

Interim Report and Condensed Financial Statements

1 January 2009 to 30 June 2009



Standard Life Investments
Property Income Trust Limited

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IF YOU HAVE SOLD OR TRANSFERRED ALL YOUR SHARES IN THE COMPANY, YOU SHOULD PASS THIS DOCUMENT AND IT'S ACCOMPANYING DOCUMENTS TO THE PERSON THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.

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Turin Court, South Manchester

Objective

To provide shareholders with an attractive level of income together with the prospect of income and capital growth.

Investment Policy

The Directors intend to achieve the investment objective by investing in a diversified portfolio consisting of UK commercial properties. The majority of the portfolio will be invested in direct holdings within the three main sectors of Retail, Office, and Industrial, although it may also invest in “other” commercial property such as hotels, nursing homes and student housing. Limited development and investment in co-investment vehicles is permitted (maximum 10% of the portfolio).

In order to manage risk in the Company, without compromising flexibility, the following restrictions apply to the portfolio in normal market conditions:

- No property will be greater by value than 15% of total assets.
- No tenant (excluding Government) shall be responsible for more than 20% of the Company’s rent roll.
- The Loan to Value ratio (borrowings less cash divided by property portfolio value) will not exceed 65%.

Financial Highlights

- Dividend of 2p per share declared in respect of the six months to 30 June 2009
- Dividend yield of 8.6% based on 30 June 2009 share price
- Published Net Asset Value per share decreased during the six month period by 18.2% to 50.5p
- Open market value of property portfolio as at 30 June 2009: £122.2m*
- One property purchased in April 2009 for £11.0m

Financial Summary

	30 June 2009	31 December 2008	% Change
IFRS Net Asset Value per share	51.5p	62.7p	-17.9%
Published adjusted IFRS Net Asset Value per share**	50.5p	61.7p	-18.2%
Share price	46.5p	49.7p	-6.4%
Value of total assets	£155.4m	£169.0m	-8.0%
Loan to value#	42.8%	32.4%	-
Cash balance◆	£32.1m	£44.5m	-
Dividends per share■	2.00p	6.76p	-

* As valued by the Group's independent property valuer, Jones Lang LaSalle Limited.

** Calculated under International Financial Reporting Standards, adjusted to include the dividend declared in respect of the quarter ending 30 June 2009.

Calculated as bank borrowings less cash balance (excluding tenant deposits) as a percentage of the open market value of the property portfolio.

◆ Excluding tenant deposits.

■ Dividends paid during six months ended 30 June 2009 (paid during twelve months ended 31 December 2008).

Directors' Responsibility Statement

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge :

- . the condensed set of Financial Statements have been prepared in accordance with IAS 34; and
- . the Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Services Authority's Disclosure and Transparency Rules.

The Interim Report, for the six months ended 30 June 2009, comprises an Interim Management Report in the form of the Chairman's Statement, the Investment Manager's Report, the Directors' Responsibility Statement and a condensed set of Unaudited Consolidated Financial Statements.

For and on behalf of the Directors of Standard Life Investments Property Income Trust Limited

David Moore
Chairman

25 August 2009

Chairman's Statement

For the first time in just over two years there are encouraging signs that property yields are stabilising and even hardening in the transactions market for the best properties. In June 2009 the IPD monthly index showed a capital decline of 0.9% (the smallest monthly decline since September 2007), indeed five sub-sectors experienced positive yield impact in June.

While the yield story is encouraging, rental levels continue to fall across market sectors, and this will drive further falls in capital values. Although the general economic conditions remain poor, and some companies are struggling to pay rent, there are signs of increased occupational demand where some tenants have identified opportunities to lock into good quality accommodation at below trend cost.

The Company has performed relatively well against its competition with the share price increasing to 46.5p at 30 June 2009 from its low point of 26.75p as at 29 March 2009. Over the year to 30 June 2009 the property portfolio income return was 8.3%, 1% ahead of the IPD Monthly Index over the same period. Dividend cover remains strong with the Company continuing to maintain a covered dividend.

Performance: Property Income and Total Return

The Company generated a property income return of 4.6% on its properties compared with the IPD Monthly Index income return of 4.0% over the six months ended 30 June 2009. The Company's total return on property was -5.6 % compared with the IPD Monthly Index return of -9.6 %. The Board and Manager, however made a deliberate decision to continue to hold substantial cash balances pending investment and the Company's overall total return (including cash) was -3.8%.

Performance: Property Income and Total Return

The Company's published net asset value fell over the reporting period from 61.7p per share to 50.5p. The fall in the valuation of commercial property, including the impact of gearing, accounted for 13.8p per share of the reduction in asset value. The movement in the valuation of the interest rate SWAP and also in other reserves made a positive contribution.

