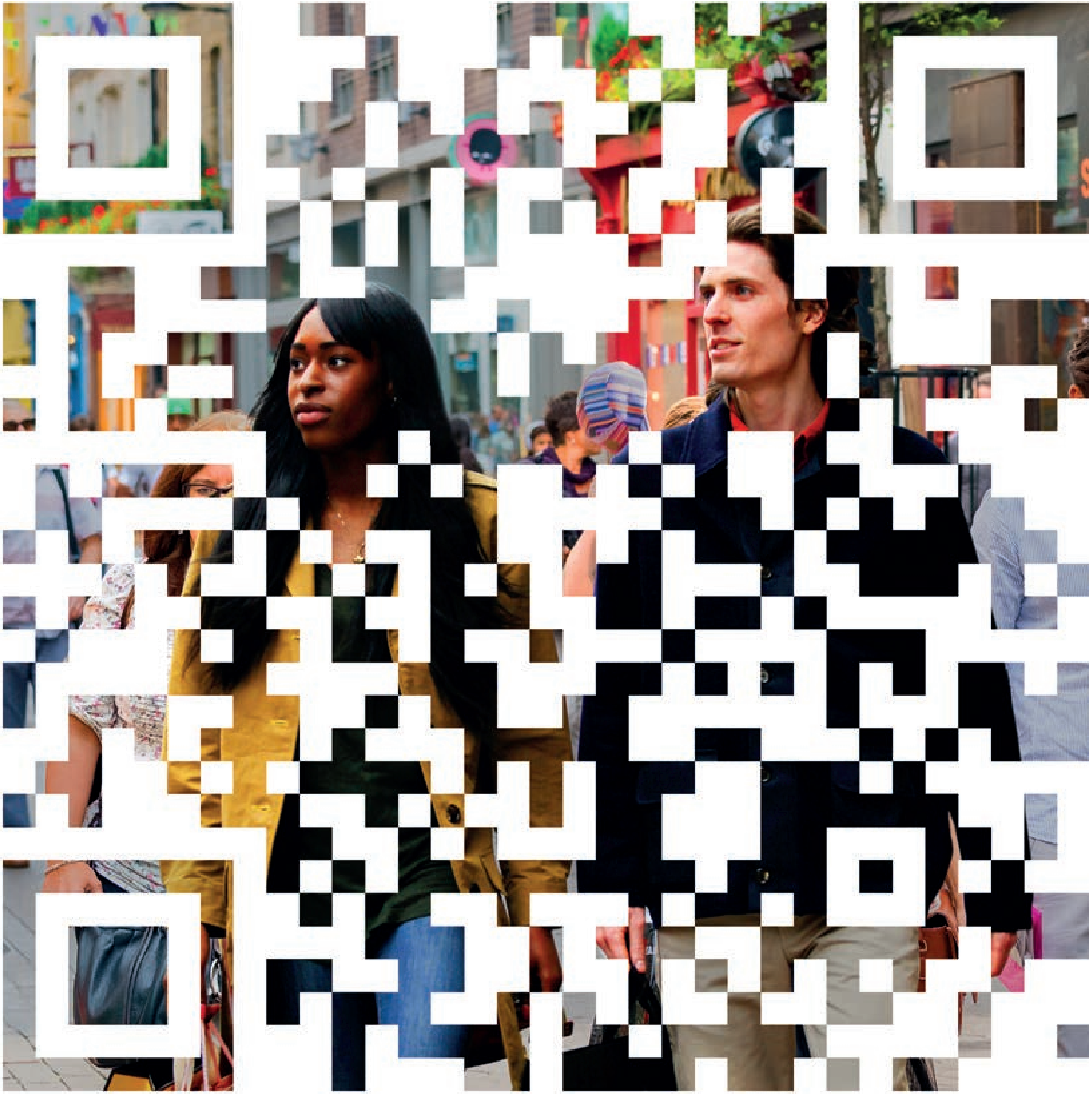


Shaftesbury PLC Half Year Report 2013

To view the QR codes, included within this report, your mobile phone will need to have a camera, QR Code-reading software, such as QR Reader, and web access.

shaftesbury at a glance

We invest in real estate in the heart of London's West End.

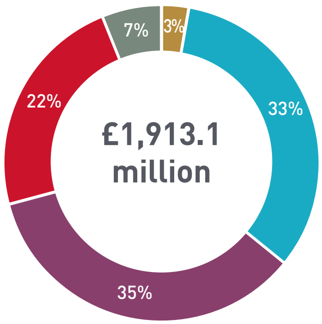
Our objective is to produce long-term growth in our revenue through investment in, and management of, our property holdings, which is delivered to shareholders through rising dividends. Sustained improvement in rental income increases the value both of our holdings and shareholders' investment in our business.

London's West End, where all our investments are located, has a renowned concentration of world-class historic and cultural attractions together with an unrivalled variety of shopping and leisure choices which attract huge numbers of domestic and international visitors. It is also an important location for businesses, particularly those in the media, creative and IT industries, and a popular place to live.

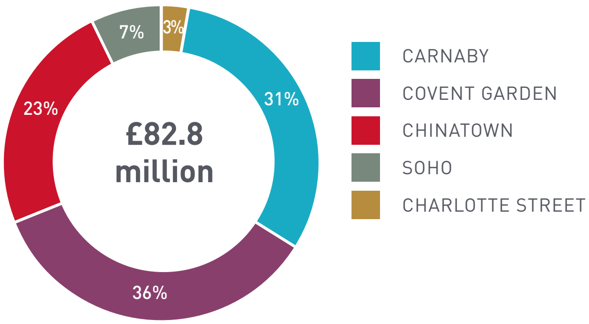
Shopping and leisure are important elements of the local economy, supported by visitors as well as the local working population and residents. Consequently we focus on central locations and buildings where the predominant uses are retail and leisure-related: restaurants, cafes, pubs, bars and clubs. In the West End, there is a long history of occupier demand exceeding the availability of these uses, which is often restricted by planning policies and space constraints. They now provide 71% of our current income. As we provide this accommodation in shell form, the costs arising from obsolescence in our portfolio are low, which enhances our returns.

Our wholly-owned portfolio, which extends to 13 acres of freeholds, comprises over 500 buildings which provide 1.6 million sq. ft. of commercial and residential accommodation. The Longmartin joint venture, in which we have a 50% interest, owns a 1.9 acre island site in Covent Garden with 269,000 sq. ft. of mixed-use space.

