

# UK COMMERCIAL PROPERTY TRUST LIMITED

Interim report  
for the period to 30 June 2007



**Resolution**  
Asset Management

## Company Summary

### **Objective**

To provide Ordinary Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified portfolio of UK commercial properties.

### **Investment Managers**

Resolution Investment Services Limited.

### **Total Assets Less Current Liabilities**

£909.9 million at 30 June 2007.

### **Capital Structure**

At present the share capital structure consists solely of Ordinary Shares. The Company has no borrowings as at 30 June 2007.

At launch, on 11 September 2006, the Company issued 530 million Ordinary Shares of 25p each. These shares were issued at £1 each.

On 1 March 2007, a further 350 million Ordinary Shares of 25p each were issued. These shares were issued at £1.03 each.

### **ISA/PEP Status**

The Company's shares are eligible for Individual Savings Accounts (ISAs) and PEP transfers.



Colmore Row, Birmingham

## Financial Highlights and Performance Summary

From the 24 August 2006 (Date of Incorporation) to 30 June 2007

- Net asset value per share since launch increased by 5.07 per cent<sup>†</sup>
- Total dividend paid and declared to date of 4.075p (equivalent annualised dividend yield of 5.45 per cent)<sup>†</sup>
- Average unexpired lease term of 11<sup>1</sup>/<sub>2</sub> years well in excess of the industry average of 9<sup>1</sup>/<sub>2</sub> years
- Currently no borrowing/gearing to date
- Property portfolio ranked in top quartile for covenant strength in the independent IPD Rental Information Service

| Capital Values & Returns                      | 30 June 2007 | 22 September 2006 | % Change since launch |
|-----------------------------------------------|--------------|-------------------|-----------------------|
| Total assets less current liabilities (£'000) | 909,968      | 515,015           |                       |
| Shares in issue ('000)*                       | 880,000      | 530,000           |                       |
| Net asset value per share (p)**               | 102.10       | 97.17             | +5.07                 |
| Ordinary Share Price (p)                      | 86.25        | 100.00            | (13.75)               |
| (Discount)/Premium to net asset value         | (15.52)%     | 2.91%             |                       |

| Total return                                                                           | % from launch to 30 June 2007 of launch NAV |
|----------------------------------------------------------------------------------------|---------------------------------------------|
| Net asset value per share**                                                            | +5.07                                       |
| Total dividends per share declared to date***                                          | +4.19                                       |
| Total return per share                                                                 | +9.26                                       |
| Investment Property Databank Balanced Monthly & Quarterly Funds Index (% total return) | +8.74                                       |
| FTSE All-Share Index return                                                            | +14.20                                      |

<sup>†</sup>Based on launch NAV of 97.17p

\*On the 22 September 2006 530m Ordinary Shares of 25p each were issued at £1.00 per share. On the 1 March 2007 350m 25p Ordinary Shares were issued at £1.03 per share.

\*\*Net of cost of all dividends paid/declared.

\*\*\*Includes dividend declared August 2007 - see note 7.

## Chairman's Statement

For the period from 24 August 2006 to 30 June 2007

I am pleased to present the first Interim Report of the Company for the period to 30 June 2007.

The positive performance of the underlying property portfolio since launch has been excellent; this is largely due to a combination of the portfolio's office weighting, and the quality of the underlying portfolio, particularly its long average lease length and low risk rental income credit rating. The Company is currently ungeared but also has the scope to use gearing in the future to exploit market opportunities in the short term.

### **Property Market**

The period since the launch of UK Commercial Property Trust Limited ("UKCPT") in September 2006 has been eventful with market volatility increasing as firstly domestic interest rate concerns and then global credit issues caused widespread investor unease across all investment sectors, property included.

Share prices in the UK property sector reacted badly to interest rate rises, particularly in the early part of 2007 when the first of this year's three interest rate rises was announced, confirming market expectation that the top of the interest rate cycle had not yet been reached. The sector suffered a negative re-rating, despite the relative strength of underlying property portfolios, relatively low levels of gearing and a positive consensus for future returns, though not at the levels experienced in 2006.

### **Corporate Activity**

In September 2006 the Company raised £530m through a successful placing and offer for subscription which allowed the acquisition of a diversified property portfolio from Resolution Life funds.

