CARNABY
COVENT GARDEN
CHINATOWN
BERWICK STREET
CHARLOTTE STREET
ST MARTIN'S COURTYARD

inside this issue

BUSINESS REVIEW

HALF YEAR RESULTS

Shaftesbury PLC

HALF YEAR REPORT

31 March 2010

financial highlights

		31.3.2010	31.3.2009	30.9.2009
Net property income	**£m**	**28.1**	27.2	54.5
Adjusted profit before tax**	**£m**	**11.1**	11.3	21.3
Adjusted diluted earnings per share**	**Pence**	**4.8**	6.4*	11.2
Profit/(loss) (including fair value movements in respect of investment properties and financial derivatives) before tax	**£m**	**122.8**	(159.8)	(58.1)
Diluted earnings/(loss) per share	**Pence**	**53.7**	(92.0)*	(31.3)
Interim dividend per share	**Pence**	**5.0**	7.50	7.50
Final dividend per share	**Pence**	**-**	-	4.75
Total distribution declared in respect of financial period	**£m**	**11.3**	10.2	21.0
Property assets at book value	**£m**	**1,351.3**	1,102.0	1,209.9
Adjusted net assets ***	**£m**	**875.6**	536.7	763.4
Adjusted diluted net assets per share	**Pence**	**383**	306*	335
Net assets	**£m**	**829.5**	474.6	717.3
Diluted net asset value per share	**Pence**	**363**	271*	315

* Adjusted for the bonus element inherent in the Rights Issue approved by shareholders on 5 June 2009

** Adjusted to exclude property and financial derivatives fair valuation movements and gain on sale of investment properties - see page 3

*** Adjusted to exclude fair valuation of financial derivatives - see page 3

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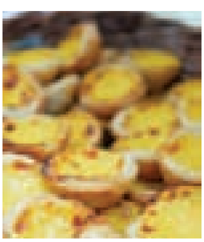
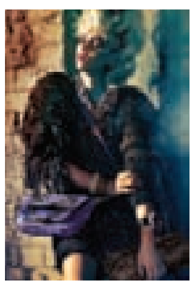
performance summary

For the six months ended 31 March 2010

	Shaftesbury Group	Benchmark
Capital value return		IPD UK
(the valuation movement and realised surpluses or deficits arising on the Group's investment portfolio expressed as a percentage return on the valuation at the beginning of the period adjusted for acquisitions and capital expenditure)	**+9.0%**	Monthly Index-Capital Growth* **+11.6%**
Six months ended 31.3.2009	*-10.0%*	*-22.6%*
Year ended 30.9.2009	*-3.8%*	*-25.3%*
Total return		IPD UK
(a combination of the capital value return referred to above and the net property income from the portfolio for the period expressed as a percentage return on the valuation at the beginning of the period adjusted for acquisitions and capital expenditure)	**+11.3%**	Monthly Index-Total Return* **+15.7%**
Six months ended 31.3.2009	*-7.9%*	*-19.7%*
Year ended 30.9.2009	*+0.5%*	*-19.2%*
Net asset value return		
(the change in diluted net asset value per Ordinary share plus dividends paid per Ordinary share expressed as a percentage of the diluted net asset value per share at the beginning of the period)		
Based on adjusted net assets	**+15.8%**	
Six months ended 31.3.2009	*-17.2%*	
Year ended 30.9.2009	*-8.1%*	
Based on reported net assets	**+16.8%**	
Six months ended 31.3.2009	*-24.8%*	
Year ended 30.9.2009	*-11.3%*	
Total shareholder return		FTSE 350
(the change in the market price of an Ordinary share plus dividends reinvested expressed as a percentage of the share price at the beginning of the period (Share price at 31.3.2010: £3.86)	**+9.0%**	Real Estate Index **+3.5%**
Six months ended 31.3.2009 (closing share price £2.91 or £2.27 adjusted for Rights Issue in June 2009)	*-29.6%*	*-52.2%*
Year ended 30.9.2009 (closing share price £3.57)	*+13.5%*	*-27.6%*

* Source: Investment Property Databank Ltd © 2010.
Shaftesbury Group data (other than Total Shareholder Return) derived from financial results.



Our West End portfolio, with its defensive qualities of prime locations and mixed uses, continues to prosper. Our investments are under-written by the unique concentration and richness of London's cultural heritage as well as London's reputation as the world's best city for shopping and its sheer variety of leisure attractions.

Despite extreme winter weather conditions and air travel disruption, visitor numbers and spending have remained buoyant in the West End. The continuing weakness of Sterling against most currencies is boosting tourism from overseas as well as encouraging domestic visitors to visit London rather than to travel abroad.

There is healthy demand across our villages for all uses. Rental income and values have continued to grow over the period and our wholly owned vacant space is at an historically low level.

However, we are now undertaking a number of important new mixed use schemes in Carnaby, particularly to meet the demand for larger shops, which inevitably are leading both to a short term loss of income and an increase in non-recoverable outgoings.

Results

Adjusted net assets at 31 March 2010 totalled £875.6 million, equivalent to a diluted net asset value per share of £3.83. The increase in adjusted diluted net asset value per share over the half year was £0.48, an uplift of 14.3%.

Shareholders' funds shown in the unadjusted Group Balance Sheet at 31 March 2010 totalled £829.5 million, equivalent to a diluted net asset value of £3.63 per share. The increase in unadjusted net assets per share since the last year end also amounted to £0.48, an uplift of 15.2%.

Adjusted profit before tax for the six months ended 31 March 2010 amounted to £11.1 million, compared with £11.3 million in the same period last year.

Net property income increased to £28.1 million, a rise of £0.9 million compared with the first half of last year, reflecting rising rental income offset by additional non-recoverable outgoings.

Group rental income (adjusted for lease incentives) rose to £32.4 million, an increase of £2.0 million compared with the first half of last year. We are continuing to crystallise our reversionary rental potential through higher rents and a reduction in vacancies.

	Six months ended 31.3.2010 £m	Six months ended 31.3.2009 £m	Year ended 30.9.2009 £m
Net assets reported in the Group Balance Sheet	**829.5**	474.6	717.3
Adjusted for:			
Fair value adjustment in respect of financial derivatives	**46.1**	62.1	46.1
Adjusted net assets	**875.6**	536.7	763.4
Adjusted diluted net asset value per share	**£3.83**	£3.06*	£3.35

* Adjusted for the bonus element inherent in the Rights Issue approved by shareholders on 5 June 2009

Profit/(loss) before tax reported in the Group Statement of Comprehensive Income	**122.8**	(159.8)	(58.1)
Adjusted for:			
Profit on disposal of investment properties	**(0.4)**	-	(0.3)
(Surplus)/deficit arising on revaluation of investment properties	**(111.3)**	123.5	48.1
Movement in fair value of financial derivatives	**-**	47.6	31.6
Adjusted profit before tax	**11.1**	11.3	21.3
Taxation charge reported in the Group Statement of Comprehensive Income	**0.1**	0.1	0.3
Adjusted for:			
Current tax in respect of REIT conversion charge in connection with company acquired during period	**-**	-	(0.1)
Adjusted taxation charge on the adjusted profit before tax	**0.1**	0.1	0.2
Adjusted profit after taxation	**11.0**	11.2	21.1

Property outgoings totalled £4.3 million, an increase of £1.1 million compared with the same period last year. The increase is attributable to a number of factors, including:

- Obtaining vacant possession of a number of buildings, particularly in Carnaby, for important new schemes has both reduced our income and increased non-recoverable costs in the short term;
- Generally, in our lettings of smaller offices and the smallest shops we are seeing a trend of the landlord bearing a greater proportion of service charge expenditure; and
- With uncertainty continuing in the wider economy, over the period we have increased marketing expenditure, with a number of new initiatives to promote each of our villages to both domestic and overseas retailers and visitors.

Administration expenses, which amounted to £3.6 million compared with £2.8 million in the first half of last year, include a charge in respect of bonuses paid to employees totalling £0.5 million. No bonuses were paid in the first half of last year.

Interest payable in the period totalled £13.4 million, a small increase of £0.2 million over the first half of last year. The return of greater confidence in money markets and the expectation that interest rates will remain at current historically low levels for some time, has resulted in much lower LIBOR rates throughout the period. As a result, the amounts payable under our long term fixed rate derivative contracts have increased considerably, offsetting the lower level of indebtedness following completion of our Rights Issue in July 2009. There has been no change in the fair valuation of these contracts over the period.

The profit before tax reported in the Group Statement of Comprehensive Income of £122.8 million (31.3.2009: loss £159.8 million) included investment property revaluation surpluses of £111.3 million (31.3.2009: deficits of £123.5 million). There was no change in the fair value of our financial derivatives during the period (31.3.2009: deficit £47.6 million).

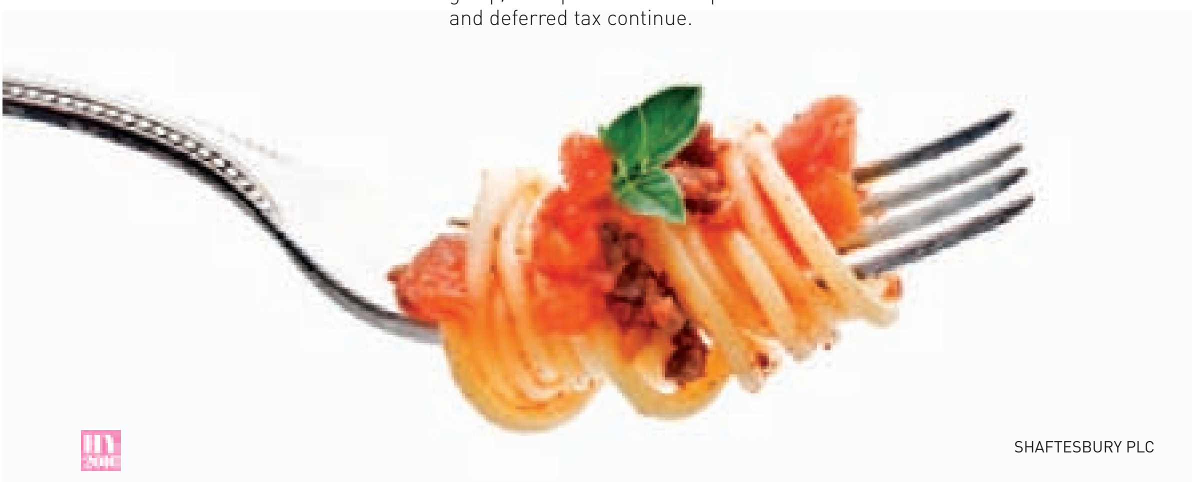
Provision for current tax on the adjusted profit for the period amounted to £0.1 million (31.3.2009: £0.1 million). No taxation liability arises in the wholly owned Group, as its activities are largely tax-exempt under REIT tax legislation. Our interest in the Longmartin Joint Venture remains outside our REIT group, so its provisions for corporation and deferred tax continue.

The adjusted profit after tax for the period amounted to £11.0 million (31.3.2009: £11.2 million). The profit after tax reported in the Group Statement of Comprehensive Income amounted to £122.7 million (31.3.2009: loss £159.9 million).

Interim dividend

Your Directors are pleased to declare an interim dividend of 5.0p per share, representing a distribution of £11.3 million. This represents an increase of 10.8% over last year's interim distribution of £10.2 million, (equivalent to a dividend of 7.5p per share on our pre-Rights Issue share capital). The interim dividend will be paid entirely as a Property Income Distribution ("PID").

