



3 December 2009

The Local Shopping REIT plc
(“LSR” or the “Company” or the “Group”)

UNAUDITED PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

The Local Shopping REIT plc (LSE: LSR), a real estate investment trust that provides investors with access to a diversified portfolio of local shopping assets in the United Kingdom, today announces unaudited results for the year ended 30 September 2009.

Financial Highlights:

- Market value of portfolio £174.4 million (30 September 2008: £202.3 million), an increase of 4.8% since 31 March 2009
- Recurring profit of £2.9 million, or 3.5 pence per share (30 September 2008: £5.1 million, 6.1 pence per share)
- IFRS loss for the year £31.0 million (30 September 2008: loss of £40.5 million; six months to 31 March 2009: loss of £40.6 million)
- Net Asset Value (NAV) of £58.6 million or 71 pence per share (30 September 2008: £93.3 million or 112 pence per share; 31 March 2009: £50.3 million or 62 pence per share)
- Adjusted NAV of £63.9 million or 77 pence per share excluding liabilities arising from derivative financial instruments (30 September 2008: £93.1 million or 112 pence per share)
- Annual rent roll of £15.5 million (30 September 2008: £16.1 million)
- Prudent debt and financial management:
 - Total net debt of £116.1 million, reflecting an LTV of 66.4% and gearing of 188.1%, with no ongoing loan to value default provisions and low interest cover tests
 - The Company has £60 million of undrawn facilities, comprising a £25 million term loan and a £35 million revolving credit facility. Following the year end, the drawdown period on the term loan has been extended until 31 January 2013 providing greater flexibility
 - Debt free properties valued at £42.9 million
 - No refinancing due until 2016
- Dividend of 1.8 pence per share to be paid on 31 December 2008 as a non-PID (normal dividend) to shareholders on the register on 11 December 2009.

Operational highlights:

- Letting market remains active:
 - 106 new lettings secured generating an annual rental income of £1,127,904 (89 units were let at £1,049,416 per annum during the year ended 30 September 2008)
 - Of the total, 60 were let in the second half, producing rental income of £600,180 per annum
 - Stable void rate since 31 March 2009 decreasing from 11.8% to 11.4% at 30 September 2009
- 164 rent reviews and lease renewals generated a rental increase of £87,599 per annum, an average uplift of 4.6% (5.0% above Market Rent)
- Rental deposits increased to approximately £900,000, or 23% of our quarterly rent roll (30 September 2008: £800,000)
- Eight change of use applications approved and planning consent secured for 39 flats, with the conversion of five units completed after the year end
- 36 properties sold for £7.1 million at a blended yield of 7.46%, 15 of which were sold during the second half for £2.8 million (March 2009 value: £2.7 million)
- 14 properties acquired for £4.3 million at a blended yield of 8.17%. These acquisitions were all completed in the second half of the year
- Specialist experience has led after the year end to an agreement with a large UK bank to manage a small, mixed retail portfolio in the North-West, and the provision of advice to another UK bank on a number of distressed property situations.

Grahame Whateley, Chairman of The Local Shopping REIT plc, commented:

“The results we announce today demonstrate the resilience of the Company’s business model and the benefits of its diversified tenant base and geographic spread. In addition, the current market conditions – while stabilising – have underlined both to property owners and the banks, the benefit of expert management skills to protect and enhance the value of highly specialist assets such as ours. This is clearly illustrated by our recent and ongoing involvement with two major UK banks to provide our advice or management skills.

“As a result of our focus on unlocking and extracting maximum levels of value from our assets and recycling our ex-growth stock, the Company continues to maintain a strong financial position, which provides us with confidence that we are ready to act on opportunities as they present themselves and that we will deliver on our goal of creating shareholder value in the future

Mike Riley, Joint Chief Executive Officer, said:

“Having seen what we believe to be the bottoming out of values in our market between March and June, we believe that we will now see more management or acquisition opportunities for the Company as lenders begin to come to terms with the loans and underlying assets on their books. Given the £60

million of undrawn facilities at our disposal, we believe we are well placed to take advantage of this situation.

“Our future success will therefore be based upon the continuing effective execution of our strategy: to optimise the value of and income from existing assets and recycle ex-growth properties. In addition, we will prepare the business for the next stage of growth, which will be achieved through individual property purchases; portfolio or corporate acquisitions; the creation of joint ventures; and securing distressed asset management opportunities.”

Nick Gregory, Joint Chief Executive Officer, added:

“Despite the positive signals emerging from the investment market, we are under no illusion that trading conditions remain tough for our tenants and we expect this trend to continue in 2010. However, our diverse tenant base of smaller, independent traders continues to perform relatively well, particularly where their trade relies on non-discretionary spend. Against this backdrop, our highly active approach to managing the portfolio will allow us to monitor and deal with any difficulties faced by our tenants, and we will continue to adopt a flexible and proactive approach to lettings, which will help us maintain our income.”

For further information:

The Local Shopping REIT plc +44 20 7292 0333
Mike Riley
Nick Gregory

JPMorgan Cazenove +44 20 7588 2828
Robert Fowlds
Edward Gibson-Watt

Financial Dynamics +44 20 7831 3113
Stephanie Highett
Richard Sunderland
Jamie Robertson

CHAIRMAN'S STATEMENT

I am pleased to introduce the Company's results covering the 12 months to 30 September 2009.

Introduction

The period under review has again been challenging. The property market suffered a further sharp correction between the end of September 2008 and January 2009, with confidence eroded further by the collapse or near-collapse of a number of "blue-chip" financial institutions. However, as we reported in our half year results to 31 March 2009, low short-term interest rates left cash-rich private investors searching for ways to achieve acceptable returns on their money with the result that, in February, they began to return to the property investment market. Over the following months, the auction rooms remained busy with corresponding success rates and firm prices paid, particularly for smaller (sub-£500,000) assets. The commercial auctions in September and early October 2009 provided evidence that the turnaround in confidence had survived the summer and that, within our sub-sector of the market, yields were stabilising and, in some cases, hardening.

While this is encouraging, we are mindful that debt finance remains scarce and expensive and equity investors only have a finite amount of money available to deploy. We therefore remain cautious in our approach. In addition, many lenders have still to evaluate fully the extent of bad loans within their loan books and adopt a coherent strategy for dealing with these problems. As a result, we have not yet seen large numbers of distressed sales of smaller properties or portfolios, so supply remains limited. We also anticipate that, although only for some properties in our portfolio, there may be further downward pressure on valuations over the coming months, driven more by falling rental values rather than by rising yields.

