



Invista Foundation Property Trust
Interim Report as at 30 September 2007

Invista Foundation Property Trust Limited and its subsidiaries (the 'Company'/the 'Group') aim to provide Shareholders with an attractive level of income together with the potential for income and capital growth from investing in UK commercial property.

The Group holds a diversified portfolio which is mainly invested in three property sectors; offices, retail and industrial, and will also invest in other sectors from time to time. The Group will not invest in other listed 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.

01	Financial Highlights
02	Chairman's Statement
04	Investment Manager's Report
12	Condensed Income Statement
13	Condensed Balance Sheet
14	Condensed Statement of Changes in Equity
15	Condensed Statement of Cash Flows
16	Notes to the Interim Report
19	Independent Review Report
20	Corporate Information

Financial Highlights

- Net Asset Value per share decreased by 3.5%
- Earnings per share of –1.6 pence
- The Group has declared and paid dividends per share amounting to 3.375 pence per share
- Net Asset Value total return of –1.16%

	30 September 2007	31 March 2007	% Change
Net Asset Value ¹ (NAV £'000)	£484.936	£502,652	(3.5)
Net Asset Value per Ordinary Share ¹ (pence)	137.2	142.2	(3.5)
Share price (pence)	112.3	135.3	(17.0)
Share price (discount)/premium to NAV	(18.1%)	(4.8%)	
Net Asset Value total return ²	(1.16%)	25.25%	(26.4)
FTSE All Share Index	3,316.9	3,283.21	–
FTSE Real Estate Index	4,299.1	5,674.77	(24.2)
Total Group assets less current liabilities (£'000)	£744.234	£720,940	3.2
Borrowings as % of total assets less current liabilities	34.8%	30.7%	4.1
Consolidated borrowings as % of total assets less current liabilities	45.3%	45.0%	0.3

Sources: Invista Real Estate Investment Management and Datastream based on returns during the period from 1 April 2007 to 30 September 2007.

¹ Net Asset Value is calculated using International Financial Reporting Standards.

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

Results

The widely reported dislocation in credit markets over the last few months has had, and continues to have, negative consequences for the UK commercial property market. As a result of the consequent downward pressure on valuations, over the six months to September 2007, the unaudited NAV of Invista Foundation Property Trust (the 'Company') has fallen by 5 pence per share ('pps') or 3.52%, from 142.2 pps to 137.2 pps. Shareholders have received total dividends of 3.375 pps over this period, making a NAV total return of -1.16% over the six months. Over the last 12 months, however, the NAV total return has amounted to 8.5%.

The underlying property portfolio owned by the Company and its subsidiaries (the 'Group'), which had performed well until June 2007, fell in value for the first time over the quarter to September. Over the six month period however the total return from the portfolio was 1.2%, marginally ahead of the IPD Benchmark return of 1%.

UK property market

The Board is monitoring the current weakness in the UK commercial property sector closely. Although a slowdown over 2007 and 2008 was widely anticipated, with our Manager taking defensive measures, the timing, speed and sharpness of such corrections can never be predicted precisely in advance. The UK economy appears to be robust at present, but there are clear risks to growth both in the UK and globally if the credit crunch we have seen in wholesale markets spreads to the personal sector.

Portfolio performance

In contrast to previous UK commercial property downturns, the occupational market remains robust with our Manager reporting good tenant interest and average rental growth of 4.0% across the market as a whole. There is a wide divergence in rental growth between the sub-sectors across the market in line with the Manager's expectations, ranging from +2.2% in retail to +18% in West End offices over the 12 months to September 2007. From this perspective the Company has benefited from its exposure to Central London.

Average UK property yields have increased by 0.16% to 5.56% between June and September. In contrast with rental growth, so far there has been less differentiation between the sectors although secondary property is expected to underperform

prime assets if yields continue to rise. Rising interest rates have been a key factor behind the increase in property yields, together with a reduction in the availability of bank finance against the security of UK commercial property, in the wake of the recent dislocation in credit markets.

The Central London Office market warrants a specific mention given the Group's relatively high exposure. We have benefited significantly from capital growth in Central London, and whilst this is slowing, the Group is yet to benefit fully from market rental growth through an increase in rents received. Our Central London offices have significant rent reviews over the next 18 months and this, combined with strong tenant covenants and long unexpired lease terms, should mean they support valuations over the medium term.

On a brighter note, it is pleasing to note that in August our Manager completed the disposal of the Group's interest in MidCity Place for £21.5 million. Whilst this was at a 5.5% discount to the NAV at the start of the period, the disposal was well timed and, combined with the proceeds of the re-financing in 2006, has generated an exceptionally strong return of £30 million on an initial investment of £9.8 million.

The Manager continues to focus on the active asset management of the underlying property portfolio in order to build a portfolio that should perform better on a relative basis in a slowing market. Significant steps are being taken to maintain a low vacancy rate, enhance tenant quality and increase the average lease length. The Manager is also considering the options for two major projects at Hinkley and Uxbridge where significant value has been added in securing planning consents for alternative uses.

