

CARPATHIAN PLC (CPT)

**FINANCIAL RESULTS
FOR THE HALF YEAR ENDING 30 JUNE 2008**

September / October 2008



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Please note that numbers are presented herein are in UK Sterling unless otherwise stated.
The Company's functional currency is Euro, while it has chosen UK Sterling as its presentational currency.

Operational Highlights

- Fully invested / committed before target of year end 2008
- Separated from Dawnay, Day Group
Name change, New Manager, Director, Shareholding
- Unprecedented turbulence in global economy
- New debt of £133.6 million secured
Croatia, Riga, Arad
- Interfruct lease terminated
- Value realisation is in progress
Karlovy Vary
- Strong lease demand for developments
Riga, Arad, Cluj Napoca



Financial Highlights

- Net rental and related income up by 47.5% to £16.39 million (6 months to 30 June 2007: £11.11 million)
- Net profit before tax for the period increased to £8.44 million (6 months to 30 June 2007: £7.16 million) – up 17.9%
- Profit for the period is £5.91 million (6 months to 30 June 2007: £5.98 million) – down 1.2%
- Earning per share is 3.7 pence (same as for the 6 months to 30 June 2007)
- Interim dividend of 2p (3.33p for the 6 months to 30 June 2007)
- Dividend objective for 2008 is 5p** (8p set at the year end 2007)
- NAV per share of 133.8p (30 June 2007: 112.4p) – up 19%
Adjusted NAV* per share is 147.8p (30 June 2007:119.7p) – up 23.5%

* Adjusted NAV excludes goodwill and deferred tax on property valuations

** This should not be construed as profit forecast



Unaudited Group Profit & Loss Statement

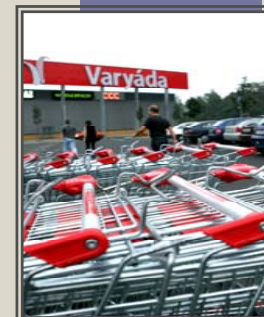
UNAUDITED CONSOLIDATED PROFIT & LOSS STATEMENT

	30-Jun-08	30-Jun-07	31-Dec-07
For the six months ended 30 June 2008			
Group	£'000	£'000	£'000
Gross rental income	19,321	13,146	27,051
Service charge income	5,584	4,825	9,635
Service charge expense	-6,516	-5,606	-10,886
Property operating expenses	-2,549	-1,621	-3,401
Other property income	549	367	1,895
Net rental and related income	16,389	11,111	24,294
Changes in fair value of investment property	-	-	15,983
Changes in fair value of financial assets and liabilities	14	-841	1,409
Net foreign exchange (loss) / gain	-1,194	1,186	-6,971
Administrative expenses	-3,103	-1,561	-4,685
Net operating profit before net financing expense	12,106	9,895	30,030
Financial income	6,101	4,888	7,375
Financial expense	-9,771	-7,624	-15,528
Net financing expense	-3,670	-2,736	-8,153
Net profit before tax	8,436	7,159	21,877
Tax	-2,524	-1,182	-6,947
Profit for the period	5,912	5,977	14,930



Unaudited Group Balance Sheet – Assets

UNAUDITED CONSOLIDATED BALANCE SHEET	30-Jun-08	30-Jun-07	31-Dec-07
As at 30 June 2008			
Group	£'000	£'000	£'000
ASSETS			
Non-current assets			
Investment property	565,756	371,148	523,112
Development property	46,437	-	41,428
Goodwill	27,983	18,139	25,576
Intangible assets	23	-	13
Costs relating to future acquisitions	263	266	291
Other Investments	5,890	4,970	5,477
Loans receivable	26,085	1,685	14,846
Deferred income tax assets	2,380	937	1,027
	674,817	397,145	611,770
Current assets			
Trade and other receivables	14,665	6,809	12,776
Loans receivable	-	-	20
Cash and cash equivalents	66,490	164,623	62,103
Financial assets	8,597	4,814	4,762
	89,752	176,246	79,661
TOTAL ASSETS	764,569	573,391	691,431



