



Investor and Analyst

Presentation

Results: year ended

30 September 2012

Shaftesbury PLC

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Agenda

Introduction

Brian Bickell

Financial highlights

Chris Ward

Village activity

Simon Quayle and Tom Welton

Summary and outlook

Brian Bickell

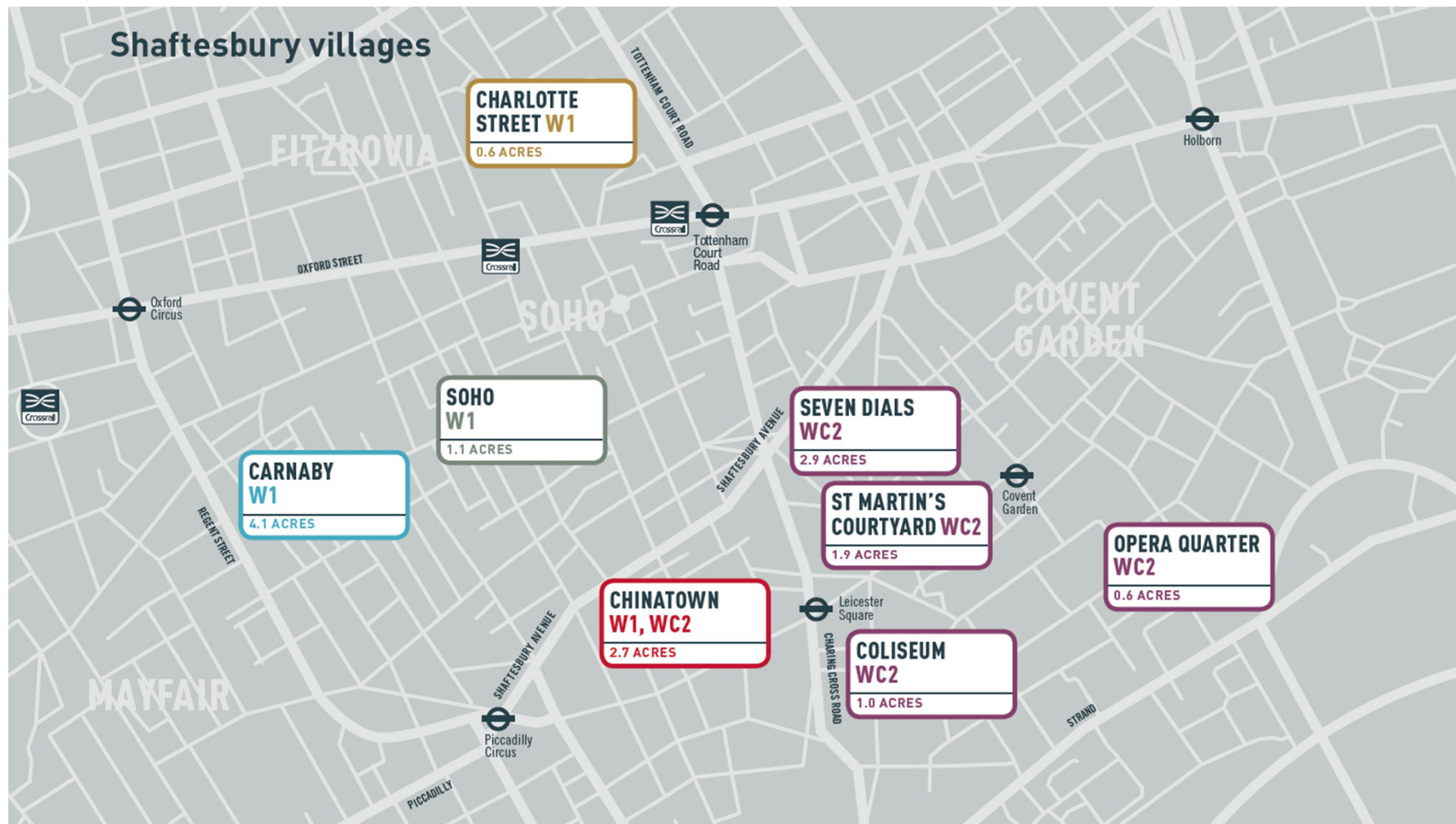
Headlines

- West End flourishing after successful year for London
- Profits*, earnings* and dividend growth
 - profit before tax*: up 6.8% to £31.2m (2011: £29.2m)
 - final dividend: up 5.2% to 6.05p (2011: 5.75p)
 - total dividend: up 6.7% to 12.0p (2011: 11.25p)
- Reversion now stands at £19.0m (2011: £14.7m)
- Portfolio valuation £1,828.2m
- NAV* £4.98 per share (2011: £4.63), increase: 7.6%
- Acquisitions £44.0m and capital expenditure £14.9m
 - 5 year average acquisitions: £46.0m
 - Focused and disciplined approach to acquisitions
- Continuing good demand across the portfolio
- Important new schemes in hand

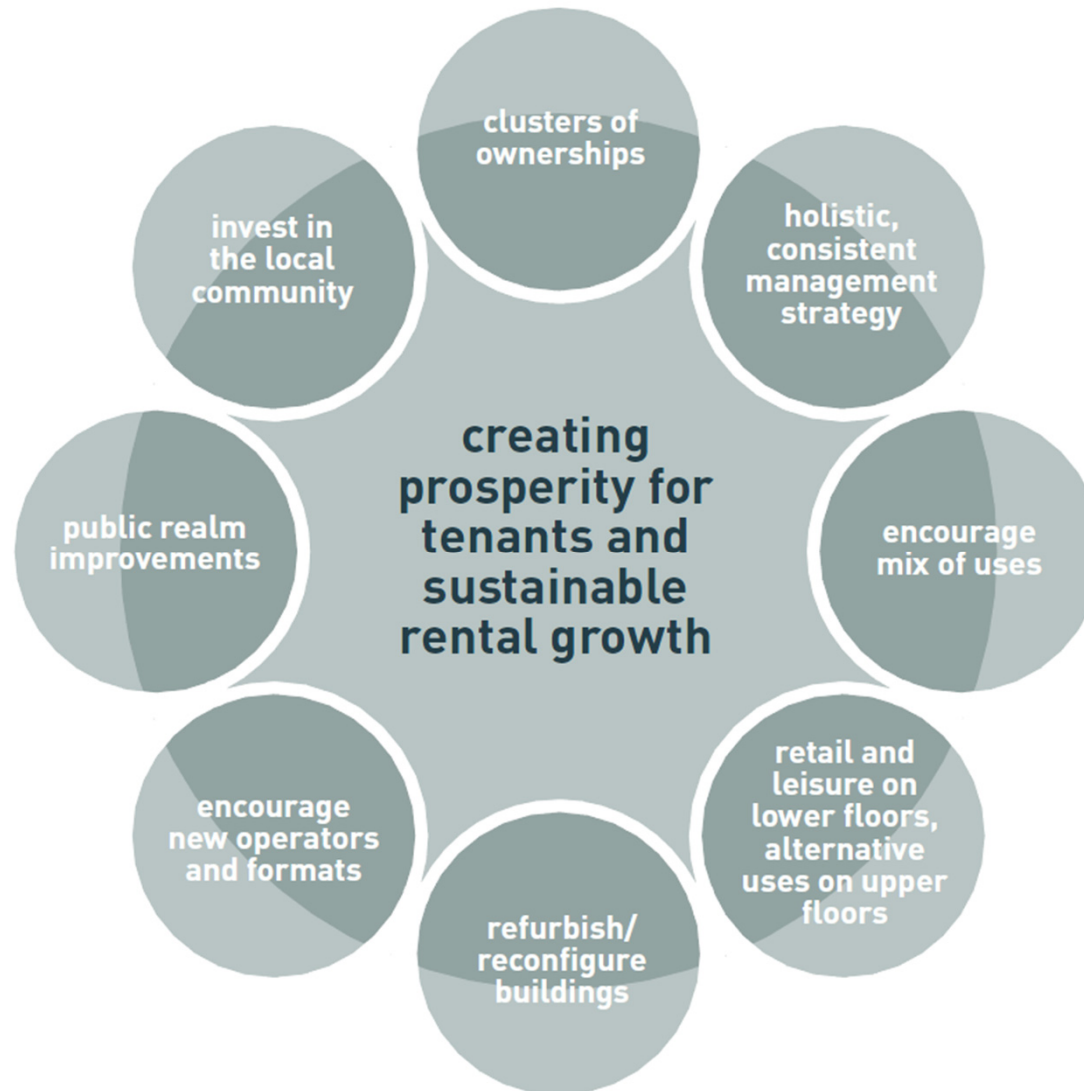
Our strategy

- Focus on shops, restaurants and leisure in London's West End (73% of wholly owned current income)
- Long-term rental growth underpins sustained growth in values
- Consistent management strategies to create and maintain environments which encourage footfall and in which tenants prosper