As a Real Estate Investment Trust, our dividends reflect the distribution obligations contained in legislation, which broadly require distribution of a minimum of 90% of net rental income (calculated by reference to tax rather than accounting rules). We expect our distributions to continue to increase in line with the underlying growth in our net rental income from both our REIT and non-REIT businesses.



Our portfolio

Our property portfolio has been valued at £1,351.8 million at 31 March 2010 resulting in a revaluation surplus for the six months of £111.3 million. Allowing for acquisitions and capital expenditure over the six months since 1 October 2009, there has been a 9.0% increase in the value of our properties. The IPD UK Monthly Index: Capital Values, recorded an increase of 11.6% over the same period.

Our portfolio has substantially out-performed this IPD Index over the past five years, and particularly during the downturn which commenced in 2007. As our assets are less cyclical than the wide range of properties which are components of the IPD indices, some short term under-performance at this stage of a general recovery in property values is not surprising.

Over the year from 1 April 2009, when property values began to stabilise, our portfolio has out-performed our chosen IPD benchmarks.

Year ended 31 March 2010

	Shaftesbury Group	IPD
Capital value return	+16.1%	
IPD Monthly Index – Capital Growth		+7.6%
Total return	+20.1%	
IPD Monthly Index – Total Return		+16.1%

The valuation uplifts over the six months to 31 March 2010 of our three main wholly owned villages have been very similar and range between 7.8% and 9.1%, reflecting principally a reduction in yields since 30 September 2009. The equivalent yield attributed by our valuers to our wholly owned portfolio at 31 March 2010 was 5.20% compared with 5.62% at 30 September 2009. Growth in rental values of our shops and restaurants has been modest over the period due in part to a lack of evidence of open market transactions in our substantially fully occupied villages. With improving demand for our offices, rents and incentives have stabilised during the period.

The value of properties owned in the Longmartin Joint Venture has recovered, appreciating by 20.3% over the last six months, reflecting good progress in the scheme. Over 60% of the shops, restaurants and offices in the scheme by rental value have now been either let or pre-let. Construction is well advanced and a number of units have now been handed over to tenants.

Our valuers have estimated the rental value of our portfolio, including our share of the Joint Venture at £80.1 million compared to £78.3 million at 30 September 2009, an increase of £1.8 million. This contrasts with the current passing income (ignoring rent free periods) of £64.2 million. Of the total reversion of £15.9 million, £10.7 million arises in our wholly owned portfolio. The remaining £5.2 million relates to our share of Longmartin's potential additional income, of which £2.2 million has already been secured through recent lettings and pre-lettings in the St Martin's Courtyard scheme.

Almost all of the reversionary value within our wholly owned portfolio is now attributable to our shops and restaurants, which account for 72% of our estimated rental value, and where rental values continue to show steady growth. We are confident that, as we have demonstrated in past years we shall, over time, realise this reversionary potential.

Portfolio reversionary potential

	Valuers' estimates			Attributable to	
	Current gross income £m	Estimated rental value £m	Reversionary potential £m	Wholly owned Group £m	Longmartin £m
At 30 September 2005	49.8	60.6	10.8	10.8	-
At 30 September 2006	53.9	66.0	12.1	11.3	0.8
At 30 September 2007	57.9	72.4	14.5	13.1	1.4
At 30 September 2008	60.4	80.2	19.8	13.9	5.9
At 30 September 2009	63.4	78.3	14.9	9.7	5.2
At 31 March 2010	**64.2**	**80.1**	**15.9**	**10.7**	**5.2**

Our strategy

Our strategy is to invest in the most central and liveliest areas in the centre of London's West End, in an area bounded by Regent Street to the west and Kingsway to the east. Within these areas, which attract large numbers of visitors and are well served by public transport, we accumulate clusters of properties with predominantly shop and restaurant uses and where rents have the potential to grow from initially modest levels.

In our chosen locations, which are mostly in Conservation Areas, we create long term value through the economic and environmental benefits of adapting existing buildings and of introducing new and mixed uses rather than carrying out wholesale redevelopment. Assembling our ownerships and initiating our plans in these sensitive, high profile locations usually takes us a minimum of five years but the benefits are long term out-performance in income growth and capital value.

Working mainly with existing buildings, we piece together innovative schemes, often over several streets, to create valuable urban villages with a distinctive atmosphere and sense of individuality. We work closely with local authorities, in particular, Westminster City Council, to provide improvements to streets, pavements, lighting and security.

We foster demand, vibrancy and new initiatives in our villages through active estate management and frequent direct contact with our tenants. We search out and welcome new concepts in both retailing and catering to keep our villages refreshed. Where appropriate, we make space available in our villages for limited periods to enable enterprising businesses to experiment with new ideas.

During cyclical downturns, we encourage experienced retailers and restaurateurs who have new concepts to secure good sites in our villages from those tenants who are less well funded. These are often well financed private businesses with greater short-term flexibility and an ability to act swiftly.

Promotion of our villages to both prospective tenants and the domestic and international visitor market is an increasingly important aspect of our strategy. As well as working closely with organisations which promote London and the West End, we have an active programme of events in each of our principal villages throughout the year.

portfolio activity

With interest rates at current low levels, owners remain generally reluctant to sell their West End properties which have proved to be resilient in the recession and are difficult to replace. However since 30 September 2009 we have purchased or agreed to buy properties costing £33.0 million, which include shops, restaurants and leisure uses in Covent Garden, Berwick Street and Charlotte Street.

Shop and restaurant uses are increasingly significant in our portfolio. Those uses represent 44% and 28% respectively of the estimated rental value of our wholly owned portfolio. Of our largest 50 tenants by rental income in our wholly owned portfolio, 21 are retailers and 22 restaurateurs.

The rental value of our wholly owned vacant commercial space at 31 March 2010 was £2.7 million (30.9.2009: £3.2 million). This represents 3.7% of the estimated rental value of our wholly owned portfolio. 12,000 sq. ft. of shops and offices were vacant ahead of works starting later this year. Of the total vacancies, only £0.9 million was available and ready to let, of which shops accounted for £0.8 million.

Analysis of wholly owned vacant commercial space

at 31 March 2010

Estimated Rental Value	Shops £m		Restaurants and Leisure £m		Offices £m		Total £m	
	31.3.2010	30.9.2009	**31.3.2010**	30.9.2009	**31.3.2010**	30.9.2009	**31.3.2010**	30.9.2009
Held for or undergoing refurbishment	**0.8**	0.5	**0.1**	-	**0.4**	0.6	**1.3**	1.1
Ready to let	**0.8**	0.5	**-**	0.1	**0.1**	0.5	**0.9**	1.1
Under offer	**0.1**	0.6	**0.3**	0.2	**0.1**	0.2	**0.5**	1.0
Total	**1.7**	1.6	**0.4**	0.3	**0.6**	1.3	**2.7**	3.2
Area '000 sq. ft.	**30**	25	**10**	3	**24**	42	**64**	70
Number of units	**24**	21	**6**	2	**22**	38	**-**	-

Of the 24 shops vacant at 31 March 2010, two large (each with a rental value over £100,000 per annum) and ten smaller units were ready to let.

At 31 March 2010 of the six small unlet restaurants, four were under offer. We expect to pre-let the remaining two units, which are being refurbished.

The rental value of lettable office space not under offer was nominal at £0.1 million per annum. We expect this exceptionally low level will rise later in the year.

We continue to convert our small and poorer quality offices to apartments. At 31 March 2010, 30 units were under construction with an estimated rental value on completion of £0.6 million per annum.

Within our Longmartin Joint Venture, our 50% share of the estimated rental value of vacant units which have not been pre-let nor are under offer is £2.4 million per annum.

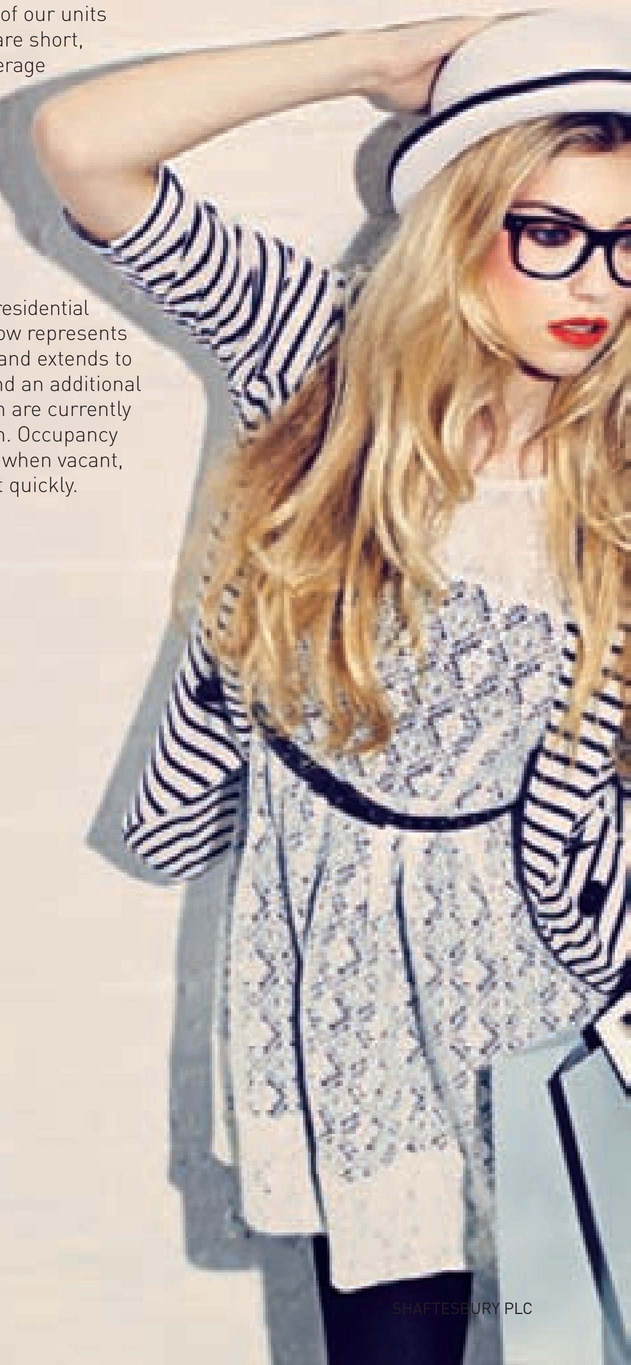
Our wholly owned portfolio

Our wholly owned portfolio at 31 March 2010 included 316 shops extending to 389,000 sq. ft. These produce 40% of current income, with an average annual rent of £79,000 per annum and a weighted average unexpired lease term of five years. Demand from domestic and international retailers in our prosperous locations remains good.

We now have 177 restaurants, cafes, bars and clubs with a total floor area of 422,000 sq. ft. These uses, which now produce 30% of current income, are an increasingly important part of our portfolio and vacancies are rare. Our leases, which have an average annual rent of £103,000 per annum, are usually initially for 25 years. The current weighted average unexpired lease term is thirteen years.

We have 407,000 sq. ft. of offices, mostly let in small units, with 346 tenancies. Offices now represent 21% of current rents. Improvement in demand, which we reported at the year end, has been maintained. However, as most of our units are small, leases are short, with a weighted average unexpired term of three years. 57% of our offices are in Carnaby, where our schemes often create larger floorplates.

Our investment in residential accommodation now represents 9% of our income and extends to 308 apartments and an additional 30 new units which are currently under construction. Occupancy remains high and, when vacant, our apartments let quickly.



