



retail.axa-im.co.uk/axa-property-trust

Investment Objective

The Company will be managed with the intention of realising all remaining assets in the Portfolio, in a manner consistent with the principles of prudent investment management and spread of investment risk, with a view to returning capital invested to the Shareholders in an orderly manner.

Investment Policy

The Managed Wind-down will be effected with a view to the Company realising its investments by year end December 2015 in a manner that achieves a balance between maximising the value from the Company's investments and making timely returns of capital to Shareholders.

The Company will cease to make any new investments or undertake capital expenditure except where necessary in the reasonable opinion of the Manager and Board to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process, following repayment of the allocated loan amounts and any additional payments required under the loan facilities but prior to its distribution to Shareholders, will be held by the Company as cash on deposit and/or as cash equivalents. The Company will not undertake new borrowing other than for short-term working capital purposes. Shareholders should expect that, under the terms of the Managed Wind-down, the Board and the Manager will be committed to distributing as much of the available cash as soon as reasonably practicable having regard to cost efficiency and working capital requirements. Accordingly, in order to minimise the administrative burden, Shareholders should expect that returns of cash will be made regularly but not necessarily as soon as cash becomes available.



AXA Property Trust Limited is a member of the Association of Investment Companies

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Phönix Center, Fürth, Germany

Key Financial Information

For the six months ended 31 December 2013

- Total return on Net Asset Value ("NAV") was (7.27%"
- Sterling currency NAV decreased by 7.27% to £54.92 million (Euro currency NAV decreased by 4.68% to €66.00 million)
- Losses were 4.16 pence per share
- No dividends were paid relating to the six month period

As at 31 December 2013

- NAV was 54.92 pence per share (30 June 2013: 59.22 pence)
- Share price was 38.13 pence per share (30 June 2013: 38.25 pence)
- Gearing was 43.9% gross and 40.4% net (30 June 2013: 47.4% gross and 43.9% net)



Performance Summary

	Six months ended 31 December 2013	Year ended 30 June 2013	% change
Net Asset Value ("NAV") (£000s)	54,919	59,221	(7.27%)
NAV per share	54.92p	59.22p	(7.27%)
Losses per share	(4.16p)	(3.37p)	n/a
Dividends relating to the period/year	0.00p	0.00p	n/a
Dividends paid during the period/year	0.00p	0.00p	n/a
Share price ¹	38.13p	38.25p	(0.3%)
Share price discount to NAV	30.6%	35.4%	n/a
Gearing (gross) ²	43.9%	47.4%	n/a
Total assets less current liabilities (£000s) ³	88,039	98,905	n/a

Total return	Six months ended 31 December 2013	Six months ended 31 December 2012
NAV Total Return	(7.3%)	(2.4%)
Share price Total Return		
- AXA Property Trust	1.7%	15.8%
- FTSE All Share Index	11.3%	8.7%
- FTSE Real Estate Investment Trust Index	12.4%	13.2%

 $^{^{\}mbox{\tiny 1}}$ Mid market share price (source: Datastream).

Source: AXA Investment Managers UK Limited and Datastream

Past performance is not a guide to future performance. The value of investments can go down as well as up. You may not get back the original amount invested.

² Gearing is calculated as overall debt, either gross or net of cash held by the Group over property portfolio at fair value.

 $^{^{\}rm 3}$ Includes bank debt classified as a current liability.

Chairman's Statement



Charles Hunter, Chairman

In a still-slow Continental European property market I am pleased to report that AXA Property Trust Limited (the "Company") is making progress in realising its assets in accordance with the managed wind down agreed by the Shareholders at the EGM last April. In the half year three properties were sold and with the sale of a further asset since 31 December 2013, gross proceeds reached £20.1m for the four transactions. As a result, following Shareholders' agreement to the Board's proposal at the EGM held on 27 February 2014, the first return of capital to Shareholders of approximately £2m will be made on 19 March 2014. A separate announcement with further details will be released immediately after the publication of this Report.

Results

The Company and its subsidiaries (together the "Group") made a total net loss after tax of £4.16 million for the six months to 31 December 2013. The Net Asset Value ("NAV") at 31 December 2013 was £54.92 million (30 June 2013: £59.22 million), a decrease of £4.3 million (7.3%) since 30 June 2013. The unrealised loss on the revaluation of properties was £3.3 million (2.91% of the market value as at 30 June 2013).

The Company's net property yield on current market valuation (after acquisition and operating costs) as at 31 December 2013 was 8.27% (30 June 2013: 7.73%). A detailed yield analysis is included in the Investment Manager's Report on page 10.

The mid-market price of the Company's shares on the London Stock Exchange on 31 December 2013 was 38.13 pence (30 June 2013: 38.25 pence), representing a discount of 30.6% to the Company's NAV at 31 December 2013 (30 June 2013: 35.4%). On 27 February 2014, the mid-market price of the Company's shares on the London Stock Exchange had risen by 2.60 % to 39.12p.

Return of Capital to Shareholders

Following Shareholders' agreement to the Board's proposal to the Compulsory Redemption mechanism at the EGM on 27 February 2014, amounts representing the unallocated cash of the Company will be distributed to Shareholders in return for the redemption of shares on a pro-rata basis. No dividends were declared during the period and the dividend policy remains unchanged.

Bank Finance and Deleveraging

The Group continues to comply with the 60% loan-to-value ("LTV") covenant of the main loan facility with Crédit Agricole and Crédit Foncier. Further loan prepayments were made following the disposal of the assets at Dresden, Braunschweiger Strasse, Berlin and Keyser Center, Antwerp, resulting in a new loan balance of £41.96 million (€50.43 million) and an LTV of 48.5%. The loan is due to mature on 1 July 2016.

The Group repaid its share of the joint venture loan facility at the Company's subsidiary Property Trust Agnadello S.r.I. in September 2013 by applying the net proceeds from asset sales and Agnadello's surplus operating cash flow to settle the loan in full in advance of the maturity date of 13 December 2013 (as did the JV partner).



Prospects

The Investment Manager's review of the markets in which the Company operates has identified little sign of discernible improvement, and the implementation of the disposal strategy should be viewed within this context. Nevertheless, having disposed of some of the more challenging properties, those that remain largely have quality income streams, and there is evidence of investment interest. While the two holdings in Northern Italy, a distribution warehouse and a cinema complex, are quality assets, sales prospects are unavoidably affected by the macro environment of that country.

The portfolio is steadily producing income, it is relatively lowly geared, market valuation levels seem to have stabilised and the Manager continues to manage holdings in a way that is enhancing value. In addition with the prospect of the expected share redemption the investment Manager is of the opinion that the share price discount of 31% is unduly significant.

