

# Shaftesbury

*investor and analyst presentation*  
Year ended 30 September 2014



GANTON STREET WY  
NEW WALSURGH STREET

OFFICE

# Agenda

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Introduction

Results and finance

Portfolio review

Uses

Summary and outlook

Q&A

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## PRESENTERS

Brian Bickell – Chief Executive, Chris Ward – Finance Director

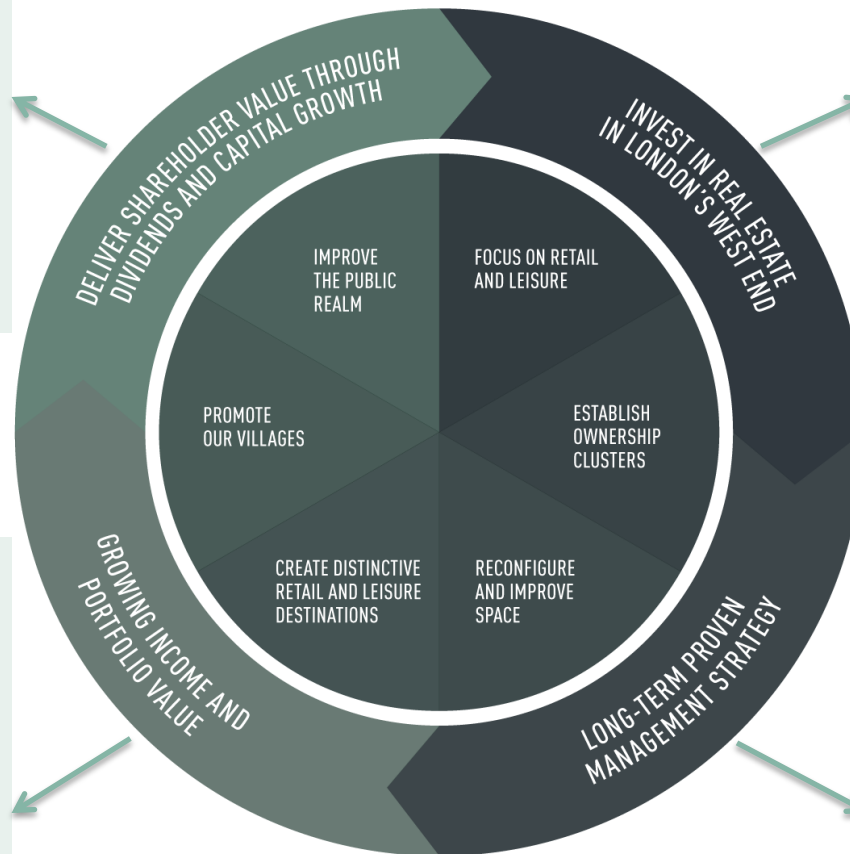
Simon Quayle – Property Director, Tom Welton – Property Director

# Delivering our strategy

In a busy, prosperous and in-demand West End

- EPRA NAV: £7.13, +25.7%
- NAV return before dividends: 28.0%
- Dividend: 13.1p, +4.8%
- TSR: +17.8%<sup>1</sup>

- Growth in current income and ERV
- Reversion: £25.1m
- Portfolio valuation growth: +21.0%



- A unique and growing portfolio
- Current value: £2.6bn
- 14 acres<sup>2</sup>
- Strategic acquisitions this year £107.9m

- Accelerating asset management and schemes
- £25.1m of leasing transactions
- Strong demand, low vacancy

# Growth in value, earnings and dividend

EPRA NAV per share	PORTFOLIO VALUATION	EPRA EARNINGS	TOTAL DIVIDEND
<b>£7.13</b>	<b>£2.6bn</b>	<b>£32.6m</b>	<b>13.1p</b>
<b>+25.7%</b>	<b>+21.0% (l-f-l)</b>	<b>+7.9%</b>	<b>+4.8%</b>

BALANCE SHEET	2014	2013	CHANGE %
Portfolio value	<b>£2,605m</b>	£2,047m	21.0% <sup>1</sup>
EPRA NAV <sup>2</sup>	<b>£7.13</b>	£5.67	25.7%
Loan to value <sup>3</sup>	<b>23.6%</b>	29.5%	

INCOME STATEMENT	2014	2013	CHANGE %
Net property income	<b>£79.7m</b>	£73.2m	8.9%
EPRA earnings	<b>£32.6m</b>	£30.2m	7.9%
EPRA EPS	<b>12.2p</b>	12.0p	1.7%
Dividends	<b>13.1p</b>	12.5p	4.8%

1. Like-for-like change

2. Diluted

3. Based on EPRA net assets

# Broad-based demand and low vacancy

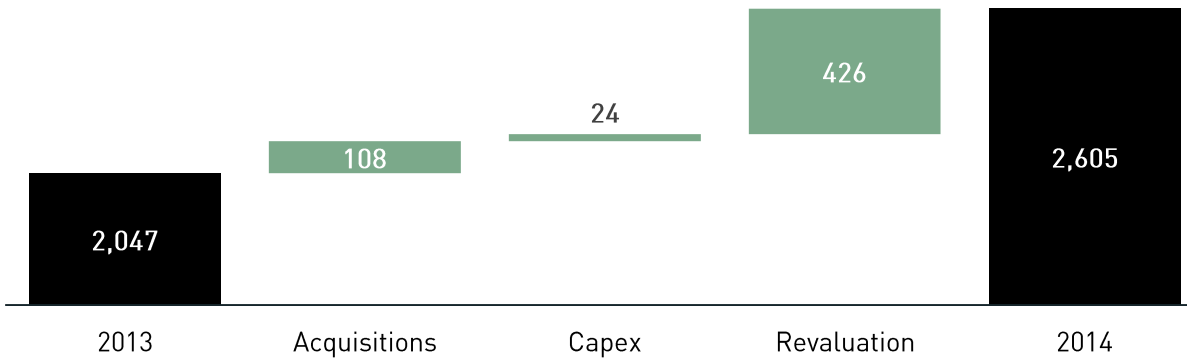
COMMERCIAL LETTINGS/RENEWALS	COMMERCIAL RENT REVIEWS	EPRA VACANCY	SCHEMES IN PROGRESS
<b>£12.0m</b>	<b>£8.2m</b>	<b>2.5%</b>	<b>5.5%</b>
<b>+5.5%</b> vs 9/13 ERV	<b>+26.3%</b> over previous rent	of ERV	of ERV

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- Strong demand for all uses across each location
- Space letting quickly
- £25.1m leasing and rent review transactions (2013: £18.7m)
- EPRA vacancy: 2.5% of ERV
  - 1.9% under offer
  - 0.6% ready to let

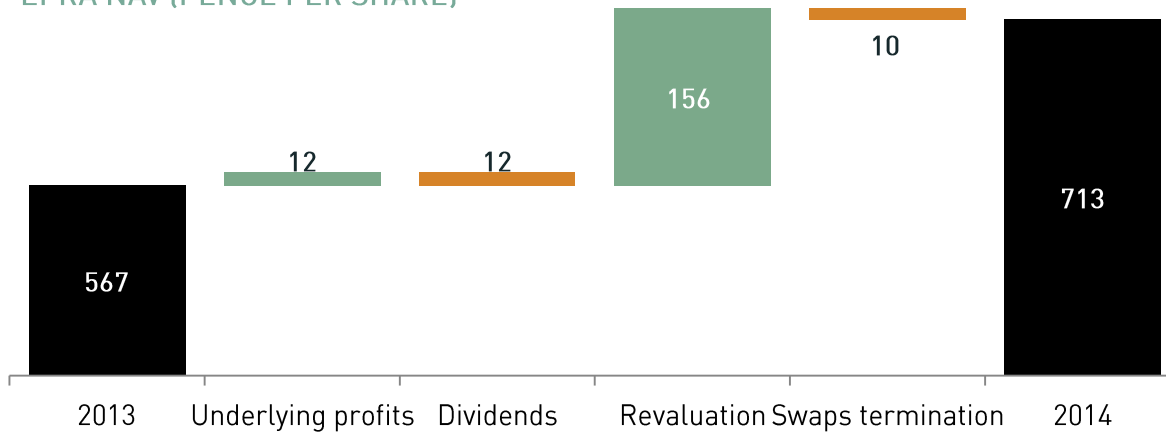
# Strong valuation uplift driving NAV growth

PORTFOLIO VALUE (£M)



+21.0%  
l-f-l

EPRA NAV (PENCE PER SHARE)



NAV  
+25.7%

(NAV return, before dividends: +28.0%)

