



TOWN CENTRE SECURITIES PLC
INTERIM REPORT 2009

Town Centre Securities PLC
is a property investment and
development company.

We aim to maximise shareholder
returns over the long-term
through the acquisition and active
management of investments and
developments, with secure and
growing income in good and
improving locations.

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I am pleased to report that we are seeing evidence of a slight improvement in market conditions in the property sector. There have been increases in values and signs of activity in the investment market during the period under review. I am delighted to be able to report a rise in the value of our investment portfolio together with a strong income performance and a reduction in voids.

We have continued our strategy of property disposals in the first half of the year both to rationalise the portfolio and to protect our balance sheet. This strategy has inevitably led to a reduction in net income, although we can report an ongoing growth in the like-for-like rent roll and a continuation of the reduction of our administrative costs. We continue to take a prudent approach to development and investment acquisition in an uncertain market.

Overall, our debt position is much improved, assisted by the successful tender offer in August 2009 to buy part of our 2031 debenture stock. This has given us the confidence to make our first property purchases for some time, acquiring two shops in North London in established retail areas where we believe there is room for both capital and income growth from 2009 levels. Further investments that are not over rented and where we believe we can add value will be sought but, like many other investors, we are experiencing a shortage of stock in the marketplace of the type we are seeking to purchase.

RESULTS

Like-for-like underlying property rents have increased by approximately 2% on an annualised basis. Similarly underlying car park profits, compared to the same period last year, have also increased by approximately 2%. Focus on controlling overheads has reduced administrative expenses by 11% since 2008. The impact of one-off irrecoverable costs during the period under review has resulted in an increase in property expenses of 4%.

Profit before tax for the period is £31.5m (2008: £72.9m loss) to which the largest contributors are the £19.7m surplus on revaluation of our property portfolio and £9.0m profit arising on the repurchase of debenture stock.

Underlying profit before tax for the period is £2.5m (2008: £4.4m) and, with the benefit of REIT status, we are not expecting trading to result in a tax charge. The fall in profits largely reflects the loss of income as a consequence of property disposals, resulting in underlying earnings per share of 4.8p (2008: 8.2p). I should comment that the annual reduction in finance costs flowing from the debenture stock cancellation and the expiry of our interest swap contract on 19 October 2009 is not fully reflected in the charge for the period. These savings will be in full effect in the second half of the year which will also benefit from the non-recurrence of the one-off irrecoverable costs incurred in the period under review.

Net assets rose by 27.4% to £136.6m at 31 December 2009 (257p per share) from £107.2m (202p per share) at 30 June 2009.

DIVIDENDS

I am pleased to declare a 10% increase in the interim dividend to 3.02p per share, which will be paid as a Property Income Distribution ("PID") on 25 March 2010 to shareholders registered on 5 March 2010.

The Board aspires at least to hold the final dividend for 2010 at the same level as last year. This will depend on the outturn for the second half of the year and will comprise both PID and ordinary dividend.

REVIEW OF ACTIVITIES

Sales totalled £17m and generated a small profit above the June 2009 valuation. The major disposals were in Wrexham and Manchester. Wrexham comprised a mixture of some short leases, considerably over rented shops and a high percentage of risk of voids. Manchester was an office building let to a single tenant. Particularly pleasing was the sale of our newly completed residential apartments and town houses in Harrogate for a total consideration of £2.5m. The total impact of these sales on an annualised basis is to reduce surplus cash flow by £0.9m. We do however consider that until we are able to find replacement properties, reducing debt is a more advantageous short-term strategic direction for the Company.

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REVIEW OF ACTIVITIES CONTINUED

Occupancy levels continue to remain satisfactory with an improvement to 93% (30 June 2009: 92%), although the efforts made in reducing our voids have to some extent been offset by the sale of fully occupied investments. Aldi is now occupying and trading from our Piccadilly Basin retail store and a further retail unit is under offer. The remaining space at Piccadilly Basin represents 50% of total voids. We have made excellent progress in the letting of the refurbished offices at Town Centre House, having let a total of 28,000 sq ft with 12,500 sq ft remaining and under offer. Fluctuations in occupancy levels due to tenant Administrations and Company Voluntary Arrangements have continued to be well managed. Those which have occurred in the period have resulted in lettings at higher than the passing rental levels.

I can report that rental income on a like-for-like basis has grown, with once again the Merrion Centre proving resilient and attracting new occupiers such as Brighthouse in the main mall and the Consumer Credit Counselling Service expanding its office occupation in Wade House.