"The first return of capital will be made on 19 March 2014."

Charles Hunter

Chairman

28 February 2014

C. J. H. Hunter.

Investment Manager's Report



Martin McGuire, Fund Manager

Investment Manager

AXA Investment Managers UK Limited (the "Investment Manager", "AXA IM") is the UK subsidiary of AXA Investment Managers, a dedicated asset manager within the AXA Group. AXA Investment Managers is an innovative and fast-growing multi-expertise investment manager with € 547 billion of assets under management and over 2,100 employees, operating in 23 countries as at 31 December 2013.

AXA Real Estate Investment Managers UK Limited (the "Real Estate Adviser") is part of the real estate management arm of AXA Investment Managers S.A. ("AXA Real Estate"). AXA Real Estate is a specialist in European real estate investment management with approximately €47 billion of real estate assets under management and over 500 staff, operating in 23 countries as at 31 December 2013.

Source: AXA Investment Managers UK Limited

Fund Manager

Martin McGuire has headed the AXA Property Trust Fund Management team since December 2007. He is a Chartered Surveyor and Senior European Fund Manager at AXA Real Estate. He has over 30 years' experience in commercial property with a significant proportion of this in Continental European property. Mr McGuire lived for five years in Brussels where he worked for Jones Lang Wootton. In 1985 he joined Standard Life and led their expansion into the Continental European markets where he managed the investment and development programme over many years taking the exposure to in excess of €1.5 billion and was Fund Manager of the Standard Life Investments' €800 million European Property Growth Fund. Latterly he was Investment Director at Standard Life Investments and managed the £2 billion Unit Linked Life Fund. He holds a degree in Land Economy from the University of Aberdeen and also an Investment Management Certificate. He is resident in the United Kingdom.

Outlook for retail

Despite signs that consumer confidence is improving, consumer spending growth is only just starting to turn positive at a European level. Moreover, with households highly indebted and only weakly positive house price growth in most countries, average retail rental value growth will remain weak in 2014-15. This compares to the performance of prime high street retail rents, where we expect further strong rental value growth as luxury retail brands continue to compete for retail space in the best locations.

The retail sector continues to face structural change with the growth of online retailing. In many of Europe's economies, retail sales from physical stores have been declining since the financial crisis and online retailing is changing the way in which retailers interact with consumers, with some retail sectors using stores as 'showrooms' for their online offering. We expect this trend to continue, with mobile retail sales becoming increasingly important. The best-performing retailers will be those who provide the best all-round retail offer, successfully mixing online and in-store strategies.

In Germany, while the prime pitch is expanding to adjacent streets, we remain more concerned on secondary retail locations and the shopping centre market. The risk of oversupply in the shopping centre market is rising, particularly in smaller regional cities. Local governments are trying to 'revitalise' inner cities by tendering new shopping centre developments. As a result, development completions will increase strongly in 2015-2016, particularly for the regional markets where the majority of the stock under



construction will complete in 2014-2016. We are, in particular, concerned about eastern Germany, which already suffers from a large number of obsolete shopping centres, due to the construction boom of the late 90's, a region to which the Company is no longer significantly exposed.

As location remains key for retailers, the gap between prime and average rental values in Germany is expected to widen further, while secondary rental values are still trending downward. The increasing importance of online retailing is having a particularly large effect on secondary locations in Germany. As the share of internet sales of total retail sales is increasing, this is mostly taken from the sales outside the high streets. Most larger high street retailers already have multichannel retailing strategies and can compensate lost physical sales with internet sales. However, multichannel retailing has and will continue to change the retail world and the prime high street presence will further increase for retailers to benefit from the high footfall of consumers.

Outlook for logistics

The industrial sector has been most affected by the weak economic environment of the past few years. However, global trade volumes are beginning to show growth, but this will not be as strong as the initial post-recession recovery, as demand drivers within the eurozone remain weak and emerging market growth will be slower. Unlike the other sectors, prime industrial rental values have only just started to recover and in relative terms prime rental values are still on average 4% below their previous peak in Europe. The European average hides significant differences though, with the Nordics already 2% above their previous peak and at the opposite end, southern European markets 28% below their previous peak.

However, while the retail sector struggles to adapt to the major paradigm shift of online retailing, the logistics sector has the potential to benefit. While some existing logistics units will not match the new requirements, there will be an opportunity for developers to agree deals with retailers for 'built-to-suit' logistics units. In particular, urban logistics facilities on the outskirts of the largest European cities stand to benefit from retailers' requirements to be able to provide same day delivery to their customers, while large regional logistics facilities will increasingly be demanded in the growing consumer economies of central Europe, where growing international retailers are likely to be the most expansionary. Notably, large retailer activity in the central European economies has, so far, mainly been aimed at providing cheaper access to German consumers than available in Germany itself. Nevertheless, these two sub-sectors are expected to outperform in the 2014-16 period.

Investment Market Outlook

With bond yields expected to show gradual rises across Europe in the 2014-16 period, prime property, which has been priced against bonds, faces the risk of rising yields. These risks are greatest for the lowest-yielding (and therefore, most interestrate sensitive) property types and locations such as prime offices in London, Paris, the major German cities, Switzerland and Stockholm.

As confidence in the economic recovery improved in 2013, so did sentiment surrounding 'good secondary' and 'secondary' property, led by the UK, where the risks appeared to reduce (in line with the improving economic backdrop) and investor risk appetite increased, causing 'good secondary' and 'secondary' yields to fall. At a European level, we have started to see anecdotal evidence of growing interest in 'good secondary' assets in the next strongest markets, such as Germany and Sweden, as the same combination of reducing risks and growing risk appetite transpires. Given the higher risk profile of secondary property and its reliance on



Bahnhofstraße, Karben, Germany



Edeka supermarket, Fürth, Germany

Investment Manager's Report continued

economic growth (to drive occupancy), we expect a greater degree of divergence to open up between countries, cities and microlocations within cities for this type of property.

Considering the broader performance of commercial real estate in Europe, our forecasts for average institutional quality property, as shown by our IPD portfolio¹ forecasts, are for total returns of 6% p.a. in 2014 to 2016. But, as indicated above, this covers a growing range of performance across markets. The strongest performers will, according to our research broadly be the northern European markets, with the addition of central Europe, where a relatively high income yield supports higher total return expectations. We expect the weakest performance for this 'average' property to remain southern Europe, as well as France, where weak or stagnant economic growth will limit property performance.