In March 2007 a further £360m was raised, again through a placing and offer for subscription for new Ordinary Shares. This funding was used to finance the purchase of a further ten properties from Resolution Life funds.

As at 30 June 2007 there were 880 million Ordinary Shares of 25p each in issue.

## UK COMMERCIAL PROPERTY TRUST LIMITED

### NAV/Share Price performance

The unaudited Net Asset Value per Ordinary Share (calculated under International Financial Reporting Standards and adjusted for the provision of dividend declarations) for the period to 30 June 2007 was as follows:

| Date          | NAV (p) | Share Price (p) | Premium/(Discount) % |
|---------------|---------|-----------------|----------------------|
| 22 Sept 2006  | 97.17   | 100.00          | 2.91                 |
| 31 Dec 2006   | 100.11  | 105.50          | 5.38                 |
| 30 March 2007 | 100.90  | 102.00          | 1.09                 |
| 29 June 2007  | 102.10  | 86.50           | -15.27               |

The Net Asset Value ("NAV") per Ordinary Share performance to 30 June 2007, up 5.07 per cent since launch, shows the strength of the underlying portfolio and a detailed report on the underlying portfolio performance, together with asset management and investment strategy, is contained in the Manager's Report covering the period to 30 June 2007.

Of greater concern was the performance of the share price. Towards the end of April 2007 the fall in the market price of the Ordinary Shares, in common with falls in prices across the property sector, resulted in the Company's Shares trading at a discount which was disappointing given the NAV performance previously highlighted. From mid May 2007 onwards, with the share price trading below 96p for the first time since inception, the discount to NAV of the Ordinary Shares moved above 5 per cent.



*Charter Place, Uxbridge*

### Discount Policy and Share Buy Backs

Your Board has managed the Company in line with the Prospectus published by the Company on launch in September 2006. The Prospectus stated that the Directors intended to use the share buy back authority to purchase shares (subject to the income and cashflow requirements of the Company) if the market price of a share was more than five per cent. below the published net asset value of a share for a continuous period of 20 dealing days or more.

The Directors have been carefully monitoring the market price of the shares, which were trading at a discount (calculated by adjusting the published net asset value for any dividends for which the shares have gone ex-dividend) of 18 per cent. as at 18 September 2007 and have now traded at a discount in excess of five per cent. for 74 continuous dealing days.

The Company has been in a close period since the end of the interim financial period on 30 June 2007, at which stage the shares had traded at a discount in excess of five per cent. for 18 days.

## Chairman's Statement cont

In addition, the Company has been in discussions with the UK Listing Authority regarding a reduction in the Listing Rule requirement that a minimum of 25 per cent. of the issued shares in the Company must be held in public hands. Since the placing and offer in March 2007, Resolution plc and its subsidiaries have held 74.8 per cent. of the issued shares. The UK Listing Authority has now agreed that the shares in public hands requirement in respect of the Company can be reduced to a minimum of 20 per cent. of the issued share capital. Accordingly, the Board now has more flexibility in undertaking share buy backs.

The Directors therefore intend that, following the publication of the interim financial statements in September and subject to any close period arising as a result of the valuations for quarter end 30 September 2007, the Company will commence a programme of share buy backs. Such share buy backs will continue to be subject to the income and cashflow requirements of the Company and will be undertaken at prices which are in the best interests of all shareholders.

The Directors intend to monitor the effectiveness of the share buy back programme. The reduction in the minimum number of shares required to be held in public hands should not be taken as an indication of any specific target level for share buy backs.

### Dividends

The Company has declared and paid the following dividends.

|             | Ex Div Date | Pay Date    | Dividend Rate (p) |
|-------------|-------------|-------------|-------------------|
| 1st Interim | 21 Feb 2007 | 9 Mar 2007  | 1.4500            |
| 2nd Interim | 21 Feb 2007 | 31 May 2007 | 0.8604            |
| 3rd Interim | 9 May 2007  | 31 May 2007 | 0.4521            |
| 4th Interim | 15 Aug 2007 | 31 Aug 2007 | 1.3125            |
|             |             |             | 4.075             |

The first and second interim dividends were payable on the original issued shares of 530,000,000. The third interim dividend was payable on the current issued shares of 880,000,000. A fourth interim dividend of 1.3125p per share for the period to 30 June 2007 was announced on 1 August and has an ex-Dividend date of 15 August 2007 and a Pay Date of 31 August 2007. Under the reporting requirements of IFRS these unaudited financial statements do not reflect this fourth dividend.