Our portfolio



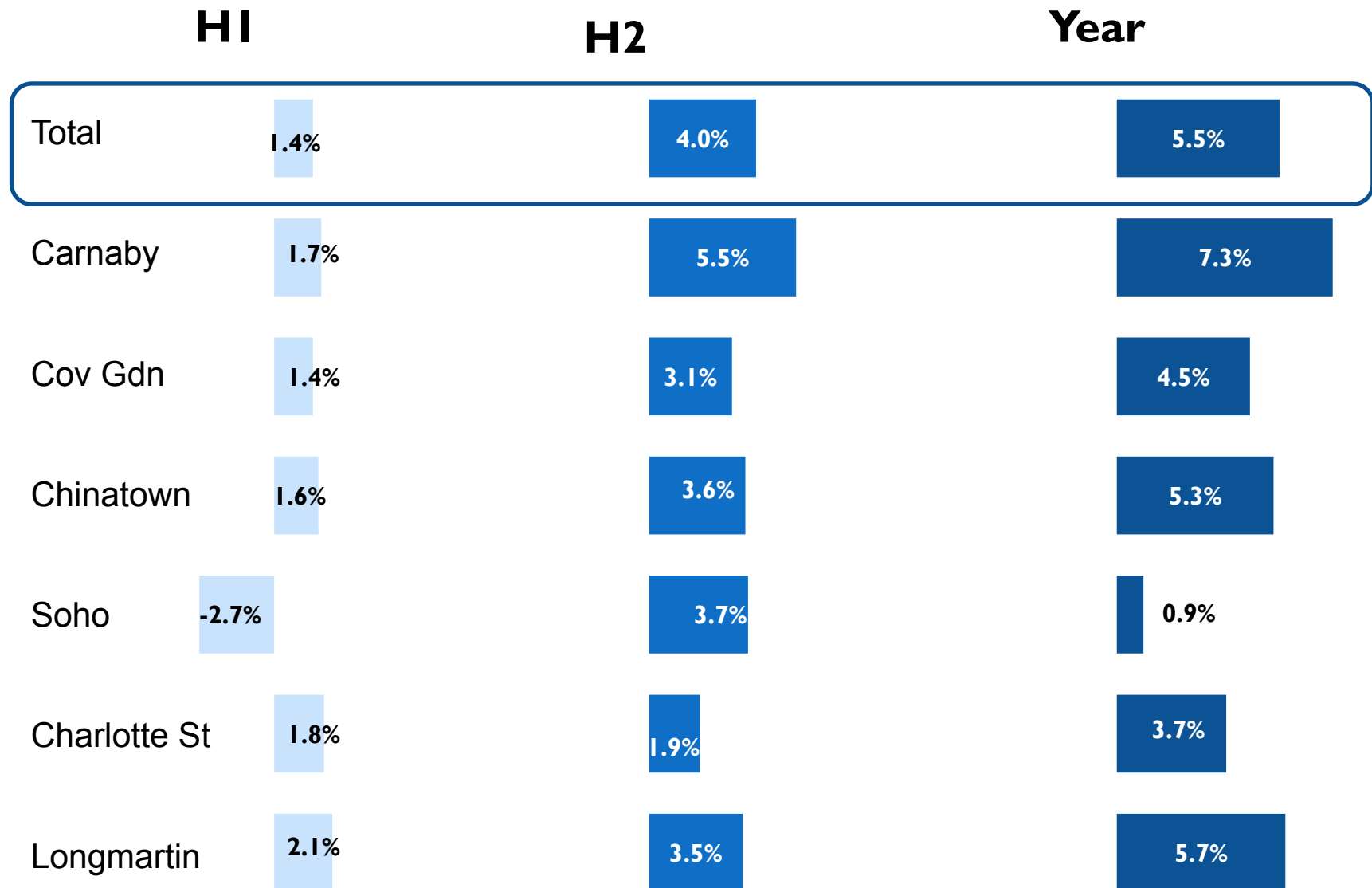
How we add value



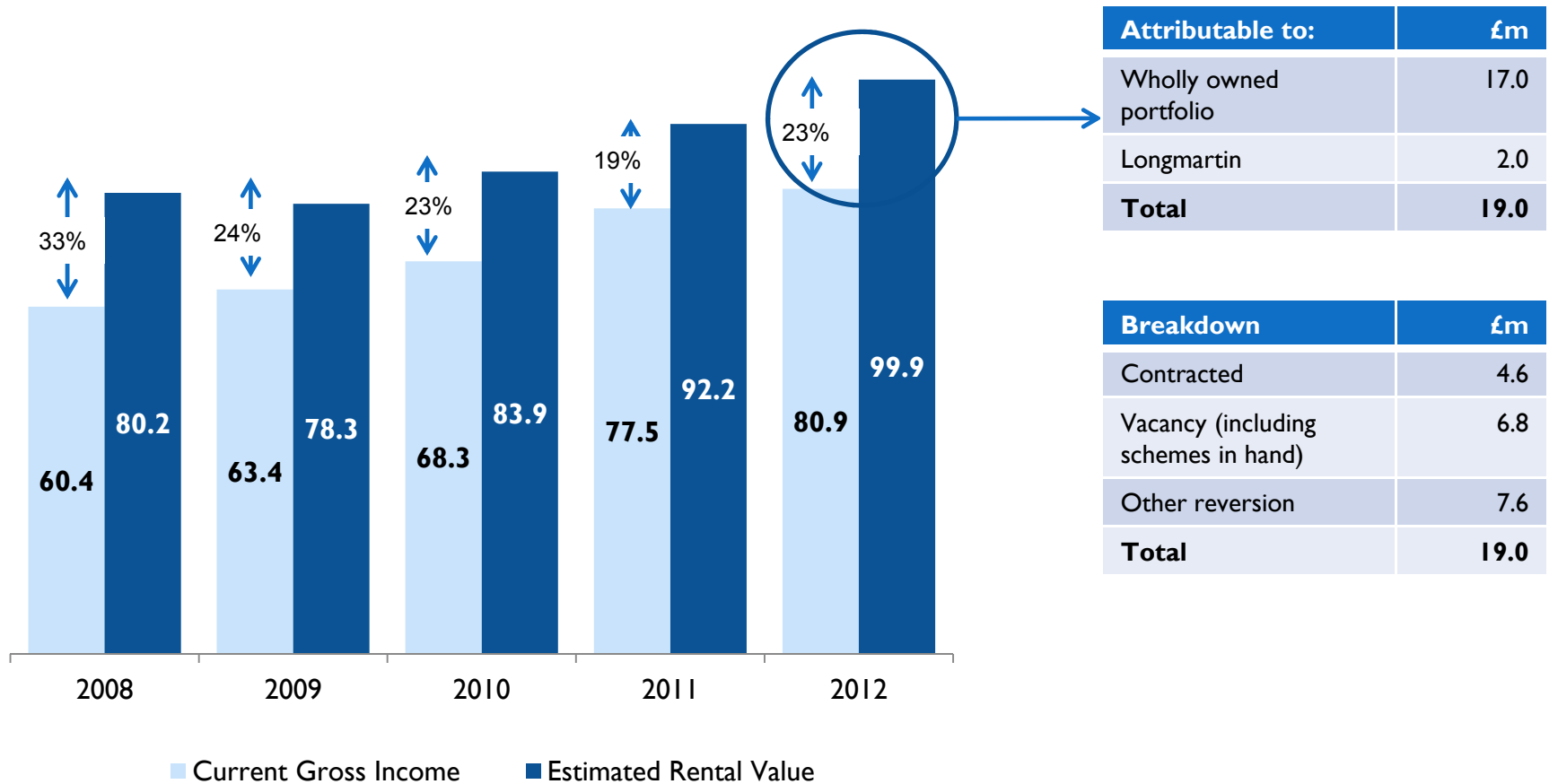
Portfolio valuation

- Valuation: £1.83 bn (2011: £1.68 bn)
- Capital value growth 5.5% (IPD: -3.1%)
- Equivalent yields: wholly owned 4.79% (↓14bp), Longmartin 4.73% (↓7bps)
- Demand remains strong:
 - Like-for-like ERV growth: 6.0%
 - 3.2% commercial ERV available to let (wholly owned)
- Reversion now stands at £19.0m, up £4.3m over the period (wholly owned portfolio up £5.4m to £17.0m)
- Two new Carnaby schemes add £2.0m to the reversion (capital cost c. £18m)
- Numerous schemes in hand across the portfolio generate cumulative and compound benefits