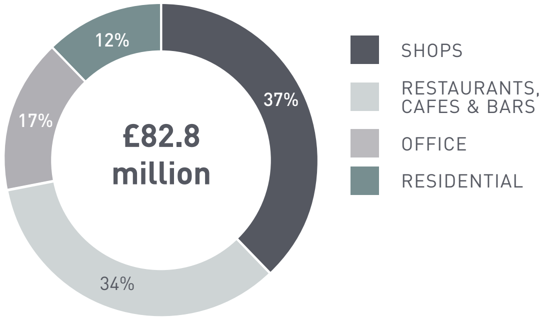
VILLAGES BY FAIR VALUE‡



VILLAGES BY CURRENT INCOME‡

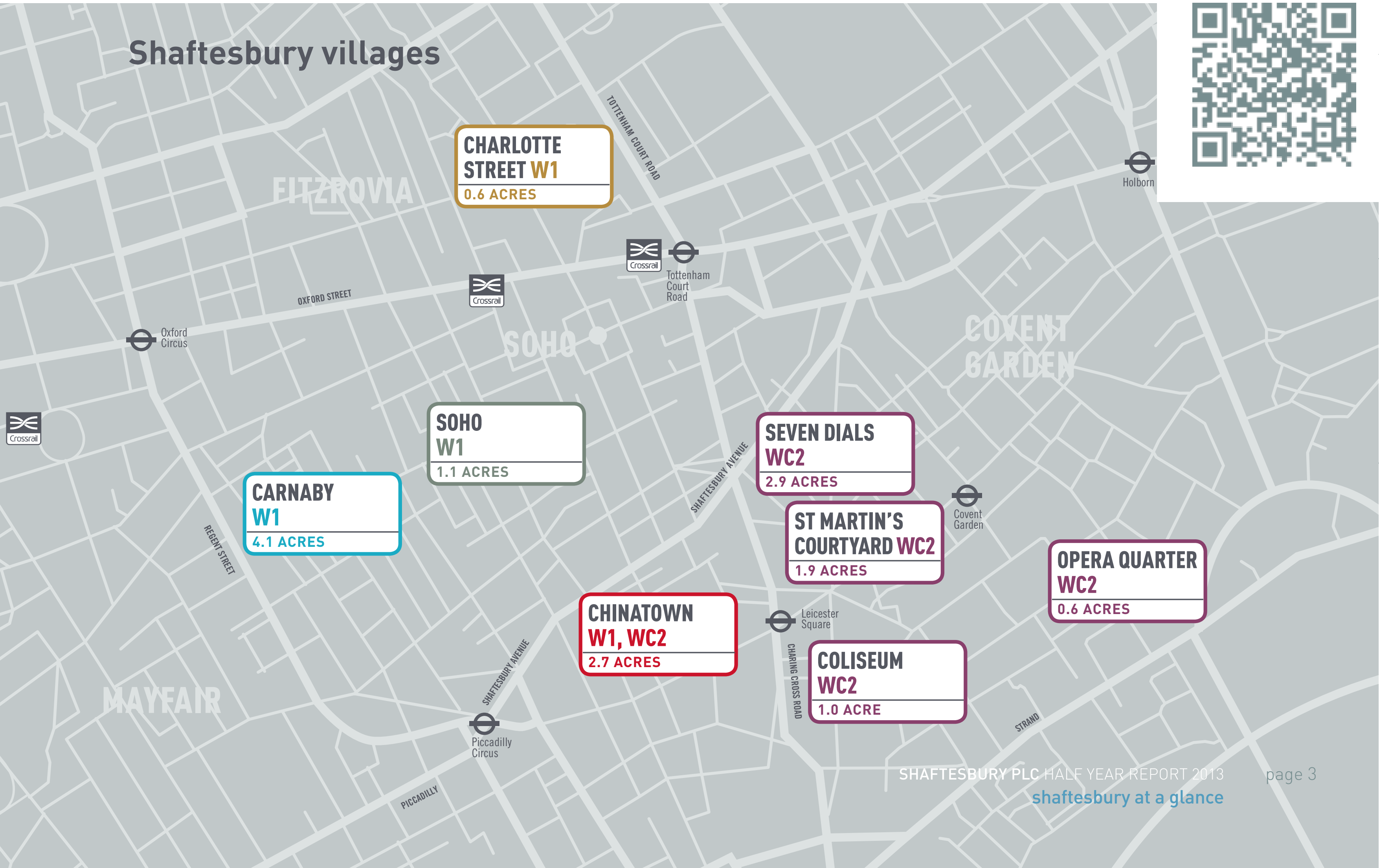


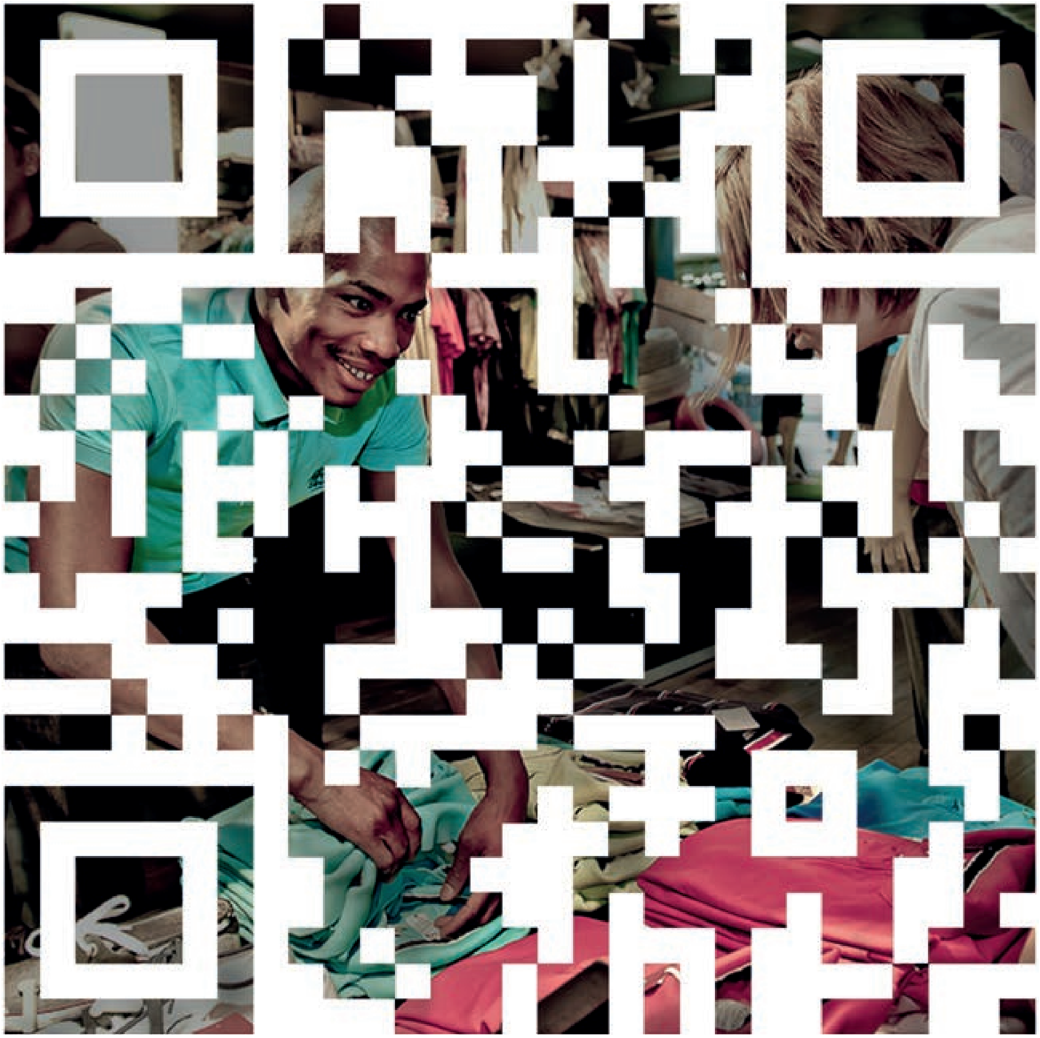
USE BY CURRENT INCOME‡



‡Data includes our 50% share of the Longmartin joint venture.

Shaftesbury villages

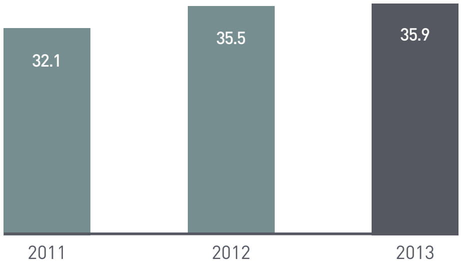




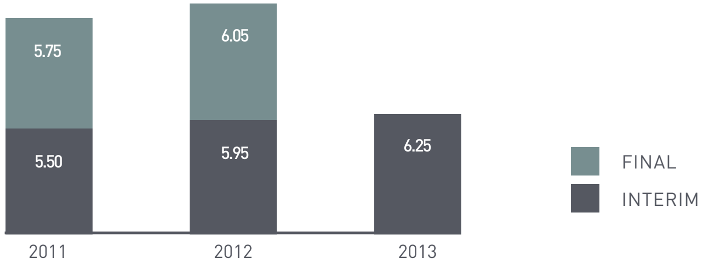
carnaby.co.uk

financial highlights

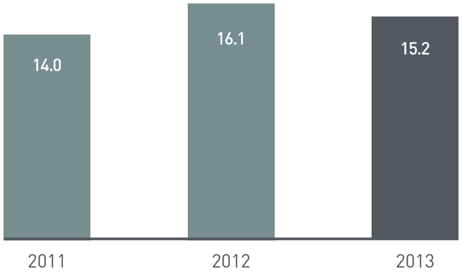
NET PROPERTY INCOME - SIX MONTHS ENDED 31 MARCH (£MILLION)



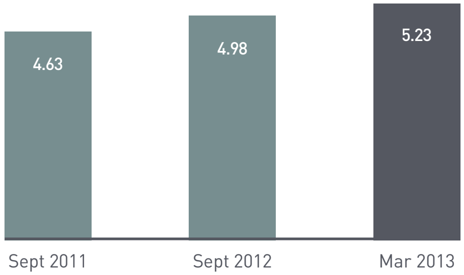
DIVIDENDS DECLARED (PENCE PER SHARE)



EPRA ADJUSTED PROFIT BEFORE TAX* - SIX MONTHS ENDED 31 MARCH (£MILLION)



EPRA ADJUSTED DILUTED NET ASSET VALUE* (£ PER SHARE)



* Adjusted in accordance with the EPRA Best Practice Recommendations.

*Group has a 50% share

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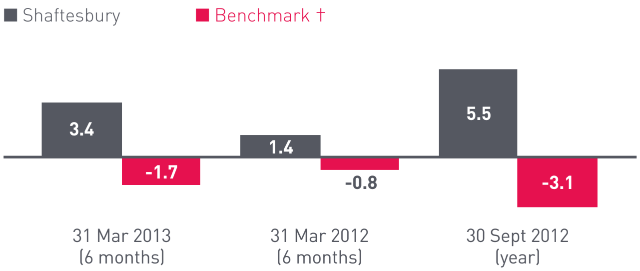
results overview

FINANCIAL HIGHLIGHTS

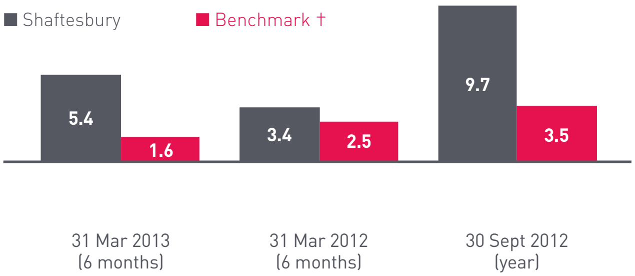
		Six months ended **31.3.2013**	31.3.2012	Year ended 30.9.2012
Net property income	£m	**35.9**	35.5	71.0
Property assets at fair value	£m	**1,913.1**	1,739.5	1,828.2
Loan-to-value		**30.1%**	31.0%	30.5%
EPRA adjusted results*				
Profit before tax	£m	**15.2**	16.1	31.2
Earnings per share	Pence	**6.0**	6.3	12.2
Net assets	£m	**1,321.8**	1,188.1	1,259.1
Diluted net asset value per share	£	**5.23**	4.70	4.98
Dividends				
Interim dividend per share	Pence	**6.25**	5.95	5.95
Final dividend per share	Pence	**-**	-	6.05
Total distribution declared in respect of the financial period	£m	**15.7**	14.9	30.3
Unadjusted results				
Profit before tax	£m	**81.8**	38.1	94.8
Diluted earnings per share	Pence	**32.0**	15.0	36.8
Net assets	£m	**1,185.8**	1,077.5	1,119.4
Diluted net asset value per share	£	**4.69**	4.27	4.43

* Adjusted in accordance with the EPRA Best Practice Recommendations.

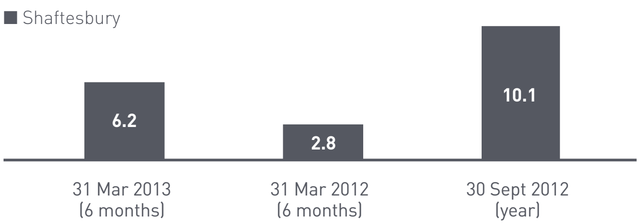
PROPERTY CAPITAL VALUE RETURN (%)



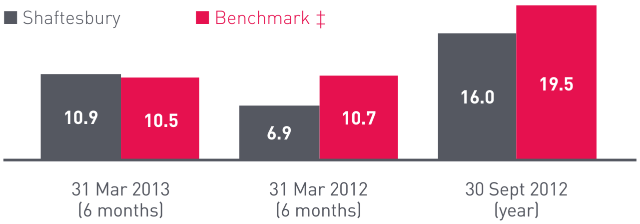
TOTAL PROPERTY RETURN (%)



EPRA NET ASSET VALUE RETURN (%)



TOTAL SHAREHOLDER RETURN (%)



† IPD UK Monthly Indices: Capital Growth and Total Return
‡ FTSE 350 Super Sector Real Estate Index

business review

London continues to benefit from its unique features and unrivalled variety of attractions which draw visitors, businesses and those who wish to live here. Its status as a global destination brings world-wide interest, leading to prosperity and stability which is not reliant on the wider UK economy.

In the West End, trends in domestic and overseas visits and spending continue to be positive. This underpins continuing strong demand for shops, restaurants and leisure space; together these generate 71% of our rental income. Furthermore, with good levels of interest from office occupiers seeking to locate or expand within the West End, overall commercial occupancy levels in our villages are high and rental values continue to grow. Demand to rent our apartments remains equally healthy.

EPRA adjusted profit before tax for the six months ended 31 March 2013 amounted to £15.2 million compared with £16.1 million in the same period last year. As we advised in our 2012 Annual Report, we are now progressing with a number of important refurbishment and development projects, including our major schemes in Carnaby. The combined ERV of schemes currently in hand, including residential projects, is £6.2 million. As we anticipated, this unusually high level of activity is tempering the growth in our net property income.

In the six months ended 31 March 2013, we have concluded new lettings and lease renewals of commercial space across the portfolio totalling £5.5 million, with rents achieving on average 3.1% above ERV. New lettings have introduced interesting retail and restaurant operators to our villages. Our important large schemes in Carnaby have progressed as expected. The project on the north side of Foubert's Place completed in May 2013. Two of the new shops are under offer and we have strong interest in the remaining shop from international retailers.

EPRA adjusted diluted net asset value per share at 31 March 2013 stood at £5.23, representing a net asset value return of 6.2% over the period and 13.8% over the past twelve months.

INTERIM DIVIDEND

Your directors are pleased to declare an interim dividend of 6.25p per share, an increase of 5.0% on last year's interim dividend of 5.95p. The interim dividend, which will be paid on 5 July 2013, will be a Property Income Distribution (PID).

Our policy is to maintain steady growth in dividends to reflect the long-term trend in our income and EPRA adjusted earnings. In determining the level of the interim dividend, the Board has taken into account the short-term impact on revenue in the current financial year from the high level of refurbishment and redevelopment activity currently in progress. These schemes will make a significant contribution to our earnings as they start to become income-producing.

PORTFOLIO PERFORMANCE

Our portfolio has been valued at 31 March 2013 at £1,913.1 million, producing a surplus on revaluation of £62.0 million. The ungeared capital value return for the six months ended 31 March 2013 was 3.4%. This compares with a decline of 1.7% reported by the IPD Monthly Index over the same period. Our portfolio delivered a total return of 5.4% during the period (IPD Monthly Index: 1.6%).

Our strategy is to deliver sustained growth in rental income which is the fundamental driver of long-term growth in property values. With good levels of demand for all uses and continued high occupancy, both current income and ERV have grown in the period.

PORTFOLIO REVERSIONARY POTENTIAL

	Current income £m	ERV £m	Reversionary potential £m
30 September 2009	63.4	78.3	14.9
30 September 2010	68.3	83.9	15.6
30 September 2011	77.5	92.2	14.7
30 September 2012	80.9	99.9	19.0
31 March 2013	**82.8**	**102.5**	**19.7**

At 31 March 2013, the annualised current income generated by our portfolio amounted to £82.8 million, a net increase of £1.9 million or 2.3% over the period. The like-for-like increase in annualised current income over six months was 2.7%. Vacating further space in connection with the two major Carnaby schemes reduced the total by £0.5 million whilst acquisitions added £0.3 million.

The ERV of our portfolio increased by £2.6 million to £102.5 million over the period, of which acquisitions contributed £0.6 million. The like-for-like growth in total ERV was 2.0%.

The reversionary potential of the portfolio stands at £19.7 million, 23.8% higher than the annualised current income. Of the total, £18.2 million is attributable to the wholly-owned portfolio and £1.5 million to the Longmartin joint venture. £4.2 million of the total reversion had been contracted at 31 March 2013 and will be delivered through the expiry of rent-free periods and pre-agreed increases in rents. The ERV of all vacant commercial and residential space amounted to £8.9 million.