## Chairman's Statement cont

### **Outlook**

Although market sentiment is moderately positive towards the defensive qualities of the Property Sector, total returns for 2007 will not match the excellent returns seen in 2006. Investor unease and the inability of the markets in general to quantify precisely the financial cost and impact of the credit difficulties originating from the US sub-prime sector is currently expected to lead to more market volatility in the near term. The Board anticipates some downward pressure on capital values across the UK property market over the near term.

The new portfolio acquired in March 2007 has now been successfully integrated into the Company's portfolio. The Manager has now turned to active asset management opportunities which will be pursued with the aim of achieving the stated objectives of the Company, namely the provision of an attractive level of income and the potential for income and capital growth.

As noted previously, the combined portfolio has a diversified spread of good quality properties, an average unexpired lease term of 11<sup>1</sup>/<sub>2</sub> years, a lower than benchmark level of rental voids and a top quartile rental income credit rating. For these reasons the Board believes that the portfolio offers strong defensive characteristics over the medium to long term.

# Manager's Report

For the period to 30 June 2007

## Market Overview

As widely predicted, total returns from the property market (as measured using the IPD UK Monthly Index) have slowed over the course of 2007.

For the three months to end March and end June 2007, total returns were 2.3 per cent and 2.1 per cent respectively. This compares with 4.4 per cent and 5.1 per cent for the equivalent periods in 2006.

As is demonstrated by the graph below, there are also greater disparities appearing between sectors of the property market.

For the three months to end June 2007, the total return for the office sector was 3.4 per cent of which 0.8 per cent was capital growth (driven by rental growth in central London office stocks). In marked contrast, total returns in the retail sector were 1.3 per cent for the same period. For the first time in six years, we have seen equivalent yields increase in the retail sector. Whilst the shift in yield profile is marginal, it is tangible evidence that the ability for returns to be driven by yield compression has, more or less, run its course.

In this environment, superior returns will be driven by asset management activity and the ability of individual managers to spot and exploit opportunities within individual portfolios.



Source: IPD Monthly Index - June 07

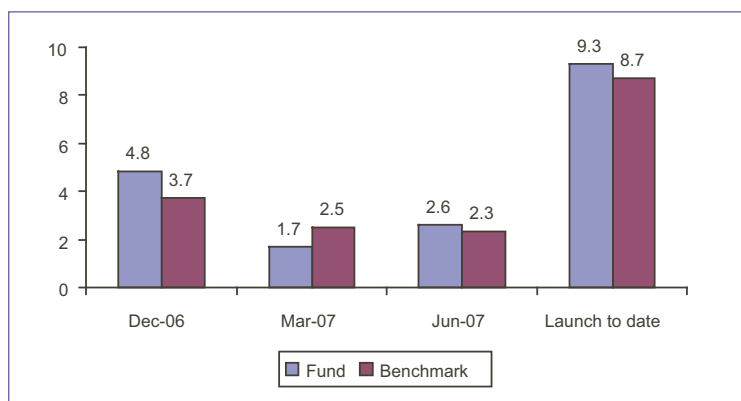


## Manager's Report cont

### Portfolio Performance

The Company was launched in September 2006 with a property portfolio of £498m. Over the course of the following nine months, the portfolio has grown substantially via a second placing in February 2007, which added a further £350m of stock. As at the end of June 2007, the property portfolio was valued at £880m.

Set out below is the portfolio's total return performance in comparison with IPD since launch.



Performance of the Company was held back in Q1 2007 as a result of the impact of transaction costs on the acquisition of approximately £350m of new stock (-0.8 per cent).

This portfolio has now been successfully integrated with the initial portfolio and is producing a number of asset management opportunities.

The best performing sector for the Company has been offices, where a number of asset management opportunities have been actioned or completed over the last nine months.

## Manager's Report cont

### **Investment Activity**

The acquisition of George Street, Edinburgh as part of the portfolio acquisition in February has given the Trust the opportunity to sell out of its Princes St, Edinburgh holding.

The sale of this asset will raise approximately £11m for re-investment.

