INVISTA
REAL ESTATE
INVESTMENT MANAGEMENT

Invista Foundation Property Trust Limited

Interim Report for six months ended 30 September 2011

www.ifpt.co.uk

Company Summary

Invista Foundation Property Trust Limited aims to provide Shareholders with an attractive level of income together with the potential for income and capital growth from investing in UK commercial property.

Invista Foundation Property Trust Limited and its subsidiaries (the "Company"/the "Group") hold a diversified portfolio of UK commercial properties, which is mainly invested in three commercial property sectors: office, retail and industrial. The Group may also invest in other sectors from time to time. The Group will not invest in other listed investment companies. In pursuing the investment objective, the Investment Manager concentrates on assets with good fundamental characteristics, a diverse spread of occupational tenants and with opportunities to enhance value through active management.

Financial Summary

- Net asset value ("NAV") per share decreased by 7%.
- Earnings per share of 0.3p.
- The Company has declared and paid dividends amounting to 1.76p per share.

	30 Sep 11	31 Mar 11	% change
NAV[1]	**£168.4m**	£181.0m	(7.0)
NAV per ordinary share[1] (pence)	**47.3**	50.9	(7.1)
Share price (pence)	**33.0**	38.1	(13.4)
Share price (discount)/premium to NAV	**(30.3%)**	(25.1%)	
NAV total return[2]	**-3.7%**	4.2%	
FTSE All Share Index	**2,654.4**	3,067.7	(13.5)
FTSE EPRA/NAREIT UK Real Estate Index	**1,024.9**	1,195.9	(14.3)
Total Group assets less current liabilities	**£382.0m**	£386.9m	(1.3)
Borrowings as % of total assets less current liabilities	**45.4%**	44.8%	(0.6)[3]
Loan-to-value ratio, net of all cash[4]	**40.3%**	38.8%	(1.5)[3]

Sources: Invista Real Estate Investment Management and Datastream based on returns during the period from 1 April 2011 to 30 September 2011.

1 NAV is calculated using International Financial Reporting Standards.

2 NAV total return calculated by Invista Real Estate Investment Management Limited.

3 Percentage point change.

4 Loan-to-value ratio is total borrowings less total cash as a percentage of investment property.

Chairman's Statement

Andrew Sykes
Chairman
Invista Foundation Property Trust Limited

Results

The Company's Net Asset Value ("NAV") as at 30 September 2011 was £168.4 million, or 47.3 pence per share ("pps"), which compares with £181.0 million or 50.9 pps as at 31 March 2011. This reflected a decline of 3.6 pps or -7.1% over the period. Shareholders received total dividends of 1.76 pps over the period resulting in a NAV total return of -3.7%. From the launch of the Company to 30 September 2011, its NAV total return has been –3.6% per annum.

The value of the underlying property portfolio was largely unchanged over the period, supported by income and value enhancing asset management activity. However, the Company's NAV was adversely affected by a further negative movement in the marked-to-market value of the Group's interest rate swaps of £7.45 million, contributing -2.1 pps of the -3.6 pps decline over the period. As at 30 September 2011, the swaps are valued at -£30.6 million, representing 18% of the NAV or 8.6 pps.

Corporate activity

In March 2011, the Board gave notice to the current manager, Invista Real Estate Investment Management Limited ("IREIM"), of the termination of its investment management contract. As previously announced, the Board subsequently conducted an extensive review of the options open to the Company, culminating in a competitive process in which a number of parties were invited to make proposals to the Board. On 17 August 2011, the Company entered into non-binding Heads of Agreement to appoint Schroder Property Investment Management Limited ("Schroders") to manage the Company's portfolio.

On 19 August 2011, the Company announced that it had received a merger approach from Picton Property Income Limited ("Picton"). The Board and its advisors then engaged in extensive discussions with Picton and their advisors, with both Companies conducting an extensive due diligence process. At the end of this process, the Board concluded that it was

Chairman's Statement

not minded to recommend Picton's offer as being in the best interests of all shareholders at this time. This position was based on a consideration of a number of factors including dividend cover, loan-to-value ratios, portfolio potential and income quality, refinancing risks, merger costs and prospects for future marketability. The Board cooperated fully with Picton, urging it and its advisors to announce their indicative terms so that all shareholders could consider the merits of their indicative offer. In the event, however, Picton's Board made the decision not to proceed with the offer.

Detailed negotiations to appoint Schroders continued in parallel through this process and on 31 October 2011, an Investment Management Agreement was signed, with Schroders' appointment due to take effect upon certain conditions being satisfied. These include formal consents from the Company's lenders, termination of the IREIM contract and the recruitment by Schroders of certain key senior individuals currently employed by IREIM. Once the appointment takes effect, Schroders will receive a fee of 1.1% per annum of the Company's NAV to provide investment management and accounting services, resulting in annual cost savings for the Company of approximately £1.8 million.

The conditions are in the process of being satisfied and the transition from IREIM to Schroders is expected to take place in November 2011. The appointment of Schroders with members of the existing management team provides continuity and an attractive and viable platform to drive value for shareholders.

Market overview

Since the summer, sentiment towards UK commercial property has weakened in the face of falling occupational demand, reducing rental values and the lack of finance, together with significant volatility across equity and debt markets, led most recently by concerns over Eurozone sovereign debt liabilities. This has coincided with more property investments being offered for sale, particularly by banks and forced sellers, and reducing demand for all property types. There is still selective demand for prime assets at current prices, particularly in Central London and the South East, and this should be maintained given low interest rates and the quantitative easing stimulus. Relative pricing between prime and poor secondary/tertiary property has increased further, led by concerns over tenant default, falling rental values and voids, and weak secondary and tertiary property values are at risk of further falls in the coming period.

The latest Investment Property Databank ("IPD") Monthly Index for the six months to 30 September 2011 showed that average UK commercial property capital values increased by 0.63%, contributing to a total return of 4% for the period. The rate of monthly capital growth has continued to slow with the increase in the quarter to September of 0.21% the lowest quarterly rise since mid 2009. The office sector generated the strongest capital growth over the period at +1.7%, largely driven by Central London, where prime yields are now close to historic lows. The retail and industrial sectors generated materially weaker growth at 0.11% and -0.09% respectively, which at a sector level was driven by negative rental value growth. As expected, the IPD analysis also shows that there has continued to be a wide divergence in performance by sub-sector, geography and property type.

