory and continues to develop in line with expectations. The Group's financial position continues to be strong.
- An interim dividend of 25p per share will be paid on 7 March 2008 to shareholders on the register on 8 February 2008.
- Properties are not revalued at the half year, a full valuation of all the Group's properties will be carried out by external professional valuers at March 2008. Based on current expectations it is unlikely that this revaluation will produce surpluses at the level which have been experienced in recent years.
- There have been no significant property sales in the period; profits on disposal relate to lease extensions.
- The Group's net deferred tax liabilities have been reduced from 30% to 28% following the reduction in Corporation Tax levels with effect from 1 April 2008. This has resulted in a credit of £17,522,000 to the consolidated income statement.
- Our refurbishment and redevelopment projects continue to progress satisfactorily with 164 Shaftesbury Avenue due to complete in December and Worship Street in the City of London on course for completion late next year.
- Repair expenditure has been running at a level somewhat below that of recent periods largely as a result of the completion of the current cycle of major works at our Park West property.
- There have been no material changes in vacancy and rental levels within our portfolio since 31 March 2007. Rental income has continued in line with expectations.
- So far as the outlook for the remainder of the financial year is concerned, the principal risk affecting the Group remains exposure to movements in the valuation of the Group's investment properties.

B S E Freshwater  
Chairman  
29 November 2007



## *Contents*

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	Page
Chairman's Statement	1
Consolidated Interim Income Statement	3
Consolidated Interim Statement of Recognised Income and Expenses	4
Consolidated Interim Balance Sheet	5
Consolidated Interim Statement of Cash Flows	6
Directors & Advisers	9

*Consolidated Interim Income Statement*  
for the six months ended 30 September 2007

	<i>Unaudited 6 Months ended 30 September 2007 £000</i>	<i>Unaudited 6 Months ended 30 September 2006 £000</i>	<i>Audited Year ended 31 March 2007 £000</i>
Gross Rental Income	42,670	44,521	90,176
Property Operating Expenses	(22,951)	(26,514)	(49,808)
Net Rental & Related Income	19,719	18,007	40,368
Profit on Disposal of Investment Properties	3,335	5,710	17,169
Net Valuation Gains on Investment Properties	0	0	153,872
Administrative Expenses	(4,596)	(4,028)	(7,630)
Operating Profit before Net Financing Costs	18,458	19,689	203,779
Fair Value Gains on Financial Instruments and current investments	601	764	2,578
Financial Income	1,053	759	1,669
Financial Expenses	(3,995)	(5,646)	(9,710)
Net Financing Costs	(2,341)	(4,123)	(5,463)
Profit Before Taxation	16,117	15,566	198,316
Income Tax Credit/(Expense)	12,590	(4,663)	(56,487)
Profit for the Period	28,707	10,903	141,829
Attributable to :			
Equity holders of the parent	28,665	10,643	141,536
Minority Interest	42	260	293
Profit for the Period	28,707	10,903	141,829
Basic Diluted Earnings per Share	175.9p	65.3p	868.6p

*Consolidated Interim Statement of Recognised Income and Expenses for the six months ended 30 September 2007*

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	<i>Unaudited 6 Months ended 30 September 2007 £000</i>	<i>Unaudited 6 Months ended 30 September 2006 £000</i>	<i>Audited Year ended 31 March 2007 £000</i>
Foreign Exchange Losses	(4,671)	(9,331)	(14,505)
Income & Expense Recognised Directly in Equity	(4,671)	(9,331)	(14,505)
Profit for the Period	28,707	10,903	141,829
Total Recognised Income & Expense for the Period	24,036	1,572	127,324
Attributable to:			
Equity Holders of the Parent	23,994	1,312	127,031
Minority Interest	42	260	293
Total Recognised Income & Expense for the Period	24,036	1,572	127,324

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*Consolidated Interim Balance Sheet*  
as at 30 September 2007