Unaudited Group Balance Sheet – Liabilities & Equity

UNAUDITED CONSOLIDATED BALANCE SHEET	30-Jun-08	30-Jun-07	31-Dec-07
For the six months ended 30 June 2008			
Group	£'000	£'000	£'000
EQUITY			
Issued capital	2,293	2,293	2,293
Share premium	177,111	222,013	177,111
Retained earnings	86,143	37,740	85,223
Translation reserve/(deficit)	41,362	-4,225	19,660
Total equity attributable to equity holders of the parent	306,909	257,821	284,287
Minority interest	1,004	4,856	3,673
TOTAL EQUITY	307,913	262,677	287,960
LIABILITIES			
Non-current liabilities			
Bank loans	203,523	213,529	233,382
Deferred income tax liabilities	63,656	35,801	56,333
	267,179	249,330	289,715
Current liabilities			
Trade and other payables	17,277	11,290	27,884
Bank loans	162,858	42,651	77,055
Provisions	1,681	729	647
Dividends payable	7,661	4,868	7,638
Financial liabilities	-	1,846	532
	189,477	61,384	113,756
TOTAL LIABILITIES	456,656	310,714	403,471
TOTAL EQUITY AND LIABILITIES	764,569	573,391	691,431



Key Financial Parameters

Equity: Weighted average of acquisition yields: 7.6%
Fully invested and committed

Liquidity: Loans to expire before year end: £64.7 million
Within a year: £162.9 million
Cash at bank: £66.5 million

Debt: Loan to Cost ratio: 78%
Loan to Value ratio: 60%
Financing Banks: AIB, Hypo Real Estate, MKB, Barclays,
Erste, Nordea

Portfolio refinance is in lawyers hand, term sheet provided
by existing main lender
Please see next page on Portfolio debt

Interest Rates: Weighted average interest rate for the period: 5.6%
(for the year to 31 December 2007: 5.5%)
Weighted average SWAP rate period: 4%
(for the year to 31 December 2007: 3.7%)
All mortgage loans has been hedged against interest
rate volatility



Property Portfolio – Financing Terms

Country	Property	Payable within 1 year (£m)	Payable after 1 year (£m)	Repayment date	Swap rate	Margin on Euribor
Croatia	Agrokor Portfolio: 6 properties	-	31.7	Mar 2011	3.84%	1.80%
Czech Republic	Varyada Shopping Centre*	0.3	27.9	Mar 2010	3.57%	1.70%
Czech Republic	MID Portfolio : 2 properties	-	26.2	Aug 2010	4.41%	1.05%
Hungary	Antana Logistic Park	9.5	-	Oct 2008	2.89%	1.50%
Hungary	Plaza Portfolio: 4 properties	1.3	33.2	Mar 2015	-	1.75% and an average fixed rate of 2.86%
Hungary	Ericsson Office Building Complex*	9.0	-	Sep 2008	-	1.60%
Hungary	Interfruct Portfolio: 23 properties	46.2	-	Nov 2008	3.92%	1.75%
Hungary	MID Portfolio : 2 properties	-	19.1	Aug 2010	4.41%	1.05%
Latvia	Blaumana 12	-	5.9	Feb 2017	-	1.55%
Lithuania	Babilonas Shopping Centre	-	18.7	Oct 2009	3.85%	1.65%
Poland	Geant Portfolio: 4 properties	1.2	35.0	Aug 2010	2.99%	Average of 1.75%
Poland	Promenada Shopping Centre*	85.4	-	May 2009	3.57%	1.60%
Poland	Marina Mokotow	0.1	5.8	Oct 2012	4.55%	1.70%
Romania	Developments – Arad	3.5	-	Mar 2009	-	1.90%
Romania	Developments – Cluj Napoca	6.4	-	Mar 2009	-	1.90%
Grand Total		162.9	203.5			

* These properties have interest rate caps. Varyada and Promenada Shopping Centres' interest is capped at 4% and Ericsson Office Complex is capped at 3.8%.