Property performance

The Board continues to monitor the performance of the Company's underlying property portfolio compared to its IPD peer group Benchmark ("the Benchmark"). The latest available data to 30 September 2011, showed that over 12 months the portfolio produced a total return of 6.7% compared to the Benchmark of 7.8%, with the underperformance largely driven by a below average weighting to Central London. The longer-term relative performance remains positive, with a three year total return of 2.7% compared to the Benchmark of 1.8%, and a five year total return of -0.3% compared to the Benchmark of -1.6%.

Financing

The Company has a single on-balance sheet loan facility of £173.5 million that matures in July 2014. As at 30 September 2011, allowing for transactions since the period end, the Company's on-balance sheet loan-to-value ratio, net of cash, is 42.3% against a net loan-to-value ratio covenant of 60%. Following the acquisition of West Bromwich the Group has total cash of £25.1 million, excluding the liquidity facility, of which £15 million is outside the security pool charged to the Group's lenders. The Company continues to have significant headroom on its interest cover ratio of 226% compared with the covenant of 150%, calculated on a simplified basis of rental income as a proportion of interest cost.

Recent problems in the Eurozone have heightened concerns over the willingness of the banking sector to provide finance for real estate. The Manager and the Board will be considering the optimum refinancing strategy well in advance of the loan maturity in July 2014.

Strategy and Outlook

The Company's activities are directed towards meeting its key objectives including particularly increasing net income, improving dividend cover and positioning the portfolio for the forthcoming re-financing event in 2014. The Board has concluded that following the recent appointment of the new Manager it would be both timely and appropriate to review the structure of the portfolio and individual property asset management plans and, if necessary, to implement changes so as to optimise the meeting of the objectives. This review is underway and will be completed early in the New Year.

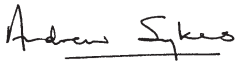
Despite the corporate activity and uncertainty around the Manager over the period, there has been good progress on the management of the portfolio. This contributed to an increase in a pre-tax dividend cover to 53% over the period, including the provision for the project costs relating to the Picton merger proposal. Since the period end, the rental income stream from the recent acquisition of the BT building in West Bromwich and the costs savings which will flow from the appointment of Schroders should add a further £3 million to net income, increasing dividend cover by approximately 26% and moving the Company closer to achieving its objective of having a fully covered dividend.

Within the property portfolio, the Manager's plans to secure planning permission at the Reynards Trading Estate in Brentford and to realise the Company's stake in Plantation Place could potentially have a material impact on dividend cover and NAV. These are described in more detail in the Manager's review.

Summary

There has been a great deal of activity over the last nine months arising from the Picton proposal, the change of Investment Manager and the implementation and consolidation of some important transactions. These challenging circumstances have required the continued energy and attention of the Board, as well as the Manager, and I am grateful to all my colleagues (and the Company's advisors) for their considerable efforts over the period.

The Company is now in a position to move forward with certainty around the management and a clear strategy to deliver long-term value to shareholders. The appointment of Schroders, with its considerable resources and expertise, and the completion of recent transactions provide the Company with a sound platform to continue improving our income and asset base, while at the same time addressing the challenges which are likely to confront us in a weak economy and volatile markets.



Andrew Sykes
Chairman
Invista Foundation Property Trust Limited

18 November 2011

Investment Manager's Report

Duncan Owen
Chief Executive
Invista Real Estate Investment Management Limited

Performance and strategy

The recovery in the UK commercial market has slowed over the reporting period with muted capital growth. Against this background, the value of the Company's property portfolio fell slightly by -0.2% over period, compared with +0.6% for the six months to 31 March 2011. This, combined with a material increase in the negative marked-to-market value of the Group's interest rate swaps and the dividend shortfall resulted in a NAV total return of -3.7% over the six-month period, compared with growth of 4.2% for the year to March 2011.

As highlighted in the Chairman's Statement, progress continues to be made in the implementation of the Company's strategy. This is reflected in both an increase in dividend cover to 53% over the period as well as additional improvements resulting from increases in rental income that have been agreed and will take effect over the next few months and years. In summary, highlights contributing to this improvement over the period include:

- recycling capital by selling a shop in York for £5.5 million at a 5% net initial yield and redeploying proceeds in a shop in Liverpool for £5.5 million at a net initial yield of 11.3%;
- increasing contracted future rental uplifts, prior to West Bromwich, to £2.8 million from £2.55 million with £1.9 million commencing in the course of the next 12 months;
- reduction in the void rate to 12.0% from 12.9% with further new lettings terms agreed for additional leases that will reduce the void rate to 10%; and
- tight control of a reduced expenses budget, prior to exceptional items relating to corporate activity.

Investment Manager's Report

Key events since the period end that increase dividend cover further include:

- completion of the acquisition of the BT Building in West Bromwich for £14.9 million, which has since been revalued at £18.9 million, generating rental income with immediate effect and increasing dividend cover by 11.9% above the level achieved in the quarter to 30 September 2011; and
- the appointment, to take effect shortly, of Schroders as the new Investment Manager, which will reduce management costs by £1.8 million per annum, increasing dividend cover by a further 14.4%.

Against the backdrop of continuing economic uncertainty and volatility, portfolio activity has maintained the defensive qualities of the portfolio, including:

- a net loan-to-value of 42.3% following the acquisition of West Bromwich, set against a loan-to-value covenant ratio of 60%;
- cash of £25.1 million, excluding the liquidity facility, of which £15 million is outside the security pool charged to the Group's lenders and consequently provides operational flexibility;
- average unexpired lease term, assuming all tenants vacate at earliest opportunity, of 8.2 years; and
- good tenant covenant profile, with IPD ranking the portfolio on the 13th percentile of the Benchmark in terms of tenant quality and lease length.

The market

As highlighted in the Chairman's statement,the latest Investment Property Databank ("IPD") Monthly Index for the six months to 30 September 2011, showed that average UK commercial property values increased by 0.63%, contributing to a total return of 4% for the period. However, values remain 28.6% below their peak in 2007 and the pace of growth decelerated over period. The IPD Monthly Index for October 2011, also only recorded a nominal capital value increase of 0.1% and the continued growth is notable both for its slowing rate as well as the disconnect between rising capital values and ongoing falling rental values. Therefore, although UK commercial property values have increased slightly over the period, the weak UK economy is restricting future growth prospects.

Both this challenge, and how the Government responds, are affecting different sectors in the property market in different ways. These challenges are negatively impacting secondary and tertiary property more than prime, where longer leases and the upwards only review patterns are typically insulating investors against actual rental declines. Prime property has also benefited from the Bank of England restarting quantitative easing with up to £75 billion to be invested in Government Securities. This is reducing the risk-free rate and increasing values for well secured investments, particularly where there is protection against inflation through either index-linked or fixed rental uplifts. Prime and good quality secondary property have also benefited more generally through the attractive initial income return offered in comparison to the other main asset classes.