£6.6 million of our portfolio's reversion arises from the potential additional income we should receive as our rents increase to the current market levels estimated by our valuers. Retail, restaurant and leisure uses make up £5.3 million, or 80%, of this total. Demand for these uses in our locations has historically been high and availability is generally restricted by planning policies. As a result, in our experience, their rental levels are not cyclical and we are confident that this potential additional income will crystallise through the normal cycle of rent reviews, lease renewals and new lettings. At the same time we seek to continue to deliver additional long-term growth in rental levels through our management strategies.

VALUATION

Capital value growth of 3.4% was driven by like-for-like ERV growth of 2.0%, combined with yield compression over the period of eight basis points in the wholly-owned portfolio and six basis points in the Longmartin joint venture. Over the past twelve months like-for-like ERV growth was 4.3% and there has been yield compression of 21 basis points in the wholly-owned portfolio and 12 basis points in the Longmartin joint venture.

Our unique wholly-owned portfolio, which now extends to 13 acres of freeholds across over 500 buildings, is largely concentrated in a number of well-known shopping and restaurant villages in the heart of the West End. All are within walking distance of London's many historic, cultural and leisure attractions. Our wholly-owned villages are notable for their varied uses, dominated by 329 shops, 233 restaurants and 449 apartments, which together provide 84% of our current income.

	Proportion of portfolio by value	Capital value growth Six months ended 31 March 2013
Carnaby	33%	3.8%
Covent Garden*	35%	3.0%
Chinatown	22%	2.5%
Soho	7%	6.1%
Charlotte Street	3%	5.4%
Total	**100%**	**3.4%**

*Including the Group's 50% share of the Longmartin joint venture

These uses have a history of sustained demand and restricted availability which underpins their rental growth prospects. The concentration of our investments enables the benefits of improving individual properties to be compounded across our adjacent ownerships.

DTZ, independent valuers of our wholly-owned portfolio, have prepared their valuations in accordance with RICS Valuation Professional Standards. Significantly, they continue to advise the Board that some prospective purchasers, recognising the exceptional characteristics of our portfolio, could consider parts of it, when combined, to have higher aggregate values than recognised in the valuation we adopt in our financial statements.

PORTFOLIO SUMMARY

	Fair Value £m	% of portfolio	Current income £m	ERV £m
Wholly-owned portfolio				
Carnaby	637.4	33%	25.8	36.8
Covent Garden	536.0	28%	23.5	27.7
Chinatown	423.2	22%	19.5	20.9
Soho	129.6	7%	5.5	6.9
Charlotte Street	52.9	3%	2.5	2.7
	1,779.1	93%	76.8	95.0
Longmartin joint venture*	134.0	7%	6.0	7.5
Total portfolio	**1,913.1**	**100%**	**82.8**	**102.5**

*Group's 50% share

chinatownlondon.org

ACQUISITIONS

We are very selective in what we buy, remaining patient but determined to acquire buildings which we believe enhance our portfolio. We apply strict criteria when assessing the potential long-term benefits of ownership. We continue to focus on properties which have, or have the potential for, principally retail and leisure uses, which complement our existing ownerships, and where we believe we will deliver long-term growth in income and capital values. Often we acquire unmodernised properties with vacant possession, or with short-term leases, allowing us quickly to implement our plans to improve space and increase income.

The West End continues to offer exceptional security and prosperity for both UK and international investors, and these wealth-preservation qualities are more important than ever to existing owners. Consequently, the supply of investment opportunities which meet our demanding criteria remains low. Equally, where properties are offered for sale, there is always interest from other bidders, attracted by the potential rewards investment in the West End can offer.

Acquisitions in the first half totalled £12.4 million, of which £9.5 million was in Covent Garden and £2.9 million was in Soho. They comprised two restaurants extending to 7,900 sq. ft., three shops (2,700 sq. ft.) and offices totalling 1,700 sq. ft. on upper floors.

DEMAND AND OCCUPANCY

Demand for all uses across each location has been strong throughout the period, and remains so. Consequently, occupancy levels across the portfolio have remained high.

VACANT COMMERCIAL SPACE AT 31 MARCH 2013 (WHOLLY-OWNED PORTFOLIO)

Held for or under refurbishment	Shops	Restaurants and leisure	Offices	Total	% of total ERV
Major Carnaby schemes					
ERV - £million	1.5	0.4	0.6	**2.5**	**3.0%**
Area - '000 sq. ft.	16	6	10	**32**	
Number of units	4	1			
Other schemes					
ERV - £million	0.2	0.8	1.2	**2.2**	**2.6%**
Area - '000 sq. ft.	4	13	22	**39**	
Number of units	5	4			
Available					
ERV - £million					
Ready to let	1.2	-	0.2	**1.4**	1.7%
Under offer	0.3	0.4	0.2	**0.9**	1.1%
	1.5	0.4	0.4	**2.3**	**2.8%**
Area - '000 sq. ft.	17	8	8	**33**	
Number of units	24	5			

As a result of our major schemes in Carnaby, we currently have an unusually high level of space held for, or undergoing, development or refurbishment. At 31 March 2013, the ERV of the commercial elements of all such schemes in the wholly-owned portfolio amounted to £4.7 million, equivalent to 5.6% of total commercial ERV.

Both our major schemes in Carnaby were underway at 31 March 2013. Demolition of buildings on the south side of Foubert's Place and on Kingly Street commenced in January 2013 and the development is expected to be completed by the end of 2014. The scheme on the north side of Foubert's Place completed in May 2013. The commercial accommodation being created in these two schemes has a total ERV of £2.5 million. In addition, the residential element will contribute £0.4 million.

The ERV of other commercial space in the wholly-owned portfolio that was held for or under refurbishment increased over the first half by £0.4 million to £2.2 million. Of the four restaurants (ERV £0.8 million), three (ERV £0.6 million) are already under offer or pre-let. Commercial space in our wholly-owned portfolio, with an ERV of £2.3 million, representing 2.8% of commercial ERV, was ready and available to let. Of this total, £0.9 million was under offer, including five restaurants and cafes (£0.4 million). Five large shops (rental value over £100,000) were available, two of which are now let (ERV £0.3 million) and one is under offer (ERV £0.1 million).

We have a number of future redevelopment projects in the pipeline and continue to unlock new opportunities from within our existing portfolio to take back leases where we can refresh tenant mix, reconfigure space and accelerate rental growth. These initiatives will result in short-term loss of income and increases in vacancy levels.

Of our 449 wholly-owned apartments, 57 (ERV £1.5 million) were being refurbished or were under construction. We expect 38 of these (ERV £0.9 million) to be completed and let in the second half of the year. There were only twelve apartments available to let at 31 March 2013 (ERV £0.2 million), reflecting the good level of occupancy we have seen throughout the year.

In the Longmartin joint venture, available commercial space comprised one office (3,100 sq. ft.) and one shop, which was under offer. 2,600 sq. ft. of offices and two apartments were being refurbished. The Group's share of vacant space amounted to £0.2 million.

CARNABY

Valuation **£637.4m**

Acquisitions during the period **£nil**

Capital expenditure during the period **£4.2m**

Capital value return during the period **3.8%**

Carnaby's long-established reputation for fashion continues to draw growing numbers of shoppers as well as attracting innovative retailers seeking to locate in this unique retail destination in the heart of the West End. In addition, the village's increasing choice of interesting casual dining is adding to its lively character and making it a vibrant leisure destination in its own right.

In today's media-dominated world, styles, tastes and new ideas evolve at an ever-faster pace. We continue actively to seek new retailers and concepts and, through our management strategies, encourage change to ensure our villages continue to appeal to fashion-conscious shoppers. Since 1 October 2012, we have been particularly active in Carnaby, introducing nine new retailers for UK flagship stores, new concepts, or their first UK store. The total rental value of these lettings was £1.7 million.

Two major schemes in Carnaby were underway during the period, which have a total ERV of £2.9 million, an increase of £2.0 million on pre-scheme rents. Our project on the north side of Foubert's Place has just finished. It has added 5,000 sq. ft. of retail space, to create three new large shops totalling 8,600 sq.ft. as well as reconfiguring existing retail space. Two of the new shops are now under offer to international fashion retailers and we have strong interest in the remaining unit from operators whom we are currently assessing.

The second scheme commenced in January 2013 and involves the complete redevelopment of buildings fronting both the south side of Foubert's Place and Kingly Street. The site previously provided 14,500 sq. ft. of lettable space and, on completion, our enhanced project will provide a total of 32,500 sq. ft., including 7,500 sq. ft. of retail on Foubert's Place, a 6,500 sq. ft. restaurant on Kingly Street, 10,500 sq. ft. of offices, and twelve apartments. Completion is expected by the end of 2014 at an estimated cost of £13.5 million.

The part-pedestrianisation and re-paving of Kingly Street in 2011 has resulted in much greater footfall, drawn from Carnaby, Regent Street and surrounding areas, which have a high concentration of shops and offices. This street now offers a range of contemporary restaurant concepts, many with external seating, together with traditional pubs. This has created a bustling, cosmopolitan atmosphere.

In Kingly Court, which links Kingly Street to Carnaby Street, we have made good progress in broadening the courtyard's food and beverage mix. We have converted 3,400 sq. ft. of retail space to restaurant use which has been pre-let to a new all-day casual dining concept. We have also secured vacant possession of a number of units on the lower floors which will enable us to introduce new food-related retail to complement the developing character of this part of Carnaby.

Carnaby continues to be a popular location for office occupiers and occupancy levels remain high. Our 228,000 sq. ft. of office space is let to 134 tenants, many of whom are in the retail, media, creative and IT sectors. At 31 March 2013, we had 27,500 sq. ft. of space under refurbishment, of which 9,000 sq. ft. is under offer. The refurbishment of the remaining 18,500 sq. ft. is expected to be completed by the end of 2013. We expect to occupy 7,400 sq. ft. of this space ourselves next year when the lease on our current office accommodation expires in June 2014.

COVENT GARDEN

Valuation £670.0m*

Acquisitions during the period £9.5m

Capital expenditure during the period £3.4m*

Capital value return during the period 3.0%*

* Includes the Group's 50% share of the Longmartin joint venture.

Our wholly-owned holdings in Covent Garden include the busy areas of Seven Dials, a mainly retail destination centred on Earlham Street, Monmouth Street and Neal Street, as well as the Opera Quarter (east of The Piazza) and Coliseum (close to Leicester Square), which are both important restaurant and leisure locations clustered around Covent Garden's theatres. In addition, the Longmartin joint venture, in which we have a 50% interest, owns a 1.9 acre island site at the junction of Long Acre and Upper St Martin's Lane, which includes St Martin's Courtyard. With an enviable concentration of retail, restaurant and leisure uses, these areas of Covent Garden are popular with visitors, office occupiers and a long-established and growing residential community.

Within our Covent Garden holdings, good demand continues for all uses. In Seven Dials we have introduced new brands appealing to a slightly older demographic with a higher average spend. We continue to see good interest from a wide variety of domestic and international retailers, and we have a number of initiatives in hand to refresh and reposition the retail mix.

Demand for restaurant accommodation across Covent Garden is considerable, and there is always strong interest from potential occupiers should we have vacant units or where leases are offered for assignment. This provides us with opportunities to introduce operators with new formats. A 4,500 sq. ft. restaurant and bar on a prominent corner at Cambridge Circus has been pre-let ahead of completion of works in July 2013. In February 2013, we completed the purchase of a vacant 5,100 sq. ft. unit on Upper St. Martin's Lane, opposite St Martin's Courtyard, and we are currently carrying out works to improve the configuration of the space.

Crossrail is spurring a number of important new private sector and infrastructure schemes in and around Tottenham Court Road which we expect will increase the importance of pedestrian routes through Seven Dials. In particular, plans are being developed for major improvements to Cambridge Circus, a very important but congested junction to the south of Tottenham Court Road station, which links pedestrian access to and from Soho, Chinatown and Seven Dials. A traffic management scheme on Earlham Street is being trialled by Camden Council and, if it becomes permanent, should bring forward public realm improvements which will connect with the remodelled Cambridge Circus.

St Martin's Courtyard, completed some two years ago, is now an established destination within Covent Garden. We expect to introduce some changes in the retail mix later this year to capitalise on the much-increased footfall now evident along the western end of Long Acre.

