

FLETCHER KING PLC

Interim Results for the 6 months ended 31 October 2009

Financial Highlights

Turnover :	£1.315M	(2008: £1,612M)*
PBT :	£218,000	(2008: £236,000)*
EPS :	1.66p per share	(2008: 2.18p per share)*

* Comparables adjusted to exclude effect of Fletcher King Howard which was disposed of on 19th December 2008.

Operational Highlights

- **The Market** - Conditions in the UK Commercial Property Market continue to be challenging although capital values have bottomed out.
- **Fund Management and Investment** - Transactions are elusive but Fund Management remains active.
- **Valuation and Rating** - Valuation volume is down but Rating is very active with significant numbers of new clients.

Commenting on the results David Fletcher, Chairman of Fletcher King said :

“Although transactions remain elusive the remainder of our business continues well. The New Rating List has created much activity and we have added significantly to our client list.

Unlike many of our competitors we remain profitable with a strong balance sheet, cash reserves and no debt”

ENQUIRIES:

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The interim results will be available on the Company's web site www.fletcherking.co.uk

FLETCHER KING PLC
INTERIM RESULTS FOR THE 6 MONTHS TO 31 OCTOBER 2009

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These consolidated interim financial statements were approved by the Board of Directors on 16 December 2009.

CHAIRMANS STATEMENT

Results

Turnover for the period was £1.315M (2008:£1.612M)* with profit before tax of £218,000 (2008: £236,000)*. These figures include an exceptional rates rebate of £116,000. Earnings per share from continuing operations are 1.66p (2008:2.18p)*. In view of the current economic climate your Directors have not declared an interim dividend. The Directors will review the dividend policy in the light of confirmed performance in the second half of the financial year and are currently anticipating the payment of a special interim dividend in March which will take the place of a final dividend.

* Comparables adjusted to exclude effect of Fletcher King Howard which was disposed of on 19 December 2008.

Commercial Property Market

Conditions generally in the UK Commercial Property market continue to be difficult although, since early September, there has been a marked increase in the value of well let long income investment properties. A sizeable amount of money is available from both domestic and foreign buyers who require minimal or no debt and properties that match their requirements have seen a significant yield contraction. This has taken most of the industry by surprise particularly as the letting market is generally experiencing a fall in rental values.

It seems unlikely that this spike in values is sustainable in the medium term particularly as there is an increasing supply of property coming to the market with rising values encouraging more vendors to sell. There is little sign, as yet, that the banks are pushing for sales but that situation could easily change if they see the possibility of debt repayment.

After the General Election next year the new Government will need to implement cost cutting and revenue raising measures both of which are likely to impact the economy adversely.

We therefore expect to see some of the recent rise in values fall back and there will continue to be buying opportunities.

Fund Management and Investment

Our transaction business continues to be sluggish although it is marginally more active than at the same time last year. We are hopeful that the second half will see more deals completed.

The non transactional side of Fund Management is buoyant and we continue to hold the latest SHIPS fund in cash. We are actively seeking investments for the Fund but only at prices we consider to be fair value. We have been outbid on a number of potential acquisitions but are hopeful of concluding some purchases before the year end.

Asset Management

The department continues to be very active and has added to its client list during the period. There have been some tenant failures but it is pleasing that, in these difficult economic times, we are maintaining our track record of collecting at least 95% of due rents within 3 days of the quarter day.

Valuation and Rating

The volume of valuation instructions has diminished as Banks have retrenched on lending despite reports in the press to the contrary. We do not expect any significant increase in valuation work during the second half but the regular portfolio valuations are keeping the team busy.

The 2010 Rating Valuation List is now published and as a result we are busy advising our many clients on its implication for their businesses.

We have worked hard to expand our client list and have signed up a large number of new clients in the last few months. Most of this new work is in respect of the 2010 List although for several we are also appealing their 2005 assessments and that will generate income for us in the shorter term.

Outlook

We adjusted our overhead early in the cycle and are thus in a reasonably healthy financial position. Unlike many of our competitors we have cash reserves, are trading profitably, and most important have no debt.

We currently expect performance in the second half to be similar to the first although we are hopeful that there will be more investment transactions.

D J R Fletcher
Chairman
17th December 2009

Registered Office
61 Conduit Street
London W1S 2GB

Consolidated Interim Income Statement
(unaudited) for the 6 months ended 31 October 2009

	6 months ended 31 October 2009 £000	6 months ended 31 October 2008 £000	Year ended 30 April 2009 £000
Revenue	1,315	1,612	3,130
Employee benefits expense	(681)	(835)	(1,634)
Depreciation expense	(37)	(37)	(73)
Exceptional impairment losses	-	-	(167)
Exceptional costs on transfer to AIM	-	(68)	(68)
Exceptional rates rebate	116	-	-
Other operating expenses	(500)	(506)	(1,096)
Operating profit	213	166	92
Impairment of available-for-sale investments	-	-	(178)
Income from investments	-	9	13
Finance Income	5	61	74
Profit before taxation	218	236	1
Analysed as:			
Profit before taxation, exceptional items and impairments	102	304	414
Exceptional impairment losses	-	-	(167)
Exceptional costs on transfer to AIM	-	(68)	(68)
Exceptional rates rebate	116	-	-
Impairment of available for sale investments	-	-	(178)
Profit before taxation	218	236	1
Taxation	(65)	(35)	42
Profit for the period from continuing operations	153	201	43
Loss for the period from discontinued operations	-	(162)	(475)
Profit /Loss for the period attributable to equity share holders	153	39	(432)
Basic Earnings/(loss) per share (note 4)			
Continuing operations	1.66p	2.18p	0.47p
Discontinued operations	-	(1.76)p	(5.16)p
Total Operations	1.66p	0.42p	(4.69)p
Diluted Earnings/(loss) per Share (note 4)			
Continuing operations	1.66p	2.18p	0.47p
Discontinued operations	-	(1.76)p	(5.16)p
Total Operations	1.66p	0.42p	(4.69)p
Dividends per share			
Interim dividend proposed	-	-	-
Dividends paid	1.00p	1.75p	1.75p

