



Invista Foundation Property Trust Limited
Interim Report
as at 30 September 2008

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 will 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.

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Financial Summary

- Net Asset Value ('NAV') per share decreased by 25.5%
- Earnings per share of (27.6 pence)
- The Company has declared and paid dividends per share amounting to 3.375 pence per share
- NAV total return of (23%)
- Borrowings as a percentage of total assets less current liabilities reduced from 49.8% to 44.6% following the £50 million debt repayment in October 2008

	30 September 2008	31 March 2008	Percentage change
NAV (£000)	265,296	378,359	(29.9)
NAV per ordinary share ¹ (pence)	80.3	107.8	(25.5)
Share price (pence)	47.3	64.3	(26.4)
Share price discount to NAV	(41.1%)	(40.3%)	
NAV total return ²	(23.0%)	(19.8%)	
FTSE All Share Index	2,483.7	2,927.0	(15.1)
FTSE Real Estate Index	2,853.8	3,670.7	(22.3)
Total Group assets less current liabilities (£000)	529,542	644,882	(17.9)
Borrowings as percentage of total assets less current liabilities	49.8%	40.9%	8.9 ³
Borrowings less cash as percentage of total assets less cash less current liabilities	38.5%	34.9%	3.6 ³

Sources: Invista Real Estate Investment Management and Datastream based on returns during the period from 1 April 2008 to 30 September 2008.

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

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

3 Percentage point change.

Reconciliation of NAV per accounts to published NAV

	30 September 2008 Total £000	30 September 2008 Total pence per share
NAV as published 29 October 2008	268,567	81.3
Adjustment for lease incentives	(3,271)	(1.0)
NAV per financial statements	265,296	80.3

Results

The six months to 30 September 2008 have witnessed unprecedented events in financial markets which have, in turn, led to a substantial downturn in commercial property markets globally.

During this period, and despite good progress with its strategic review and ongoing active management initiatives, the unaudited Net Asset Value ('NAV') of Invista Foundation Property Trust Limited (the 'Company' / 'the Group') has fallen by 27.5 pence per share ('pps') or 25.5%, from 107.8 pps to 80.3 pps. Shareholders have received total dividends of 3.375 pps over this period, resulting in a negative NAV total return of -23% over the six months to September 2008, and a decline of -37% over the 12 months to the same date.

Market overview

The period since 31 March 2008 has seen extreme financial turbulence across all capital markets around the world. The comprehensive action taken by the UK authorities to address weaknesses in the balance sheets of major UK banks has had a stabilising effect but risks remain in the financial system. The tightening supply of credit, combined with expectations of further falls in value, has reduced liquidity in the UK commercial property market significantly, with much lower transaction volumes and increased forced selling. Independent valuations are reflecting these conditions but the rate of valuation falls, financial market volatility and lower numbers of transactions mean that the scope for valuation uncertainty is increasing.

As financial market problems affect the wider economy and economic growth slows, the UK commercial property market is expected to face increasing risk of rising levels of tenant failure. In the meantime, the slowdown in domestic and global growth has led to a sharp fall in inflation expectations which has, in turn, led to a large reduction in base rates and falls in gilt yields. Although the reduction in interest rates is led by concerns over economic growth, lower interest rates should help the commercial property market recover in the longer term as the positive yield gap between borrowing costs and the yield on commercial property widens.

Update on strategic review

In these very challenging conditions the Board has been monitoring the implementation of the strategic review, announced on 3 July 2008, which is intended to protect the business against current depressed conditions and position the business for market improvements in due course. A summary of the key steps completed since announcing the strategic review are:

- Repaid £50 million of debt in October 2008 reducing annual interest payments from £14.7 million to £12 million per annum
- Completed or unconditionally exchanged on a further £22 million of property disposals since July 2008, resulting in total sales since 31 March 2008 of £69 million

- Acquired and cancelled 27.3 million shares for £11.4 million, reflecting an average price of 42 pps between 11 July 2008 and 27 November 2008
- Secured new lease commitments totalling approximately £2 million per annum on expiry of incentives which increase average lease length from 7.7 to 8.7 years since September 2008.

These steps are contributing towards our objective of having the reduced quarterly dividend of 0.88 pps fully covered by earnings from the end of the current financial year.