Debt

As at 30 September 2007 the Group had total on-balance sheet borrowings of £263.5 million representing 34.8% of total assets less current liabilities. The increase in the Group's securitised debt from £152.5 million to £263.5 million followed the issuance of £111 million of additional securitised debt in May at a low margin of 25 basis points above LIBOR. This was well timed and the proceeds were used to repay existing more expensive debt with the balance allocated towards NAV enhancing asset management initiatives and increased cash reserves. All of the Group's on-balance sheet debt

is fully hedged against interest rates until 2014 at a total cost of funds of 5.58%.

The impact of marking the Group's interest rate swaps to market has added volatility to the quarterly NAV as interest rates have fluctuated. The September NAV includes a positive valuation of £1.7 million for the swap hedging the principal securitised loan, compared to a valuation of £10.1 million as at June 2007 and £3.2 million as at March 2007.

These fluctuations have also had an impact on the Group's largest joint venture investment, Plantation Place. The NAV of this investment benefits from a positive mark to market valuation on the swap related to the joint venture's debt of £5.2 million (the Group's share), down from £8.9 million in June and £5.3 million in March.

The Group has off-balance sheet, non-recourse borrowings totalling £142.9 million secured against the individual investments at Plantation Place, EC3, Crendon Industrial Estate and Merchant Property Unit Trust. The on- and off-balance sheet borrowings as at September 2007 total £407.1 million, representing 45.3% of total assets less current liabilities, and the Board has set a limit on the Group's total gearing (including on- and off-balance sheet borrowings) of 50%. The disposal of MidCity place in August, noted above, helped to reduce total gross debt by £41 million.

The Company currently has free cash of approximately £65 million representing 13% of the NAV and 9% of total assets less current liabilities. These funds provide important operational flexibility in more challenging market conditions.

Share price

The Company's share price continues to be affected by negative sentiment and as at 23 November is 75.25 pence per share, a 45% discount to the September NAV. This is the largest discount since inception and compares with a 12% discount at the time of the Annual Report issued in June 2007. The Board is monitoring the discount and reviews regularly whether share buybacks are appropriate. In doing so, it takes into account other potential calls on the Group's cash resources and the potential returns from further investment in developing our property portfolio. Recent buybacks, following sharp falls in the Company's share price, have reflected this approach.

Outlook

In these more challenging market conditions, the Manager is seeking to offset further declines in the value of UK commercial property over the coming months through a continued focus on asset management and other initiatives that will increase income and performance relative to the market. An active approach to asset management, together with the financial flexibility afforded by the Group's cash resources, should ensure that the Company is as well positioned as possible to create longer term value for shareholders.



Andrew Sykes, Chairman
Invista Foundation Property Trust Limited
23 November 2007

Investment Manager's Report

As at 30 September 2007, Invista Foundation Property Trust Limited (the 'Company') and its subsidiaries (together the 'Group') owned a property portfolio valued at £673.2 million comprising 71 assets. Including the gross share of joint venture assets, this provides the Group with exposure to a larger portfolio valued at £816.13 million.

The property portfolio has approximately 255 individual leases to 224 different tenants which are well diversified by sector and geography with an above average weighting to Central London offices. The property portfolio, excluding joint ventures, has a weighted average lease length of 8.2 years assuming the earlier of lease expiry or break option.

Over the period and in anticipation of the slowdown in the UK commercial property market, a more defensive and income-oriented strategy has been implemented focusing on increasing average lease length and tenant credit quality. This approach is proving successful and, based on independent tenant credit covenant analysis, compared to its IPD peer group Benchmark, the Company has increased its weighting to tenants with a 'negligible' risk and reduced its weighting to tenants with a 'medium-high' or 'high' risk.

The income focused strategy is complemented by a number of significant NAV enhancing development and refurbishment projects at varying stages of implementation.

Top 10 investments	Value 09/07	%
Minerva House, Montague Close, London SE1	£59,300,000	8.8%
National Magazine House, Broadwick Street, London W1	£58,700,000	8.7%
Plantation Place, London EC3 (28.08% share*)	£49,430,196	7.3%
Portman Square House, London W1 (21.06% share)	£35,170,000	5.2%
6-9 Tokenhouse Yard, London EC2	£24,500,000	3.6%
The Galaxy, Luton	£22,100,000	3.3%
Reynard Business Park, Brentford	£19,400,000	2.9%
Victory House, Trafalgar Place, Brighton	£18,700,000	2.8%
Churchill Way West, Salisbury	£17,350,000	2.6%
Union Park, Fifers Lane, Norwich	£17,200,000	2.5%
Total	£321,850,196	47.7%

* Share of the NAV of the joint venture.

Top 10 direct tenancies*	Annual rent	%
The National Magazine Co Limited	£2,305,100	7.0%
Synovate Limited (Guarantor Aegis Group Plc)**	£1,900,000	5.8%
Reed Smith Services Limited	£1,326,190	4.0%
Mott MacDonald Limited	£1,307,148	4.0%
Wickes Building Supplies Limited***	£1,092,250	3.3%
The British Broadcasting Corporation	£850,100	2.7%
Recticel SA	£713,538	2.2%
Partners of Cushman & Wakefield	£574,128	1.8%
Motorhouse 2000 Limited	£570,150	1.7%
Partners of Irwin Mitchell lawyers	£555,000	1.7%
Total	£11,193,604	34.2%

* Excludes joint ventures.