¹ IPD (the Investment Property Databank) collects valuation data from a range of property companies, funds and institutions across Europe representing assets valued at EUR580bn (at end-2012) and, based on this data, provides performance metrics by country and sector.

Asset Management Update

In the implementation of the strategy to wind down the portfolio, progress continues to be made with sales across the portfolio with three assets having sales completed over the period and one further asset (Montabaur in Germany) subsequently. The asset at Köthen, Germany which was also marketed for sale in the latter part of 2013 and did not sell will be re-exposed to the market during 2014 as part of the overall disposal programme.

At the Phönix Center in Fürth, Germany, the unit previously occupied by Edeka which has been extensively marketed to let is now likely to go under offer to a national German Fitness Centre operator enhancing the leisure use which combined with the improved retail tenant mix of the centre will increase its attractiveness as a destination for the catchment population.

At Dasing, the German logistics property, a lease has been agreed and signed on circa 9,000m² of the unit to be vacated by DB Schenker. The tenant UVEX, a maker of industrial protective equipment, has signed a seven year lease. In addition, Rhenus, an established German logistics operator, has also taken a further 5,400m² of space currently vacant. These lettings have resulted in a reduction of the overall vacancy at the asset from 34% to 9%.

At Agnadello, the Italian logistics Property held 50:50 in a joint venture, a new 8+6 year lease to the existing tenant has been signed. This is at a revised rental level in line with market conditions and gives the tenant an option to break at June 2015 and June 2018 but only on payment of penalties.

Property Portfolio at 31 December 2013

			Net yield on	
Investment name	Country	Sector	valuation 1,2	% of total assets
Phönix Center, Fürth	Germany	Retail	6.64%	21.7%
Rothenburg ob der Tauber	Germany	Retail	8.38%	17.3%
Curno, Bergamo	Italy	Leisure	7.77%	13.9%
Bergamina, Agnadello	Italy	Industrial	12.01%	9.5%
Smakterweg, Venray	The Netherlands	Industrial	8.80%	6.9%
Bahnhofstraße, Karben	Germany	Retail	8.32%	6.9%
Am Birkfeld, Dasing	Germany	Industrial	7.33%	6.1%
Industriestrasse, Montabaur-Heiligenroth	Germany	Retail	11.18%	5.2%
Frankfurter Strasse, Würzburg	Germany	Retail	7.73%	4.1%
Eppinger Strasse, Kraichtal	Germany	Retail	8.08%	3.7%
Die Weidenbach, Lindheim - Altenstadt	Germany	Retail	8.69%	2.7%
Elsdorfer Weg, Köthen	Germany	Retail	9.25%	2.0%
Total property portfolio			8.27%	100.00%

¹ Net yield on valuation is based on the current market valuation after deduction of property-specific acquisition costs and operating costs.

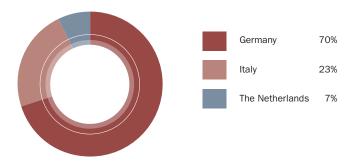
Details of all properties in the portfolio are available on the Company's website http://retail.axa-im.co.uk/axa-property-trust under -Portfolio - Our Presence.

Source: AXA Real Estate Investment Managers UK Limited

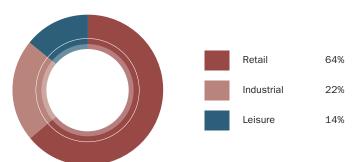
 $^{^{\}rm 2}$ Source - external independent valuers to the Company, Knight Frank LLP.



Geographical Analysis at 31 December 2013 by Market Value



Sector Analysis at 31 December 2013 by Market Value



Source: AXA Real Estate Investment Managers UK Limited

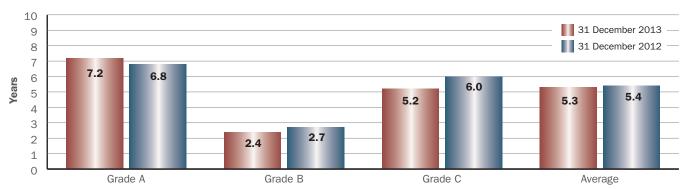
Covenant Strength Analysis at 31 December 2013

(based on rental income)

Grade A	40.4%	Creditreform:<199; D&B:A 1
Grade B	25.5%	Creditreform:200-249; D&B:B,C,D 1,2
Grade C	28.4%	Creditreform:>250; D&B: D + 3,4
Vacant	5.7%	

The Company's tenant covenant profile is strong, with 40.4% of tenants rated Grade A, indicating a high credit rating score. Rental income from Grade A covenants has a weighted unexpired lease length of 7.2 years. The average rent-weighted unexpired lease length for the investment portfolio as at 31 December 2013 was 5.3 years. Vacant space in the portfolio on 31 December 2013, measured using estimated market rent, represented 5.7% of the total gross rental income.

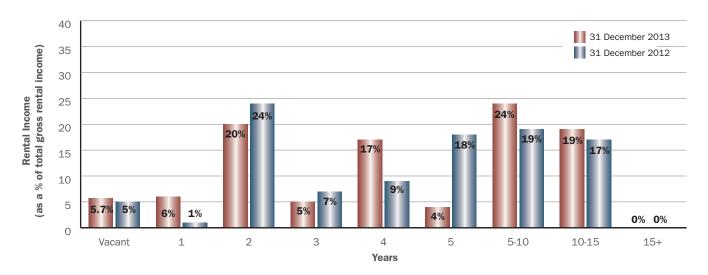
Average unexpired lease length profile weighted by rental income



Source: AXA Real Estate Investment Managers UK Limited

Investment Manager's Report continued

Lease expiry profile weighted by rental income



Financing and Hedging Arrangements

Agnadello Loan Facility

The joint venture loan facility at the Company's Joint Venture Property Trust Agnadello S.r.I. with Crédit Agricole was extended to 13 December 2013. The Group reduced its share of the loan balance to €5.5 million on 14 March 2013 and then to €2.0 million on 16 September 2013, as required under the terms of the agreement. The net proceeds from asset sales and Agnadello's surplus operating cash flow were used to settle the loan in full on 24 September 2013 in advance of the maturity date of 13 December 2013.

Main Loan Facility

The loan-to-value ("LTV") ratio under the main loan facility with Crédit Agricole and Crédit Foncier of €50.43 million stands at 48.5%, compared to a covenant of 60%. The loan was reduced through asset sales in the period at Dresden, Braunschweiger Strasse, Berlin and Keyser Center, Antwerp, with loan payments made of €1.35 million, €1.16 million and €4.33 million respectively. The actual interest cover ratio at 31 December 2013 stands at 290.8%, compared to the covenant of 200%. The loan is due to expire on 1 July 2016.