The polarised market can be illustrated by IPD Quarterly Index yields, with a spread of 4.75% between average prime (25th percentile of IPD) and average secondary (75th percentile) as at the end of September 2011. This compares to a spread of 2.13% at the peak of the market at the end of June 2007. As a consequence, "average prime" property produced a return of 3.9% over the period, compared with 2.3% for "average secondary". The Company's direct portfolio largely comprises good secondary assets, which combined with the lower exposure to Central London contributed to the relative underperformance over the year to June 2011, the latest available data.

In summary, average values in the UK commercial property market may decline over the short term, but with increasing polarisation between the sectors and regions. This presents the opportunity for a well-resourced and well-connected management team to spot value and secure outperformance by acquiring undervalued assets and actively managing them for income growth. Rising yields, particularly in regional markets where secondary property can offer high initial income returns, may present the Company with the opportunity to acquire good quality income at affordable prices. The challenge will be to acquire assets very selectively in those markets where relative out performance can be derived from maintaining income returns through targeted and pro-active asset management. The Company will focus on these areas as well as continuing to drive value from its existing portfolio through pro-active asset management.

Property portfolio

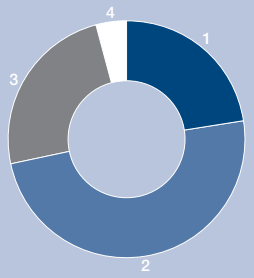
As at 30 September 2011, adjusting for the acquisition of West Bromwich that completed after the period end, the directly owned portfolio was independently valued at £350.5 million, excluding accounting adjustment for lease incentives. On the same basis, the portfolio generates rental income of £23.55 million per annum, reflecting a net initial yield of 6.4%. The independent valuer has estimated that the current market rental value of the portfolio is £28 million, reflecting a reversionary yield of 7.6%.

Asset management activity over the last 12 months will deliver increases in aggregate rental income of approximately £2.8 million per annum by December 2014, of which approximately £1.9 million will commence in the course of the next 12 months. The two most significant of these contracted rental uplifts are the BUPA letting at Victory House in Brighton, generating £0.97 million per annum, and the Buckinghamshire New University in Uxbridge, generating a further £0.45 million per annum, commencing with effect from April 2012 and May 2012 respectively.

The Company continues to have an above average weighting to the office sector of 49.2% compared with 30.1% for the Benchmark, and a below average weighting to retail of 22.6% compared with 45.8% for the Benchmark. Geographically, the direct portfolio continues to be weighted towards the South East of England, albeit with a below average weighting to Central London (apart from Minerva House and the joint venture at Plantation Place), where income yields are currently too low to meet the Company's income objectives.

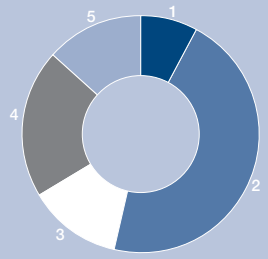
Investment Manager's Report

Sector weightings by value
(adjusting for the acquisition of West Bromwich)



1 **22.6%** Retail
2 **49.2%** Offices
3 **24.1%** Industrial
4 **4.1%** Other

Regional weightings by value
(adjusting for the acquisition of West Bromwich)



1 **7.9%** Central London
2 **45.9%** South East excl. Central London
3 **12.7%** Rest of South
4 **20.2%** Midlands and Wales
5 **13.3%** North and Scotland

Top 10 properties by value (adjusting for the acquisition of West Bromwich)

As noted above, with continued economic uncertainty impacting property investment and occupier markets, there is a focus on improving the portfolio's defensive qualities. This is reflected in the strength of the top 10 assets which comprise approximately 46% of the Company's overall portfolio by value. These properties exhibit some of the strongest tenants and longest leases across the portfolio (i.e. assuming all tenants break at the earliest opportunity, the average unexpired term in the top 10 properties is 11.7 years) as well as being good quality assets, concentrated in the South East of England. This core of the portfolio underpins the overall defensive qualities and should provide a good foundation.

		30 September 2011	
	Property location	Value (£m)	%
1	London SE1, Minerva House	27.8	7.9
2	Brighton, Victory House	24.6	7.0
3	West Bromwich, All Saints, BT Building	18.9*	5.4
4	Salisbury, Churchill Way West	15.2	4.3
5	Uxbridge, 106 Oxford Road	14.6	4.2
6	Luton, The Galaxy	14.3	4.1
7	Wembley, Olympic Office Centre	12.7	3.6
8	Brentford, Reynards Business Park	12.3	3.5
9	Brentford, The Gate Centre	11.3	3.2
10	Basingstoke, Churchill Way	10.7	3.0
Total as at 30 September 2011		**162.4**	**46.2**

* Revalued by Knight Frank at completion of the acquisition which was for a price of £14.86 million.

Top 10 tenants by rent per annum (adjusting for the acquisition of West Bromwich)

		30 September 2011	
	Property location	Rent per annum (£)	%
1	British Telecommunications plc[1]	1,200,000	4.7
2	Wickes Building Supplies Limited	1,092,250	4.3
3	Norwich Union Life and Pensions Ltd	1,039,191	4.1
4	BUPA Insurance Services Limited[2]	960,755	3.8
5	Synovate Limited[3]	950,000	3.7
6	The Buckinghamshire New University[4]	900,000	3.5
7	Mott MacDonald Ltd[5]	790,000	3.1
8	Recticel SA[6]	731,038	2.9
9	Lloyds TSB Bank PLC	664,000	2.6
10	Winkworth Sherwood LLP[7]	663,095	2.6
Total as at 30 September 2011		**8,990,329**	**35.3**

1 Acquisition completed 24 October 2011. Lease benefits from annual fixed rental uplifts of 3% per annum.
2 Currently subject to rent free that expires April 2012.
3 Aegis Group plc is guarantor. Figures based on 50% ownership of Minerva House.
4 The Buckinghamshire New University has a half-rent period equating to £450,000 per annum from March 2009 which will increase to £900,000 per annum in May 2012. The lease benefits from a further fixed uplift to £1.02 million per annum in March 2014.
5 Mott MacDonald Group Limited are Guarantor.
6 The tenant has a half-rent period equating to £365,519 per annum which will increase to £731,038 per annum in January 2014.
7 On assignment from Reed Smith Ramboud Charot LLP. Figures based on 50% ownership of Minerva House.