In the last Report and Accounts I noted that the strategic review took account of the worsening economic outlook and that we would continue to focus on the reduction of risk and increasing liquidity. Following the good progress made in realising cash and reducing borrowings over the last few months, the Investment Manager (the 'Manager'), with the full support of the Board, will seek to undertake additional selected disposals in order to strengthen the Company's balance sheet still further.

The portfolio

The Group's portfolio continues to be well diversified with a bias towards the South East of England, and recent disposals have reduced the previously overweight position in the Central London office markets. Other recent disposals have focused on properties where asset management initiatives have been completed.

The Board reviews regular asset management reports to assess performance relative to both the individual asset business plan and the independent valuation assumptions. The Manager has made good progress in this regard, particularly in November 2008 with the letting of an office in Uxbridge to the Buckinghamshire New University and a major lease restructuring in Brighton. These transactions are described in more detail in the Manager's report. Together with other initiatives, these steps have increased the average lease term in our portfolio from 7.7 to 8.7 years since July 2008 and reduced the overall portfolio void rate from 4.6% to 3.8%.

The Board and the Manager are monitoring expenses carefully and non-essential expenditure is being avoided. The withdrawal of empty business rate relief has added to expenses, with the development projects at Uxbridge and Hinckley in isolation costing approximately £750,000 per annum. Over the forthcoming period this will be substantially mitigated with the new lease commencement at Uxbridge and the imminent demolition of the redundant industrial buildings at Hinckley.

Chairman's Statement continued

Financing

As a consequence of the repayment of £50 million of debt in October 2008, the Company has a total of £213.5 million of on-balance sheet securitised debt at an all-in cost of 5.62%. The debt is fully hedged against interest rate movements until term expiry in July 2014 at a rate of 5.42%. The recent downwards movement in interest rates led to a swap break loss of £915,000 in addition to the £50 million debt repayment.

Following the debt repayment the Company has a loan to value ('LTV') ratio in the securitised debt facility of 46% compared with a LTV ratio covenant of 60%. In addition to the assets in the securitised debt facility, the Company has uncharged free cash of £36 million which results in a LTV ratio, net of all cash, of 37.5%.

The other key banking covenant is the interest cover ratio ('ICR'), expressed as a percentage of total annual rent over total annual interest. Following the debt repayment the Company had an ICR of 225% compared with an ICR covenant of 150%. The recent letting activity outlined above will enhance this further.

The Group's three non-recourse, joint venture investments (Plantation Place, Crendon Industrial Estate and Merchant Properties) are now carried at nil value following declines in the values of the properties. These declines have also led to breaches in LTV covenants. In each case the off-balance sheet loans are being fully serviced by rent and negotiations are continuing in each case for a removal of the LTV covenant.

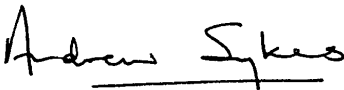
Share price and buy-back

As at 25 November 2008 the Company's share price was 31 pps, reflecting a discount of 61.4% to the 30 September 2008 NAV. The Company has stated an intention to acquire for cancellation up to £20 million worth of shares and, between 11 July 2008 and 27 November 2008, 27.3 million shares have been acquired for £11.4 million reflecting an average price of 42 pps. In determining the final quantum of share repurchases, the Board will consider both the investment merits of the buyback programme and the need for the Company to maintain sufficient cash for operational flexibility.

Outlook

The outlook for commercial property remains negative against a background of unstable financial markets and weakness in the wider economy. If interest rates continue to fall however, the level of property income yields relative to other asset classes may provide a basis for a gradual recovery, albeit with increasing income risk as some tenants come under pressure in adverse economic conditions. In this environment, it is possible that prices and values could go through a period of heightened volatility whilst the market absorbs the various issues and reaches its conclusions. The lack of liquidity in the capital markets means that it may be very difficult to achieve a successful sale of properties in the short term.

The key to ensuring that the Company is well placed to benefit from a recovery will be maintaining liquidity and good quality long-term income. Some steps have been taken over the last six months that will contribute towards these objectives, with a number of asset disposals and asset management initiatives coming to fruition and good progress being made with the measures outlined in our Strategic Review.

A handwritten signature in black ink that reads "Andrew Sykes". The signature is written in a cursive style and is positioned above a solid horizontal line.