	<i>Unaudited</i> 30 September 2007 £000	<i>Unaudited</i> 30 September 2006 £000	<i>Audited</i> 31 March 2007 £000
<i>Assets</i>			
Investment Properties	1,230,834	1,087,656	1,233,885
Other Investments	0	617	617
Deferred Tax Assets	1,551	2,384	1,842
<b>Total Non-Current Assets</b>	<b>1,232,385</b>	<b>1,090,657</b>	<b>1,236,344</b>
Trade & Other Receivables	36,972	34,226	33,924
Investments	231	217	226
Cash at Bank	41,711	31,541	31,926
<b>Total Current Assets</b>	<b>78,914</b>	<b>65,984</b>	<b>66,076</b>
<b>Total Assets</b>	<b>1,311,299</b>	<b>1,156,641</b>	<b>1,302,420</b>
<i>Equity</i>			
Issued Capital	4,074	4,074	4,074
Share Premium Account	555	555	555
Retained Earnings	881,092	741,971	857,098
<b>Total Equity Attributable to Equity</b>			
Holders of the Parent	885,721	746,600	861,727
Minority Interest	125	143	135
<b>Total Equity</b>	<b>885,846</b>	<b>746,743</b>	<b>861,862</b>
<i>Liabilities</i>			
Interest Bearing Loans & Borrowings	114,312	122,079	111,940
Deferred Tax Liabilities	246,976	218,633	264,686
<b>Total Non-Current Liabilities</b>	<b>361,288</b>	<b>340,712</b>	<b>376,626</b>
Bank Overdrafts	183	0	30
Interest Bearing Loans & Borrowings	117	2,217	3,188
Trade & Other Payables	40,720	45,643	37,729
Taxation	23,145	21,326	22,985
<b>Total Current Liabilities</b>	<b>64,165</b>	<b>69,186</b>	<b>63,932</b>
<b>Total Liabilities</b>	<b>425,453</b>	<b>409,898</b>	<b>440,558</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,311,299</b>	<b>1,156,641</b>	<b>1,302,420</b>

*Consolidated Interim Statement of Cash Flows**for the six months ended 30 September 2007*

	<i>Unaudited</i>		<i>Unaudited</i>		<i>Audited</i>	
	<i>6 Months ended</i>		<i>6 Months ended</i>		<i>Year ended</i>	
	<i>30 September</i>		<i>30 September</i>		<i>31 March</i>	
	<i>2007</i>		<i>2006</i>		<i>2007</i>	
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<i>Cash Flows from Operating Activities</i>						
Net Cash Generated from						
Operations	15,697		16,008		28,716	
Interest Received	1,053		759		1,673	
Interest Paid	(3,755)		(4,879)		(9,858)	
Drawings by Minority Interests in						
USA partnership	(52)		(447)		(488)	
U.K. Corporation Tax Paid	(5,085)		(855)		(4,765)	
Overseas Tax Paid	(91)		(284)		(655)	
Net Cash from Operating Activities		7,767		10,302		14,623
<i>Cash Flows from Investing Activities</i>						
Acquisitions and Additions to						
Investment Properties	(3,609)		(2,709)		(3,488)	
Proceeds from Sale of Investment						
Properties	3,774		6,937		19,558	
Net cash from Investing Activities		165		4,228		16,070
<i>Cash Flows from Financing Activities</i>						
New Secured Loans	0		0		20,000	
Repayment of Secured Loans	0		(24,681)		(48,377)	
Repayment of Mortgage Advances	(5,363)		(621)		(1,186)	
New Mortgage Advances	7,513		6,188		5,906	
Dividends Paid	0		0		(10,592)	
Net Cash from Financing Activities		2,150		(19,114)		(34,249)
Net Increase/(Decrease) in Cash &						
Cash Equivalents		10,082		(4,584)		(3,556)
Cash & Cash Equivalents Brought						
Forward		31,896		37,285		37,285
Effect of Exchange Rate						
Fluctuations on Cash Held		(450)		(1,160)		(1,833)
Cash & Cash Equivalents		41,528		31,541		31,896

*Notes to the Consolidated Interim Financial Statements*  
for the six months ended 30 September 2007

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### *Basis of preparation*

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This interim financial information has been prepared in accordance with International Financial Reporting Standard 34 (IFRS) interim financial reporting, applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 March 2007. As required by the Listing Rules of the Financial Services Authority, the directors have considered the result of the endorsement by the EU of new or changed IFRSs that are applicable or available for early adoption in the preparation of the company's next consolidated financial statements for the year ending 31 March 2008 and concluded that they have no material effect on either the current or prior periods.