Business Review – SWOT analysis

Strengths and Opportunities

Diverse set of property assets
geography, income/development, tenant

Substantial lettable space extension

Low debt gearing – 63%

Property expertise

Weaknesses and Threats

Interfruct termination – debt, restructure

Global financial and property market turbulence

Liquidity, short term debt

Development costs in Romania



Business Objectives for 2008 / 2009

- New total dividend objective of 5 pence per share for the year
- Increased focus on portfolio and property level risks, liabilities
Liquidity, costs
- Active debt management – refinancing
- Main / Official List – Euro denomination – Directors appointment
(subject to shareholder approval)
- Active value realisation from the existing portfolio, trading and recycling to higher yield income stock
- Reviewing options to capitalize on distressed situations



Macro Outlook

- Estimated 2009 GDP growth: Euro zone maximum of 1.2%. - CEE Region 4.3%.
- Portfolio leases – - EU 27 CPI – an average annual increase of 4.4% (Source: Eurostat July 2008).
- CEE less affected so far by global credit crunch

“... strong economic fundamentals and buoyant occupier markets have slightly mitigated the credit crunch’s effects, the CEE-3 capitals of Prague, Warsaw, and Budapest are not immune and have all seen yield decompressions of approximately 50 bps.”

“Current volatility in the capital markets should provide a greater case for pension funds and insurance companies to diversify and seek out the safe haven that real estate can offer. In addition, if markets stagnate or deteriorate office markets are likely to suffer to a greater extent with retail offering a more defensive play.”

(JLL H1 2008 CEE Retail Investment Overview)

Transaction volumes throughout the market are markedly down due to the impact on liquidity arising from the reduced debt availability. Significant buyers; German open ended funds, Austrian, American and Spanish funds and property companies and new funds seeking diversification from Australian and Middle East.

“Transactions concluded to date across Poland, Czech Republic, Slovakia and Hungary represent only 10% (retail sector) and 25% (all sectors) respectively of property volumes transacted in 2007. ”

(JLL H1 2008 CEE Retail Investment Overview)



Asset Management – Development (Part 1 of 2)

Osowa Centre, Gdansk, Poland

Mall reconfiguration creating new income of £62,000 p.a for cost of approximately £288,000
25 of 26 leases due for 2008 expiry – now re-leased

TBD - Strategic

£1.9 million of equity (plus new debt) allocated to buy adjoining property before year end.

Sopron Plaza, Hungary

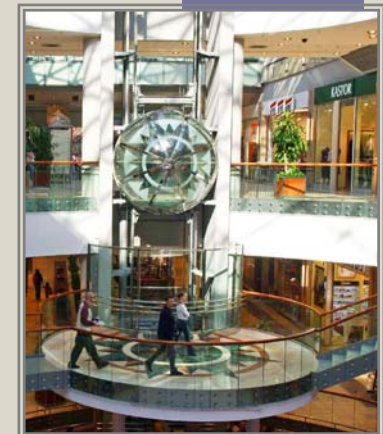
A minor refurbishment is planned for 2009.
New 10 year lease to supermarket anchor CBA, and expanded operations by 20% (800 sq m).

Savaria Plaza, Hungary

The first CBA Premier branded store in Hungary.
Opened in June - 2,000 sq m floor space - trading well above expectations - turnover of over £400,000 per month.
Pedestrian flows increased by 300%.
Two new retailers signed new five year leases with further interest from other retailers in excess of 400 sq m.

Pecs Plaza, Hungary

CBA expressed interest to open its Premier brand



Asset Management – Development (Part 2 of 2)

Interfruct portfolio, Hungary

After two months rent arrears, and following discussions with SCD Holding, (the parent company) - the Company terminated its lease agreements with Interfruct, a cash and carry retailer and the company's largest tenant.

The portfolio comprises 21 retail and 2 warehouse units.
Arterial road locations at the edge of most major cities in Hungary - main commercial zones or popular shopping destinations.
Annualised rent roll of Interfruct - approximately £5.36 million (circa 14% of portfolio rent roll).

Galleria Patollo, Riga, Latvia

52% of the GLA now been signed up - brands secured so far include Esprit, Marc O'polo, Diesel, Jules, Daniel Hechter, Intimissimi and Escada Children.
Heads of terms agreed for a further 13% and advanced negotiations in hand with a food store which would take lettings to 70%.