Andrew Sykes
Chairman

Invista Foundation Property Trust Limited

27 November 2008

Investment Manager's Report

Execution of strategic review

Since the announcement of the strategic review in July 2008, good progress has been made in implementing the key initiatives to protect shareholder value in deteriorating market conditions. The Chairman's Statement highlights progress made in reducing leverage and increasing liquidity, but also the further steps needed to ensure long term stability that will position the Company strongly for a market recovery. Following the £47 million of disposals announced in July, further disposals totalling £22 million have unconditionally exchanged or completed at a 6.6% discount to the June 2008 valuation. Each disposal followed completion of asset management initiatives which enabled the properties to be sold quickly in a difficult market. Further disposals are in the process of being implemented and other opportunities are being considered.

Objective

The Company's long term objective is to provide shareholders with an attractive level of income and capital growth. The recent, very significant falls in valuation have reduced the Company's NAV total return from inception to 1.4% as at 30 September 2008. In this environment we will continue to concentrate on capital preservation and maximising net income.

The market

The year to September 2008 saw a negative total return for UK commercial property of -18.1%, the worst since Investment Property Databank ('IPD') Monthly Index records began. The fall in capital values, at -22.6%, was led by rising yields and declining nominal rental growth. Values as at 30 September 2008 were 24.3% below the peak in June 2007 and on a nominal basis are back to October 2004 levels. The fall in values has been largely consistent between the sectors, with offices, retail and industrial falling by 24.3%, 25.0% and 23.3% respectively.

The fall in values has been caused by the acute turbulence across all financial markets, low liquidity levels and concerns over the consequences of recession on occupiers. These volatile conditions are continuing to create considerable valuation uncertainty and the IPD Monthly Index average initial yield of 6.0% as at 30 September 2008 is significantly below the average market transaction yield, which now exceeds 6.5% (Source: Colliers CRE). We expect average initial yields to reach approximately 7.5% before stabilising, which reflects a 70 basis point premium above the long run average of 6.8%.

Property portfolio

The Company's property portfolio, excluding joint ventures, was valued at £442.3 million as at 30 September 2008 and comprised 66 assets, with an average lot size of £6.7 million. Following the September quarter end a retail property in Bolton has been unconditionally exchanged for sale for £10 million. The portfolio continues to be well diversified by both sector and geography. The Company's investments in its three joint ventures are now carried at nil value following declines in the values of the properties. Negotiations are ongoing in relation to the off-balance sheet non-recourse banking covenants, with more detail provided below.

Adopting tenancy information as at 30 September 2008 and updated for subsequent agreements, the Group has 242 tenancies with an average lease length (to the earlier of lease expiry or tenant break option) of 8.7 years. This represents an increase of over 12 months from the last reported data and adds to the defensive qualities of the portfolio. The key contributors to this are the letting of 106 Oxford Road, Uxbridge to the Buckinghamshire New University on a 15 year lease at £900,000 per annum and the major lease restructuring at Victory House, Brighton. Details of both transactions that completed in November 2008 are provided below.

Following recent leasing activity and after the sale of Bolton the property portfolio void rate will be reduced to only 3.8% of estimated rental value compared with 4.6% as at 31 March 2008.

Sector weightings (excluding JV assets) – As at 30 September 2008

Sector	Post Sale of Bolton Net weighting %
Retail	22.9
Offices	49.4
Industrial	23.4
Other	4.3
Total	100.0

Regional weightings (excluding JV assets) – As at 30 September 2008

Region	Post Sale of Bolton Net weighting %
Central London	22.3
South East excl. Central London	41.4
Rest of South	11.0
Midlands and Wales	16.9
North and Scotland	8.4
Total	100.0

Investment Manager's Report

continued

Top ten properties – As at 30 September 2008

	Value (£)	Post sale of Bolton Net Weighting %
1 National Magazine House, 10/20 Carnaby Street, Soho, London W1	43,400,000	9.8
2 Portman Square House, 43/45 Portman Square, London W1	28,400,000	6.4
3 Minerva House, 5/6 Montague Close, London SE1	24,300,000	5.5
4 The Galaxy, Luton	18,420,000	4.2
5 Victory House, Trafalgar Place, Brighton	17,400,000	3.9
6 Reynard Business Park, Brentford	16,250,000	3.7
7 Land and Buildings, Churchill Way West, Salisbury, Wiltshire	13,250,000	3.0
8 Union Park, Fifers Lane, Norwich	12,720,000	2.9
9 Olympic Office Centre, 8 Fulton Road, Wembley	12,500,000	2.8
10 The Gate Centre, Syon Gate Way, Brentford	12,300,000	2.8
Total	198,940,000	45.0

