

To: Stock Exchange

**For immediate release:
26 August 2011**

F&C Private Equity Zeros plc

Unaudited results for the half year to 30 June 2011

Chairman's Statement

The Company is a wholly owned subsidiary of F&C Private Equity Trust plc ('F&C PET') and was established solely for the purpose of issuing and redeeming Zero Dividend Preference Shares ('ZDP Shares'). 30,000,000 ZDP Shares were issued on 14 December 2009 at 100 pence per share and will redeem on 15 December 2014 at a price of 152.14 pence per ZDP Share, giving a redemption yield of 8.75 per cent per annum. The proceeds of the ZDP Shares issue were lent to F&C PET for use in future investment opportunities.

As at 30 June 2011 the net asset value per Ordinary Share was 107.84 pence and the net asset value per ZDP Share was 110.84 pence.

As at 30 June 2011 the ZDP Share price was 128.00 pence, representing a premium of 15.5 per cent over the net asset value per share.

Mark Tennant
Chairman

F&C Private Equity Zeros plc

Statement of Comprehensive Income

	Six months ended 30 June 2011 (unaudited) £'000	Period ended 30 June 2010 (unaudited) £'000	Period ended 31 December 2010 (audited) £'000
Revenue			
Income	1,478	1,474	2,909
Total income	1,478	1,474	2,909
Expenditure			
Expenses	-	-	-
Total expenditure	-	-	-
Profit before finance costs and taxation	1,478	1,474	2,909
Finance costs	1,477	(1,472)	(2,906)
Profit before taxation	1	2	3
Taxation	-	-	-
Total comprehensive income	1	2	3
Earnings per Ordinary Share	2.00p	4.75p	5.84p

F&C Private Equity Zeros plc

Balance Sheet

	As at 30 June 2011 (unaudited) £'000	As at 30 June 2010 (unaudited) £'000	As at 31 December 2010 (audited) £'000
Non current assets			
Investments	50	50	50
	50	50	50
Current assets			
Loans and other receivables	33,252	30,341	31,775
Cash at bank	3	1	2
Net current assets	33,255	30,342	31,777
Total assets less current liabilities	33,305	30,392	31,827
Creditors: amounts falling due after one year			
Zero dividend preference shares	(33,251)	(30,340)	(31,774)
Net assets	54	52	53
Equity			
Ordinary share capital	50	50	50
Revenue reserve	4	2	3
Shareholders' funds	54	52	53
Net asset value per Ordinary Share	107.84p	104.75p	105.84p
Net asset value per ZDP Share	110.84p	101.13p	105.91p

F&C Private Equity Zeros plc
Statement of Changes in Equity

For the six months ended 30 June 2011 (unaudited)

	Share Capital	Revenue Reserve	Total
	£'000	£'000	£'000
Net assets at start of period	50	3	53
Profit for the period	-	1	1
Net assets at 30 June 2011	50	4	54

For the period ended 30 June 2010 (unaudited)

	Share Capital	Revenue Reserve	Total
	£'000	£'000	£'000
Net assets at start of period	-	-	-
Share capital proceeds	50	-	50
Profit for the period	-	2	2
Net assets at 30 June 2010	50	2	52

For the period ended 31 December 2010 (audited)

	Share Capital	Revenue Reserve	Total
	£'000	£'000	£'000
Net assets at start of period	-	-	-
Share capital proceeds	50	-	50
Profit for the period	-	3	3
Net assets at 31 December 2010	50	3	53

F&C Private Equity Zeros plc

Cash Flow Statement

	Six months ended 30 June 2011 (unaudited) £'000	Period ended 30 June 2010 (unaudited) £'000	Period ended 31 December 2010 (audited) £'000
Cash flows from operating activities			
Profit before taxation	1	2	3
Increase in other receivables	-	(1)	(1)
Net cash inflow from operating activities	1	1	2
Cash flows from investing activities			
Purchase of investments	-	(50)	(50)
Net cash outflow from investing activities	-	(50)	(50)
Cash flows from financing activities			
Proceeds from issue of share capital	-	50	50
Proceeds from issue of ZDPs	-	30,000	30,000
Loan to parent company	-	(30,000)	(30,000)
Net cash inflow from financing activities	-	50	50
Increase in cash and cash equivalents	1	1	2
Cash and cash equivalents at beginning of period	2	-	-
Cash and cash equivalents at end of period	3	1	2