** Income will commence on expiry of 18 month rent free period.

*** Includes new lease at Basingstoke £692,500 with effect from 24 December 2007.

As at 30 September 2007 the current portfolio rent was £29.27 million, increasing to £32.72 million on completion of outstanding rent free periods. This reflects a net initial income yield of 5.5% excluding the Group's development sites and joint venture investments where surplus income supports separate, off-balance sheet financing. The market rental value of the Group's portfolio is £36.96 million reflecting a reversionary yield of 6.3%, excluding development sites and joint ventures. The Company's active approach to asset management is being applied across the whole portfolio and results in a low void rate of approximately 5% by rental income.

The slowdown in parts of the UK commercial property market highlighted in our last Annual Report and Accounts has accelerated and the market has experienced a sharp, yield-led correction in capital values over the period that has continued into the final quarter of 2007. There was a stark contrast in the Company's Net Asset Value ('NAV') over the period under review, with an uplift of 4.7% over the quarter to June followed by a fall in the NAV over the quarter to September of 7.8%. A breakdown of what contributed to these returns is set out below:

	31/03/2007 (£'000)	30/06/2007 (£'000)	3 month change (%)	30/09/2007 (£'000)	3 month change (%)
Investment properties at market value	717,388	722,143	0.7	673,197	(6.8)
Like-for-like uplift in:					
Wholly owned portfolio	–	11.5	2.5	(15.0)	(2.4)
Joint venture portfolio	–	6.2	7.5	(9.3)	(14.0)
Current assets	32,483	82,366	154	86,235	4.7
Current liabilities	(32,094)	(29,117)	(9.3)	(16,932)	(42)
On-balance sheet borrowings	(218,288)	(259,236)	18.8	(259,298)	–
Off-balance sheet borrowings	(186,060)	(185,344)	–	(142,925)	(22.9)
Market value of principal interest rate swap	3,163	10,137	226	1,734	(82.9)
Net Asset Value	502,652	526,293	4.7	484,936	(7.9)
Net Asset Value per share (pps)	142.2	148.9	4.7	137.2	(7.9)

Combined with the dividend of 3.375 pence per share, over the six month period to September 2007, the Company generated a NAV total return of –1.16%, with the NAV falling 5.0 pence per share or 3.52% to 137.2 pence per share. This is the first fall in the NAV over any period since the launch of the Company in July 2004 at 100 pence per share. The above table also illustrates the volatile impact of marking to market the Company's interest rate swaps, which is unrelated to the fundamental performance of the property portfolio. This impact is accentuated by separate interest rate swaps included in calculating the NAV of the Group's joint venture investments.

The Company's objective is to provide a total NAV return of 8% per annum or more over the longer term through holding a diversified portfolio of UK commercial properties, mainly invested in the three UK commercial property sectors of offices, industrial and retail. Since launch in July 2004 the objective has been materially exceeded with an annualised NAV total return of approximately 18% per annum. The strategy to invest in the Central London office markets has contributed significantly to the out performance relative to the original objective and its IPD peer group, demonstrating that it can respond quickly to changing market conditions.

We are now returning to more normal historic market conditions with a material differential between the performance of sectors and regions at different times in the cycle. The Company's active approach and track record of gaining exposure to growth markets increases the potential for relative out performance in this more challenging environment, and this approach is evidenced by the performance of the underlying property portfolio.

Investment Manager's Report

Over the six months to September 2007 IPD calculate that the Group's underlying property portfolio produced a total return of 1.2% compared with the Benchmark of 1%, placing the Company on the 23rd percentile. Over the 12 months to September 2007 IPD calculate that the Group's underlying property portfolio produced a total return of 10.2% compared with the Benchmark of 6.9%, placing the Company on the 3rd percentile. On the same basis IPD calculate that over three years the Group's portfolio produced a total return of 17.7% compared with the Benchmark of 14%, placing the Company in the 4th percentile. The IPD analysis takes account of all the property related transaction costs incurred through implementing the active strategy.

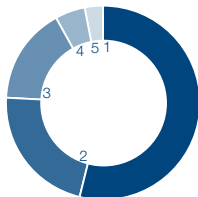
IPD also provide an attribution analysis of the underlying property portfolio over 12 months that highlights two positive features. Firstly, rental value growth in the Company's directly held property portfolio contributed 8.2% towards capital value growth over the 12 months to September, compared with the Benchmark of 3.9%. It is also encouraging to note that on the same basis average rental value growth was realised across all three main sectors with retail and offices materially exceeding the Benchmark (6.3% vs. 2.2% and 13.4% vs. 8% respectively) and industrial just ahead (1.4% vs. 1.2%). This level of out performance was relatively constant over three, six and 12 months.