# Continuing to deliver income growth

RENTS RECEIVABLE

YEAR-ON-YEAR

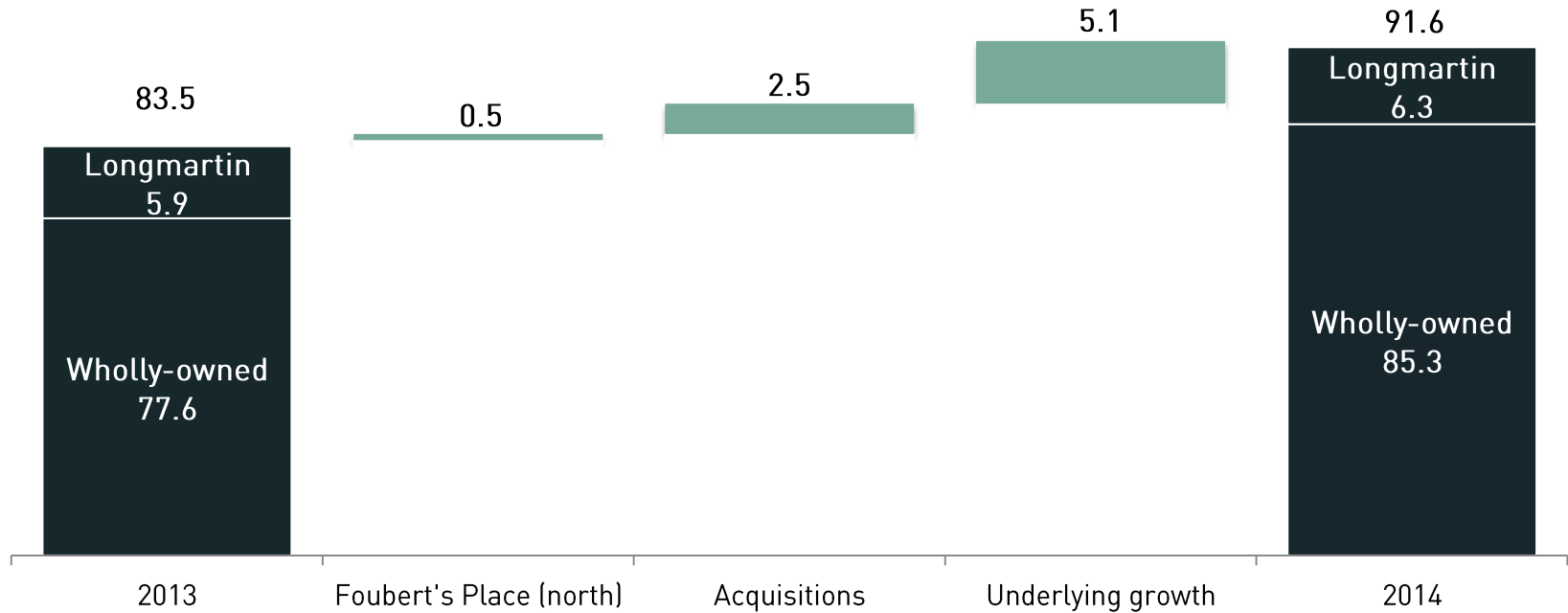
LIKE-FOR-LIKE INCREASE<sup>1</sup>

+£8.1m

+9.7%

+6.3%

## RENTAL INCOME (£M)



# Increased NPI drives earnings growth

NET PROPERTY INCOME

+8.9%

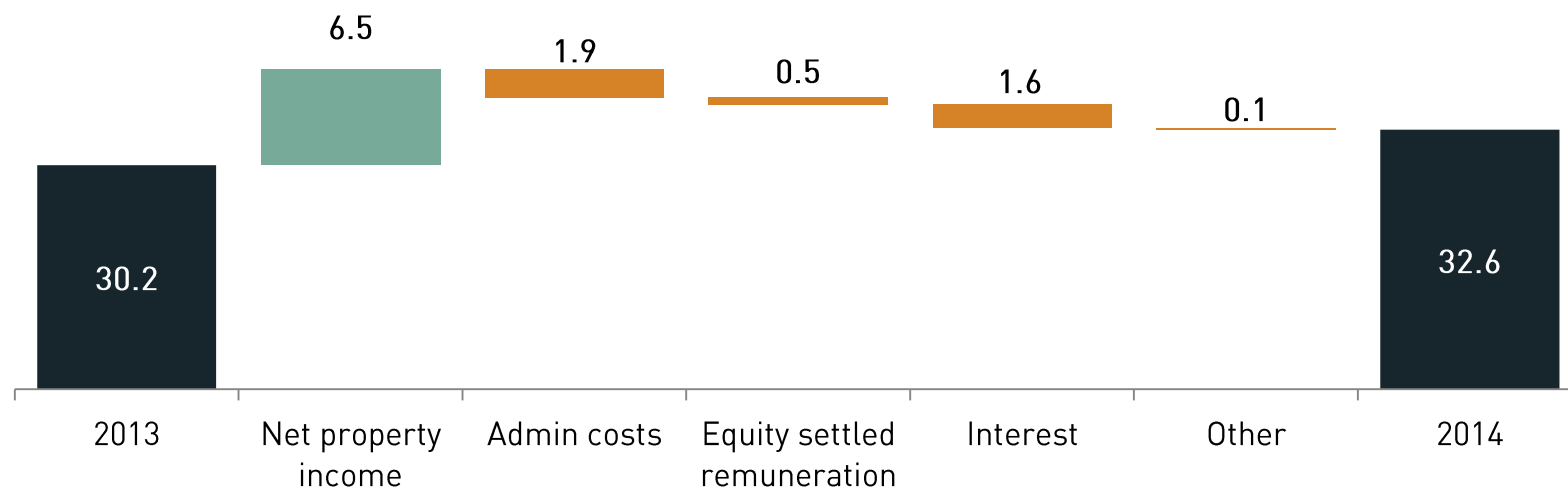
EPRA EARNINGS

+£2.4m

EPRA EARNINGS

+7.9%

## EPRA EARNINGS (£M)



- Property cost (as % of rent): 13.0% (2013: 12.3%)
- Increase in employment and occupation costs

- Equity-settled remuneration charge – strong NAV growth, option vesting more likely
- Increase in finance costs



# Prudent gearing

COMMITTED UNDRAWN FACILITIES

£139.4m

LOAN-TO-VALUE

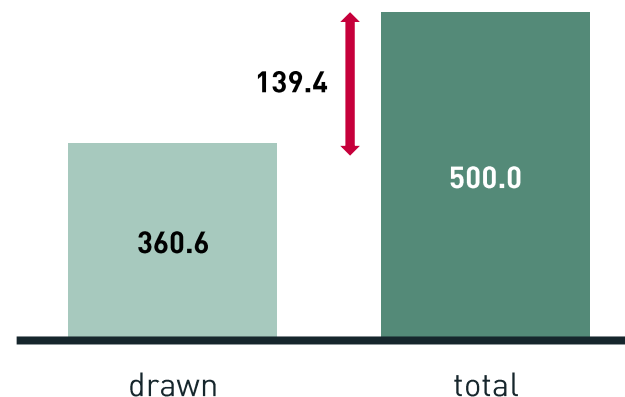
23.6%

WEIGHTED AVERAGE MATURITY

7.1 years

DEBT SUMMARY	2014	2013
Total facilities	£755.8m	£696.0m
Undrawn committed facilities	£139.4m	£90.8m
LTV	23.6%	29.5%
Gearing	31.0%	42.1%
Weighted average cost	5.11%	5.07%
Weighted average maturity	7.1 years	5.8 years
% debt fixed	82.1%	79.5%

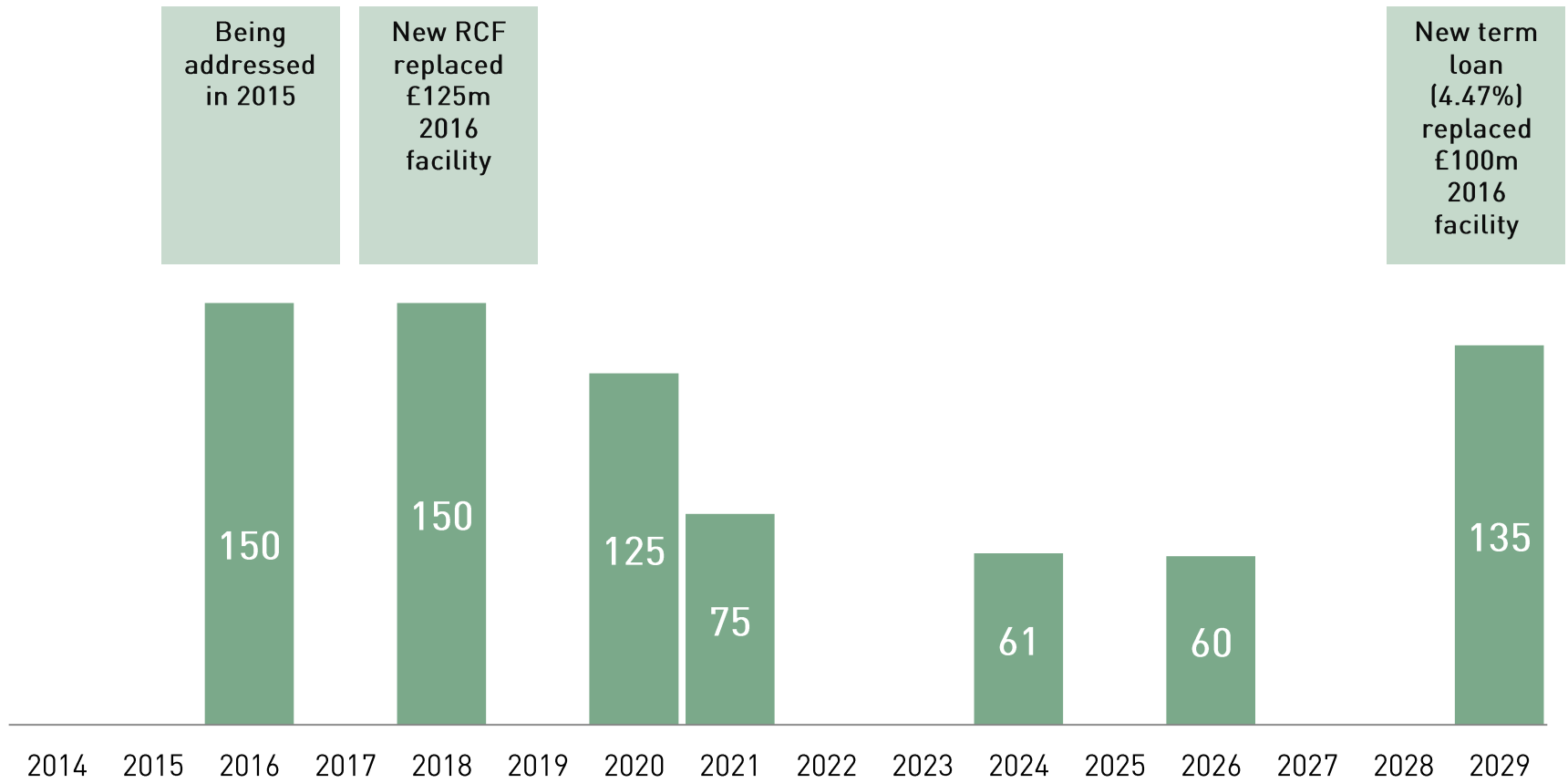
BANK FACILITIES (£M)



- Diversity of loans, debt providers and spread of maturities
- Capacity for further debt

# Improved maturity profile

DEBT MATURITY PROFILE (£M)



# Strategic additions to the portfolio

TOTAL	AVERAGE INITIAL YIELD	CONTRACTED SINCE YEAR END
£107.9m	2.6%	£6.8m

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- Acquisitions: £107.9m
- Average initial yield: 2.6%
  - potential to grow rents and values
- Newport Sandringham & 57-59 Broadwick Street: £89.4m
- Other acquisitions: £18.5m
  - Spread across villages
  - Contracted since year end: £6.8m
  - Forward purchase of 6,500 sq. ft. retail/restaurant space on Broadwick Street