CHINATOWN

Valuation £423.2m

Acquisitions during the period £nil

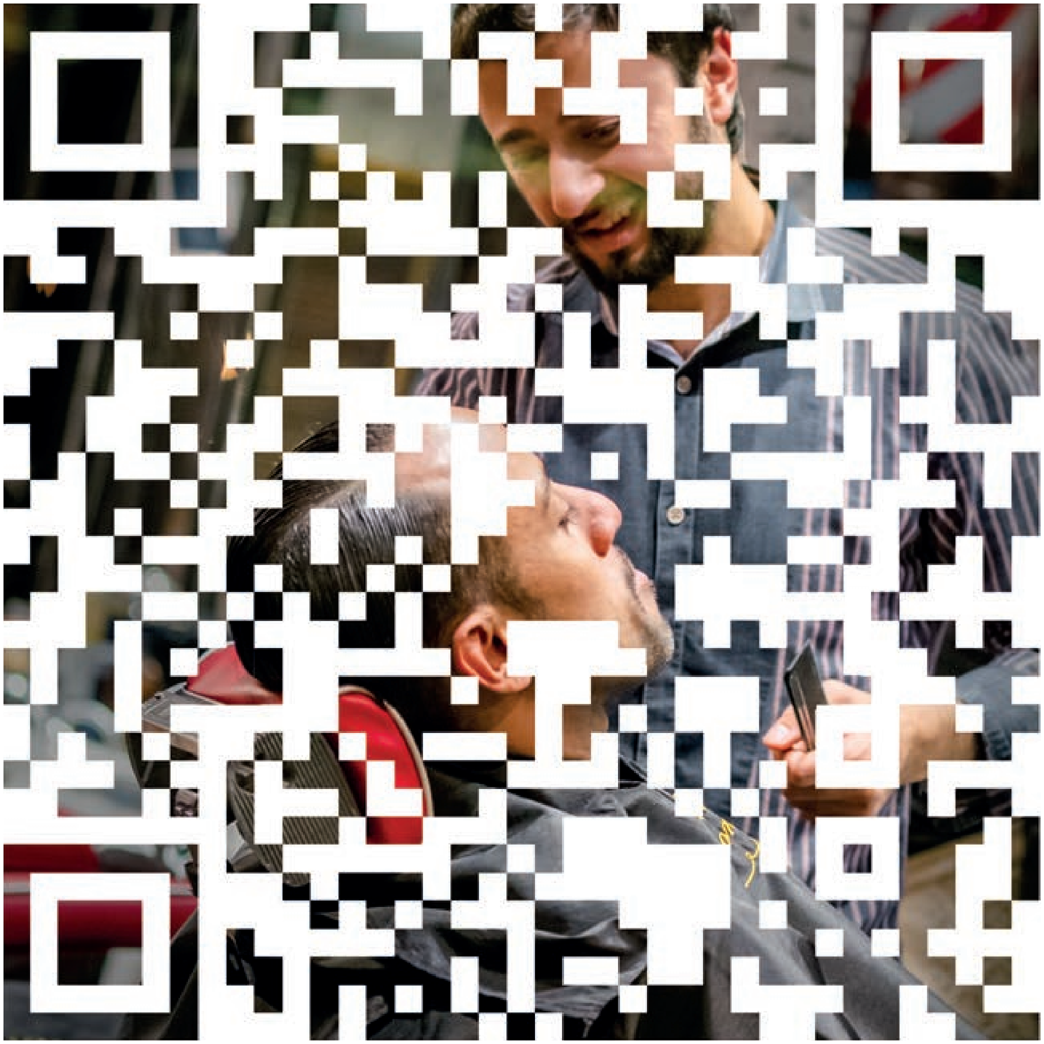
Capital expenditure during the period £0.8m

Capital value return during the period 2.5%

Chinatown, with its concentration of restaurant uses and reputation for a wide variety of Chinese and Asian cuisine, continues to flourish. The area's shopping also reflects its unique and distinctive character.

Restaurant space in this bustling and prosperous location is rarely vacant. However, in April 2013, we secured vacant possession of a 7,000 sq. ft. restaurant on Gerrard Street, and expect to secure a further 4,500 sq. ft. restaurant on Wardour Street later this year. In both cases, we will carry out works to reconfigure the buildings before marketing. In some instances, particularly with larger, older buildings, we can increase rental values on the upper floors by introducing new uses to replace inefficient and under-utilised restaurant space.

OVERVIEW
BUSINESS REVIEW
FINANCIAL STATEMENTS
OTHER INFORMATION



berwickstreetlondon.co.uk

Improvements to the public realm, in partnership with Westminster City Council, remain an important part of our strategy, bringing long-term benefits. In March 2013, with our support, Westminster City Council introduced a new traffic management scheme to pedestrianise Lisle Street and the Chinatown section of Wardour Street from 12 noon each day. We are part-funding further improvements to these streets with re-paving expected to start in July 2013. These enhancements provide much-needed additional capacity for pedestrians who use these busy streets.

Immediately to the west of Chinatown, a new 580 bedroom "pod" hotel at the Trocadero has received planning consent. Once built, this will benefit our restaurants, particularly those on Rupert Street and in Rupert Court, bringing public realm improvements and increased footfall.

SOHO

Valuation £129.6m

Acquisitions during the period £2.9m

Capital expenditure during the period £1.4m

Capital value return during the period 6.1%

Our ownerships in Soho are presently focussed in and around Berwick Street, a long-established and busy route from Oxford Street in the north towards Leicester Square in the south. Recently we have acquired buildings on, and close to, Brewer Street and Old Compton Street, an important east-west route through Soho.

Although popular with visitors, business and residents, the area has, for many years, suffered from fragmented ownership and under-investment both in its building stock and the public realm, depressing rental values.

As we expected, new investment is now coming to the area. Crossrail is already stimulating a number of developments along the eastern end of Oxford Street. A new western entrance to Tottenham Court Road station on Dean Street will be a catalyst for improvements to the northern end of Berwick Street. Privately funded schemes are underway on Broadwick Street and the western end of Brewer Street, and projects are being progressed to improve Kemp House and Walker's Court at the south of Berwick Street.

Since 2008 we have assembled an ownership, which includes 59 shops and restaurants, in, and close to, Berwick Street, currently valued at £129.6 million. Many of the properties we have acquired have been in poor condition. Our restoration and reconfiguration schemes, introducing more valuable uses, have let well and have delivered good initial returns on our investment. In the longer term they will further benefit from new investment and regeneration coming into the area.

CHARLOTTE STREET

Valuation £52.9m

Acquisitions during the period £nil

Capital expenditure during the period £0.1m

Capital value return during the period 5.4%

Charlotte Street is a popular and long-established restaurant quarter north of Oxford Street and a few minutes' walk from Tottenham Court Road.

Developments in the vicinity are attracting new businesses to the area as well as adding to its residential community. The Tottenham Court Road station works, part of the Crossrail project, will provide much improved public transport capacity close to Charlotte Street. The redevelopment of the Middlesex Hospital site is progressing and is due for completion in 2015. It will provide 220,000 sq. ft. of new office accommodation, 237 apartments, together with shops and a restaurant.

Plans have recently been announced for the redevelopment of the Royal Mail site on Rathbone Place which is expected to provide over 400,000 sq. ft. of mixed use space, including 142 apartments.

Each of these important projects will bring even more activity to this already lively location.

RESULTS

EPRA adjusted pre-tax profit for the six months ended 31 March 2013 amounted to £15.2 million (31.3.2012: £16.1 million). EPRA adjusted EPS were 6.0p (31.3.2012: 6.3p).

The West End occupational market has continued to perform well throughout the period. Tenant demand across all uses, and in all our villages, has remained strong. As expected, the two large schemes in Carnaby, along with the general level of refurbishment and development activity, have tempered net property income growth over the period. These projects are improving the accommodation we can offer and will deliver increased income over the coming years.

Rents receivable increased by £0.9 million to £41.2 million compared with the first half of last year (31.3.2012: £40.3 million), with acquisitions adding £0.7 million and a like-for-like increase in gross rents receivable from the wholly-owned portfolio of 2.5%. The two major schemes in Carnaby reduced income in the first half of the current year compared to the same period in the prior year by £0.8 million. Longmartin delivered an additional £0.2 million.

After property charges of £5.3 million (31.3.2012: £4.8 million), net property income grew by £0.4 million (1.1%) to £35.9 million (31.3.2012: £35.5 million). Our development and refurbishment schemes, particularly in Carnaby, have resulted in higher property costs while space was held vacant before and during schemes; we do not capitalise these costs. The level of property charges in the first half of 2013 was broadly similar to the second half of 2012.

Administrative costs, excluding the charge for equity-settled remuneration, totalled £4.0 million (31.3.2012: £3.8 million) including a provision of £0.25 million for annual bonuses (31.3.2012: £0.5 million). Excluding annual bonus provisions, the level of administrative costs was also broadly similar to the second half of 2012.

The charge for equity-settled remuneration rose to £1.3 million (31.3.2012: £0.9 million) and includes an increased number of LTIP options expected to vest and an additional provision for national insurance, due, in part, to the rise in our share price over the period.

Net finance costs were £15.4 million (31.3.2012: £14.7 million) and were covered 2.0 times by operating profit before property revaluation surpluses (31.3.2012: 2.1 times), comfortably above the minimum 1.5 times we are required to maintain by our bank loan agreements. The increase reflects higher debt levels resulting from acquisitions and capital expenditure.

The non-cash provision for the fair value deficit of our interest rate swap contracts fell by £4.6 million to £128.2 million. The Group's hedging strategy is reviewed regularly by the Board and we continue to take the view that crystallising all or part of the deficit would not benefit the Group at present.

EPRA adjusted profit	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Reported profit before tax	**81.8**	38.1	94.8
Adjusted for:			
Surplus arising on revaluation of investment properties	**(62.0)**	(22.3)	(90.2)
Profit on disposal of investment properties	**-**	-	(1.6)
Movement in fair value of financial derivatives	**(4.6)**	0.3	28.2
EPRA adjusted profit before tax	**15.2**	16.1	31.2
Tax charge	**(1.0)**	(0.3)	(1.8)
Adjusted for:			
Deferred tax on revaluation surplus and capital allowances	**0.9**	-	1.2
EPRA adjusted profit after tax	**15.1**	15.8	30.6
EPRA adjusted EPS	**6.0p**	6.3p	12.2p

As a REIT, the Group's activities are largely exempt from corporation tax. However, the Longmartin joint venture is outside of our REIT group and, as such, is subject to tax. Our share of its tax charge for the six months ended 31 March 2013 was £1.0 million (31.3.2012: £0.3 million), of which £0.9 million (31.3.2012: £nil) was in respect of deferred tax on the revaluation of property and capital allowances.

NET ASSET VALUE

EPRA adjusted net assets have increased by £62.7 million (5.0%) to £1,321.8 million since 30 September 2012. The increase was largely the result of property revaluation gains of £62.0 million.

EPRA adjusted diluted NAV per share rose 5.0% to £5.23 (30.9.2012: £4.98). This increase takes into account EPRA earnings for the period of 6.0p per share and the property revaluation surplus which contributed 24.6p per share. These amounts were offset by the payment of the 2012 final dividend of 6.05p per share.

CASH FLOWS AND DEBT

Cash generated from operating activities net of interest and tax payments was £19.2 million (31.3.2012: £17.0 million) funding dividend payments totalling £15.4 million (31.3.2012: £14.5 million). Borrowings increased by £18.7 million to £575.4 million over the first half, largely due to acquisitions of £12.6 million and capital expenditure of £9.1 million.