Increase in capital values

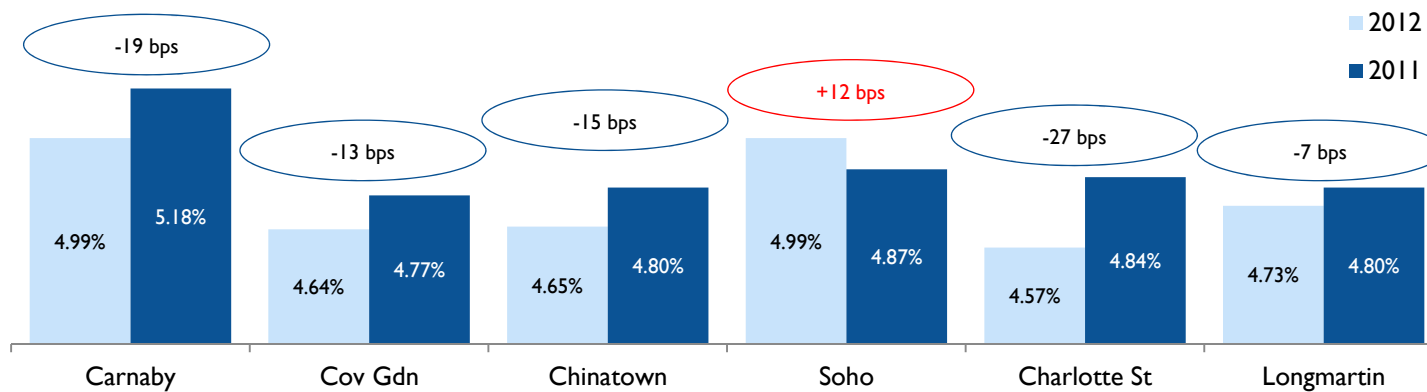


Portfolio reversion

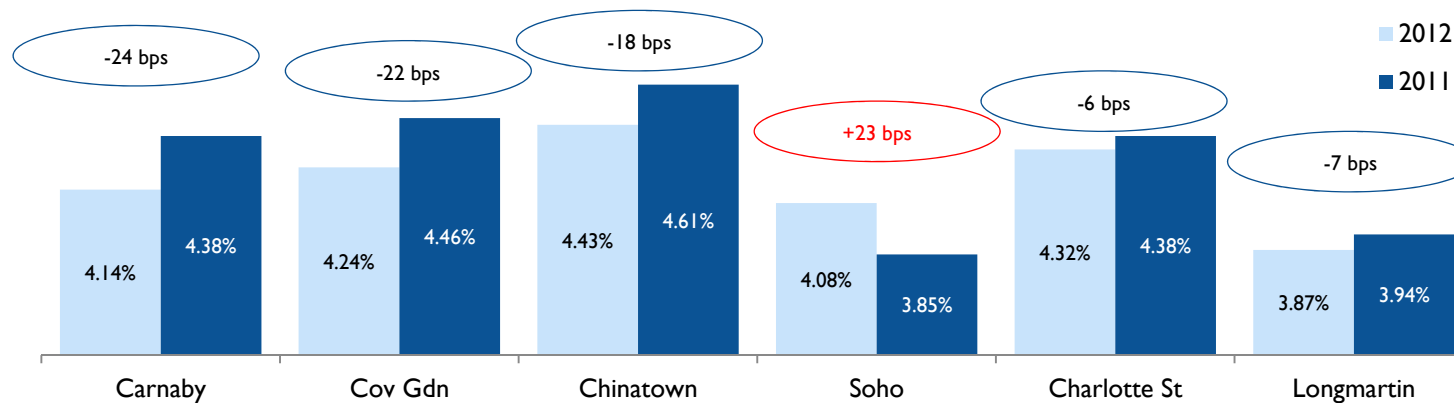


Yields at 30.9.2012

Equivalent yield



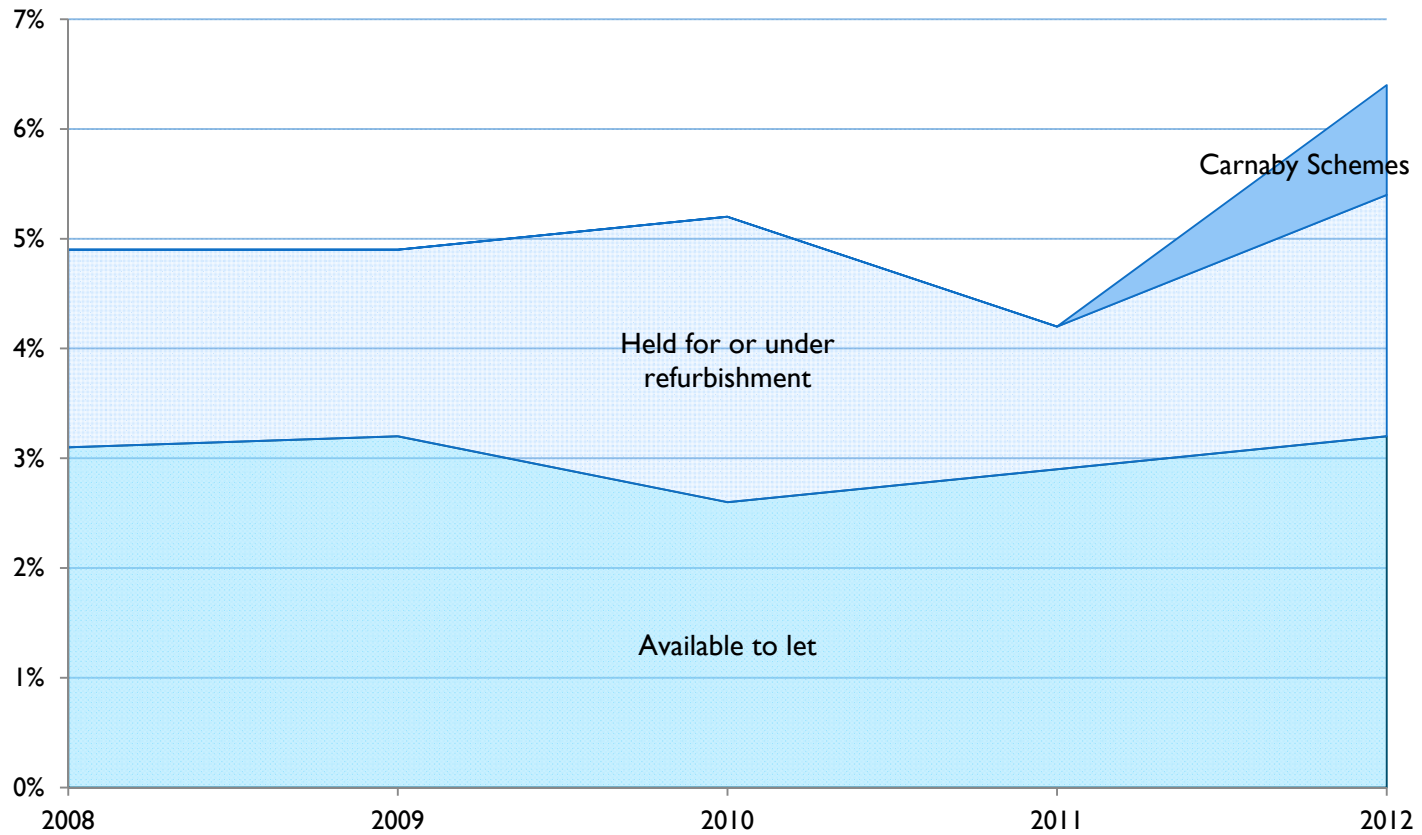
Topped up initial yield



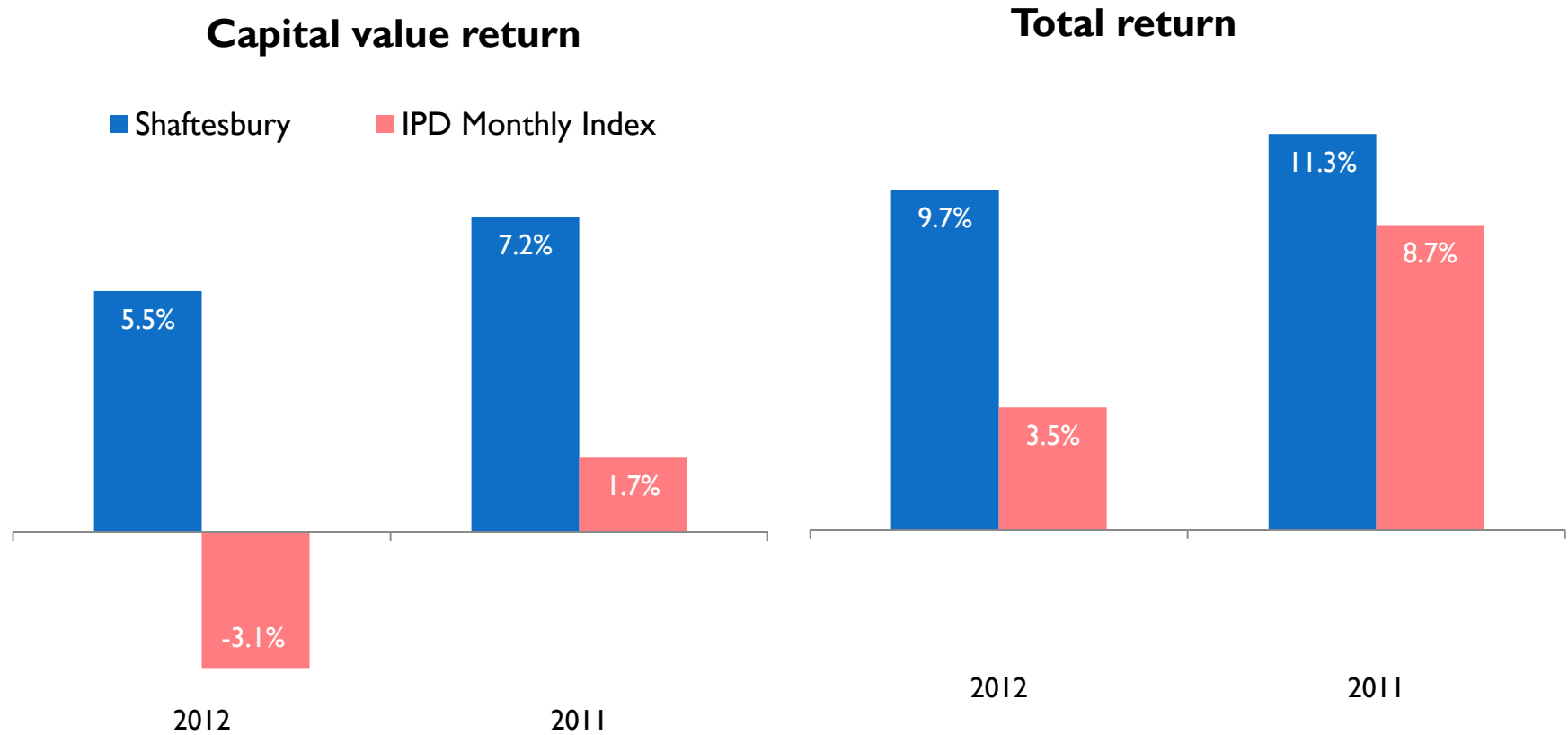
* "topped up" initial yield, i.e. as if contracted rent free periods had ended