Contracts have also now been exchanged for the sale of a small parade of secondary retail shops and leisure unit in Uxbridge. This will raise a further £5m for re-investment in the portfolio.

### **Asset Management Activity**

As outlined to investors at launch, the portfolio contains a number of asset management opportunities, many of which have been implemented. There remain a number of further initiatives from both the initial and second portfolio which are being pursued.

Highlights from the last six months are:

#### **9 Colmore Row, Birmingham**

A total of 16,490 sq ft, representing 33 per cent of the available space has been let to such companies as Atisreal, Kaupthing Singer Friedlander and Ecclesiastical Insurance Group. All lettings have been in excess of the forecast estimated rental value, "ERV", for the building and with occupational demand remaining healthy in Birmingham we are hopeful of securing further lettings in the building in the second half of the year.

#### **Marlow**

Sainsbury's have taken a new 28 year FRI lease at a commencing rental of £495,000, rising to £600,000 in 2009. The previous rent payable was £345,000 and the introduction of this new lease at this significantly higher level effectively doubled the value of the property. Discussions continue with Sainsbury's over the possible extension of the property, which will further increase income and value.

#### **Charter Place, Uxbridge**

In June, the Company completed the restructure of five leases held by Nexen Petroleum at Charter Place, a 155,000 sq ft office building in Uxbridge. The restructure involved the removal of tenant break options effective December 2007 affecting leases with a combined rental of £730,000. Nexen are now committed to the building until at least December 2012 at an improved rental ahead of forecast ERV.

## Manager's Report cont

### **The Parade, Swindon**

There has also been positive letting progress in the Trust's largest property at The Parade, Swindon with lettings to Clarks, Thorntons and Cornish Bakehouse. The Trust has now appointed The Shearer Property Group, an experienced retail property developer, to work with the Trust in identifying and delivering Phase 1 of a major refurbishment of the BHS block with the intention of optimising values in rental and capital terms.

In addition to the above, there has been solid letting activity in Pall Mall Court, Manchester and Dolphin Industrial Estate, Sunbury where lettings producing a combined rental of £458,789 after rent free periods have been completed. This activity together with six rent review settlements and two lease renewals all at or in excess of ERV have resulted in an improved rental income stream for the Trust with many other asset management opportunities to be pursued in the short to medium term.

### **Outlook**

The latest IPF consensus forecast for the market is 8.1% for 2007, slowing to 4.3 per cent in 2008. This reflects a modest positive yield re-rating in the first half of the year with little or no re-rating in H2 2007. In 2008, the predictions are for a mild outward yield shift; this negative yield impact is, however, likely to be partly counter-balanced by rental growth in the order of 3.0 per cent. Again, this masks some quite marked differences in rental growth predictions between Central London offices at 7 – 8 per cent and standard shops at 1.4 per cent.



*The Parade, Swindon*

Against this background, the range of returns to investors is likely to be heavily influenced by the balance of offices, particularly central London offices, held in individual portfolios at least over the next 12 to 18 months.

### **Strategy**

In relation to the Company, the focus remains on growing the income of the Company.

The portfolio is overweight in offices (particularly in the regions) and the current market could provide an opportunity to moderate this exposure. The Company will continue with its objective of selling out any remaining small, secondary assets over the next six months. Re-investment will be targeted at larger, multi-let assets more in line with the quality of the portfolio.

### **Gearing**

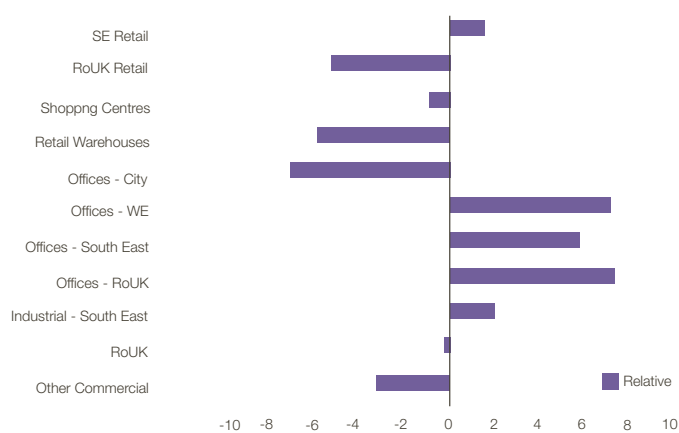
There is no gearing within the Company at present.

