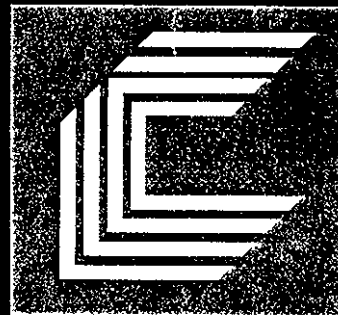


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CLS Holdings plc



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COMPANIES HOUSE 21/11/95

COMPANIES HOUSE 15/11/95

COMPANIES HOUSE 01/11/95

Half-yearly Report 1995

Interim Report for Half year ended 30th June 1995

Chairman's Statement

The Board is pleased to announce the Group's results for the six months ended 30 June 1995.

Turnover for the period amounted to £12.9 million (1994: £10.4 million). This comprised £12.3 million rental income (1994: £10.3 million) and £0.6 million other income (1994: £0.1 million).

Profit on ordinary activities before taxation was £4.0 million (1994: £1.9 million excluding exceptional and non-continuing items). Earnings per share were 4.0p (1994: 3.3p).

The Board has declared a net interim dividend of 2.1p per share (1994: 0.4p for the thirty-five day period during the first half of 1994 when the company was listed) which will be paid on 24 November 1995 to shareholders on the register on 24 October 1995. A scrip dividend alternative will be available to shareholders. The Mörtstedt family (who own 53.5% of the shares in the company) will elect for the scrip dividend alternative in respect of half of their shareholding.

The unaudited balance sheet at 30 June 1995 incorporates the property valuations carried out by Allsop & Co at 31 December 1994. This shows net assets of £132.4 million (1994: £127.8 million), equating to net assets per share of 132.5p (1994: 129p); at 31 December 1994 net assets per share were 132p. Gearing as at 30 June 1995 was 118 per cent.

During the first half of the year the management department of the Group completed the letting of 1 Golden Lane, London EC1 on behalf of a client for which a fee of £410,000 was received. This income constitutes part of the £0.6 million of other income.

The Group completed the acquisition of Conoco House in the first half of the year as set out in our 1994 Report and Accounts. In addition, the Group has completed two purchases since the half year end which are not reflected in the interim results.

- On 14 July the Group announced the purchase of Hoechst House, Heathrow for £10.8 million providing an initial yield of 13.5 per cent. The freehold property comprises 10,355m² (111,460 square feet) of air conditioned office accommodation and is fully let to Hoechst UK Limited (a wholly owned subsidiary of Hoechst AG) until 25 December 2004 at £1,459,000 per annum.
- On 15 September the Group announced the purchase of Citadel House, Fetter Lane, London EC4 for £10.2 million providing an initial yield of 12.7 per cent. The freehold property comprises 4,190m² (45,101 square feet) of air conditioned office accommodation and is fully let to National Insurance & Guarantee Corporation Limited (a wholly owned subsidiary of Skandia Insurance) until 29 September 2003 at £1,296,000 per annum.

These acquisitions continue the Group's strategy of purchasing high quality assets let to strong tenants on attractive yields.

Both acquisitions have been financed with a combination of cash from the Group's own resources and new debt facilities. Interest rates have been hedged through the use of interest rate caps.

The Group is continuing to enhance its existing property portfolio and further investments are likely as we find opportunities which meet our financial investment criteria.