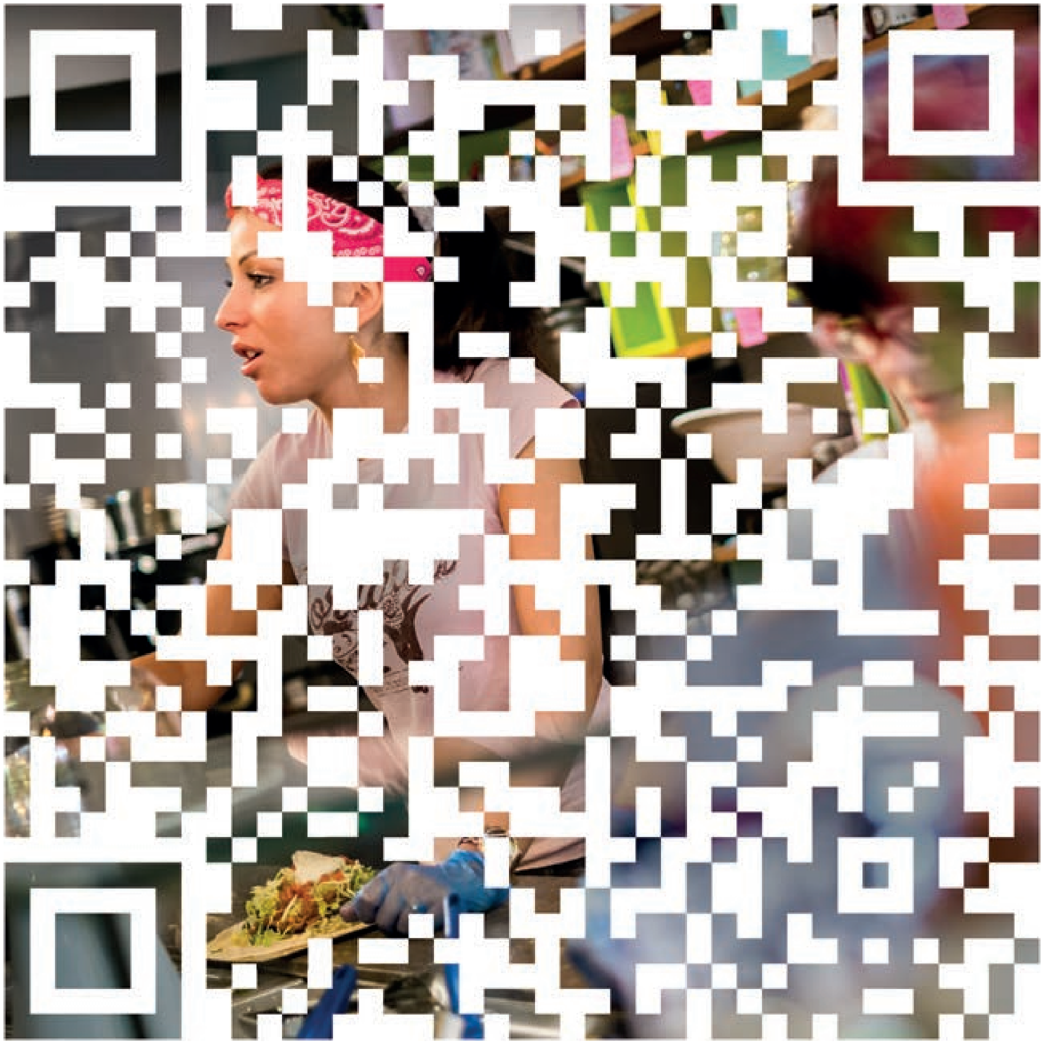
We drew down on our unhedged variable rate bank facilities during the period. These facilities are cheaper than our hedged debt and consequently the average cost of debt, including non-utilisation fees for undrawn facilities, reduced by fifteen basis points to 5.28% at 31 March 2013 (30.9.2012: 5.43%).

The marginal cost of new borrowings at 31 March 2013 was 1.65% (30.9.2012: 1.70%). The average margin on our variable-rate bank facilities at the end of March was 0.88% (30.9.2012: 0.88%) and this would rise to 1.04% if our facilities were fully drawn.

We had undrawn committed facilities totalling £120.6 million at 31 March 2013 (30.9.2012: £139.3 million). Group loan-to-value was 30.1% (30.9.2012: 30.5%) and gearing based on EPRA net assets was 43.5% (30.9.2012: 44.2%).

The average unexpired term of our debt was 6.3 years, with our earliest maturities in 2016. We are already in discussions with existing and potential lenders to extend or refinance part of the £375 million facilities which expire in 2016. Inevitably, in current market conditions, new arrangements will be more expensive than those they replace.

EPRA adjusted net assets	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Reported net assets	**1,185.8**	1,077.5	1,119.4
Adjusted for:			
Fair value adjustment in respect of financial derivatives	**128.2**	104.9	132.8
Deferred tax on revaluation surplus and capital allowances	**7.8**	5.7	6.9
EPRA adjusted net assets	**1,321.8**	1,188.1	1,259.1
EPRA adjusted diluted NAV per share	**£5.23**	£4.70	£4.98



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DEBT SUMMARY (INCLUDING OUR 50% SHARE OF LONGMARTIN'S DEBT)	31.3.2013 £m	30.9.2012 £m
Fixed rate debt*	**121.0**	121.0
Bank debt hedged by swaps	**360.0**	360.0
Total fixed debt*	**481.0**	481.0
Unhedged bank debt	**94.4**	75.7
Total debt*	**575.4**	556.7
Undrawn facilities (floating rate)	**120.6**	139.3
Committed facilities	**696.0**	696.0
Debt ratios		
Loan-to-value*	**30.1%**	30.5%
Gearing*†	**43.5%**	44.2%
Interest cover	**1.99x**	2.05x
Weighted average cost of debt	**5.28%**	5.43%
Weighted average debt maturity	**6.3 years**	6.8 years
% of debt fixed or effectively fixed	**83.6%**	86.4%

* based on nominal value of debt
† measured against EPRA adjusted net assets

BOARD CHANGES

John Manser retired as Chairman at the conclusion of the 2013 Annual General Meeting on 8 February 2013. He was succeeded as non-executive Chairman by Jonathan Lane, whose previous role as executive Deputy Chairman ceased.

LOOKING AHEAD

London's reputation as a global city grows ever stronger, attracting businesses and visitors from across the world. This is reflected in a growing population which is expected to increase by one million by 2026. The city continues to evolve in response to an ever-changing world so that today the media, creative and technology sectors are now the second largest contributors to its economy. The West End is home to many of these businesses.

The West End's unrivalled variety of attractions, which were showcased to the world during last year's Jubilee celebrations and the Olympics, continue to draw unprecedented numbers of Londoners and domestic and international visitors. Similarly the amenities available to those who work in the West End are an important factor when businesses choose to locate here.

The popularity of the West End presents particular challenges to its governance and infrastructure. The West End Commission's recent report, which has set out a number of proposals to better co-ordinate and fund aspects of local administration, is being debated in the coming months. Meanwhile, improvements in public transport are increasing capacity and reliability across a crowded network. Crossrail, which will materially improve access to the West End, is already bringing forward public realm improvements as well as encouraging private sector investment in and around our locations. All our holdings are within ten minutes' walk of either Bond Street or Tottenham Court Road stations, which are being rebuilt to provide for the new major Crossrail interchanges.

As we anticipated, growth in our rental income is tempered this year as a result of the unusually high level of refurbishment and development activity across our portfolio. With sustained good demand across all our uses, we expect these projects will let well on completion and make an important contribution to our revenue growth. We continue to identify and progress other valuable schemes within our portfolio.

With a strong and resilient local economy, and our long-established and proven management strategies, we are confident in the prospects for sustained income and capital growth from our unique and centrally-located portfolio in the years ahead.

Brian Bickell
Chief Executive

Christopher Ward
Finance Director

22 May 2013

portfolio analysis

At 31 March 2013		Note	Carnaby	Covent Garden	Chinatown
Portfolio	Fair Value	1	£637.4m	£536.0m	£423.2m
	% of total Fair Value		33%	28%	22%
	Current income	2	£25.8m	£23.5m	£19.5m
	ERV	3	£36.8m	£27.7m	£20.9m
Shops	Number		123	106	63
	Area – sq. ft.		183,000	131,000	60,000
	% of current income	4	54%	35%	24%
	% of ERV	4	51%	36%	24%
	Average unexpired lease length – years	5	3	4	7
Restaurants, cafes and leisure	Number		41	86	65
	Area – sq. ft.		83,000	163,000	189,000
	% of current income	4	14%	33%	62%
	% of ERV	4	14%	33%	61%
	Average unexpired lease length – years	5	11	10	13
Offices	Area – sq. ft.		228,000	89,000	34,000
	% of current income	4	26%	14%	6%
	% of ERV	4	29%	13%	6%
	Average unexpired lease length – years	5	4	2	3
Residential	Number		83	185	89
	Area – sq. ft.		50,000	111,000	60,000
	% of current passing rent	4	6%	18%	8%
	% of ERV	4	6%	18%	9%

* Shaftesbury Group's share

basis of valuation

At 31 March 2013	Note	Carnaby	Covent Garden	Chinatown
Overall Initial Yield	7	3.69%	4.03%	4.32%
Initial Yield ignoring contractual rent-free periods	8	4.07%	4.18%	4.38%
Overall Equivalent Yield	9	4.91%	4.57%	4.58%
Tone of retail equivalent yields	10	4.50 - 5.50%	4.25 - 5.65%	4.40 - 5.75%
Tone of retail ERVs - ITZA £ per sq. ft.	10	£115 - £458 /£435	£50 - £450	£140 - £300
Tone of restaurant equivalent yields	10	5.00 - 5.25%	4.25 - 5.50%	4.40 - 5.25%
Tone of restaurant ERVs - £ per sq. ft.	10	£85 - £108	£45 - £140	£195 - £350 ITZA
Tone of office equivalent yields	10	5.85 - 6.15%	5.00 - 5.75%	5.75 - 6.25%
Tone of office ERVs - £ per sq. ft.	10	£35 - £65	£30 - £48	£35 - £43
Tone of residential ERVs - £ per annum	10	£13,400 - £75,700	£11,960 - £101,400	£10,200 - £41,000

Soho	Charlotte Street	Wholly owned portfolio	Longmartin	Total portfolio
£129.6m	£52.9m	£1,779.1m	£134.0m*	£1,913.1m
7%	3%	93%	7%	100%
£5.5m	£2.5m	£76.8m	£6.0m*	£82.8m
£6.9m	£2.7m	£95.0m	£7.5m*	£102.5m
33	4	329	23	
37,000	8,000	419,000	69,000	
30%	8%	37%	41%	
31%	8%	38%	35%	
4	2	4	4	
26	15	233	8	
51,000	34,000	520,000	43,000	
36%	55%	35%	17%	
35%	56%	33%	16%	
7	13	11	14	
32,000	8,000	391,000	102,000	
15%	9%	16%	25%	
15%	8%	17%	34%	
2	1	3	7	
53	39	449	75	
30,000	18,000	269,000	55,000	
19%	28%	12%	17%	
19%	28%	12%	15%	

Soho	Charlotte Street	Wholly owned portfolio	Longmartin
3.88%	4.12%	3.97%	3.82%
4.01%	4.14%	4.17%	3.84%
4.86%	4.43%	4.71%	4.67%
5.00 - 6.80%	5.15 - 6.00%		4.25 - 5.75%
£90 - £250	£85 - £115		£94 - £440
4.75 - 5.15%	4.50 - 5.15%		5.00 - 6.00%
£75 - £127 (£237 ITZA)	£60 - £86		£41 - £74
5.00 - 6.00%	6.00%		5.00 - 6.25%
£28 - £45	£30 - £35		£33 - £58
£15,150 - £58,970	£13,000 - £31,200		£18,200 - £88,400

Notes

1. The Fair Values at 31 March 2013 (the "valuation date") shown above in respect of the individual villages are, in each case, the aggregate of the Fair 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 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 valuation date. Current income does not reflect any ground rents, head rents or rent charges and estimated irrecoverable outgoings at the valuation date. 'Estimated income' refers to gross estimated rental values in respect of rent reviews outstanding at the valuation date and, where appropriate, estimated rental values in respect of lease renewals outstanding at the valuation date where the Fair Value reflects terms for a renewed lease.
3. 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. Consequently, the ERVs used in the valuation are a mixture of headline rents (with incentives) and effective rents (without incentives). Where appropriate, ERV assumes completion of developments which are reflected in the valuations. ERV does not reflect any ground rents, head rents or rent charges and estimated irrecoverable outgoings. The ERV used in the valuation for Carnaby Street reflects £435 Zone A without an incentive. Rent free allowances of up to three months are standard periods for tenants to fit out premises and are not considered as incentives. Were tenants to receive three month incentives in addition to the standard three month allowance, rents of around £458 Zone A would be achievable. The equivalent ERVs at 30 September 2012 were £451/£429 Zone A.
4. The percentage of current income and the percentage of ERV in each of the use sectors are expressed as a percentage of total income and total ERV for each village.
5. 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.
6. Where mixed uses occur within single leases, for the purpose of this analysis, the majority use by rental value has been adopted.
7. The Initial Yield is the net initial income at the valuation date 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 valuation date.
8. The Initial Yield ignoring contractual rent free periods has been calculated as if the contracted rent is payable from the valuation date.
9. 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 valuation date. The Equivalent Yield shown for each village has been calculated by merging together the cash flows and Fair Values of each of the different interests within each village and represents the average Equivalent Yield attributable to each village from this approach.
10. The tone of rental values and yields is the range of rental values or yields attributed to the majority of the properties.
11. All commercial floor areas are net lettable. All residential floor areas are gross internal. All floor areas are stated as existing at the valuation date.
12. For presentation purposes percentages have been rounded to the nearest integer.
13. The analysis includes accommodation which is awaiting or undergoing refurbishment or development and is not available for occupation at the date of valuation.

independent review report to Shaftesbury PLC

INTRODUCTION

We have been engaged by the Company to review the condensed consolidated half year financial statements in the half year report for the six months ended 31 March 2013, which comprises the Unaudited Group Statement of Comprehensive Income, the Unaudited Group Balance Sheet, the Unaudited Group Cash Flow Statement, the Unaudited Group Statement of Changes in Shareholders' Equity and related notes. We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated half year financial statements.