Rental value growth is of fundamental importance to long term performance and can be attributed to an exposure to growth markets, good quality properties and active asset management. The Group's principal joint venture investment, Plantation Place, is also performing well in terms of rental growth, with the rental value increasing by 10% over the year from an average headline office rent of £52.50 per sq ft to £57.75 per sq ft as at September 2007.

As evidenced above, the key driver of capital growth has been rental value growth rather than the impact of falling yields. Falling yields can be influenced by wider market factors such as low borrowing rates and investor sentiment which can be short term and disconnected from property fundamentals. It is worth noting therefore that yield impact contributed significantly less to capital growth relative to the peer group.

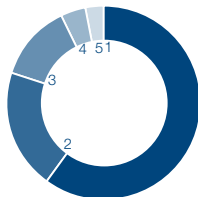
Including the Group's joint venture properties, IPD calculate that the income return of 5.1% for the 12 months to September 2007 exceeded the Benchmark of 5%. This is positive as the rental income generated by the joint venture investments pays interest on the separate off-balance sheet borrowings.

Sector spread



30 September 2007

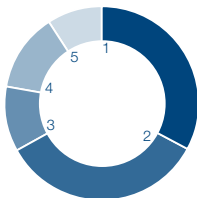
1	54.0%	Office
2	22.0%	Industrial
3	16.0%	Retail
4	5.0%	Retail warehouse
5	3.0%	Other



30 September 2007 (grossed up*)

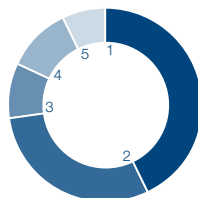
1	60.0%	Office
2	20.0%	Industrial
3	13.0%	Retail
4	4.0%	Retail warehouse
5	3.0%	Other

Regional spread



30 September 2007

1	33.0%	Central London
2	34.0%	South East (excl. Central London)
3	11.0%	Rest of South
4	13.0%	Midlands and Wales
5	9.0%	North and Scotland



30 September 2007 (grossed up*)

1	43.0%	Central London
2	30.0%	South East (excl. Central London)
3	9.0%	Rest of South
4	11.0%	Midlands and Wales
5	7.0%	North and Scotland

* The grossed up portfolio analysis includes the Group's share of the off-balance sheet, non-recourse debt secured against the Joint Venture investments at Plantation Place, Crendon and Merchant Property Unit Trust.

The tables above and on the previous page show that the Company still has a relatively high weighting to Central London of 33% on a net basis, increasing to 43% on a grossed up basis. This compares with the position in March 2007 of 34% and 46% respectively.

Investment Manager's Report

During the period the Group reduced its weighting to Central London offices with the disposal of its 19.73% equity stake in MidCity Place, WC1, acquired for £9.8 million in August 2005. This was based on an underlying property acquisition price of £215 million. Upon acquisition the property was let at an average rental of £38 per sq ft with the assumption that rents would exceed £50 per sq ft over five years. Following the successful implementation of several asset management initiatives generating headline rental evidence of £60 per sq ft the property was sold in August for £325 million, realising net disposal proceeds of £21.5 million for the Group. The net disposal proceeds compared to a valuation at the start of the period of £22.75 million, principally due to writing off unamortised finance arrangement fees. Including the re-financing proceeds of £8.2 million received in October 2006, the initial investment of £9.8 million generated a return of £30 million.

During the period the Company also sold three small High Street retail properties in York, Northampton and Lancaster for a total consideration of £6.325 million. The properties produced £275,850 per annum and were let for an average lease length of 7.8 years. In each case asset management initiatives had been successfully implemented and on the basis of the properties' limited scope for future income and capital growth, a decision was made to dispose of the assets at an average initial yield of 4.1%. Over the last 18 months the Company has taken advantage of very strong market conditions to sell 10 small retail properties at premium prices to realise significant profits.

No new acquisitions were completed during the quarter, although the contracted development of the prime retail warehouse development in Basingstoke was completed in October. The property is let to Wickes Building Supplies Limited for 25 years producing £692,250 per annum, and is located in a prominent position with good rental growth prospects. Upon completion in October the property was valued at £13 million compared with the cost of £11.9 million.

The period under review has again been characterised by significant asset management activity. At the retail warehouse investment in Salisbury, the new lease to Smyths Toys has been completed at £20 per sq ft, 20% ahead of the assumption at acquisition. This provides excellent rental evidence for forthcoming reviews that should result in a yield on cost by the end of 2008 of 6.0%. The value increased over the period from the purchase price in January 2007 of £15.02 million to £17.35 million, an increase of 15.5%.

The Company's directly held Central London office investments have some important rent reviews over the next 18 months with the potential to exceed the current independent valuation rental value. The four largest directly held properties are all in Central London and have a rental value of £9.7 million compared to the current rent of £7.9 million. By the end of 2009 the properties have the potential to generate additional rent of £1 million per annum reflecting an uplift of 12%. These were acquired following the C Share issue in 2005 and illustrate the importance of the C Share strategy from both a capital and an income growth perspective.