# Equity to grow and invest in our portfolio

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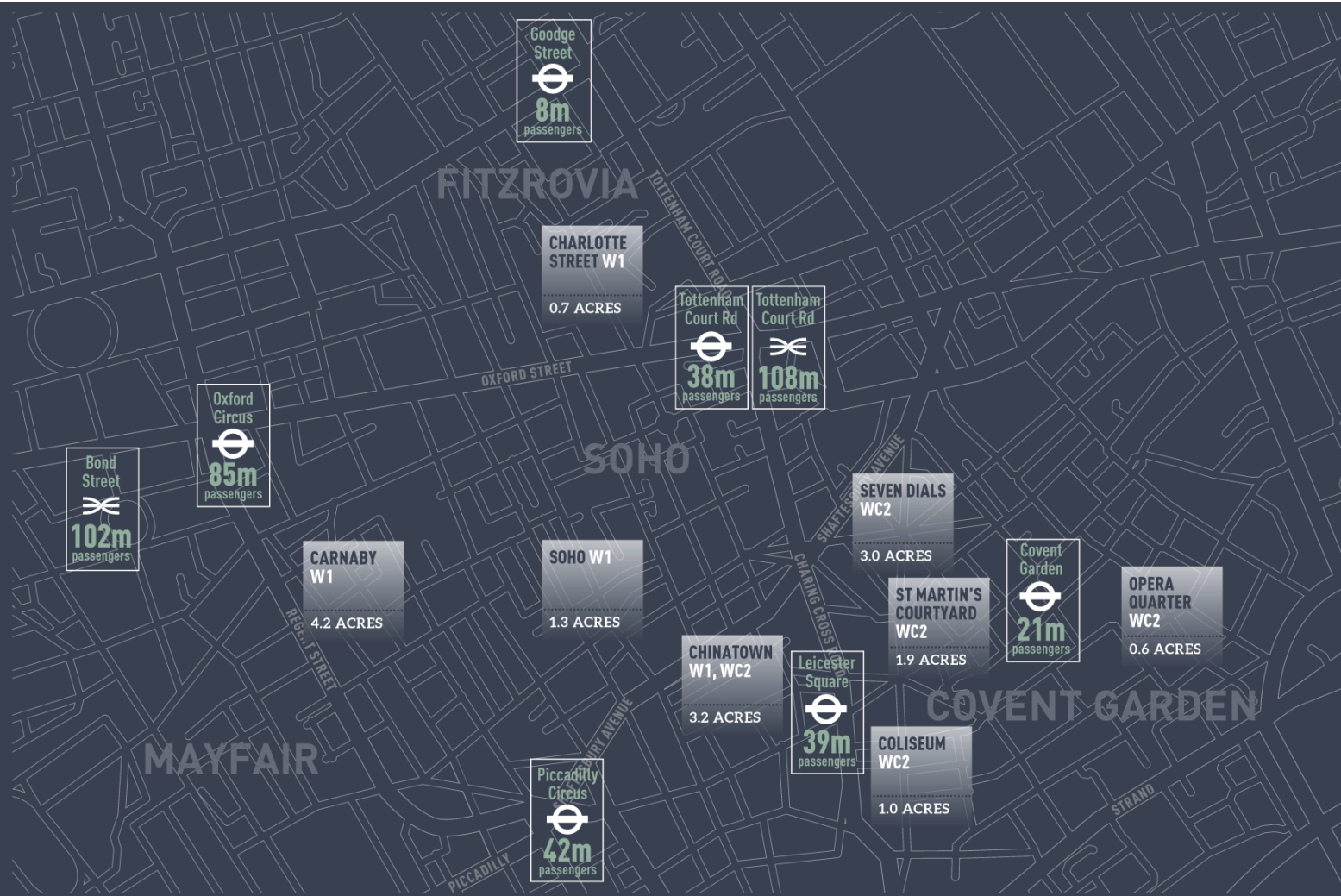
## USE OF PROCEEDS (£M)



- 25.25m shares (9.99% of issued capital) issued at £6.20 in March 2014
- Net proceeds: £153.2m

- 91.8% spent or allocated, including £22m for proposed 57-59 Broadwick St and Newport Sandringham schemes
- Expect to deploy remainder relatively quickly

# Unique portfolio in the heart of the West End



**233 MILLION**

PASSENGERS ANNUALLY at the six tube stations closest to our villages

**100%**

of our portfolio is within 5 TO 10 MINUTES' WALK OF A CROSSRAIL STATION

**332**

SHOPS

**250**

RESTAURANTS, CAFÉS AND PUBS

**415,000**

SQ. FT. OFFICE SPACE

**491**

APARTMENTS

# Strong portfolio valuation growth

PORTFOLIO VALUATION

£2.6bn

L-f-L CAPITAL VALUE GROWTH

+21.0%

L-f-L ERV GROWTH

+6.6%

PORTFOLIO REVERSION

£25.1m

## Strong growth

- Year: 21.0% (H1: 5.4%, H2 14.8%)
- 3 year CAGR: 11.8%

## Equivalent yields tightening

- wholly-owned: 4.0% (↓55 bps); Longmartin: 4.1% (↓48 bps)
- Strong investor demand
- Expectation of further rental growth in the portfolio
- Interest rates lower for longer
- Move to more valuable uses

## Tenant demand remains strong

- Only 0.6% of ERV available to let (not under offer)

## DTZ continue to advise potential additional value in this unique portfolio

- Concentration in sought-after West End locations
- Predominance of retail, restaurant and leisure uses
- Portfolio valued in parts, not its entirety

# Significant portfolio reversion

Current annualised income up £7.6m to £93.5m

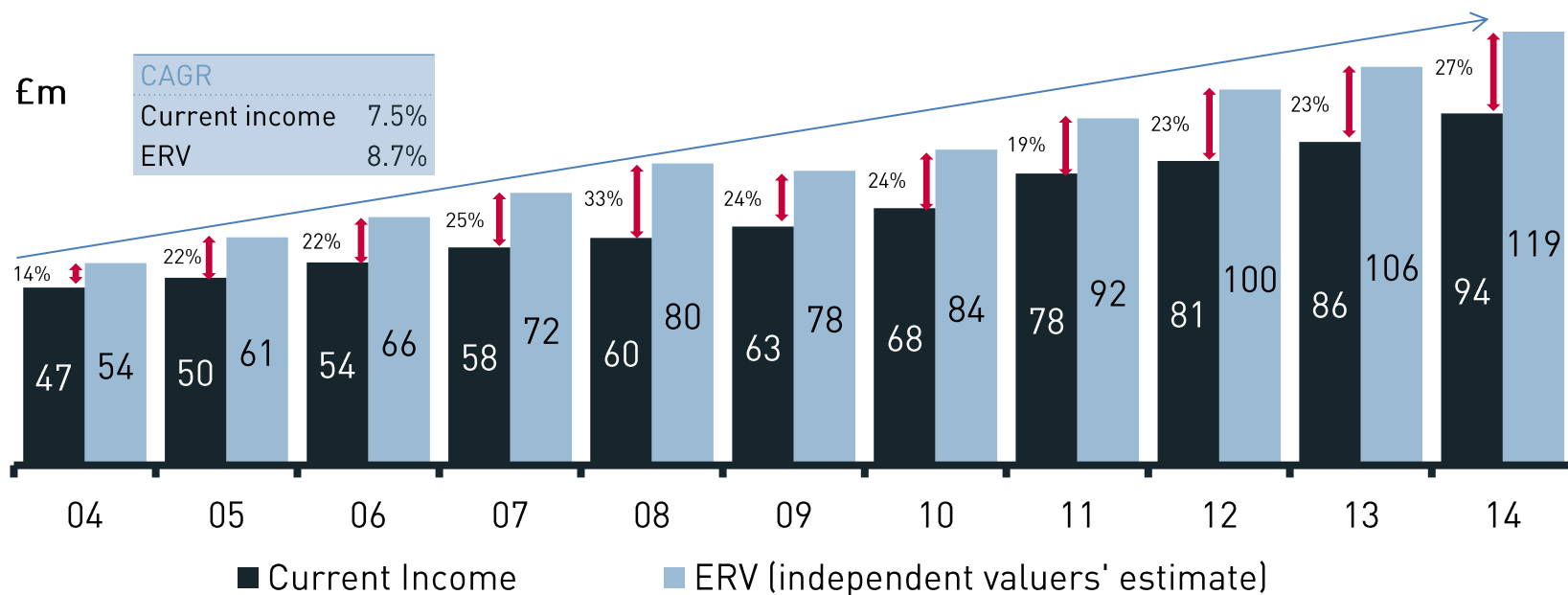
ERV up £12.7m to £118.6m

Reversion now £25.1m, 27% above current income

- L-f-L increase: +5.0%
- Acquisitions contributed £3.3m

- L-f-L ERV growth: +6.6%
- Acquisitions contributed £5.8m

- Largest reversionary potential in our history



# Schemes to meet demand for space

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## High level of activity

- 50 schemes during the year (154,000 sq. ft., 9% of floor space<sup>1</sup>)
- 132 planning applications approved
- Schemes at various stages
- Expect capex of c. £70m - £75m over next three years

## Scheme benefits

- Average rental yield on cost over last three years  $\approx$  9%
- Longer-term benefits (upgraded space, higher rental tones, improved tenant quality)
- Compound benefits across our nearby ownerships



# Kingly Street/Foubert's Place



- Completion early Spring 2015
- Cost £13.5m (£9m spent to date)
- ERV: £2.1m (£1.7m over pre-scheme income)
- Now marketing – good interest
- 7,500 sq. ft. retail (Foubert's Place)
- 6,500 sq. ft. flagship restaurant (Kingly Street)
- 10,500 sq. ft. offices
- 12 apartments
- + unlocked opportunities to improve adjacent properties