The acquisition of the asset in West Bromwich and other asset management activity has maintained the whole portfolio average unexpired lease term, assuming all tenants vacate at the earliest opportunity, at 8.2 years. The table below shows the maturity profile of both current and contracted income in five-year increments assuming all tenants leave at the earlier of lease expiry and tenant break. This ignores the potential for rental uplifts at future open market rent reviews as well as lease fixed uplifts:

	% of rent passing	
Years to expiry	Company earliest termination/ IPD Benchmark earliest termination	Company assuming no breaks/ IPD Benchmark assuming no breaks
Up to 5	45.19/40.20	37.74/29.40
5 to 10	15.74/27.20	18.07/32.00
10 to 15	27.33/18.70	26.63/22.80
15 to 20	8.07/7.90	11.73/8.70
Over 20	3.77/6.00	5.83/7.10

The portfolio is actively managed to reduce voids, void costs and other expenses. The current void rate is 12% of rental value which compares to 10.7% at 31 March 2011 and the latest IPD Benchmark average of 8.1%. The increased void rate since March 2011 is principally due to Reynards Business Park in Brentford, noted below, where planning consent is being sought for higher-value residential use. Approximately 2% of the overall void rate is currently under offer to new tenants which has the potential to generate additional rent of £0.55 million per annum. The cash held by the Company enables it to undertake capital expenditure selectively, where required, to improve letting prospects and maintain the overall quality of the underlying portfolio.

The Company receives quarterly reports from the IPD Rental Information Service ("IRIS"), which compares the overall quality of the tenants and portfolio's income with its IPD Benchmark funds within the peer group. This results in a weighted risk score that takes into account tenant credit ratings, lease length, tenant concentration, reversionary potential and vacancy. As at 30 June 2011, the latest available data, the Company's weighted risk score puts it on the 13th percentile of its peer group funds. The table below shows the percentage of rental income generated by the portfolio graded by risk band, using credit ratings provided by Experian. For comparison, also shown below is the June data updated for the West Bromwich acquisition.

Tenant risk band	Maximum (%)	High (%)	Medium -high (%)	Low-medium (%)	Low (%)	Negligible (%)	Unscored (%)	Ineligible (%)
Company's portfolio	3.52	3.91	2.05	4.98	24.04	58.95	2.54	0.00
Company's portfolio, adjusted for West Bromwich	3.34	3.71	1.94	4.72	22.80	61.07	2.41	0.00
IPD Benchmark	8.41	5.16	2.76	7.43	18.54	52.35	5.22	0.14

The IRIS analysis assists in illustrating headline trends but the credit rating scores provide limited detail. Consequently, the Manager supplements the IRIS analysis with a detailed analysis of individual tenants.

Property portfolio performance

Investment Property Databank ("IPD") has analysed the performance of the Group's underlying direct property portfolio relative to its peer group Benchmark for the period up to 30 September 2011, the latest available data.

IPD sector	IFPT total return pa (%)			IPD total return pa (%)			Relative pa (%)		
Period	One year	Three years	Five years	One year	Three years	Five years	One year	Three years	Five years
All Retail (inc Leisure)	5.9	4.0	-0.1	7.3	2.1	-1.9	-1.3	1.8	1.8
All Offices	6.3	2.6	-0.2	8.5	0.7	-1.7	-2.0	1.9	1.5
All Industrials	8.3	1.1	-0.9	7.7	1.7	-1.5	0.6	-0.6	0.7
All Sectors	6.7	2.7	-0.3	7.8	1.8	-1.6	-1.0	0.9	1.3

The IPD analysis shows that the Company's direct property portfolio has underperformed slightly over the year to 30 September 2011. The longer-term performance record remains strong, both in terms of total return and rental value growth. The total return to 30 September 2011, including the Company's joint venture investments at NAV, increases the total return slightly to 6.8%.

Transactions and asset management

Three material transactions have completed since 31 March 2011, one disposal and two acquisitions, adding £1.6 million net of new rental income. The acquisition strategy has focussed on selectively acquiring good quality property offering attractive property fundamentals at above average income yields.

Liverpool, Church Street

In July 2011 the Company acquired a retail property on 88-94 Church Street, Liverpool for £5.55 million reflecting a net initial yield of 11.3%. The property comprises a prominent retail and office property arranged over basement, ground and seven upper floors at the junction of Hanover Street and the pedestrianised Church Street, Liverpool's prime retail pitch. The entire property is let to Lloyds TSB Bank plc at £0.664 million per annum, on a full repairing and insuring basis, until December 2014. Lloyds TSB occupies the basement to second floors as a bank and the third to seventh floor offices are sub-let to a legal firm until Lloyds TSB's lease expiry.

As well as offering an attractive initial yield, the property offers scope for asset management, including the potential for a lease extension with Lloyds TSB as well as the sub-tenant in the upper parts. Furthermore, although the rent paid currently exceeds the market rent, the prominent location and the planning consent for bank use should assist future letting prospects.

The acquisition followed the disposal in June 2011 of a retail property on Market Street in York for £5.48 million, reflecting a net initial yield of 5%. The property was let to Superdrug until 2027 at £290,000 per annum, and was sold following the successful extension of the lease by five years. The price was £1.2 million or 27% above the value immediately prior to the lease extension.

West Bromwich, BT Building

Since the period end the Company has completed the acquisition of the BT building in West Bromwich for £14.86 million, reflecting a net initial yield of 7.63%. The Company had previously paid a deposit of £0.75 million and at completion made a balancing payment of £14.11 million.

The property comprises a 75,000 sq ft new office development constructed to a high specification capable of flexible future occupation. It is let for 15 years without break options to British Telecommunications plc, now the Company's largest tenant, paying a rent of £1.2 million per annum. Rent is payable immediately as there is no rent free period. The lease benefits from annual compounded fixed rental uplifts of 3% per annum, thereby increasing the rent every year of the lease term.

Knight Frank valued the property upon completion on 26 October 2011 at £18.9 million which reflects a net initial yield of 6%. This represents a 27% increase relative to the purchase price and is expected to increase the Company's future NAV, after all acquisition costs, by approximately £3.1 million. In addition, the Company has received rental payments in advance for the period from 25 October 2011 to 24 December 2011 of £204,000.

As noted in the Chairman's Statement, there are key asset management initiatives ongoing elsewhere in the portfolio that have the potential to enhance income and value. Most notable is Reynards Trading Estate in Brentford, a multi-let industrial estate on six acres, currently valued at £12.25 million. The estate was vacated in April 2011 by the majority tenant and now produces £0.15 million per annum on short-term lease contracts. The estate is located in a predominantly residential area and in June 2011 an outline planning application was submitted for 315 dwellings totalling 250,000 sq ft.