Consolidated Interim Balance Sheet
(unaudited) as at 31 October 2009

	31 October 2009 £000	31 October 2008 £000	30 April 2009 £000
Assets			
Non-current assets			
Property, plant and equipment	321	429	358
Available for sale investments	250	428	250
Deferred tax assets	93	46	93
	664	903	701
Current Assets			
Trade and other receivables	631	1,579	899
Amounts recoverable on contracts	-	194	-
Cash and cash equivalents	2,265	1,913	2,129
	2,896	3,686	3,028
Total assets	3,560	4,589	3,729
Liabilities			
Current liabilities			
Trade and other payables	224	571	297
Current taxation liabilities	77	23	-
Other creditors	424	750	658
	725	1,344	955
Shareholders' equity			
Share capital	921	921	921
Share premium	140	140	140
Reserves	1,774	2,184	1,713
Total shareholders' equity	2,835	3,245	2,774
Total equity and liabilities	3,560	4,589	3,729

Consolidated Interim Statement of Changes in Equity
(unaudited) for the 6 months ended 31 October 2009

	Share capital £000	Share premium £000	Profit and loss £000	Total reserves £000	TOTAL EQUITY £000
Balance at 1 May 2009	921	140	1,713	1,713	2,774
Net profit for the period	-	-	153	153	153
Total income and expense for the period	-	-	153	153	153
Equity dividends paid	-	-	(92)	(92)	(92)
Balance at 31 October 2009	921	140	1,774	1,774	2,835
Balance at 1 May 2008	921	140	2,306	2,306	3,367
Net profit for the period	-	-	39	39	39
Total income and expense for the period	-	-	39	39	39
Equity dividends paid	-	-	(161)	(161)	(161)
Balance at 31 October 2008	921	140	2,184	2,184	3,245
Balance at 1 May 2008	921	140	2,306	2,306	3,367
Net profit for the period	-	-	(432)	(432)	(432)
Total income and expense for the period	-	-	(432)	(432)	(432)
Equity dividends paid	-	-	(161)	(161)	(161)
Balance at 30 April 2009	921	140	1,713	1,713	2,774

Consolidated Interim Cash Flow Statement
(unaudited) for the 6 months ended 31 October 2009

	6 months ended 31 October 2009 £000	6 months ended 31 October 2008 £000	Year ended 30 April 2009 £000
Cash flows from operating activities			
Profit before taxation from continuing operations	218	236	1
Loss before taxation from discontinued operations	-	(162)	(389)
Adjustments for:			
Depreciation expense	37	45	82
Impairment of available-for-sale investments	-	-	178
Income from investments	-	(9)	(13)
Finance income	(5)	(61)	(75)
Cash flows from operating activities before movement in working capital	250	49	(216)
(Increase) / decrease in trade and other receivables	268	(117)	265
Increase / (decrease) in trade and other payables	(307)	(512)	(491)
Decrease / (increase) in work in progress	-	(40)	63
Cash (absorbed by) / generated from operations	211	(620)	(379)
Taxation received/(paid)	12	(132)	(136)
Net cash flows from operating activities	223	(752)	(515)
Cash flows from investing activities			
Purchases of equipment	-	(17)	(17)
Proceeds from sale of equipment	-	-	6
Finance income	5	61	75
Income from investments	-	9	13
Disposal of subsidiary undertaking net of cash disposed	-	-	(45)
Net cash flows from investing activities	5	53	32
Cash flows from financing activities			
Dividends paid to shareholders	(92)	(161)	(161)
Net cash flows from financing activities	(92)	(161)	(161)
Net increase/ (decrease) in cash and cash equivalents	136	(860)	(644)
Cash and cash equivalents at start of period	2,129	2,773	2,773
Cash and cash equivalents at end of period	2,265	1,913	2,129

1. General information

The Company is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 61 Conduit Street, London W1S 2GB.

These interim financial statements were approved by the Board of Directors on 16 December 2009.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 30 April 2010.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2009.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3 Non Statutory Accounts

The financial information for the year ended 30 April 2009 set out in this interim report does not constitute the Group's statutory accounts for that period. The statutory accounts for the year ended 30 April 2009 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the 6 months ended 31 October 2009 and 31 October 2008 is unaudited.

The financial information for the 6 months ended 31 October 2008 has been restated to take accounting of the disposal of Fletcher King Howard Limited on 19 December 2008.

4 Earnings/(loss) per share

	Six Months to 31 st October 2009 Number	Six months to 31 st October 2009 Number	Year ended 30 th April 2009 Number
Weighted average number of shares for basic earnings/(loss) per share.	9,209,779	9,209,779	9,209,779
Dilutive potential shares: share options	-	11,696	-
Weighted average number of shares for diluted earnings/(loss)per share	9,209,779	9,221,475	9,209,779
	£'000	£'000	£'000
Earnings/(loss) for basic and diluted earnings per share:			
Continuing Operations	153	201	43
Discontinued Operations	-	(162)	(475)
Total	153	39	(432)