# Reconfiguring our strategic acquisitions

Charing Cross Road/Chinatown



57-59 Broadwick Street



- Now owned for 8-9 months – good progress with complex projects
- Charing Cross Road/Chinatown – add value through reconfiguring uses
- 57-59 Broadwick Street – retail on lower floors, retain offices above
- Pre-planning discussions with Westminster now under way
- Planning applications to be made in 2015 – expect to commence works in 2016
- Long-term rental and valuation growth – compound benefits to Chinatown and Carnaby
- Capex expected at c. £22m



# Shops

37%  
of current  
income<sup>1</sup>

## Mainly fashion & lifestyle retailers

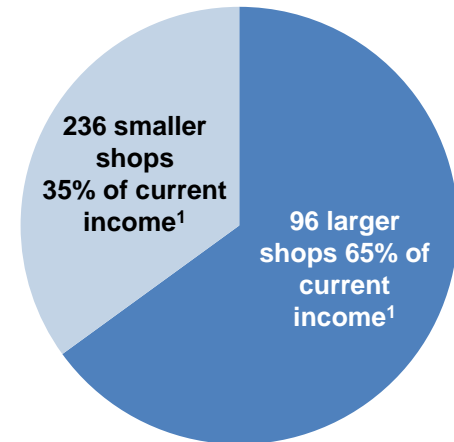
- Wide variety of shop sizes, streets and rental levels provides flexibility
- Important element of villages' character

## Demand remains good

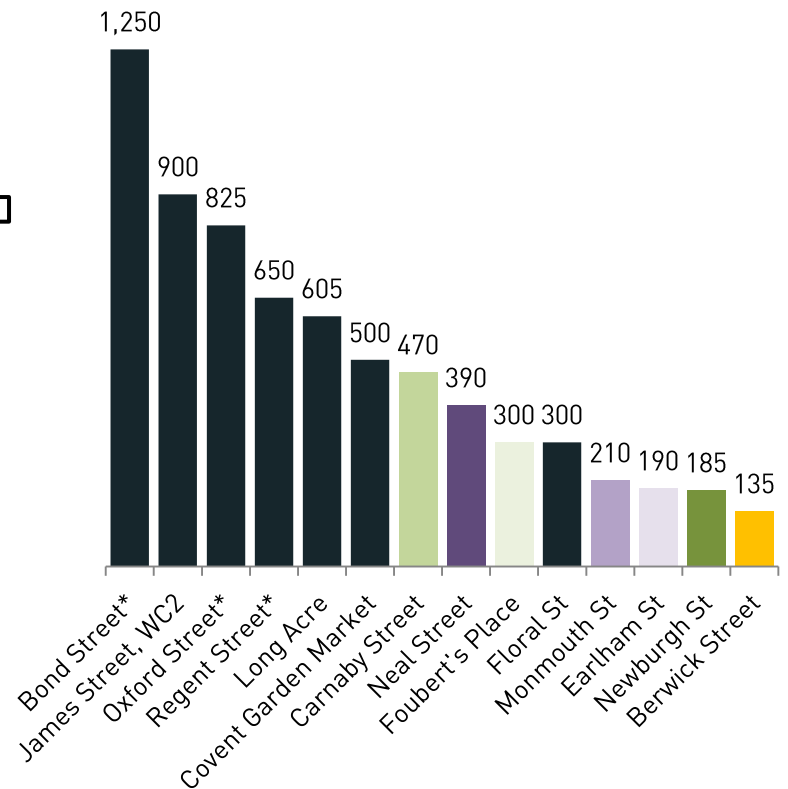
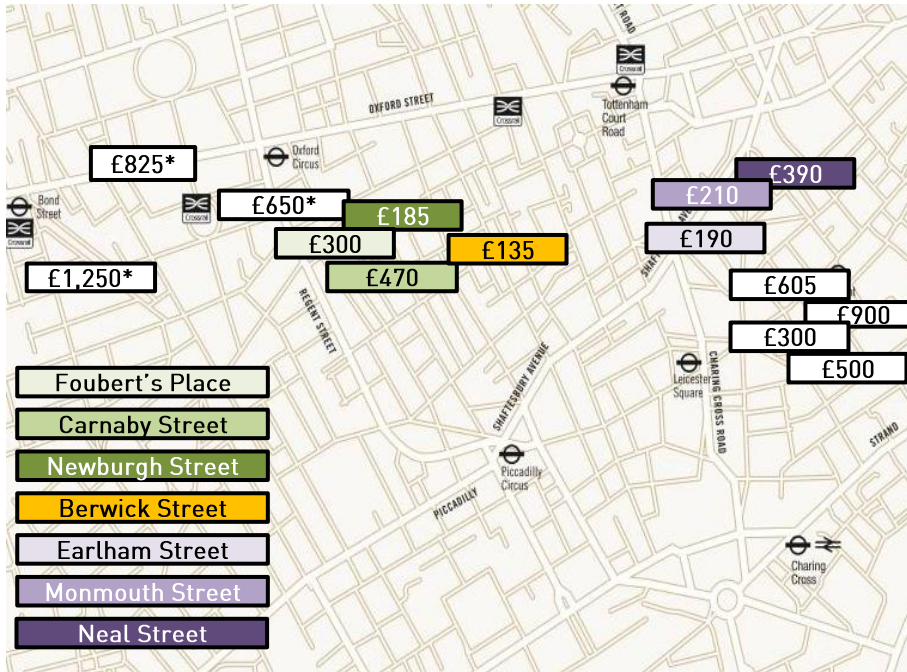
- Lettings/renewals/reviews: £8.5m - equivalent to 27.1% of current income
- 29 new shop lettings (11 larger shops)
- 16 renewals
- Progressing opportunities to create larger units

## EPRA retail vacancy: 4.0% of ERV<sup>1</sup>

- 2.3% under offer
- 1.7% ready to let



# Retail rental tone – prime West End retail streets vs Shaftesbury streets (Zone A rents)



Source: Cushman & Wakefield (Mar 2014), company data.  
 Shaftesbury Zone As are "net effective".  
 \* Based on 30 ft zones



# Restaurants, cafés, and leisure

35%  
of current  
income<sup>1</sup>

## 250 restaurants, cafés, pubs, bars and clubs<sup>1</sup>

- Growing proportion of our business

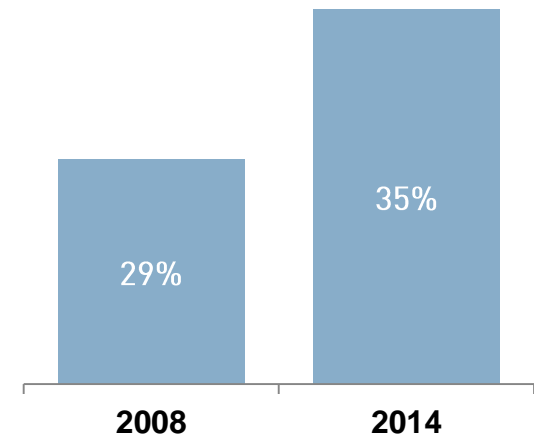
## Important uses – a destination and footfall driver in their own right

## Demand remains strong

- Lettings/renewals/reviews: £7.2m - equivalent to 23.1% of current income
- Lettings - 11 new concepts
- EPRA restaurant, café and leisure vacancy: 3.1% of ERV<sup>1</sup> - all under offer
- Securing vacant possession of space, where possible

*“The power of food and beverage to the traveller today is so significant that people plan their trips around what restaurants they are going to go to”*  
Jason Atherton, Nov 2014

Growing importance  
(% of current income)



# Transformation of Kingly Court

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## Lively restaurant and leisure destination

- 18 restaurants & cafés
- 4 bars and clubs
- Al-fresco dining
- 43,000 sq. ft.
- 1,000 covers

## Attracting footfall from a wide catchment

## Increasing dwell times

## Improved net property income for modest investment





# Offices

16%  
of current  
income<sup>1</sup>

**415,000 sq. ft. (wholly-owned), 102,000 sq.ft. (Longmartin)**

- Average area 1,400 sq. ft.\*
- Average rent: £41 psf\*

## **Strong demand outstripping supply of space**

- SME media, creative, fashion and IT businesses
- Businesses locating from more expensive areas
- Lettings/renewals/reviews: £4.5m (28.5% of current income)
- EPRA retail vacancy: 1.0% of ERV<sup>1</sup> (0.5% under offer)

## **Upgrading office space where possible to improve rental prospects**



# Residential



## 491 apartments + 75 in Longmartin

### Increasing part of our business over recent years

- Conversion of under-utilised upper floors/poorest offices

### Sustained demand for reasonably priced apartments to rent

- Lettings/renewals: £4.9m
- Equivalent to 45.8% of current residential income
- Low vacancy – just two apartments available to let<sup>1</sup>

### Continuing to unlock space for conversion on upper floors

- 65 apartments being created or upgraded at year end<sup>2</sup>, including 12 flats being created in our Foubert's Place/Kingly Street scheme
- Planning consents obtained for more units
- Upgrading existing flats to improve their rental prospects



# Summary

## **London and the West End...**

... prosperous, dynamic and sought-after locations

- Attracting domestic and international investment and businesses
- Fast growing resident and working population
- A destination for visitors from across the world

## **Unique and growing portfolio...**

... in the liveliest parts of the West End

- Broad based demand for space throughout our locations
- Continually improving our buildings and refreshing the offer in our locations
- Disciplined long term acquisition strategy

## **Experienced, innovative and enthusiastic management team**

- 23 staff, non-executive directors and team of advisors
- Not complacent: anticipate changing tastes and expectations
- Accelerating asset management and refurbishment activity
- Prudent approach to financing

**Confident we shall continue our long record of delivering growing income and value to our shareholders**

# Appendices

1. EPRA earnings and NAV reconciliations
2. Portfolio summary
3. Portfolio reversion
4. Vacancy
5. Mix of uses
6. Increase in capital values
7. Yields
8. Income and costs
9. Finance analysis
10. Improving the public realm
11. Charing Cross Road/Chinatown
12. Broadwick Street
13. A selection of retailers
14. A selection of restaurants and cafés
15. Kingly Court
16. Village summaries
17. Key risks

# Appendix 1

## EPRA earnings and NAV reconciliations

	2014 €M	2013 €M
Reported profit after tax	440.4	239.3
Adjust for fair value movements:		
Investment properties	(426.4)	(174.3)
Financial derivatives	12.0	(37.0)
Add back: deferred tax charge <sup>1</sup>	6.6	2.2
<b>EPRA earnings</b>	<b>32.6</b>	<b>30.2</b>
Number of shares for EPS calculation (million)	266.6	251.9
<b>EPRA EPS</b>	<b>12.2p</b>	<b>12.0p</b>