Wholly owned vacant commercial space

% of commercial ERV



Portfolio benchmarking



Results headlines

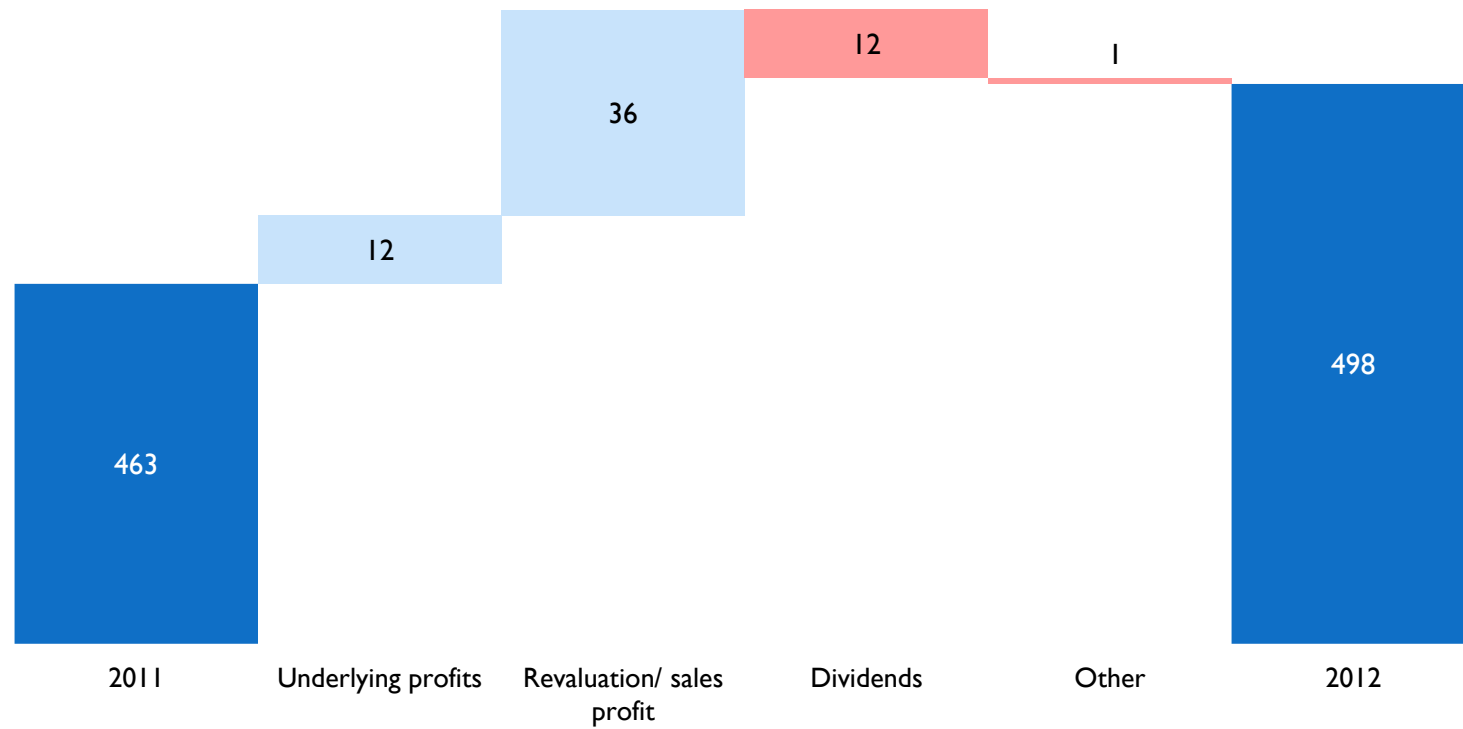
	2012	2011	Change
Profits and returns			
Net property income	£71.0m	£66.6m	+6.6%
Profit before tax*	£31.2m	£29.2m	+6.8%
Diluted EPS* - 2012: 251.0m shares - 2011: 240.2m shares	12.1p	11.9p	+1.7%
Final dividend	6.05p	5.75p	+5.2%
Total dividend	12.0p	11.25p	+6.7%
Net asset value return*‡	+10.1%	+14.4%	
Assets			
Property assets at book value	£1.83 bn	£1.68 bn	+8.9%
Diluted NAV* - 2012: 253.1m shares - 2011: 252.1m shares	£4.98	£4.63	+7.6%

* EPRA adjusted – see appendices

‡ Growth in net asset value + dividends as a percentage of opening net asset value

NAV* bridge

Pence per share



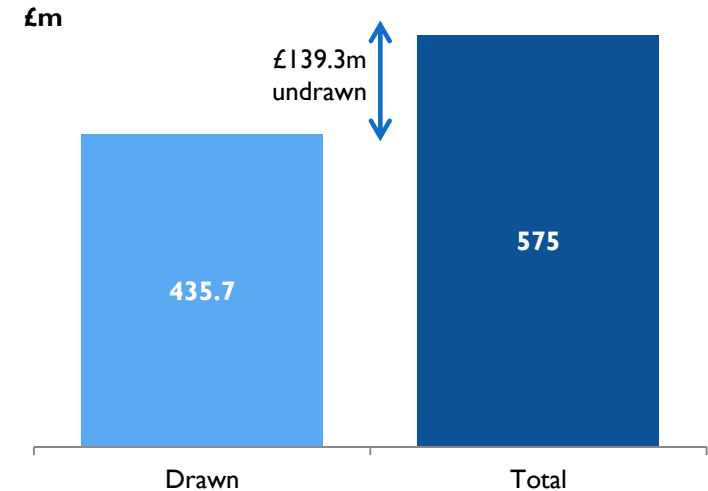
* EPRA adjusted – see appendices

Finance

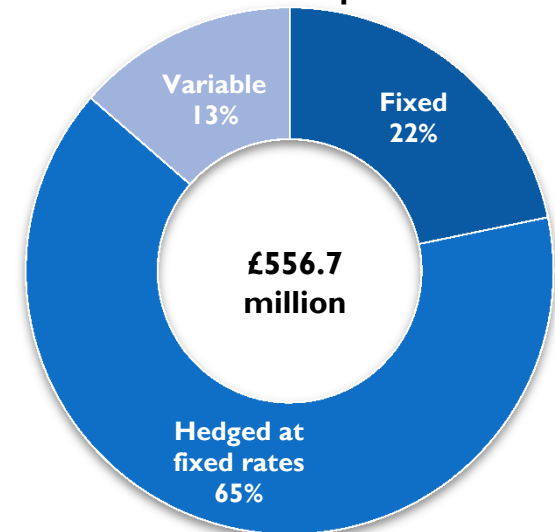
- Longmartin £120m 15-year loan, 4.43% (group share: £60m)
- Total debt: £556.7m, up £61.4m since 2011
- LTV: 30.5%. Gearing: 44.2%
- Comfortable covenant compliance
- Weighted average interest cost at year-end (incl. cost of undrawn facilities): 5.43%
- Interest rate swaps fair value deficit: £132.8m, up £28.2m

