

**THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY  
AND ITS SUBSIDIARIES**

**FOR RELEASE**

**7.00 AM**

**26 NOVEMBER 2009**

**THE CARDIFF PROPERTY PLC**

*(The group, including Campmoss, specialises in property investment and development in the Thames Valley. The total portfolio under management, valued in excess of £31m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.)*

**PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**Highlights:**

		<b>2009</b>	<b>2008</b>
<b>Rental income</b>	£'000	<b>561</b>	609
<b>Property sales</b>	£'000	<b>592</b>	-
<b>Loss before tax</b>	£'000	<b>656</b>	1,541
<b>Loss per share</b>	pence	<b>57.7</b>	90.2
<b>Dividend per share – paid and proposed</b>	pence	<b>12.3</b>	12.3
<b>Net assets per share</b>	pence	<b>1,065</b>	1,105
<b>Gearing</b>	%	<b>nil</b>	nil

**Richard Wollenberg, Chairman, commented:**

*“The Thames Valley commercial property market continues to be adversely affected by low levels of occupier demand, falling rents, tenants exercising break clauses and empty property tax. Rents and values have fallen dramatically over the past two years and it is natural that tenants considering relocation will be attracted to the more favourable terms available in the market place. However in my view it will be some time before a sustained recovery takes place.”*

**For further information:**

The Cardiff Property plc  
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Richard Wollenberg  
Richard Johnson

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## **THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY AND ITS SUBSIDIARIES**

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### **PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2009**

#### **Chairman's statement**

Dear shareholder

The Thames Valley commercial property market continues to be adversely affected by low levels of occupier demand, falling rents, tenants exercising break clauses and empty property tax. The reluctance of large corporates in the core technology and pharmaceutical sector to commit to new office space has led to the lowest level of letting activity since the early 1990's.

Approximately 13% of new and existing office space in the Thames Valley is currently vacant. Agents have reported some new enquiries and lettings, but the potential for further second hand office space being offered onto the market is holding back any recovery. Office rental levels including tenant incentives have probably fallen by as much as 25% over the year and in some secondary locations up to 50%. In view of these factors the commencement of new developments has almost ceased. It can take up to two years to complete a development scheme and in the current negative environment it is difficult to commit funds ahead of securing a rental stream. However, any sustained upturn in tenant demand for new offices will place those developers with existing office planning consents in a strong position.

Residential values in the Thames Valley have seen a decline of up to 10% over the year. One or two transactions have defied this decline but overall volume has been low. Land values have fallen sharply and any significant increase in the number of houses being developed and competition to buy land with planning permission for new homes is unlikely in the short term. Although some major developers have strengthened their balance sheets through the raising of new equity there is as yet little evidence of this having any impact on the level of activity.

A fragile return of confidence has certainly been noticed over the last few months but the continued difficulty in obtaining finance and tough lending criteria will hold back any sustained recovery.

It is difficult to defy a falling market but your directors have followed a cautious approach in recent years. The overall decline of 12% in value of the group's investment portfolio over the year compares favourably with the IPD total return index of a 19% decline for all property and 20% for office values.

#### **Financial**

Under accounting rules any reduction in the value of the group's property portfolio is required to be taken through the consolidated income statement. The figures therefore as set out below take into account a revaluation deficit as well as the continuing underlying profitability of the group.

For the year to 30 September 2009 the group's loss before tax was £0.7m (2008: £1.5m). This figure includes revaluation deficits of £0.6m (2008: £1.1m) in respect of the group and £1.2m (2008: £1.3m) in respect of our after tax share of Campmoss Property Company Limited, our 47.62% jointly controlled entity.

## **Chairman's statement** (continued)

Revenue totalled £1.2m (2008: £0.6m) representing gross rental income of £0.6m (2008: £0.6m) and property sales of £0.6m (2008: nil). The group's share of revenue of Campmass amounted to £1.1m (2008: £0.8m) representing gross rental income of £0.8m (2008: £0.8m) and property sales of £0.3m (2008: nil). These latter figures are not included in group revenue under IFRS rules.

A disposal of part of our quoted investment portfolio realised a profit of £0.05m (2008: nil).