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

	2014 €M	2013 €M
Reported net assets	1,893.2	1,330.7
Adjust for:		
Fair value of financial derivatives	78.8	95.8
Deferred tax <sup>1</sup>	15.7	9.1
<b>Adjusted net assets</b>	<b>1,987.7</b>	<b>1,435.6</b>
Additional equity if all share options are exercised	0.4	0.2
<b>EPRA net assets (diluted)</b>	<b>1,988.1</b>	<b>1,435.8</b>
Number of shares for diluted NAV calculation (million)	279.0	253.2
<b>EPRA NAV per share</b>	<b>7.13</b>	<b>€5.67</b>

# Appendix 2

## Portfolio summary

	Fair value £m	% of portfolio	Current income £m	ERV £m
<b>Wholly-owned portfolio</b>				
Carnaby	906.2	35%	31.0	41.7
Covent Garden	695.6	26%	23.8	30.9
Chinatown	584.0	22%	21.8	26.3
Soho	181.0	7%	7.0	8.1
Charlotte Street	67.8	3%	2.7	3.1
	<b>2,434.6</b>	<b>93%</b>	<b>86.3</b>	<b>110.1</b>
Longmartin joint venture (our 50%)	177.9	7%	7.2	8.5
<b>Total</b>	<b>2,612.5</b>	<b>100%</b>	<b>93.5</b>	<b>118.6</b>

	Wholly-owned portfolio			Longmartin joint venture <sup>1</sup>		
	Number	Area (sq.ft.)	% of current income	Number	Area (sq.ft.)	% of current income
Shops	332	463,000	37%	22	67,000	37%
Restaurants, cafés and leisure	250	552,000	35%	10	45,000	14%
Offices		415,000	16%		102,000	33%
Residential	491	292,000	12%	75	55,000	16%
<b>Total</b>		<b>1,722,000</b>	<b>100%</b>		<b>269,000</b>	<b>100%</b>

1. Shaftesbury has a 50% share of these figures

# Appendix 3

## Portfolio reversion by use

	Retail £m	Restaurants, cafés, leisure £m	Office £m	Residential £m	Longmartin £m	Total £m	% of ERV
Current income	32.0	30.2	13.4	10.7	7.2	<b>93.5</b>	<b>78.8%</b>
Vacancy							
- Available	1.6	1.1	0.2	0.1	-	<b>3.0</b>	<b>2.5%</b>
- Schemes	1.5	1.1	2.0	1.8	0.1	<b>6.5</b>	<b>5.5%</b>
	3.1	2.2	2.2	1.9	0.1	<b>9.5</b>	<b>8.0%</b>
Future schemes <sup>1</sup>	1.0	0.3	0.8	0.4	-	<b>2.5</b>	<b>2.1%</b>
Contracted (rent frees, stepped rents)	1.9	0.5	2.2	-	0.1	<b>4.7</b>	<b>4.0%</b>
Under-rented	2.3	2.7	1.9	0.4	1.1	<b>8.4</b>	<b>7.1%</b>
<b>ERV</b>	<b>40.3</b>	<b>35.9</b>	<b>20.5</b>	<b>13.4</b>	<b>8.5</b>	<b>118.6</b>	<b>100%</b>

1. Principally 57-59 Broadwick Street and Newport Sandringham

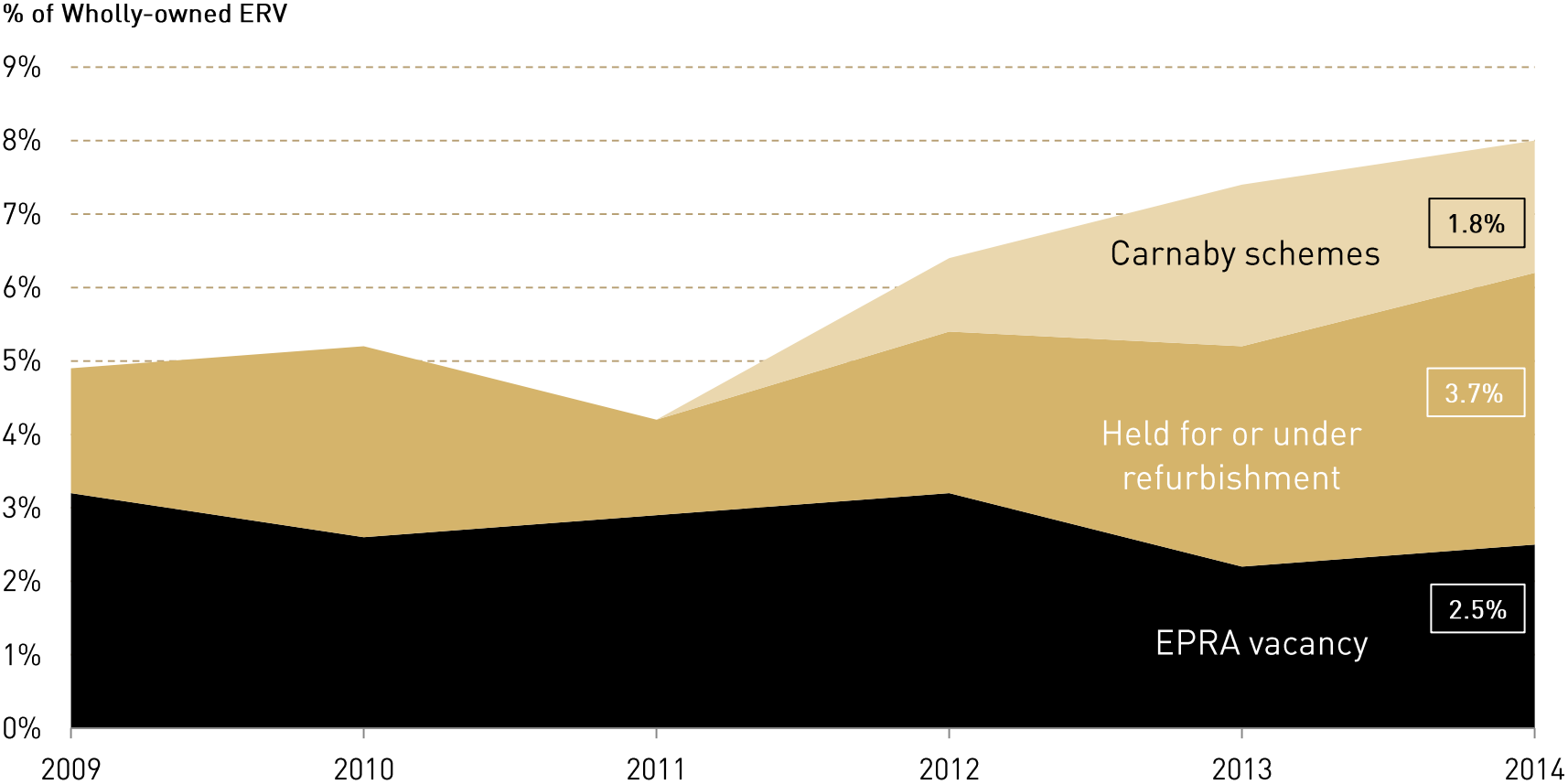
# Appendix 4

## Vacancy

	Shops £m	Restaurants, cafés & leisure £m	Offices £m	Residential £m	Longmartin £m	Total £m	% of ERV
Foubert's Place/Kingly St	0.5	0.5	0.7	0.4	-	2.1	1.8%
Other schemes	1.0	0.6	1.3	1.4	0.1	4.4	3.7%
<b>Total held for or under refurbishment</b>	<b>1.5</b>	<b>1.1</b>	<b>2.0</b>	<b>1.8</b>	<b>0.1</b>	<b>6.5</b>	<b>5.5%</b>
Available to let	0.7	-	0.1	-	-	0.8	0.6%
Under offer	0.9	1.1	0.1	0.1	-	2.2	1.9%
<b>Total available</b>	<b>1.6</b>	<b>1.1</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>	<b>3.0</b>	<b>2.5%</b>
<b>Total</b>	<b>3.1</b>	<b>2.2</b>	<b>2.2</b>	<b>1.9</b>	<b>0.1</b>	<b>9.5</b>	<b>8.0%</b>