# Manager's Report cont

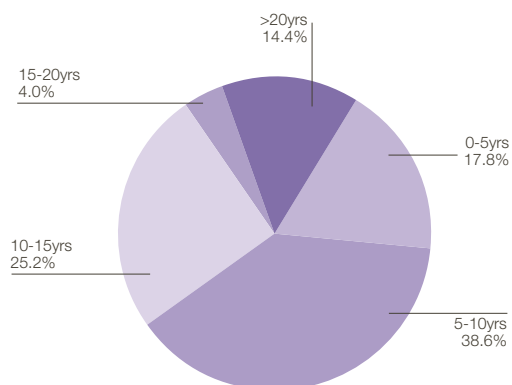
## Portfolio Analysis Charts

### Sub-sector structure vs IPD (Balanced Monthly & Quarterly Index) at 30 June 2007

Relative Fund structure - Per cent of period end Capital Value



### Lease Expiry Profile as at 30th June 2007

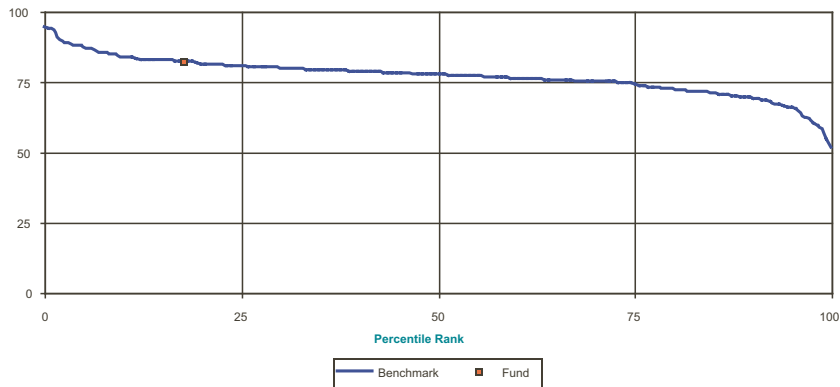


### Average unexpired lease term – 11.5 years

Source: Resolution Asset Management – June 07

**UK COMMERCIAL PROPERTY TRUST LIMITED**

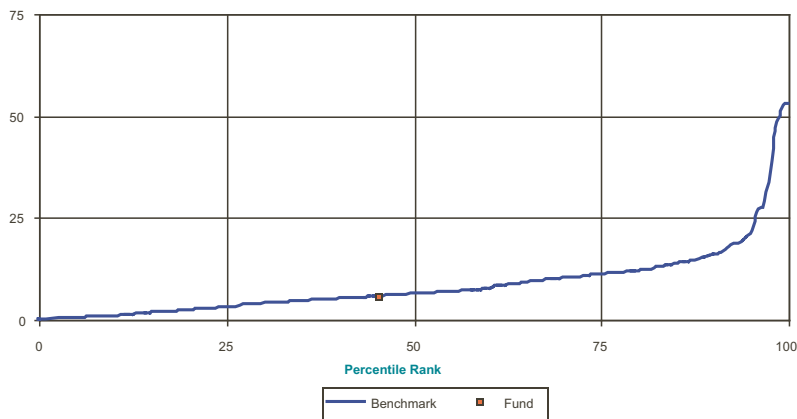
**Income Credit Rating**



Source: IPD Iris – June 2007

Measures the quality of the Company's income stream in comparison with the benchmark - a lower score on percentile ranking indicates a better income quality.

**Vacancy Rate**



Source: IPD Iris – June 2007

Compares the size of vacant income in the portfolio with the benchmark - the lower the percentile ranking the lower the level of void.