Carnaby

Carnaby, which extends across twelve streets, is our largest village. It represents 36% of our property assets and includes many of our larger shops and offices. Of the three larger shops to let at 31 March 2010, two are now under offer.

We have already secured vacant possession of 36-39 Carnaby Street in anticipation of obtaining planning consent to redevelop this under-utilised site. Consent has now been granted for 9,000 sq. ft. of shopping with 8,500 sq. ft. of air conditioned offices above, and demolition is about to start. Already we have strong interest to lease the shops but we have decided not to market these units until nearer completion in 2012.

Westminster City Council has now started to upgrade Kingly Street, which is located between Carnaby Street and Regent Street. This scheme will create a single new granite surface and will make Kingly Street traffic free between 11am and 8pm. It is enabling us to progress a number of schemes, some of which have planning consent already, to increase trading and footfall in this underused street.

We have almost completed the reconstruction of 27-28 Kingly Street, which we have extended into adjacent buildings at the corner of Foubert's Place, twenty yards from Regent Street. It includes a shop of 8,000 sq. ft., which is under offer, 4,000 sq. ft. of offices, half of which are under offer, and an apartment at roof level.

Concurrently, we are also preparing planning applications for two further developments in 2011 of new shopping and mixed uses in Foubert's Place and the other a restaurant with mixed uses in Kingly Street. Both adjoin the development at 36-39 Carnaby Street.

As part of our promotion of Carnaby, this year we are organising a number of events to mark the 50th anniversary of the start of the "Swinging Sixties", when Carnaby Street first came to international prominence. We believe such events are important not only in bringing more visitors but also as a means of attracting potential tenants, particularly from overseas, to our locations.

Covent Garden

Our wholly owned investments in Seven Dials, Coliseum and Opera Quarter represent 27% of our property assets, or 33% when our 50% interest in the Longmartin Joint Venture is included. All these investments are set in the heart of Theatreland with its unique origins and heritage, and give the area an atmosphere which is very distinct from other parts of the West End. As many of the buildings are old and the streets are narrow, Covent Garden becomes congested in the evenings and at weekends. To alleviate this, we work in close partnership with Westminster City and Camden Councils to improve pedestrian routes and to de-clutter the streets.

We expect that the completion and letting of the neighbouring very large office developments at St. Giles' Circus, immediately to the north of Seven Dials, as well as the opening later this year of our Joint Venture's St. Martin's Courtyard scheme immediately to the south, will be very beneficial to shops, restaurants and apartments in our Seven Dials Village.

Improvements that we have made over the past four years in Opera Quarter have established this location as a much sought after restaurant and leisure district, located next to some of the West End's most important theatres and hotels.

As we have seen in Chinatown, leases of our restaurants in Covent Garden can change hands for substantial premiums. When we do secure vacant possession, we receive keen interest from experienced and successful operators to rent space.

CHINATOWN

chinatownlondon.org

Chinatown

Chinatown represents 26% of our property assets. Its 62 restaurants and 60 shops provide 86% of its current rental income, with the balance arising equally from offices and apartments.

Centrally located close to Leicester Square's premier cinemas and next to Theatreland, this, our first village, has over more than twenty years delivered consistent growth and out-performance. Whenever we have space to let, there is a ready demand to lease it. When we have a shop or restaurant to let, we encourage new concepts from parts of East Asia, which are currently unrepresented or less well known. This increases diversity both in culture and cuisine.

Having agreed an Action Plan and a Design Strategy with Westminster City Council specifically for Chinatown, we, in partnership with the Council, seek to enhance Chinatown's economic, social and environmental performance. One such initiative is improvement to pedestrian access and wayfinding, which includes the current reconstruction of the southern part of Wardour Street, the primary entrance into Chinatown. These extensive works and improvements are due to finish in July 2010. Westminster City Council is now considering improvements to Newport Place, Chinatown's only public open space.

Berwick Street

We started to invest in Berwick Street about three years ago and our holdings now represent 3% of our property assets. Running north-south from Oxford Street towards Shaftesbury Avenue, Berwick Street, with its historic street market, is very much seen as Soho's local high street. In the past, Berwick Street provided a wide range of goods and services to local people and businesses, but lack of investment over many years has led to under-performance and vacancies both in the market and adjacent buildings.

From past experience, where ownerships are disparate as they are here, it can take us up to five years to establish our presence and to implement long-term improvements to realise the potential of an area. We are working closely with Westminster City Council to advance improvements to the public realm and the street market in Berwick Street, which have been identified as priorities to encourage local people, businesses and visitors to return to the area.

BERWICK STREET

Longmartin Joint Venture

Our joint venture with The Mercers' Company owns a 1.9 acre Island Site in Covent Garden, close to Leicester Square's important underground station.

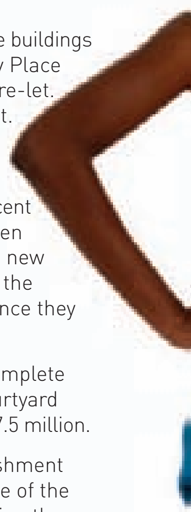
At the centre of our site we are now well advanced with St Martin's Courtyard, a regeneration and development project, which fronts Long Acre, Upper St Martin's Lane as well as Mercer Street. It includes 22 shops (67,000 sq. ft.), five restaurants (29,000 sq. ft.) and 69,000 sq. ft. of offices across four buildings. There are also 34 apartments.

Over 60% of the commercial space has been let or pre-let. Following a further letting since 31 March 2010, seven of the eight largest and most valuable shops, which front Long Acre, have now been let and five of these are already trading.

Construction of the fourteen shops within the Courtyard is well advanced, and with completion expected this autumn, we now have considerable interest from a variety of potential tenants.

Unusually for Covent Garden, our project is creating five substantial new restaurants. The three largest units, which front Upper St Martin's Lane have been let and should be open for trading this summer. Of the two restaurants in the Courtyard, one is under offer already and should be trading in the autumn once the Courtyard is fully accessible and open to the public.

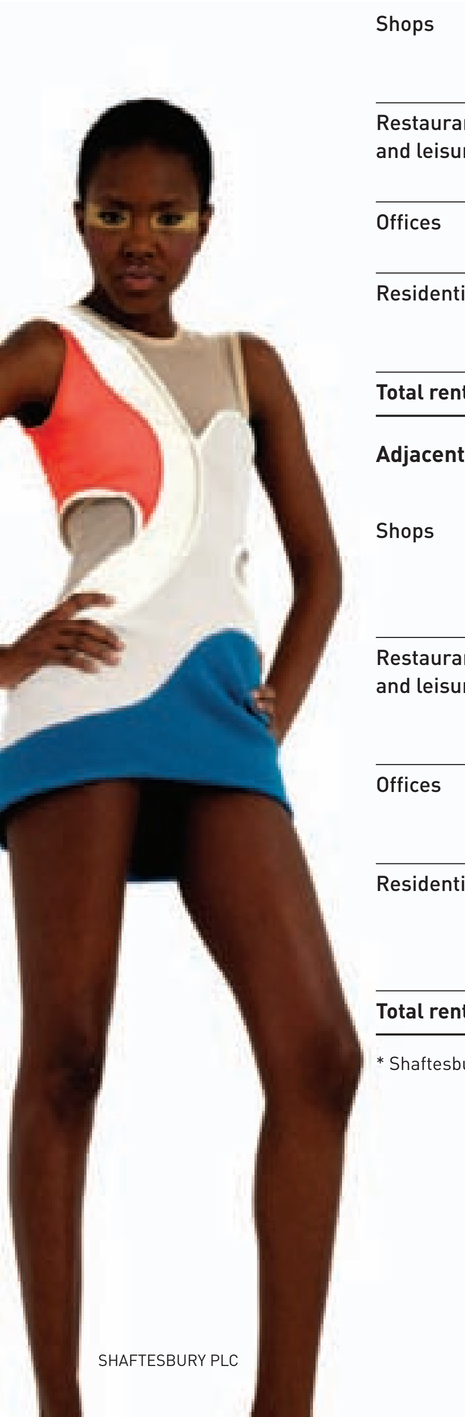
The largest of the four office buildings in the scheme, 11 Slingsby Place (43,000 sq. ft.), has been pre-let. The remaining 26,000 sq. ft. of office space is now being marketed.



Our experience in our adjacent wholly owned Covent Garden portfolio suggests that the new apartments in and around the Courtyard will let readily once they are finished this summer.

Our share of the cost to complete and let the St Martin's Courtyard scheme is approximately £7.5 million.

Separate works of refurbishment are also under way in some of the adjacent properties including the office floors at Wellington House, where we are creating a new office entrance from within the new Courtyard.



Longmartin Joint Venture lettings status at 31 March 2010

St Martin's Courtyard*		Let or pre-let	Under offer	Remaining	Total
Shops	Number	5	2	15	22
	Area '000 sq. ft.	28	6	33	67
	Rental value £ million	£2.5	£0.4	£1.3	£4.2
Restaurants and leisure	Number	3	1	1	5
	Area '000 sq. ft.	17	3	9	29
	Rental value £ million	£0.9	£0.2	£0.3	£1.4
Offices	Area '000 sq. ft.	43	-	26	69
	Rental value £ million	£2.1	-	£1.3	£3.4
Residential	Number	4	-	30	34
	Area '000 sq. ft.	3	-	22	25
	Rental value £ million	£0.1	-	£1.1	£1.2
Total rental value £ million		**£5.6**	**£0.6**	**£4.0**	**£10.2**

Adjacent properties*		Let	Under offer	Being refurbished or to let	Total
Shops	Number	1	-	-	1
	Area '000 sq. ft.	2	-	-	2
	Current rental income £ million	£0.2	-	-	£0.2
Restaurants and leisure	Number	3	-	-	3
	Area '000 sq. ft.	17	-	-	17
	Current rental income £ million	£0.8	-	-	£0.8
Offices	Area '000 sq. ft.	20	-	10	30
	Current rental income £ million	£0.3	-	£0.3	£0.6
Residential	Number	40	-	1	41
	Area '000 sq. ft.	28	-	1	29
	Current rental income £ million	£0.7	-	-	£0.7
Total rental value £ million		**£2.0**	**-**	**£0.3**	**£2.3**

* Shaftesbury Group has a 50% interest in the figures shown in these tables

Results

Our adjusted profit before taxation for the six months ended 31 March 2010, (adjusted as shown on page 3) amounted to £11.1 million, compared with an adjusted profit of £11.3 million in the first half of last year. The profit on ordinary activities before taxation reported in the Group Statement of Comprehensive Income amounted to £122.8 million (31.3.2009: loss £159.8 million).

Our rental income has continued to rise, with rents receivable for the current period across the Group (adjusted for lease incentives) increasing to £32.4 million, compared with £30.4 million in the first half of last year. For the wholly owned Group, eliminating the impact of acquisitions and disposals, this represents a 3.7% increase compared with the first half of last year.

Property outgoings for the period amounted to £4.3 million, compared with £3.2 million in the first half of last year. The increase is largely attributable to a rise in non-recoverable costs as we secure vacant possession of properties ahead of new schemes in Carnaby and a general trend of lower service charge recoveries. Also, we have increased expenditure during the period to promote our villages. We do not capitalise property outgoings of a revenue nature incurred in advance of or during refurbishment schemes.

Net property revenue from the Longmartin Joint Venture amounted to £0.5 million (31.3.2009: £0.5 million). We concluded a number of important pre-lettings in the St Martin's Courtyard scheme during the period and, with retail and restaurant units now being handed over to tenants to commence fitting out, their income will be reflected in the second half of this financial year. The offices which have been pre-let are expected to be handed over in October 2010.