See also Appendix 8

Bank facilities



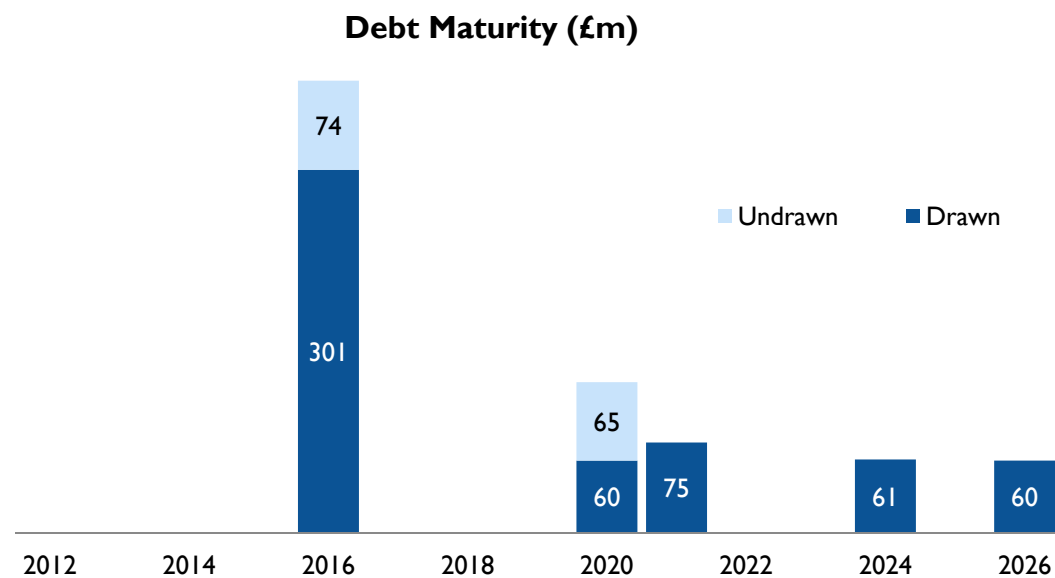
Interest rate profile



Shaftesbury PLC

Finance

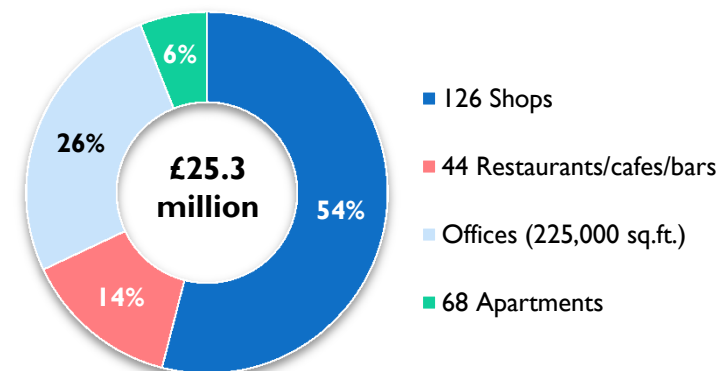
- Weighted average debt maturity 6.8 years. Earliest maturities: 2016
- Discussions underway on refinancing/ restructuring part of 2016 maturities



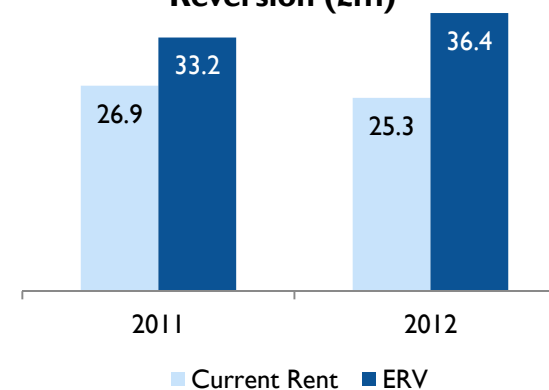
Carnaby – 33% of our portfolio

	2012	2011
Valuation	£610.1m	£563.5m
Acquisitions	nil	nil
Capital expenditure	£5.7m	£6.8m
Capital value return	7.3%	9.7%
Equivalent yield	4.99%	5.18%

% of current income



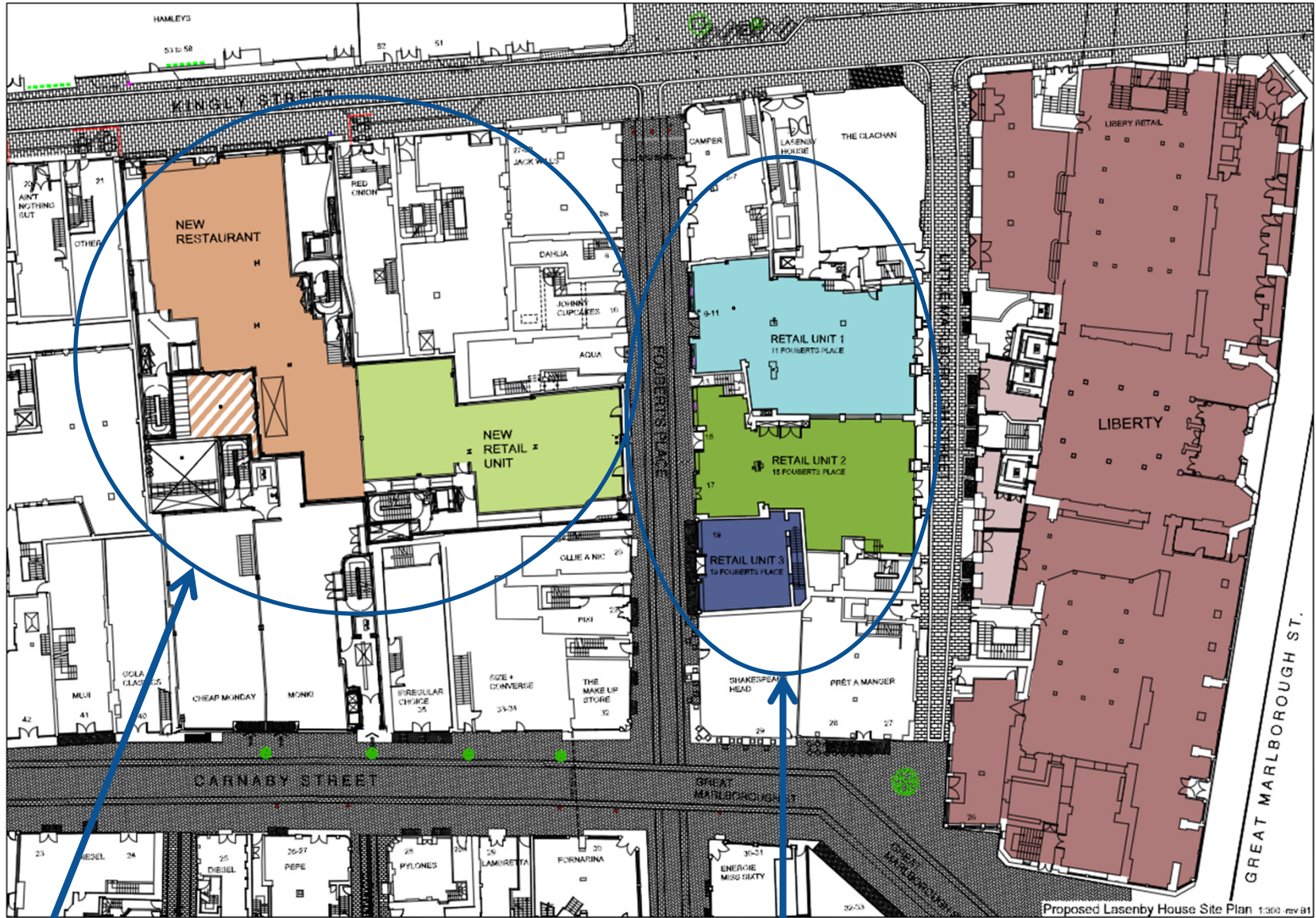
Reversion (£m)



Carnaby – 33% of our portfolio

- Excellent demand across all uses
- Continuing strong demand from retailers, many international
- Established headline Carnaby Street rent now £450 psf Zone A (March 2012: £430 psf Zone A)
- Side streets attracting even more independent and concept stores, enhancing the overall retail mix
- Substantial restaurant demand. Kingly Street and Ganton Street now established dining destinations
- Kingly Court repositioning
- Excellent office demand – competitive option for a wide range of occupiers
- Refurbishment of 24,000 sq. ft. of offices commencing January 2013

Carnaby



Foubert's Place/Kingly Street scheme

20 Lasenby House scheme

Shaftesbury PLC

Carnaby schemes – Lasenby House

- Development to create three large shops has commenced and is due for completion in Spring 2013
- Creation of new retail street in Little Marlborough Street
- Liberty opening further retail frontages onto Little Marlborough Street
- 10,800 sq. ft. with frontages onto Foubert's Place and Little Marlborough Street
- Liberty now occupying 15,000 sq. ft. of offices above on 30 year lease
- Total cost of scheme: £4.25 million