	Pence per share	% of opening NAV
Published NAV as at 31 December 2008	61.7	
Decrease in valuation of property portfolio (including the impact of gearing)	(13.8)	(22.4)
Increase in interest rate SWAP valuation	2.0	3.2
Other reserve movements	0.6	1.0
Published NAV as at 30 June 2009	50.5	81.8

The share price fell by 6.4% during the period and was 46.5p per share at 30 June 2009. The discount to net asset value narrowed to 7.9% having started the year at 19.4%. The share price as at 24 August 2009 was 54.5 pence per share representing a premium to net asset value of 7.9%.

Dividends

The Company announced a second interim dividend of 1.0p per share paid on 28 August 2009, making dividends of 2.0p per share for the six months ended 30 June 2009. Annualised dividends of 4.0p per share represent a dividend yield at 30 June 2009 of 8.6% and this compares favourably with bank deposit rates and yields on UK gilts.



Chairman's Statement (continued)

Activity

The Company purchased an office building for £10.98m in Uxbridge at an initial yield of 9.95%. Since purchase the leases have been regeared to extend the average unexpired term and the vacant suite has been let. The capital value of this property has increased by 5.6% net of restructuring costs since purchase, as well as enhancing the revenue account.

Cash position

As at 30 June 2009 the Company had borrowings of £84.4m and a cash position of £32.1m (excluding rent deposits) therefore cash as a percentage of debt was 38.0%.

The Company remains very well positioned to take advantage of attractive investment opportunities suited to its property portfolio.

Loan to Value Ratio

The Company announced on 1 July 2009 that it would be entering into a revised loan agreement with The Royal Bank of Scotland Plc that would provide for an increase in the maximum allowed loan to value ratio from 55% to 65% and also a revision to the calculation method to provide for full cash set off against debt. The new loan documentation will calculate loan to value as borrowings less any cash placed with the lender as a percentage of the market value of the investment property. As at 30 June 2009 the loan to value ratio using the revised method was 42.8%.

Investment Outlook

UK property remains attractive to overseas investors due to a combination of lower prices and currency effects. Investors remain risk adverse and consequently, prime assets with tenants on strong covenants and longer leases are the most sought after assets. These type of assets are in limited supply and agents report prices increasing for the first time since early 2007. Whilst the remainder of 2009 is likely to be another challenging year for commercial property, the prospects for 2010 and beyond look more promising. Income preservation is likely to be key for investors going forward and hence prime assets in the best locations with tenants on strong covenants and long leases will be at a premium.

David Moore
Chairman

25 August 2009

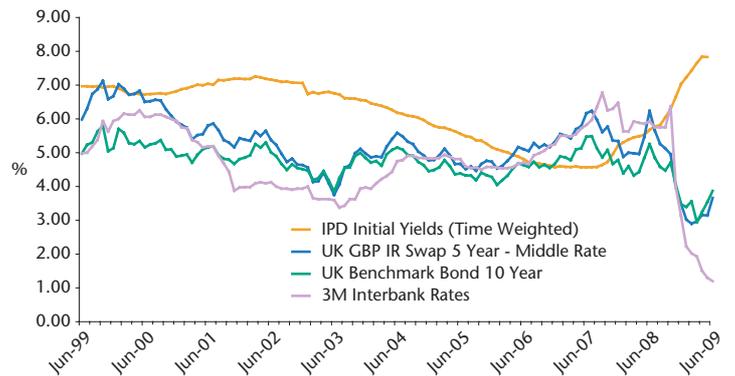
Investment Manager's Report

UK Property Market

The first half of 2009 saw continued capital declines in UK commercial property values, such that by the end of June 2009 the peak to trough fall stood at just over 44%. On the positive side the rate of decline has slowed, at -8.9% in quarter 1 and -4.7% in quarter 2 (IPD Monthly Index).

By the end of June 2009 there was evidence that the outward yield shift seen since June 2007 was coming to an end, with falls in rental values taking over as the main driver of capital falls. Indeed, in June 2009 the IPD Monthly index actually saw inward yield movement in 5 sub-sectors.

The chart on the right shows the yield margin over gilts, which is at historically high levels. It is the income yield on property that has brought many purchasers back to the market. In particular, there has been an increase in demand for well let small assets (sub £5m) from wealthy individuals seeking a greater return than cash, and for large well let investments from overseas buyers who are attracted by the currency exchange rates and the relative yield compared to their cost of debt.