Total administration expenses amounted to £3.6 million (31.3.2009: £2.8 million) and included a charge of £0.5 million for employee bonuses (31.3.2009: £Nil).

The provision in respect of equity settled remuneration included in total administration expenses amounted to £0.5 million (31.3.2009: £0.2 million). The accounting charge for the current period in respect of share options was £0.3 million (31.3.2009: £0.3 million). As a result of the increase in our share price over the period and the annual grant of nil cost options during the period, the potential employer's national insurance liability on share awards and share options has increased, resulting in a charge of £0.2 million (31.3.2009: credit £0.1 million).

Interest payable, including settlements under interest rate derivative contracts amounted to £13.4 million, compared with £13.2 million in the same period last year. Although our level of indebtedness has been lower following last year's Rights Issue, the cost of settlements under our fixed rate derivative contracts has increased as a result of much lower LIBOR rates throughout the period.

Net interest payable was covered 1.8 times by operating profit before investment property disposals and valuation movements (31.3.2009: 1.9 times). Based on the interest cover covenants and definitions contained in our banking agreements, net interest payable was covered 2.1 times by net property income (31.3.2009: 2.1 times), compared with the minimum ratio of 1.5 times we are required to maintain.

The tax charge on the adjusted profit for the year was £0.1 million, unchanged from the first half of last year. The tax charge for the current period arises in the Longmartin Joint Venture which is outside the Group's REIT election, so that our share of its profit continues to be subject to corporation tax.

Adjusted diluted post-tax earnings per share for the current period amounted to 4.8p per share, compared with 6.4p in the first half of last year (adjusted for the 2009 Rights Issue). The unadjusted diluted post-tax earnings per share shown in the Group Statement of Comprehensive Income for the current period amounted to 53.7p (31.3.2009: loss 92.0p). The increase is attributable principally to property and financial derivative valuation movements.

Unadjusted shareholders' funds at 31 March 2010 totalled £829.5 million, an increase of £112.2 million since 30 September 2009. This equates to a diluted net asset value of £3.63 per share, an increase since the last year end of £0.48 per share or 15.2%. Virtually all of this increase is attributable to the rise in the value of our property portfolio. Adjusting these amounts to exclude the fair value deficit of our financial derivatives, our adjusted net asset value becomes £875.6 million and results in a diluted net asset value per share of £3.83 per share, an increase of £0.48 per share or 14.3% per share since 30 September 2009.


CARNABY
carnaby.co.uk

Finance

Our continuing strategy is to ensure the Group has flexible long and medium term debt finance together with non-speculative hedging of the interest rate exposure on a substantial portion of our floating rate debt. This finance strategy is intended to match our funding with our assets, which are held for long term investment, and to provide reasonable certainty of finance costs by limiting the Group's exposure to adverse movements in interest rates.

The Board keeps under review the level of current and forecast debt, its strategies regarding the appropriate levels of debt and equity finance, the maturity profile of loan facilities and interest rate exposure and hedging.

We monitor our overall committed facilities at all times to ensure we have sufficient resources to meet our future cash flow commitments with comfortable headroom. Any new prospective commitments, such as property acquisitions, are considered in the light of funding currently available to the Group.

The nominal value of Debenture and bank borrowings at 31 March 2010 totalled £454.0 million, an increase of £31.8 million since the previous year end. Cash outflows during the period on acquisitions of investment properties amounted to £22.8 million and expenditure on refurbishments totalled £11.2 million. Revenue operations after interest and taxation produced a net cash surplus of £9.9 million after paying further instalments of the REIT conversion charge totalling £3.7 million. There were four remaining quarterly instalments totalling £7.5 million left to pay at the balance sheet date.

Gearing at 31 March 2010, calculated by reference to our adjusted net assets referred to above and the nominal rather than book value of our Debenture and net bank debt, was 52% (30.9.2009: 55%). This compares with the maximum level of gearing of 175% permitted under our bank facilities.

The ratio of the nominal value of Debenture and bank debt to the market value of the property assets available to secure that debt was 31% (30.9.2009: 35%). We are comfortably within the maximum ratio of 66.67% permitted under the terms of our bank facilities.

There were no changes to the terms of our committed bank facilities during the period. At 31 March 2010, our committed bank facilities, which are provided by five lenders, totalled £575.0 million with a weighted average maturity of 7.1 years. Facilities expire in 2016, 2017 and 2021. Committed unutilised facilities at 31 March 2010 totalled £182.0 million.

The average margin over LIBOR paid on amounts drawn from our facilities at 31 March 2010 was 0.8%. The overall weighted average cost of our Debenture and bank debt including margin at 31 March 2010 was 5.68% (30.9.2009: 5.78%).

At 31 March 2010, £421 million of borrowings, equivalent to 93% of our bank and debenture debt was either at fixed rate or hedged at fixed rates. The weighted average fixed rate of our interest rate swaps (excluding margin) is currently 4.87% (30.9.2009: 4.71%), with a weighted average maturity of 23 years.

At 31 March 2010, the fair value of the Group's interest rate derivatives represented a liability of £46.1 million, unchanged from 30 September 2009. The deficit will only reduce when rates move back towards their long term historical averages. However, we consider the benefit of fixing our interest costs on a substantial portion of our debt, at rates we believe will prove attractive over the long term, outweighs the accounting impact these non-cash provisions produce in our unadjusted results. The mark-to-market valuation of interest rate derivatives is excluded from the calculation of our banking covenants.

The deficit arising on the fair value of the Group's long term Debenture debt, which is not reflected in the results, amounted to £8.2 million at 31 March 2010 (30.9.2009: £10.8 million). The reduction in deficit has resulted from a tightening of credit spreads.

The Group has no legal obligation to crystallise these fair value deficits by further early refinancing of its fixed rate debt or the early termination of its interest rate hedges but may consider doing so where there is a clear economic benefit to the business.

Covenant compliance

The Board monitors both actual and forecast performance against the financial covenants contained in the Group's bank facilities and Debenture trust deed. Each of our facilities is secured against designated property assets and in addition all the lenders, including the Debenture trustee, have a shared floating charge over the assets of the parent company and its wholly owned subsidiaries.

The nominal value of outstanding Debenture stock of £61.0 million is secured by a first charge on property assets, where we must maintain a minimum value of 150% of the stock outstanding, and where the net rental income has to match the coupon of 8.5%. We are comfortably within these ratios based on assets currently charged.

The financial covenants in the Group's bank facilities, together with their status at 31 March 2010, were as shown in the table below.

Based on the results for the six months ended 31 March 2010, reported net property income could have fallen by approximately 29% before the interest cover covenant was reached. Based on our property values and debt levels at 31 March 2010, property values across the Group could decline by approximately 45% before the loan to value and gearing covenants were reached.

Financial covenant	**Covenant level**	**Status at 31 March 2010**
Ratio of Group net property income to Group net interest payable	Minimum of 1.5:1	2.1:1
Actual borrowings from each lender as a percentage of property assets charged as security	Not to exceed 66.67%	31% (based on total bank borrowings/ available assets across the Group)
Group borrowings as a percentage of Group shareholders' funds (excluding any fair value accounting provisions for interest rate derivatives)	Maximum of 175%	52%

Performance and benchmarking

The table on page 1 summarises our performance for the period against our chosen benchmarks.

In the six months to 31 March 2010, values across the property market as a whole have recovered sharply, reflecting increased investor demand for real estate assets and continuing low interest rates. As our values had previously declined by a much lower percentage than the wider market, our growth in this period has been less marked. After taking account of capital expenditure, our portfolio grew in value by 9.0% over the six months ended 31 March 2010, a slightly slower rate than the 11.6% growth in values reported by the IPD Monthly Index – Capital Growth, which reflects recovery in those sectors of the market which had experienced much greater declines in the downturn. For the same reason, our Total Return over the period of 11.3% was less than the 15.7% reported by the IPD Monthly Index – Total Return.

We expect our properties, which have a consistent record of greater stability in values, rising income and rental values, and limited obsolescence, will continue to out-perform the wider market over the longer term.

The real estate sector of the equity market has reflected improved sentiment in property markets and the recovery in values over the period. Our Total Shareholder Return over the six months ended 31 March 2010 of 9.0% compares with a 3.5% return for the FTSE 350 Real Estate Index.

Board changes

In February 2010 Hilary Riva OBE and Jill Little joined the Board as independent non-executive Directors.

Hilary has extensive experience as a senior executive in the fashion retail sector and most recently with the British Fashion Council. Jill is a member of the Management Board of the John Lewis Partnership and has been its Merchandise Director since 2002.

Both Hilary and Jill have an excellent knowledge and understanding of the markets in which Shaftesbury invests and of the West End of London. Their experience will be of great benefit to the Board.

OPERA QUARTER

operaquarter.co.uk

Risks and uncertainties

The principal risks facing the Group for the remaining six months of the financial year, which are consistent with those outlined in the Annual Report for the year ended 30 September 2009, are summarised below:

- Reductions in value of the Group's portfolio and the consequent impact on the Group's asset value and its ability to continue to meet covenants in its Debenture and bank facilities;
- Threats to public safety, security and health, or of transport disruption which would discourage the large number of visitors who visit the West End and underpin the local economy generally and the Group's retail and restaurant tenants in particular;
- The concentration of the Group's properties within the jurisdictions of Westminster City Council and the London Borough of Camden, as changes to their policies, particularly those relating to planning and licensing, could have a significant impact on the Group's ability to maximise the long term potential of its assets;
- Development and letting risks associated with the St Martin's Courtyard scheme in the Longmartin Joint Venture; and
- Restricted availability of credit for consumers and businesses, which could to lead to lower levels of spending, a higher level of business failures and difficulties for new ventures in raising start-up capital.

Prospects

Although the outlook for the UK and European economies remains uncertain, London's West End is prospering and is attracting increasing numbers of domestic and overseas visitors. Consumer spending in our locations remains buoyant, which is reflected in strong demand for our shops and restaurants and historically low levels of voids throughout the portfolio.

With substantial financial resources available to us, we are continuing to secure new investments and initiate a number of important new schemes.

We are confident that our unique, well-located portfolio will continue to deliver a rising income stream and long term growth in rental and capital values.