Rent collection has again been maintained at a satisfactory level with 96% collected by the due dates and with very modest bad debts.

The broad spread of our tenants (TCS has no tenants with more than three premises) and our focus on the "value for money" retail sector continues to insulate us from the worst of the operational problems that are likely to continue to face the retail property sector.

Our in-house management and asset management team has been recognised by our appointment to manage a shopping centre on behalf of an LPA Receiver. This will provide fee income and, in due course, a return from its appreciation in value. We are seeking to develop this area of the business and are pursuing similar asset management opportunities.

CAR PARKING

We are re-establishing our car parking operations and the first half of the current financial year was a period of consistent performance and modest income growth. Whitehall Road, Leeds has performed ahead of budget and our other car park operations at Clarence Dock, Leeds and Piccadilly Basin, Manchester have performed in line with our expectations. This is an area of the business that the Board has identified to grow both organically and through the acquisition of both freehold and leasehold sites and car park management opportunities.

FINANCING

Total gross borrowings at 31 December 2009 were £146.7m (30 June 2009: £185.3m). Borrowings comprise £106.0m of the 5.375% debenture stock expiring in 2031 with the balance representing drawings against bank facilities due for renewal in 2012 and 2014.

Shortly following the commencement of this financial year and as previously reported, The Royal Bank of Scotland plc ("RBS"), at the Company's request, made a tender offer to buy in part of our 2031 mortgage debenture stock. The offer was completed on 4 August 2009 when RBS sold the £43.8m of debenture stock it had acquired in the tender, at an average price of 77.6p, to the Company at a cost of £34.0m. The purchase was funded from our existing banking facilities and the debenture stock was immediately cancelled. Subsequently in December 2009 the Company made a small further purchase by private treaty of £200,000 of the debenture stock at a price of 77p. The stock was cancelled following purchase.

The impact of the tender (net of expenses) was to reduce the Company's debt and increase its net asset value by £9.0m (17p per share) without recourse

to dilutive equity funding. There are also the additional benefits of a reduced interest cost in the future, substantially extended headroom in the Company's loan to value covenants and a debt structure with far greater flexibility to fund the business going forward.

VALUATION

The valuation of our investment properties was £276.5m at 31 December 2009, of which £272.2m was externally valued by Jones Lang LaSalle and CB Richard Ellis and £4.3m was valued by the Directors. The valuation comprised a like-for-like increase from 30 June 2009 of £21.2m, disposals of £17m (of which £11.7m had been reclassified as non-current assets at 30 June 2009), refurbishment expenditure and purchases of £3.6m and an increase in value of £19.7m, of which £0.3m related to acquisitions during the period.

The initial yield on the investment portfolio was 7.3% (30 June 2009: 7.9%).

BOARD

On November 30 2009, Bob Bigley, our Finance Director, left the Company to pursue other career opportunities. The Board considers that Bob's input created and

added significant value to the Company during a period of unprecedented trading conditions for the property sector and wishes him well for the future. The Board is actively seeking to recruit a new Finance Director.

OUTLOOK

Our close attention to balance sheet management has left us in a robust position and we look, selectively, for opportunities to acquire stock that fits into our longer-term strategy. Nevertheless, we continue to regard 2010 with caution and are ready for any change in market conditions that may occur.

I am delighted we have reinforced the long-term financing of the Company. With focussed in-house management our rationalised portfolio has proved resilient, particularly the Merriion Centre, with its substantial exposure to "value for money" retailing, which has stood us in good stead.



EDWARD ZIFF
CHAIRMAN AND CHIEF EXECUTIVE
24 FEBRUARY 2010

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Consolidated Income Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	Notes	Six months ended 31 December 2009 Unaudited £000	Six months ended 31 December 2008 Unaudited £000	Year ended 30 June 2009 Audited £000
Gross revenue	2	11,282	14,251	27,286
Property expenses	4	(2,302)	(2,207)	(3,707)
Net revenue		8,980	12,044	23,579
Administrative expenses		(2,537)	(2,862)	(5,744)
Other income		412	207	501
Profit/(loss) on disposal of investment properties		48	(972)	(9,178)
Profit on disposal of other fixed assets		3	—	21
Profit on disposal of investment in joint venture		—	861	860
Profit on repurchase of debenture stock		8,956	—	—
Loss on disposal of listed investments		—	(95)	(3,374)
Valuation movement on investment properties		19,700	(76,676)	(107,733)
Operating profit/(loss)		35,562	(67,493)	(101,068)
Finance income		32	258	303
Finance costs		(4,333)	(5,694)	(11,012)
Share of post tax profits/(losses) from joint ventures		195	30	(835)
Profit/(loss) before taxation		31,456	(72,899)	(112,612)
Taxation credit	5	—	13	1,048
Profit/(loss) for the period		31,456	(72,886)	(111,564)
All profits/(losses) for the period are attributable to equity shareholders.				
Earnings/(loss) per ordinary share of 25p each:	7			
Basic		59.3p	(137.4p)	(210.3p)
Diluted		59.3p	(137.4p)	(210.2p)