The table opposite summarises larger, more capital intensive asset management projects being pursued by the Company.

Property (Sector/30 Sept 2007 val)	Objective	Status
Coventry Road, Hinckley (RUK Ind £8m)	Change of use from industrial to retail warehousing and trade counter units. Commence development when 50% pre-let.	Outline planning secured for 100,000 sq ft retail warehousing and 21,000 sq ft trade counter. Advancing pre-let negotiations.
Oxford Road, Uxbridge (SE offices £10.5m)	Extend and substantially refurbish 1980s, 39,000 sq ft office building to Grade A spec.	Detailed planning consent for 71,000 sq ft Grade A building achieved. Considering options.
Victoria Plaza, Bolton (High St retail £11m)	Convert upper parts to retail. Pre-let to JJB Sports. Planning and all lease agreements in place.	Works currently on-site with good interest in remaining vacant unit.
Minerva House, London SE1 (CL Offices £59.3m)	Following new agreement for lease to Synovate, pursuing major lease surrender and possibility of adding an additional floor.	Carrying out Synovate Grade A refurbishment works. In surrender negotiations on remaining space.
Gate Centre, Brentford (London Ind £15.5m)	Following the opening of BMW dealership, potential to materially enhance rents through re-branding.	In negotiations with VW for new showroom premises at a materially higher rent.
Reynards Business Park (London Ind £19.4m)	West London industrial complex close to A40. Potential mixed use development site.	Considering mixed use redevelopment options on expiry of current leases in 2010.
Albion Centre, Ilkeston (Shop Centre £14.75m)	Working with Local Authority to agree a Masterplan for a mixed use redevelopment project centred on the Albion Centre.	In exclusive negotiations over a formal development agreement. In discussion with three major supermarkets as an anchor pre-let.
Olympic Office Centre, Wembley (site £7.6m)	Reviewing development options for the development site following the opening of Wembley.	Discussions ongoing with a number of parties.
Booker, Acton (London Ind £7.15m)	Secondary industrial premises in an area benefiting from higher value uses being developed nearby. Pursuing site assembly strategy.	Discussions ongoing with a number of parties.

Following recent disposals the Group currently has approximately £65 million of free cash, and we and the Board are acutely aware of the benefits of this liquidity in more challenging market conditions. The use of these funds will to a large extent be determined by the performance of the investment and occupational markets over the short to medium term. The value already added through securing higher value planning consents in locations such as Hinckley and Uxbridge provides the Company with the alternative of crystallising profit now or potentially generating future income and profits by implementing the developments. The longer term profitability of these and other initiatives will be measured against the investment returns realised through the more short term strategy of acquiring and cancelling the Company's shares.

Finance

In May and as planned the Company issued £111 million of additional securitised debt at a margin of 25 basis points over a fixed interest rate, increasing and consolidating all of the Company's on-balance sheet debt in a single securitised facility of £263.5 million. This is a very efficient form of financing with the proceeds used to repay more expensive off-balance sheet debt and to provide general liquidity. The on-balance sheet loans are set out below:

Grade (completion date)	Amount (£)	Expiry	Fixed rate (%)	Margin (%)	Cost of funds (%)
AAA (2005)	139,000,000	2014	5.10	0.20	5.31
AA (2005)	13,500,000	2014	5.10	0.29	5.31
AAA (2007)	111,000,000	2014	5.71	0.25	5.96
Total	263,500,000				5.58

The securitised debt set out in the table above is secured against assets of £597 million, reflecting a loan to value of 44% ratio compared with a bank covenant of 60%. The interest cover ratio is 200% relative to the bank covenant of 150%. In addition to the £597 million of on-balance sheet assets, the Group has £24.5 million of direct property assets with no debt. It is worth noting that the Company can reduce the securitised loan at any time with no pre-payment fees, or alternatively inject property or cash to reduce the loan to value.

The disposal of MidCity Place during the period reduced the off-balance sheet borrowings by £41 million and the current Company's off-balance sheet loans are set out below.

Grade (completion date)	Amount (£)	Expiry	Fixed rate (%)	Margin (%)	Cost of funds (%)
Plantation Place (28.08%)	129,168,000*	2013	4.74	0.45	5.19
Crendon IPL (50.00%)	10,440,000	2009	5.22	1.05	6.27
Merchant PUT (19.40%)	4,033,260	2011	5.10	0.53	5.63
Total	143,641,260				5.28

* As at 22 October 2007.

Plantation Place is the most significant loan, representing 90% of the total off-balance sheet loans. This loan is non-recourse and is securitised with the interest rate fixed until 2013. The total loan is £457 million relative to an underlying property valuation of £602 million as at 30 September 2007, reflecting a loan to value ratio of 76%. The loan can be re-paid in full or in part at any time with zero pre-payment fees.

In summary the Group's on-balance borrowings amount to 34.8% of total assets less current liabilities, increasing to 45.3% on a fully consolidated basis when off-balance sheet assets and liabilities are included.

