



Shaftesbury

INVESTOR AND ANALYST PRESENTATION

Six months ended 31 March 2015

Agenda

Introduction

Brian Bickell

Results and finance

Chris Ward

Portfolio review

Brian Bickell

Summary and outlook

Brian Bickell

Q&A

Brian Bickell
Chris Ward
Simon Quayle
Tom Welton

Introduction

BRIAN BICKELL

Delivering our strategy

DELIVERING SHAREHOLDER VALUE

	6 months	12 months
Portfolio value growth ^{1,2}	+8.0%	+24.0%
EPRA NAV: £7.75	+8.7%	+30.0%
NAV return before dividends	+9.6%	+32.2%
TSR³		
- Shaftesbury	+22.9%	+28.5%
- FTSE 350 Real Estate Index	+20.2%	+22.8%

Delivering our strategy

EXTENSIVE ASSET MANAGEMENT ACTIVITY, GROWING INCOME AND VALUE CREATION

Activity across the portfolio

- Buoyant local economy – strong demand for space, high occupancy and growth in rental income and values
- £11.5m of leasing transactions¹
- Available vacancy < 1% throughout the period
- £25.8m of acquisitions in H1
- Creating value through improving our portfolio
- Good progress with major schemes in Chinatown and Carnaby
- Reversion: £27.8m¹, 29% above current income

Prudent financial management

- Refinancing in the period lowered cost of debt and extended weighted average maturity
-

1. Including our 50% share of Longmartin

Results and finance

CHRIS WARD

Summary financials

GROWTH IN VALUE, EARNINGS AND DIVIDEND

EPRA NAV PER SHARE	PORTFOLIO VALUATION ¹	EPRA EARNINGS	INTERIM DIVIDEND
£7.75	£2.86bn	£17.9m	6.825p
+8.7% (6m) +30.0% (12m)	+8.0% ² (6m) +24.0% ² (12m)	+11.2% (vs H1 2014)	+5.0%

BALANCE SHEET	March 2015	Sept 2014	CHANGE %
Portfolio value – Wholly owned ³	£2,649m	£2,426m	+7.7% ²
Portfolio value – Including 50% share of Longmartin ³	£2,850m	£2,605m	+8.0% ²
EPRA NAV ⁴	£7.75	£7.13	+8.7%
Loan-to-value ^{1,5}	24.0%	23.6%	

INCOME STATEMENT	H1 2015	H1 2014	CHANGE %
Net property income	£38.7m	£36.4m	+6.3%
EPRA earnings	£17.9m	£16.1m	+11.2%
EPRA EPS	6.4p	6.3p	+1.6%
Dividends	6.825p	6.5p	+5.0%

1. Including our 50% share of Longmartin 2. Like-for-like capital growth 3. IFRS basis – after adjusting for head leases and unamortised lease incentives 4. Diluted 5. Based on EPRA net assets

Valuation

INCREASE THROUGH RENTAL GROWTH AND YIELD COMPRESSION

Portfolio valuation ¹	I-f-I capital value growth ¹	I-f-I ERV growth ¹	Portfolio reversion ¹
£2.86bn	+8.0% (6m) +24.0% (12m)	+3.4% (6m) +7.4% (12m)	£27.8m

Continued capital value growth

- H1: 8.0% (Y-o-Y: 24.0%)
- 3 year CAGR: 14.1%

Tenant demand remains strong

- Only 0.7% of ERV available to let (not under offer)

Equivalent yield compression

- Wholly-owned: 3.84% (↓ 16 bps); Longmartin: 3.86% (↓ 24 bps)
- Strong investor demand and limited supply
- Growth in actual and prospective rents
- Growing availability of finance at low rates
- Improvements from asset management and move to more valuable uses