Top ten tenants – As at 30 September 2008

	Annual rent (£)	Post sale of Bolton Net Weighting %
1 The National Magazine Company Limited	2,508,690	8.08
2 Mott MacDonald Limited ¹	1,307,148	4.21
3 Cushman & Wakefield Finance Limited ²	1,183,617	3.81
4 Wickes Building Supplies Limited	1,092,250	3.52
5 Synovate Limited ³	950,000	3.06
6 The Buckinghamshire New University ⁴	900,000	2.90
7 The British Broadcasting Corporation	850,100	2.74
8 Recticel SA	713,538	2.30
9 Winckworth Sherwood LLP ⁵	663,095	2.13
10 Motorhouse 2000 Limited ⁶	570,150	1.84
Total	10,738,588	34.59

1 Rent will fall to £949,000 per annum in June 2009 following surrender and granting of new lease over Ground to third floors (approximately 66% of original space). Mott MacDonald Group Limited will remain guarantor

2 Cushman & Wakefield rent following settlement of June 2008 rent review

3 Synovate Limited will begin paying this rent in June 2009. Aegis Group plc are guarantor. Figures based on 50% ownership of Minerva House

4 The Buckinghamshire New University will begin paying 50% of their rent from April 2009 and will increase to full rent in June 2012

5 On assignment from Reed Smith Ramboud Charot LLP. Figures based on 50% ownership of Minerva House

6 Six month rental deposit held

Property portfolio performance

Investment Property Databank ('IPD') has analysed the performance of the Group's underlying property portfolio relative to its peer group Benchmark for the period up to September 2008. The portfolio can be divided into two discrete elements for the purpose of the IPD analysis, namely direct property and joint ventures. Where direct property is wholly owned by the Company, IPD reflects the full value ignoring debt whereas joint ventures are held at their Net Asset Value which takes account of borrowing specific to the individual joint venture.

The relative performance of the direct property portfolio excluding sales for the year to 30 September 2008 is set out below compared to the IPD peer group Benchmark:

IPD Sector	IFPT total return %	IPD total return %	Relative
All Retails	(15.0)	(17.8)	2.8
All Offices	(17.6)	(19.5)	1.9
All Industrials	(12.4)	(16.6)	4.2
Other	(14.8)	(13.1)	(1.7)
All Sectors	(15.7)	(18.0)	2.3

Rental value growth over the same period contributed 1.3% towards total return compared with the Benchmark of 1.0%. The decline in rental value growth over the period has been due to the Company's shopping centre in Ilkeston combined with reduced rental growth in Central London offices.

IPD Sector	IFPT rental value growth %	IPD rental value growth %	Relative
All Retails	(1.0)	1.0	(2.0)
All Offices	1.6	1.6	-
All Industrials	2.5	0.4	2.1
Other (leisure)	2.7	1.1	1.6
All Sectors	1.3	1.0	0.3

Combining the joint ventures with the direct property portfolio materially diluted the total returns for the year ending September 2008 from -16.4% to -23%. On the same basis, over the three years to September 2008 the Group's portfolio produced a total return of 2.4%, compared with the Benchmark of 1.4%, placing the Group's portfolio on the 35th percentile.

Investment Manager's Report

continued

Disposals

As planned, the Group has continued to execute disposals to increase cash for operational flexibility. Following the £47.3 million of disposals completed immediately after the Company's year-end, a further three properties have been sold or unconditionally exchanged for sale for £22 million. These are shown below relative to the original acquisition price and the independent quarterly valuation immediately prior to exchange.

Address	Acquisition date	Acquisition price (£m)	Sale date	Valuation at sale (£m)	Sale price (£m)
35 Tavern Street, Ipswich	July 2004	1.9	July 2008	2.5	2.5
The Quadrant, Bristol	July 2004	8.6	August 2008	9.8	9.5
Victoria Plaza, Bolton (contracts exchanged)	July 2004	9.9	November 2008	10.8	10.0
Total		20.4		23.1	22.0

Asset management highlights

The initiatives outlined below illustrate the proactive approach being taken across the portfolio by the Investment Manager to maximise shareholder value:

106 Oxford Road, Uxbridge

Market conditions led to a review of the planned substantial redevelopment of 106 Oxford Road upon receipt of the planning consent in 2007. Following this review, in November 2008 the Group exchanged unconditional contracts to lease the entire 40,000 sq ft office to the Buckinghamshire New University (who are controlled by the Higher Education Funding Council for England as are all public funded universities in England) for £900,000 per annum. The lease is for 15 years, with five yearly fixed rental uplifts of 2.5% per annum compound. The tenant receives a £2 million contribution to the fit-out and half rent for 38 months. This results in a net benefit of £800,000 per annum to the Group's income with effect from April 2009 when empty rates and other void costs are taken into account and represents an important contribution to the Company's overall dividend cover.