Jonathan S Lane
Chief Executive

Brian Bickell
Finance Director

26 May 2010

portfolio analysis

at 31 March 2010

	Note
Market Value	1
% of total Market Value	
Current gross income	2
Estimated rental value (ERV)	3

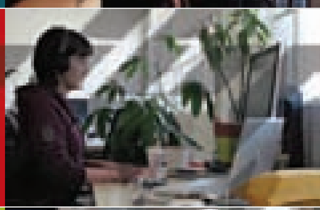
Shops

	Note
Number	
Area – sq. ft.	
% of current gross income	4
% of ERV	4
Vacancy rate by % of ERV	5
Average unexpired lease length – years	6

Restaurants, cafes and leisure

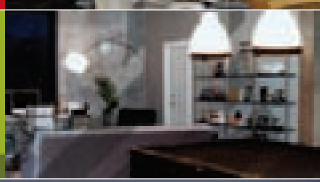
	Note
Number	
Area – sq. ft.	
% of current gross income	4
% of ERV	4
Vacancy rate by % of ERV	5
Average unexpired lease length – years	6

Offices



	Note
Number of tenancies	
Area – sq. ft.	
% of current gross income	4
% of ERV	4
Vacancy rate by % of ERV	5
Average unexpired lease length – years	6

Residential



	Note
Number	
Area – sq. ft.	
% of current passing rent	
% of ERV	4
Vacancy rate by % of ERV	5

* Longmartin statistics include space under construction in the St Martin's Courtyard scheme and adjacent accommodation not part of the Courtyard

** Shaftesbury Group's share.

Notes:

1. The Market Values at 31 March 2010 (the 'date of valuation') shown above in respect of the five Villages are, in each case, the aggregate of the market values of several different property interests located within close proximity which, for the purpose of this analysis are combined to create each Village. The different interests within each Village were not valued as a single lot.
2. Current gross income includes total actual and 'estimated income' reserved by leases. No rent is attributed to leases which were subject to rent free periods at the date of valuation. Current gross income does not reflect any ground rents, head rents or rent charges and estimated irrecoverable outgoings at the date of valuation. 'Estimated income' refers to gross estimated rental values in respect of rent reviews outstanding at the date of valuation and, where appropriate estimated rental values in respect of lease renewals outstanding at the date of valuation where the Market Value reflects terms for a renewed lease.
3. Estimated rental value ("ERV") is the respective valuers' opinion of the rental value of the properties, or parts thereof, reflecting the terms of the relevant leases or, if appropriate, reflecting the fact that certain of the properties, or parts thereof, have been valued on the basis of vacant possession and the assumed grant of a new lease. Estimated rental value does not reflect any ground rents, head rents or rent charges and estimated irrecoverable outgoings.

Carnaby	Covent Garden	Chinatown	Berwick Street	Charlotte Street	Wholly Owned Portfolio	Longmartin*	Total Portfolio
£479.3m	£368.4m	£346.3m	£41.1m	£29.5m	£1,264.6m	**£87.2m	£1,351.8m
36%	27%	26%	3%	2%	94%	**6%	100%
£23.4m	£18.6m	£17.2m	£1.9m	£1.6m	£62.7m	**£1.5m	£64.2m
£29.5m	£21.1m	£18.8m	£2.3m	£1.7m	£73.4m	**£6.7m	£80.1m
130	106	60	17	3	316	23	
173,000	136,000	57,000	18,000	5,000	389,000	69,000	
49%	46%	27%	34%	12%	40%	39%	
54%	49%	27%	43%	11%	44%	38%	
11%	6%	0%	23%	0%	8%	45%	
4	5	8	4	9	5	9	
37	63	62	5	10	177	8	
81,000	128,000	179,000	8,000	26,000	422,000	46,000	
13%	23%	59%	9%	47%	30%	26%	
12%	23%	59%	7%	47%	28%	16%	
3%	2%	1%	0%	0%	1%	21%	
11	12	14	9	15	13	7	
169	64	71	33	9	346	14	
233,000	87,000	44,000	30,000	13,000	407,000	99,000	
34%	16%	7%	39%	22%	21%	10%	
29%	14%	7%	33%	23%	19%	32%	
11%	0%	4%	1%	19%	8%	36%	
3	2	3	2	1	3	10	
66	148	84	19	21	338	74	
47,000	93,000	51,000	140,000	11,000	216,000	53,000	
4%	15%	7%	18%	19%	9%	25%	
5%	14%	7%	17%	19%	9%	15%	
26%	3%	0%	14%	4%	8%	53%	

scheme.

4. The percentage of current gross income and the percentage of ERV in each of the use sectors are expressed as a percentage of total gross income and total ERV for each village.
5. The vacancy rate by percentage of ERV is the ERV of the vacant accommodation within each use sector, on a village-by-village basis, expressed as a percentage of total ERV of each use sector in each village. The vacancy rate includes accommodation which is awaiting or undergoing refurbishment and not available for occupation at the date of valuation.
6. Average unexpired lease length has been calculated by weighting the leases in terms of current rent reserved under the relevant leases and, where relevant, by reference to tenants' options to determine leases in advance of expiry through effluxion of time.
7. Where mixed uses occur within single leases, for the purpose of this analysis the majority use by rental value has been adopted.
8. All commercial floor areas are net lettable. All residential floor areas are gross internal.

basis of valuation

at 31 March 2010

	Note
Overall initial yield	1
Initial yield ignoring contractual rent free periods	2
Overall equivalent yield	3
Tone of retail equivalent yields	4
Tone of retail estimated rental values – ITZA £ per sq. ft.	4
Tone of restaurant equivalent yields	4
Tone of restaurant estimated rental values – £ per sq. ft.	4
Tone of office equivalent yields	4
Tone of office estimated rental values – £ per sq. ft.	4
Tone of residential estimated rental values – £ per annum	4

Notes:

1. The initial yield is the net initial income at the date of valuation expressed as a percentage of the gross valuation. Yields reflect net income after deduction of any ground rents, head rents and rent charges and estimated irrecoverable outgoings at the date of valuation.
2. The initial yield ignoring contractual rent free periods has been calculated as if the contracted rent is payable from the date of valuation.
3. Equivalent yield is the internal rate of return, being the discount rate which needs to be applied to the expected flow of income so that the total amount of income so discounted at this rate equals the capital outlay at values current at the date of valuation. The Equivalent Yield shown for each Village has been calculated by merging together the cash flows and Market Values of each of the different interests within each Village and represents the average Equivalent Yield attributable to each Village from this approach.
4. The tone of rental values and yields is the range of rental values or yields attributed to the majority of the properties.

Carnaby	Covent Garden	Chinatown	Berwick Street	Charlotte Street	Wholly Owned Portfolio	Longmartin*
4.45%	4.64%	4.64%	4.37%	4.69%	4.56%	3.25%
4.75%	4.79%	4.89%	4.50%	4.69%	4.79%	-
5.33%	5.14%	5.07%	5.31%	5.07%	5.20%	5.33%
4.90 - 7.00%	5.00 - 6.75%	4.85 - 6.00%	5.25 - 6.00%	5.25 - 6.00%		5.00 – 5.75%
£100 - £380	£40 - £450	£150 - £285	£105 - £112	£75 - £90		£100 - £440
5.25%	4.75 - 5.00%	4.85 - 5.60%	5.00 - 5.50%	4.75 - 5.35%		5.5 – 6.5%
£67 - £85	£40 - £125	£135 - £330 ZA	£112 ZA	£70 - £74		£35.50 - £54
5.50 - 6.50%	6.00 - 7.00%	6.25 - 6.50%	6.00 - 7.25%	6.25 - 7.00%		5.25 – 6.5%
£26 - £47	£27 - £42	£27 - £40	£25 - £40	£28 - £32		£28 - £50
£10,400 - £52,000	£9,250 - £54,100	£8,400 - £28,600	£14,300 - £55,000	£9,100 - £18,200		£16,000 - £78,000

COVENT GARDEN

sevendials.co.uk


carnaby.co.uk
Beyond the Valley

Unaudited group statement of comprehensive income

For the six months ended 31 March 2010

	Note	Six months ended **31.3.2010** **£m**	 31.3.2009 £m	Year ended 30.9.2009 £m
Continuing operations				
Revenue from properties	2	**35.6**	36.9	67.8
Property charges	3	**(7.5)**	(9.7)	(13.3)
Net property income	4	**28.1**	27.2	54.5
Administration expenses		**(2.6)**	(2.6)	(5.0)
Charge for employee bonuses		**(0.5)**	-	(1.1)
Charge in respect of equity settled remuneration	5	**(0.5)**	(0.2)	(0.7)
Total administration expenses		**(3.6)**	(2.8)	(6.8)
Operating profit before investment property disposals and valuation movements		**24.5**	24.4	47.7
Profit on disposal of investment properties	6	**0.4**	-	0.3
Investment property valuation movements		**111.3**	(123.5)	(48.1)
Operating profit/(loss)		**136.2**	(99.1)	(0.1)
Finance income		**-**	0.1	0.2
Finance costs	7	**(13.4)**	(13.2)	(26.6)
Change in fair value of financial derivatives	17	**-**	(47.6)	(31.6)
Total finance costs		**(13.4)**	(60.7)	(58.0)
Profit/(loss) before tax		**122.8**	(159.8)	(58.1)
Current tax	8	**(0.1)**	(0.1)	(0.2)
Deferred tax	8	**-**	-	(0.1)
Tax charge for the period		**(0.1)**	(0.1)	(0.3)
Profit/(loss) after tax		**122.7**	(159.9)	(58.4)
Other comprehensive income		**-**	-	-
Total comprehensive income/(expense) for the period		**122.7**	(159.9)	(58.4)
Earnings/(loss) per share:	9			
Basic		**54.1p**	*(92.0)p	(31.3)p
Diluted		**53.7p**	*(92.0)p	(31.3)p

* Adjusted for the bonus element inherent in the Rights Issue approved by shareholders on 5 June 2009

The notes on pages 30 to 42 form an integral part of this Group financial information.

Unaudited group balance sheet

As at 31 March 2010

	Note	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
Non-current assets				
Investment properties	11	**1,351.3**	1,102.0	1,209.9
Office assets and vehicles		**0.4**	0.3	0.3
		1,351.7	1,102.3	1,210.2
Current assets				
Trade and other receivables	12	**16.6**	16.5	17.3
Cash	13	**1.7**	2.6	2.9
Total assets		**1,370.0**	1,121.4	1,230.4
Current liabilities				
Trade and other payables	14	**35.0**	31.7	35.6
Non-current liabilities				
Taxation payable	15	**-**	7.5	3.8
Borrowings	16	**459.3**	545.5	427.5
Financial derivatives	17	**46.1**	62.1	46.1
Deferred tax	18	**0.1**	-	0.1
Total liabilities		**540.5**	646.8	513.1
Net assets		**829.5**	474.6	717.3
Equity				
Called up share capital	19	**56.8**	33.9	56.7
Other reserves		**123.6**	132.2	124.0
Retained earnings		**649.1**	308.5	536.6
Total equity		**829.5**	474.6	717.3
Net assets per share:	20			
Basic		**£3.65**	*£2.74	£3.16
Diluted		**£3.63**	*£2.71	£3.15

* Adjusted for the bonus element inherent in the Rights Issue approved by shareholders on 5 June 2009

The notes on pages 30 to 42 form an integral part of this Group financial information.

Unaudited group statement of changes in shareholders' equity

For the six months ended 31 March 2010

	Share capital £m	Merger reserve £m	Share premium £m	Share based payments £m	Retained earnings £m	Total £m
At 1 October 2009	**56.7**	**-**	**122.0**	**2.0**	**536.6**	**717.3**
Total comprehensive income:						
Profit for the period ended 31 March 2010	**-**	**-**	**-**	**-**	**122.7**	**122.7**
Transactions with owners:						
Dividend paid during the period	**-**	**-**	**-**	**-**	**(10.8)**	**(10.8)**
Shares issued	**0.1**	**-**	**(0.1)**	**-**	**-**	**-**
Fair value of share based payments	**-**	**-**	**-**	**0.3**	**-**	**0.3**
Transfer in respect of options exercised	**-**	**-**	**-**	**(0.6)**	**0.6**	**-**
At 31 March 2010	**56.8**	**-**	**121.9**	**1.7**	**649.1**	**829.5**
At 1 October 2008	33.8	-	129.2	2.8	476.5	642.3
Total comprehensive income:						
Loss for the period ended 31 March 2009	-	-	-	-	(159.9)	(159.9)
Transactions with owners:						
Dividend paid during the period (see note 10)	-	-	-	-	(8.1)	(8.1)
Shares issued	0.1	-	(0.1)	-	-	-
Fair value of share based payments	-	-	-	0.3	-	0.3
At 31 March 2009	33.9	-	129.1	3.1	308.5	474.6
At 1 October 2008	33.8	-	129.2	2.8	476.5	642.3
Total comprehensive income:						
Loss for the year ended 30 September 2009	-	-	-	-	(58.4)	(58.4)
Transactions with owners:						
Dividends paid during the year	-	-	-	-	(18.3)	(18.3)
Shares issued	22.9	-	1.8	-	-	24.7
Arising on Rights Issue	-	135.5	-	-	-	135.5
Transfer to Retained Earnings	-	(135.5)	-	-	135.5	-
Expenses incurred in connection with Rights Issue	-	-	(9.0)	-	-	(9.0)
Fair value of share based payments	-	-	-	0.5	-	0.5
Transfer in respect of options exercised	-	-	-	(1.3)	1.3	-
At 30 September 2009	56.7	-	122.0	2.0	536.6	717.3

The notes on pages 30 to 42 form an integral part of this Group financial information.

