



Daejan Holdings PLC

Interim Results for the half year ended 30 September 2008



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Interim Results

The Board is pleased to present the Interim Statement for the half year ended 30 September 2008.

	30/9/08	30/9/07
	£000	£000
Profit before Investment Property Valuation Movements	16,216	16,117
(Loss)/Profit before tax	(118,814)	16,117
(Loss)/Profit after tax	(86,021)	28,707

- Profit from the underlying business of the Group has been maintained at a similar level to the previous year.
- In view of the current unusual economic conditions and the significant downturn in property values the half year accounts include for the first time a Directors' valuation of investment properties. After consulting the Group's valuers the Directors' have estimated that property values have declined by some £135 million; equivalent to a reduction of 10.7% since the last valuation. An independent professional valuation of all properties will be undertaken as at 31 March 2009.
- An interim dividend of 25p per share will be paid on 6 March to shareholders on the register on 6 February 2009.
- There have been no significant property sales in the period; profits on disposal relate mainly to lease extensions.
- The refurbishment of 164 Shaftesbury Avenue was completed during March 2008 and progress on letting has been satisfactory.
- Refurbishment projects at Worship Street in the City of London and Great Marlborough Street in the West End are scheduled to be completed early in January and June 2009 respectively.
- During the period contracts for the freehold purchase and leaseback of nine care homes from Southern Cross Healthcare Group Plc were successfully concluded for £31.1 million resulting in net rental income of £2.5 million per annum subject to review.
- There have been no material changes in overall vacancy and rental levels within the portfolio since March 2008 and total rental income has continued in line with expectations.

Interim Results

- The principal risk factor affecting the remainder of the financial year continues to be exposure to movements in the valuation of the Group's investment properties. With the UK and US economies moving into broadly based recessions, it is difficult to foresee any overall valuation movements for the immediate future.
- We remain alert for well priced buying opportunities generated by the downturn.
- The turmoil in financial markets and the slowdown in general economic activity are combining to create the most testing commercial environment that has been seen for many years. However, our financial position and our prudent business approach mean that we are well placed to deal with the challenges ahead.

B S E Freshwater
Chairman
26 November 2008

Consolidated Income Statement for the six months ended 30 September 2008

	Unaudited 6 months ended 30 September 2008 £000	Unaudited 6 months ended 30 September 2007 £000	Audited Year ended 31 March 2008 £000
Total Rental & Related Income	43,352	42,670	86,952
Property Operating Expenses	(25,213)	(22,951)	(46,464)
Net Rental & Related Income	18,139	19,719	40,488
Profit on Disposal of Investment Properties	3,684	3,335	6,578
Administrative Expenses	(4,792)	(4,596)	(8,629)
Operating Profit before Net Financing Costs	17,031	18,458	38,437
Fair Value Gains/(Losses) on Financial Instruments and current investments	2,762	601	(6,496)
Financial Income	1,063	1,053	2,287
Financial Expenses	(4,640)	(3,995)	(7,825)
Net Financing Costs	(815)	(2,341)	(12,034)
Profit Before Investment Property Valuation Movements	16,216	16,117	26,403
Valuation Gains on Investment Properties	–	–	46,646
Valuation Losses on Investments Properties	(135,030)	–	(25,982)
Net Valuation (Losses)/Gains on Investment Properties	(135,030)	–	20,664
(Loss)/Profit Before Taxation	(118,814)	16,117	47,067
Income Tax Credit	32,793	12,590	7,040
(Loss)/Profit for the Period	(86,021)	28,707	54,107
Attributable to:			
Equity holders of the parent	(86,019)	28,665	54,064
Minority Interest	(2)	42	43
(Loss)/Profit for the Period	(86,021)	28,707	54,107
Basic and Diluted (Loss)/Earnings per Share	(527.9)p	175.9p	331.8p

*Consolidated Interim Statement of Recognised Income & Expense
for the six months ended 30 September 2008*

	Unaudited 6 months ended 30 September 2008 £000	Unaudited 6 months ended 30 September 2007 £000	Audited Year ended 31 March 2008 £000
Foreign Exchange Gains/(Losses)	14,039	(4,671)	(1,606)
Income & Expense Recognised Directly in Equity (Loss)/Profit for the Period	14,039 (86,021)	(4,671) 28,707	(1,606) 54,107
Total Recognised Income & Expense for the Period	(71,982)	24,036	52,501
Attributable to:			
Equity Holders of the Parent	(71,980)	23,994	52,458
Minority Interest	(2)	42	43
Total Recognised Income & Expense for the Period	(71,982)	24,036	52,501