Victory House, Brighton

Mott MacDonald Limited ('Mott') pays £1.307 million per annum at this prime Brighton office building and are the Group's second largest tenant. Mott has a break option with effect from June 2009 and currently occupies 46% of the building by area with the balance sub-let. Following extensive negotiations in November 2008 agreements were unconditionally exchanged for Mott to take a new 15 year lease on 46% of the building and a 10 year lease on 15% of the building, at a combined rent of £944,000 per annum, with effect from June 2009. In exchange Mott will receive four and a half

months rent free. This will leave 32,000 sq ft or 39% of the building vacant that will be refurbished at an estimated cost to the Company of £1.3 million. The rental value for the vacant space is £717,000 per annum. This is an important lease renegotiation which smoothes the impact of the Mott break option.

Minerva House, London SE1 (50% share)

Further good progress has been made on asset management following the disposal of a half share of the property immediately following the year end. In August 2008 agreements were exchanged to assign the lease of the top three floors from Reed Smith to legal firm Winckworth Sherwood LLP. Reed Smith currently pays £1.33 million per annum with a rent review in 2011. As part of this transaction the lease term was extended by five years to 13 years. In exchange the Company has contributed £90,000 towards external improvements.

Portman Square, London W1 (21.6% share)

The rent review with Cushman and Wakefield, who occupy 62% of the property by area has been settled in October 2008 at £5.48 million, an uplift of 106% on the passing rent of £2.66 million. The settlement equates to a net effective rent of £78.50 per sq ft and follows extensive negotiation. This takes the total rent at the property to £7.52 million, from £4.8 million on acquisition in July 2006.

Solent Road Trading Estate, Havant

In September 2008 an agreement to lease was completed with Saint Gobain (trading as Jewson) for a new 15,000 sq ft unit on a 1.2 acre site adjacent to a Tesco supermarket and the A27. The site currently features a secondary industrial property which will be demolished. The tenant will take a 20 year lease at an initial rent of £161,000 per annum, with five-yearly fixed rental uplifts of 2.5% per annum compound. The cost to the Company of funding this redevelopment is estimated at between £1.25 and £1.5 million. The remaining 3.2 acres of this site, which also comprises secondary industrial property, is being marketed for trade and other higher value alternative uses on a pre-let or pre-sale basis.

Unit 35, Tavern Street, Ipswich

This retail unit was acquired in July 2004 for £1.9 million. In March 2008 the lease to O2 (UK) Limited was extended from five to 15 years, with a 10 year tenant break option at a rent of £153,000 per annum. This represented a 24% increase on the passing rent and, having completed the business plan, the property was sold in July 2008 for £2.515 million.

In addition, the Investment Manager continues to scrutinise the entire range of its basic property management functions in order to reduce expenses where possible.

Investment Manager's Report

continued

Finance

As at 30 September 2008 the Company had £263.5 million of on-balance sheet securitised debt fully hedged against interest rate movements until 2014 at a total cost of funds of 5.58% per annum. As part of the strategic review, £50 million of this debt was repaid on 15 October 2008, leaving total on-balance sheet debt of £213.5 million. To optimise the efficiency of the debt repayment the marginally more expensive 'AA' notes were repaid in full with the balance of the repayment directed towards the 'AAA' notes.

As part of repaying the debt an equivalent amount of the interest rate swap was broken. Due to the fall in interest rates between July and October, the Company incurred a £915,000 break cost in addition to the £50 million debt repayment. The blended swap rate following the repayment is 5.42% resulting in a total interest rate of 5.62%. This reduces the annual interest rate payment from £14.7 million to £12.0 million per annum.