Unaudited group cash flow statement

For the six months ended 31 March 2010

	Note	Six months ended 31.3.2010 £m	Six months ended 31.3.2009 £m	Year ended 30.9.2009 £m
Operating activities				
Cash generated from operations	21	**26.9**	22.4	44.9
Interest received		**-**	0.1	0.2
Interest paid		**(13.3)**	(12.1)	(24.5)
Tax payments in respect of operating activities		**(3.7)**	(3.6)	(7.2)
Cash flows from operating activities		**9.9**	6.8	13.4
Investing activities				
Property acquisitions		**(22.8)**	(8.7)	(24.9)
Capital expenditure on properties		**(11.2)**	(9.3)	(21.3)
Net proceeds from sales of properties		**1.0**	-	-
Capital receipts from disposal of interests in properties		**0.1**	-	0.2
Net purchase of office assets and vehicles		**(0.2)**	(0.1)	(0.1)
Cash flows from investing activities		**(33.1)**	(18.1)	(46.1)
Financing activities				
Issue of shares for cash		**-**	-	151.2
Increase/(decrease) in borrowings	16	**31.8**	21.7	(95.2)
Bank loan arrangement costs	16	**(0.1)**	(0.7)	(2.0)
Payment of finance lease liabilities		**(0.1)**	(0.1)	(0.3)
Equity dividends paid		**(9.6)**	(7.1)	(18.3)
Cash flows from financing activities		**22.0**	13.8	35.4
Net change in cash and cash equivalents		**(1.2)**	2.5	2.7

The notes on pages 30 to 42 form an integral part of this Group financial information.

Notes to the half year results

For the six months ended 31 March 2010

1. Basis of preparation

This condensed consolidated interim financial information for the six months ended 31 March 2010 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 September 2009, which have been prepared in accordance with IFRSs as adopted by the European Union.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 September 2009, as described in those annual financial statements.

a) The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 October 2009:

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expense (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  In addition, under this revised standard, entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present a single statement of comprehensive income.
- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Further information on the effects of this new standard is included in note 2.
- IAS 40R, 'Investment property' amended. The amendments are effective from 1 January 2009. Property that is under construction or development for future use as investment property is brought within the scope of IAS 40. Where the fair value model is applied, such property is measured at fair value. However, where fair value of investment property under construction is not reliably determinable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable.

Overall no material changes to accounting policies arose as a result of these new standards or amendments.

In addition, the following standards, amendments and interpretations are mandatory for the first time for the current accounting period and are relevant to the Group's operations but do not have an impact on the Group's interim financial reporting:

- IAS 23 (revised) Borrowing Costs. This revised standard will have no impact on the Group's financial statements. The Group's properties are included in the financial statements at fair value and it will not be required to capitalise interest in respect of any development projects carried at fair value.
- IAS 27 (revised) Consolidated and separate financial statements - consequential amendment arising from amendments to IFRS 3.
- IAS 31 Investments in joint ventures - consequential amendment.
- IFRS 2 (Amendment) Share based payments - amendment to vesting conditions and cancellations.
- IFRIC 15 Construction of real estate.
- Amendment to IFRS 7, 'Financial instruments: Disclosures' - this amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure of liquidity risk.

b) Interpretations and amendments to standards becoming effective in the year ending 30 September 2010 but not relevant to the Group

Standard or interpretation	**Content**	**Applicable for financial years beginning on or after**
IAS 32 and IAS 1	Puttable financial instruments and obligations arising on liquidation	1 January 2009
IFRS 1 and IAS 27	Cost of an investment in a subsidiary, jointly-controlled entity or associate	1 January 2009
IFRS 2	Share-based payments – Vesting conditions and cancellations	1 January 2009
IFRS 1	First-time adoption of International Financial Reporting Standards	1 July 2009
IAS 39	Financial instruments: Recognition and measurement – Eligible hedged items	1 July 2009
IFRIC 16	Hedges of a net investment in a foreign operation (EU endorsed 1 July 2009)	1 October 2008
IFRIC 17	Distribution of non-cash assets to owners	1 July 2009
IFRIC 18	Transfers of assets from customers	1 July 2009

c) Standards, amendments and interpretations that are not yet effective and not expected to have significant impact on the Group's financial statements

Standard or interpretation	**Content**	**Applicable for financial years beginning on or after**
IFRS 9*	Financial instruments: Classification and measurement	1 January 2013
Amendment: IAS 24	Related party disclosures	1 January 2011
IAS 32*	Classification of rights issues	1 February 2010
Amendment: IFRS 1*	Additional exemptions for first-time adopters	1 January 2010
Amendment: IFRS 2*	Group cash-settled share-based payment transactions	1 January 2010

* These standards are not expected to be relevant to the Group.

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the application of accounting policies and amounts reported in the Statement of Comprehensive Income and Balance Sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The measurement of fair value constitutes the principal area of judgement exercised by the Board in the preparation of these financial statements. The fair valuations of investment properties, financial derivatives and share based payments are carried out by external advisors whom the Board considers to be suitably qualified to carry out such valuations.

Certain statements in this Half Year Report are forward looking. Although the Group believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involved risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

The Group undertakes no obligation to update any forward looking statements whether as a result of new information, future events or otherwise.

2. Revenue from properties and segmental information

	Six months ended		Year ended
	31.3.2010	31.3.2009	30.9.2009
	£m	£m	£m
Rents receivable (adjusted for lease incentives):			
Wholly owned Group	**31.5**	29.6	60.2
Group's share of Longmartin Joint Venture	**0.9**	0.8	1.5
Rents receivable	**32.4**	30.4	61.7
Recoverable property expenses	**3.2**	6.4	6.1
	35.6	36.8	67.8

Rents receivable include lease incentives recognised of £0.4 million (31.3.2009: £0.3 million; 30.9.2009: £0.4 million).

The chief operating decision maker has been identified as the Board, which is responsible for reviewing the Group's internal reporting in order to assess performance and the allocation of resources.

The Group's properties, which are all located in London's West End, are managed as a single portfolio. Its properties, which are of similar type, are combined into villages. All of the villages are geographically close to each other and have similar economic features and risks.

For the purposes of IFRS 8, each village is considered to be a separate operating segment. However, in view of the similar characteristics of each village, and the reporting of all investment, income and expenditure to the Board at an overall Group level, the aggregation criteria set out in IFRS 8 have been applied to give one reportable operating segment.

The Board assesses the performance of the reportable operating segment using measures of net property income and investment property valuation. All financial information provided to the Board is prepared on a basis consistent with these interim financial statements and, as the Group has only one reportable segment, the reconciliation of the measures used in assessing the business to the reported results are set out in the Group Statement of Comprehensive Income.

3. Property charges

	Six months ended		Year ended
	31.3.2010	31.3.2009	30.9.2009
	£m	£m	£m
Property outgoings	**4.3**	3.2	7.2
Recoverable property expenses	**3.2**	6.4	6.1
	7.5	9.6	13.3

4. Net property income

Wholly owned Group	**27.6**	26.7	53.5
Group's share of Longmartin Joint Venture	**0.5**	0.5	1.0
	28.1	27.2	54.5

5. Charge in respect of equity settled remuneration

Charge in respect of share based remuneration	**0.3**	0.3	0.5
Employer's National Insurance in respect of share awards and share options vested or expected to vest	**0.2**	(0.1)	0.2
	0.5	0.2	0.7

6. Profit on disposal of investment properties

	Six months ended **31.3.2010** **£m**	Six months ended 31.3.2009 £m	Year ended 30.9.2009 £m
Net sale proceeds	**1.0**	-	-
Capital receipts from disposal of interests in properties	**-**	-	0.3
Book value at date of sale	**(0.6)**	-	-
	0.4	-	0.3

7. Finance costs

Debenture stock interest and amortisation	**2.5**	2.5	5.1
Bank and other interest	**3.2**	9.3	13.6
Amounts payable under financial derivative contracts	**7.6**	1.3	7.6
Amounts payable under finance leases	**0.1**	0.1	0.3
	13.4	13.2	26.6

8. Taxation

Current tax			
UK Corporation tax at 28%	**0.1**	0.1	0.1
REIT conversion charge in respect of company acquired during the period	**-**	-	0.1
	0.1	0.1	0.2
Deferred tax (note 18)	**-**	-	0.1
Tax charge for the period	**0.1**	0.1	0.3

Factors affecting the tax charge:			
Profit/(loss) before tax	**122.8**	(159.8)	(58.1)
UK Corporation tax at 28%	**34.4**	(44.7)	(16.3)
Taxable profit for the period not liable to UK Corporation tax due to REIT status	**(3.2)**	(3.0)	(5.7)
Deferred tax not provided in respect of property and financial derivative valuation movements and capital allowances due to REIT status	**(31.2)**	47.9	22.0
Expenses and provisions not deductible for Corporation tax purposes and other timing differences	**0.1**	(0.1)	0.2
REIT conversion charge in respect of company acquired during the period	**-**	-	0.1
Tax charge for the period	**0.1**	0.1	0.3

9. Earnings/(loss) per share

	Six months ended		Year ended
	31.3.2010	31.3.2009	30.9.2009
	£m	£m	£m
Profit/(loss) after tax used for calculation of basic earnings per share	**122.7**	(159.9)	(58.4)
Adjusted for:			
Gain on sale of investment properties	**(0.4)**	-	(0.3)
Investment property valuation movements	**(111.3)**	123.5	48.1
Movement in fair value of financial derivatives	**-**	47.6	31.6
Current tax in respect of:			
REIT conversion charge in respect of company acquired during the year	**-**	-	0.1
Profit after tax used for adjusted earnings per share	**11.0**	11.2	21.1
Weighted average number of shares in issue – million	**227.0**	173.7*	186.7
Weighted average number of shares in issue for calculation of diluted earnings per share – million	**228.3**	175.2*	188.2
Earnings/(loss) per share:	**Pence**	Pence	Pence
Basic	**54.1**	(92.0)*	(31.3)
Diluted	**53.7**	(92.0)*	(31.3)
Adjusted basic	**4.8**	6.4*	11.3
Adjusted diluted	**4.8**	6.4*	11.2

* Adjusted for the bonus element inherent in the Rights Issue approved by shareholders on 5 June 2009

The difference between the weighted average and diluted average number of Ordinary Shares arises from the potentially dilutive effect of outstanding vested options granted over Ordinary Shares.

The adjusted earnings per share is considered to give an indication of the Group's underlying revenue performance, eliminating the effects of property disposals, movements in the valuation of investment properties and financial derivatives, and the impact of REIT conversion.