Carnaby schemes – Lasenby House



Carnaby schemes – Foubert’s Place/ Kingly Street

- Relocate restaurant use from Foubert’s Place to a 6,500 sq. ft. unit on Kingly Street
- Create 7,500 sq. ft. of retail on Foubert’s Place (south side)
- 7,000 sq. ft. of offices
- Twelve residential apartments
- Development to start on site January 2013
- First units available Autumn 2014
- Estimated cost £13.5 million

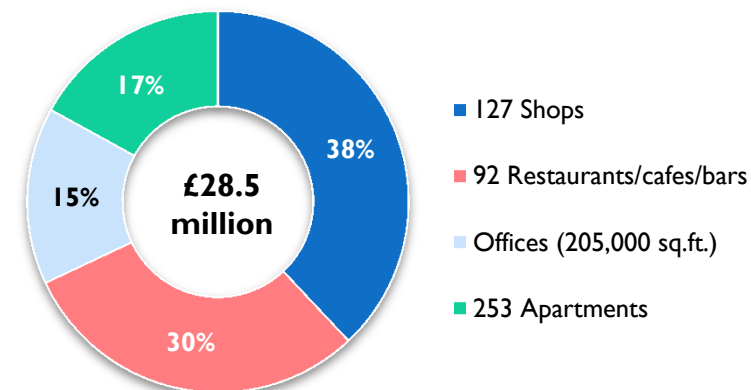
Covent Garden – 35% of our portfolio*

	2012	2011
Valuation*	£637.7m	£601.6m
Acquisitions	£2.5m	£25.4m
Capital expenditure		
- Wholly owned	£3.3m	£2.9m
- Longmartin	£1.8m	£6.9m
Capital value return		
- Wholly owned	4.5%	7.1%
- Longmartin	5.7%	5.9%
Equivalent yield		
- Wholly owned	4.64%	4.77%
- Longmartin	4.73%	4.80%

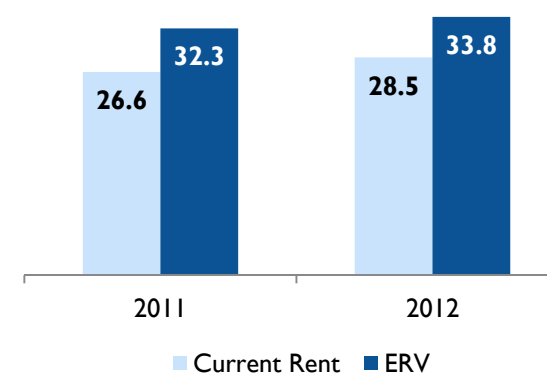
*Including 50% share of Longmartin.

Numbers of units and area of offices includes 100% of Longmartin

% of current income *



Reversion (£m)*



Covent Garden – 35% of our portfolio*

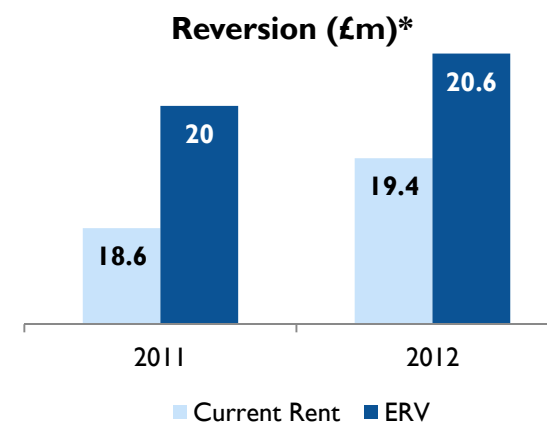
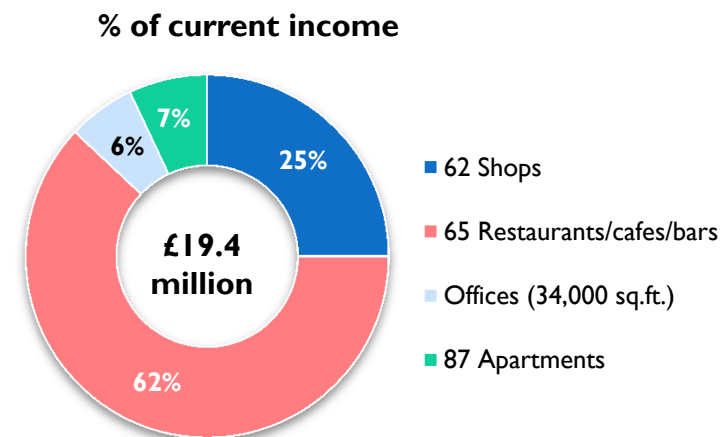
- Our largest investment district - Seven Dials, Opera Quarter, Coliseum and St Martin's Courtyard
- £2.5 million of acquisitions, but more since year end
- Good demand for all uses, especially restaurants
 - Seven Dials - repositioning
 - Coliseum and Opera Quarter - strong restaurant demand
- More refurbishment/reconfiguration schemes
- Earlham Street improvements in 2013
- St Martin's Courtyard – Longmartin JV
 - settling in but some changes to Courtyard retail mix likely
 - new office lettings

* Including 50% share of Longmartin

Chinatown – 23% of our portfolio

	2012	2011*
Valuation	£412.3m	£387.9m
Acquisitions	£3.1m	£18.5m
Capital expenditure	£1.0m	£0.6m
Capital value return	5.3%	4.7%
Equivalent yield	4.65%	4.80%

* Data after transfer to Soho of properties totalling £14.2m at 30.9.12
2011 current rents, ERV and valuation adjusted accordingly



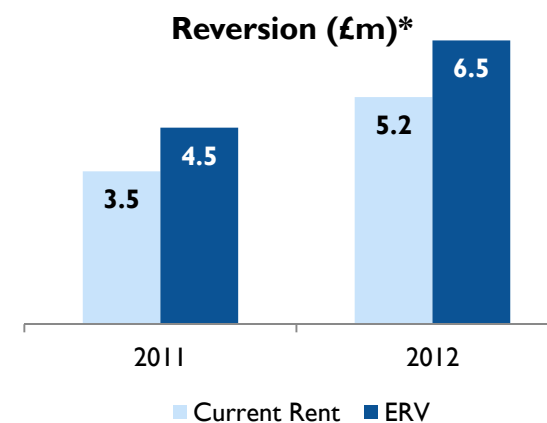
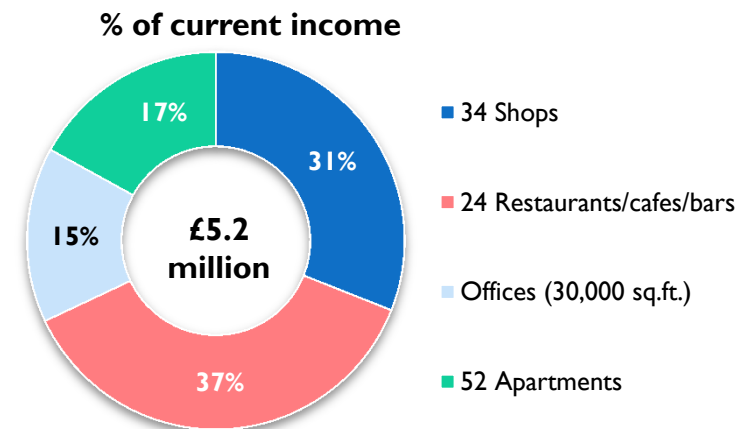
Chinatown – 23% of our portfolio

- The most concentrated and centrally located restaurant and leisure district in the West End
- Late trading hours
- Virtually fully let
- 62% of income derived from restaurant and leisure uses
- Keen to introduce new operators and formats, particularly from East Asia
- Further public realm improvements
- Neighbouring developments benefitting the location

Soho – 6% of our portfolio

	2012	2011
Valuation*	£118.0m	£87.0m
Acquisitions	£29.5m	£16.6m
Capital expenditure	£1.9m	£1.9m
Capital value return	0.9%	3.8%
Equivalent yield	4.99%	4.87%

* Data after transfer from Chinatown of properties totalling £14.2m at 30.9.12
2011 current rents, ERV and valuation adjusted accordingly