Following the debt repayment the Company has a loan to value ('LTV') ratio in the securitised debt facility of 46% compared with a LTV ratio covenant of 60%. In addition to the assets in the securitised debt facility the Company has uncharged free cash of £36 million which results in a LTV ratio, net of all cash, of 37.5%. The other key banking covenant is the interest cover ratio ('ICR'), expressed as a percentage of total annual rent over total annual interest. Following the debt repayment the Company had an ICR of 225% compared with an ICR covenant of 150%.

Joint ventures

Market conditions have negatively affected the Group's three joint venture investments, which are financed by separate non-recourse, off-balance sheet debt. The Manager is proactively seeking to renegotiate banking terms to preserve value for the Group while in each case the loans are being fully serviced from rent.

In July 2008 the Company announced that it had taken a full provision against the Net Asset Value of the Group's 28.19% interest in the joint venture that owns the City of London office building Plantation Place, EC3. There are ongoing discussions regarding a LTV ratio covenant breach affecting the securitised debt facility secured against the property.

The Group's two other joint ventures, Crendon Industrial Partnership Limited and Merchant Property Unit Trust, are also subject to LTV covenant breaches and negotiations in both cases for removal or waiver of their covenants are ongoing. Following reductions in property values, these two investments are held at a carrying value of nil.

Liquidity

Following the disposal of the Bolton property and the repayment of the debt the Company will have £15.32 million of cash in the securitised debt facility. The Company will also have £36.34 million of free cash outside of the securitised debt facility.

Conclusion

Steps have been taken since the announcement of the strategic review in July 2008, in extremely challenging market conditions. Whilst these steps have not prevented the significant falls in capital value, they have increased income and place the Company in a better position to protect shareholder value over the short to medium term.

We will continue to work hard to deliver more stabilising and defensive asset management initiatives and also bring about a resolution to the challenging ongoing negotiations in relation to the Group's joint venture investments.



Duncan Owen

Chief Executive

Invista Real Estate Investment Management Limited

27 November 2008

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

27 November 2008

Condensed Income Statement

(unaudited) for the period from 1 April 2008 to 30 September 2008

Notes	Six months to 30/09/2008 £000	Six months to 30/09/2007 £000	Year to 31/03/2008 £000
Rental income	14,820	14,799	30,924
Other income	2,341	353	1,170
Property operating expenses	(1,013)	(810)	(1,991)
Net rental and related income	16,148	14,342	30,103
(Loss)/profit on disposal of investment property	(5,693)	1,097	551
Net valuation loss on investment property	(61,131)	(4,397)	(65,216)
Expenses			
Investment management fee	(2,704)	(3,497)	(6,600)
Valuers' and other professional fees	(1,063)	(676)	(1,233)
Administrators and accounting fee	(185)	(314)	(470)
Auditors' remuneration	(59)	(78)	(115)
Directors' fees	(85)	(95)	(170)
Other expenses	(226)	(108)	(654)
Total expenses	(4,322)	(4,768)	(9,242)
Net operating (loss)/profit before net finance costs	(54,998)	6,274	(43,804)
Interest receivable	1,325	1,041	2,479
Interest payable	(7,806)	(7,070)	(14,767)
Net finance costs	(6,481)	(6,029)	(12,288)
Share of loss in associates and joint ventures	(33,629)	(5,012)	(32,842)
Loss on sale of associate	-	(674)	(649)
Loss before tax	(95,108)	(5,441)	(89,583)
Taxation	(98)	(83)	233
Loss for the period/year attributable to the equity holders of the parent	(95,206)	(5,524)	(89,350)
Basic and diluted loss per share	3	(27.6p)	(1.6p)
		(25.3p)	

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

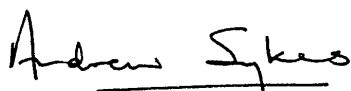
The accompanying notes 1 to 8 form an integral part of the financial statements.

Condensed Balance Sheet

(unaudited) as at 30 September 2008

	Notes	30/09/2008 £000	30/09/2007 £000	31/03/2008 £000
Investment property	5	439,555	607,850	563,057
Investment property under development		–	8,650	–
Investment in associates and joint ventures	6	–	56,697	29,227
Interest rate swap		–	1,734	–
Non-current assets		439,555	674,931	592,284
Trade and other receivables		7,394	7,477	8,878
Cash and cash equivalents		97,776	78,758	59,224
Current assets		105,170	86,235	68,102
Total assets		544,725	761,166	660,386
Issued capital and reserves		265,296	484,936	378,359
Equity		265,296	484,936	378,359
Interest-bearing loans and borrowings		259,888	259,298	259,579
Interest rate swap		4,358	–	6,944
Non-current liabilities		264,246	259,298	266,523
Trade and other payables		14,957	16,220	15,380
Taxation payable		226	712	124
Current liabilities		15,183	16,932	15,504
Total liabilities		279,429	276,230	282,027
Total equity and liabilities		544,725	761,166	660,386
NAV per Ordinary Share	7	80.3p	137.2p	107.8p