10. Dividends paid

Final dividend paid in respect of:			
Year ended 30 September 2009 at 4.75p per share	**10.8**	-	-
Year ended 30 September 2008 at 6.00p per share (see below)	**-**	8.1	8.1
Interim dividend paid in respect of:			
Six months ended 31 March 2009 at 7.50p per share	**-**	-	10.2
	10.8	8.1	18.3

An interim dividend in respect of the six months ended 31 March 2010 of 5.0p per Ordinary Share amounting to approximately £11.3 million was declared by the Board on 26 May 2010. The interim dividend will be paid on 2 July 2010 to shareholders on the register at 11 June 2010. The dividend will be accounted for as an appropriation of revenue reserves in the six months ending 30 September 2010.

The amount previously reported at 31 March 2009 in respect of the final dividend for the year ended 30 September 2008 has been increased by £1.0 million to £8.1 million to reflect the income tax which was withheld from the dividend and subsequently paid to HMRC. As a result, the figure previously reported at 31 March 2009 for "Trade and other payables" (note 14) has been increased by £1.0 million to £31.7 million to reflect this liability, and retained earnings have been reduced by a corresponding amount to £308.5 million. No restatement of retained earnings at 1 October 2009 or 1 October 2008 is required.

11. Investment properties

	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
At 1 October 2009	**1,204.5**	1,202.2	1,202.2
Acquisitions	**19.1**	8.7	24.6
Acquisition on purchase of subsidiary undertaking	**-**	-	5.2
Refurbishment and other capital expenditure	**11.6**	9.1	20.6
Disposals	**(0.6)**	-	-
Net surplus/(deficit) on revaluation	**111.3**	(123.5)	(48.1)
	1,345.9	1,096.5	1,204.5
Add: Head lease liabilities grossed up	**5.4**	5.5	5.4
Book value at 31 March 2010	**1,351.3**	1,102.0	1,209.9
Market value at 31 March 2010:			
Properties valued by DTZ Debenham Tie Leung	**1,264.6**	1,046.7	1,146.2
Properties valued by Knight Frank LLP	**87.2**	55.2	63.8
	1,351.8	1,101.9	1,210.0
Add: Head lease liabilities grossed up	**5.4**	5.5	5.4
Less: Lease incentives recognised to date	**(5.9)**	(5.4)	(5.5)
Book value at 31 March 2010	**1,351.3**	1,102.0	1,209.9

Investment properties were subject to external valuation as at 31 March 2010 by qualified professional valuers, being members of the Royal Institution of Chartered Surveyors, either working for DTZ Debenham Tie Leung Limited, Chartered Surveyors (in respect of the Group's wholly owned portfolio) or Knight Frank LLP, Chartered Surveyors (in respect of properties owned by Longmartin Properties Limited), both firms acting in the capacity of External Valuers. All such properties were valued on the basis of Market Value in accordance with the RICS Valuation Standards (Sixth Edition) issued by the Royal Institution of Chartered Surveyors.

Investment properties include freehold properties valued at £1,201.0 million, leasehold properties with an unexpired term of over 50 years valued at £96.6 million and a notional apportionment of value in respect of part freehold/part leasehold properties, where the apportionment in respect of the leasehold element with over 50 years unexpired is £54.2 million.

Capital commitments	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
Wholly owned Group:			
Authorised and contracted	**4.8**	2.8	1.8
Authorised but not contracted	**13.8**	5.7	1.2
Group's share of Longmartin Joint Venture:			
Authorised and contracted	**6.9**	19.2	14.9
Authorised but not contracted	**0.3**	1.9	-

12. Trade and other receivables

	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
Amounts due from tenants*	**8.0**	9.0	9.4
Provision for doubtful debts (see below)	**(0.2)**	(0.2)	(0.3)
	7.8	8.8	9.1
Lease incentives recognised in the Group Statement of Comprehensive Income	**5.9**	5.4	5.5
Other receivables and prepayments	**2.9**	2.3	2.7
	16.6	16.5	17.3
*Includes amounts due from tenants which were more than 90 days overdue, relating to accommodation and services provided up to the balance sheet date, considered to be past due	**0.5**	1.0	1.2

Amounts due from tenants at period end included amounts contractually due and invoiced up to the balance sheet date in respect of rents and service charge contributions due in advance. Provisions against these overdue amounts are set out below:

Movement in provision for doubtful debts:

At 1 October 2009	**0.3**	0.2	0.2
Amounts written off during the period	**(0.2)**	(0.3)	(0.4)
Charge in the Group Statement of Comprehensive Income	**0.1**	0.3	0.5
At 31 March 2010	**0.2**	0.2	0.3

At 31 March 2010, cash deposits totalling £9.0 million were held against tenants' rent payment obligations (31.3.2009: £9.0 million; 30.9.2009: £8.9 million).

13. Cash

Cash balances at 31 March 2010 include £1.2 million (31.3.2009 and 30.9.2009: £2.5 million) being the Group's share of a deposit made by the Longmartin Joint Venture in respect of payment obligations under a building contract. The deposit will be released on completion of the building contract.

14. Trade and other payables

Rents and service charges invoiced in advance	**14.3**	14.0	14.1
Corporation tax and REIT conversion charge payable (note 15)	**7.6**	7.1	7.4
Due in respect of property acquisitions	**1.2**	-	4.9
Trade payables in respect of accrued capital expenditure	**2.4**	2.4	2.4
Other trade payables and accruals (31.3.2009: see note 10)	**9.5**	8.2	6.8
	35.0	31.7	35.6

15. Taxation payable

	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
REIT conversion charge outstanding at period end	**7.5**	14.6	11.1
Less: Payable within one year included in trade and other payables (note 14)	**(7.5)**	(7.1)	(7.3)
	-	7.5	3.8
The Group has elected to pay the REIT conversion charge in instalments as follows:			
Year to 31 March 2010	**-**	7.1	
Year to 31 March 2011	**7.5**	7.5	
	7.5	14.6	

16. Borrowings

	Nominal value £m	Unamortised premium and issue costs £m	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
8.5% First Mortgage Debenture Stock 2024	**61.0**	**2.9**	**63.9**	64.0	64.0
Secured bank loans	**393.0**	**(3.0)**	**390.0**	476.0	358.1
Debenture and bank debt	**454.0**	**(0.1)**	**453.9**	540.0	422.1
Finance lease obligations	**5.4**	**-**	**5.4**	5.5	5.4
	459.4	**(0.1)**	**459.3**	545.5	427.5

Availability and maturity of Debenture and bank debt at 31 March 2010

	Facilities Committed £m	Undrawn £m
Repayable between 10 and 15 years:		
8.5% First Mortgage Debenture Stock 2024	**61.0**	**-**
Bank facilities	**75.0**	**-**
Repayable between 5 and 10 years:		
Bank facilities	**500.0**	**182.0**
	636.0	**182.0**
At 31 March 2009	661.0	121.9
At 30 September 2009	636.0	213.8

The availability of the Group's bank facilities is subject to granting security over properties of sufficient value to meet the loan to value ratios required under the facility agreements and certain other financial covenants as described in the Business Review on page 17.

16. Borrowings (continued)

Movement in Borrowings during the period

	1.10.2009 £m	Cash flows £m	Non-cash Items £m	31.3.2010 £m
8.5% First Mortgage Debenture Stock 2024	**(64.0)**	**-**	**0.1**	**(63.9)**
Secured bank loans	**(361.2)**	**(31.8)**	**-**	**(393.0)**
Facility arrangement costs	**3.1**	**0.1**	**(0.2)**	**3.0**
Finance lease obligations	**(5.4)**	**-**	**-**	**(5.4)**
	(427.5)	**(31.7)**	**(0.1)**	**(459.3)**
Six months ended 31 March 2009	(524.5)	(21.0)	-	(545.5)
Year ended 30 September 2009	(524.5)	97.2	(0.2)	(427.5)

Interest rate profile of interest bearing borrowings

	31.3.2010		31.3.2009		30.9.2009	
	Debt £m	**Weighted Average Interest Rate %**	Debt £m	Weighted Average Interest Rate %	Debt £m	Weighted Average Interest Rate %
Floating rate borrowings LIBOR-linked loans – interest rates fixed until June 2010 at latest (including margin)	**33.0**	**1.38**	116.0	1.85	1.2	1.42
Hedged borrowings Interest rate swaps (including margin)	**360.0**	**5.67**	360.0	5.44	360.0	5.42
Fixed rate borrowing 8.5% First Mortgage Debenture Stock (interest rate fixed for 14 years until 31 March 2024)	**64.0**	**7.93**	64.0	7.93	64.0	7.93
Weighted average cost of borrowings		**5.68**		4.96		5.78

17. Fair value of financial derivatives

	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
Interest rate hedges			
At 1 October 2009 – Deficit	**(46.1)**	(14.5)	(14.5)
Fair value movement charged in the Group Statement of Comprehensive Income	**-**	(47.6)	(31.6)
At 31 March 2010 – Deficit	**(46.1)**	(62.1)	(46.1)

Changes in the fair value of the Group's financial derivatives, which are not held for speculative purposes, are reflected in the Income Statement. They have been valued by J. C. Rathbone Associates Limited by reference to the mid point of the yield curve at the balance sheet date.

Interest rate hedging in place at 31 March 2010
At 31 March 2010, the Group had in place fixed rate interest swaps on a notional principal of £360 million, at a weighted average rate of 4.87%, with a weighted average maturity of 23 years. The swaps are settled against three month LIBOR.

8.5% Mortgage Debenture Stock 2024

Fair value deficit not recognised in the reported results for the period	**(8.2)**	(12.3)	(10.8)

18. Deferred tax

At 1 October 2009	**0.1**	-	-
Recognised in Group Statement of Comprehensive Income	**-**	-	0.1
At 31 March 2010	**0.1**	-	0.1
Provided in respect of capital allowances	**0.1**	-	0.1

19. Called up share capital

During the period, 122,608 Ordinary 25p shares were issued in connection with the exercise of nil cost options granted under the 2006 Long Term Incentive Plan.

20. Net assets per share

	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
Net assets used for calculation of basic net assets per share	**829.5**	474.6	717.3
Adjusted for:			
Cumulative fair value adjustment in respect of financial derivatives	**46.1**	62.1	46.1
Adjusted net assets	**875.6**	536.7	763.4
Additional equity if all vested share options exercised	**3.0**	4.4	3.0
Net assets used for adjusted diluted net asset calculations	**878.6**	541.1	766.4
Ordinary Shares in issue - million	**227.0**	*173.8	226.9
Diluted Ordinary Shares - million	**229.2**	*176.9	228.9
Net assets per share:			
Basic	**£3.65**	*£2.74	£3.16
Diluted	**£3.63**	*£2.71	£3.15
Adjusted basic	**£3.86**	*£3.09	£3.36
Adjusted diluted	**£3.83**	*£3.06	£3.35

* Adjusted for the bonus element inherent in the Rights Issue approved by shareholders on 5 June 2009

The calculations of diluted net asset value per share show the potentially dilutive effect of outstanding vested options granted over Ordinary Shares and include the increase in shareholders' equity which would arise on the exercise of those options.