DTZ continue to advise potential additional value in this unique portfolio

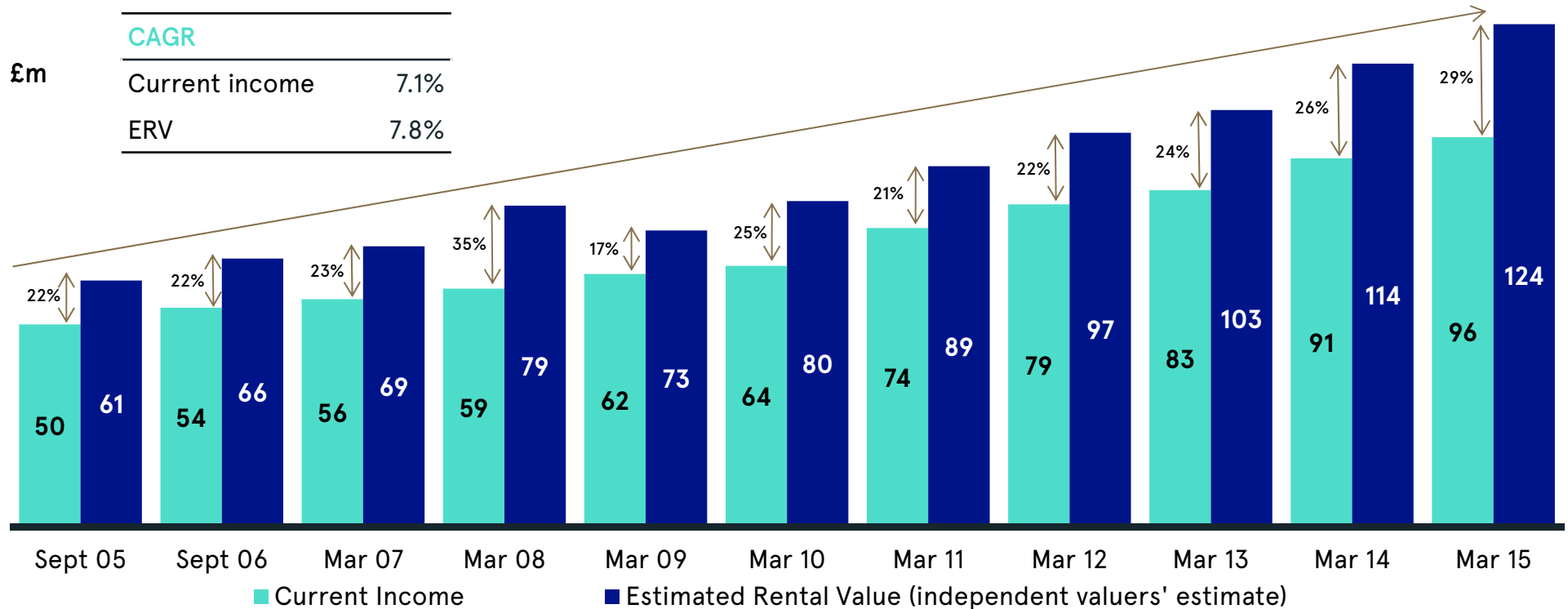
- Concentration in sought-after West End locations
- Predominance of retail, restaurant and leisure uses
- Portfolio valued in parts, not its entirety