Atrium Centers, Romania

General – development cost inflation, reduced investment market liquidity

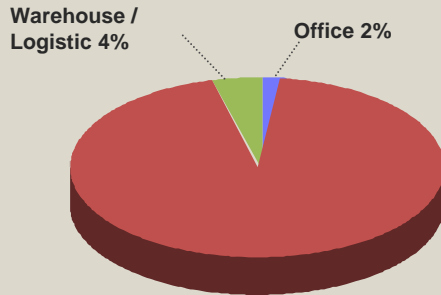
Arad - Main construction contract commenced in September 2008.
29,000 sq m GLA retail and entertainment centre, circa 40% of GLA pre let including such as Cinema City, Billa, Leonardo, Kenvelo, Deichmann, Reserved and Cropp Town - additional units committed or in negotiation bring the total to 60% GLA.

Cluj - 30% of the retail space is pre-let.
Heads of terms bringing the total agreed to 50% pre let.

Baia Mare and Satu Mare – subject to ongoing design, cost and pre-leasing discussions

Property Portfolio - Analysis

Distribution of Portfolio by Sector



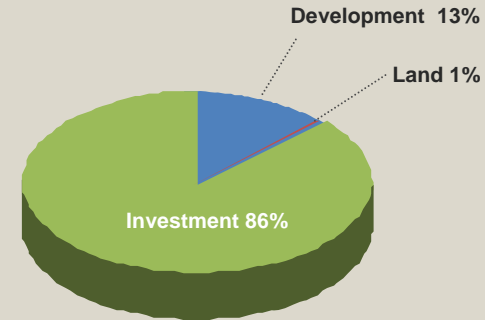
Total Lettable Area: c. 392,460 sqm
 Void areas as % of lettable area: 6%
 Interfruct represents 24% of TLA