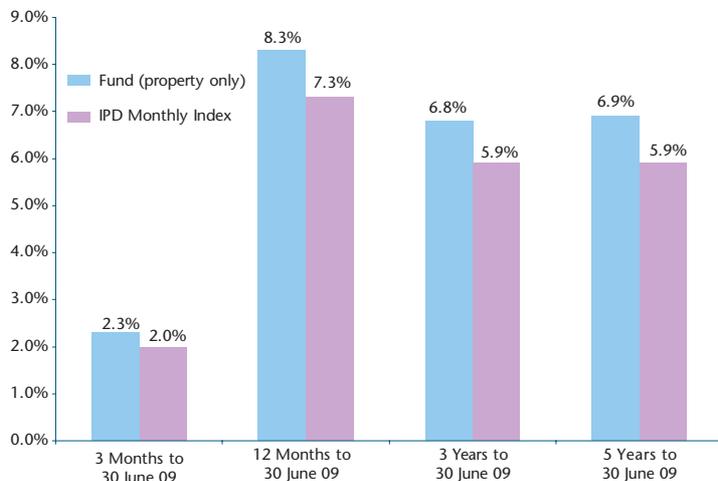
Portfolio Valuation

The property assets held by the Company are valued on a quarterly basis by Jones Lang La Salle Limited. As at 30 June 2009 the property portfolio was valued at £122.2m and cash of £32.1m (excluding rent deposits) was held. This compares to £123.0m and £44.5m respectively as at 31 December 2008. During the period one property was acquired for £11.0m.

Portfolio performance

The primary objective of the Company is to provide an attractive level of income, and the property portfolio has helped deliver that through an above average income return, as illustrated below. The income from the investment portfolio supports the covered dividend policy of the Board, with a current dividend of 4p per share per annum.

Property Portfolio Income Return



Source: IPD, Standard Life Investments, 30 June 2009

Investment Manager's Report continued

Property Investments as at 30 June 2009

Name	Town	Sub-sector	Market Value £
Capital Court	Uxbridge	Standard Office	12-14m
Hollywood Green	London	Leisure	10-12m
Clough Road Retail Park	Hull	Retail Warehouses	6-8m
Ocean Trade Centre	Aberdeen	Industrial Park	6-8m
2-4 Bucknall Street	London	Standard Office	6-8m
Drakes Way	Swindon	Standard Industrial	6-8m
Century Plaza	Edgware	High Street Retail	4-6m
Chancellors Place	Chelmsford	Standard Office	4-6m
Bathgate Retail Park	Bathgate	Retail Warehouses	4-6m
Marsh Way	Rainham	Standard Industrial	4-6m
White Bear Yard	London	Standard Office	4-6m
Interfleet House	Derby	Office Park	4-6m
Pit Hey Place	Skelmersdale	Distribution Warehouse	2-4m
Farah Unit, Crittal Road	Witham	Standard Industrial	2-4m
Esporta	Chislehurst	Leisure	2-4m
Turin Court	South Manchester	Standard Office	2-4m
Windsor Court & Crown Farm	Mansfield	Standard Industrial	2-4m
Phase II, Telelink	Swansea	Office Park	2-4m
Coal Road	Leeds	Standard Industrial	2-4m
De Ville Court	Weybridge	Standard Office	2-4m
31 / 32 Queen Square	Bristol	Standard Office	2-4m
Wardley Industrial Estate	Manchester	Retail Warehouses	2-4m
Halfords	Paisley	Retail Warehouses	2-4m
Eurolink Normanton	Leeds	Industrial Park	1-2m
Easter Park	Bolton	Distribution Warehouse	1-2m
Lister House	Leeds	Standard Office	1-2m
Unit 14 Interlink Park	Bardon	Distribution Warehouse	1-2m
Portrack Lane	Stockton on Tees	Distribution Warehouse	1-2m



31-32 Queens Square, Bristol



Halfords, Paisley



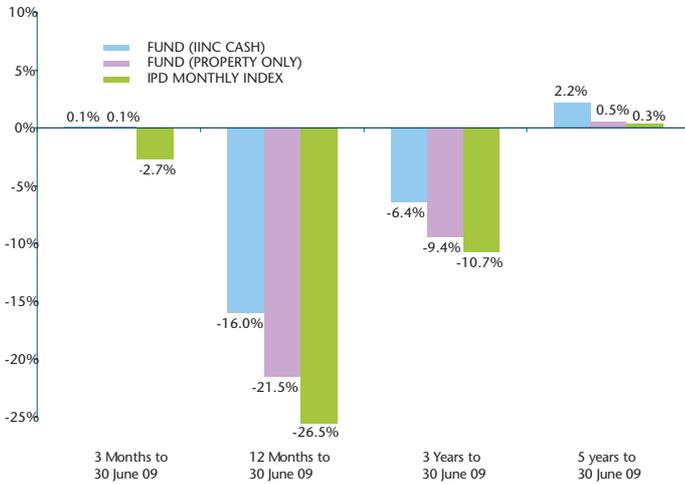
Century Plaza, Edgware



Interlink, Bardon

Investment Manager's Report continued

The Company has also been able to provide a total return that although negative over the period, has also been better than the IPD Monthly Index.



Source: IPD, Standard Life Investments, 30 June 2009

The table below illustrates the share price and NAV performance. The NAV performance has been negatively impacted by the effect of gearing. The share price performance has been volatile during the period, with a dramatic fall in March 09 in particular, which we believe was due to a particular seller at that time. In quarter 1 the Company therefore offered a very poor total return (dividends reinvested) of -60.2% against a sector average of offshore income trusts of -52.8%. This improved dramatically over quarter 2 with a general improvement in sentiment meaning the total return was 71.7% against a sector average of 38.4% (returns sourced from Datastream).