# Appendix 4 (cont.)

## Wholly-owned vacant commercial space

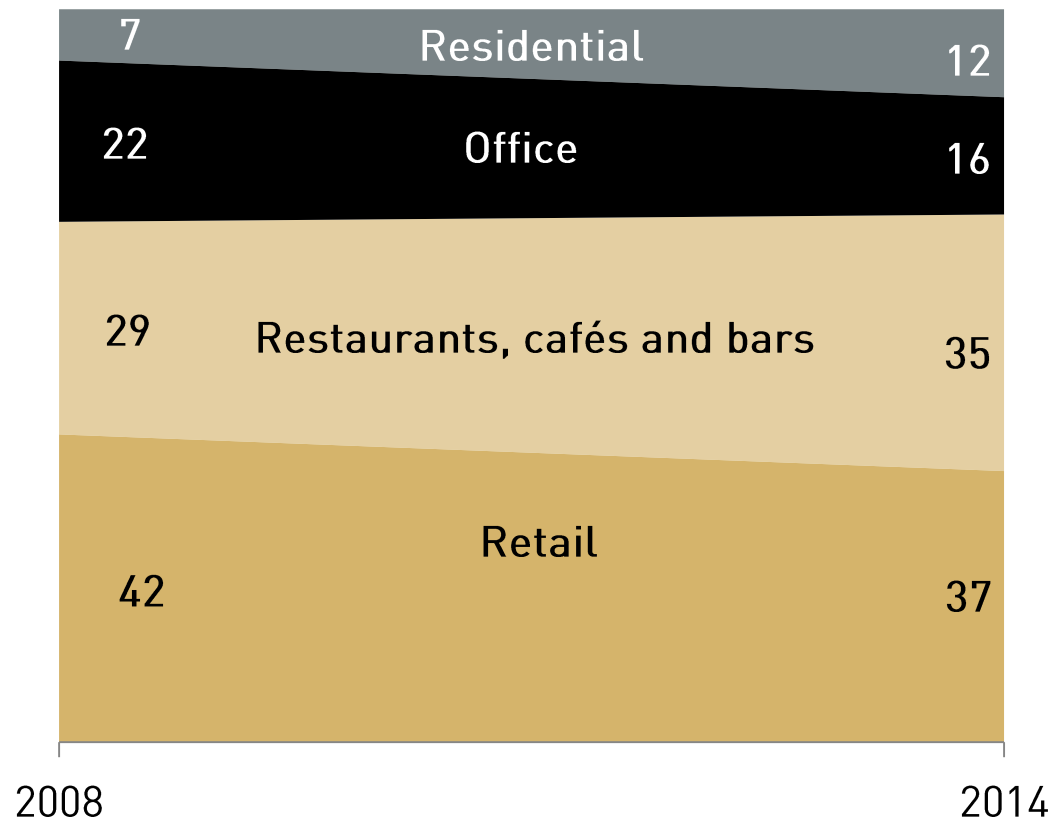


# Appendix 5

## Mix of uses (wholly-owned portfolio)

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% of current rent





## Appendix 6

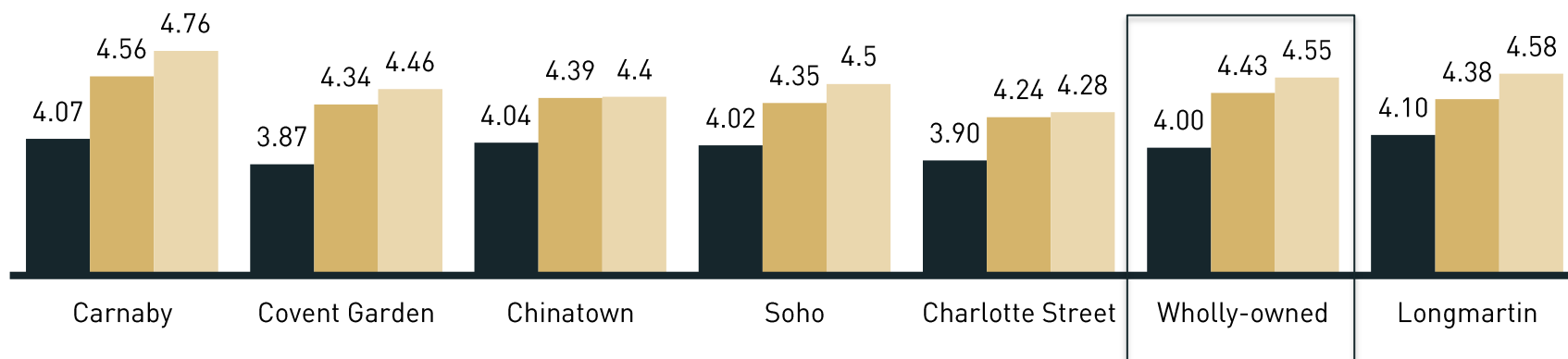
# Increase in capital values

	% of portfolio	H1	H2	Year	3 Year CAGR	5 Year CAGR
Total	<b>100%</b>	<b>5.4%</b>	<b>14.8%</b>	<b>21.0%</b>	<b>11.8%</b>	<b>11.3%</b>
Carnaby	<b>35%</b>	<b>5.9%</b>	<b>18.8%</b>	<b>25.8%</b>	<b>14.3%</b>	<b>13.0%</b>
Covent Garden	<b>26%</b>	<b>4.7%</b>	<b>13.9%</b>	<b>19.3%</b>	<b>10.6%</b>	<b>10.4%</b>
Chinatown	<b>22%</b>	<b>4.9%</b>	<b>12.3%</b>	<b>17.8%</b>	<b>10.1%</b>	<b>9.6%</b>
Soho	<b>7%</b>	<b>6.6%</b>	<b>9.0%</b>	<b>16.2%</b>	<b>10.2%</b>	<b>10.2%</b>
Charlotte St	<b>3%</b>	<b>2.5%</b>	<b>12.9%</b>	<b>15.8%</b>	<b>9.4%</b>	<b>9.5%</b>
Longmartin	<b>7%</b>	<b>6.9%</b>	<b>14.3%</b>	<b>22.2%</b>	<b>12.4%</b>	<b>N/A</b>

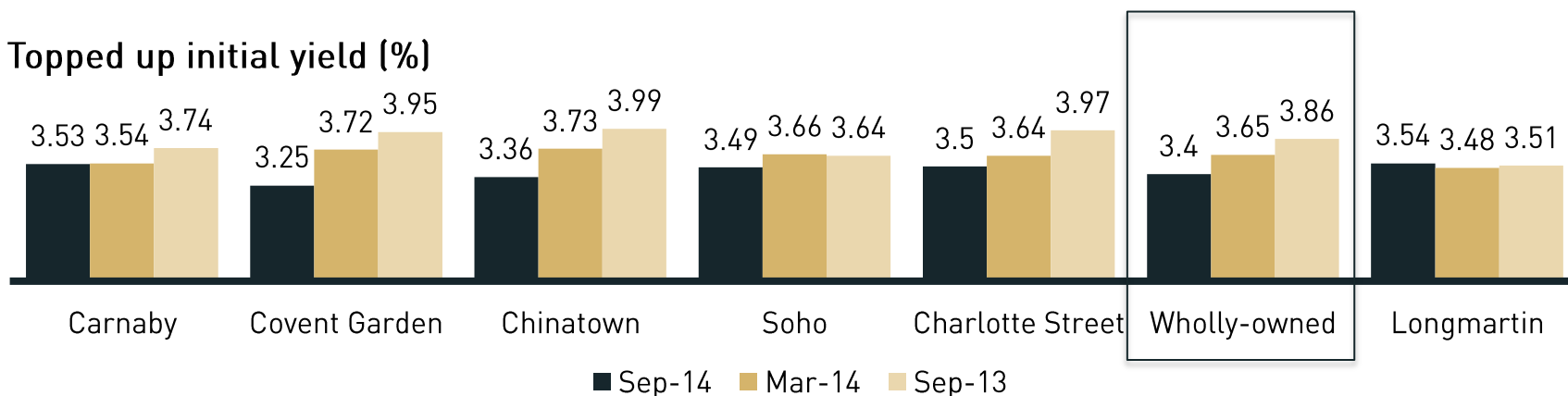
# Appendix 7

## Yields

Equivalent yield (%)



Topped up initial yield (%)



# Appendix 8

## Income and costs

	2014 £m	2013 £m
<b>EPRA EARNINGS</b>		
Rental income	98.2	89.6
Property costs	(18.5)	(16.4)
Net property income	79.7	73.2
Admin expenses	(14.0)	(11.6)
	65.7	61.6
Net finance costs	(32.8)	(31.2)
Recurring profit before tax	32.9	30.4
Current tax	(0.3)	(0.2)
EPRA earnings	32.6	30.2

	2014 £m	2013 £m
<b>PROPERTY COSTS</b>		
Operating costs	5.0	4.8
Management fees	2.1	1.9
Letting costs	3.3	2.5
Village promotion	1.5	1.1
Non recoverable costs	11.9	10.3
Recoverable costs	6.6	6.1
Total	18.5	16.4

	2014 £m	2013 £m
<b>ADMIN COSTS</b>		
Admin costs	8.2	7.5
Provision for annual bonuses	2.6	1.4
Charge for equity settled remuneration	3.2	2.7
Total	14.0	11.6

# Appendix 9

## Finance analysis

	2014		2013	
	£m	Rate	£m	Rate
Debenture <sup>1</sup>	63.3	7.93%	63.5	7.93%
Term loans <sup>2</sup>	194.8	4.46%	60.0	4.43%
Hedged bank loans <sup>3</sup>	250.0	6.06%	360.0	5.78%
Variable bank loans	110.6	1.66%	124.2	1.41%
<b>Weighted average cost</b>				
– drawn facilities		4.98%		4.98%
– including non-utilisation costs of undrawn facilities		5.11%		5.07%
<b>Average margin on bank loans</b>				
– drawn		111bps		91bps
– if all facilities are drawn		124bps		104bps
<b>Current marginal cost of additional drawings (approx)</b>		1.55%		1.80%
<b>Weighted average loan maturity (years)</b>				
– bank facilities		4.2		4.3
– total debt		7.1		5.8
<b>Maturity profile (£m)</b>				
	2016	150	2016	375
	2018	150	2018	-
	2020	125	2020	125
	2021	75	2021	75
	>2021	256	>2021	121

1. Including unamortized debenture premium and our 50% share (£60m) of the Longmartin term loan

2. Includes our 50% share of the Longmartin term loan

3. Interest rate inclusive of margin

# Appendix 10

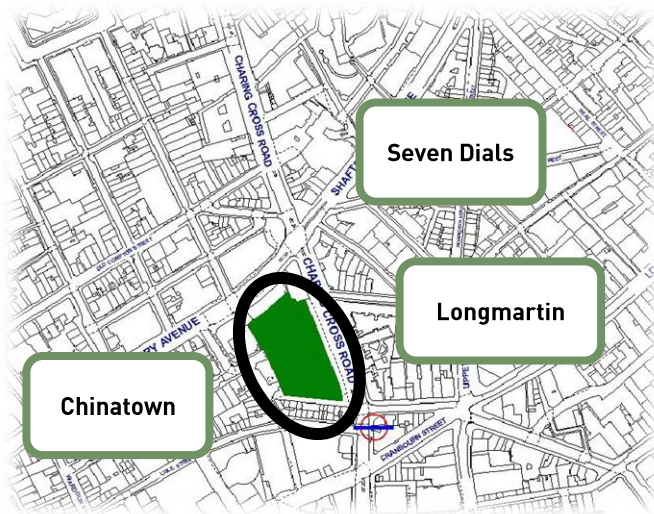
## Improving the public realm to enhance our locations

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- Important catalyst for improving footfall
- Extension of Kingly Street pedestrianisation completed March 2014
- Earlham Street
  - Road closure made permanent.
  - Designs for further improvements
- Reconstruction of surface on Carnaby Street in Spring 2015
- Improvements to streetscape on Upper St Martin's Lane in Spring 2015
- Discussions with WCC for Rupert Street improvements
- Newport Place/Court (Chinatown/Newport Sandringham)

# Appendix 11

## Charing Cross Road/Chinatown



# Appendix 11

## Charing Cross Road/Chinatown

---

### Significant addition to our Chinatown holdings

- Cost: £57.1m
- 49,700 sq. ft.