Outlook

The yield-led correction in the UK commercial property market has been sharper than anticipated and the long term impact of the wider financial market turmoil is uncertain. This has led to a fall in capital values that is likely to result in an ungeared return of 0% for the UK commercial property for calendar 2007. Compared with previous downturns, there is sustained occupational demand and good levels of rental growth in parts of the market. Whilst the Company has an overweight exposure to growth markets, and specifically Central London, there is a risk to future performance if the financial market problems contaminate the wider UK economy. We have prudently begun to position the portfolio defensively and have started to crystallise the strong performance enjoyed in Central London over the last two years. Further London disposals could be considered at appropriate pricing levels.

The Company's portfolio is well diversified with a robust income stream backed by an above average tenant covenant quality. This should enable the Company to maintain and grow income to increase the distributed

dividend cover and, over the medium term, supplement the attractive income return with capital growth. The cash held by the Group provides valuable liquidity and operational flexibility. Asset management will be more critical than ever and we are well placed to direct our considerable resources to maximise returns.

Looking forward, these challenging conditions are likely to create opportunities during 2008 to acquire assets for good value and we remain positive about the Group's prospects.



Duncan Owen, Chief Executive
Invista Real Estate Investment Management Limited
23 November 2007

Condensed Income Statement

(unaudited) for the period from 1 April 2007 to 30 September 2007

	Notes	Six months to 30/09/2007 £'000	Six months to 30/09/2006 £'000	Year to 31/03/2007 £'000
Rental income		14,799	14,760	30,701
Other income		353	1,019	1,459
Property operating expenses		(810)	(452)	(882)
Net rental and related income		14,342	15,327	31,278
Profit on disposal of investment property		1,097	1,648	6,075
Net valuation (loss)/gain on investment property		(4,397)	25,116	44,267
Expenses				
Investment management fee		(3,497)	(3,175)	(6,423)
Performance fee		–	(3,000)	(11,437)
Valuers' and other professional fees		(676)	(309)	(525)
Administrators and accounting fee		(314)	(111)	(261)
Audit fee		(78)	(86)	(163)
Directors' fees		(95)	(74)	(177)
Other expenses		(108)	–	(69)
Total expenses		(4,768)	(6,755)	(19,055)
Net operating profit before net finance costs		6,274	35,336	62,565
Interest receivable		1,041	1,041	1,767
Interest payable		(7,070)	(5,701)	(11,355)
Net finance costs		(6,029)	(4,660)	(9,588)
Share of (loss)/profit in associates		(5,012)	26,110	44,421
Loss from sale of associate		(674)	–	–
(Loss)/profit before tax		(5,441)	56,786	97,398
Taxation		(83)	(53)	(690)
(Loss)/profit for the period/year attributable to the equity holders of the parent		(5,524)	56,733	96,708
Basic and diluted earnings per share	3	(1.6p)	16.0p	27.4p

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

The accompanying notes on pages 16 to 18 form an integral part of the financial statements.

Condensed Balance Sheet

(unaudited) as at 30 September 2007

	Notes	30/09/2007 £'000	30/09/2006 £'000	31/03/2007 £'000
Investment property		607,850	563,211	629,380
Investment property under development		8,650	–	4,337
Investment in associates and joint ventures	5	56,697	91,062	83,671
Interest rate swap		1,734	–	3,163
Non-current assets		674,931	654,273	720,551
Trade and other receivables		7,477	5,066	7,935
Taxation paid in advance		–	225	–
Cash and cash equivalents		78,758	25,404	24,548
Current assets		86,235	30,695	32,483
Total assets		761,166	684,968	753,034
Issued capital and reserves		484,936	470,009	502,652
Equity		484,936	470,009	502,652
Interest-bearing loans and borrowings		259,298	190,050	149,270
Interest rate swap		–	1,437	–
Non-current liabilities		259,298	191,487	149,270
Interest-bearing loans and borrowings		–	–	69,018
Trade and other payables		16,220	19,532	31,910
Taxation payable		712	–	184
Provisions		–	3,940	–
Current liabilities		16,932	23,472	101,112
Total liabilities		276,230	214,959	250,382
Total equity and liabilities		761,166	684,968	753,034
Net Asset Value per Ordinary Share	6	137.2p	132.9p	142.2p

The financial statements were approved at a meeting of the Board of Directors held on 23 November 2007 and signed on its behalf by:



Andrew Sykes
Director (Chairman)



Harry Dick-Cleland
Director

The accompanying notes on pages 16 to 18 form an integral part of the financial statements.