1. Including our 50% share of Longmartin

Portfolio reversion¹

CONTINUED GROWTH IN ACTUAL AND PROSPECTIVE RENTS

<p>Current annualised income²</p> <p>£95.8m</p> <p>+£2.3m vs Sept 14</p>	<p>ERV²</p> <p>£123.6m</p> <p>+£5m vs Sept 14</p>	<p>Portfolio reversion²</p> <p>29%</p> <p>Above current income</p>
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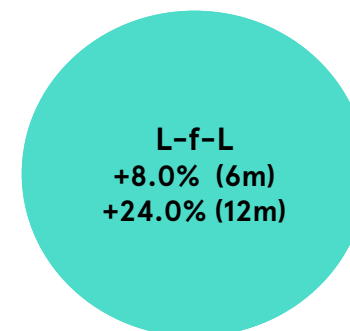
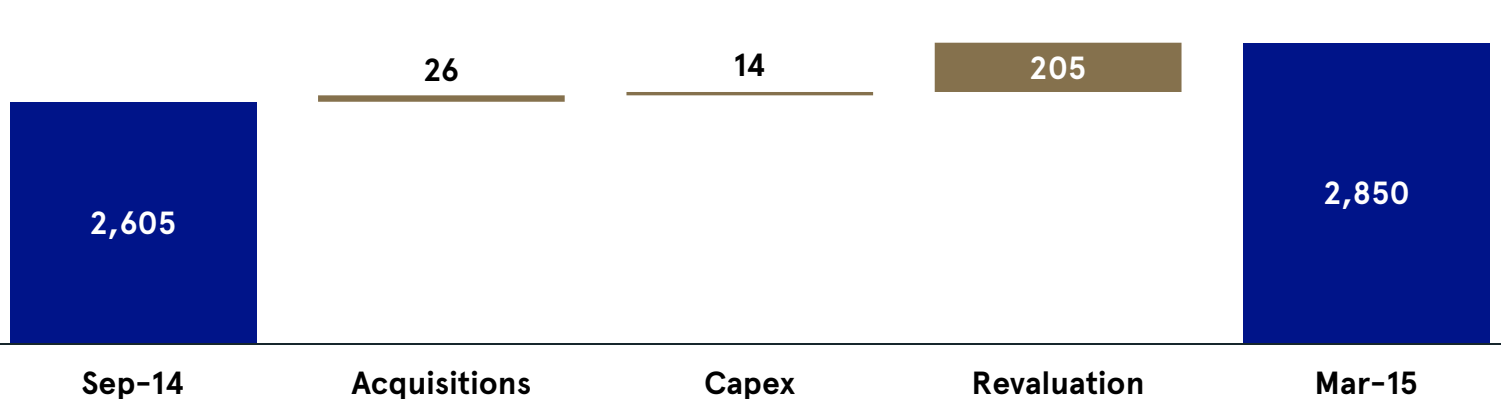


1. Data includes acquisitions 2. Including our 50% share of Longmartin

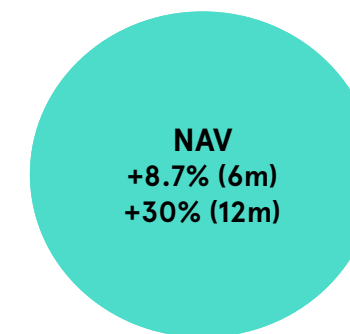
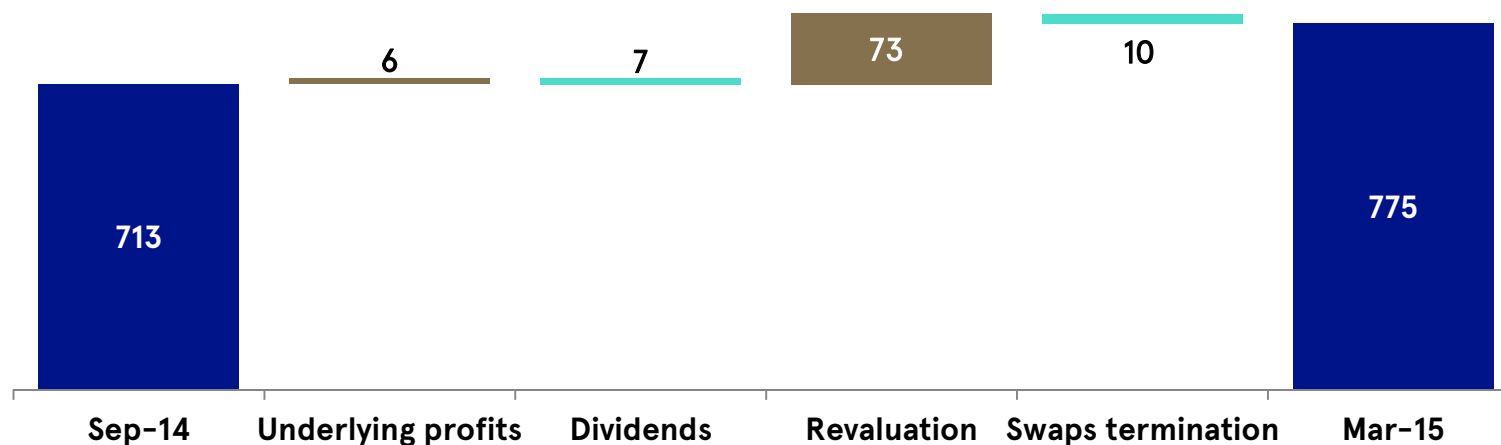
Net asset value