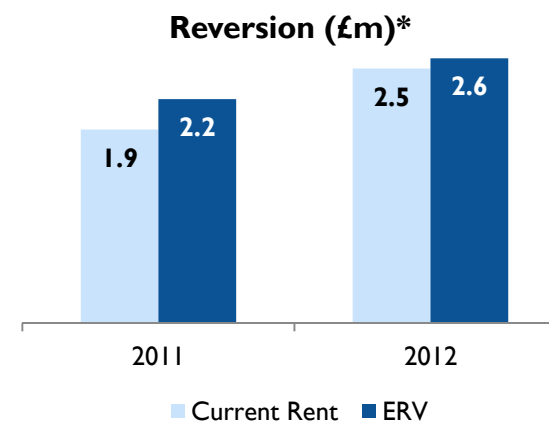
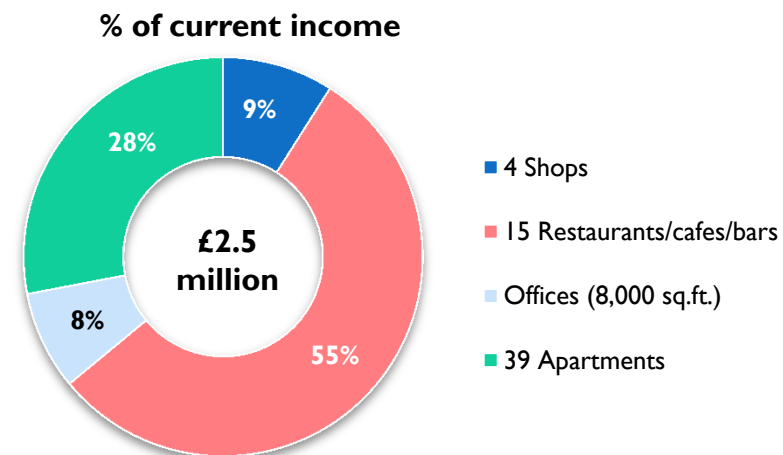


Soho – 6% of our portfolio

- Long-term project
 - Ownership now includes Brewer Street
 - Good demand
 - Acquisitions totalled £29.5m in the period
 - 11 shops
 - 4 restaurants
 - 3,500 sq.ft. of offices
 - Several schemes underway
- Major regeneration schemes will benefit Soho
 - Kemp House
 - Trenchard House
 - Walker's Court
 - Crown Estate Quadrant scheme and Brewer Street
 - Firmdale Hotel scheme at Ham Yard
 - Crossrail impact on Oxford Street East
 - Committed strategy to grow our holdings in Soho and continue to regenerate the area

Charlotte Street – 3% of our portfolio

	2012	2011
Valuation	£50.1m	£38.5m
Acquisitions	£8.9m	£4.4m
Capital expenditure	£1.2m	£0.2m
Capital value return	3.7%	8.3%
Equivalent yield	4.57%	4.84%



Charlotte Street – 3% of our portfolio

- Lively and cosmopolitan area
- Significant restaurant demand in the area
- Acquisitions during the year totalled £8.9 million
 - 2 restaurants
 - 7 apartments
- Significant development activity in the area
 - Crossrail transport hub at Tottenham Court Road
 - Fitzroy Place
 - Royal Mail site

Summary and outlook

- A memorable year in the world's spotlight bringing more visitors and businesses to London
- Substantial investment in transport infrastructure, public realm and buildings benefiting the West End; Crossrail is a major catalyst
- Our portfolio is prospering – substantial current reversion and demand supports further ERV growth
- Important schemes across the portfolio but will temper income growth in 2013 and 2014
- Substantial financial resources to fund acquisitions; considering options to access new long-term debt finance
- Experienced, enthusiastic management team and advisors – committed to the strategy and responding to change and challenges

Appendices

Number	
1	EPRA adjusted profit
2	EPRA adjusted net assets
3	Portfolio summary
4	Wholly owned vacant space
5	Income and costs
6	Balance Sheet data
7	Cash flow
8	Finance
9	Carnaby schemes
10	Carnaby openings in the past year
11	Key risks

Appendix I: EPRA adjusted profit

	2012			2011		
	Profit before tax £m	Tax £m	Profit after tax £m	Profit before tax £m	Tax £m	Profit after tax £m
Reported in the Group Statement of Comprehensive Income	94.8	(1.8)	93.0	115.7	(1.9)	113.8
Fair value movements and disposal profit:						
Investment properties	(91.8)	-	(91.8)	(110.6)	-	(110.6)
Financial derivatives movement	28.2	-	28.2	24.1	-	24.1
Deferred tax*	-	1.2	1.2	-	1.5	1.5
EPRA adjusted profit	31.2	(0.6)	30.6	29.2	(0.4)	28.8
EPRA adjusted diluted EPS			12.1p			11.9p

* Arising on the revaluation of investment properties and in respect of capital allowances (in Longmartin)

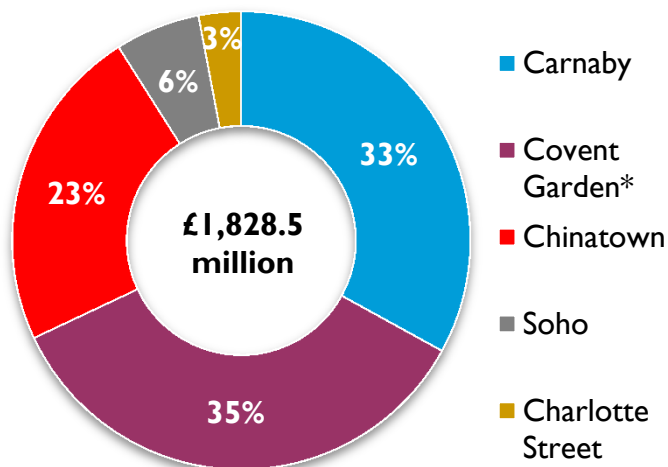
Appendix 2: EPRA adjusted net assets

	2012 £m	2011 £m
Net assets reported in the Balance Sheet	1,119.4	1,053.7
Adjusted for:		
Fair value adjustment in respect of financial derivatives	132.8	104.6
Deferred tax*	6.9	5.7
EPRA adjusted net assets	1,259.1	1,164.0
EPRA adjusted NAV	£5.01	£4.65
EPRA adjusted diluted NAV	£4.98	£4.63

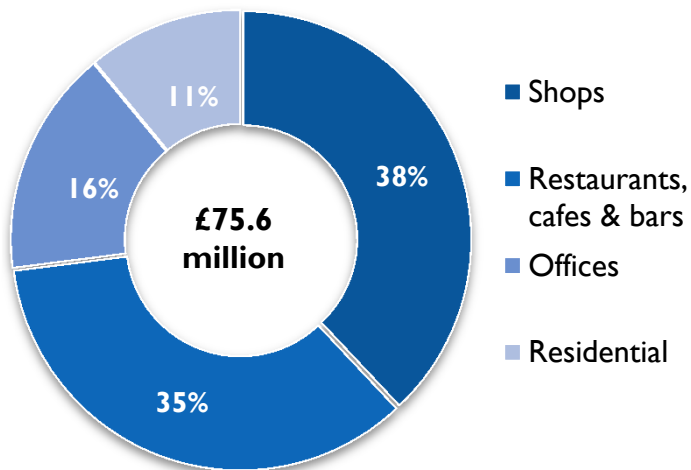
* Arising on the revaluation of investment properties and in respect of capital allowances in Longmartin

Appendix 3: Portfolio summary

Portfolio by capital value



Current income by use (wholly owned portfolio)



* Including the Group's 50% share of Longmartin

Year ended 30 September 2012

Acquisitions

£44.0m

Capital expenditure

£14.9m

Valuation Surplus

£90.2m (+£1.6m realised)

Commercial vacancy (wholly owned portfolio)

3.2% available to let (of which 0.7% under offer)

3.2% held for or under redevelopment (1% was Carnaby schemes)

Current gross annual income*

£80.9m (up £3.4m since last year)

Reversionary potential

£19.0m (up £4.3m since last year)

23.5% above current gross income

Appendix 3: Portfolio summary (cont.)

	Fair Value £m	% of portfolio	Current gross income £m	Estimated rental value £m
Wholly owned portfolio				
Carnaby	610.1	33%	25.3	36.4
Covent Garden	508.5	28%	23.2	26.5
Chinatown	412.3	23%	19.4	20.6
Soho	118.0	6%	5.2	6.5
Charlotte Street	50.1	3%	2.5	2.6
	1,699.0	93%	75.6	92.6
Longmartin joint venture (our 50%)	129.2	7%	5.3	7.3
Total	1,828.2	100%	80.9	99.9

	Wholly owned portfolio			Longmartin joint venture*		
	Number	Area a(sq.ft.)	% of current gross income	Number	Area (sq.ft.)	% of current gross income
Shops	330	413,000	38%	23	69,000	46%
Restaurants, cafes and leisure	232	508,000	35%	8	43,000	19%
Offices		388,000	16%		102,000	16%
Residential	424	257,000	11%	75	55,000	19%
Total		1,566,000	100%		269,000	100%

* Shaftesbury group has a 50% share in these figures

Appendix 4: Wholly owned commercial vacant space

	Shops	Restaurants & leisure	Offices	Total	% of total ERV
Held for or under development					
Carnaby Schemes					
Estimated rental value - £million	0.8	-	-	0.8	1.0%
Area – '000 sq.ft.	8	-	-	8	
Number of units	3				
Other held for or under development					
Estimated rental value - £million	0.3	0.7	0.8	1.8	2.2%
Area – '000 sq.ft.	5	12	16	33	
Number of units	7	7			
Available					
Estimated rental value - £million					
Ready to let	1.6	0.3	0.2	2.1	2.5%
Under offer	0.4	-	0.1	0.5	0.7%
	2.0	0.3	0.3	2.6	3.2%
Area – '000 sq.ft.	21	4	7	32	
Number of units	21	7			