The Directors have approved an interim dividend of 3.02p per share (2008: 2.75p). The 2009 final dividend paid in the period is £2.9m (for the six months ended 31 December 2008: £2.9m).

Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

		Six months ended 31 December 2009 Unaudited £000	Six months ended 31 December 2008 Unaudited £000	Year ended 30 June 2009 Audited £000
Profit/(loss) for the period		31,456	(72,886)	(111,564)
Other comprehensive income/(expense)				
Revaluation gains/(losses) on cash flow hedge		622	(1,335)	(780)
Revaluation gains/(losses) on other investments		144	(2,082)	(2,269)
Total comprehensive income/(expense) for the period		32,222	(76,303)	(114,613)

All recognised income/(expense) for the period is attributable to equity shareholders.

Consolidated Balance Sheet

AS AT 31 DECEMBER 2009

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	Notes	31 December 2009 Unaudited £000	31 December 2008 Unaudited £000	30 June 2009 Audited £000
Non-current assets				
Investment properties	8	276,535	343,221	258,535
Property, plant and equipment	8	15,012	16,374	15,024
Investments in joint ventures	9	2,767	3,613	2,562
Unamortised tenant lease incentives		1,320	982	1,276
Total non-current assets		295,634	364,190	277,397
Current assets				
Non-current assets held for sale		—	—	11,700
Investments		653	1,552	509
Trade and other receivables		1,776	5,578	3,533
Restricted cash		—	—	18,825
Cash at bank and in hand		466	—	—
Total current assets		2,895	7,130	34,567
Total assets		298,529	371,320	311,964
Current liabilities				
Financial liabilities – borrowings		—	(1,934)	(8,681)
Trade and other payables		(9,375)	(14,374)	(11,693)
Fair value of derivative asset		—	(1,177)	(622)
Current tax liabilities		(3,205)	(4,279)	(3,205)
Total current liabilities		(12,580)	(21,764)	(24,201)
Net current (liabilities)/assets		(9,685)	(14,634)	10,366
Non-current liabilities				
Financial liabilities – borrowings		(146,662)	(200,697)	(176,654)
Other creditors		(2,730)	(4,947)	(3,907)
Total non-current liabilities		(149,392)	(205,644)	(180,561)
Total liabilities		(161,972)	(227,408)	(204,762)
Net assets		136,557	143,912	107,202
Shareholders' equity				
Called up share capital	10	13,287	13,287	13,287
Share premium account		185	185	185
Other reserves		559	(618)	(63)
Retained earnings		122,526	131,058	93,793
Total equity		136,557	143,912	107,202
Net assets per share		257p	271p	202p

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Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	Share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 July 2008	13,287	185	717	208,822	223,011
Loss for the period	—	—	—	(72,886)	(72,886)
Other comprehensive expense:					
– Revaluation losses on cash flow hedge	—	—	(1,335)	—	(1,335)
– Revaluation losses on other investments	—	—	—	(2,082)	(2,082)
Total comprehensive expense for the period ended 31 December 2008	—	—	(1,335)	(74,968)	(76,303)
Other adjustments	—	—	—	7	7
Reversal of historic loss on revaluation of investments recognised in loss for period	—	—	—	67	67
Dividends relating to the year ended 30 June 2008 paid in December 2008	—	—	—	(2,870)	(2,870)
	—	—	—	(2,796)	(2,796)
Balance at 31 December 2008	13,287	185	(618)	131,058	143,912
Balance at 1 July 2009	13,287	185	(63)	93,793	107,202
Profit for the period	—	—	—	31,456	31,456
Other comprehensive income:					
– Revaluation gains on cash flow hedge	—	—	622	—	622
– Revaluation gains on other investments	—	—	—	144	144
Total comprehensive income for the period ended 31 December 2009	—	—	622	31,600	32,222
Other adjustments	—	—	—	3	3
Dividends relating to the year ended 30 June 2009 paid in December 2009	—	—	—	(2,870)	(2,870)
	—	—	—	(2,867)	(2,867)
Balance at 31 December 2009	13,287	185	559	122,526	136,557