The loss after tax attributable to shareholders for the financial year, including the revaluation deficit referred to above, amounted to £0.9m (2008: £1.5m) and the loss per share was 57.7p (2008: 90.2p).

The commercial and residential investment portfolio valued annually by Cushman & Wakefield LLP and Aitchison Rafferty respectively, totalled £4.0m (2008: £4.8m). This figure excludes property held for re-sale or under development which is held as stock on the balance sheet at the lower of cost and net realisable value and, in 2009, own use freehold property which is included in property, plant and equipment at fair value. The group's property portfolio under management at the year end, including the Campmass investment and development portfolio, was valued at £31.1m (2008: £34.0m). The company's share of the net assets of Campmass amounted to £6.5m (2008: £7.5m).

Net assets were £16.8m (2008: £18.4m) equivalent to 1,065p per share (2008: 1,105p) a decrease of 3.6% over the year (2008: 7.1% decrease). The group, including Campmass, has adequate facilities and resources to complete the current refurbishment and building programme. Cash balances held by Cardiff are placed on short term deposit. At the year end Cardiff had nil gearing (2008: nil).

During the year the company purchased for cancellation 121,000 ordinary shares of 20 pence each (with a nominal value of £24,200) for a total consideration of £657,285. Your directors are proposing the annual renewal of their authority to acquire shares and of the approval of the Rule 9 waiver, both of which will be included in the resolutions to be placed before shareholders at the annual general meeting and general meeting respectively to be held on 14 January 2010. Full details of the Rule 9 waiver are set out in the document accompanying this report.

### **Dividend**

The directors are recommending a final dividend of 9p per share (2008: 9p) making an unchanged total dividend for the year of 12.3p (2008: 12.3p). The final dividend will be paid on 11 February 2010 to shareholders on the register at 22 January 2010.

### **Investment and development portfolio**

The group's investment portfolio comprises a range of office, industrial, residential and retail buildings primarily located to the West of London, close to Heathrow and in the counties of Surrey and Berkshire.

In the first half of the year one of the freehold units at the Windsor Business Centre was sold to an occupier and the remaining 4 units are let on short to medium term leases.

At Heritage Court, Egham, a vacant retail unit has recently been let on a 10 year lease. The remaining 3 units are let on short to medium term leases.

At The White House, Egham, one of the ground floor retail units has also recently been let. The remaining 4 units are on medium term institutional leases. Egham town centre has recently received outline planning for an extensive development scheme including further retail space: a Waitrose supermarket; and a Travelodge managed hotel. This should, once completed, assist an uplift in rentals for the town as a whole.

## **Chairman's statement** (continued)

The Maidenhead Enterprise Centre, which comprises 6 business units totalling 14,000 sq ft has proved disappointing with only 3 units currently let. The units are ideal for small businesses, with ground floor industrial or storage use and offices at first floor level and it is expected that as business confidence returns lettings will improve.

The group retains 2 freehold houses in Egham one of which is let on an Assured Shorthold Tenancy Agreement whilst the other is under offer for sale.

### **Campmoss Property Company Limited**

During the year Campmoss has continued to upgrade its property portfolio and pursue planning applications. The company retains freehold office, industrial and residential property in Maidenhead, Bracknell, Woking, Worplesdon and Slough.

At Clivemont House and Highway House, two separate development sites in Maidenhead, planning permissions for high-grade office schemes were granted last year for a total of just under 100,000 sq ft net. Works to improve the access at Highway House are expected to commence shortly but the Campmoss board's current policy is to seek either a full or partial pre-letting before committing to significant construction works.

At Bracknell, discussions continue with the planning department and local users. An outline planning consent for The Bracknell Town Centre Scheme was granted in 2007. Our property at Market Street is included in this permission but will require a further detailed planning application, which is currently being prepared pending re-submission. Part of the existing retail and office space has been let on a short term basis.

At Britannia Wharf, Woking, agreement has been reached with one of the major tenants to extend their existing lease. The building totals 27,000 sq ft net. The remaining office space is let to 2 tenants and discussions are taking place to similarly extend their leases which currently expire in 2011 and 2016.