DIRECTORS' RESPONSIBILITIES

The half year report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half year report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct 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 consolidated half year financial statements included in this half year report have 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 consolidated half year financial statements in the half year 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 Conduct 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 consolidated half year financial statements in the half year report for the six months ended 31 March 2013 are 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 Conduct Authority.

PricewaterhouseCoopers LLP

Chartered Accountants
1 Embankment Place
London
WC2N 6RH
22 May 2013

unaudited group statement of comprehensive income

For the six months ended 31 March 2013

	Note	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Continuing operations				
Revenue from properties	3	**44.6**	43.7	87.0
Property charges	4	**(8.7)**	(8.2)	(16.0)
Net property income	5	**35.9**	35.5	71.0
Administrative expenses		**(4.0)**	(3.8)	(8.4)
Charge in respect of equity settled remuneration	6	**(1.3)**	(0.9)	(1.6)
Total administrative expenses		**(5.3)**	(4.7)	(10.0)
Operating profit before investment property disposals and valuation movements		**30.6**	30.8	61.0
Profit on disposal of investment properties		**-**	-	1.6
Investment property valuation movements	11	**62.0**	22.3	90.2
Operating profit		**92.6**	53.1	152.8
Finance income		**0.1**	0.1	0.1
Finance costs	7	**(15.5)**	(14.8)	(29.9)
Change in fair value of derivative financial instruments	17	**4.6**	(0.3)	(28.2)
Net finance costs		**(10.8)**	(15.0)	(58.0)
Profit before tax		**81.8**	38.1	94.8
Current tax		**(0.1)**	(0.3)	(0.6)
Deferred tax		**(0.9)**	-	(1.2)
Tax charge for the period	8	**(1.0)**	(0.3)	(1.8)
Profit and total comprehensive income		**80.8**	37.8	93.0
Earnings per share:	9			
Basic		**32.1p**	15.1p	37.1p
Diluted		**32.0p**	15.0p	36.8p
EPRA adjusted		**6.0p**	6.3p	12.2p

The notes on pages 27 to 40 form an integral part of the condensed consolidated half year financial statements.

unaudited group balance sheet

As at 31 March 2013

	Note	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Non-current assets				
Investment properties	11	**1,907.8**	1,735.2	1,823.5
Lease incentives	12	**9.0**	8.0	8.2
Office assets and vehicles		**0.6**	0.6	0.6
		1,917.4	1,743.8	1,832.3
Current assets				
Trade and other receivables	13	**13.8**	14.6	17.4
Cash and cash equivalents	14	**5.8**	7.8	5.3
Total assets		**1,937.0**	1,766.2	1,855.0
Current liabilities				
Trade and other payables	15	**34.7**	35.0	34.3
Non-current liabilities				
Borrowings	16	**580.5**	543.1	561.6
Derivative financial instruments	17	**128.2**	104.9	132.8
Deferred tax liabilities		**7.8**	5.7	6.9
Total liabilities		**751.2**	688.7	735.6
Net assets		**1,185.8**	1,077.5	1,119.4
Equity				
Ordinary shares	18	**63.0**	62.7	62.9
Share premium		**123.5**	122.8	123.6
Share based payments reserve		**3.0**	3.5	2.7
Retained earnings		**996.3**	888.5	930.2
Total equity		**1,185.8**	1,077.5	1,119.4
Net asset value per share:	19			
Basic		**£4.71**	£4.29	£4.45
Diluted		**£4.69**	£4.27	£4.43
EPRA adjusted diluted		**£5.23**	£4.70	£4.98

The notes on pages 27 to 40 form an integral part of the condensed consolidated half year financial statements.

unaudited group cash flow statement

For the six months ended 31 March 2013

	Note	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Cash flows from operating activities				
Cash generated from operating activities	20	**34.4**	31.5	59.4
Interest received		**0.1**	0.1	0.1
Interest paid		**(15.0)**	(14.3)	(28.7)
Corporation tax paid		**(0.3)**	(0.3)	(0.5)
Net cash generated from operating activities		**19.2**	17.0	30.3
Cash flows from investing activities				
Property acquisitions		**(12.6)**	(30.3)	(44.7)
Capital expenditure on properties		**(9.1)**	(9.1)	(16.9)
Proceeds from sales of properties		**-**	0.4	2.6
Purchase of office assets and vehicles		**(0.1)**	(0.1)	(0.2)
Net cash used in investing activities		**(21.8)**	(39.1)	(59.2)
Cash flows from financing activities				
Proceeds from exercise of share options		**-**	-	1.0
Proceeds/(repayment) of borrowings	16	**18.7**	(16.8)	1.4
Proceeds from secured term loan	16	**-**	60.0	60.0
Facility arrangement costs	16	**-**	(0.7)	(0.7)
Payment of head lease liabilities	16	**(0.2)**	(0.1)	(0.2)
Equity dividends paid	10	**(15.4)**	(14.5)	(29.3)
Net cash from financing activities		**3.1**	27.9	32.2
Net change in cash and cash equivalents		**0.5**	5.8	3.3
Cash and cash equivalents at the beginning of the period	14	**5.3**	2.0	2.0
Cash and cash equivalents at the end of the period	14	**5.8**	7.8	5.3

The notes on pages 27 to 40 form an integral part of the condensed consolidated half year financial statements.

unaudited group statement of changes in shareholders' equity

For the six months ended 31 March 2013

	Note	Ordinary shares £m	Share premium £m	Share based payments reserve £m	Retained earnings £m	Total £m
At 1 October 2012		**62.9**	**123.6**	**2.7**	**930.2**	**1,119.4**
Profit and total comprehensive income for the period ended 31 March 2013		**-**	**-**	**-**	**80.8**	**80.8**
Transactions with owners:						
Dividend paid during the period	10	**-**	**-**	**-**	**(15.4)**	**(15.4)**
Shares issued in connection with the exercise of share options	18	**0.1**	**(0.1)**	**-**	**-**	**-**
Fair value of share based payments	6	**-**	**-**	**1.0**	**-**	**1.0**
Transfer in respect of options exercised		**-**	**-**	**(0.7)**	**0.7**	**-**
At 31 March 2013		**63.0**	**123.5**	**3.0**	**996.3**	**1,185.8**
At 1 October 2011		62.6	122.9	3.1	865.1	1,053.7
Profit and total comprehensive income for the period ended 31 March 2012		-	-	-	37.8	37.8
Transactions with owners:						
Dividend paid during the period	10	-	-	-	(14.6)	(14.6)
Shares issued in connection with the exercise of share options	18	0.1	(0.1)	-	-	-
Fair value of share based payments	6	-	-	0.6	-	0.6
Transfer in respect of options exercised		-	-	(0.2)	0.2	-
At 31 March 2012		62.7	122.8	3.5	888.5	1,077.5
At 1 October 2011		62.6	122.9	3.1	865.1	1,053.7
Profit and total comprehensive income for the year ended 30 September 2012		-	-	-	93.0	93.0
Transactions with owners:						
Dividends paid during the year	10	-	-	-	(29.5)	(29.5)
Shares issued in connection with the exercise of share options	18	0.3	0.7	-	-	1.0
Fair value of share based payments	6	-	-	1.2	-	1.2
Transfer in respect of options exercised		-	-	(1.6)	1.6	-
At 30 September 2012		62.9	123.6	2.7	930.2	1,119.4

The notes on pages 27 to 40 form an integral part of the condensed consolidated half year financial statements.

notes to the half year results

For the six months ended 31 March 2013

1. GENERAL INFORMATION

The condensed consolidated half year financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 September 2012 were approved by the Board of directors on 29 November 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The condensed half year financial statements have been reviewed, not audited.

BASIS OF PREPARATION

These half year financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. They should be read in conjunction with the annual financial statements for the year ended 30 September 2012, which have been prepared in accordance with IFRSs as adopted by the European Union.

GOING CONCERN

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

The preparation of these financial statements requires the Board to make judgements, assumptions and estimates that affect 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. 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 a significant estimate by the Board in the preparation of these financial statements. The fair valuations of investment properties, derivative financial instruments and share options are carried out by external advisors whom the Board considers to be suitably qualified to carry out such valuations. In the case of share based payments, judgements are made by the directors regarding the future level of option vesting.

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 involve 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. ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the previous financial year.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

a) The following amendment to a standard is mandatory for the first time for the financial year beginning 1 October 2012:

Standard or Interpretation	Content	Applicable for financial years beginning on or after
IAS 12	Income taxes on deferred tax	1 January 2012

No material changes to accounting policies arose as a result of this amendment.

b) The following amendment to a standard becoming effective in the year ending 30 September 2013 but not relevant to the Group:

Standard or Interpretation	Content	Applicable for financial years beginning on or after
IAS 11	'Presentation of financial statements' on OCI	1 July 2012

c) Standards, amendments and interpretations relevant to the Group that are not yet effective in the year ending 30 September 2013 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 13	Fair value measurement	1 January 2013
Amendment to IAS 19	Employee benefits	1 January 2013
Annual Improvements 2011	-	1 January 2013
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 12	Disclosure of interests in other entities	1 January 2014
IAS 27 (revised 2011)	Separate financial statements	1 January 2013
IAS 28 (revised 2011)	Associates and joint ventures	1 January 2013
IFRS 7	Financial instruments disclosure on offsetting financial assets and liabilities	1 January 2013
IAS 32	Financial instruments presentation on offsetting financial assets and liabilities	1 January 2014

d) The following new standard is relevant to the Group but not yet effective in the year ending 30 September 2013 and is expected to have a significant impact on the Group's financial statements:

Standard or Interpretation	Content	Applicable for financial years beginning on or after
IFRS 11	Joint arrangements	1 January 2014

The Group currently accounts for its joint venture using proportionate consolidation. Under IFRS 11, joint ventures must be accounted for on an equity basis. This will result in the Group recognising a single line item for the investment and share of the joint venture's profit or loss. This change will not affect the Group's net assets or profit after tax.

3. REVENUE FROM PROPERTIES AND SEGMENTAL INFORMATION

	Six months ended 31.3.2013 £m	31.3.2012 £m	Year ended 30.9.2012 £m
Rents receivable (adjusted for lease incentives):			
Wholly-owned Group	**38.2**	37.5	75.4
Group's share of Longmartin joint venture (note 21)	**3.0**	2.8	5.6
Rents receivable	**41.2**	40.3	81.0
Recoverable property expenses	**3.4**	3.4	6.0
	44.6	43.7	87.0

Rents receivable include lease incentives recognised of £0.6 million (31.3.2012: £1.2 million; 30.9.2012: £1.5 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 a 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 half year financial statements and, as the Group has only one reportable segment, the measures used in assessing the business are set out in the Group Statement of Comprehensive Income.