Source: Thomson Datastram



DeVil Court, Weybridge



Turin Court, South Manchester



Ocean Trade Centre, Aberdeen

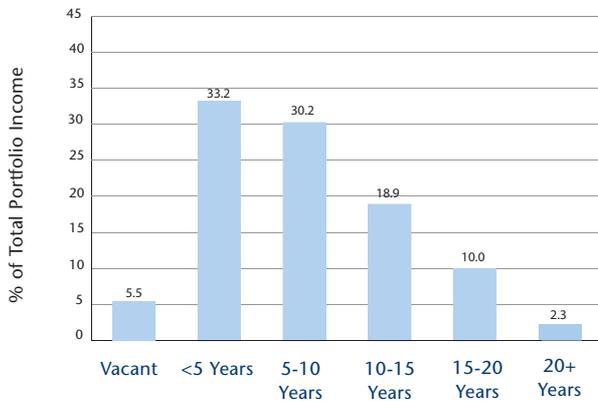


Homebase, Manchester

Investment Manager's Report continued

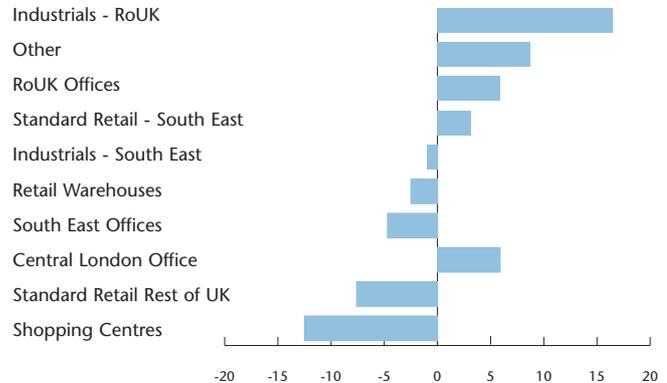
Portfolio Characteristics

Lease expiry profile as at 30 June 2009



Source: Standard Life Investments

Portfolio Sub Sector Structure Relative to IPD Monthly Index as at 30 June 2009



Source: Standard Life Investments

Note: 'Other' category includes leisure property at Chiselhurst and Hollywood Green in London. The latter property comprises a cinema and 5 retail units.

Investment Activity

On 1 April 2009 the Company completed the £11.0m purchase of a 54,000sqft Grade A office building built in 2001 and located in Uxbridge. The purchase showed a net initial yield of 9.95% on the contracted income. Since purchase the Company has regeared a number of the leases and let the vacant suite, as well as removed the upward / downward rent review provisions in some of the leases. As at the 30 June 2009 the property was valued at £13.5m, giving a capital uplift of 5.6% after costs. The purchase added over £1m of income to the revenue account as opposed to the return on cash previously being achieved.

The primary focus over the period has been to protect and enhance the income stream from the investment portfolio.

The Company has renewed the lease of an office in Bristol £50k above ERV, and settled a central London office rent review £55k above ERV. The Company has also extended a lease on an industrial unit in Leeds and now agreed terms for a new lease on that unit as well as the adjoining unit with the old sub tenant. One of our central London office tenants wanted to downsize at the end of their lease which the Company agreed terms on in order to secure rent. Since then the Company has also let part of the vacated space to a new tenant.

The Company has suffered from several tenant failures, including MFI and Yates. In both cases the cost outgoings have been minimised by leaving the lease vested in the administrator whilst marketing the unit. The portfolio void level remains low compared to the IPD monthly index (5.5% versus 12.1%) and the Company has agreed terms to let two retail units in Wood Green London, which will further reduce the void exposure. It has proved harder to find a tenant for the small office building in Chelmsford, however it presents well and is close to the station, and there has been a pick up in enquiries over recent weeks.

In order to protect the future income stream on an industrial building in Leeds the tenant's lease break (exercisable in 2010) has been removed to give six years term certain. Terms have also been agreed to remove a 2011 lease break on a similar unit.



Investment Manager's Report continued

Bank Loan Facility

The Company has agreed with its lender, The Royal Bank of Scotland plc, revised debt covenants that will give it greater flexibility to utilise the cash it holds to maximise total returns. The loan to value covenant has been increased to 65% from 55% and now includes a full cash offset in the calculation. The Company now has greater headroom on the covenants and does not need to repay debt. The revised margin of 150bps and 50bps arrangement fee increases the all in cost of debt to nearly 6%, but this is still less than the income yield of good quality property, which can be purchased at bottom of cycle prices.

Investment Outlook

As this report is being prepared at end of August there is a sense of optimism pervading the market. Yields have begun to harden for long secure income streams as demand has increased and supply of good quality investment stock remains limited. To date the Banks have not flooded the market with distressed assets, but instead appear prepared to work through the cycle with their borrowers. There is some sign of an improved letting market with both office and industrial inquiries increasing, but as with the investment market this improvement comes from a very low base.