Following feedback from local residents the application was withdrawn to facilitate more detailed discussions with both the local residents and Hounslow Council. Following these discussions, a revised outline application has been submitted for 275 units totalling 224,000 sq ft. From our discussions with the Council, we now understand that a residential scheme is acceptable in principle and a decision on the application is expected over the coming months. Assuming a planning consent is received for the higher-value use, the property will be sold with the intention to deploy proceeds of the disposal into materially higher yielding assets in order to further enhance dividend cover.

More generally, and as noted above, a significant number of new lettings are being progressed across the portfolio that have the potential to generate additional rent and also reduce property expenses such as empty business rates and service charge shortfalls. A number of lease extensions are being progressed that will maintain income and improve the portfolio's defensive qualities further.

Finance

The Company has a single on-balance sheet loan facility of £173.5 million that matures in July 2014. As at 30 September 2011, adjusting for the acquisition of West Bromwich that completed since the period end, the Company has a net loan-to-value ("LTV") ratio 42.3% compared with a net LTV covenant ratio of 60%. The Company has total cash, excluding the liquidity facility, of £25.1 million, of which £15 million is outside the security pool charged to the Group's lenders and consequently provides operational flexibility.

The other key banking covenant is the interest cover ratio ("ICR"), calculated as a percentage of total annual rent over total annual interest. Net rent is defined as the amount to be received during the 12 months following the test date. Deducted from this rent is the annualised rent for any tenancies where the tenant has rental arrears greater than 60 days and also any interest earned on cash in the security pool. Calculating the covenant in this way results in an ICR of 213% compared with an ICR covenant of 150%. The acquisition of West Bromwich will increase the ICR to 224%, providing significant cover.

The table below sets out the breakdown of the Group's annual interest costs including details of the interest rate swaps that fully hedge its interest payments for the duration of the loan term that matures in July 2014.

Details of the Company's debt and two swaps are set out in the table below:

Rating	Loan amount (£m)	Swap rate fixed (%)	Margin (%)	Total interest rate (%)	Swap maturity	M2M* 30 Sep 11 (£m)	M2M* 31 Mar 11 (£m)
AAA	62.5	5.099	0.20	5.299	15 Jul 14	(7.47)	(6.26)
AAA	111.0	5.713	0.20	5.913	15 Jul 16	(23.16)	(16.93)
Loan total	173.5	5.420	0.20	5.692	N/A	(30.63)	(23.18)
Liquidity facility**	11.2	0.55***	0.662	1.2	N/A	N/A	N/A

* M2M or marked-to-market.

** Securitised debt facility has a Liquidity facility of £11.2 million provided by Lloyds Banking Group ("Lloyds"). Liquidity Facility Agreement requires the provider to have a minimum Standard & Poor's ("S&P") credit rating of A-1+, which Lloyds breached in March 2009 when they were downgraded by S&P to A-1. Breach requires the Liquidity Facility to be drawn down in full and placed in a blocked deposit account or alternatively a new provider put in place. Accordingly, on the 23 September 2009 the Liquidity facility was drawn down.

*** Libor as at 12 October 2011.

The movement in the negative marked-to-market value of the Group's interest rate swaps over the period means that they now represent 18% of the NAV or 8.6 pps. The marked-to-market value has been impacted by falling interest rate expectations and also the period to maturity.

Although the Company's on-balance sheet loan does not mature until July 2014, longer term re-finance strategies are being considered, having regard to issues such as reducing the overall interest cost, the optimum loan-to-value, spreading loan maturities and avoiding crystallising swap break costs.

Joint ventures

Progress continues to be made with the Company's joint ventures which all have separate, non-recourse, off-balance sheet debt. Two of them, Merchant Property Unit Trust and Crendon Industrial Partnership Limited, increased in value by a total of £0.18 million or 4.62% over the period, with One Plantation Place Unit Trust remaining at nil. Further details are provided below:

Merchant Property Unit Trust – 19.5% share

The value of the underlying portfolio of 32 properties let to Travis Perkins increased over the period by £0.58 million, or 1.4%, to £40.98 million. The increase in value was due to the properties being let for 19 years without breaks with guaranteed minimum rental uplifts of 3% per annum compound every five years. This valuation movement, combined with a negative movement in the marked-to-market value of the interest rate swaps, led to an increase of £0.11 million in the NAV of the Company's 19.5% share

in MPUT to £2.81 million. The loan-to-value ratio is now 60% compared to a covenant of 100% which tapers down to 75% at loan maturity in 2013, and the interest cover ratio is 144% compared to a covenant of 125%.

As at 30 September 2011, the total negative marked-to-market value of the interest rate swaps that are matched to the loan term was -£1.81 million, split between a current swap of -£268,184 expiring in December 2011 and a forward starting swap of -£1.55 million, meaning that as at 30 September 2011, the Company's share of NAV is diluted by approximately -£0.35 million. The forward starting swap is at a lower fixed rate which when combined with the guaranteed uplifts, could add approximately £0.5 million to the Company's NAV by loan maturity in September 2013. All surpluses are currently being used for amortisation of the loan. There is limited potential for value enhancement through asset management with activity focussed on a re-financing or a disposal of part.

Crendon Industrial Partnership Limited ("CIPL") - 50% share

The value of the underlying secondary industrial estate was unchanged over the period at £24.75 million. The value was supported over the period by a small increase in the rent from £2.14 million to £2.2 million per annum and by successful asset management, including extending leases to improve the average unexpired lease term. This activity led to an increase of £70,000 in the NAV of the Company's 50% share in CIPL to £1.27 million. The loan against the property totals £26.05 million reflecting a net loan-to-value, after taking account of £2.6 million of cash, of 95%. There is no loan-to-value covenant prior to loan maturity in May 2013 and the interest cover is well within compliance at 153% compared to the covenant of 125%.

Significant asset management activity is ongoing including submitting a planning application for an industrial and warehouse redevelopment of part of the site. This is being funded from CIPL's existing cash resources. If planning is achieved, the sites could be sold on with the benefit of the consent. Finally, discussions are ongoing with its lender regarding the prospects for a loan extension.

Plantation Place, London EC3 – 28.2%

On a like-for-like basis, the independent valuation of One Plantation Place Unit Trust's ("OPPUT") underlying property, increased over the period by £17.6 million, or 3.7%, to £495.6 million, an uplift of £17.6 million or 3.7%, reflecting a net initial yield of 5.5%. The increase in value followed a further improvement in prime City of London property values and successful asset management activity, notably achieving positive retail rent review settlements. This independent valuation continues to be prepared on the assumption of a disposal of the unit trust in which the property sits rather than a sale of the property itself, and therefore does not include any deduction for Stamp Duty Land Tax.