The investment market is showing signs of life, although it is clear that the occupier market throughout much of the UK is struggling to cope with the severe downturn in the economy. Rising unemployment and fragile consumer confidence will hinder a major recovery or restoration of a healthy letting market across the commercial property market in general. However, despite these challenging conditions, I am pleased to report that our diverse tenant base of smaller, independent traders continues to perform relatively well, particularly where their trade relies on non-discretionary spend and everyday items. While we have seen an increase in tenant default within the portfolio, our asset managers are working hard to re-let vacancies or identify alternative uses for vacant space. Their success has resulted in the void rate stabilising over the year and, encouragingly, there has been a small decline over the last few months of the year from 11.8% at 31 March 2009 to 11.4% at 30 September 2009.

Asset management

Predictably, given the current market conditions, it is proving more difficult to grow rents at rent review and lease renewal. In spite of this, our rents remain affordable, at an average shop rent of £12,127 per annum (£11.45 per sq ft) and we are not required to provide the long rent-free periods and capital contributions to tenants that are now commonplace in shopping centres and on the traditional high street.

This helps us to sustain rental values when we are letting vacant units and ensures that our income stream remains regular and predictable.

Our nationwide coverage, extensive network of local agents and specialist “hands-on” asset management skills provide us with a unique capability to manage smaller lot sized properties throughout the UK. Over the coming months we hope to use these skills to help other businesses manage portfolios of smaller assets where they may not possess the relevant skill sets or experience in-house.

Since the year end, I am pleased to report we have been asked by a large UK bank to manage a small, mixed portfolio in the North-West for a fee, and are advising another UK bank on a number of distressed property situations. We hope to build on this progress over the coming months as the banks finalise their individual approaches to dealing with problem loans. Some of the solutions may involve us investing our own money, particularly into capital expenditure to enhance or protect the value of distressed assets through active management. We believe that such distressed situations may provide an opportunity to generate substantial returns for our shareholders and, with this in mind, we intend to deploy our financial firepower cautiously over the coming months.

Board changes

During the year, Andrew Cunningham resigned from the LSR board. Andrew made a strong contribution towards the successful flotation of the Company in May 2007 and his advice has been invaluable in subsequently steering it through the recent economic turmoil. We thank him for his help and wish him well for the future as the Chief Executive of Grainger plc. Following Andrew’s resignation, we were delighted to welcome Stephen East to the Board as Non-Executive Director. Stephen was the Finance Director of Woolworths Group plc from 2005 to 2008, responsible for the overall finance function of the Group and a member of its retail business' executive committee, with specific responsibility for its finance and property functions. Prior to that, he worked at MEPC plc, where he held the position of Finance Director of MEPC from 1999 to 2003. His deep knowledge and experience of the retail and property sectors will be of enormous benefit to LSR during this next exciting stage in the Company's evolution.

Dividend

I am pleased to announce a final dividend of 1.8 pence per share, which is in line with our policy to pay out 100% of recurring profits earned over the year. The dividend will be paid on 31 December as a non-PID (normal dividend) to shareholders on the register on 11 December 2009. This will take the total dividend paid for the year to 3.5 pence per share.

Outlook

Despite challenging trading conditions, our business model, with its diversified tenant base, continues to perform well, with our occupancy rate stable and our letting market proving resilient. In the investment market we believe we have seen the end of the sustained collapse in values but intend to maintain our cautious approach in evaluating future investments. Following a programme of sales in the early part of

the period we have been able to redeploy the proceeds into a number of interesting accretive acquisitions over recent months.

As described above, we believe the greatest investment opportunity over the next few years will be made from investing in distressed situations and therefore plan to use our capital wisely over the coming months. As a business we have continued to adapt our strategy over the past year and respond quickly to changing market conditions. As a result of our focus on unlocking and extracting maximum levels of value from our assets and recycling our ex-growth stock, the Company continues to maintain a strong financial position, which provides us with confidence that we are ready to act on opportunities as they present themselves and that we will deliver on our goal of creating shareholder value in the future.

Grahame Whateley

Chairman

3 December 2009

BUSINESS REVIEW

Despite some improvement in the investment market towards the end of the period, we have observed a prolonged downturn in the UK property market over the year. In the review below, as well as commenting on changes over the last 12 months, we also make comment, where appropriate, on changes since the portfolio was last valued on 31 March 2009.

Results

During the year the Company made a recurring profit of £2.9 million (3.5 pence per share), the calculation of which is provided in the financial review below.

In common with other real estate companies, we have been affected by a fall in the value of our portfolio. In addition, the fall in interest rates between 30 September 2008 and 30 September 2009 resulted in a loss on the fair value of our swap agreements. These factors combined have resulted in an IFRS loss of £31.0 million. We have disclosed these amounts separately on the face of the Income Statement to show more clearly the result from the operating business.

Revaluation and Net Asset Value

As at 30 September 2009, the portfolio was revalued at £174.4 million, a fall of £27.9 million from the £202.3 million portfolio valuation at 30 September 2008. On a like-for-like basis the portfolio fell in value by 13.2% over the year. However, while there was a fall in value of 17.1% over the first half, we are encouraged to report that the portfolio subsequently rose in value by 4.8% over the second half of the year.

Our net asset value per share has fallen to 71 pence per share compared to 112 pence at 30 September 2008. This is largely due to the fall in property values and loss on our swap agreements, described above. However, the impact of this fall has been partially offset by the share buybacks at an average price of 33 pence per share executed in January 2009, which improved net asset value by 1 pence per share. The adjusted net asset value per share (adjusted for the fair value of the swap agreements) has fallen to 77 pence per share compared to 112 pence in 2008.

Portfolio Performance

Our portfolio was revalued at the year end at £174.4 million, reflecting an equivalent yield (excluding residential element) of 9.47%. It now comprises 627 properties, with 1,976 letting units, and produces annual rental income of £15.5 million.