## Property Portfolio

as at 30 June 2007

Property

Value Range

£

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The Parade, Swindon

Great Lodge Retail Park, Tunbridge Wells

Charter Place, Uxbridge

176 - 206 Kensington High Street, London

5/7 Chancery Lane, London

over £30m

Dolphin Estate, Sunbury on Thames

Ocado Distribution Unit, Hatfield Business Area, Hatfield

15 Great Marlborough Street, London

Argos Unit, Magna Park, Lutterworth

Plot CD04D, Temple Quay, Rivergate, Bristol

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Brackmills, Northampton

Broadbridge Retail Park, Horsham

Colmore Court, Birmingham

Network House & Meadowside, Hemel Hempstead

Temple Quay, Bristol

£20m - £30m

81-85 George Street, Edinburgh

Pall Mall Court, Manchester

109-119 Queen Street, Cardiff

3/7 King William Street, London

1 Brunel Way, Slough

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6 Arlington Street, London

13 Great Marlborough Street, London

£10m - £20m

Bracton House, 34-36 High Holborn, London

14-22 West Street, Marlow

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Freshford House, Bristol

6-13,16-17, & 21-23 High Street, Uxbridge

£5m - £10m

Knives Beech Industrial Estate, Loudwater

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87/88 Princes Street, Edinburgh

The Leisure Building , Uxbridge

Up to £5m

WCA Building, Bristol

# Unaudited Group Consolidated Income Statement

For the period 24 August 2006 to 30 June 2007

|                                                              |       | 24 August 2006<br>to 30 June 2007<br>£'000 |
|--------------------------------------------------------------|-------|--------------------------------------------|
| <b>Income</b>                                                | Notes |                                            |
| Rental income                                                |       | 25,642                                     |
| Unrealised gains on the revaluation of investment properties |       | 42,240                                     |
| Realised losses on investment properties                     | 2     | (703)                                      |
| Distributions receivable from unit trust                     |       | 2,095                                      |
| Interest income receivable                                   |       | 1,256                                      |
| <b>Total income</b>                                          |       | <u>70,530</u>                              |
| <b>Expenditure</b>                                           |       |                                            |
| Investment management fee                                    | 8     | (4,087)                                    |
| Direct operating expenses of rental property                 |       | (1,125)                                    |
| Valuation and other professional fees                        |       | (945)                                      |
| Directors' fees                                              |       | (90)                                       |
| Administrative fees                                          |       | (81)                                       |
| Other expenses                                               |       | (156)                                      |
| <b>Total expenditure</b>                                     |       | <u>(6,484)</u>                             |
| <b>Net operating profit before finance costs</b>             |       | <u>64,046</u>                              |
| <b>Finance costs</b>                                         |       |                                            |
| Interest payable                                             |       | <u>(107)</u>                               |
| <b>Net profit from ordinary activities before taxation</b>   |       | 63,939                                     |
| <b>Taxation on profit on ordinary activities</b>             |       | -                                          |
| <b>Net profit for the period</b>                             |       | <u>63,939</u>                              |
| <b>Earnings per share (p)</b>                                | 3     | <u>9.38</u>                                |

# Unaudited Group Consolidated Balance Sheet

as at 30 June 2007

|                                                            | Notes | 30 June 2007<br>£000's |
|------------------------------------------------------------|-------|------------------------|
| <b>Non-current assets</b>                                  |       |                        |
| Investment properties at fair value through profit or loss |       | 879,895                |
| <b>Current assets</b>                                      |       |                        |
| Trade and other receivables                                |       | 6,888                  |
| Cash and cash equivalents                                  |       | 36,073                 |
|                                                            |       | <u>42,961</u>          |
| <b>Total assets</b>                                        |       | <u>922,856</u>         |
| <b>Current liabilities</b>                                 |       |                        |
| Trade and other payables                                   |       | <u>(12,888)</u>        |
| <b>Total liabilities</b>                                   |       | <u>(12,888)</u>        |
| <b>Net assets</b>                                          |       | <u>909,968</u>         |
| <b>Represented by:</b>                                     |       |                        |
| Share Capital                                              | 5     | 220,000                |
| Share Premium                                              | 5     | 253,937                |
| Special distributable reserve                              |       | 388,306                |
| Capital reserve                                            |       | 42,240                 |
| Revenue reserve                                            |       | 5,475                  |
| <b>Equity shareholders' funds</b>                          |       | <u>909,958</u>         |
| Minority interest                                          |       | 10                     |
|                                                            |       | <u>909,968</u>         |
| <b>Net asset value per share (p)</b>                       | 6     | <u>103.40</u>          |