As at 30 September 2011, OPPUT's net debt is £431.34 million, resulting in a net loan-to-value of 87% compared to the net loan-to-value covenant of 82.14%. The property continues to be well let and is compliant with its interest cover ratio covenants. The negative marked-to-market value of the interest rate swap, which is matched to the loan maturity in July 2013, fell by £1.8 million to -£33.2 million over the quarter.

Based on the previous figures, the management accounts of Plantation Place at 30 September 2011, show the Company's interest in OPPUT to be in the region of £8 million.

However, the Company continues to hold its interest at £nil because the Directors consider it appropriate to reduce the above property valuation by Stamp Duty Land Tax as there is no certainty that a realisation of the Company's investment will be by way of a sale of OPPUT. In addition, the Directors have assessed other purchasers' costs to be above the amounts included in the independent valuation. Finally, the treatment reflects the uncertainty associated with the continuing loan-to-value breach. On this basis the Company's share of net assets of OPPUT would be negligible.

Outlook

The Company's strategic objectives are still focused on improving the Company's income and fundamentals to enable investors to benefit from an improved rating which is sustainable and based upon a sound foundation. We will therefore continue to invest in properties with attractive income yields or with the potential for strong rental growth. Progress has been made over the period to increase dividend cover whilst also limiting any increase in leverage.

However, we remain cautious about the market outlook as the modest recovery in prime property since July 2009 has slowed, with limited prospects for rental growth across many parts of the UK commercial property market. The current sentiment towards the real estate sector remains fragile, and the recent turbulence in debt markets has brought leveraging back into focus and investors' desire for this to be reduced. Although we do not expect a material deterioration in capital values due to the attractive income return offered by the UK's commercial property sector, we will remain focused on controlling both leverage and costs.

The team has worked relentlessly against the background of material uncertainty around the manager and the Company's own future. Now that these uncertainties have been resolved, we look forward to carrying out a seamless transition to Schroder Property Investment Management, integrating the current team within the considerable strength of Schroders.

Duncan Owen
Chief Executive
Chief Executive, Invista Real Estate Investment Management Limited

18 November 2011

Statement of Directors' Responsibilities

in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU; and
- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Harry Dick-Cleland
Director

18 November 2011

Condensed Statement of Comprehensive Income

for the period from 1 April 2011 to 30 September 2011

	Notes	Six months to 30 Sep 11 £000 (unaudited)	Six months to 30 Sep 10 £000 (unaudited)	Year to 31 Mar 11 £000 (audited)
Rental income		11,865	11,108	23,752
Other income		1,323	289	1,384
Property operating expenses		(1,161)	(1,258)	(2,335)
Net rental and related income		12,027	10,139	22,801
(Loss)/profit on disposal of investment property		(333)	43	43
Net valuation (loss)/gain on investment property		(1,564)	1,840	2,516
Expenses				
Investment management fee		(1,761)	(1,658)	(3,430)
Valuers' and other professional fees		(624)	(566)	(1,068)
Administrators and accounting fee		(185)	(185)	(370)
Auditor's remuneration		(77)	(75)	(149)
Directors' fees		(100)	(85)	(200)
Other expenses	3	(633)	(453)	(825)
Total expenses		(3,380)	(3,022)	(6,042)
Net operating profit before net finance costs		6,750	9,000	19,318
Interest receivable		95	–	32
Finance costs payable		(5,410)	(5,528)	(11,144)
Net finance costs		(5,315)	(5,528)	(11,112)
Share of profit in associates and joint ventures		181	643	1,013
Profit before tax		1,616	4,115	9,219
Taxation	3	(546)	(710)	(795)
Profit for the period/year attributable to the equity holders of the parent		1,070	3,405	8,424
Other comprehensive (loss)/income:				
Movement on swaps		(7,446)	(6,199)	3,158
Total comprehensive (loss)/profit for the period/year attributable to the equity holders of the parent		(6,376)	(2,794)	11,582
Basic and diluted earnings per share	4	0.3p	1.0p	2.5p

All items in the above statement are derived from continuing operations.

The accompanying notes 1 to 10 form an integral part of the interim report.

Condensed Balance Sheet
as at 30 September 2011

	Notes	30 Sep 11 £000 (unaudited)	30 Sep 10 £000 (unaudited)	31 Mar 11 £000 (audited)
Investment in associates and joint ventures	7	**2,892**	2,484	**2,711**
Loans to associates and joint ventures	7	**1,191**	961	**1,191**
Total investment and loans in associates and joint ventures		**4,083**	3,445	**3,902**
Investment property	6	**324,540**	315,414	**325,295**
Non-current assets		**328,623**	318,859	**329,197**
Trade and other receivables		**10,445**	9,624	**10,941**
Cash and cash equivalents		**52,314**	69,755	**56,724**
Current assets		**62,759**	79,379	**67,665**
Total assets		**391,382**	398,238	**396,862**
Issued capital and reserves		**168,385**	172,913	**181,025**
Equity		**168,385**	172,913	**181,025**
Interest-bearing loans and borrowings	8	**182,949**	182,331	**182,639**
Interest rate swap		**30,635**	32,546	**23,189**
Non-current liabilities		**213,584**	214,877	**205,828**
Trade and other payables		**8,846**	8,469	**9,636**
Taxation payable		**567**	1,979	**373**
Current liabilities		**9,413**	10,448	**10,009**
Total liabilities		**222,997**	225,325	**215,836**
Total equity and liabilities		**391,382**	398,238	**396,862**
Net asset value per ordinary share	9	**47.3p**	48.6p	**50.9p**

The financial statements were approved at a meeting of the Board of Directors held on 18 November 2011 and signed on its behalf by:

Harry Dick-Cleland
Director

The accompanying notes 1 to 10 form an integral part of the interim report.