Hedging Arrangements

Cash Position

The Group held total cash of £3.4 million ($ext{ } ext{ }$

The Group monitors the cash position in all subsidiaries to ensure that all working capital needs are managed across the Group.

Between £1.1 and £1.6 million (€1.3 and €1.9 million) of capital expenditure is planned over the next twelve months.



Portfolio Outlook

The sales that have been achieved and are in hand following the work over the last six months (particularly reducing the exposure to the eastern part of Germany) position the Company to deal with the remainder of the portfolio in an orderly fashion. Flexibility exists to sell down either as a pan-European portfolio or in groupings either by sector or country. The approach to be adopted will be to both maximise total sales price and to secure certainty on the completions. In addition, this time is being used to realise any final asset management improvements to individual assets.

The Manager is working closely with the Board on these more detailed marketing aspects to be implemented following the decision by shareholders at the EGM on 27 February 2014 to approve the mechanism for the return of capital.

Source: AXA Real Estate Investment Managers UK Limited.

Board of Directors



Charles Hunter (Chairman

has over 30 years of experience in property investment, principally in UK commercial property. He was Head of Property Investment of Insight Investment (formerly Clerical Medical Investment Group) for some nine years and before that Property Director of the investment management subsidiaries of The National Mutual of Australasia group in the United Kingdom. He has served as a non-executive director on the boards of a number of property funds and is currently non-executive on the board of Care South. Mr Hunter is a Fellow of the Royal Institution of Chartered Surveyors and a member of the Investment Property Forum. He is resident in the United Kingdom.



Stuart Lawson

is a Fellow of the Chartered Institute of Certified Accountants. He joined Northern Trust in 1988 working in Fund Administration and Trust client accounting before being appointed Head of Finance for the office in 1996 where he established a Risk Management Department. In 2005 he was appointed Chief Administration Officer for Guernsey with local responsibility for finance, risk, compliance, corporate services and communication, and in 2007 was appointed head of Real Estate and Infrastructure Fund Administration services across the EMEA region. He is currently head of Regulatory and Market Change in Guernsey, is a Director of a number of client entities, and Chairman of Northern Trust (Guernsey) Limited. He has nearly 30 years experience in the Financial Services Industry.



Stephane Monier

has over 20 years of experience in asset allocation, fixed income, and foreign exchange markets. Mr Monier is currently the Chief Investment Officer at the European Private bank of Lombard Odier, based in London. Prior to this role, Mr Monier was Deputy Global Chief Investment Officers at Lombard Odier Investment Managers ("LOIM"), the institutional arm of the Lombard Odier Group, based in Geneva. He used to be responsible for various sectors including money market, government bonds, corporate bonds, emerging market debt, currencies, absolute return, fiduciary and quantitative strategies. Prior to joining LOIM, Mr Monier was Global Head of Fixed Income and Currencies at Fortis Investments from 2006 to 2009. Prior to joining Fortis Investments itself, he was Head of Fixed Income and Currency in the Abu Dhabi Investment Authority from 1998 to 2006. He spent the first seven years of his career in JP Morgan Investment Management as a Fixed Income Manager both in London and Paris from 1991 to 1998. Mr Monier has a Masters Degree in Science from Agritech (Paris) and a Masters Degree in International Finance from HEC Graduate School of Business (Jouy en Josas) (France). He is also a CFA charterholder. He is resident in the United Kingdom.



Alphons Spaninks

joined AXA Real Estate in 2005 as a Senior Asset and Transaction Manager. Since 2006, he has been responsible for managing the Dutch office which currently has a team of five. The Assets under Management in The Netherlands are currently circa €500m. Alphons was promoted to Regional Head Benelux and Scandinavia in 2008, responsible for Assets under Management of over €2bn and managing a team of professionals in Stockholm and Brussels. Alphons has almost 20 years of experience in commercial functions within various real estate companies. Prior to joining AXA Real Estate, Alphons worked for AZL Vastgoed as Director of Asset Management. Prior to that, he was Regional Director at MOG, a Dutch Property Management company where he began his career as a Property Manager. He is resident in the Netherlands.



Gavin Farrell

is qualified as a Solicitor of the Supreme Court of England and Wales, a French Avocat and an Advocate of the Royal Court of Guernsey. He is a Partner at Mourant Ozannes, Advocates & Notaries Public in Guernsey, having worked previously at Simmons and Simmons, both in Paris and London, and specialises in international and structured finance and collective investment schemes. Mr Farrell holds a number of directorships in investment and captive insurance companies. He is resident in Guernsey.



Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- the Condensed Half Year Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting; and
- this Half Year Report provides 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 Half Year Consolidated 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 materially affect the financial position or performance of the entity.

By order of the Board

C. J. H. Hunter.

Charles Hunter

Chairman 28 February 2014 **Stuart Lawson**

Director

28 February 2014

Independent Review Report to AXA Property Trust Limited

Introduction

We have been engaged by AXA Property Trust Limited (the "Company") to review the condensed financial statements in the half year report for the six months ended 31 December 2013 which comprises the condensed half year consolidated income statement, the condensed half year consolidated statement of comprehensive income, the condensed half year consolidated statement of changes in equity, the condensed half year consolidated statement of financial position, the condensed half year consolidated statement of cash flows and the related explanatory notes. We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed 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 UK's Financial Conduct Authority ("the UK FCA"). 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 year report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half year report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards. The condensed financial statements included in this half year report have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34").

Our Responsibility

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2014 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. 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 financial statements in the half year report for the six months ended 31 December 2013 is not prepared, in all material respects, in accordance with IAS 34 and the DTR of the UK FCA.

