

# Condensed Consolidated Cash Flow Statement

Six months ended 30 September 2008

	Six months ended 30 Sept 2008 (unaudited) £'000	Six months ended 30 Sept 2007 (unaudited) £'000	Year ended 31 March 2008 (audited) Restated £'000
	<i>Note</i>		
Operating (loss)/profit	(44,856)	54,383	121,656
Loss/(gain) on the revaluation of investment properties	53,396	(39,826)	(92,777)
Loss/(gain) on non-current assets	7,219	(60)	463
Depreciation	716	702	1,369
Employee share options	304	196	491
(Increase)/decrease in inventories	(13)	75	106
Decrease/(increase) in receivables	1,274	(647)	(433)
(Decrease)/increase in payables	(1,518)	1,137	(123)
<b>Cash generated from operations</b>	<b>16,522</b>	15,960	30,752
Interest paid	(14,280)	(8,127)	(16,604)
Interest received	53	104	240
REIT conversion charge paid	–	(11,997)	(11,997)
<b>Cash flows from operating activities</b>	<b>2,295</b>	(4,060)	2,391
<b>Investing activities</b>			
Sale of non-current assets	–	10,500	10,500
Purchase of non-current assets	(19,720)	(61,868)	(110,886)
Sale of assets to associate	15,097	–	20,327
Investment in associate	(4,805)	–	(5,703)
<b>Cash flows from investing activities</b>	<b>(9,428)</b>	(51,368)	(85,762)
<b>Financing activities</b>			
Issue of share capital	35	598	876
Purchase of own shares	–	(1,084)	(1,084)
Equity dividends paid	(6,309)	(6,277)	(10,860)
Increase in borrowings – RBS facility	7,000	61,000	94,000
Repayment of RBS loan	(291,000)	–	–
Increase in borrowings – drawing of HSH facility	297,000	–	–
<b>Cash flows from financing activities</b>	<b>6,726</b>	54,237	82,932
<b>Net decrease in cash and cash equivalents</b>	<b>(407)</b>	(1,191)	(439)
<b>Opening cash and cash equivalents</b>	<b>1,671</b>	2,110	2,110
<b>Closing cash and cash equivalents</b>	<b>1,264</b>	919	1,671

See note 1 for details of the restatement.

## A. Reconciliation of Net Cash Flow to Movement in Net Debt

Six months ended 30 September 2008

	Six months ended 30 Sept 2008 (unaudited) £'000	Six months ended 30 Sept 2007 (unaudited) £'000	Year ended 31 March 2008 (audited) £'000
Net decrease in cash and cash equivalents in the period	(407)	(1,191)	(439)
Cash inflow from increase in debt financing	(13,000)	(61,000)	(94,000)
<b>Movement in net debt in the period</b>	<b>(13,407)</b>	(62,191)	(94,439)
Net debt at start of period	(282,329)	(187,890)	(187,890)
<b>Net debt at end of period</b>	<b>(295,736)</b>	(250,081)	(282,329)