4. PROPERTY CHARGES

	Six months ended 31.3.2013 £m	31.3.2012 £m	Year ended 30.9.2012 £m
Property operating costs	**2.4**	2.2	4.9
Fees payable to managing agents	**1.0**	0.9	1.7
Letting, rent review, and lease renewal costs	**1.4**	1.2	2.5
Village promotion costs	**0.5**	0.5	0.9
Property outgoings	**5.3**	4.8	10.0
Recoverable property expenses	**3.4**	3.4	6.0
	8.7	8.2	16.0

5. NET PROPERTY INCOME

	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Wholly-owned Group	**33.2**	33.2	66.2
Group's share of Longmartin joint venture (note 21)	**2.7**	2.3	4.8
	35.9	35.5	71.0

6. CHARGE IN RESPECT OF EQUITY SETTLED REMUNERATION

	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Charge for share based remuneration	**1.0**	0.6	1.2
Employer's national insurance in respect of share awards and share options vested or expected to vest	**0.3**	0.3	0.4
	1.3	0.9	1.6

7. FINANCE COSTS

	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Debenture stock interest and amortisation	**2.5**	2.5	5.0
Bank and other interest	**4.8**	4.9	10.0
Bank facility arrangement cost amortisation	**0.3**	0.3	0.6
Amounts payable under derivative financial instruments	**7.7**	7.0	14.1
Amounts payable under head leases	**0.2**	0.1	0.2
	15.5	14.8	29.9

8. TAXATION

The wholly-owned Group is subject to taxation as a REIT; its property rental business (both income and capital gains) is exempt from taxation. The current tax charge of £0.1 million (31.3.2012: £0.3 million; 30.9.2012: £0.6 million) and the deferred tax charge of £0.9 million (31.3.2012: £Nil; 30.9.2012: £1.2 million) are the Group's share of its joint venture's tax charge, which is not part of the REIT group.

9. EARNINGS PER SHARE

The calculations below are in accordance with EPRA's Best Practice Recommendations.

	31.3.2013		31.3.2012		30.9.2012	
	Profit after tax £m	**EPS pence**	Profit after tax £m	EPS pence	Profit after tax £m	EPS pence
Basic	**80.8**	**32.1**	37.8	15.1	93.0	37.1
EPRA adjustments:						
Profit on sale of investment properties	**-**	**-**	-	-	(1.6)	(0.6)
Investment property valuation movements	**(62.0)**	**(24.6)**	(22.3)	(8.9)	(90.2)	(36.0)
Movement in fair value of derivative financial instruments	**(4.6)**	**(1.8)**	0.3	0.1	28.2	11.2
Deferred tax on property valuations and capital allowances	**0.9**	**0.3**	-	-	1.2	0.5
EPRA adjusted	**15.1**	**6.0**	15.8	6.3	30.6	12.2
Diluted	**80.8**	**32.0**	37.8	15.0	93.0	36.8
Weighted average number of ordinary shares in issue (million)		**251.6**		250.8		251.0
Weighted average number of ordinary shares in issue for the calculation of diluted earnings per share (million)		**252.7**		252.3		252.4

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

10. DIVIDENDS PAID

	Six months ended		Year ended
	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Final dividend paid in respect of:			
Year ended 30 September 2012 at 6.05p per share	**15.4**	-	-
Year ended 30 September 2011 at 5.75p per share	**-**	14.6	14.6
Interim dividend paid in respect of:			
Six months ended 31 March 2012 at 5.95p per share	**-**	-	14.9
	15.4	14.6	29.5

An interim dividend in respect of the six months ended 31 March 2013 of 6.25p per ordinary share was declared by the Board on 22 May 2013. The interim dividend will be paid entirely as a PID on 5 July 2013 to shareholders on the register at 14 June 2013. The dividend will be accounted for as an appropriation of revenue reserves in the year ending 30 September 2013.

11. INVESTMENT PROPERTIES

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
At beginning of period	**1,818.1**	1,670.0	1,670.0
Acquisitions	**12.4**	29.4	44.0
Refurbishment and other capital expenditure	**9.9**	8.5	14.9
Disposals	**-**	(0.4)	(1.0)
Net gain on revaluation	**62.0**	22.3	90.2
	1,902.4	1,729.8	1,818.1
Add: Head leases capitalised	**5.4**	5.4	5.4
Book value at end of period	**1,907.8**	1,735.2	1,823.5
Fair Value at end of period:			
Properties valued by DTZ Debenham Tie Leung Limited	**1,779.1**	1,615.3	1,699.0
Properties valued by Knight Frank LLP	**134.0**	124.2	129.2
	1,913.1	1,739.5	1,828.2
Add: Head lease capitalised	**5.4**	5.4	5.4
Less: Lease incentives recognised to date	**(10.7)**	(9.7)	(10.1)
Book value at end of period	**1,907.8**	1,735.2	1,823.5

Investment properties were subject to external valuation as at 31 March 2013 by qualified professional valuers, being members of the Royal Institution of Chartered Surveyors (RICS), 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.

The Fair Value of each of the properties has been primarily derived using comparable recent market transactions on an arm's length basis. There are a number of assumptions that are made in deriving the Fair Value including assessments of market yields and estimated income. The key assumptions are set out in the basis of valuation on pages 20 to 21.

Investment properties include freehold properties valued at £1,665.6 million, leasehold properties with an unexpired term of over 50 years valued at £144.7 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 £102.8 million.

Capital commitments

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Wholly-owned Group:			
Authorised and contracted	**19.6**	6.4	8.1
Authorised but not contracted	**-**	12.9	16.5
Group's share of Longmartin joint venture:			
Authorised and contracted	**0.2**	0.2	-
Authorised but not contracted	**0.2**	0.2	0.2

12. LEASE INCENTIVES

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Lease incentives recognised to date	**10.7**	9.7	10.1
Less: included in trade and other receivables (note 13)	**(1.7)**	(1.7)	(1.9)
	9.0	8.0	8.2

The unamortised amount of lease incentives is allocated between amounts to be charged against rental income within one year of the Balance Sheet date and amounts which will be charged against rental income in subsequent periods.

13. TRADE AND OTHER RECEIVABLES

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Amounts due from tenants	**8.7**	9.4	12.3
Provision for doubtful debts	**(0.5)**	(0.4)	(0.3)
	8.2	9.0	12.0
Lease incentives	**1.7**	1.7	1.9
Other receivables and prepayments	**3.9**	3.9	3.5
	13.8	14.6	17.4

At 31 March 2013, cash deposits totalling £12.3 million were held against tenants' rent payment obligations (31.3.2012: £10.4 million; 30.9.2012: £11.0 million).

14. CASH AND CASH EQUIVALENTS

Cash balances at 31 March 2013 included amounts of £4.2 million (31.3.2012: £1.2 million; 30.9.2012: £4.2 million) which are held in accounts or on deposit that have certain conditions restricting the use of these monies. Holding cash in restricted accounts does not prevent the Group from earning returns by placing these monies in interest-bearing accounts or on deposit.

15. TRADE AND OTHER PAYABLES

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Rents and service charges invoiced in advance	**17.8**	17.2	17.7
Corporation tax payable	**0.2**	0.3	0.4
Amounts due in respect of property acquisitions	**-**	-	0.2
Trade payables and accruals in respect of capital expenditure	**5.3**	5.7	4.5
Other trade payables and accruals	**11.4**	11.8	11.5
	34.7	35.0	34.3

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16. BORROWINGS

	Nominal value £m	Unamortised premium and issue costs £m	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Debenture	**61.0**	**2.5**	**63.5**	63.7	63.6
Secured bank loans	**454.4**	**(2.2)**	**452.2**	414.7	433.2
Secured term loan	**60.0**	**(0.6)**	**59.4**	59.3	59.4
Debenture and secured loans	**575.4**	**(0.3)**	**575.1**	537.7	556.2
Head lease obligations	**5.4**	**-**	**5.4**	5.4	5.4
Total borrowings	**580.8**	**(0.3)**	**580.5**	543.1	561.6

RECONCILIATION OF NET DEBT

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Borrowings (as above)	**580.8**	543.9	562.1
Cash and cash equivalents (note 14)	**(5.8)**	(7.8)	(5.3)
	575.0	536.1	556.8

AVAILABILITY AND MATURITY OF BORROWINGS 31 MARCH 2013

The expected maturity and availability of the Group's borrowings, based on nominal values are as follows:

	Facilities Committed £m	Facilities Undrawn £m
Repayable between 2 and 5 years	**375.0**	**59.8**
Repayable between 5 and 10 years	**200.0**	**60.8**
Repayable between 10 and 15 years	**121.0**	**-**
	696.0	**120.6**
Head lease obligations - leases expiring in 167 years	**5.4**	**-**
At 31 March 2013	**701.4**	**120.6**
At 31 March 2012	701.4	157.5
At 30 September 2012	701.4	139.3

16. BORROWING CONTINUED

MOVEMENT IN BORROWINGS DURING THE PERIOD

	1.10.2012 £m	Cash flows £m	Non-cash items £m	31.3.2013 £m
Debenture	**(63.6)**	**-**	**0.1**	**(63.5)**
Secured bank loans	**(435.7)**	**(18.7)**	**-**	**(454.4)**
Secured term loan	**(60.0)**	**-**	**-**	**(60.0)**
Facility arrangement costs	**3.1**	**-**	**(0.3)**	**2.8**
Head lease obligations	**(5.4)**	**(0.2)**	**0.2**	**(5.4)**
	(561.6)	**(18.9)**	**-**	**(580.5)**
Six months ended 31 March 2012	(500.5)	(42.5)	(0.1)	(543.1)
Year ended 30 September 2012	(500.5)	(60.5)	(0.6)	(561.6)

INTEREST RATE PROFILE OF INTEREST-BEARING BORROWINGS

	31.3.2013		31.3.2012		30.9.2012	
	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 2013 at latest, including margin)	**94.4**	**1.38%**	57.5	1.67%	75.7	1.50%
Hedged borrowings						
Interest rate swaps (including margin)	**360.0**	**5.75%**	360.0	5.73%	360.0	5.75%
Total bank borrowings	**454.4**	**4.85%**	417.5	5.17%	435.7	5.01%
Fixed rate borrowings						
Secured term loan (interest rate fixed until December 2026)	**60.0**	**4.43%**	60.0	4.43%	60.0	4.43%
Debenture (interest rate fixed until March 2024)	**63.5**	**7.93%**	63.7	7.93%	63.6	7.93%
Weighted average cost of drawn borrowings		**5.14%**		5.42%		5.28%

The Group also incurs non-utilisation fees on undrawn facilities. At 31 March 2013, the weighted average charge on undrawn facilities of £120.6 million (31.3.2012: £157.5 million; 30.9.2012: £139.3 million) was 0.52% (31.3.2012: 0.56%; 30.9.2012: 0.54%).

17. FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Interest rate swaps			
At beginning of period	**(132.8)**	(104.6)	(104.6)
Fair value movement credited/(charged) in the Group Statement of Comprehensive Income	**4.6**	(0.3)	(28.2)
At end of period	**(128.2)**	(104.9)	(132.8)

Changes in the fair value of the Group's financial derivatives, which are not held for speculative purposes, are reflected in the Group Statement of Comprehensive Income. 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 2013

The Group has in place interest rate swaps to hedge £360.0 million of floating rate bank debt, at fixed rates in the range of 4.59% to 5.15%, with a weighted average rate of 4.87%. The swaps, which settle against three month LIBOR, expire between December 2027 and November 2038. The weighted average term is 19.9 years. If mutual break or early termination options were exercised the weighted average term would be 4.7 years.

8.5% Mortgage Debenture Stock 2024 and secured term loan

The 8.5% Mortgage Debenture Stock 2024 and the Group's share of its joint venture's 4.43% secured term loan are held at amortised cost in the Balance Sheet. The fair value of the liability in excess of book value which is not recognised in the reported results for the period is £17.7 million (31.3.2012: £11.8 million; 30.9.2012: £18.5 million).

18. ORDINARY SHARES

During the period, 208,975 and 1,108 ordinary 25p shares were issued in connection with the exercise of nil cost options granted under the 2006 Long-Term Incentive Plan and Sharesave Scheme respectively.

19. NET ASSET VALUE PER SHARE

The EPRA adjusted net asset value per share figures are calculated in accordance with EPRA's Best Practice Recommendations.