Condensed Statement of Changes in Equity

(unaudited) for the period from 1 April 2006 to 30 September 2006

Notes	Share premium £'000	Hedge reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 31 March 2006	98,356	(3,875)	328,290	422,771
Gain on cash flow hedge	–	2,438	–	2,438
Profit for the period	–	–	56,733	56,733
Dividends paid	–	–	(11,933)	(11,933)
Balance as at 30 September 2006	98,356	(1,437)	373,090	470,009

(unaudited) for the year ended 31 March 2007 and for the period from 1 April 2007 to 30 September 2007

Notes	Share premium £'000	Hedge reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 31 March 2006	98,356	(3,875)	328,290	422,771
Gain on cash flow hedge	–	7,038	–	7,038
Profit for the year	–	–	96,708	96,708
Dividends paid	–	–	(23,865)	(23,865)
Balance as at 31 March 2007	98,356	3,163	401,133	502,652
Loss on cash flow hedge	–	(1,429)	–	(1,429)
Loss for the period	–	–	(5,524)	(5,524)
Unrealised gain on investment property under development	–	–	1,170	1,170
Dividends paid	4	–	(11,933)	(11,933)
Balance as at 30 September 2007	98,356	1,734	384,846	484,936

The accompanying notes on pages 16 to 18 form an integral part of the financial statements.

Condensed Statement of Cash Flows

(unaudited) for the year ended 31 March 2007 and for the period from
1 April 2007 to 30 September 2007

	Notes	Six months to 30/09/2007 £'000	Six months to 30/09/2006 £'000	Year to 31/03/2007 £'000
Operating activities				
(Loss)/profit for the period/year		(5,524)	56,733	96,708
Adjustments for:				
Profit on disposal of investment property		(1,097)	(1,648)	(6,075)
Net valuation loss/(gain) on investment property		4,397	(25,116)	(44,267)
Share of loss/(profit) of associates		5,012	(26,110)	(44,109)
Loss on sale of associate		674	–	–
Net finance cost		6,029	4,660	9,588
Taxation		83	53	690
Operating profit before changes in working capital and provisions		9,574	8,572	12,535
Decrease/(increase) in trade and other receivables		464	768	(1,914)
(Decrease)/increase in trade and other payables		(11,886)	(2,640)	5,554
Cash (required for)/generated from operations		(1,848)	6,700	16,175
Interest paid		(5,409)	(4,374)	(10,500)
Interest received		1,041	1,030	1,573
Tax paid		–	(48)	(276)
Cash flows from operating activities		(6,216)	3,308	6,972
Investing activities				
Proceeds from sale of investment property		18,880	5,080	30,394
Acquisition of investment property		(8,256)	(22,450)	(94,453)
Proceeds from sale of associate		21,080	–	–
Acquisition of associates		–	(33,401)	(7,675)
Loan to associate		–	6,549	6,549
Cash flows from investing activities		31,704	(44,222)	(65,185)
Financing activities				
Draw down of loan facility		111,000	41,009	69,018
Payback of existing loans		(69,080)	–	–
Finance costs paid		(1,265)	(366)	–
Dividends paid	4	(11,933)	(11,933)	(23,865)
Cash flows from financing activities		28,722	28,710	45,153
Net increase/(decrease) in cash and cash equivalents for the period/year		54,210	(12,204)	(13,060)
Opening cash and cash equivalents		24,548	37,608	37,608
Closing cash and cash equivalents		78,758	25,404	24,548

The accompanying notes on pages 16 to 18 form an integral part of the financial statements.

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 2007 comprise the Company, its subsidiaries and its interests in associates (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's 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 2007. 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 2007. The Group's annual financial statements refers to new Standards and Interpretations none of which had a material impact on the financial statements.

2. Material agreements

Under the terms of an appointment made by the Board on 24 June 2004, Insight Investment Management (Global) Limited was appointed as Investment Manager to the Company.

On 31 August 2006 the Board agreed to novate the Investment Management Agreement to Invista Real Estate Investment Management Limited. This follows the de-merger of the Investment Manager from Insight Investment and its subsequent independent listing on the Alternative Investment Market.

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 equal to one quarter of 95 basis points of the gross assets of the Group per quarter.

In addition, and subject to the conditions below, the Investment Manager is entitled to an annual performance fee where the 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 Databank ('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 NAV announced in July 2007 for the period from 1 April 2007 to 30 June 2007 included a provision of £1.5 million as an estimate of the Investment Manager's performance fee. Due to the fall in the NAV over the quarter to 30 September 2007 the provision has been removed.

The Investment Management Agreement may be terminated by either the Company or the Investment Manager on not less than 12 months' notice in writing.

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 five basis points of net asset value subject to a minimum annual fee of £250,000.

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

3. Basic and diluted earnings per share

The basic and diluted earnings per share for the Group is based on the net loss for the period of (£5,524,318), (March 2007: profit £96,708,000) (September 2006: profit £56,733,000) and the weighted average number of Ordinary Shares in issue during the period of 353,560,000 (March 2007: 353,560,000) (September 2006: 353,560,000).