At Tangley Place, Worplesdon, planning permission for a 92 bedroom care home has recently been granted and discussions with a number of prospective tenants are taking place. The proposed new building totals approximately 42,000 sq ft gross. Our intention is to secure a pre-let and negotiate appropriate project finance before commencing construction.

Datchet Meadows, located between Datchet and Slough, is a development of 37 apartments which was completed last year. 2 apartments have been sold and 24 (including 4 reservations) are currently let on Assured Shorthold Tenancies. Negotiations are in hand for 2 further leasehold sales. 11 apartments remain available either for sale or letting.

At the year end the property portfolio has been valued by the directors taking into account external advice where available and assessed at a current market value of £26.1m (2008: £28.2m). Annualised rental income from the portfolio which is received from 63 tenants totalled £1.7m (2008: £1.8m). Net borrowings totalled £8.9m (2008: £8.7m) and gearing was 66% (2008: 55%).

### **Quoted investments**

The company's small equity portfolio includes holdings in Kiwara, ImmuPharma, Tribal Group and General Industries. During the year part of one of these holdings was sold realising a profit of £0.05m. I remain a director of Kiwara and General Industries quoted on AIM and PLUS Markets respectively.

## **Chairman's statement (continued)**

### **Management and staff**

Despite a difficult trading environment the group has achieved new lettings, re-negotiated existing leases and achieved a successful planning permission. This would not be possible without the dedicated support of the group's small management team and our joint venture partner. On behalf of shareholders I wish to take this opportunity of thanking them for their support during the year.

### **Shareholders telephone dealing service**

The company continues to offer its commission free share dealing service to those shareholders who wish to dispose of 1,000 shares or less. This facility is provided by our registrars, Computershare Investor Services, who can be contacted on 0870 703 0084. Shareholders should be aware that this service should not be construed as an encouragement to buy or sell the company's shares. If in any doubt shareholders should contact their own financial advisers.

### **Outlook**

The number of enquiries for office and residential property has seen some increase over the last few months with a number of office lettings in Maidenhead and surrounding areas. Rents and values have fallen dramatically over the past two years and it is natural that tenants considering relocation will be attracted to the more favourable terms available in the market place. However in my view it will be some time before a sustained recovery takes place.

In the meantime the group has a number of projects to manage, plan and finalise. If the market shows improvement the successful conclusion of these should enhance the value of the investment portfolio. I look forward to reporting progress to you at the half year stage.

**J Richard Wollenberg**

Chairman

25 November 2009

## Consolidated Income Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	2009 £'000	2008 £'000
<b>Revenue</b>	<b>1,153</b>	609
Cost of sales	<b>(296)</b>	(94)
	<hr/>	<hr/>
<b>Gross profit</b>	<b>857</b>	515
Administrative expenses	<b>(406)</b>	(379)
Other operating income	<b>257</b>	253
	<hr/>	<hr/>
<b>Operating profit before gains/(losses) on investment properties and other investments</b>	<b>708</b>	389
Profit on sale of fixed assets	<b>1</b>	-
Profit on sale of other investments	<b>55</b>	-
Deficit on revaluation of investment properties	<b>(575)</b>	(1,135)
	<hr/>	<hr/>
<b>Operating profit/(loss)</b>	<b>189</b>	(746)
Financial income	<b>177</b>	351
Share of results of jointly controlled entity	<b>(1,022)</b>	(1,146)
	<hr/>	<hr/>
<b>Loss before taxation</b>	<b>(656)</b>	(1,541)
Taxation	<b>(267)</b>	16
	<hr/>	<hr/>
<b>Loss for the financial year attributable to equity holders</b>	<b>(923)</b>	(1,525)
	<hr/>	<hr/>
<b>Loss per share on loss for the financial year - pence</b>		
Basic	<b>(57.7)</b>	(90.2)
Diluted	<b>(57.7)</b>	(90.2)
	<hr/>	<hr/>
<b>Dividends</b>		
Final 2008 paid 9.0p (2007: 8.25p)	<b>150</b>	143
Reduction in 2008 final dividend following purchase of own shares	<b>(9)</b>	(3)
Interim 2009 paid 3.3p (2008: 3.3p)	<b>52</b>	55
	<hr/>	<hr/>
	<b>193</b>	195
	<hr/>	<hr/>
Final 2009 proposed 9.0p (2008: 9.0p)	<b>142</b>	150
	<hr/>	<hr/>

The above results relate entirely to continuing activities. There were no acquisitions or disposals of businesses during either year.