21. Cash generated from operations

	Six months ended		Year ended
	31.3.2010 £m	31.3.2009 £m	30.9.2009 £m
Operating activities			
Operating profit/(loss)	**136.2**	(99.1)	(0.1)
Adjustment for non-cash items:			
Lease incentives recognised	**(0.4)**	(0.3)	(0.4)
Charge in respect of share based remuneration	**0.3**	0.3	0.5
Depreciation and losses on disposals	**0.1**	0.1	0.1
Profit on sale of investment properties	**(0.4)**	-	(0.3)
Investment property valuation movements	**(111.3)**	123.5	48.1
Cash flows from operations before changes in working capital	**24.5**	24.5	47.9
Change in trade and other receivables	**1.0**	(1.6)	(2.2)
Change in trade and other payables	**1.4**	(0.5)	(0.8)
Cash generated from operations	**26.9**	22.4	44.9

22. Results of Joint Venture

The Shaftesbury Group's 50% share of the results, assets and liabilities of Longmartin Properties Limited included in the Group results for the period were as follows:

	Six months ended 31.3.2010 £m	Six months ended 31.3.2009 £m	Year ended 30.9.2009 £m
Rents receivable (adjusted for lease incentives)	**0.8**	0.7	1.5
Recoverable property expenses	**-**	0.2	0.1
Revenue from properties	**0.8**	0.9	1.6
Property expenses	**(0.3)**	(0.2)	(0.5)
Recoverable property expenses	**-**	(0.2)	(0.1)
Property charges	**(0.3)**	(0.4)	(0.6)
Net property income	**0.5**	0.5	1.0
Administration expenses	**(0.2)**	(0.2)	(0.4)
Operating profit before investment property valuation movements	**0.3**	0.3	0.6
Investment property valuation movements	**15.0**	(16.7)	(14.7)
Operating profit/(loss)	**15.3**	(16.4)	(14.1)
Total finance income	**(0.1)**	-	(0.2)
Profit/(loss) before tax	**15.2**	(16.4)	(14.3)
Tax (charge)/credit for the period	**(0.1)**	0.1	0.3
Comprehensive income/(expense) for the period	**15.1**	(16.3)	(14.0)
Transactions with owners:			
Dividends paid in period	**(0.1)**	(0.2)	(0.3)
Movement in retained earnings	**15.0**	(16.5)	(14.3)

Balance sheet	**31.3.2010 £m**	31.3.2009 £m	30.9.2009 £m
Non-current assets			
Investment properties at market value	**87.2**	55.2	63.8
Lease incentives recognised	**(0.5)**	(0.2)	(0.3)
Head lease liability grossed up	**5.4**	5.5	5.4
	92.1	60.5	68.9
Current assets			
Trade and other receivables	**1.2**	0.6	1.1
Amounts due from shareholders	**-**	7.0	-
Cash	**1.7**	2.6	2.9
Total assets	**95.0**	70.7	72.9
Current liabilities			
Trade and other payables	**2.3**	2.1	2.2
Amount due to shareholders	**7.0**	-	-
Non-current liabilities			
Deferred tax	**0.1**	-	0.1
Head lease liability	**5.4**	5.5	5.4
Total liabilities	**14.8**	7.6	7.7
Net assets attributable to the Shaftesbury Group	**80.2**	63.1	65.2

23. Related party transactions

During the period the Company received from Longmartin Properties Limited, a 50% owned joint venture, administration fees totalling £0.4 million (31.3.2009: £0.4 million; 30.9.2009: £0.7 million) and paid interest in respect of a loan from that company totalling £Nil (31.3.2009: £0.1 million; 30.9.2009: £0.1 million). The amount owing to the Company from Longmartin Properties Limited at 31 March 2010 was £7.0 million (31.3.2009: owing by the Company: £7.0 million; 30.9.2009: £Nil).

Independent review report to Shaftesbury PLC

For the six months ended 31 March 2010

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2010, which comprises the Unaudited Group Statement of Comprehensive Income, Unaudited Group Balance Sheet, Unaudited Group Statement of Changes in Shareholders' Equity, Unaudited Group Cash Flow Statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
1 Embankment Place
London
WC2N 6RH

26 May 2010

Notes:

a) The maintenance and integrity of the Shaftesbury PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

The Directors' confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Directors of Shaftesbury PLC are listed in its Annual Report for the year ended 30 September 2009, with the exception of the following changes:

Hilary S Riva
appointed 12 February 2010

Jill C Little
appointed 25 February 2010

A list of current Directors is maintained on the Shaftesbury PLC web site: **www.shaftesbury.co.uk**.

On behalf of the Board

Jonathan S Lane
Chief Executive

Brian Bickell
Finance Director

26 May 2010

Corporate timetable

Results

Half Year results announced	**26 May 2010**
Interim Management Statement (second half)	**August 2010**
Annual results to be announced	**30 November 2010** (provisional)

Dividends and debenture interest

2010 interim dividend	
Ex dividend	**9 June 2010**
Record date	**11 June 2010**
Payment date	**2 July 2010**
Debenture stock interest payment date	**30 September 2010**

Directors, officers and advisors

Directors
P John Manser, CBE, DL, FCA
Chairman and non-executive Director

Jonathan S Lane, MA, FRICS
Chief Executive

Brian Bickell, FCA
Finance Director

Simon J Quayle, BSc, MRICS
Director

Thomas J C Welton, MRICS
Director

W Gordon McQueen, BSc, CA, FCIBS
Senior Independent Director

John R K Emly, FCIS
Non-executive Director

Jill C Little
Non-executive Director

Oliver J D Marriott
Non-executive Director

Hilary S Riva, OBE
Non-executive Director

Secretary and Registered Office
Penny Thomas, LLB (Hons), FCIS
Pegasus House,
37/43 Sackville Street,
London W1S 3DL
Tel: 020 7333 8118
Fax: 020 7333 0660
email: shaftesbury@shaftesbury.co.uk
Registered Number - 1999238

Stockbrokers
J P Morgan Cazenove

Merrill Lynch International
Execution Noble & Company

Principal Bankers
Bank of Scotland
Clydesdale Bank PLC
GE Real Estate Finance Limited
Lloyds TSB Bank plc
Nationwide Building Society

Debenture Stock Trustee
Prudential Trustee Company Limited

Auditors
PricewaterhouseCoopers LLP

Solicitors
Hogan Lovells International LLP
Eversheds LLP
Forsters LLP

Valuers
DTZ Debenham Tie Leung Limited
(wholly owned portfolio)
Knight Frank LLP
(Longmartin Joint Venture)

Web sites
Corporate: www.shaftesbury.co.uk
Includes Annual and Interim Reports Library from 2002 and recent corporate announcements. News alert service allows registered users to receive e-mail alerts of new announcements.

Villages
www.carnaby.co.uk
www.sevendials.co.uk
www.operaquarter.co.uk
www.stmartinscourtyard.com
www.chinatownlondon.org

Shareholder information

Equiniti Limited maintains the Group's Register of Members.

They may be contacted at:

Equiniti Limited, Aspect House,
Spencer Road, Lancing,
West Sussex BN99 6DA

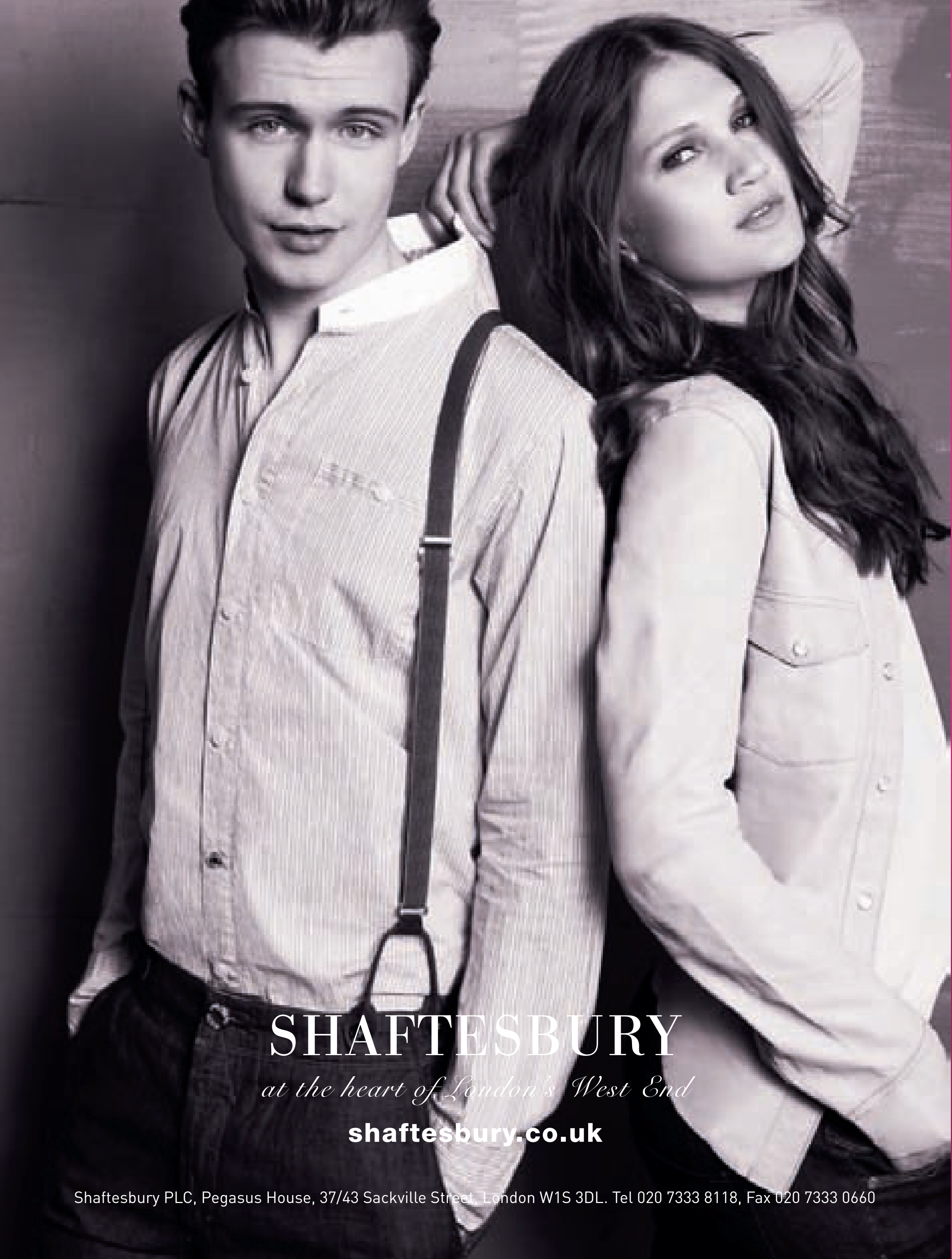
Telephone 0871 384 2294
(International +44 121 415 7047)

Calls to this number are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary.

Shareholder accounts may be accessed online through www.shareview.co.uk. This gives secure access to account information and permits shareholders to amend address information and payment instructions. There is also a Shareview dealing service which is a simple and convenient way to buy or sell shares in the Group.

Impact of REIT status on payment of dividends
As a REIT, certain categories of shareholder may be able to receive their dividends gross without deduction of withholding tax. Categories which may claim this exemption include: UK companies, chanties, local authorities. UK pension schemes and managers of PEPs, ISAs and Child Trust Funds. For further information and the forms for completion to apply for dividends to be paid gross, please see the Group's website or contact the Group's Registrar. The deadline for completed forms to be with the Groups Registrar for payment of the interim dividend is 11 June 2010.

Sharegift
The Orr Mackintosh Foundation operates a voluntary charity share donation scheme for retail shareholders who wish to dispose of small numbers of shares whose value makes it uneconomical to sell them. Details are available from www.sharegift.org or the Group's Registrars.


SHAFTESBURY
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