Rental values are likely to decline further through the rest of 2009 and 2010, which will hold a recovery in capital values back. Although sentiment has improved, there is little reason to expect a sudden and sustained improvement in values, and over the next year to eighteen months it is the income return that will dominate. The Company will look to make selective new purchases where they provide scope for future capital growth and enhance the revenue account.

**Unaudited Consolidated Income Statement
for the period ended 30 June 2009**

	Note	01 Jan 09 to 30 Jun 09 £	01 Jan 08 to 30 Jun 08 £
Rental income		5,894,418	5,855,992
Unrealised loss arising on adjustment to fair value of investment properties		(14,304,587)	(12,219,122)
Realised loss on disposal of investment properties		(27,391)	(533,888)
Investment management fees	3	(521,981)	(848,152)
Head lease payments		-	(33,037)
Other direct property costs		(423,579)	(344,702)
Directors' fees and subsistence	3	(51,268)	(52,262)
Valuer's fees		(10,034)	(18,917)
Auditor's fees		(32,263)	(18,000)
Other administration expenses		(165,973)	(200,380)
Operating loss		(9,642,658)	(8,412,468)
Finance costs - net			
Interest payable		(2,362,673)	(2,696,994)
Interest receivable		391,583	1,219,280
Loss for the period		(11,613,748)	(9,890,182)
Other comprehensive income			
Changes in fair value of effective cash flow hedges		2,060,693	2,980,509
Total comprehensive loss for the period		(9,553,055)	(6,909,673)
Loss per share for the period attributable to the equity holders of the Company:			
Basic and diluted		(11.17) pence	(9.51) pence

All items in the above Unaudited Consolidated Income Statement derive from continuing operations.

The notes on pages 14 to 18 are an integral part of these Unaudited Consolidated Financial Statements

**Unaudited Consolidated Balance Sheet
as at 30 June 2009**

	Note	30 Jun 09 £	31 Dec 08 £
ASSETS			
Non-current assets			
Freehold investment properties	4	105,767,650	107,006,879
Leasehold investment properties	4	12,938,182	14,403,182
		118,705,832	121,410,061
Current assets			
Trade and other receivables		4,028,439	2,534,822
Cash and cash equivalents		32,659,571	45,089,452
		36,688,010	47,624,274
Total assets		155,393,842	169,034,335
EQUITY			
Capital and reserves attributable to Company's equity holders			
Share capital		1,040,000	1,040,000
Share premium		5,217,022	5,217,022
Retained earnings	5	2,597,083	1,717,458
Capital reserves		(48,932,824)	(36,661,539)
Other distributable reserves		93,674,719	93,916,114
Total equity		53,596,000	65,229,055
LIABILITIES			
Non-current liabilities			
Bank borrowings		84,432,692	84,432,692
Interest rate swap		5,514,508	7,575,201
Redeemable preference shares		8,287,905	8,046,510
Leasehold obligations		17,682	17,682
		98,252,787	100,072,085
Current liabilities			
Trade and other payables		3,544,555	3,732,695
Leasehold obligations		500	500
		3,545,055	3,733,195
Total liabilities		101,797,842	103,805,280
Total equity and liabilities		155,393,842	169,034,335

Approved by the Board of Directors on 25 August 2009

John Hallam
Director

David Moore
Director

The notes on pages 14 to 18 are an integral part of these Unaudited Consolidated Financial Statements

**Unaudited Consolidated Statement of Changes in Equity
for the period ended 30 June 2008**

	Note	Share capital £	Share premium £	Retained earnings £	Capital reserves £	Other distributable reserves £	Total equity £
Opening balance 1 January 2008		1,040,000	5,217,022	2,576,775	14,635,767	94,371,577	117,841,141
Loss for the period		-	-	(9,890,182)	-	-	(9,890,182)
Unrealised loss arising on adjustment to fair value of investment properties	4	-	-	12,219,122	(12,219,122)	-	-
Realised loss on disposal of investment properties		-	-	533,888	(533,888)	-	-
Transfer between reserves*		-	-	227,732	-	(227,732)	-
Movement on revaluation of interest rate swap		-	-	-	2,980,509	-	2,980,509
Dividends	6	-	-	(3,515,200)	-	-	(3,515,200)
Balance at 30 June 2008		1,040,000	5,217,022	2,152,135	4,863,266	94,143,845	107,416,268

* this is a transfer to move redeemable preference share finance costs from the retained earnings reserve to the other distributable reserves