Condensed Statement of Changes in Equity
for the period from 1 April 2011 to 30 September 2011

For the period from 1 April 2010 to 30 September 2010 (unaudited)	Notes	Share premium £000	Hedge reserve £000	Revenue reserve £000	Total £000
Balance as at 31 March 2010		**98,356**	**(26,347)**	**97,444**	**169,453**
Profit for the period		–	–	3,405	3,405
Loss on cash flow hedge		–	(6,199)	–	(6,199)
New equity issuance		11,949	–	–	11,949
Dividends paid	4	–	–	(5,695)	(5,695)
Balance as at 30 September 2010		**110,305**	**(32,546)**	**95,154**	**172,913**

For the year ended 31 March 2011 (audited) and for the period from 1 April 2011 to 30 September 2011 (unaudited)

	Notes	Share premium £000	Hedge reserve £000	Revenue reserve £000	Total £000
Balance as at 31 March 2010		**98,356**	**(26,347)**	**97,444**	**169,453**
Profit for the year		–	–	8,424	8,424
Gain on cash flow hedge		–	3,158	–	3,158
New equity issuance		11,949	–	–	11,949
Dividends paid	4	–	–	(11,959)	(11,959)
Balance as at 31 March 2011		**110,305**	**(23,189)**	**93,909**	**181,025**
Profit for the period		–	–	1,070	1,070
Loss on cash flow hedge		–	(7,446)	–	(7,446)
Dividends paid	4	–	–	(6,264)	(6,264)
Balance as at 30 September 2011		**110,305**	**(30,635)**	**88,715**	**168,385**

The accompanying notes 1 to 10 form an integral part of the interim report.

Condensed Statement of Cash Flows

for the period from 1 April 2011 to 30 September 2011

	Notes	Six months to 30 Sep 11 £000 (unaudited)	Six months to 30 Sep 10 £000 (unaudited)	Year to 31 Mar 11 £000 (audited)
Operating activities				
Profit for the period/year		**1,070**	3,405	**8,424**
Adjustments for:				
Loss/(profit) on disposal of investment property		**333**	(43)	**(43)**
Net valuation loss/(gain) on investment property		**1,564**	(1,840)	**(2,516)**
Share of profit in associates and joint ventures		**(181)**	(643)	**(1,013)**
Net finance cost		**5,315**	5,531	**11,112**
Taxation		**546**	710	**795**
Operating profit before changes in working capital and provisions		**8,647**	7,120	**16,759**
Decrease/(increase) in trade and other receivables		**495**	5,697	**4,381**
(Decrease)/increase in trade and other payables		**(769)**	19	**1,036**
Cash generated from operations		**8,373**	12,836	**22,176**
Finance costs paid		**(5,129)**	(5,189)	**(10,421)**
Interest received		**95**	11	**32**
Tax paid		**(352)**	(38)	**(1,729)**
Cash flows from operating activities		**2,987**	7,620	**10,058**
Investing activities				
Proceeds from sale of investment property		**5,303**	–	**–**
Acquisition of investment property		**(5,869)**	(2,822)	**(18,250)**
Additions to investment property		**(567)**	(10,751)	**(4,528)**
Cash flows from investing activities		**(1,133)**	(13,573)	**(22,778)**
Financing activities				
New shares issued		**–**	11,949	**11,949**
Dividends paid	4	**(6,264)**	(5,695)	**(11,959)**
Cash flows from financing activities		**(6,264)**	6,254	**(10)**
Net (decrease)/increase in cash and cash equivalents for the period/year		**(4,410)**	301	**12,730**
Opening cash and cash equivalents		**56,724**	69,454	**69,454**
Closing cash and cash equivalents		**52,314**	69,755	**56,724**

The accompanying notes 1 to 10 form an integral part of the interim report.

Notes to the Interim Report

as at 30 September 2011

1. Significant accounting policies

Invista Foundation Property Trust Limited (the "Company") is a closed-ended investment company incorporated in Guernsey. The condensed financial statements of the Company for the period ended 30 September 2011 comprise the Company, its subsidiaries and its interests in associates and joint ventures (together referred to as the "Group").

Statement of compliance

The condensed interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority and International Financial Reporting Standards ("IFRS") IAS 34 Interim Financial Reporting. They do not include all of the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2011. The financial statements have been prepared on the basis of the accounting policies set out in the Group's annual financial statements for the year ended 31 March 2011. The Group's annual financial statements refer to new Standards and Interpretations none of which had a material impact on the financial statements.

2. Material agreements

Invista Real Estate Investment Management Limited ("Invista") is the Investment Manager to the Company.

The Investment Manager is entitled to a base fee and a performance fee together with reasonable expenses incurred by it in the performance of its duties. The base fee is payable monthly in arrears and will be equal to one twelfth of:

- 2% of NAV up to £150 million; plus
- 1.75% of NAV between £150 million and £200 million; plus
- 1.5% of NAV over £200 million.

This NAV based fee will be subject to a floor of £229,000 per month. In the event that this floor is breached, the fee will then revert to being calculated on the previous basis of 0.95% per annum of GAV, until NAV recovers to a point where the monthly NAV based fee would once again exceed £229,000. The combined new base fee and any performance fee based on the current arrangement cannot exceed 5% of the Company's total NAV during any financial year ending 31 March.

2. Material agreements continued

In addition, and subject to the conditions below, the Investment Manager is entitled to an annual performance fee where the NAV total return per ordinary share during the relevant financial period exceeds an annual rate of 10% (the "performance hurdle"). Where the performance hurdle is met, a performance fee will be payable in an amount equal to 15% of any aggregate total return over and above the performance hurdle. A performance fee will only be payable where: (i) in respect of the relevant financial period, the total return of the underlying assets meets or exceeds the Investment Property Database ("IPD") Monthly Index balanced funds benchmark on a like-for-like basis; and (ii) the annualised total return over the period from admission of the Company's ordinary shares to the end of the relevant financial period is equal to or greater than 10% per annum.

The Investment Management Agreement may be terminated by either the Company or the Investment Manager on not less than 12 months notice in writing. On 21 March 2011, the Company gave notice to the Investment Manager of the termination of its investment management agreement, to take effect on 21 March 2012. On 31 October 2011, the Company appointed Schroder Property Investment Management Limited to manage the Company's portfolio.

The Board appointed Invista Real Estate Investment Management Limited as the Accounting Agent to the Company from 1 April 2007. The Accounting Agent is entitled to a fee equal to 5 basis points of NAV subject to a minimum annual fee of £250,000. On 8 April 2011, the Company gave notice to the Accounting Agent of the termination of its accounting agent agreement to take effect on 21 March 2012. The role of Accounting Agent will be undertaken by Schroder Property Investment Management Limited as part of the Investment Management Agreement.

The Board appointed Northern Trust International Fund Administration Services (Guernsey) Limited as the Administrator to the Company with effect from 25 July 2007. The Administrator is entitled to an annual fee equal to £120,000.

3. Statement of Comprehensive Income

Included within other expenses are exceptional expenses totalling £374,000 in relation to the merger proposal indicated by Picton Property Income Limited.

The taxation of £546,000 includes an amount of £350,000 which relates to prior periods.

4. Basic and diluted earning/(loss) per share

The basic and diluted earnings per share for the Group is based on the net profit for the period of £1,070,000, (March 2011: £8,424,000) (September 2010: £3,405,000) and the weighted average number of ordinary shares in issue during the period of 355,921,281 (March 2011: 344,230,398) (September 2010: 332,603,400).