Combined Portfolio

Value	£174.4 million
Initial Yield	8.43%
Reversionary Yield	9.35%
Equivalent Yield*	9.47%
Rent pa	£15.5 million
Market Rent pa	£17.2 million
Commercial Value	£159.4 million
Residential Value	£15.0 million

Value Range	No. of Properties	Value £ million	Equivalent Yield*
£0 - £100k	148	11.0	9.74%
£101 - £200k	233	34.2	9.43%
£201 - £500k	157	51.8	9.32%
£501k - £1 million	68	45.6	9.57%
£1 million - £3 million	20	28.7	9.76%
£3 million +	1	3.1	7.46%
Total	627	174.4	9.47%

* excluding residential element

The table above illustrates the range of property values throughout the portfolio. The average property value is £0.278 million and the median is £0.165 million. The atypical yield in the table relates to our only property valued at more than £3 million, a neighbourhood centre located in St Helens, Merseyside. During the year a vacant unit let to Somerfield until 2027 was assigned to Tesco, which is now trading and accounts for approximately half of the scheme's total rent roll. The lower-than-average equivalent yield on this property reflects the growing investor appetite for secure income on long leases.

The residential element of the portfolio has been valued at £15.0m, based on 80-85% of vacant possession value (the higher discount applying to properties containing multiple residential units). This represents a fall of 8.5% over the year. The average value of the residential units in our portfolio is just over £51,000.

On a like for like basis, the properties owned throughout the year recorded a fall in value of 13.2%, making allowance for properties where LSR sold off portions of the asset, with the equivalent yield (excluding the residential element) moving out 104bps to 9.56%. Following a fall of 17.1% in the first half of the year, values rose over the second half as cash rich, private investors seeking yields began to drive up the price of smaller retail properties. Between 31 March 2009 and 30 September 2009 the portfolio rose in value by 4.8%, with the equivalent yield (excluding the residential element) moving in 66bps from 10.22%.

Like for like portfolio – adjusted for part sales

	30 September 2009	30 September 2008	Change
Value	£169.2 million	£195.1 million	-13.24%
Initial Yield	8.48%	7.57%	+0.91%
Reversionary Yield	9.41%	8.48%	+0.93%
Equivalent Yield*	9.56%	8.52%	+1.04%
Rent per annum	£15.2 million	£15.8 million	-3.64%
Market Rent per annum	£16.9 million	£17.7 million	-4.44%
Commercial Value	£154.3 million	£178.8 million	-13.68%
Residential Value	£14.9 million	£16.3 million	-8.45%

* excluding residential element

Over the year the portfolio market rent has fallen by 4.4%, with our larger units sustaining the greatest declines. The passing rent has fallen 3.6% on a like for like basis, which is largely due to the increase in the portfolio void rate over the period, although this has declined since 31 March 2009. There was an improvement during the second half, with the like for like market rent falling by 1.2% and passing rent falling only marginally, by 0.8%.

Investment Market

The general property market encountered a severe downturn in values between September 2008 and January 2009, with investor confidence badly dented by the collapse of Lehman Brothers and its aftermath. However, as the year progressed, low interest rates have forced cash rich private investors to look for different methods of achieving meaningful returns on their money and, as stated above, in February they returned to the property investment market.

Towards the end of the year, the commercial auction houses have seen increasing success rates and firmer prices reflecting the rising demand for smaller and, in particular, retail properties. The auctions in September/early October 2009 provided further evidence of stabilising, and in many cases rising values. With the majority of lenders appearing to be seeking longer term solutions to their problem loans we have not to date seen large numbers of distressed sales of smaller properties which has kept supply relatively tight. While supply is beginning to increase on the back of stable/rising prices, stock remains limited. During 2006 and 2007 we reviewed potential investment opportunities at a rate of £56 million and £45 million per month respectively. During the first six months of 2009 this rate fell to £7 million per month, although it has risen to average £15 million per month between June and October 2009.

Acquisitions and Sales

During the first half of the year, when the market was falling rapidly, we focused our effort on sales of ex-growth properties, with the intention of selling ahead of the falling market to provide us with both flexibility and the funds to reinvest at a future date. During the second half of the year, we began to see value

emerge and took the opportunity to reinvest the sales proceeds into a number of accretive acquisitions. Accordingly, whilst no properties were purchased during the first half of the year, since 31 March 2009 we have acquired 14 properties for a total consideration of £4.3 million at a blended yield of 8.17%.

Our most significant acquisition was the purchase, in June 2009, of 10 shops in a £3.5 million sale and leaseback deal with Coral Bookmakers. The properties provide us with some useful asset management opportunities and are readily saleable. They were acquired on new 15-year leases with guaranteed rental uplifts at the first rent review at a net initial yield of 7.75%. Encouragingly, Coral sold a similar package of six properties, let on identical lease terms, at an Allsop auction on 7 July 2009 for an average net initial yield of 5.81%. Our shops were valued by Allsop as at 30 September 2009 at £4.3 million on a 6.33% net initial yield. The transaction demonstrates our ability to generate value from acquisitions using our network of contacts and our reputation for rapid and straightforward deal execution.

While we continue to seek out further accretive acquisition opportunities, we have not purchased any properties since the year end.

We are pleased to report that we were able to make solid progress with our stated strategy of selling ex-growth properties, particularly during the first half of the year given the extremely difficult investment market. During the year, we sold 36 properties for £7.1 million at an average yield of 7.46%, well below the prevailing yield on the portfolio. 15 of these properties were sold during the second half of the year for a total of £2.8 million and at an average yield of 7.62%, showing a £0.1 million surplus over the 31 March 2009 valuation.

Since the year end, we have completed the sale of a further six properties for £2.0 million at an average yield of 7.92%, in line with their September 2009 valuation. Over the coming year we intend to sell further properties, but are mindful of the difficulty in reinvesting the sales proceeds in a market with limited supply.

Occupier Market

There is no doubt that retailers are struggling to cope with the severe downturn in the economy. However, our tenants, 70.5% of whom are local independent traders, have the flexibility to deal with these challenging conditions. Many of their businesses rely on non-discretionary spend and they appear to be holding up as well as, if not better than, many of the more well known retailers based in shopping centres and the traditional high street. Despite the difficult economic climate, we believe that our rents remain affordable, which is demonstrated by our continuing success in letting vacant units. As stated above, our average shop rent is only £11.45 per sq ft, or £12,127 per annum (£233 per week).