## Consolidated Balance Sheet

AT 30 SEPTEMBER 2009

	2009 £'000	2008 £'000
<b>Non-current assets</b>		
Investment properties	4,025	4,790
Investment in jointly controlled entity	6,447	7,469
Property, plant and equipment	197	4
Other financial assets	293	320
Deferred tax asset	23	23
	<hr/>	<hr/>
	10,985	12,606
	<hr/>	<hr/>
<b>Current assets</b>		
Stock and work in progress	807	992
Trade and other receivables	2,334	2,368
Cash and cash equivalents	3,482	3,255
	<hr/>	<hr/>
	6,623	6,615
	<hr/>	<hr/>
<b>Total assets</b>	17,608	19,221
	<hr/>	<hr/>
<b>Current liabilities</b>		
Corporation tax	(261)	(203)
Trade and other payables	(445)	(484)
	<hr/>	<hr/>
	(706)	(687)
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Provisions	(65)	(65)
Deferred tax liability	(69)	(62)
	<hr/>	<hr/>
	(134)	(127)
	<hr/>	<hr/>
<b>Total liabilities</b>	(840)	(814)
	<hr/>	<hr/>
<b>Net assets</b>	16,768	18,407
	<hr/>	<hr/>
<b>Capital and reserves</b>		
Called up share capital	315	333
Share premium account	5,076	4,946
Other reserves	2,338	2,314
Investment property revaluation reserve	1,404	3,194
Retained earnings	7,635	7,620
	<hr/>	<hr/>
<b>Shareholders' funds attributable to equity holders</b>	16,768	18,407
	<hr/>	<hr/>
<b>Net assets per share</b>	1,065p	1,105p
	<hr/>	<hr/>

**Consolidated Cash Flow Statement**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	<b>2009</b>	2008
	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>		
Loss for the year	(923)	(1,525)
Adjustments for:		
Depreciation	3	2
Financial income	(177)	(351)
Share of loss of jointly controlled entity	1,022	1,146
Profit on sale of other investments	(55)	-
Profit on disposal of fixed assets	(1)	-
Deficit on revaluation of investment properties	575	1,135
Taxation	267	(16)
	<hr/>	<hr/>
<b>Cash flows from operations before changes in working capital</b>	<b>711</b>	391
Decrease in stock	185	-
Decrease/(increase) in trade and other receivables	34	(385)
(Decrease)/increase in trade and other payables	(39)	2
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>891</b>	8
Tax paid	(202)	(156)
	<hr/>	<hr/>
<b>Net cash flows from operating activities</b>	<b>689</b>	(148)
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Interest received	177	351
Acquisition of property, investments and plant and equipment	(8)	(24)
Proceeds of disposal of property, investments and plant and equipment	83	8
	<hr/>	<hr/>
<b>Net cash flows from investing activities</b>	<b>252</b>	335
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Exercise of options	136	-
Purchase of own shares	(657)	(502)
Dividends paid	(193)	(195)
	<hr/>	<hr/>
<b>Net cash flows from financing activities</b>	<b>(714)</b>	(697)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>227</b>	(510)
Cash and cash equivalents at beginning of year	3,255	3,765
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>3,482</b>	3,255
	<hr/>	<hr/>

**Other Primary Statements**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**Consolidated statement of recognised income and expense**

	<b>2009</b>	2008
	<b>£'000</b>	£'000
Net change in fair value of available for sale financial assets recognised directly in equity	<b>(2)</b>	(12)
Loss for the financial year	<b>(923)</b>	(1,525)
	<hr/>	<hr/>
<b>Total recognised income and expense for the year attributable to the equity holders of the parent company</b>	<b>(925)</b>	(1,537)
	<hr/>	<hr/>

**Notes to the Financial Statements**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**1. International Financial Reporting Standards**

The consolidated results for the year ended 30 September 2009 and 2008 are prepared by the group under applicable International Financial Reporting Standards adopted by the EU (“adopted IFRS”) and applicable law.