Lee C Clark

for and on behalf of KPMG Channel Islands Limited Chartered Accountants, Guernsey

28 February 2014



Condensed Half Year Consolidated Income Statement

(unaudited)

For the six months ended 31 December 2013

	Notes	Six month Period ended 31 December 2013 £000s	As restated* Six month Period ended 31 December 2012 £000s
Gross rental income	3	4,176	4,470
Service charge income		445	405
Property operating expenses		(1,100)	(928)
Net rental and related income		3,521	3,947
Valuation loss on investment properties	7	(3,293)	(1,561)
Loss on disposal of shares in a subsidiary	6	(355)	-
Net loss on disposal of investment properties		(4)	(326)
General and administrative expenses	4	(1,544)	(1,176)
Operating (loss)/profit		(1,675)	884
Net foreign exchange loss		(191)	(352)
Net loss on financial instruments	12	(622)	(969)
Share in losses of a joint venture	8	(141)	(242)
Net finance cost		(1,464)	(1,817)
Loss before tax		(4,093)	(2,496)
Income tax expense		(63)	(69)
Loss for the period		(4,156)	(2,565)
Basic and diluted loss per ordinary share (pence)		(4.16)	(2.57)

^{*}See note 8

Condensed Half Year Consolidated Statement of profit or loss and other Comprehensive Income

(unaudited)

For the six months ended 31 December 2013

	Six month Period ended 31 December 2013 £000s	As restated* Six month Period ended 31 December 2012 £000s
Loss for the period	(4,156)	(2,565)
Items that will be reclassified subsequently to profit and loss.		
Effective portion of changes in fair value of cashflow hedges	1,134	577
Foreign exchange translation (loss)/gain	(1,280)	525
Total items that may or may not be reclassified subsequently to profit or loss	(146)	1,102
Total comprehensive loss for the period	(4,302)	(1,463)

^{*}See note 8



Condensed Half Year Consolidated Statement of Changes in Equity

For the six months ended 31 December 2013

	Revaluation reserve £000s	Hedging reserve £000s	Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total £000s
Balance at 1 July 2013	(50,327)	(5,623)	6,652	92,948	15,571	59,221
Net loss for the period	(4,056)	-	(100)	-	-	(4,156)
Other comprehensive income	-	1,134	-	-	(1,280)	(146)
Total comprehensive income for the period	(4,056)	1,134	(100)	-	(1,280)	(4,302)
Balance at 31 December 2013	(54,383)	(4,489)	6,552	92,948	14,291	54,919

For the six months ended 31 December 2012

	Revaluation reserve £000s	Hedging reserve £000s	Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total £000s
Balance at 1 July 2012	(47,085)	(3,753)	6,780	92,948	11,133	60,023
Net loss for the period	(3,130)	-	565	-	-	(2,565)
Other comprehensive expense	-	577	-	-	525	1,102
Total comprehensive expense for the period	(3,130)	577	565	-	525	(1,463)
Balance at 31 December 2012	(50,215)	(3,176)	7,345	92,948	11,658	58,560

Condensed Half Year Consolidated Statement of Financial Position

(unaudited)

As at 31 December 2013

		31 December 2013	As restated* 30 June 2013
	Notes	£000s	£000s
Non-current assets			
Investment properties	7	68,606	78,130
Investment in joint venture	8	9,416	5,069
Deferred tax assets		31	37
Current assets			
Cash and cash equivalents		3,396	3,694
Trade and other receivables	9	1,812	1,840
Investment properties held for sale	7	18,220	25,297
Total assets		101,481	114,067
Current liabilities			
Trade and other payables	10	2,017	2,499
Current portion of long-term loans	11	11,164	12,423
Provisions		261	240
Non-current liabilities			
Deferred tax liability		246	390
Provisions		451	480
Long-term loans	11	29,862	35,260
Derivative financial instruments	12	2,561	3,554
Total liabilities		46,562	54,846
Net assets		54,919	59,221
Share capital		-	-
Reserves		54,919	59,221
Total equity		54,919	59,221
Number of ordinary shares		100,000,000	100,000,000
Net asset value per ordinary share (pence)		54.92	59.22

The accompanying notes on pages 22-30 form an integral part of these condensed half year financial statements.

By order of the Board

Charles HunterChairman
28 February 2014

Stuart LawsonDirector
28 February 2014

^{*}See note 8



Condensed Half Year Consolidated Statement of Cash Flows

(unaudited)

For the six months ended 31 December 2013

Operating activities (4,093) Adjustments for: (4,093) Loss on investment properties 3,297 Shares in losses of joint venture 141 Loss on financial instruments 622 Decrease in trade and other receivables (200) (Increase)/Decrease in trade and other payables (560) Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received 161 Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities (361) Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 3,749 Financing activities (10,114) Friencing activities (10,114) Effect of exchange rate fluctuations	As restated* Six month ecember 2012 £000s	Six month 31 December 2013 £000s	Notes	
Adjustments for: Loss on investment properties 3,297 Shares in losses of joint venture 141 Loss on financial instruments 622 Decrease in trade and other receivables (200) (Increase)/Decrease in trade and other payables (560) Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received Interest income received Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of investment properties 7, (8) Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities 428 Decrease in cash and cash equivalents (298)				Operating activities
Shares in losses of joint venture 141 Loss on financial instruments 622 Decrease in trade and other receivables (200) (Increase)/ Decrease in trade and other payables (560) Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	(2,496)	(4,093)		Loss before tax
Shares in losses of joint venture 141 Loss on financial instruments 622 Decrease in trade and other receivables (200) (Increase)/Decrease in trade and other payables (560) Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)				Adjustments for:
Decrease in trade and other receivables (200) (Increase)/ Decrease in trade and other payables (560) Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	1,561	3,297		Loss on investment properties
Decrease in trade and other receivables (200) (Increase)/Decrease in trade and other payables (560) Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outlow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease In cash and cash equivalents (298)	242	141		Shares in losses of joint venture
(Increase)/Decrease in trade and other payables Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received Interest paid (1,285) Tax paid (99) Net cash outliow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease In cash and cash equivalents (298)	969	622		Loss on financial instruments
Net finance cost 1,464 Net foreign exchange loss 191 Net cash generated from operations 862 Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities 428 Decrease in cash and cash equivalents (298)	(114)	(200)		Decrease in trade and other receivables
Net cash generated from operations Net cash generated from operations Net cash generated from operations 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 7,099 Net cash inflow from investing activities Prinancing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities 2428 Decrease in cash and cash equivalents (298)	181	(560)		(Increase)/Decrease in trade and other payables
Net cash generated from operations 862 Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities (10,114) Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities 428 Decrease in cash and cash equivalents (298)	1,817	1,464		Net finance cost
Interest income received 161 Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	352	191		Net foreign exchange loss
Interest paid (1,285) Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	2,512	862		Net cash generated from operations
Tax paid (99) Net cash outflow from operating activities (361) Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	2	161		Interest income received
Net cash outflow from operating activities (361) Investing activities 7 (8) Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities (10,114) Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	(1,442)	(1,285)		Interest paid
Investing activities Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	(111)	(99)		Tax paid
Capital expenditure on completed investment properties 7 (8) Proceeds from disposal of subsidiary 6,658 Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	961	(361)		Net cash ouflow from operating activities
Proceeds from disposal of subsidiary Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)				Investing activities
Proceeds from disposal of investment properties 3,099 Net cash inflow from investing activities 9,749 Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	(747)	(8)	7	Capital expenditure on completed investment properties
Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	-	6,658		Proceeds from disposal of subsidiary
Financing activities Crédit Agricole loan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	9,928	3,099		Proceeds from disposal of investment properties
Crédit Agricole Ioan facility repaid (10,114) Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	9,181	9,749		Net cash inflow from investing activities
Net cash outflow from financing activities (10,114) Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)				Financing activities
Effect of exchange rate fluctuations 428 Decrease in cash and cash equivalents (298)	(12,095)	(10,114)		Crédit Agricole Ioan facility repaid
Decrease in cash and cash equivalents (298)	(12,095)	(10,114)		Net cash outflow from financing activities
Decrease in cash and cash equivalents (298)	(163)	428		Effect of exchange rate fluctuations
Cash and cash equivalents at start of the period 3,694	(2,116)			
одоот	4,657	3.694		Cash and cash equivalents at start of the period
Cash and cash equivalents at the period end 3,396	2,541			