**Unaudited Consolidated Statement of Changes in Equity
for the period ended 30 June 2009**

	Note	Share capital £	Share premium £	Retained earnings £	Capital reserves £	Other distributable reserves £	Total equity £
Opening balance 1 January 2009		1,040,000	5,217,022	1,717,458	(36,661,539)	93,916,114	65,229,055
Loss for the period		-	-	(11,613,748)	-	-	(11,613,748)
Unrealised loss arising on adjustment to fair value of investment properties	4	-	-	14,304,587	(14,304,587)	-	-
Realised loss on disposal of investment properties		-	-	27,391	(27,391)	-	-
Transfer between reserves*		-	-	241,395	-	(241,395)	-
Movement on revaluation of interest rate swap		-	-	-	2,060,693	-	2,060,693
Dividends	6	-	-	(2,080,000)	-	-	(2,080,000)
Balance at 30 June 2009		1,040,000	5,217,022	2,597,083	(48,932,824)	93,674,719	53,596,000

* this is a transfer to move redeemable preference share finance costs from the retained earnings reserve to the other distributable reserves

The notes on pages 14 to 18 are an integral part of these Unaudited Consolidated Financial Statements

**Unaudited Consolidated Cash Flow Statement
for the period ended 30 June 2009**

	Note	01 Jan 09 to 30 Jun 09 £	01 Jan 08 to 30 Jun 08 £
Cash flows from operating activities			
Cash generated from operations	7	3,007,563	3,633,930
Interest paid		(2,121,278)	(1,077,478)
Net cash generated from operating activities		886,285	2,556,452
Cash flows from investing activities			
Purchase of investment property		(11,544,026)	(7,800,750)
Capital expenditure on investment properties		(56,332)	(52,742)
Disposal of investment properties		(27,391)	17,466,112
Interest received		391,583	1,219,280
Net cash (used in) / generated from investing activities		(11,236,166)	10,831,900
Cash flows from financing activities			
Dividends paid to the Company's shareholders	6	(2,080,000)	(3,515,200)
Net (decrease) / increase in cash and cash equivalents in the period		(12,429,881)	9,873,152
Cash and cash equivalents at beginning of period		45,089,452	35,171,457
Cash and cash equivalents at end of period		32,659,571	45,044,609

The notes on pages 14 to 18 are an integral part of these Unaudited Consolidated Financial Statements

Notes to the Unaudited Condensed Consolidated Financial Statements for the period ended 30 June 2009

1. GENERAL INFORMATION

Standard Life Investments Property Income Trust Limited ("the Company") and its subsidiary (together the "Group") carries on the business of property investment through a portfolio of freehold and leasehold investment properties located in the United Kingdom. The Company is a limited liability company incorporated and domiciled in Guernsey, Channel Islands. The Company has its primary listing on the London Stock Exchange with a secondary listing on the Channel Islands Stock Exchange.

The address of the registered office is Trafalgar Court, Les Banques, St Peter Port, Guernsey.

These Unaudited Consolidated Financial Statements have been approved for issue by the Board of Directors on 25 August 2009.

The Audited Consolidated Financial Statements of the Company for the year ended 31 December 2008 are available upon request from the registered office.

2. ACCOUNTING POLICIES

Basis of preparation

The Unaudited Consolidated Financial Statements of the Group have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"), and all applicable requirements of The Companies (Guernsey) Law, 2008, as amended.

They do not contain all of the information required for full annual statements and should be read in conjunction with the Audited Consolidated Financial Statements of the Company for the year ended 31 December 2008. Except as noted below, the same accounting policies and methods of computation are followed in these interim financial statements as compared with the Audited Consolidated Financial Statements prepared for the year ended 31 December 2008.

3. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Redeemable preference shares

On 19 December 2003 the Company issued 6,000,000 25p redeemable zero dividend preference shares for £6,000,000 to The Standard Life Assurance Company. On 10 July 2006 these shares were transferred to Standard Life Assurance Limited. These shares have a nominal value of £1,500,000 and are redeemable by the Company at a price of £1.7908. These shares do not carry any voting rights.

Ordinary share capital

Standard Life Investment Funds Limited held 21,769,609 of the issued ordinary shares throughout the period on behalf of its Unit Linked Property Funds (31 December 2008: 21,769,609). This equates to 20.9% (31 December 2008: 20.9%) of the ordinary share capital, however, Standard Life Investments Funds Limited is not considered to exercise control of the Group. Those parties related to the Investment Manager waived their rights to commission on the initial purchase of these shares in order to maintain the fairness of the transaction to all parties.

Cash held on deposit with related parties

As at 30 June 2009, £1,665,255 (31 December 2008: £9,800,976) was invested in Standard Life Investments (Global Liquidity Funds) plc, a liquidity fund that is rated Aaa by Moody's. The interest earned on this investment during the period was £64,791 (period ended 30 June 2008: £1,149,507) representing an average rate of 1.6% (period ended 30 June 2008: 5.7%).

Notes to the Unaudited Consolidated Financial Statements for the period ended 30 June 2009

Standard Life plc is the ultimate controlling party of the Investment Manager, Standard Life Investments (Corporate Funds) Limited. Standard Life Investments (Global Liquidity Funds) plc is an entity that is also managed within the Standard Life plc group.