## Unaudited Group Consolidated Statement of Changes in Equity

For the period 24 August 2006 to 30 June 2007

|                                                                     | Share<br>Capital<br>£'000's | Share<br>Premium<br>Account<br>£'000's | Special<br>Distributable<br>Reserve<br>£'000's | Capital<br>Reserve<br>£'000's | Revenue<br>Reserve<br>£'000's | Minority<br>Interest<br>£000's | Total<br>£'000's |
|---------------------------------------------------------------------|-----------------------------|----------------------------------------|------------------------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------|
| At 24 August 2006                                                   | -                           | -                                      | -                                              | -                             | -                             | -                              | -                |
| Issue of ordinary shares                                            | 220,000                     | 670,500                                |                                                |                               |                               |                                | 890,500          |
| Issue costs                                                         |                             | (26,748)                               | (1,509)                                        |                               |                               |                                | (28,257)         |
| Conversion of<br>share premium account                              |                             | (389,815)                              | 389,815                                        |                               |                               |                                | -                |
| Net profit for the period                                           |                             |                                        |                                                |                               | 63,939                        |                                | 63,939           |
| Minority interest                                                   |                             |                                        |                                                |                               |                               | 10                             | 10               |
| Transfer in respect of unrealised<br>gains on investment properties |                             |                                        |                                                | 42,240                        | (42,240)                      |                                | -                |
| Dividends                                                           |                             |                                        |                                                |                               | (16,224)                      |                                | (16,224)         |
| At 30 June 2007                                                     | 220,000                     | 253,937                                | 388,306                                        | 42,240                        | 5,475                         | 10                             | 909,968          |



# Unaudited Group Consolidated Cash Flow Statement

For the period 24 August 2006 to 30 June 2007

|                                                          | 24 August 2006 to<br>30 June 2007 |
|----------------------------------------------------------|-----------------------------------|
|                                                          | £'000                             |
| <b>Cash Flows from operating activities</b>              |                                   |
| Net operating profit for the period before finance costs | 64,046                            |
| Adjustments for:                                         |                                   |
| Unrealised gains on revaluation of investment properties | (42,240)                          |
| Realised losses on investment properties                 | 703                               |
| (Increase) in operating trade and other receivables      | (6,888)                           |
| Increase in operating trade and other payables           | 12,888                            |
|                                                          | <u>28,509</u>                     |
| Interest paid                                            | <u>(107)</u>                      |
| <b>Net cash inflow from operating activities</b>         | <u>28,402</u>                     |
| <b>Cash flows from investing activities</b>              |                                   |
| Purchases of investment properties                       | (844,962)                         |
| Sales of investment properties                           | 6,604                             |
| <b>Net cash (outflow) from investing activities</b>      | <u>(838,358)</u>                  |
| <b>Cash flows from financing activities</b>              |                                   |
| Proceeds from issue of ordinary shares                   | 890,500                           |
| Issue costs of ordinary share capital                    | (28,257)                          |
| Minority interest                                        | 10                                |
| Dividends paid                                           | (16,224)                          |
| <b>Net cash inflow from financing activities</b>         | <u>846,029</u>                    |
| <b>Closing cash and cash equivalents</b>                 | <u>36,073</u>                     |



## Notes to the unaudited Interim Report

for the period to 30 June 2007

1. The unaudited interim results have been prepared in accordance with the accounting policies that the Directors anticipate will be complied with in the audited financial statements for the period to 31 December 2007 being prepared under International Financial Reporting Standards.

|                                             |                                     |
|---------------------------------------------|-------------------------------------|
| 2. Losses on investments disposed in period | Period to<br>30 June 2007<br>£000's |
| Original cost of investment properties sold | 7,307                               |
| Sale Proceeds                               | 6,604                               |
| Loss on disposal                            | <u>(703)</u>                        |

3. The earnings per Ordinary Share are based on the net profit for the period of £63,939,000 and on 681,957,295 Ordinary Shares, being the weighted average number of shares in issue during the period, (22 September 2006 - 530,000,000; 1 March 2007 - 880,000,000).

4. Earnings for the period to 30 June 2007 should not be taken as a guide to the results for the period to 31 December 2007.