^{*}See note 8

Notes to the Condensed Half Year Consolidated Financial Statements

1. Operations

AXA Property Trust Limited (the "Company") is a limited liability, closed-ended investment company incorporated in Guernsey. The Company invests in commercial properties in Europe which are held through its subsidiaries. The Condensed Half Year Consolidated Financial Statements of the Company for the six month period ended 31 December 2013 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group").

2. Significant accounting policies

(a) Statement of compliance

The Condensed Half Year Consolidated Financial Statements have been prepared in accordance with the Disclosure Transparency Rules of the Financial Conduct Authority and with 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 for the year ended 30 June 2013, which were prepared under full International Financial Reporting Standard ("IFRS") requirements as issued by the International Accounting Standards Board.

(b) Basis of preparation

The same accounting policies and methods of computation have been applied to the Condensed Half Year Consolidated Financial Statements as in the Consolidated Financial Statements for the year ended 30 June 2013 with exception of the following:

IFRS 10, 'Consolidated Financial Statements' effective for annual periods beginning on or after 1 January 2013, is to establish principles for the presentation and preparation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The amendments to IFRS 10 define an investment entity and introduce an exemption from the consolidation requirements for investment entities. The standard has no material impact on the Group's financial statement as the Company has determined that it meets the definition of a parent as defined by IFRS 10 and will continue to present and prepare consolidated financial statements.

IFRS 11, 'Joint Arrangements' effective for annual periods beginning on or after 1 January 2013, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities, which is equity accounting. The jointly controlled entity of the Company will be defined as a joint venture under the new standard. The adoption of the new standard has resulted in the equity accounting method being used to account for the Agnadello joint venture which was previously accounted for using the proportionate consolidation method. This change has also resulted in the comparative figures being restated. Refer to note 8 for further details.

IFRS 12, 'Disclosures of interests in other entities' and the related amendments is effective for annual periods beginning on or after 1 January 2013. The standard mandates disclosures such that users of financial statements can evaluate the nature of risks associated with an entity's interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. IFRS 12 has no material impact on the Group's financial statement.

IFRS 13, 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2013, IFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. Subject to limited exceptions, IFRS 13 is applied when fair value measurements or disclosures are required or permitted by other IFRSs. IFRS 13 has no material impact on the Group's financial statement as the valuation of the investment properties and derivatives at fair value will not change.

The Condensed Half Year Consolidated Financial Statements are presented in Sterling which is also the functional currency of the Company. The Condensed Half Year Consolidated Financial Statements have been prepared on a historical cost basis except for the measurement of the investment properties, derivative financial instruments and financial assets designated at fair value through profit or loss.

The preparation of the Condensed Half Year Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There have been no significant changes to management judgement and estimates.

Quarterly valuations of investment properties are carried out by Knight Frank LLP, external independent valuers, in accordance with the RICS Appraisal and Valuation Standards. The properties have been valued on the basis of fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This valuation is based on the highest and best use of the investment properties.

(c) Determination and presentation of operating segments

The Board has considered the requirements of IFRS 8, 'Operating Segments'. The Board is of the view that the Company is engaged in a single segment of business, being investment in properties in Europe. Geographic and Sector analyses of the segment are included in the Investment Manager's Report on page 11. The conclusion remains unchanged from the consolidated financial statements for the year ended 30 June 2013.

(d) Going concern

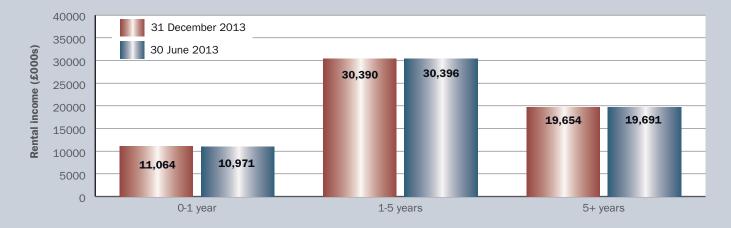
A proposal for the Group to enter into a managed wind-down was put before shareholders and subsequently approved at an EGM held on 26 April 2013.

At a result of the wind-down approval, the condensed half year Consolidated Financial Statements have been prepared on a non-going concern basis reflecting the orderly wind-down of the Group. Accordingly, the going concern basis of accounting is no longer considered appropriate. All assets and liabilities continue to be measured in accordance with IFRS. The Board recognises that the liquidity of the restricted holdings is uncertain and the Board will review the most appropriate course of action with regard to these assets over the coming months. The Directors estimate that the wind-down costs will be approximately £260,797 (€313,469). The Board believe that the Group has sufficient funds available to meet its wind-down costs, day-to-day running costs and amounts due in terms of its loan facilities.

3. Gross rental income

Gross rental income for the six months ended 31 December 2013 amounted to £4.18 million (2012: £4.47 million). The Group leases out all of its investment property under operating leases.

Minimum Lease Payments (based on leases in place as at 31 December 2013)



Notes to the Condensed Half Year Consolidated Financial Statements continued

4. General and administrative expenses

	31 December 2013 £000s	31 December 2012 £000s
Administration fees	(214)	(171)
General expenses	(654)	(105)
Audit fees	(108)	(125)
Legal and professional fees	(219)	(176)
Directors' fees	(47)	(47)
Insurance fees	(19)	(20)
Liquidation costs	(21)	-
Sponsor's fees	(18)	(23)
Investment management fees	(259)	(509)
Performance fee	15	-
Total	(1,544)	(1,176)

5. Dividends

Following Shareholder approval at the EGM held on 26 April 2013, the Company has commenced a Managed Winddown with a view to realising its investments by December 2015. The Company will make timely returns of capital to Shareholders whilst balancing the need to maximise the value from the Company's investments and to provide for sufficient working capital. A resumption of dividend payments is not anticipated.