Consolidated Cash Flow Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	Notes	Six months ended 31 December 2009 Unaudited		Six months ended 31 December 2008 Unaudited		Year ended 30 June 2009 Audited	
		£000	£000	£000	£000	£000	£000
Cash flows from operating activities							
Cash generated from operations	11	5,877		8,432		12,262	
Interest paid		(4,482)		(6,158)		(11,023)	
Interest received		7		46		64	
Tax received		—		13		13	
Net cash generated from operating activities		1,402		2,333		1,316	
Cash flows from investing activities							
Purchases and refurbishment of investment properties		(4,125)		(8,691)		(10,614)	
Property development and purchase of other fixed assets		(106)		(243)		(1,059)	
Proceeds from sale of investment properties		17,065		9,504		47,023	
Proceeds from sale of investment in joint venture		—		3,367		3,366	
Proceeds from sale of property, plant and equipment		9		87		197	
Proceeds from sale of investments		—		68		716	
Dividends received from joint venture		—		—		100	
(Increase in)/repayment of loans to joint ventures		(10)		9,278		9,153	
Net cash generated from investing activities		12,833		13,370		48,882	
Cash flows from financing activities							
Release/(restriction) of cash held against debenture		18,825		—		(18,825)	
Drawdown/(repayment) of other non-current borrowings		14,000		(7,000)		(31,000)	
Repurchase of debenture stock		(35,043)		—		—	
Dividends paid to shareholders		(2,870)		(2,870)		(4,334)	
Net cash used in financing activities		(5,088)		(9,870)		(54,159)	
Net increase/(decrease) in cash and cash equivalents		9,147		5,833		(3,961)	
Cash and cash equivalents at beginning of period		(8,681)		(4,720)		(4,720)	
Cash and cash equivalents at period end		466		1,113		(8,681)	

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The Consolidated Cash Flow Statement should read in conjunction with Note 11.

Notes to the consolidated interim financial information

1. BASIS OF PREPARATION

This interim financial information was approved for issue on 24 February 2010.

This interim financial information has been prepared under the historical cost convention as modified by the revaluation of land and buildings, available-for-sale investments, financial assets and liabilities held for trading and share-based payments. The principal accounting policies followed in the preparation of this interim financial information are set out in the Group's Annual Report and Accounts for the year ended 30 June 2009 on pages 34 to 40.

This interim financial information for the six months ended 31 December 2009 does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006 and is unaudited. The comparative figures for the six months ended 31 December 2008 were also unaudited. Statutory accounts for the year ended 30 June 2009 were approved by the Board of Directors on 9 September 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

This interim financial information for the six months ended 31 December 2009 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

2. REVENUE AND UNDERLYING PROFIT BEFORE TAXATION

	Six months ended 31 December 2009 £000	Six months ended 31 December 2008 £000	Year ended 30 June 2009 £000
Rental income from investment properties	8,876	11,891	22,577
Income from car parks	2,406	2,360	4,709
Gross revenue	11,282	14,251	27,286
Property expenses ¹	(1,402)	(926)	(1,736)
Car park expenses	(1,000)	(928)	(1,892)
Administrative expenses	(2,537)	(2,862)	(5,744)
	6,343	9,535	17,914
Joint venture income	73	74	122
Other income	412	207	501
Interest	(4,301)	(5,436)	(10,709)
Underlying profit before tax	2,527	4,380	7,828

¹ Excluding non-recurring items – see Note 4.

3. SEGMENTAL INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

SEGMENT ASSETS

	31 December 2009	31 December 2008	30 June 2009
	£000	£000	£000
Property rental	285,319	357,980	298,606
Car park activities	13,210	13,340	13,358
	298,529	371,320	311,964