S A Mörtstedt

Executive Chairman

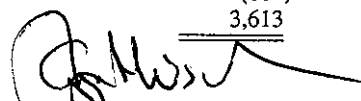
29 September 1995

Consolidated Profit & Loss Account

	6 months to 30.06.95 (unaudited) £000	6 months to 30.06.94 (unaudited) £000	12 months to 31.12.94 £000
Turnover			
Continuing operations	12,464	9,548	22,666
Acquisitions	393	854	1,876
	<u>12,857</u>	<u>10,402</u>	<u>24,542</u>
Administrative expenses	(1,439)	(1,264)	(2,801)
Exceptional items	-	(989)	(1,103)
Net property expenses	(228)	(383)	(1,772)
Net expenses	(1,667)	(2,636)	(5,676)
Income from property sales	-	-	(16)
Operating Profit			
Continuing operations	10,812	8,049	18,273
Acquisitions	378	706	1,680
Exceptional and non-continuing items	-	(989)	(1,103)
	<u>11,190</u>	<u>7,766</u>	<u>18,850</u>
Share of profit of associated undertaking	-	45	45
Profit on Ordinary Activities before Interest	11,190	7,811	18,895
Interest receivable and financial income	431	227	640
Exceptional interest receivable and financial income	-	7,414	7,430
Interest payable and related charges	(7,618)	(7,081)	(14,729)
Profit on Ordinary Activities before Tax	4,003	8,371	12,236
Continuing operations and acquisitions	4,003	1,945	5,909
Exceptional and non-continuing items	-	6,426	6,327
Taxation	-	(72)	(4)
Profit for the Period	4,003	8,299	12,232
Dividends	(2,099)	(396)	(3,318)
Retained Profit	<u>1,904</u>	<u>7,903</u>	<u>8,914</u>
Earnings per Share	<u>4.0p</u>	<u>14.8p</u>	<u>15.7p</u>
Earnings per Share (excluding Exceptional Items)	<u>4.0p</u>	<u>3.3p</u>	<u>7.6p</u>
Dividend per Share	<u>2.10p</u>	<u>0.4p</u>	<u>3.35p</u>

Consolidated Balance Sheet

	6 months to 30.06.95 (unaudited) £000	6 months to 30.06.94 (unaudited) £000	12 months to 31.12.94 £000
Fixed Assets			
Tangible assets	298,884	291,658	297,645
Investments	41	41	41
	<u>298,925</u>	<u>291,699</u>	<u>297,686</u>
Current Assets			
Stocks: trading properties	75	245	75
Debtors - amounts due after more than one year	3,156	3,080	3,247
Debtors - amounts due within one year	3,415	2,267	3,389
Cash at bank and in hand	16,654	28,023	12,473
	<u>23,300</u>	<u>33,615</u>	<u>19,184</u>
Creditors: amounts falling due within one year	(26,933)	(34,923)	(29,342)
Net Current Liabilities	<u>(3,633)</u>	<u>(1,308)</u>	<u>(10,158)</u>
Total Assets Less Current Liabilities	295,292	290,391	287,528
Creditors: amounts due after more than one year	(162,857)	(155,951)	(156,792)
Provisions for liabilities and charges	-	(6,635)	-
	<u>(162,857)</u>	<u>(162,586)</u>	<u>(156,792)</u>
Net Assets	<u>132,435</u>	<u>127,805</u>	<u>130,736</u>
Capital and Reserves			
Called up share capital	24,987	24,739	24,767
Share premium account	35,495	34,728	34,859
Revaluation reserve	33,729	33,528	35,145
Other reserves	20,109	19,803	19,753
Profit and loss account	18,115	15,007	16,212
Total Equity Shareholders' Funds	<u>132,435</u>	<u>127,805</u>	<u>130,736</u>
Cash Flow Information	6 months to 30.06.95 (unaudited) £000		12 months to 31.12.94 £000
Cash flow from rental activities	12,089		21,191
Cash flow from operating activities	10,990		16,815
Interest costs	(6,287)		(12,824)
Cost of Dividends	(2,066)		(279)
New loans	8,000		28,837
Repayment of loans	(2,250)		(72,049)
Purchase of interest rate caps	(114)		(2,187)
Purchase and enhancement of properties	(4,788)		(804)
Net increase in cash at bank and in hand	<u>4,181</u>		<u>3,613</u>



Directors, Officers and Advisers

Directors

S A Mörtstedt (Executive Chairman)
G V Hirsch LLB ACA (Chief Executive)
B F Mörtstedt (Executive Director)
Sir David Rowe-Ham FCA (Non-executive Director)
K R Harris PhD (Non-executive Director)
H O T Lundqvist (Non-executive Director)

Secretary

T J Thomson BA (Hons) (Solicitor)

Registered Office

6 Spring Gardens
Tinworth Street
London SE11 5EH

Registered Number

2714781

Registered Auditors

Coopers & Lybrand
Chartered Accountants
1 Embankment Place
London WC2N 6NN

Registrars & Transfer Office

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Securities Services - Registrars
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8 Bankhead Crossway North
Edinburgh EH11 4BR

Clearing Bank

Royal Bank of Scotland plc
24 Grosvenor Place
London SW1X 7HP

Stockbrokers

UBS Limited
100 Liverpool Street
London EC2M 2RH

Solicitors

Gouldens
22 Tudor Street
London EC4 0JJ

Taylor Walton

65 High Street
Harpenden, Herts AL5 2SW



CLS Holdings plc

Spring Gardens, Tinworth Street
London SE11 5EH

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Annual Report 31st July 1995