5. Dividends paid

In respect of	Number of ordinary shares	Rate (pence)	01 Apr 11 to 30 Sep 11 £000
Quarter 31 March 2011 dividend paid 27 May 2011	355.92 million	0.8800	3,132
Quarter 30 June 2011 dividend paid 19 August 2011	355.92 million	0.8800	3,132
		1.7600	6,264

In respect of	Number of ordinary shares	Rate (pence)	01 Apr 10 to 30 Sep 10 £000
Quarter 31 March 2010 dividend paid 19 May 2010	323.59 million	0.8800	2,847
Quarter 30 June 2010 dividend paid 20 August 2010	323.59 million	0.8800	2,848
		1.7600	5,695

In respect of	Number of ordinary shares	Rate (pence)	01 Apr 10 to 31 Mar 11 £000
Quarter 31 March 2010 dividend paid 19 May 2010	323.59 million	0.8800	2,847
Quarter 30 June 2010 dividend paid 20 August 2010	323.59 million	0.8800	2,848
Quarter 30 September 2010 dividend paid 19 November 2010	355.92 million	0.8800	3,132
Quarter 31 December 2010 dividend paid 19 February 2011	355.92 million	0.8800	3,132
		3.5200	11,959

A dividend for the quarter ended 30 September 2011 of 0.88p (£3,132,107) was declared on 24 October 2011 and will be paid on 25 November 2011.

6. Investment property

For the period 1 April 2010 to 30 September 2010 (unaudited)

	Leasehold £000	Freehold £000	Total £000
Amounts recognised as investment property at 31 March 2010	47,074	252,901	299,975
Additions	(14)	13,612	13,598
Net valuation gains on investment property	786	1,055	1,841
Amounts recognised as investment property at 30 September 2010	**47,846**	**267,568**	**315,414**

For the year 1 April 2010 to 31 March 2011 (audited)

	Leasehold £000	Freehold £000	Total £000
Amounts recognised as investment property at 31 March 2010	47,074	252,901	299,975
Additions	17	22,787	22,804
Net valuation gains on investment property	889	1,627	2,516
Amounts recognised as investment property at 31 March 2011	**47,980**	**277,315**	**325,295**

Notes to the Interim Report

6. Investment property continued

For the period 1 April 2011 to 30 September 2011 (unaudited)

	Leasehold £000	Freehold £000	Total £000
Amounts recognised as investment property at 31 March 2011	47,980	277,315	325,295
Additions	–	6,444	6,444
Disposals	–	(5,635)	(5,635)
Net valuation gains on investment property	3	(1,567)	(1,564)
Amounts recognised as investment property at 30 September 2011	**47,983**	**276,557**	**324,540**

Fair value of investment property as determined by the valuers excluding lease incentives totals £331,545,000 (March 2011: £331,415,000).

7. Investment in associates and joint ventures

For the year 1 April 2010 to 31 March 2011 (audited)

	£000
Opening balance as at 1 April 2010	2,802
Additions	87
Share of profits in year	1,013
Amounts recognised as associates and joint ventures at 31 March 2011	**3,902**

For the period 1 April 2011 to 30 September 2011 (unaudited)

	£000
Opening balance as at 1 April 2011	3,902
Share of profits in period	181
Loans to associates and joint ventures*	–
Amounts recognised as associates and joint ventures at 30 September 2011	**4,083**

* Total loans to associates and joint ventures as at 30 September 2011 was £1,191,000 (31 March 2011 £1,191,000).

The Directors continue to hold Plantation Place at £nil.

8. Interest-bearing loans and borrowings

In March 2005, the Group entered into a £152.5 million loan repayable in July 2014 with a securitisation vehicle, along with a facility of £150 million of reserve notes. The Group has as at 30 September 2011 £173.5 million drawn under these two facilities.

At the same time as entering into these two facilities, the Group entered into a liquidity facility with Lloyds TSB Bank plc (Lloyds) as the Liquidity Facility Provider for £11.2 million, the intention of the facility was to provide funding for liquidity shortfalls. One of the criteria of the liquidity facility was that the Liquidity Facility Provider should have a credit rating of at least AA- (long term) by Fitch or A-1 (short term) by S&P. Recently Lloyds has been downgraded to A-1 (short term) by S&P. A consequence of this downgrade is the Group being required to drawdown the £11.2 million and place it in a block bank account. The drawdown can be repaid when Lloyds rating returns to at least the level set out in the agreement or the terms of the liquidity facility agreement are altered. The level of the drawdown reduces pro rata once the loan is less than £204 million.

9. NAV per ordinary share

The NAV per ordinary share is based on the net assets of £168,385,000 (March 2011: £181,025,000) (September 2010: £172,913,000) and 355,921,281 (March 2011: 355,921,281) (September 2010: 355,921,281) ordinary shares in issue at the balance sheet date.

10. Post balance sheet events

Since the end of the period the Group has acquired an office building in West Bromwich let to BT at a price of £14.9 million.

On 31 October 2011, the Company appointed a new Investment Manager, Schroder Property Investment Management Limited, as disclosed in note 2.

Independent Auditor's Review Report
to Invista Foundation Property Trust Limited (the "Company")

Introduction
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011, which comprises the Condensed Statement of Comprehensive Income, Condensed Balance Sheet, Condensed Statement of Changes in Equity, Condensed Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules the ("DTR") of the United Kingdom's Financial Services Authority (the "UK FSA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRS as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting".

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 is not prepared, in all material respects, in accordance with IAS 34 and the DTR of the UK FSA.

Ewan McGill
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Registered Auditors, Guernsey

18 November 2011

Corporate Information

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Keith Goulborn
John Frederiksen
Harry Dick-Cleland
David Warr
Peter Atkinson
(All Non-Executive Directors)

Investment Manager and Accounting Agent
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The Manager's Investment Committee
Duncan Owen (Chairman)
Chris Ludlam
Nick Montgomery
Andrew MacDonald

Secretary and Administrator
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Receiving Agent and UK Transfer/Paying Agent
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The Pavilions
Bridgewater Road
Bristol BS99 1XZ

ISA/PEP status
The Company's shares are eligible for Individual Savings Accounts (ISAs) and PEP transfers and can continue to be held in existing PEPs.

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Invista Real Estate Investment Management Limited.
Registered in England and Wales. Registered number: 04459443.
Registered office: 107 Cheapside, London, EC2V 6DN.
Authorised and regulated by the Financial Services Authority.

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