As at 30 September 2009, our overall void rate was 11.4%, up from 10.6% in September 2008 but encouragingly below the 11.8% reported in January, March and July 2009.

Key Performance Indicator - Void Rate

	30 September 2009	31 July 2009	31 March 2009	31 January 2009	30 September 2008
Vacant – Commercial	8.1%	8.4%	8.1%	8.2%	6.9%
Vacant – Deliberate	2.6%	2.6%	2.6%	2.6%	2.3%
Vacant – Residential	0.7%	0.8%	1.1%	1.0%	1.4%
Total	11.4%	11.8%	11.8%	11.8%	10.6%

The void rate for our commercial properties, at 8.1% at the year end, has been broadly stable since 31 January 2009. However, over the 12 month period it is up from the 6.9% reported in September 2008, largely due to increased tenant default in a deteriorating economic climate. The three largest commercial voids on 30 September 2009 were at Dorking (market rent £35,000 per annum), Kidderminster (£35,000 per annum) and Shipley (£32,500 per annum). At Dorking, we are investigating the potential for converting the first floor ancillary space into two flats. At Kidderminster, the unit has been occupied since March 2009 by a temporary trader on an inclusive rent. This covers our void costs but, for reporting purposes, we believe the unit should be treated as vacant. At Shipley, we have recently completed a light refurbishment of vacant office space above our shops and are now offering this in small suites

Over the year we increased the level of deliberate voids from 2.3% to 2.6%, as we continue to seek out opportunities for change of use and to reconfigure units to secure increased rents or improve marketability.

At 30 September 2009 the residential void was 0.7%. This is a significant improvement on the 1.4% reported as at 30 September 2008 and reflects the growing expertise our asset managers are gaining in the refurbishment and letting of residential units.

During the year we, in common with others in the industry, have seen an increase in bad debts, reflecting one of the worst recessions on record in the UK. As a result, bad debt write-offs in the year rose to £1,043,297 (September 2008: £734,489). We continue to take a robust approach to debt recovery and generally prefer to take back units where tenants are in financial difficulty so we can re-let them and improve the quality of our cashflow. However, we also recognise that there may be occasions when it is sensible to let a tenant remain in occupation at a reduced rent in order to mitigate our outgoings, particularly our liability for empty rates, if the local letting market is difficult. Similarly, we are taking a pragmatic approach to letting our more difficult vacant units in order to mitigate any increase in voids and associated costs.

When we let units to independent tenants, it is our policy to seek rent deposits of between three to six months. Over the year we have successfully increased the number and value of deposits held as we let units and deal with assignments. As at 30 September 2009, we held deposits totalling approximately

£900,000 (30 September 2008: £800,000) or just over 23% of our quarterly rent roll. This provides us with a measure of protection against tenant default, which is not generally available when letting units to national retailers.

Asset Management

The Company has a unique asset management capability and is able to add value expertly to a large portfolio of smaller commercial properties located throughout the UK. We are pleased to report that we continue to achieve strong results by applying these skills to our diverse portfolio.

Despite the challenging economic climate, demand for local shops remains resilient. During the year to 30 September 2009, the Company has let 106 vacant commercial units at a total rent of £1,127,904 per annum (compared to 89 units let at £1,049,416 per annum during the previous year). Encouragingly, 60 of these units were let during the second half of the year at a total rent of £600,180 per annum. Over the full year the units were let, on average, at 2.2% below Market Rent. However 18 of these new lettings incorporated stepped rent increases, which we have ignored in our comparison. These 18 lettings were at an initial rent of £180,580 per annum rising to £217,500 per annum over the first three years of their leases, compared with a Market Rent of £212,320 per annum. The remaining 88 units were let at a small 0.7% premium to Market Rent. With our individual tenants typically of limited financial standing we prefer to deal with letting incentives by way of these stepped rents, rather than by granting tenants protracted rent free periods. Our average rent free period on lettings completed during the year was only 56 days, in line with an average of 51 days during the previous financial year.

Current market conditions make it more difficult to grow rents at rent review and lease renewal. However over the year, rent reviews on 131 units increased rental income by a total of £67,989 per annum, reflecting an average uplift of 4.1%, and 5.4% above Market Rent. Lease renewals on 33 units have added a further £19,610 of rental income per annum (an average uplift of 8.0%, and 2.6% above Market Rent) and a lease extension on a flat in London secured a £26,000 premium from the tenant. In addition, we have surrendered and re-let 12 units, which resulted in a fall in rent of £27,140 per annum (an average fall of 8.75%, and 7.39% below Market Rent). This latter result was heavily skewed by two pragmatic deals we did with national multiple retailers where we were faced with potentially prolonged voids and associated costs had we not accepted a combined rental reduction of £31,850 per annum over the previous rent. For situations such as this, with very specific circumstances, we believe it to be more prudent to allow a tenant to remain in occupation on reduced terms, rather than address void costs and empty rates.

In line with our strategy to deliver value from the under-used upper parts of our shops, or unused adjacent land, we have secured planning consents for 39 flats, including a seven-flat development on unused former gardens to the rear of a parade we own in Uckfield. We intend to build out a number of these over the coming months where we can achieve an acceptable rental yield following conversion. After the year

end, the first such conversion was completed in Braintree where five flats, with a rental value of £33,000 per annum, have been built within a former office unit which had a rental value of £11,600 per annum. We are nearing completion of a five-flat conversion in Exmouth and have additionally created six flats in Epsom and Tewkesbury out of existing retail space where planning consent was not required. These have now been let at a combined rent of £28,920 per annum. Over the year, we also secured a number of change of use consents which make it easier for us to let vacant units: one unit was changed from A1 (shops) to A3 (restaurant/café), five units to A5 (hot food take-away) and three units to D1 (Institutional).

It has been well documented that, following the sustained collapse in UK property values, the vast majority of lenders have still to fully evaluate the extent of bad loans within their loan books and work out their strategy for dealing with problems. In the property investment bull run leading up to the collapse in values, a number of market participants forgot that property was a physical as well as a financial asset. Our business model, encompassing nationwide coverage, an extensive network of local agents and our intensive and specialist asset management skills make us uniquely placed to deal with the physical as well as financial aspects of managing smaller lot sized properties throughout the UK. Over the coming months we hope to be able to use these valuable skills to help lenders manage their distressed portfolios of smaller assets. As described above, since the year end, we have been asked by a large UK bank to manage a small mixed portfolio in the North-West for a fee, and are advising another UK bank on a number of distressed property situations. We hope to build on this progress over the coming months as lenders finalise their individual approaches to dealing with problem loans.