Consolidated Balance Sheet as at 30 September 2008

	Unaudited 30 September 2008 £000	Unaudited 30 September 2007 £000	Audited 31 March 2008 £000
Assets			
Investment Properties & Other Investments	1,184,023	1,230,834	1,258,940
Deferred Tax Assets	2,755	1,551	8,148
Total Non-Current Assets	1,186,778	1,232,385	1,267,088
Trade & Other Receivables	33,029	36,972	29,701
Investments	263	231	213
Cash at Bank	33,029	41,711	31,295
Total Current Assets	66,321	78,914	61,209
Total Assets	1,253,099	1,311,299	1,328,297
Equity			
Issued Capital	4,074	4,074	4,074
Share Premium Account	555	555	555
Retained Earnings	826,169	881,092	898,149
Total Equity Attributable to Equity Holders of the Parent	830,798	885,721	902,778
Minority Interest	115	125	118
Total Equity	830,913	885,846	902,896
Liabilities			
Interest Bearing Loans & Borrowings	148,350	114,312	114,378
Deferred Tax Liabilities	219,326	246,976	261,994
Total Non-Current Liabilities	367,676	361,288	376,372
Bank Overdrafts	303	183	358
Interest Bearing Loans & Borrowings	5,045	117	1,117
Trade & Other Payables	44,230	40,720	41,955
Taxation	4,932	23,145	5,599
Total Current Liabilities	54,510	64,165	49,029
Total Liabilities	422,186	425,453	425,401
Total Equity & Liabilities	1,253,099	1,311,299	1,328,297
Equity Shareholders Funds Per Share	£50.98	£54.35	£55.40

Consolidated Statement of Cash Flows

for the six months ended 30 September 2008

	Unaudited 6 Months ended 30 September 2008		Unaudited 6 Months ended 30 September 2007		Audited Year ended 31 March 2008	
	£000	£000	£000	£000	£000	£000
Cash Flows From Operating Activities						
Net Cash Generated from Operations	15,420		15,697		32,026	
Interest Received	1,053		1,053		2,279	
Interest Paid	(4,826)		(3,755)		(7,661)	
Drawings by Minority Interests in USA partnership	(1)		(52)		(60)	
U.K. Corporation Tax Paid	(4,970)		(5,085)		(17,506)	
Overseas Tax Paid	(178)		(91)		(466)	
Net Cash from Operating Activities		6,498		7,767		8,612
Cash Flows from Investing Activities						
Acquisitions and Additions to Investment Properties	(39,476)		(3,609)		(7,761)	
Proceeds from Sale of Investment Properties	4,072		3,774		8,403	
Net cash from Investing Activities		(35,404)		165		642
Cash Flows from Financing Activities						
New Secured Loans	25,000		0		0	
Repayment of Secured Loans	(500)		0		(2,000)	
Repayment of Mortgage Advances	(4,294)		(5,363)		(87)	
New Mortgage Advances	8,976		7,513		3,429	
Dividends Paid	0		0		(11,407)	
Net Cash from Financing Activities		29,182		2,150		(10,065)
Net Increase/(Decrease) in Cash & Cash Equivalents		276		10,082		(811)
Cash & Cash Equivalents Brought Forward		30,937		31,896		31,896
Effect of Exchange Rate Fluctuations on Cash Held		1,513		(450)		(148)
Cash & Cash Equivalents		32,726		41,528		30,937

Notes to the Consolidated Financial Statements

for the six months to 30 September 2008

Basis of preparation

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 2008. 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 2009 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 2008 was unqualified and did not contain a statement under section 237 of the Companies Act 1985. Statutory accounts for the year to 31 March 2008 have been delivered to the Registrar of Companies. The interim financial statements were approved by the Board of Directors on 28 November 2008. 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

No dividends were paid in the 6 months to 30 September 2008 (6 months to 30 September 2007 (Nil)).

Investment Properties

The Directors have estimated the value of the investment properties at the half-year after consultation with the Group's valuers. A full valuation of all the Group's properties will be carried out by independent professional valuers at 31 March 2009.

Related Party Transactions

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 SI Freshwater are directors of both companies and are also interested in the share capital of Highdorn Limited.

Mr BSE Freshwater, Mr SI 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 payable for the provision of various management services charged by the Group's managing agents Highdorn Co Limited and Freshwater Property Management Limited were £1.5 million (year to 31 March 2008 £3.7million).

At 30 September 2008 £3.0 million was due to Highdorn Co Limited and Freshwater Property Management Limited (31 March 2008 due from £2.1million).

Statement of Director's Responsibilities

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.

*Notes to the Consolidated Financial Statements
for the six months to 30 September 2008*

The Directors of Daejan Holdings PLC are listed in the Daejan Holdings PLC Annual Report for 31 March 2008. A list of current directors is maintained on the Daejan Holdings PLC website www.daejanholdings.com.

B S E Freshwater
Chairman
26 November 2008

Solomon I Freshwater
26 November 2008