The financial information set out above does not constitute the company’s statutory financial statements for the years ended 30 September 2009 or 30 September 2008 but is derived from those financial statements. Statutory financial statements for 2008 have been delivered to the Registrar of Companies and those for 2009 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237 (2) or (3) of the Companies Act 1985 in respect of the financial statements for 2008 nor a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the financial statements for 2009.

**2. Segmental analysis**

The primary format used for segmental analysis is by business segment, as the group operates in only one geographical segment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	<b>2009</b>	2008
	<b>£’000</b>	£’000
<b>Revenue (wholly in the United Kingdom):</b>		
Property and other investment being gross rents receivable	<b>561</b>	609
Property development being sale of development properties	<b>592</b>	-
	<hr/> <b>1,153</b> <hr/>	<hr/> 609 <hr/>
<b>Loss before taxation:</b>		
Property and other investment	<b>(1,206)</b>	(1,716)
Property development	<b>550</b>	175
	<hr/> <b>(656)</b> <hr/>	<hr/> (1,541) <hr/>
<b>Net operating assets:</b>		
Assets		
Property and other investment	<b>16,632</b>	18,059
Property development	<b>3,534</b>	3,048
Eliminations	<b>(2,558)</b>	(1,886)
Total assets	<hr/> <b>17,608</b> <hr/>	<hr/> 19,221 <hr/>
Liabilities		
Property and other investment	<b>2,962</b>	2,354
Property development	<b>436</b>	346
Eliminations	<b>(2,558)</b>	(1,886)
Total liabilities	<hr/> <b>840</b> <hr/>	<hr/> 814 <hr/>
<b>Net operating assets</b>	<hr/> <b>16,768</b> <hr/>	<hr/> 18,407 <hr/>

**Notes to the Financial Statements**  
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (continued)

**3. Loss per share**

Loss per share has been calculated in accordance with IAS 33 - Earnings Per Share using the loss after tax for the financial year of £923,000 (2008: £1,525,000) and the weighted average number of shares as follows:

	<b>Weighted average number of shares</b>	
	<b>2009</b>	<b>2008</b>
Basic	<b>1,599,949</b>	1,690,199
Adjustment to basic for bonus element of shares to be issued on exercise of options	<b>4,410</b>	10,948
Diluted	<b>1,604,359</b>	1,701,147

Under IAS 33.41, diluted earnings per share where a loss is recorded cannot be less than the basic earnings per share.

## Financial Calendar

2009	26 November	Final results for 2009 announced
2010	14 January	Annual General Meeting
	20 January	Ex dividend date for final dividend
	22 January	Record date for final dividend
	11 February	Final dividend to be paid
	May	Interim results for 2010 to be announced
	July	Interim dividend for 2010 to be paid
	30 September	Year end

## Directors and Advisers

### Directors

J Richard Wollenberg  
Chairman and chief executive

David A Whitaker FCA  
Finance director

Nigel D Jamieson BSc, MRICS, FSI  
Independent non-executive director

### Secretary

David A Whitaker FCA

### Non-executive director of wholly owned subsidiary

#### First Choice Estates plc

Derek M Joseph BCom, FCIS, MSII

### Head office

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Fax: 01784 439157  
E-mail: [webmaster@cardiff-property.com](mailto:webmaster@cardiff-property.com)  
Web: [www.cardiff-property.com](http://www.cardiff-property.com)

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Cardiff CF24 0TE

### Auditor

KPMG Audit Plc

### Stockbrokers and financial advisers

Arbuthnot Securities Ltd

### Bankers

HSBC Bank Plc

### Solicitors

Morgan Cole

### Registrar and transfer office

Computershare Investor Services Plc  
PO Box 82  
The Pavilions  
Bridgwater Road  
Bristol BS99 7NH  
Telephone: 0870 702 0001  
Dealing line: 0870 703 0084

### Registered number

22705