SEGMENTAL RESULTS

	Six months ended 31 December 2009			Six months ended 31 December 2008		
	Property rental £000	Car park activities £000	Total £000	Property rental £000	Car park activities £000	Total £000
Gross revenue	8,876	2,406	11,282	11,891	2,360	14,251
Property expenses	(1,277)	(1,025)	(2,302)	(1,219)	(988)	(2,207)
Net revenue	7,599	1,381	8,980	10,672	1,372	12,044
Administrative expenses	(2,513)	(24)	(2,537)	(2,826)	(36)	(2,862)
Other income	412	—	412	207	—	207
Valuation movement on investment properties	19,700	—	19,700	(74,138)	(2,538)	(76,676)
Profit on repurchase of debenture stock	8,956	—	8,956	—	—	—
Profit on disposal of shares in joint venture	—	—	—	—	861	861
Other exceptional items	51	—	51	(1,067)	—	(1,067)
Operating profit/(loss)	34,205	1,357	35,562	(67,152)	(341)	(67,493)
Finance income	32	—	32	189	69	258
Finance costs	(4,333)	—	(4,333)	(5,694)	—	(5,694)
Share of post tax profits from joint ventures	195	—	195	15	15	30
Profit/(loss) before taxation	30,099	1,357	31,456	(72,642)	(257)	(72,899)
Taxation credit	—	—	—	13	—	13
Profit/(loss) for the period	30,099	1,357	31,456	(72,629)	(257)	(72,886)

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4. PROPERTY EXPENSES

	Six months ended 31 December 2009 £000	Six months ended 31 December 2008 £000	Year ended 30 June 2009 £000
Irrecoverable property costs	983	626	1,163
Legal and professional fees	334	211	400
Car park expenses	1,000	928	1,892
Depreciation	25	60	102
Other	60	29	71
Non-recurring items:			
– Exceptional lease premiums paid	—	353	353
– Release of provision for void costs due to tenant administration	(100)	—	(274)
	2,302	2,207	3,707

5. TAXATION CREDIT

	Six months ended 31 December 2009 £000	Six months ended 31 December 2008 £000	Year ended 30 June 2009 £000
Current tax			
Tax expense for the period	—	—	170
Adjustment in respect of prior year	—	(13)	(1,218)
Total current tax credit	—	(13)	(1,048)
Total tax credit in the income statement	—	(13)	(1,048)

6. DIVIDENDS

A final dividend in respect of 2009 of 5.4p per share was approved at the Company's Annual General Meeting on 19 November 2009 and paid to shareholders on 4 January 2010. This dividend comprised an ordinary dividend of 1.3p per share and a Property Income Distribution ("PID") of 4.1p per share.

An interim dividend in respect of 2010 of 3.02p per share is also proposed. This amounts to an estimated dividend of £1.6m which has not been reflected in this report and which will be paid on 25 March 2010 to shareholders on the register on 5 March 2010.

This dividend will be paid entirely as a PID.

7. EARNINGS/(LOSS) PER SHARE

	Six months ended 31 December 2009		Six months ended 31 December 2008		Year ended 30 June 2009	
	Earnings £000	Earnings per share Pence	(Loss)/ earnings £000	(Loss)/ earnings per share Pence	(Loss)/ earnings £000	(Loss)/ earnings per share Pence
Basic earnings/(loss) and earnings/(loss) per share	31,456	59.3	(72,886)	(137.4)	(111,564)	(210.3)
Profit on repurchase of debenture stock	(8,956)	(16.9)	—	—	—	—
Release of exceptional tax provision	—	—	—	—	(1,012)	(1.9)
(Profit)/loss on disposal of investment properties	(48)	(0.1)	972	1.8	9,178	17.3
Loss on disposal of listed investments	—	—	95	0.2	3,374	6.4
Profit on disposal of shares in joint venture	—	—	(861)	(1.6)	(860)	(1.6)
Revaluation movement on investment properties	(19,700)	(37.1)	76,676	144.5	107,733	203.0
Exceptional lease premiums paid	—	—	353	0.7	353	0.7
Release of provision for tenant administration	(100)	(0.2)	—	—	(274)	(0.5)
Revaluation movement on investment properties in joint ventures	(122)	(0.2)	—	—	927	1.7
Underlying earnings and earnings per share	2,530	4.8	4,349	8.2	7,855	14.8

The diluted earnings/(loss) per share as at 31 December 2009 is 59.3p per share and underlying is 4.8p (31 December 2008: (137.4p), underlying: 8.2p; 30 June 2009: (210.2p), underlying: 14.8p).

Underlying earnings and earnings per share have been disclosed in order that the effects of disposal profits and losses, revaluation movements and non-recurring items can be fully appreciated.

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average of ordinary shares in issue during the year, excluding those held in the employee share trust which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume the conversion of all dilutive potential ordinary shares. The Group has three classes of dilutive potential ordinary shares: those under the Executive Share Option Plan, the Share Incentive Plan and the Save As You Earn Scheme.