6. Losses on disposal of shares in a subsidiary

In 2013 the Group sold an investment property located in Antwerp through a share deal realising a loss of £0.35 million (€0.42 million).

7. Investment properties

	31 December 2013 £000s	30 June 2013 £000s
Fair value of investment properties at beginning of period/year	78,130	111,144
Capital expenditure during the period/year	8	576
Disposals during the period/year	-	(10,462)
Fair value adjustments	(3,293)	(4,472)
Foreign exchange translation	79	6,641
Investment properties transferred to held for sale	(6,318)	(25,297)
Fair value of investment properties at the end of the period/year	68,606	78,130
Investment properties classified held for sale	18,220	25,297
Total investment properties	86,826	103,427

Investment properties held for sale

Three assets have been identified for sale during 2014. These are the Smakterweg Venray in Netherlands, Montabaur and Karben in Germany.

8. Investment in joint venture

The Group holds a 50% joint venture interest in the equity of the Italian joint venture Property Trust Agnadello S.r.l. which holds a logistics warehouse in Agnadello, Italy. The remaining 50% equity interest is held by European Added Value Fund S.à r.l., a subsidiary of European Added Value Fund Limited.

The Group's interest in Property Trust Agnadello S.r.l. is accounted for using the equity method in the consolidation financial statements. As at 31 December 2013 the equity relating to the investment in the joint venture and the shareholder loan with the loan interests have been impaired for an amount of £2.52 million.

The following table summarises the financial information of Property Trust Agnadello S.r.I. which also reconciles the summarised financial information to the carrying amount of the Group's interest in the joint venture.

Summarised Consolidated Statement of Financial Position

	31 December 2013 £000s	30 June 2013 £000s
Non-current assets	18 136	19,369
Current assets	932	694
Non-current liabilities	(18 936)	(10,820)
Current liabilities	(208)	(9,960)
Elimination of loan balances due to joint venture partners	18 908	10,854
Net assets (100%)	18 832	10,137
Group's share of net assets (50%)	50%	50%
Carrying amount of interest in joint venture	9 416	5,069

Summarised Consolidated Income Statement

	31 December 2013 £000s	31 December 2012 £000s
Net rental and related income	1 022	984
Valuation losses on investment property	(678)	(1,200)
Total administrative and other expenses	(154)	(134)
Other income	6	
Financial expenses	(418)	(349)
Loss before tax	(222)	(699)
Income tax expense	(60)	215
Loss for the period	(282)	(484)

Summarised Consolidated Statement of Comprehensive Income

	31 December 2013 £000s	31 December 2012 £000s
Loss for the year	(282)	(483)
Total comprehensive income for the period	(282)	(483)
Group's share of comprehensive expense for the period	(141)	(242)

Notes to the Condensed Half Year Consolidated Financial Statements continued

8. Investment in joint venture (continued)

As a result of the adoption of IFRS 11, the prior period figures have been restated.

The effect of the restatement is shown below.

Impact on Consolidated Statement of Comprehensive Income

	Six month period ended 31 December 2012
Net rental and related income	£000s 492
Valuation losses on investment property	(600)
Total administrative and other expenses	(67)
Shares in losses of joint venture	(243)
Financial expenses	(175)
Loss before tax	(107)
Income tax recovery	107
Net impact on loss for the period	

Impact on Equity

	30 June 2013 £000s
Investment property	(9,685)
Investment in a joint venture	5,069
Trade and other receivables	(37)
Cash and cash equivalents	(298)
Total assets	(4,951)
Current portion of secured bank loans	4,559
Trade and other payables	392
Total liabilities	4,951
Net impact on equity	-

Impact on Cash Flow Statement (Increase/Decrease) of Cash Flows

	Six month period ended
	31 December 2012
	£000s
Decrease in cash generated from operations	(205)
Net cash inflow from financing activities	173
Effect of exchange rate fluctuations	35
Net increase in cash and cash equivalents	3

9. Trade and other receivables

Amounts falling due within one year:

	31 December 2013 £000s	30 June 2013 £000s
Tax receivable (witholding, corporate and income)	567	833
Other receivables	222	188
VAT receivable	268	225
Rent receivable	199	45
Accrued income	469	410
Prepayments	86	138
Interest on deposits	1	1
Total	1,812	1,840

The book values of trade and other receivables are considered to be approximately equal to their fair value. Rent receivable is non-interest bearing and typically due within 30 days.

10. Trade and other payables

	31 December 2013 £000s	30 June 2013 £000s
Investment manager's fee	172	147
Property manager's fee	34	40
Other	386	27
Agent's fees on sale of asset	100	-
Tax payable (income, transfer, capital and other)	471	741
Interest payable on loan facility	292	360
Legal and professional fees	103	118
VAT payable	153	194
Audit fee	129	165
Administration and Company Secretarial fees	118	158
Rent prepaid	42	383
Directors' fees	8	10
Sponsor's fees	9	156
Total	2,017	2,499

Trade payables are non-interest bearing and are normally settled on 30-day terms.

11. Long-term loans

The joint venture loan facility at the Group's Joint Venture Property Trust Agnadello S.r.I. with Crédit Agricole was extended to 13 December 2013. The Group reduced its share of the loan balance to €5.5 million on 14 March 2013 and then to €2.0 million on 16 September 2013, as required under the terms of the agreement. The net proceeds from asset sales and Agnadello's surplus operating cash flow were used to settle the loan in full on 24 September 2013 in advance of the maturity date of 13 December 2013.

The main Ioan facility is with Crédit Agricole Corporate and Investment Bank ("Crédit Agricole") and Crédit Foncier de France ("Crédit Foncier").

The outstanding balance of the main loan as at 31 December 2013 was £41.96 million (€50.43 million) (30 June 2013: £49.08 million) (€57.27 million) as a result of the partial loan repayments following the various asset disposals during the year.

Notes to the Condensed Half Year Consolidated Financial Statements continued

Three assets were classified in current assets as held for sale as at 31 December 2013 (refer to note 6), and the related bank loans totalling £11.16 million (€13.41 million) have been classified as a current liability.

12. Financial instruments

The table below summarises the amounts recognised in the income statement.