Weighted average lease lengths:
 3.8% years

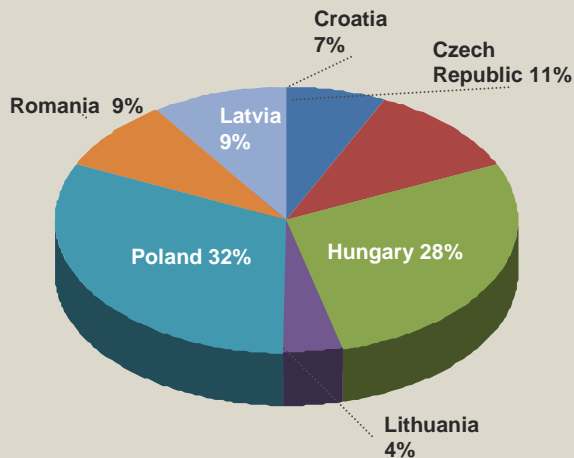
Average Rent: €14/sqm/month

Rent Collection ratio: 95%

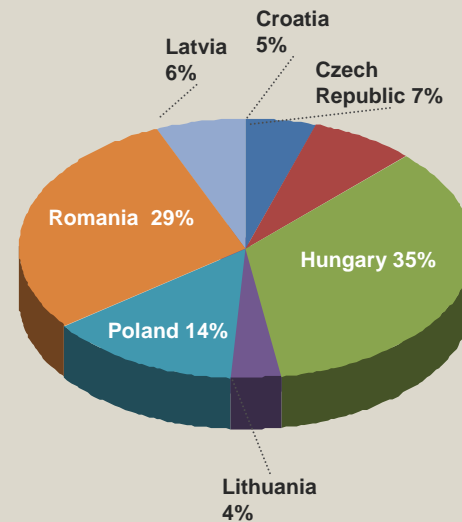
Distribution of Portfolio by Type



Distribution of Portfolio by Value



Distribution of Portfolio by Area



Portfolio Summary – Investment Properties

Country	Property	Gross lettable area (sqm)	No. of units	Purchase Price (£m)	Value * (£m)	Bank loan (£m)	LTV
Croatia	Agrokor Portfolio: 6 properties	30,221	6	40.7	45.1	31.7	70%
Croatia Total		30,221	6	40.7	45.1	31.7	
Czech Republic	Varyada Shopping Centre	18,437	80	26.8	41.2	28.2	68%
Czech Republic	MID portfolio : 2 properties	25,948	26	28.8	32.7	26.2	80%
Czech Republic Total		44,385	106	55.6	73.9	54.4	
Hungary	Antana Logistic Park	36,997	75	14.2	17.9	9.5	53%
Hungary	Plaza Portfolio: 4 properties	47,559	254	44.4	63.5	34.5	54%
Hungary	Ericsson Office Building Complex	8,972	-	11.5	13.2	9.0	68%
Hungary	Interfruct Portfolio: 23 properties	94,668	23	55.8	67.7	46.2	68%
Hungary	MID Portfolio: 2 properties	19,392	9	20.8	23.7	19.1	80%
Hungary Total		207,588	361	146.7	186.0	118.3	
Latvia	Blaumana 12	-	-	8.5	10.1	5.9	59%
Latvia Total		-	-	8.5	10.1	5.9	
Lithuania	Babilonas Shopping Centre	21,458	120	23.0	28.0	18.7	67%
Lithuania Total		21,458	120	23.0	28.1	18.7	
Poland	Geant Portfolio: 4 properties	26,908	173	42.3	66.2	36.2	55%
Poland	Promenada Shopping Centre	50,663	228	94.5	132.4	85.4	65%
Poland	Biedronka Supermarket	1,220	3	0.8	1.3	-	-
Poland	Marina Mokotow	2,554	31	6.9	8.1	5.9	73%
Poland Total		81,345	435	144.5	208.0	127.5	
Romania	Macromall Shopping Centre	7,489	64	13.1	14.6	-	-
Romania Total		7,489	64	13.1	14.6	-	
Grand Total		392,486	1,092	432.1	565.8	356.5	63%

*DTZ valuation at December 2007 with additions during the period at cost converted at the exchange rate prevailing on 30 June 2008.

Portfolio Summary – Development Properties

Country	Location	Property	Purchase Price (£m)	Value * (£m)	Bank loan (£m)	LTV
Romania	Arad	Construction site with permits	9.3	11.2	3.5	31%
Romania	Baia Mare	Development site with permits	12.0	14.5	-	-
Romania	Cluj Napoca	Development site with permits	9.7	12.7	6.4	50%
Romania	Satu Mare	Development site with permits	7.0	8.1	-	-
Romania Total			38.0	46.5	9.9	21%

* Valuation at purchase and capitalised costs, converted at the exchange rate prevailing on 30 June 2008.

The Company's investment in Galleria Patollo, Riga, Latvia is not shown here, as at present it is not part of the development properties in the Balance Sheet. Its general description is in the Appendix.



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Full and Complete Separation from Dawnay, Day

Carpathian Plc (formerly Dawnay Day Carpathian) has now completely separated itself from the Dawnay, Day Group.

Carpathian Plc (CPT) is a separate listed vehicle on LSE. It has raised 240m GBP equity to invest in Central and Eastern European retail properties.

CPT's assets are completely ring fenced from the assets of Dawnay, Day International (DDI), and there is no cross default provision between them.

The historic links with the Group were fourfold, as detailed below:

1. Investment Manager

The former Investment Manager, Dawnay Day Europe, went into administration with DDI. This company was a Joint Venture between DDI and Paul Rogers, Massimo Marcovecchio and the management. The assets of Dawnay Day Europe were bought and are now owned by Mr. Rogers, Mr. Marcovecchio and Carpathian Plc who together have formed the new 50/50 owned management company Carpathian Asset Management Limited.

None of the principals of DDI have any stake in the manager.

2. Name

The Company was renamed Carpathian Plc on 29 August 2008; there is no further reference to the Dawnay, Day Group.