Business Outlook

We believe that values in our sub-sector bottomed out between March and June 2009. However debt finance remains both scarce and expensive and equity investors only have a finite amount of money. In addition, the vast majority of lenders have still to fully evaluate the extent of bad loans within their loan books and work out how they intend to deal with problems. As a result, we have not seen large numbers of distressed sales of smaller properties and/or portfolios, so supply remains very limited. We also anticipate that, for some properties, there may be further downward pressure on valuations over the coming months, though driven more by falling rental values rather than by rising yields. Accordingly, whilst we believe values as a whole have bottomed out, we therefore remain cautious in our outlook for the investment market.

Despite the positive signals emerging from the investment market we are under no illusion that trading conditions remain tough for our tenants. However, their entrepreneurial drive and ability to be flexible in adapting their business plans has allowed them to react to the challenging retail environment. As a result our diverse tenant base of smaller, independent traders continues to perform relatively well, particularly where their trade relies on non-discretionary spend. Against this backdrop, our highly active approach to managing the portfolio will allow us to monitor and deal with any difficulties faced by our tenants, and we will continue to adopt a flexible and proactive approach to lettings, which will help us maintain our income.

Our active programme of sales has impacted our earnings during the period, with the Company receiving less rental income, while lower interest rates have also reduced our interest income on our cash balances. Our earnings have also been adversely affected by an increase in the cost of our excess hedging resulting from lower interest rates. Our cash, uncharged properties and newly extended £60 million undrawn loan facility gives us the flexibility and firepower to take advantage of the accretive buying opportunities that will emerge as liquidity returns to the market. Such acquisitions would have an immediate positive impact on our earnings, and our network of acquisition agents is currently assessing the market for investment opportunities.

Our future success will therefore be based upon the continuing effective execution of our strategy:

- To optimise the value of and income from existing assets and recycle ex-growth properties
- To prepare the business for growth, which will be achieved by:
 - individual property purchases;
 - portfolio or corporate acquisitions,
 - the creation of joint ventures; and
 - distressed asset management.

Partnerships

Our network of national, regional and local agents remains key to our business model and we are grateful to them, and to our excellent team of corporate advisers, for their continued support. We would also like to take the opportunity to thank all of our staff who have contributed to our business over the past year.

Mike Riley & Nick Gregory

Joint Chief Executive Officers

3 December 2009

FINANCIAL REVIEW

This report is prepared in accordance with International Financial Reporting Standards (IFRS). No new IFRSs have become effective during the year which have materially impacted on the results of the Group.

Key performance indicators

In addition to specific measures used to monitor the property portfolio, the following key performance indicators are used by the directors to review the performance of the business and to ensure compliance with banking covenants:

	30 September 2009	30 September 2008
Interest cover*	214%	278%
Loan to value ratio**	66.4%	56.3%
Adjusted NAV per share***	77p****	112p****
Gearing (net of cash held)	188.1%	116.1%

*Based on rental income compared to interest payable

** Net of cash held on substitution to buy properties

***Based on 82,505,853 shares in issue at 30 September 2009 (2008: 83,110,853)

****Adjusted to exclude the fair value of financial derivative instruments

Recurring profits

The recurring profit for the year is £2.9 million (2008: £5.1 million). This has been calculated in the same way as in 2008 and the adjustments made to the reported IFRS loss are as follows:

	30 September 2009	30 September 2008
Loss before tax	(30,997)	(40,470)
Movement in fair value of portfolio	28,275	44,358
Movement in fair value of swaps	5,578	1,347
Profit on sale of swaps	-	(229)
Profit on sale of investment properties	(3)	(48)
Abortive purchase costs	-	98
	<u>2,853</u>	<u>5,056</u>
	=====	=====

As described in previous Reports, it is the Group's policy to pay 100% of recurring profits as a dividend. The recurring profit per share is 3.5 pence (2008: 6.1pence). Therefore, a final dividend has been proposed by the directors of 1.8 pence per share (2008: 2.875 pence per share) for payment on 31 December 2009 to shareholders on the register at 11 December 2009. This dividend will be paid as a non-PID.

An interim dividend was paid on 30 June 2009 of 1.7 pence per share, as a Property Income Dividend (PID), as advised in the 2009 Half Year Report.

Therefore, the total dividend for the year will be 3.5 pence (2008: 5.75 pence per share). As in previous years, the Employee Benefit Trust will waive its right to a dividend.

Trading results

During the year, recurring profits have fallen as expected due to the economic climate that has been experienced in the last twelve months and the significant fall in interest rates. The results have been impacted, as noted at the Half Year, by a combination of: falling rental income mainly from sales, increased property operating costs and interest payable, increasing due to the over hedged position and a fall in interest income.

Rents received have reduced as a result of the sales completed during the year and the increase in the overall void rate throughout the year.

Property operating expenses are 18.9% of rental income in the current year compared to 15.7% in the previous year. These costs include: legal and agents' fees incurred in asset management activities, managing agents' fees, void costs incurred on empty properties and bad debts. These costs are higher than in the previous year as a result of higher asset management fees and an increase in bad debts.. There has been a reduction in void costs as a result of the benefit of the empty rates relief on smaller properties which was introduced from 1 April 2009. The fees paid to the managing agents have also fallen as rents received have decreased. These two benefits have helped to mitigate the impact of the other increased costs.

Administrative expenses have fallen by 10.2% during the year as a result of the reduction in staff numbers, lower office costs following the move in 2008 and lower legal and professional fees.

Interest received on the cash held during the year has fallen significantly to £58,000 compared to £311,000 in the previous year. This is as a result of the major decrease in interest rates offered by the banks on cash deposits. As reported at the Half Year, this has a significant impact on the results given the over hedged position. In the previous year additional financing income of £229,000 was recorded following the sale of £21 million of interest rate swaps held in excess of the debt drawn down when five year money rates were over 6%. No such sales have taken place in the current year.