4. Dividends paid

In respect of	No. of Ordinary Shares	Rate (pence)	01/04/2007 to 30/09/2007 £'000
Quarter 31 March 2007 dividend paid 18 May 2007	353.56 million	1.6875	5,967
Quarter 30 June 2007 dividend paid 17 August 2007	353.56 million	1.6875	5,966
		3.375	11,933

In respect of	No. of Ordinary Shares	Rate (pence)	01/04/2006 to 30/09/2006 £'000
Quarter 31 March 2006 dividend paid 26 May 2006	353.56 million	1.6875	5,967
Quarter 30 June 2006 dividend paid 25 August 2006	353.56 million	1.6875	5,966
		3.375	11,933

In respect of	No. of Ordinary Shares	Rate (pence)	01/04/2006 to 31/03/2007 £'000
Quarter 31 March 2006 dividend paid 26 May 2006	353.56 million	1.6875	5,966
Quarter 30 June 2006 dividend paid 25 August 2006	353.56 million	1.6875	5,966
Quarter 30 September 2006 dividend paid 24 November 2006	353.56 million	1.6875	5,966
Quarter 31 December 2006 dividend paid 18 February 2007	353.56 million	1.6875	5,967
		6.7500	23,865

5. Investment in Associates and Joint Ventures

Mid City Place, London WC1

In August 2005, the Group, through Invista Foundation (MidCity) Limited, invested equity and subordinated debt of £9,917,000 for a 19.725% shareholding in DV3 MidCity Limited, a company incorporated in the British Virgin Islands and which owns the Mid City Place property in London.

As at 31 March 2007 the value of the Group's investment in DV3 MidCity Limited was valued at £22,751,000. In August 2007 the Group sold its investment in DV3 MidCity Limited for £22,077,000. Losses in the period to sale were £799,660.

Plantation Place, London EC3

One Plantation Place Unit Trust had total assets of £644,529,175 (31 March 2007: £651,656,207), total liabilities of £468,495,715, (31 March 2007: £464,024,645) losses for the six month period ended 30 September 2007 were £3,256,304 (30 September 2006: profit £1,555,000).

As at 30 September 2007 the Group's 28.08% interest in One Plantation Place Unit Trust was valued at £49,430,196 (31 March 2007: £52,687,000), taking into account losses during the period.

5. Investment in Associates and Joint Ventures (continued)***Crendon Industrial Estate***

Crendon Industrial Partnership Limited had total assets of £33,568,863 (31 March 2007: £32,552,290), total liabilities of £29,112,832 (31 March 2007: £28,281,161), losses for the six month period ended 30 September 2007 were £630,560 (30 September 2006: £nil).

As at 30 September 2007 the Group's 50% share in a joint venture company established to acquire Crendon Industrial Estate, near Oxford was valued at £4,602,440 (31 March 2007: £5,233,000), taking into account losses during the period.

Merchant Properties Unit Trust

Merchant Properties Unit Trust had total assets of £34,858,655 (31 March 2007: £40,505,581), total liabilities of £21,138,067 (31 March 2007: £25,057,589), losses for the six month period ended 30 September 2007 were £325,990 (30 September 2006: £nil).

As at 30 September 2007 the Group's 19.42% equity investment amounts to £2,664,010 (31 March 2007: £3,000,000), taking into account losses during the period.

6. Net asset value per Ordinary Share

The net asset value per Ordinary Share is based on the net assets of £484,936,078 (March 2007: £502,652,000) (September 2006: £470,009,000) and 353,560,000 Ordinary Shares in issue at the balance sheet date (March 2007: 353,560,000) (September 2006: 353,560,000).

7. Post balance sheet events

Since 30 September 2007 the Company has purchased 2,171,048 of its own shares of nil par value for cancellation at an average price of 82 pence per share (March 2007: 353,560,000) (September 2006: 353,560,000).

Independent Review Report to Invista Foundation Property Trust Limited



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 2007 which comprises Condensed Income Statement, 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. 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 2007 is not prepared, in all material respects, in accordance with IAS 34 and the DTR of the UK FSA.

KPMG Channel Islands Limited

Guernsey
26 November 2007

Registered Address

PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey GY1 3QL

Directors

Andrew Sykes (Chairman)
John Frederiksen
Keith Goulborn
Harry Dick-Cleland
David Warr
Peter Atkinson
(all Non-Executive Directors)

Investment Manager

Invista Real Estate Investment
Management Limited
Exchequer Court
33 St Mary Axe
London EC3A 8AA

Investment Committee

Duncan Owen (Chairman)
Philip Gadsden
Nick Montgomery
Mark Long

Fund Administrator

Northern Trust Fund Administration
Services Limited
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey GY1 3QL

Solicitors to the Company

as to English Law
Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

as to Guernsey Law
Ozannes
1 Le Marchant Street
St. Peter Port
Guernsey GY1 4HP

Auditors

KPMG Channel Islands Limited
20 New Street
St. Peter Port
Guernsey GY1 4AN

Property Valuers

Knight Frank LLP
20 Hanover Square
London W1S 1HZ

Channel Islands Sponsor

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

UK Sponsor and Broker

JPMorgan Cazenove Limited
20 Moorgate
London EC2R 6DA

Tax Advisers

Deloitte & Touche LLP
180 Strand
London WC2R 1BL

Receiving Agent and UK Transfer/Paying Agent

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 1XZ

ISA/PEP status

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

Website

The Company's website is www.ifpt.co.uk.

The majority of this document was printed using paper comprising 75% de-inked post consumer waste and a maximum of 25% mill broke and no chlorine was used when it was whitened. Please recycle it when you have finished with it.