3. Board

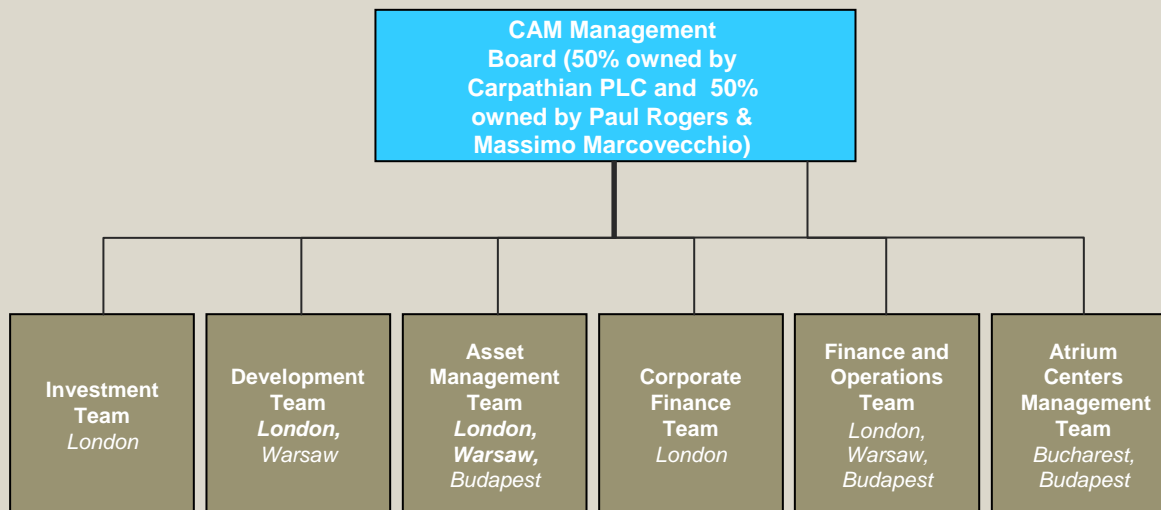
Peter Klimt (one of the main principals of DDI) had been a member of the Board, but he resigned in August 2008.

4. Shareholding

The principals of DDI used to have a substantial holding in CPT prior to their bankruptcy, but this is now reduced to approximately 2-3% and is considered insignificant.

Carpathian Asset Management Ltd

- Complete in-house expertise and capabilities ranging from asset management, development, corporate finance and investment management
- Includes chartered surveyors, project managers, analysts, lawyers and accountants with substantial transactional experience
- Experienced and equipped to execute cross-border transactions
- Carpathian Asset Management's 75% owned subsidiary, Atrium Centers, undertakes development activity in the Southern CEE region
- Local ground presence in target markets with 3 regional offices in Warsaw, Budapest and Bucharest in addition to London headquarters
- Multinational team of professionals from the relevant countries with local and western experience/ training and language skills







Portfolio Map



Property Portfolio – Asset Description

Please note that numbers are presented within this table are expressed in EURO.

Country	Asset	Information
Lithuania	Babilonas Shopping Centre 	<p>Panevezys, the 5th largest city in Lithuania</p> <p>The only modern covered shopping centre in the Panevezys region; single level double mall with supermarket anchor and 120 retail, restaurant and leisure units.</p> <p>Approximately 21,458 sqm</p> <p>Acquired in July 2006 for EURO 33.2 million</p> <p>December 2007 valuation: EURO 35.4 million</p>
	Atrium Centers Portfolio 	<p>Cluj Napoca, Arad, Baia Mare, Satu Mare</p> <p>Portfolio of 4 development sites across Romania for mixed use retail and entertainment complexes</p> <p>Construction facility secured for the Arad scheme which is 40% pre-let</p> <p>Purchase price EURO 37.3 million</p>
Romania	Macromall, Brasov 	<p>Brasov</p> <p>Two-storey retail complex with 65 units; completed in 2005</p> <p>GLA 7,489 sqm</p> <p>Acquired in August 2006 for EURO 19.5 million</p> <p>December 2007 valuation: EURO 18.5 million</p>
	Agrokor Portfolio 	<p>Portfolio of properties in Zagreb, Slavonski Brod and Kutina situated across Croatia and Hungary</p> <p>Portfolio comprising 6 large stores, all constructed in the last four years</p> <p>GLA 30,221 sqm</p> <p>Acquired in December 2007 for EURO 57 million</p> <p>December 2007 valuation: EURO 57 million</p>
Croatia		