The financial statements were approved at a meeting of the Board of Directors held on 27 November 2008 and signed on its behalf by:



Andrew Sykes
Chairman



Harry Dick-Cleland
Director

The accompanying notes 1 to 8 form an integral part of the financial statements.

Condensed Statement of Changes in Equity

(unaudited) for the period from 1 April 2008 to 30 September 2008

	Notes	Share premium £000	Hedge reserve £000	Revenue reserve £000	Total £000
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

(unaudited) for the year ended 31 March 2008 and for the period from 1 April 2008 to 30 September 2008

	Notes	Share premium £000	Hedge reserve £000	Revenue reserve £000	Total £000
Balance as at 31 March 2007		98,356	3,163	401,133	502,652
Share capital cancelled in the year		–	–	(2,190)	(2,190)
Loss on cash flow hedge		–	(10,107)	–	(10,107)
Loss for the year		–	–	(89,350)	(89,350)
Unrealised gain on investment property under development		–	–	1,170	1,170
Dividends paid	4	–	–	(23,816)	(23,816)
Balance as at 31 March 2008		98,356	(6,944)	286,947	378,359
Share capital cancelled in the period		–	–	(8,842)	(8,842)
Profit on cash flow hedge		–	2,586	–	2,586
Loss for the period		–	–	(95,206)	(95,206)
Dividends paid	4	–	–	(11,601)	(11,601)
Balance as at 30 September 2008		98,356	(4,358)	171,298	265,296

The accompanying notes 1 to 8 form an integral part of the financial statements.

Condensed Statement of Cash Flows

(unaudited) for the year ended 31 March 2008 and for the period from 1 April 2008 to 30 September 2008

Notes	Six months to 30/09/2008 £000	Six months to 30/09/2007 £000	Year to 31/03/2008 £000
Operating activities			
Loss for the period/year	(95,206)	(5,524)	(89,350)
Adjustments for:			
Loss/(profit) on disposal of investment property	5,693	(1,097)	(551)
Net valuation loss on investment property	61,131	4,397	65,216
Share loss of associates and joint ventures	33,629	5,012	32,842
Loss on sale of associate	–	674	649
Net finance cost	6,481	6,029	12,288
Taxation	98	83	(233)
Operating profit before changes in working capital and provisions	11,826	9,574	20,861
Decrease/(increase) in trade and other receivables	1,739	464	(943)
Decrease in trade and other payables	(463)	(11,886)	(12,193)
Cash generated from operations	13,102	(1,848)	7,725
Interest paid	(7,308)	(5,409)	(13,262)
Finance costs paid	(149)	(1,265)	(1,265)
Interest received	1,069	1,041	2,479
Tax paid	4	–	242
Cash flows from operating activities	6,718	(7,481)	(4,081)
Investing Activities			
Proceeds from sale of investment property	58,780	18,880	21,587
Addition to investment property	(2,101)	(8,256)	(19,662)
Proceeds from sale of associate	–	21,080	21,277
Acquisition of associates	(4,402)	–	(359)
Cash flows from investing activities	52,277	31,704	22,843
Financing Activities			
Redemption of shares	(8,842)	–	(2,190)
Draw down of loan facility	–	111,000	111,000
Repayment of existing loans	–	(69,080)	(69,080)
Dividends paid	4	(11,933)	(23,816)
Cash flows from financing activities	(20,443)	29,987	15,914
Net increase in cash and cash equivalents for the period/year	38,552	54,210	34,676
Opening cash and cash equivalents	59,224	24,548	24,548
Closing cash and cash equivalents	97,776	78,758	59,224

The accompanying notes 1 to 8 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 2008 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 2008. 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 2008. The Group's annual financial statements refer to new Standard and Interpretations none of which had a material impact on the financial statements.

2. Material agreements

Invista Real Estate Investment Management Limited has been appointed as 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 equal to one quarter of 95 basis points of the gross assets less current liabilities 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 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. As the conditions for receipt of a performance fee were not met during the period, there was no charge to the Income Statement.