### Scheme (subject to planning consent)

- Reconfigure/improve space
- Relocate planning uses
- Improve retail frontage and configuration of shops
- Improve lighting & signage
- Support public realm improvements in Newport Place/Newport Court

### Status

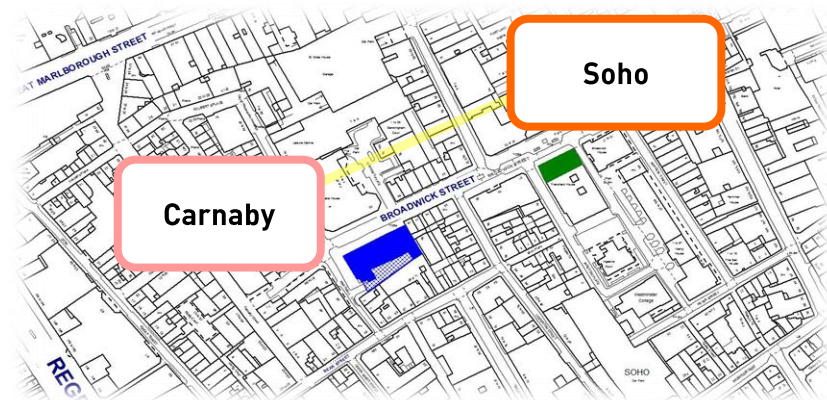
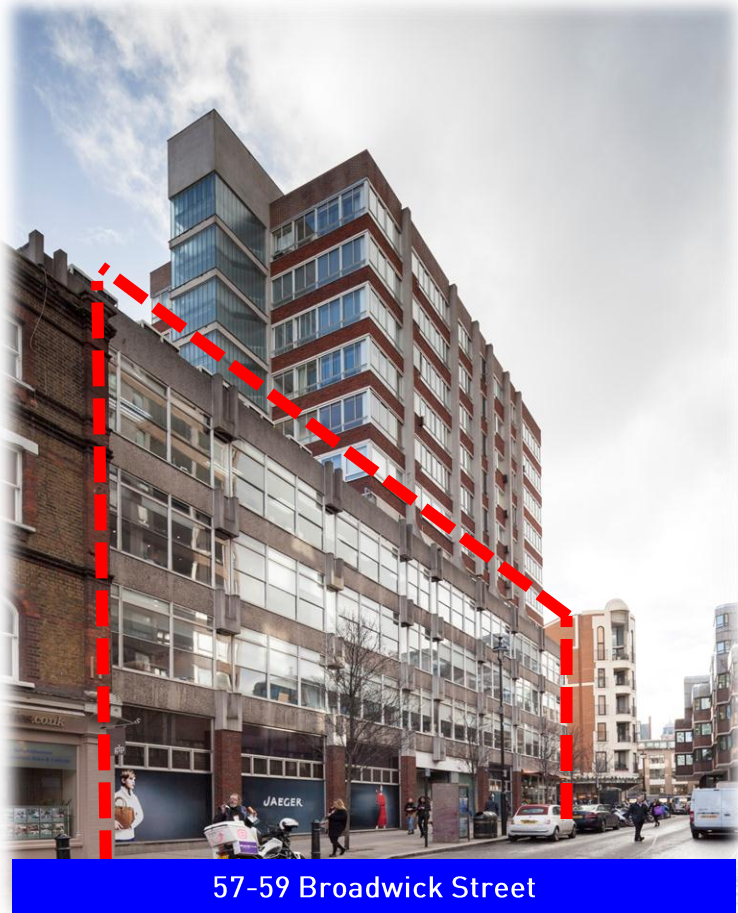
- Pre-application discussions underway with WCC
- Expect commencement mid-2016
- Capital expenditure (estimated: £10m)

### Benefits

- Material improvement to east end of Chinatown and extensive Charing Cross Road frontage
- Better-configured/more valuable space
- Draw footfall from Tottenham Court Road and Leicester Square stations
- Considerable potential to grow net property income

# Appendix 12

## Broadwick Street





# Appendix 12

## 57-59 Broadwick Street

---

### **Prominent building adjoining Carnaby**

- Cost £32.3m
- 24,900 sq. ft., principally offices
- Important busy east-west pedestrian route linking Carnaby and Berwick Street

### **Current leases**

- Expire in June 2015
- Discussions with tenants to extend to early 2016

### **Scheme**

- Create large retail units over lower floors
- Reconfigure/extend and upgrade remaining office space (currently let at average £30 psf)

### **Status**

- Pre-application discussions underway with WCC
- Expect to make planning application by mid 2015
- Commence works 2016
- Capital expenditure (currently estimated c. £12m)

# Appendix 13

## A selection of new retailers

Carhartt



Element



Prodirect



Soho Bikes



Nixon



Shinola



Nike Skateboarding



Our Legacy



Misan Brothers



Franklin & Marshall



Magma

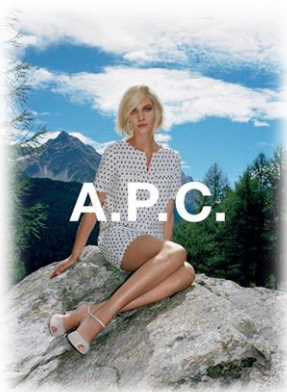


# Appendix 13

## A selection of new retailers

---

APC



Farah



F-Troupe



Pierre Herme



Superga



Loft Design



Supertrash



Cubitts



Sister Ray



David Mayer Naman



# Appendix 14

## A selection of new restaurants and cafés

The Palomar



Tredwell's



La Bottega



Barnyard



Pacata



Cicchetti



Golden Phoenix



Department of Coffee and Social Affairs



Augustus Harris



Ceru



Soho Grind



# Appendix 15

## Kingly Court

Pizza Pilgrims



Shoryu



Senor Ceviche



Stax diner



Detox Kitchen



Retreat café



Life Goddess



# Appendix 16

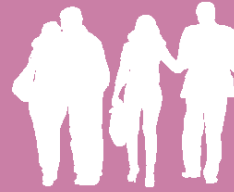
## Village summaries

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<b>Village</b>	<b>Page</b>
Carnaby	47
Covent Garden	48
Chinatown	49
Soho	50
Charlotte Street	51

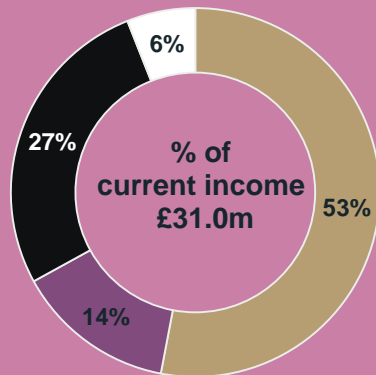
# Carnaby

35% of our portfolio

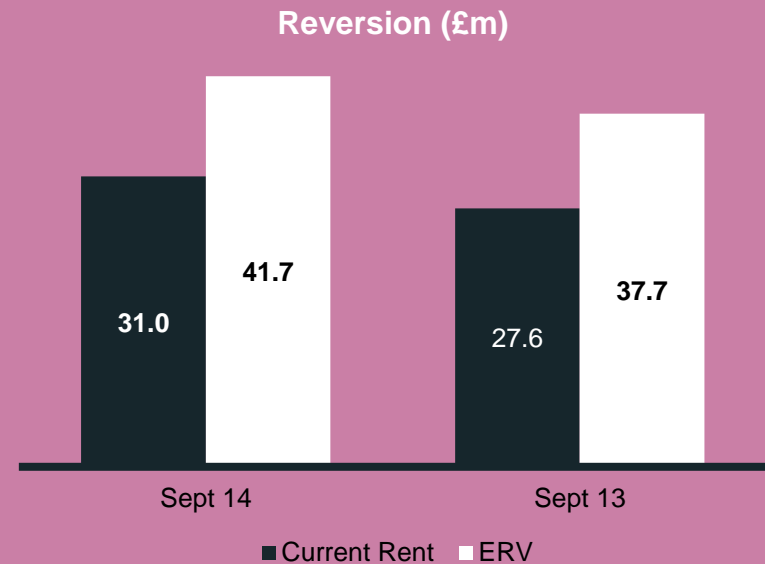


Footfall > 40m pa

	2014	2013
Valuation	£906.2m	£684.5m
Acquisitions	£32.3m	Nil
Capital expenditure	£11.5m	£9.3m
Capital value return (I-f-I)	25.8%	10.6%
Equivalent yield	4.07%	4.76%



- shops
- restaurants/café/bars
- offices
- apartments



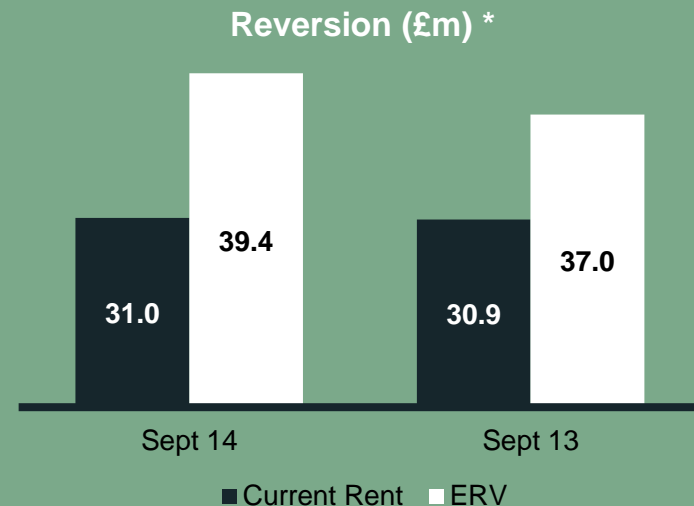
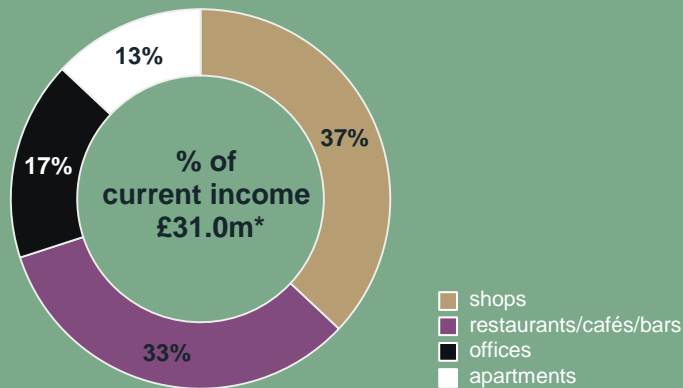
# Covent Garden