Appendix 5: Income and costs

	2012 £m	2011 £m
Rental income	87.0	81.4
Property costs	(16.0)	(14.8)
Net rental income	71.0	66.6
Admin expenses	(10.0)	(9.6)
	61.0	57.0
Net finance costs	(29.8)	(27.8)
EPRA adjusted profit before tax	31.2	29.2

	2012 £m	2011 £m
Operating costs	4.9	3.8
Management fees	1.7	1.6
Letting costs	2.5	2.5
Village promotion	0.9	0.9
Non recoverable costs	10.0	8.8
Recoverable costs	6.0	6.0
Total	16.0	14.8

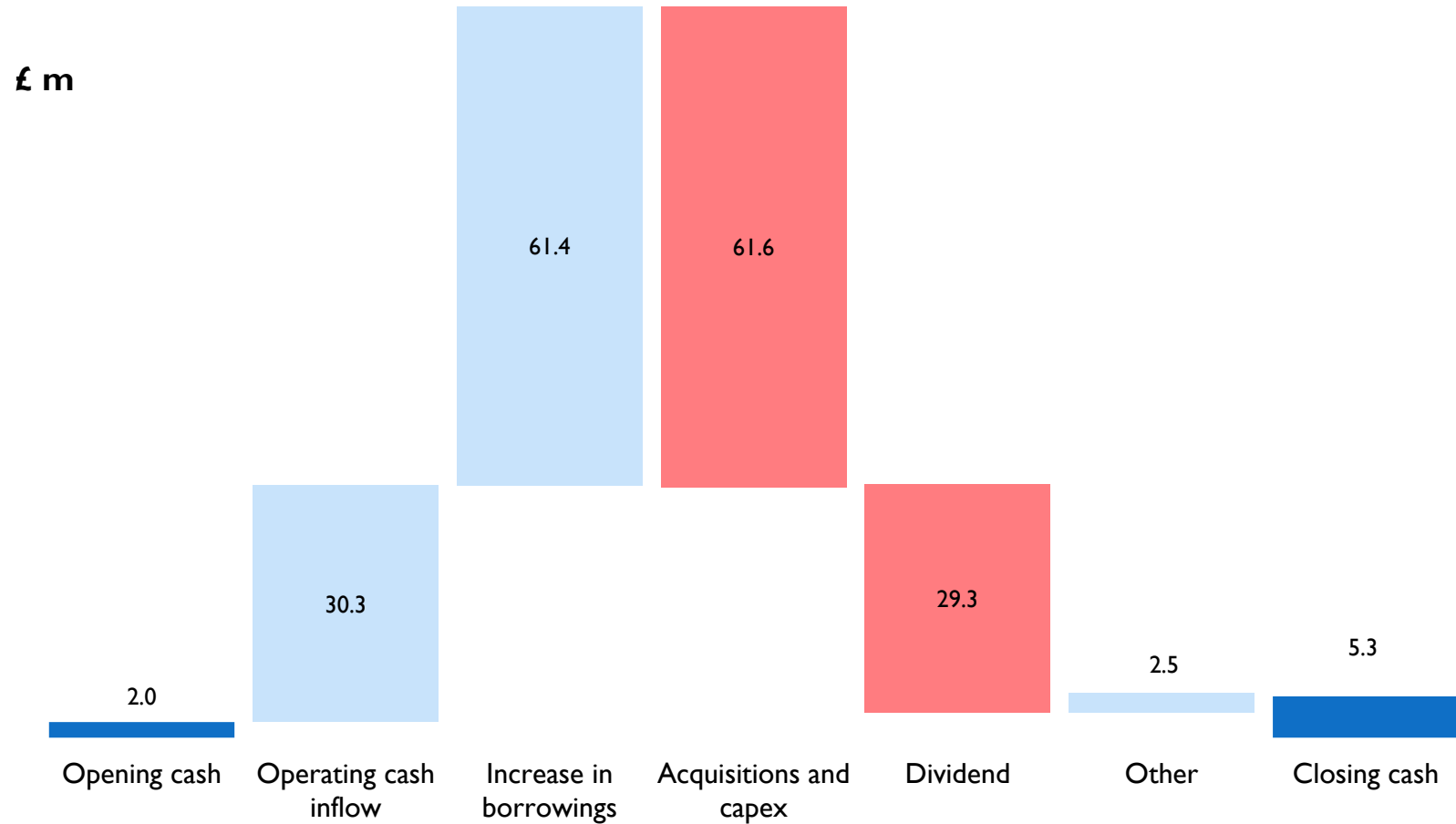
	2012 £m	2011 £m
Admin costs	7.2	6.0
Provision for annual bonuses	1.2	2.0
Charge for equity settled remuneration	1.6	1.6
Total	10.0	9.6

Appendix 6: Balance Sheet data

	2012	2011
Investment properties (valuation)	£1,828.2m	£1,678.5 m
Valuation surplus	£90.2m	£110.6 m
Capital value return	5.4%	7.2%
Acquisitions in the period	£44.0m	£64.9m
Capital expenditure in the period	£14.9m	£19.2m
Nominal value of borrowings	£556.7m	£495.3m
Loan: value ratio *	30.5%	29.5%
Gearing (nominal value of debt: EPRA adjusted net assets)	44.2%	42.6%
EPRA adjusted diluted net asset value per share	£4.98	£4.63

* based on nominal value of debt

Appendix 7: Cash flow



Appendix 8: Finance

	2012		2011	
	£m	Rate	£m	Rate
Debenture*	63.6	7.93%	63.8	7.93%
Term loan†	60.0	4.43%	-	-
Hedged bank loans‡	360.0	5.75%	360.0	5.72%
Variable bank loans	75.7	1.50%	74.3	1.60%
Weighted average				
- drawn facilities		5.28%		5.39%
- Including non-utilisation costs of undrawn facilities		5.43%		5.55%
Average margin on bank loans				
- Drawn		88bps		85bps
- If all facilities are drawn		104bps		104bps
Current marginal cost of additional drawings (approx.)		1.7%		1.75%
Weighted average loan maturity (years)				
- Bank facilities		5.3		6.3
- Total debt		6.8		6.9
Maturity profile (£m)				
	2016	375	2016	375
	2020	125	2020	125
	2021	75	2021	75
	>2021	121‡	>2021	61‡

* Including unamortized premium

† Our 50% share

‡ Interest rate inclusive of margin

‡ Nominal value

Appendix 8: Finance

	Total Facility £m	Drawn £m	Undrawn £m	Average Maturity (years)
Bank loans	575	435.7	139.3	5.33
Term loan†	60	60	-	14.25
Debenture	61‡	61	-	11.5
Total	696	556.7	139.3	6.8
Loan issue costs		(3.1)		
Unamortized Debenture Premium		2.6		
Head lease obligations		5.4		
Borrowings in the Balance Sheet		561.6		

† Our 50% share
‡ Nominal value

Appendix 9: Carnaby schemes – Lasenby House



Appendix 9: Carnaby schemes – Lasenby House



Appendix 9: Carnaby schemes – Foubert’s Place/ Kingly Street



Kingly Street restaurant



Foubert’s Place retail

Appendix 10: Carnaby – shop openings in past 12 months

Flagships	Only UK Stores	Concept Stores
Dr Martens	Cheap Monday	Evisu
Choccywoccydoodah	Monki	
	“Other”	
	Fourth and Main	
	C P Company	
	Flying Horse Jeans	
	Lamuete	
	El Ganso	

Appendix 10: Carnaby – restaurant, café & bar openings in past 12 months

Pitt Cue	Independent concept restaurant
Urban Tea Rooms	Independent café/coffee bar
Mozzino	Independent espresso bar
Speak Easy	Independent café/coffee bar
Ginger & White	Independent café/coffee bar
Bitter Sweet	New Bar/club
Cinnamon Soho	1st West End venue for renowned Cinnamon Club operators
Flat Iron	Independent concept restaurant opening December 2012

Appendix 11: Key risks

Risk of a sustained fall in visitor numbers and/or spending which affects:

1) The West End

- External threats, eg security, public safety, health concerns
- Disruption to the transport networks
- Competing destinations resulting in long-term decline in footfall

2) Our villages

- Failure to maintain special character and/or tenant mix

Regulatory risk – increasing regulation and its unforeseen consequences gives uncertainty. Changes in policy could increase costs, adversely limit our ability to optimise revenues and affect our values.

1) Planning policies

- Changes to planning or licensing policies

2) Environmental legislation

- New environmental legislation may set unrealistic targets for older and historic buildings and conflict with conservation area and listed building legislation.



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This presentation contains forward looking statements. Although the Company believes that the estimates and assumptions on which such statements are based are reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond the Company's control. The Company does not make any representation or warranty that the results anticipated by such forward looking statements will be achieved and this presentation should not be relied upon as a guide to future performance.