The interim financial information in this statement has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on review of interim financial information and does not constitute statutory accounts, as defined in section 240 of the Companies Act 1985. The auditors' report on the statutory accounts for the year to 31 March 2007 was unqualified and did not contain a statement under section 237 of the Companies Act 1985. Statutory accounts for the year to 31 March 2007 have been delivered to the Registrar of Companies. The interim financial statements were approved by the Board of Directors on 28 November 2007. The preparation of the interim financial statements requires management to make assumptions and estimates about future events which are uncertain, the actual outcome of which may result in a materially different outcome from that anticipated.

### *Dividends*

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No dividends were paid in the 6 months to 30 September 2007 (6 months to 30 September 2006 (Nil))

### *Investment Properties*

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	<i>Freehold</i>	<i>Long Leasehold</i>	<i>Short Leasehold</i>	<i>Total 30 September 2007</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Professional Valuation at 1 April 2007	969,833	248,733	15,319	1,233,885
Disposals	(111)	(328)	0	(439)
Acquisitions	843	246	0	1,089
Additions to Existing Properties	3,272	92	0	3,364
Foreign Exchange Movements	(5,837)	(1,228)	0	(7,065)
At 30 September 2007	968,000	247,515	15,319	1,230,834

**Properties are not re-valued at the half year. A full valuation of all the Group's properties will be carried out by external professional valuers at 31 March 2008.**



## *Notes to the Consolidated Interim Financial Statements*

*for the six months ended 30 September 2007*

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### ***Related Party Transactions***

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Day-to-day management of the Group's properties in the United Kingdom is mainly carried out by Highdorn Co Limited and by Freshwater Property Management Limited. Mr BSE Freshwater and Mr S I Freshwater are directors of both companies and are also interested in the share capital of Highdorn Limited.

Mr B S E Freshwater, Mr S I Freshwater and Mr D Davis are also directors of the parent company of Freshwater Property Management Limited but have no beneficial interest in either company.

The net amounts paid for the provision of various management services charged by the Group's managing agents Highdorn Co Limited and Freshwater Property Management Limited were £1.6 million (year to 31 March 2007 £2.9 million).

At 30 September 2007 £5.0 million was due to Highdorn Co Limited and Freshwater Property Management Limited (31 March 2007 £4.4 million).

### ***Statement of Director's Responsibilities***

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The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 427 and DTR 428.

The Directors of Daejan Holdings PLC are listed in the Daejan Holdings PLC Annual Report for 31 March 2007. A list of current directors is maintained on the Daejan Holdings PLC website [daejanholdings.com](http://daejanholdings.com).

B S E Freshwater  
Chairman  
29 November 2007

S I Freshwater  
29 November 2007

### **Directors**

B S E Freshwater  
(Chairman and Managing Director)  
D Davis (non executive)  
S I Freshwater

### **Secretary**

M R M Jenner FCIS

### **Registered and Head Office**

Freshwater House,  
158-162 Shaftesbury Avenue,  
London WC2H 8HR  
Registered in England  
No. 305105

### **Registrars**

Equiniti  
Aspect House  
Spencer Road  
Lancing  
BN99 6QQ

### **Auditors**

KPMG Audit Plc,  
8 Salisbury Square,  
London EC4Y 8BB

### **Consulting Accountants**

Cohen Arnold  
New Burlington House,  
1075 Finchley Road,  
London NW11 0PJ

### **Principal Bankers**

Lloyds TSB Bank Plc  
Barclays Bank PLC  
The Royal Bank of Scotland Group

### **Stockbrokers**

Brewin Dolphin Securities Limited  
7 Drumsheugh Gardens  
Edinburgh EH3 7QH