8. TANGIBLE FIXED ASSETS
A) INVESTMENT PROPERTIES

	Freehold £000	Long leasehold £000	Total £000
Valuation at 1 July 2009	243,015	15,520	258,535
Additions	3,609	—	3,609
Disposals	(5,313)	—	(5,313)
Increase/(decrease) in value on revaluation	20,754	(1,050)	19,704
Valuation at 31 December 2009	262,065	14,470	276,535

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8. TANGIBLE FIXED ASSETS CONTINUED

B) PROPERTY, PLANT AND EQUIPMENT

DEVELOPMENT PROPERTIES

	£000
Net book value at 1 July 2009	14,389
Additions	6
Impairment	(4)
Net book value at 31 December 2009	14,391

FIXTURES, EQUIPMENT AND MOTOR VEHICLES

	£000
Net book value at 1 July 2009	635
Additions	65
Disposals	(23)
Depreciation	(56)
Net book value at 31 December 2009	621

Total property, plant and equipment at 31 December 2009

15,012

9. INVESTMENTS IN JOINT VENTURES

	Six months ended 31 December 2009 £000	Six months ended 31 December 2008 £000	Year ended 30 June 2009 £000
Interest in joint ventures			
Opening interest			
Net assets	659	4,100	4,100
Loans	1,903	11,056	11,056
	2,562	15,156	15,156
Shares disposed in period	—	(2,506)	(2,506)
Share of profits/(losses) after tax	195	30	(835)
Dividend paid	—	—	(100)
Loan movement in period	10	(9,067)	(9,153)
Closing interest	2,767	3,613	2,562

10. CALLED UP EQUITY SHARE CAPITAL**AUTHORISED**

164,879,000 (30 June 2009: 164,879,000) ordinary shares of 25p each.

ISSUED AND FULLY PAID

	Number of shares 000	Nominal value £000
At 1 July 2009	53,149	13,287
At 31 December 2009	53,149	13,287

11. CASH FLOW FROM OPERATING ACTIVITIES

	Six months ended 31 December 2009 £000	Six months ended 31 December 2008 £000	Year ended 30 June 2009 £000
Profit/(loss) for the period	31,456	(72,886)	(111,564)
Adjustments for:			
Tax	—	(13)	(1,048)
Depreciation	73	145	244
(Profit)/loss on disposal of investment properties	(48)	972	9,178
Profit on repurchase of debenture stock	(8,956)	—	—
Profit on disposal of joint venture	—	(861)	(860)
Realised (profits)/losses on disposal of property, plant and equipment and listed investments	(3)	102	3,353
Finance income	(32)	(258)	(303)
Finance costs	4,333	5,694	11,012
Share of joint venture (profits)/losses after tax	(195)	(30)	835
Movement in revaluation of investment properties	(19,700)	76,676	107,733
Decrease/(increase) in debtors	1,712	1,244	(52)
Decrease in creditors	(2,763)	(2,353)	(6,266)
Cash generated from operations	5,877	8,432	12,262

REVIEW
OF THE
HALF YEARFINANCIAL
INFORMATION

Responsibility Statement of the Directors

FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed interim financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.



EDWARD ZIFF
CHAIRMAN AND CHIEF EXECUTIVE



RICHARD LEWIS
GROUP PROPERTY DIRECTOR
24 FEBRUARY 2010

**CHAIRMAN AND
CHIEF EXECUTIVE**

Edward Ziff

EXECUTIVE DIRECTOR

Richard Lewis FRICS

NON-EXECUTIVE DIRECTORS

John Nettleton FRICS ACIArb
Michael Ziff Hon DUniv (Brad)
Howard Stanton FCCA

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Credit Suisse

BROKERS

Arbuthnot Securities

BANKERS

Lloyds Banking Group plc
The Royal Bank of Scotland plc

SOLICITORS

DLA Piper UK LLP

VALUERS

Jones Lang LaSalle
CB Richard Ellis

CORPORATE PUBLIC RELATIONS

Smithfield Consultants Limited

**REGISTRAR AND
TRANSFER OFFICE**

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0GA

**TRUSTEES TO MORTGAGE
DEBENTURE HOLDERS**

Capita IRG Trustees
7th Floor
Phoenix House
18 King William Street
London EC47 HEE

Interim dividend payable	25 March 2010
Annual General Meeting	18 November 2010
Final dividend for the year payable	5 January 2011

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