The Group uses interest rate swaps to hedge the interest rate exposure on the Group's HSBC loan. The Group has remained over hedged by £10.5 million at the year end (2008: £11.3 million). The over hedged position has resulted in an increased interest charge once interest rates fell below the contracted rates earlier in the year. The cost of this over hedging for the year was £210,000 compared to an income of £195,000 in the previous year. An element of the interest rate swaps amortise at a rate of £200,000 per quarter, hence the reduction in the over hedged amount during the year.

The fair value of these swaps has fallen significantly compared to the prior year resulting in an expense of £5.6 million (2008: £1.3 million). As none of the swaps held qualified as effective swaps for hedge accounting under the criteria set out in IAS 39 these losses have been recognised in the Income Statement.

Net assets

The net asset value per share has fallen to 71p (2008: 112p). This fallen is predominantly as a result of the fall in value of the property portfolio during the first half of the year. The fall in interest rates has also decreased the value of the interest rate swaps used to hedge the Group's interest rate exposure compared to 2008, however, the value has increased since the Half Year.

The fair value of the properties owned has fallen at the year end by £28.3 million (2008: £44.4 million). However, the fall to the Half Year was £35.3 million with the portfolio increasing in value in the second half of the year by £7 million. The fall in value has been included in the Income Statement as required by IFRS. In accordance with the Group's accounting policy, at the half year and year end, 25% of the portfolio, together with all new purchases over the year have been valued by an independent professional firm and the remainder of the portfolio has been valued by the directors who have appropriate qualifications and knowledge of the market to complete the valuation.

At the year end the interest rate swaps have been valued as a liability of £5.3 million (2008: asset of £240,000). However, at the Half Year they were valued at a £6.7 million liability so have improved since then.

Bank facilities

During the year the Group has drawn down no new debt. It has continued to operate with a fixed rate loan from Barclays of £69.2 million and a fully hedged variable rate loan of £47.7 million from HSBC. The companies party to each loan agreement have no loan-to-value default provisions to satisfy. The covenants contained with the facility agreements relate to actual and forecast interest cover.

In 2008 a new facility of £60 million with HSBC, was negotiated. None of this facility has been drawn down to date. The facility comprises of a £35 million revolving loan and a £25 million fixed term loan. The term loan had a draw down deadline of 4 September 2009 which was subsequently extended to 4 December 2009, after which the facility would expire.

Since the year end this draw down period has been renegotiated and extended to 31 January 2013. To facilitate this extension it has been necessary to accept higher interest rates and increased non utilisation fees. The interest rates have increased at the lowest loan to value ratio from 80 basis points over LIBOR to 120 basis points, with increases as the LTV's increase up to a final rate of 160 basis points once the LTV exceeds 70%. The non utilisation fee has increased from 30 basis points rising to 60 basis points in 2010. In addition, a loan to value covenant of 85% for the term of the facility to 2016 has been agreed; previously the covenant was only applicable during the draw down period. We consider this facility to be very favourable compared to current market pricing.

The group continues to hold properties with a value of £42.9 million (2008: £55.2 million) which have no debt drawn down against them. These properties are available for use by the Group, which together with the extended facilities above, give flexibility to exploit opportunities which become available in the future.

Taxation

The Group has continued to operate as a REIT throughout the year. Therefore, any profits and gains from investment properties arising during the year should be exempt from corporation tax provided certain conditions are met.

In accordance with the REIT legislation the Group is required to analyse its business, for tax purposes, between its property rental business and other activities. The majority of rental income qualifies under the REIT rules as being derived from the property rental business and the directors do not consider that the Group operates any other type of business. Corporation tax remains payable on any interest income earned to the extent that losses from the residual business are not available to offset this. The Group does not expect to pay any significant amounts of corporation tax on any of its property rental business.

Share buy backs

During the year, the Company has purchased 630,000 (2008: 14,855,005) shares at an average price of 33.0p (2008: 82.1p.) It was necessary to cancel 675,000 (2008: 8,147,920) shares during the year and 25,000 shares (2008: 456,818) were transferred to the Company's Employee Benefit Trust (EBT). At the year end 9,164,017 shares (2008: 9,234,017) were held in Treasury. During the year no shares were transferred from Treasury to the EBT (2008: 30,000,). This has resulted in the EBT holding 1,123,339 (2008: 1,098,339) shares at the year end. As in the previous year the EBT will waive the dividend due on these shares and they are shown as a debit to reserves.

Victoria Whitehouse
Finance Director
3 December 2009

Consolidated Income Statement
for the year ended 30 September 2009

	<i>Note</i>	Year ended 30 September 2009 £000	Year ended 30 September 2008 £000
Gross rental income		15,319	16,691
Property operating expenses		(2,891)	(2,622)
Net rental income		12,428	14,069
Profit on disposal of investment properties		3	48
Loss from change in fair value of investment properties	6	(28,275)	(44,358)
Administrative expenses		(2,491)	(2,774)
Net other income/(expense)		5	(113)
Operating loss before net financing costs		(18,330)	(33,128)
Financing income*	3	58	540
Financing expenses*	3	(7,147)	(6,535)
Movement in fair value of financial derivatives	3	(5,578)	(1,347)
Loss before tax	10	(30,997)	(40,470)
Taxation		-	-
Loss for the year attributable to equity holders of the company		(30,997)	(40,470)
Basic and diluted loss per share	4	(37.5)p	(44.5)p

* Excluding movement in the fair value of financial derivatives

Consolidated Balance Sheet

as at 30 September 2009

	Note	At 30 September 2009 £000	At 30 September 2008 £000
Non current assets			
Property, plant and equipment		180	216
Investment properties	6	174,156	203,705
Derivative financial instruments	11	-	37
		<hr/>	<hr/>
Total non-current assets		174,336	203,958
		<hr/>	<hr/>
Current assets			
Derivative financial instruments	11	-	203
Trade and other receivables	7	4,646	4,546
Investment properties held for sale	6	1,300	-
Cash		5,949	7,527
		<hr/>	<hr/>
Total current assets		11,895	12,276
		<hr/>	<hr/>
Total assets		186,231	216,234
		<hr/> <hr/>	<hr/> <hr/>
Non current liabilities			
Interest bearing loans and borrowings	8	(116,133)	(115,927)
Finance lease liabilities		(1,024)	(1,356)
Derivative financial instruments	11	(2,976)	-
		<hr/>	<hr/>
Total non-current liabilities		(120,133)	(117,283)
		<hr/>	<hr/>
Current liabilities			
Interest bearing loans and borrowings	8	-	-
Trade and other payables	9	(5,170)	(5,613)
Derivative financial instruments	11	(2,362)	-
		<hr/>	<hr/>
Total current liabilities		(7,532)	(5,613)
		<hr/>	<hr/>
Total liabilities		(127,665)	(122,896)
		<hr/> <hr/>	<hr/> <hr/>
Net assets		58,566	93,338
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Issued capital		18,334	18,469
Reserves		3,773	3,773
Capital redemption reserve		1,764	1,629
Retained earnings		34,695	69,467
		<hr/>	<hr/>
Total attributable to equity holders of the Company	10	58,566	93,338
		<hr/> <hr/>	<hr/> <hr/>