	31.3.2013 Net assets		31.3.2012 Net assets		30.9.2012 Net assets	
	£m	**Per share £**	£m	Per share £	£m	Per share £
Basic	**1,185.8**	**4.71**	1,077.5	4.29	1,119.4	4.45
Fair value of derivative financial instruments	**128.2**	**0.51**	104.9	0.42	132.8	0.52
Deferred tax on property valuations and capital allowances	**7.8**	**0.03**	5.7	0.02	6.9	0.04
EPRA adjusted basic	**1,321.8**	**5.25**	1,188.1	4.73	1,259.1	5.01
Basic	**1,185.8**		1,077.5		1,119.4	
Additional equity if all vested share options are exercised	**1.1**		2.0		1.1	
Diluted	**1,186.9**	**4.69**	1,079.5	4.27	1,120.5	4.43
Fair value deficit in respect of Debenture and secured term loan	**(17.7)**	**(0.07)**	(11.8)	(0.05)	(18.5)	(0.08)
EPRA adjusted diluted triple net	**1,169.2**	**4.62**	1,067.7	4.22	1,102.0	4.35
Fair value deficit in respect of Debenture and secured term loan	**17.7**	**0.07**	11.8	0.05	18.5	0.08
Fair value of derivative financial instruments	**128.2**	**0.51**	104.9	0.41	132.8	0.52
Deferred tax on property valuations and capital allowances	**7.8**	**0.03**	5.7	0.02	6.9	0.03
EPRA adjusted diluted	**1,322.9**	**5.23**	1,190.1	4.70	1,260.2	4.98
Ordinary shares in issue (million)		**251.7**		251.1		251.5
Diluted ordinary shares in issue (million)		**253.0**		253.1		253.2

The calculations of diluted net asset value per share show the potentially dilutive effect of options granted over ordinary shares outstanding at the Balance Sheet date and include the increase in shareholders' equity which would arise on the exercise of those options.

20. CASH GENERATED FROM OPERATING ACTIVITIES

	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Operating activities			
Profit before tax	**81.8**	38.1	94.8
Adjusted for:			
Lease incentives recognised	**(0.6)**	(1.2)	(1.5)
Charge for share based remuneration	**1.0**	0.6	1.2
Depreciation and losses on disposals	**0.1**	0.1	0.2
Profit on sale of investment properties	**-**	-	(1.6)
Investment property valuation movements	**(62.0)**	(22.3)	(90.2)
Net finance costs	**10.8**	15.0	58.0
Cash flows from operations before changes in working capital	**31.1**	30.3	60.9
Changes in working capital:			
Change in trade and other receivables	**3.4**	1.4	(1.4)
Change in trade and other payables	**(0.1)**	(0.2)	(0.1)
Cash generated from operating activities	**34.4**	31.5	59.4

21. RESULTS OF JOINT VENTURE

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

	Six months ended 31.3.2013 £m	Six months ended 31.3.2012 £m	Year ended 30.9.2012 £m
Statement of Comprehensive Income			
Rents receivable (adjusted for lease incentives)	**3.0**	2.8	5.6
Recoverable property expenses	**0.3**	0.1	0.5
Revenue from properties	**3.3**	2.9	6.1
Property outgoings	**(0.3)**	(0.5)	(0.8)
Recoverable property expenses	**(0.3)**	(0.1)	(0.5)
Property charges	**(0.6)**	(0.6)	(1.3)
Net property income	**2.7**	2.3	4.8
Administrative expenses	**(0.2)**	(0.1)	(0.3)
Operating profit before investment property valuation movements	**2.5**	2.2	4.5
Investment property valuation movements	**3.5**	1.8	6.0
Operating profit	**6.0**	4.0	10.5
Net finance costs	**(1.5)**	(0.7)	(1.5)
Profit before tax	**4.5**	3.3	9.0
Tax charge for the period	**(1.0)**	(0.3)	(1.8)
Profit and total comprehensive income	**3.5**	3.0	7.2
Transactions with owners:			
Dividends paid	**(4.0)**	(1.4)	(10.4)
Movement in retained earnings	**(0.5)**	1.6	(3.2)

21. RESULTS OF JOINT VENTURE CONTINUED

	31.3.2013 £m	31.3.2012 £m	30.9.2012 £m
Balance Sheet			
Non-current assets			
Investment properties at book value	**135.5**	120.7	130.8
Lease incentives	**3.1**	2.9	3.1
	138.6	123.6	133.9
Current assets	**11.1**	50.5	15.6
Total assets	**149.7**	174.1	149.5
Current liabilities	**5.3**	6.5	5.5
Non-current liabilities			
Secured term loan	**60.0**	60.0	60.0
Other non-current liabilities	**12.6**	10.5	11.7
Total liabilities	**77.9**	77.0	77.2
Net assets attributable to the Shaftesbury Group	**71.8**	97.1	72.3

22. RELATED PARTY TRANSACTIONS

Transactions between Shaftesbury PLC (the "Company") and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions between the Company and its joint venture, which is also a related party, have all been eliminated on consolidation except for administrative fees of £0.1 million (31.3.2012: £0.1 million; 30.9.2012: £0.2 million).

principal risks and uncertainties

The principal strategic risks are those which might prevent the Group from achieving its goal of long-term sustainable growth in rental income. The risks facing the Group for the remaining six months of the financial year are summarised below. These risks are consistent with those set out in the Annual Report for the year ended 30 September 2012, where we also detail relevant mitigating factors.

Risk of a sustained fall in visitor numbers and/or spending which affects either the West End or our villages

- The West End faces a number of possible external threats to security or public safety, e.g. terrorism, health pandemics, disruption to the public transport network etc, which if sustained might, over time, reduce visitors and hence adversely affect occupier demand and the rental potential of the Group's assets.
- Competition from other locations could result in long-term decline in footfall and consequently rents and values.
- The special character and/or tenant mix in the Group's villages is key to attracting visitors and potential occupiers. Failing to maintain this character might adversely affect tenants' prosperity as a result of a sustained decrease in footfall, which would put downward pressure on rents.

Regulatory risk

- Changes in national and local policies and regulation could increase costs, adversely limit the Group's ability to optimise revenues, and affect the value of its portfolio.
- All of the Group's properties are located within the jurisdictions of Westminster City Council and the London Borough of Camden. 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.
- Legislation which is intended to bring about improvements to the environmental standards of buildings may impose obligations on owners of older buildings which conflict with the existing legal requirements governing conservation areas and listed buildings. Such legislation may restrict the future use of older buildings by making them subject to standards of environmental performance which cannot be met.

responsibility statement

The directors confirm that the condensed consolidated half year financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and that the half year 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 2012.

A list of current directors is maintained on the Shaftesbury PLC website: www.shaftesbury.co.uk.

On behalf of the Board

Brian Bickell
Chief Executive

Chris Ward
Finance Director

22 May 2013

directors, officers and advisors

Jonathan S Lane, MA, FRICS
Chairman

Brian Bickell, FCA
Chief Executive

Simon J Quayle, BSc, MRICS
Director

Thomas J Welton, MRICS
Director

Christopher Ward, MA (Oxon) ACA
Finance Director

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

Jill C Little
Non-executive director

Oliver J D Marriott
Non-executive director

Dermot C A Mathias, BSc, FCA
Non-executive director

Hilary S Riva, OBE
Non-executive director

Sally E Walden
Non-executive director

Secretary and Registered Office

Penny Thomas, LLB (Hons), FCIS
Pegasus House
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London W1S 3DL

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Fax: 020 7333 0660
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Registered Number: 1999238

Stockbrokers

J. P. Morgan Cazenove
Merrill Lynch International
Espirito Santo Investment Bank

Debenture Stock Trustee

Prudential Trustee Company Limited

Principal Banks

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

Long term finance

Aviva Commercial Finance Limited
(Longmartin joint venture)

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Solicitors

Hogan Lovells International LLP
Eversheds LLP
Forsters LLP

Valuers

DTZ Debenham Tie Leung Limited (wholly-owned portfolio)
Knight Frank LLP (Longmartin joint venture)

Websites

Corporate: **www.shaftesbury.co.uk**

Includes Annual and Half Year Reports Library from 2002 and recent corporate announcements.

News alert service allows registered users to receive e-mail alerts of new announcements.

Village websites

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

shareholder information

Registrar

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, charities, 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 Group's registrar for payment of the 2013 interim dividend is 14 June 2013.

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 registrar.

corporate timetable

CORPORATE TIMETABLE

Financial calendar	
Interim Management Statement (second half)	July/August 2013
Annual results	November 2013
Annual General Meeting	February 2014
Dividends and Debenture interest	
Proposed 2013 interim dividend:	
Ex-dividend	12 June 2013
Record date	14 June 2013
Payment date	5 July 2013
Debenture Stock interest to be paid	30 September 2013

glossary of terms

Capital value return
The valuation movement and realised surpluses or deficits arising from 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.

Derivative financial instruments
An interest rate swap is a financial derivative where two parties exchange future interest payments based on a specified notional amount. One party pays fixed interest and the other pays a floating rate usually based on LIBOR.

Diluted EPS
EPS adjusted to include the potentially dilutive effect of outstanding options granted over ordinary shares.

Diluted net asset value
Net asset value per share adjusted to include the potentially dilutive effect of outstanding options granted over ordinary shares.

Earnings per share (EPS)
Profit after tax divided by the weighted average number of ordinary shares in issue during the period.

Equivalent yield
Equivalent yield is the internal rate of return from an investment property, based on the gross outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent, and such items as voids and non-recoverable expenditure but disregarding potential changes in market rents.

European Public Real Estate Association (EPRA)
EPRA develops policies for standards of reporting disclosure, ethics and industry practices.

EPRA adjusted EPS
EPS adjusted to determine the level of recurring income arising from operational activities. It excludes all items which are not relevant to the underlying and recurring portfolio performance.

EPRA adjusted net asset value
EPRA adjusted net asset value aims to provide a consistent long-term performance measure, by adjusting net asset value for assets and liabilities that are not expected to crystallise such as, the movement in derivative financial instruments and deferred tax on property valuation movements and capital allowances.

EPRA adjusted triple net asset value
EPRA adjusted net asset value incorporating the fair value of debt.

Estimated rental value (ERV)
ERV is the market rental value of properties owned by the Group, estimated by the Group's valuers.

Fair Value
The amount at which an asset or liability could be exchanged between two knowledgeable willing unconnected parties in an arm's length transaction at the valuation date.

Gearing
Nominal value of Group borrowings expressed as a percentage of Group EPRA adjusted net assets.

Group
Group refers to Shaftesbury PLC, its subsidiaries and its 50% interest in the Longmartin joint venture.

Head lease
A lease under which the Group holds an investment property.

Initial yield
The initial yield is the net initial income at the date of valuation expressed as a percentage of gross valuation. Yields reflect net income after deduction of any ground rents, head rents, rent charges and estimated irrecoverable outgoings.

Interest cover
Interest cover is a measure of the number of times the Group can make interest payments with its operating profit before investment property disposals and valuation movements.

Investment Property Databank (IPD)
IPD is an independent provider of real estate performance analysis publishing detailed information on real estate market returns.

Joint venture
A joint venture is an entity that is controlled by two or more parties under a contractual agreement. Decisions on financial and operating policies essential to the operation, performance and financial position of the venture require agreement from all parties.

Lease incentives
An incentive offered to a prospective tenant to enter into a lease. For Shaftesbury this is usually in the form of an initial rent-free period. Under IFRS, the value of the lease incentive is spread over the non-cancellable life of the lease.

Loan-to-value ratio
Nominal value of borrowings expressed as a percentage of the fair value of properties.

Long-Term Incentive Plan (LTIP)
An arrangement under which an employee is awarded shares in the Company at nil cost, subject to a period of continued employment and the attainment of NAV and TSR targets over a 3 year vesting period.

Net asset value (NAV)
Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date.

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.

Property Income Distribution (PID)
A PID is a distribution by a REIT to its shareholders paid out of qualifying profits. A REIT is required to distribute at least 90% of its qualifying profits as a PID to its shareholders.

Real Estate Investment Trust (REIT)
A REIT is a tax designation for an entity or group investing in real estate that reduces or eliminates corporation tax providing certain criteria set out in tax legislation are met.

Total property return
A combination of the capital value return and net property income from the portfolio for the period expressed as percentage return on the valuation at the beginning of the period adjusted for acquisitions and capital expenditure.

Total shareholder return
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.

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