Directors

The Directors each hold the following number of Ordinary Shares in the Company:

	30 Jun 09	31 Dec 08
David Moore	15,000	15,000
Richard Barfield	30,000	30,000
John Hallam	15,000	15,000
Shelagh Mason	15,000	15,000
Paul Orchard-Lisle	25,000	25,000

No Director has any interest in any transactions which are or were unusual in their nature or condition or significant to the business of the Group and which were effected by any member of the Group since its date of incorporation. Total fees relating to the Directors in the period under review were £51,268 (period ended 30 June 2008: £52,262), being £50,000 (period ended 30 June 2008: £50,000) in respect of emoluments and £1,268 (period ended 30 June 2008: £2,262) in respect of expenses.

Investment Manager

On 19 December 2003 Standard Life Investments (Corporate Funds) Limited ("the Investment Manager") was appointed as Investment Manager to manage the property assets of the Group.

Under the terms of the Investment Management Agreement the Investment Manager is entitled to receive a fee at the annual rate of 0.85% of the total assets, payable quarterly in arrears. On 1 July 2008 a supplemental agreement to the Investment Management Agreement was put in place to amend the fee basis to be 0.85% per annum of the total assets except where cash balances exceed 10% of the total assets. The fee applicable to the amount of cash exceeding 10% of total assets is altered to be 0.20% per annum, payable quarterly in arrears. The Investment Manager has also agreed to reduce its charge to 0.75% of the total assets of the Group until such time as the net asset value per share returns to the launch level of 97p. This is applicable from the quarter ended 31 December 2008 onwards and does not affect the reduced fee of 0.20% on cash holdings above 10% of total assets. The total fees charged for the period amounted to £521,981 (period ended 30 June 2008: £848,152). The amount due and payable at the period end amounted to £265,211 excluding VAT (period ended 30 June 2008 £418,805).

4. FREEHOLD AND LEASEHOLD INVESTMENT PROPERTIES

	30 Jun 09 Freehold £	30 Jun 09 Leasehold £	30 Jun 09 Total £
Market value as at 31 December 2008	108,595,000	14,385,000	122,980,000
Capital expenditure and property additions	11,600,358	-	11,600,358
Unrealised loss arising on adjustment to fair value of investment properties	(13,489,587)	(815,000)	(14,304,587)
Movement in lease incentive debtor	1,949,229	-	1,949,229
Market value at 30 June 2009	108,655,000	13,570,000	122,225,000
Adjustment for lease incentives	(3,537,350)	-	(3,537,350)
Discounted present value of minimum lease payments	-	18,182	18,182
Fair value at 30 June 2009	105,117,650	13,588,182	118,705,832

Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 June 2009

	31 Dec 08 Freehold £	31 Dec 08 Leasehold £	31 Dec 08 Total £
Market value as at 31 December 2007	142,650,000	35,550,000	178,200,000
Capital expenditure and property additions	(93,430)	7,825,782	7,732,352
Carrying value of disposed investment properties	(160,000)	(23,836,023)	(23,996,023)
Unrealised loss arising on adjustment to fair value of investment properties	(34,891,229)	(5,090,782)	(39,982,011)
Movement in lease incentive debtor	1,089,659	(63,977)	1,025,682
Market value at 31 December 2008	108,595,000	14,385,000	122,980,000
Adjustment for lease incentives	(1,588,121)	-	(1,588,121)
Discounted present value of minimum lease payments	-	18,182	18,182
Fair value at 31 December 2008	107,006,879	14,403,182	121,410,061

Investment properties were revalued at the period end by Jones Lang LaSalle Limited, Chartered Surveyors on the basis of the market value for existing use.

The market values of leasehold investment properties have been adjusted to reflect the discounted present value of minimum lease payments to reflect their fair value in accordance with IFRS. The market value for existing use provided by Jones Lang LaSalle Limited at the period end was £122,225,000 (31 December 2008: £122,980,000), however an adjustment has been made for lease incentives of £3,537,350 (31 December 2008: £1,588,121) that are already accounted for.

5. RETAINED EARNINGS

	30 Jun 09 £	31 Dec 08 £
Opening balance as at 1 January	1,717,458	2,576,775
Loss for the period/year	(11,613,748)	(38,269,120)
Transfer from other distributable reserves	241,395	455,463
Unrealised loss arising on adjustment to fair value of investment properties transferred to capital reserve	14,304,587	39,982,011
Realised loss on disposal of investment properties transferred to capital reserve	27,391	4,002,729
Dividends paid	(2,080,000)	(7,030,400)
Closing balance	<u>2,597,083</u>	<u>1,717,458</u>

This is a distributable reserve.

6. DIVIDENDS

The interim dividends paid to date in 2009 are as follows (2008: £3,515,200) :

£1,040,000 (1p per ordinary share) paid in February relating to the quarter ending 31 December 2008
 £1,040,000 (1p per ordinary share) paid in May relating to the quarter ending 31 March 2009
 £2,080,000

A further dividend of £1,040,000 (2008: £1,757,600) in respect of the quarter to 30 June 2009 was approved in August 2009.