Principal Risks and Uncertainties

The Directors believe that the principal risks and uncertainties faced by the Company include final capital entitlement; liquid market for ZDP shares macroeconomic and investment risks; and government policy and regulation risk. These risks, and the way in which they are managed, are described in more detail under the heading Principal Risks and Uncertainties and Risk Management within the Business Review in the Company's Annual Report for the period ended 31 December 2010. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remaining six months of the Company's financial year.

Statement of Directors' Responsibilities in Respect of the Half Year Report

We confirm that to the best of our knowledge:

- The condensed set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- The Chairman's Statement (constituting the Interim Management Report) includes a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- The Statement of Principal Risks and Uncertainties shown above is a fair review of the information required by DTR 4.2.7R; and
- The condensed set of financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

Mark Tennant
Chairman

Notes (unaudited)

1. The unaudited half-year results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the period ended 31 December 2010 and in accordance with International Accounting Standard ('IAS') 34.
2. Earnings for the six months to 30 June 2011 should not be taken as a guide to the results for the year to 31 December 2011.
3. Finance costs

	Six months ended 30 June 2011 £'000	Period to 30 June 2010 £'000	Period to 31 December 2010 £'000
ZDP interest costs	1,392	1,397	2,754
Amortisation of issue expenses	85	75	152
	1,477	1,472	2,906

4. Earnings per Ordinary Share

The calculation of earnings per share is based on a profit after tax for the period of £1,000 (Period to 30 June 2010: £2,000; Period to 31 December 2010: £3,000) and a weighted average number of 50,000 (period to 30 June 2010: 50,000; period to 31 December 2010: 50,000) Ordinary Shares in issue during the period. The basic and diluted earnings per share are the same.

5. Zero Dividend Preference Shares

	Number of ZDP Shares	Amount due to ZDP shareholders £'000
As at 31 December 2010	30,000,000	31,774
ZDP Shares finance cost	-	1,477
As at 30 June 2011	30,000,000	33,251

On 14 December 2009 the Company issued 30,000,000 ZDP Shares at 100 pence each. These shares redeem on 15 December 2014 at a price of 152.14 pence per share giving a redemption yield of 8.75 per cent per annum. The ZDP Shares do not carry any voting rights.

6. Net asset value per Share

The net asset value per Ordinary share is based on net assets of £54,000 (30 June 2010: £53,000; 31 December 2010: £52,000) and on 50,000 (30 June 2010: 50,000; 31 December 2010: 50,000) Ordinary Shares, being the number of Ordinary Shares in issue at the period end.

The net asset value per ZDP Share is based on the entitlement due of £33,251,000 (30 June 2010: £30,340,000; 31 December 2010: £31,774,000) at the period end and on 30,000,000 (30 June 2010: 30,000,000; 31 December 2010: 30,000,000) ZDP Shares, being the number of ZDP shares in issue at the period end.

7. These are not statutory accounts in terms of Section 434 of the Companies Act 2006 and have not been audited or reviewed by the Company's auditors. The information for the period ended 31 December 2010 has been extracted from the latest published financial statements which received an unqualified audit report and have been filed with the Registrar of Companies. No statutory accounts in respect of any period after 31 December 2010 have been reported on by the Company's Auditors or delivered to the Registrar of Companies. The Half-Year Report is available at the parent company's website address, www.fcpet.co.uk.

For more information, please contact:

Hamish Mair (Fund Manager)

0131 718 1184

hamish.mair@fandc.com

Gordon Hay Smith (Company Secretary)

0131 718 1018

gordon.haysmith@fandc.com