Consolidated Statement of Cash Flows
for the year ended 30 September 2009

	<i>Note</i>	Year ended 30 September 2009	Year ended 30 September 2008 Restated
		£000	£000
Operating activities			
Loss for the year		(30,997)	(40,470)
Adjustments for:			
Loss from change in fair value of investment properties		28,275	44,358
Net financing costs		12,667	7,342
Profit on disposal of investment properties		(3)	(48)
Depreciation		41	33
Employee share options		176	176
		<hr/>	<hr/>
		10,159	11,391
(Increase)/decrease in trade and other receivables		(100)	285
Decrease in investment properties held for sale		-	3,081
Decrease in trade and other payables		(257)	(438)
		<hr/>	<hr/>
		9,802	14,319
Interest paid		(6,948)	(6,156)
Interest received		58	540
Corporation tax paid		(253)	(4,573)
		<hr/>	<hr/>
Net cash flows from operating activities		2,659	4,130
Investing activities			
Proceeds from sale of investment properties		6,922	13,203
Acquisition of investment properties		(7,277)	(13,606)
Acquisition of property, plant and equipment		(5)	(176)
		<hr/>	<hr/>
Cash flows from investing activities		(360)	(579)
Financing activities			
Costs of own shares acquired		(210)	(13,590)
Repayment of borrowings		-	-
New borrowings		-	17,700
Dividends paid		(3,741)	(5,829)
Payment of finance lease liabilities		74	75
		<hr/>	<hr/>
Cash flows from financing activities		(3,877)	(1,644)
Net (decrease)/increase in cash		(1,578)	1,907
Cash at the beginning of the year		7,527	5,620
		<hr/>	<hr/>
Cash at the end of the year		5,949	7,527
		<hr/> <hr/>	<hr/> <hr/>

Consolidated Statement of Recognised Income and Expense
for the year ended 30 September 2009

	2009 £000	2008 £000
Loss for the year	(30,997)	(40,470)
Total recognised income and expense for the year attributable to equity holders of the company	(30,997)	(40,470)

Notes to the Preliminary Financial Statements

for the year ended 30 September 2009

Accounting policies

1 Basis of preparation

The financial information set out below does not constitute the company's statutory accounts for the years ended 30 September 2009 and 30 September 2008. The financial information for 2008 is derived from the statutory accounts for 2008 which have been delivered to the registrar of companies. The auditors have reported on the 2008 accounts: their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The statutory accounts for 2009 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies in due course.

The financial information contained in these preliminary results has been prepared in accordance with the Listing Rules of the Financial Services Authority and the accounting policies set out on pages 33 to 36 of the Annual Report 2008 which is available on the company's website (www.localshoppingreit.co.uk). No new IFRSs have been adopted which has resulted in a material change in the preparation of the results.

The 2008 comparative figures on the cash flow statement have been restated as movements in financial derivatives are non-cash movements and have been classified accordingly.

2 Segmental reporting

The Group operates a single business segment providing accommodation to rent across the United Kingdom. The Group's net assets, revenue and profit before tax are attributable to this one activity.

3 Net financing costs

	2009 £000	2008 £000
Financing income		
Interest receivable	58	311
Gain on sale of derivative financial instruments	-	229
	<hr/>	<hr/>
Financing income excluding fair value movements	58	540
Fair value gains on derivative financial instruments (note 11)	-	-
	<hr/>	<hr/>
Financing income	58	540
	<hr/>	<hr/>
Financing expenses		
Bank loan interest	(6,825)	(6,230)
Amortisation of loan arrangement fees	(248)	(230)
Head rents treated as finance leases	(74)	(75)
	<hr/>	<hr/>
Financing expenses excluding fair value movements	(7,147)	(6,535)
Fair value losses on derivative financial instruments (note 11)	(5,578)	(1,347)
	<hr/>	<hr/>
Financing expenses	(12,725)	(7,882)
	<hr/>	<hr/>
Net financing costs	(12,667)	(7,342)
	<hr/> <hr/>	<hr/> <hr/>

4 Earnings per share

Basic earnings per share

The calculation of basic earnings per share was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Loss attributable to ordinary shares

	2009 £000	2008 £000
Loss for the year	(30,997)	(40,470)

	2009 Number 000	2008 Number 000
Issued ordinary shares at the start of the year	83,111	97,539
Effect of own shares held	(429)	(6,519)
Weighted average number of ordinary shares at the end of the year	82,682	91,020

Diluted earnings per share

There is no difference between basic and diluted earnings per share as the effect of share options in the year is anti dilutive.

5 Dividends

A final dividend of 1.8p per share has been proposed by the directors for payment on 31 December 2009. This dividend of £1.46m has not been provided for in these results in accordance with IAS 10. Under the REIT legislation the Company's dividends are divided into two components, known as a PID and non PID. This has been wholly classified as a non PID.

On 30 June 2009 an interim dividend in respect of the year ended 30 September 2009 was paid of £1.38m. This dividend was wholly classified as a PID.

On 31 December 2008 a final dividend in respect of the year ended 30 September 2008 was paid of £2.36m. This dividend was wholly classified as a non PID.

6 Investment property

	Total £000
At 1 October 2007	247,608
Additions	13,610
Disposals	(13,155)
Fair value adjustments	(44,358)
	<hr/>
At 30 September 2008	203,705
Additions	7,277
Disposals	(7,251)
Fair value adjustments	(28,275)
Investment properties held for sale	(1,300)
	<hr/>
At 30 September 2009	174,156
	<hr/> <hr/>

Investment properties held for sale at the Balance Sheet date are shown separately as current assets as required by IFRS 5. These assets no longer meet the investment criteria of the Group. In determining whether assets no longer meet the investment criteria of the Group consideration has been given to the conditions required under IFRS 5.