Property Portfolio – Asset Description

Country	Asset	Information
Hungary	Antana Warehouse Park 	<p>Dominantly located next to two on/off ramps of the M1/M7 motorway approximately 12 kilometres south east of Budapest city centre</p> <p>Seven buildings offering a mixture of light industrial, warehouse and office uses.</p> <p>GLA 36,997 sqm</p> <p>Acquired in October 2005 for EURO 21 million</p> <p>December 2007 valuation: EURO 22.7 million</p>
	Plaza Portfolio 	<p>Portfolio in Veszprem, Pecs, Sopron and Szombathely</p> <p>Four well located mixed use retail and leisure malls</p> <p>Combined GLA of 47,559 sqm</p> <p>Acquired in May 2006 for EURO 61 million</p> <p>December 2007 valuation: EURO 75.9 million</p>
	Ericsson 	<p>Located in the 3rd District in the north-western part of Budapest at the foot of 'Táborhegy' Hill and adjacent to Bécsi út, a major road in a commercial and residential area</p> <p>Eight detached office buildings in well landscaped surroundings</p> <p>GLA 8,972 sq m</p> <p>Acquired in September 2006 for EURO 17 million</p> <p>December 2007 valuation: EURO 16.7 million</p>
	Interfruct 	<p>Five locations in Budapest and others in major cities across Hungary</p> <p>Sale & leaseback portfolio of 23 well located units</p> <p>GLA of 94,668 sqm</p> <p>Acquired in November 2006 for EURO 83.9 million</p> <p>December 2007 valuation: EURO 85.7 million</p>

Property Portfolio – Asset Description

Country	Asset	Information
Poland	Promenada 	East side of Warsaw Shopping, entertainment and office complex incorporating multiplex cinema and ice rink GLA 50,706 sqm Acquired in May 2006 for EURO 138 million December 2007 valuation: EURO 167.1 million
	Marina Mokotow 	Situated in the heart of Warsaw, in Old Mokotow Four retail service shopping centres located in a high-end residential complex GLA 2,554 sqm including Phase II Acquired in October 2007 for EURO 9.2 million December 2007 valuation: EURO 12.2 million
	Biedronka 	Biedronka is found in Slupsk, in the Pomerania region of Poland, 10 km from the Baltic Coast Supermarket and retail units GLA 1,220 sq m. Acquired in June 2006 for EURO 1.1 million December 2007 valuation: EURO 1.5 million
	Blue Knight Portfolio 	Portfolio of properties in Gdansk, Lodz, Sosnowiec and Torun 4 shopping centres with a mix of convenience, service and mid-range retailers Combined GLA of 26,901 sqm Acquired in September 2005 for a total of EURO 62.2 million December 2007 valuation: EURO 83.7 million

Property Portfolio – Asset Description

Country	Asset	Information
Czech Republic	Varyada 	<p>Located in Karlovy Vary, a well-known spa resort north west of Prague near the German border</p> <p>Two-storey mall with supermarket anchor and 70 retail and food outlets. Varyada is the only true large modern shopping centre in the region</p> <p>GLA approx 18,437 sqm</p> <p>Acquired in November 2005 for EURO 37 million</p> <p>December 2007 valuation: EURO 52.1 million</p>
	MID Portfolio 	<p>Znojmo, Gyula, Ozd, Hradec Kralovy</p> <p>Portfolio of four properties across Czech Republic and Hungary comprising supermarkets and retail warehousing</p> <p>GLA approx 45,340 sqm</p> <p>Acquired in September 2007 for EURO 71.2 million</p> <p>December 2007 valuation: EURO 71.3 million</p>
Latvia	Galleria Riga, Riga 	<p>Seven-storey mall development comprising 196 units and two levels of underground parking The scheme is 52% pre-let and piling works for the foundation are now complete</p> <p>GLA approx 29,000 sqm with 2 levels of underground parking</p> <p>Expected to open in the second quarter of 2010</p> <p>As at 31 December 2007, Carpathian plc invested c. £ 20.3 million in the form of equity and loans.</p> 

Contact Details

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