5. Share issue history:

|                                                                        | No of shares<br>issued | Issue price<br>(pence) | Gross<br>Proceeds<br>£000's |
|------------------------------------------------------------------------|------------------------|------------------------|-----------------------------|
| 24 August 2006 (on incorporation)                                      | 2                      | nil                    | -                           |
| 22 September 2006<br>(on admission to the<br>London Stock Exchange)    | 529,999,998            | 100p                   | 530,000                     |
| 1 March 2007<br>(additional admission to the<br>London Stock Exchange) | 350,000,000            | 103p                   | 360,500                     |
|                                                                        | <u>880,000,000</u>     |                        | <u>890,500</u>              |

Total issue costs for the 1 March 2007 share issue amounted to £19,063,000 and have been charged against the share premium account.

6. The net asset value per ordinary share is based on net assets of £909,968,000 and 880,000,000 ordinary shares, being the number of ordinary shares in issue at the period end.

**UK COMMERCIAL PROPERTY TRUST LIMITED**

| 7.                                                                              | Period to 30 June 2007 |               |
|---------------------------------------------------------------------------------|------------------------|---------------|
|                                                                                 | Rate (pence)           | £000's        |
| First interim dividend for the period to 31 December 2006,<br>paid 9 March 2007 | 1.4500                 | 7,685         |
| Second interim dividend for the period to 31 March 2007,<br>paid 31 May 2007    | 0.8604                 | 4,560         |
| Third interim dividend for the period to 31 March 2007,<br>paid 31 May 2007     | 0.4521                 | 3,979         |
|                                                                                 |                        | <u>16,224</u> |

The first and second interim dividends were payable on the original issued shares of 530,000,000. The third interim dividend was payable on the current issued shares of 880,000,000. A fourth interim dividend of 1.3125p per share for the period to 30 June 2007 was announced on 1 August and has an ex-Dividend date of 15 August 2007 and a pay date of 31 August 2007. These unaudited financial statements do not reflect this fourth dividend.

8. No Director has an interest in any transactions which are or were unusual in their nature or significance to the Group. Resolution Investment Services Limited received fees for its services as Investment Managers. The total charge to the Income Statement during the period was £4,087,000 of which £1,717,000 remained payable at the period end.

The Directors of the Company received fees for their services totalling £90,000, none of which was payable at the period end.

9. The Group results consolidate those of UK Commercial Property Holdings Limited, UK Commercial Property GP Limited and UKCPT Limited Partnership.

The company owns 100 per cent of the issued share capital of UK Commercial Property Holdings Limited, a company incorporated in Guernsey whose principal business is that of an investment and property company.

This company holds the property portfolio which was acquired on 1 March 2007.

The company owns 100 per cent of the issued share capital of UK Commercial Property GP Limited, a company incorporated in Guernsey whose principal business is that of an investment and property company.

UKCPT Limited Partnership is a Guernsey limited partnership, and it holds the properties comprised in the initial property portfolio. UK Commercial Property Holdings Limited and UK Commercial Property GP Limited, have a partnership interest of 98.99 and 1 per cent respectively in this limited partnership. The remaining 0.01 per cent partnership interest is held by The Droit Purpose Trust, which is a Jersey purpose trust.

## Directors and Company Information

**Directors**

Mr Christopher Hill (Chairman)  
Mr Keith Dorrian  
Mr Christopher Fish  
Mr John Robertson  
Mr Andrew Wilson

**Registered Office**

Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL

**Registered Number**

45387

**Administrator, Secretary  
and Registrar**

Northern Trust International Fund Administration Services  
(Guernsey) Limited  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL

**Investment Manager**

Resolution Investment Services Limited  
Resolution House  
50 Bothwell Street  
Glasgow G2 6HR

**Independent Auditors**

Ernst & Young LLP  
14 New Street  
St Peter Port  
Guernsey GY1 4HP

**UK COMMERCIAL PROPERTY TRUST** LIMITED

**Solicitors**

Dickson Minto W.S.  
16 Charlotte Square  
Edinburgh EH2 4DF

Ozannes  
1 Le Marchant Street  
St Peter Port  
Guernsey GY1 4HP

**Principal Banker**

The Royal Bank of Scotland plc  
2 1/2 Devonshire Square  
London EC2M 4XJ

**Property Valuer**

CB Richard Ellis Limited  
St Martins Court  
10 Paternoster Row  
London EC4M 7HP

**Company website**

[www.resolutionasset.com/PropertyTrust](http://www.resolutionasset.com/PropertyTrust)



*Temple Quay, Bristol*

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**Resolution**  
Asset Management

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