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

2. Material agreements continued

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.

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. Basic and diluted loss per share

The basic and diluted loss per share for the Group is based on the net loss for the period of £95,206,000, (March 2008: £89,350,000) (September 2007: £5,524,000) and the weighted average number of Ordinary Shares in issue during the period of 344,415,176 (March 2008: 353,145,831) (September 2007: 353,560,000).

4. Dividends paid

In respect of	Number of Ordinary Shares (million)	Rate (pence)	01/04/2008 to 30/09/2008 £000
Quarter 31 March 2008 dividend paid 22 May 2008	350.85	1.6875	5,921
Quarter 30 June 2008 dividend paid 22 August 2008	350.85	1.6875	5,680
		3.3750	11,601

In respect of	Number of Ordinary Shares (million)	Rate (pence)	01/04/2007 to 30/09/2007 £000
Quarter 31 March 2007 dividend paid 18 May 2007	353.56	1.6875	5,967
Quarter 30 June 2007 dividend paid 17 August 2007	353.56	1.6875	5,966
		3.3750	11,933

In respect of	Number of Ordinary Shares (million)	Rate (pence)	01/04/2007 to 31/03/2008 £000
Quarter 31 March 2007 dividend paid 18 May 2007	353.56	1.6875	5,966
Quarter 30 June 2007 dividend paid 17 August 2007	353.56	1.6875	5,966
Quarter 30 September 2007 dividend paid 30 November 2007	353.36	1.6875	5,963
Quarter 31 December 2007 dividend paid 22 February 2008	350.85	1.6875	5,921
		6.7500	23,816

A dividend for the quarter ended 30 September 2008 of 0.88 pps (£2,895,000) was declared on 5 November 2008 and paid on 21 November 2008.

5. Investment property

	Leasehold £000	Freehold £000	Total £000
Amounts recognised as investment property at 31 March 2008	74,834	488,223	563,057
Additions	569	1,533	2,102
Disposals	–	(64,473)	(64,473)
Net valuation losses on investment property	(11,054)	(48,105)	(59,159)
Movement in lease incentives	(1)	(1,971)	(1,972)
Amounts recognised as investment property at 30 September 2008	64,348	375,207	439,555

Fair value as determined by the valuers excluding lease incentives totals £442,305,000 (March 2008: £563,835,000).

6. Investment in associates and joint ventures

	Plantation Place £000	Crendon Industrial Estate £000	Merchant Property Unit Trust £000	Total £000
Amounts recognised as associates and joint ventures at 31 March 2008	23,192	3,430	2,605	29,227
Additions	4,402	–	–	4,402
Share of losses in associates and joint ventures	(27,594)	(3,430)	(2,605)	(33,629)
Amounts recognised as associates and joint ventures at 30 September 2008	–	–	–	–

The associates and joint ventures are now carried at nil value following declines in the values of the properties. These declines have also led to breaches in loan to value covenants.

7. NAV per Ordinary Share

The NAV per Ordinary Share is based on the net assets of £265,296,000 (March 2008: £378,359,000) (September 2007: £484,936,000) and 330,431,478 Ordinary Shares in issue at the balance sheet date (March 2008: 350,856,669) (September 2007: 353,560,000).

8. Post balance sheet events

As at 30 September 2008 the Group had on-balance sheet debt of £263.5 million and an equivalent maturity swap agreement. On 15 October 2008 the Group repaid £50 million of the debt and broke an equivalent swap at a cost of £915,000.

Volatility in the global financial system and a lack of liquidity has led to a further deterioration in UK commercial property prices since 30 September 2008.

Independent Auditors' 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 2008 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 2008 is not prepared, in all material respects, in accordance with IAS 34 and the DTR of the UK FSA.

KPMG Channel Islands Limited
Guernsey

27 November 2008

Invista Foundation Property Trust Limited
Interim Report 2008

Registered Address

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Guernsey GY1 3QL

Directors

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

Investment Manager and Accounting Agent **Invista Real Estate Investment Management** **Limited**

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EC3A 8AA

The Manager's Investment Committee

Duncan Owen (Chairman)
Philip Gadsden
Nick Montgomery
Mark Long

Administrator

Northern Trust International Fund Administration **Services (Guernsey) Limited**

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Solicitors to the Company

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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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