33% of our portfolio\*



Footfall > 30m pa  
(Seven Dials)

	2014	2013
Valuation	£873.5m	£720.4m
Acquisitions	£2.2m	£19.7m
Capital expenditure	£7.1m	£5.8m
Capital value return		
– wholly-owned	19.3%	8.5%
– Longmartin	22.2%	10.0%
Equivalent yield		
– wholly-owned	3.87%	4.46%
– Longmartin	4.10%	4.58%



\* including 50% share of Longmartin



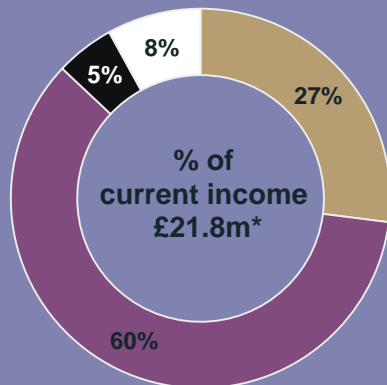
# Chinatown

22% of our portfolio

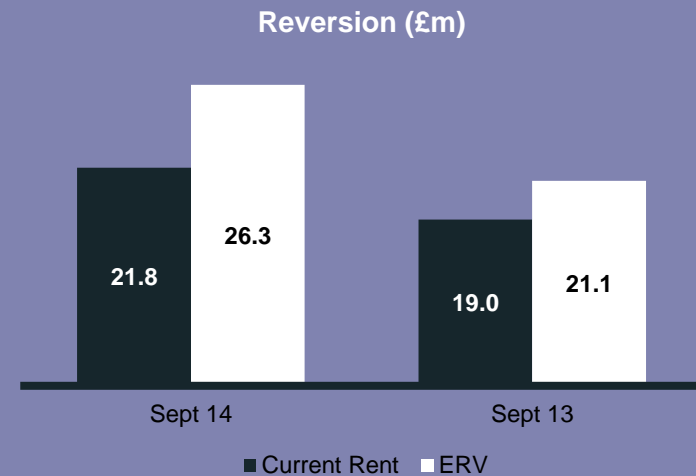


Footfall > 50m pa

	2014	2013
Valuation	£584.0m	£446.0m
Acquisitions	£61.6m	Nil
Capital expenditure	£3.8m	£2.4m
Capital value return (I-f-I)	17.8%	7.6%
Equivalent yield	4.04%	4.4%



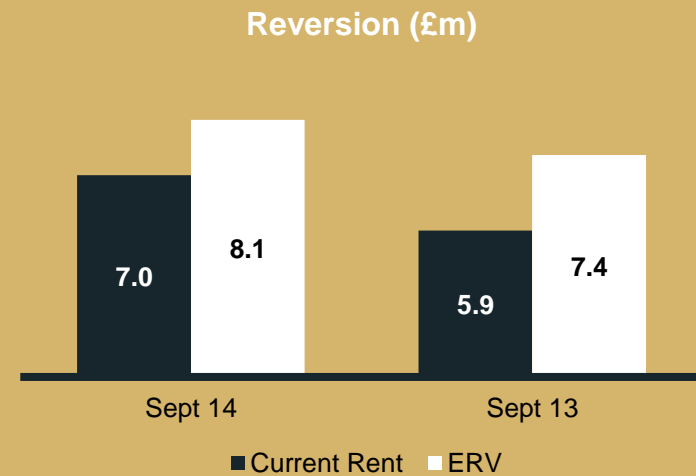
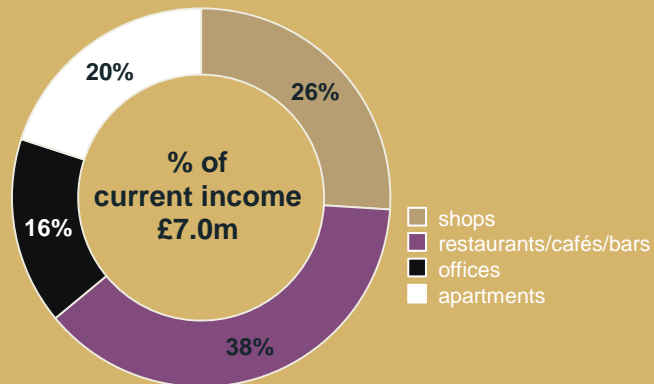
- shops
- restaurants/cafés/bars
- offices
- apartments



# Soho

7% of our portfolio

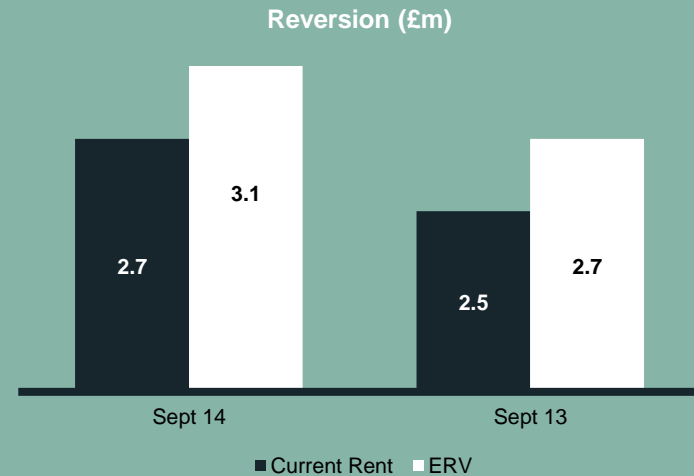
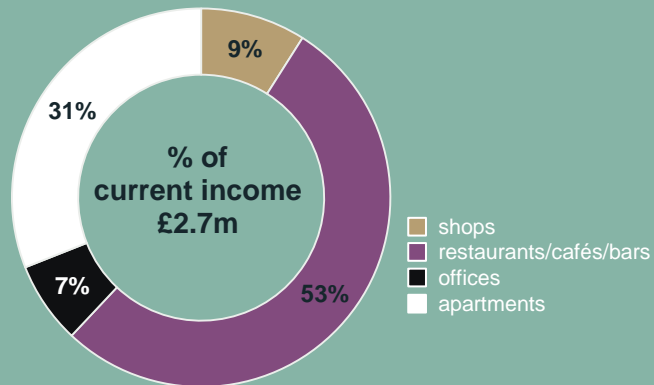
	2014	2013
Valuation	£181.0m	£146.8m
Acquisitions	£8.1m	£8.3m
Capital expenditure	£1.6m	£3.1m
Capital value return	16.2%	14.1%
Equivalent yield	4.02%	4.5%



# Charlotte Street

3% of our portfolio

	2014	2013
Valuation	£67.8m	£54.9m
Acquisitions	£3.7m	Nil
Capital expenditure	£0.2m	£0.2m
Capital value return	15.8%	9.1%
Equivalent yield	3.90%	4.28%



# Appendix 17

## Key risks

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### **Sustained fall in visitor numbers and/or spending which affects:**

- **The West End**
  - External threats eg security, public safety, health concerns
  - Disruption to the transport networks
  - Competing destinations resulting in long-term decline in footfall
- **Our villages**
  - Failure to maintain special character and/or tenant mix

### **Changing regulation and its consequences could increase costs, adversely limit our ability to optimize revenues and affect our values**

- **Planning policies**
  - Changes to planning or licensing policies
- **Environmental legislation**
  - New environmental legislation may set unrealistic targets for older and historic buildings and conflict with conservation area and listed building legislation

### **Economic risks**

- **Uncertainty and reduced confidence**
  - Lower consumer spending
  - Reduced tenant profitability
  - Declining occupier demand
- **Decline in the UK real estate market**
  - Lower investor demand
  - Reduced valuations and NAV

# Appendix 18

## Further information

Corporate web site

[www.shaftesbury.co.uk](http://www.shaftesbury.co.uk)

Village web sites

[www.carnaby.co.uk](http://www.carnaby.co.uk)

[www.sevendials.co.uk](http://www.sevendials.co.uk)

[www.stmartinscourtyard.co.uk](http://www.stmartinscourtyard.co.uk)

[www.chinatownlondon.org](http://www.chinatownlondon.org)

[www.berwickstreetlondon.co.uk](http://www.berwickstreetlondon.co.uk)

Shaftesbury PLC

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PROPERTY INVESTMENT IN THE HEART OF LONDON'S WEST END

WELCOME TO CARNABY STREET

SHARE PRICE DOWN  
**709.00**  
-10.50  
As at 07 Nov 2014  
[Read more](#)

**Welcome**  
*Shaftesbury PLC is a real estate investment trust which invests in villages in the heart of London's West End.*

Thursday 13 November 6-9pm  
Click here for your free ticket  
**CARNABY** GAZZLA

**CARNABY** [MORE](#)

**CHINATOWN** [MORE](#)

**COVENT GARDEN** [MORE](#)

**SOHO** [MORE](#)

**CHARLOTTE STREET** [MORE](#)

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CORPORATE RESPONSIBILITY

FINANCIAL HIGHLIGHTS

LATEST RESULTS | LATEST NEWS

2014 Half Year Results  
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# 14 acres

in the heart of  
**LONDON'S  
WEST END**



of our portfolio is within  
**5 TO 10 MINUTES' WALK  
OF A CROSSRAIL STATION**

**233 MILLION**

**PASSENGERS ANNUALLY**  
at the six tube stations  
closest to our villages



**£2.6bn**  
PORTFOLIO VALUE



**c.1500**  
TENANTS



**315m** VISITS TO  
CORE  
WEST END

# 5

VILLAGES

# 332

SHOPS



**250**  
RESTAURANTS,  
CAFÉS AND  
BARS



**23** EMPLOYEES