	Six month 31 December 2013 £000s	Six month 31 December 2012 £000s
Loss on currency hedge	(247)	(962)
Loss on other derivatives	(375)	(7)
Total	(622)	(969)

The Group is exposed to various types of risk that are associated with financial instruments. The Group's financial instruments comprise bank deposits, cash, derivative financial instrument receivables and payables that arise directly from its operations. The carrying value of financial assets and liabilities approximate the fair value.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk, interest risk and currency risk. The Board reviews and agrees policies for managing its risk exposure. These policies are summarised below and have remained unchanged for the period under review.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-ratings agencies.

Liquidity risk

The Group may encounter liquidity risk when realising assets or otherwise raising funds to meet financial commitments. Investments in property are relatively illiquid, however, the Group seeks to mitigate this risk by investing in desirable properties in strong locations.

The Group regularly prepares forecasts which enable operating cash flow requirements to be anticipated to ensure that sufficient liquidity is available to meet foreseeable needs, while maintaining sufficient working capital and planning returns of capital to shareholders in the short to medium term.

Interest rate risk

Floating rate financial assets comprise the cash balances which bear interest at rates based on bank base rates. The Group is exposed to cash flow risk as the Group borrows funds under the loan facility with Crédit Agricole and Crédit Foncier at floating interest rates. The Group manages this risk by using interest rate swaps denominated in Euro. At 31 December 2013, the Group had interest rate swaps with a notional contract amount of £41.96 million (€50.43 million) (30 June 2013: £38.08 million (€44.44 million)).

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the loan period.

As at 31 December 2013, the Group has interest rate swaps in place for the period of the main loan facility, effective from 1 July 2011 to 1 July 2016, to eliminate floating interest rate risk. Details of the hedging contracts are below:

	Counterparty	Contract Rate	Notional Amount
Interest Rate Swaps	Crédit Agricole	2.795%	€50.43 million

Foreign currency risk

The European subsidiaries invest in properties using currencies other than Sterling, the Company's functional and presentational currency, and the statement of financial position may be significantly affected by movements in the exchange rates of such currencies against Sterling. The Group reviews and manages currency exposure in accordance with its hedging strategy.

The Group has hedged foreign currency exposure in respect of £0.25 million (€0.30 million) quarterly interest receipts in Euro through the use of cross currency swaps which were due to mature 16 May 2014. On 28 October 2013 the cross currency swaps were terminated early at a total cost of £0.18 million (€0.21 million).

All cross currency swap contracts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from movement in exchange rates of the Euro against Sterling. The amounts deferred in equity are recycled in profit or loss in periods when the hedged item is recognised in the profit or loss. During the period ended 31 December 2013, the hedged item was recognised in profit and loss on a quarterly basis. The cross currency swap has now been terminated.

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2013 Liabilities measured at fair value	Level 1 £000s	Level 2 £000s	Level 3 £000s
Interest rate swaps and caps	-	2,561	-
Cross currency swaps	-	-	-
Total		2,561	-

30 June 2013 Liabilities measured at fair value	Level 1 £000s	Level 2 £000s	Level 3 £000s
Interest rate swaps and caps	-	3,290	-
Cross currency swaps	-	264	-
Total		3,554	-

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost which is also deemed to be fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps and cross currency swaps is the estimated amount that the Group would receive or pay to terminate the swap at the Consolidated Statement of Financial Position date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

13. Related party transactions

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Group's activities including the review of investment activity and performance.

Mr Hunter, Chairman of the Company and Mr Spaninks, a Director of the Company, formed the majority of the Directors of its subsidiaries, Property Trust Luxembourg 1 S.à r.l., Property Trust Luxembourg 2 S.à r.l. and Property Trust Luxembourg 3 S.à r.l. and were able to control the investment policy of the Luxembourg subsidiaries to ensure it conforms with the investment policy of the Company until Mr Spaninks's resignation from the Boards of Property Trust Luxembourg 1 S.à r.l., Property Trust Luxembourg 2 S.à r.l. and Property Trust Luxembourg 3 S.à r.l. 1 October 2013.

Mr Farrell, a Director of the Company, is also a Partner in Mourant Ozannes, the Guernsey legal advisers to the Company. The total charge to the income statement during the period in respect of Mourant Ozannes legal fees was nil (2012: £2,192).

Mr Lawson, a Director of the Company, was also a Director of Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust"), the Administrator and Secretary for the Company until 13 December 2013. The total charge to the income statement during the period in respect of Northern Trust administration fees was £102,500 (2012: £102,500), of which £51,250 (2012: £51,250) remained payable at the period end.

Under the Investment Management Agreement, fees are payable to the Investment Manager, Real Estate Adviser and other entities within the AXA Group. These entities are involved in the planning and direction of the Company and Group, as well as controlling aspects of their day to day activity, subject to the overall supervision of the Directors. During the period, fees of £0.26 million (31 December 2012: £0.50 million) were expensed to the Consolidated Income Statement. Mr Spaninks, a Director of the Company, is also the AXA Real Estate Investment Regional Head of Benelux and Scandinavia.

14. Commitments

Guarantees

The Company has provided mortgages over the properties in favour of the lenders, Crédit Agricole and Crédit Foncier, as security for the main loan facility.

Following the repayment in full of the joint venture Property Trust Agandello S.r.I's bank debt, all mortgages and guarantees to the lender Crédit Agricole have been removed in relation to that loan.

Between £1.1 and £1.6 million (€1.3 and €1.9 million) of capital expenditure is planned over the next twelve months. Of this, between €0.9 million and €1.4 million is committed as follows:

- Improvements to the air conditioning to meet health and safety regulations at the asset in Curno, Bergamo, Italy, costing between £0.1 million and £0.5 million (€0.1 million and €0.6 million);
- Renovation of the roof and replacement of the heating to meet commitments under the terms of the lease at the asset in Venray, the Netherlands at a cost of £0.7 million (€0.8 million).

15. Subsequent events

Asset Sales

On 31 January 2014, the Company sold its investment located in Industriestraße Montabaur-Heiligenroth, Germany for gross proceeds of £5.0m (€6.0m) and net proceeds after disposal costs and financing of £1.2m (€1.4m).

At Agnadello, the Italian logistics Property held 50:50 in a joint venture, a new 8+6 year lease to the existing tenant has been signed. This is at a revised rental level in line with market conditions and gives the tenant an option to break at June 2015 and June 2018 but only on payment of penalties.

EGM Circular

The amendment to the Company's articles of incorporation to introduce a mechanism to permit the redemption of shares which was proposed in the Circular dated 4 February 2014 was approved by Shareholders at the extraordinary general meeting (the "EGM") on 27 February 2014.



Directors (All non-executive)

C. J. Hunter (Chairman)
G. J. Farrell
S. C. Monier
S. Lawson
A. Spaninks

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