These Unaudited Consolidated Financial Statements do not reflect this dividend, however, the published net asset value as at 30 June 2009 does.

Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 June 2009

7. CASH GENERATED FROM OPERATIONS

	01 Jan 09 to 30 Jun 09 £	01 Jan 08 to 30 Jun 08 £
Loss for the period	(11,613,748)	(9,890,182)
Movement in trade and other receivables	(1,493,617)	(95,252)
Movement in trade and other payables	(188,140)	(611,360)
Interest payable	2,362,673	2,696,994
Interest receivable	(391,583)	(1,219,280)
Unrealised loss arising on adjustment to fair value of investment properties	14,304,587	12,219,122
Realised loss on disposal of investment properties	27,391	533,888
Cash generated from operations	3,007,563	3,633,930

8. SEGMENTAL REPORTING

The Group is organised into four main business segments determined in accordance with the type of investment property:

Retail - mainly shops and retail warehouse parks

Office - mainly in large cities

Industrial - distribution warehouses and industrial units

Other - leisure centres and cinema complexes

Segmental analysis by business segment

01 Jan 09 to 30 Jun 09	Retail £	Office £	Industrial £	Other £	Total £
Rental income	959,056	2,165,957	2,109,680	659,725	5,894,418
Unrealised loss arising on adjustment to fair value of investment properties	(5,194,489)	(2,133,410)	(4,546,185)	(2,430,503)	(14,304,587)
Realised loss on disposal of investment properties	-	(27,391)	-	-	(27,391)
Property related expenditure	(102,861)	(153,728)	(164,248)	(12,775)	(433,613)
Segment result	(4,338,294)	(148,572)	(2,600,753)	(1,783,553)	(8,871,173)
Non-property related expenditure					(771,485)
Operating loss					(9,642,658)
Finance costs - net					(1,971,090)
Loss for the period					<u>(11,613,748)</u>

There were no transactions between the business segments.

Property related expenditure relates to head lease payments, valuation fees and other direct property costs.

Notes to the Unaudited Consolidated Financial Statements
for the period ended 30 June 2009

01 Jan 08 to 30 Jun 08	Retail £	Office £	Industrial £	Other £	Total £
Rental income	1,269,477	1,900,429	1,988,506	697,580	5,855,992
Unrealised loss arising on adjustment to fair value of investment properties	(3,522,451)	(3,483,713)	(4,190,645)	(1,022,313)	(12,219,122)
Realised loss on disposal of investment properties	-	(533,888)	-	-	(533,888)
Property related expenditure	3,795	(48,025)	(250,771)	(101,655)	(396,656)
Segment result	(2,249,179)	(2,165,197)	(2,452,910)	(426,388)	(7,293,674)
Non-property related expenditure					(1,118,794)
Operating profit					(8,412,468)
Finance costs - net					(1,477,714)
Loss for the period					(9,890,182)

There were no transactions between the business segments.

Property related expenditure relates to head lease payments, valuation fees and other direct property costs.

Standard Life Investments Property Income Trust Limited

Directors and Company Information

Directors	David Christopher Moore (Chairman) Richard Arthur Barfield John Edward Hallam Shelagh Yvonne Mason Paul David Orchard-Lisle CBE
Registered Office	Trafalgar Court Les Banques St. Peter Port Guernsey
Administrator, Secretary and Registrar	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St. Peter Port Guernsey
Registered Number	41352
Investment Manager	Standard Life Investments (Corporate Funds) Limited 1 George Street Edinburgh EH2 2LL
Independent Auditors	PricewaterhouseCoopers CI LLP National Westminster House Le Truchot St. Peter Port Guernsey GY1 4ND
Solicitors	Dickson Minto W.S. 16 Charlotte Square Edinburgh EH2 4DF Ozannes Advocates and Notaries Public PO Box 186 1 Le Marchant Street St Peter Port Guernsey GY1 4HP
Principal Banker	The Royal Bank of Scotland plc 135 Bishopsgate London EC2M 3UR
Property Valuers	Jones Lang LaSalle Limited 22 Hanover Square London W1A 2BN

Standard Life Investments Limited, tel. +44 131 225 2345, a company registered in Scotland (SC 123321) Registered Office 1 George Street, Edinburgh EH2 2LL.

The Standard Life Investments group includes Standard Life Investments (Mutual Funds) Limited, SLTM Limited, Standard Life Investments (Corporate Funds) Limited and SL Capital Partners LLP. Standard Life Investments Limited acts as Investment Manager for Standard Life Assurance Limited and Standard Life Pension Funds Limited.

Standard Life Assurance Limited, registered in Scotland (SC286833) Standard Life House 30 Lothian Road Edinburgh EH1 2DH. Tel. +44 131 225 2552.

Standard Life may record and monitor telephone calls to help improve customer service. All companies are authorised and regulated by the Financial Services Authority.

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