The investment properties have all been revalued to their fair value at 30 September 2009.

All properties acquired since 1 April 2009, together with a sample selected by the valuers of 25% of the portfolio have been valued by Allsop LLP, a firm of independent Chartered Surveyors. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards on the basis of market value. Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The remainder of the portfolio has been valued by the directors who have an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

All rental income recognised in the Income Statement is generated by the investment properties held and all direct operating expenses incurred resulted from investment properties that generate rental income.

A reconciliation of the portfolio valuation at 30 September 2009 to the total value for investment properties given in the Consolidated Balance Sheet is as follows:

	2009 £000	2008 £000
Portfolio valuation	174,432	202,349
Investment properties held for sale	(1,300)	-
Head leases treated as investment properties held under finance leases per IAS 17	1,024	1,356
	<hr/>	<hr/>
Total per Consolidated Balance Sheet	174,156	203,705
	<hr/> <hr/>	<hr/> <hr/>

7 Trade and other receivables

	2009 £000	2008 £000
Trade receivables	3,355	3,638
Other receivables	963	591
Prepayments	328	317
	<u>4,646</u>	<u>4,546</u>

8 Interest-bearing loans and borrowings

	2009 £000	2008 £000
Non-current liabilities		
Secured bank loans	116,929	116,929
Less: loan arrangement fees	(796)	(1,002)
	<u>116,133</u>	<u>115,927</u>
Current liabilities		
Current portion of secured bank loans	-	-
	<u>-</u>	<u>-</u>

All bank borrowings are secured by fixed charges over certain of the Group's property assets and floating charges over the companies which own the assets charged. All loans are repayable in one instalment in 2016.

9 Trade and other payables

	2009 £000	2008 £000
Trade payables	541	962
Other taxation and social security	403	608
Other payables	1,060	959
Accruals and deferred income	3,166	3,084
	<u>5,170</u>	<u>5,613</u>

Other creditors include rent deposits held in respect of commercial tenants of £825,000 (2008: £805,000).

10 Capital and reserves

Reconciliation of movement in Capital and Reserves

	Share capital	Reserves	Capital redemption reserve	Retained earnings	Total
	£000	£000	£000	£000	£000
At 1 October 2007	20,098	3,773	-	127,902	151,773
Cancellation of shares	(1,629)	-	1,629	-	-
Own shares acquired	-	-	-	(12,312)	(12,312)
Dividends	-	-	-	(5,829)	(5,829)
Share based payments	-	-	-	176	176
Total recognised income and expense	-	-	-	(40,470)	(40,470)
At 30 September 2008	18,469	3,773	1,629	69,467	93,338
Cancellation of shares	(135)	-	135	-	-
Own shares acquired	-	-	-	(210)	(210)
Dividends	-	-	-	(3,741)	(3,741)
Share based payments	-	-	-	176	176
Total recognised income and expense	-	-	-	(30,997)	(30,997)
At 30 September 2009	18,334	3,773	1,764	34,695	58,566

Share capital

	Ordinary shares		Ordinary shares	
	2009	2009	2008	2008
	Number	Value	Number	Value
	000	£000	000	£000
Alloted, called up and fully paid	91,670	18,334	92,345	18,469

Investment in own shares

During the year the company purchased 630,000 shares (2008: 14,855,005), 675,000 shares (2008: 8,147,920) were cancelled and 25,000 shares (2008: 456,818) were transferred to the Company's Employee Benefit Trust, LSR Trustee Limited ("EBT"). At the year end, 9,164,017 shares were held in Treasury (2008: 9,234,017). During the year, no shares were transferred from Treasury to the EBT (2008: 30,000). The number of shares held by the EBT at the year end was 1,123,339 (2008: 1,098,339).

Reserves

The value of shares issued to purchase Gilfin Property Holdings Limited in excess of their nominal value has been shown as a separate reserve in accordance with the Companies Act 1985.

Capital redemption reserve

The capital redemption reserve arose on the cancellation of 675,000 (2008: 8,147,920) ordinary 20p shares.

11 Derivative financial instruments

Derivative financial instruments held by the Group are interest rate swaps used to manage the Group's interest rate exposure. These are shown in the consolidation Balance Sheet as follows:

	Fair value 2007 £000	Movements in Income Statement £000	Fair value 2008 £000	Movements in Income Statement £000	Fair value 2009 £000
Non current assets	1,034	(997)	37	(37)	-
Current assets	553	(350)	203	(203)	-
Non-current liabilities	-	-	-	(2,976)	(2,976)
Current liabilities	-	-	-	(2,362)	(2,362)
Net value	1,587		240		(5,338)
Amount charged to Income Statement		(1,347)		(5,578)	

At 30 September 2009 and 30 September 2008 these derivative financial instruments did not qualify as effective swaps for hedge accounting under the criteria set out in IAS 39.

A summary of the swaps and their maturity dates are as follows:

	Amount £000	Rate %	Fair value 2008 £000	Movements in income Statement £000	Fair value 2009 £000
Maturity date					
30 April 2016	33,000	5.06 to 5.29	(95)	(3,220)	(3,315)
31 January 2017	25,178	5.4476	325	(2,348)	(2,023)
Swaps in place at 30 September 2009	58,178		230	(5,568)	(5,338)
Amortising swap with a maturity date of 31 January 2017	800	5.4476	10	(10)	-
Swaps in place at 30 September 2008	58,978		240	(5,578)	(5,338)

The derivative financial instruments included in the above tables were valued by JC Rathbone Associates Limited, financial risk consultants, using a discounted cash flow model and published market information.

The Group does not trade financial derivatives.

12 Fair value

The fair value of the Group's financial liabilities is not considered to be materially different from their book value with the exception of the following fixed rate loan held with Barclays Capital. The fixed rate element of loan has also been valued by JC Rathbone Associates Limited using a discounted cash flow model and published information.

	2009 £000	2008 £000
Fixed rate loan		
Carrying value of loan	68,969	68,869
Fair value	(74,892)	(67,890)
Difference	(5,923)	979