VALUATION UPLIFT DELIVERING NAV GROWTH

PORTFOLIO VALUE (£M)¹



EPRA NAV (PENCE PER SHARE)



NAV return, before dividends:
 +9.6% (6m)
 +32.2% (12m)

1. Including our 50% share of Longmartin

Rental income

CONTINUING INCOME GROWTH AS REVERSION IS CRYSTALLISED

RENTS RECEIVABLE

+£3.0m

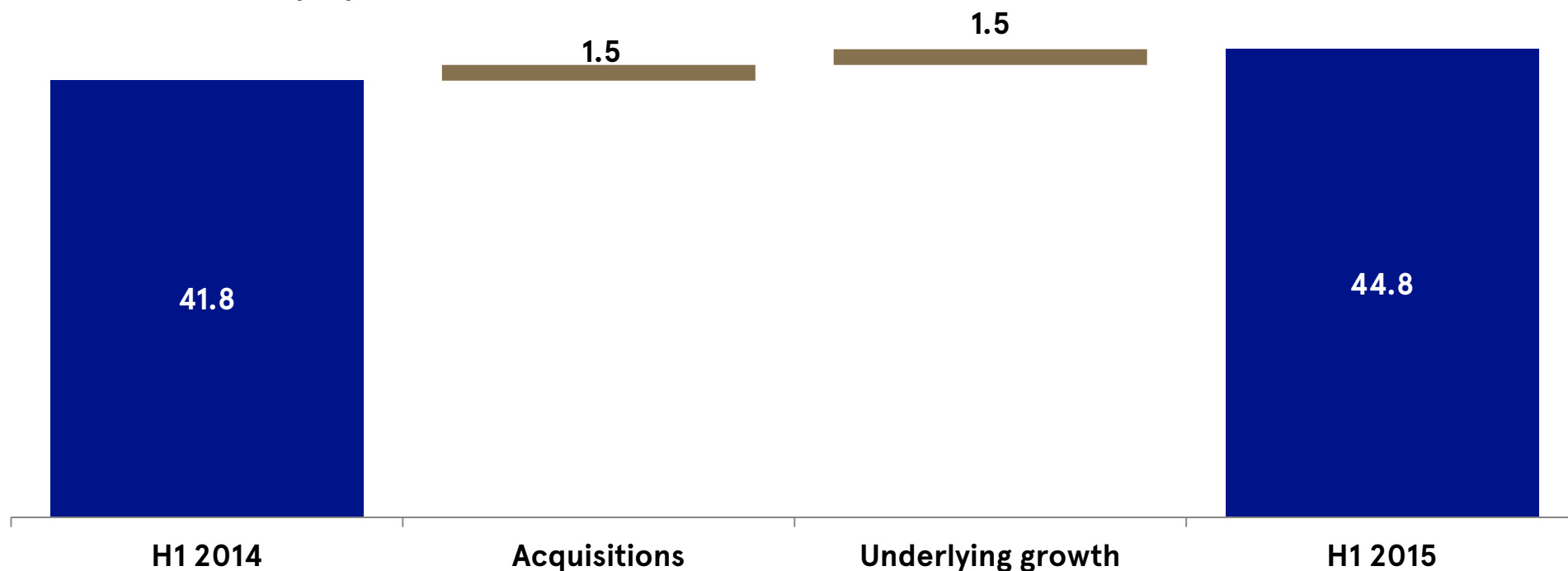
GROWTH OVER H1 2014

+7.2%

LIKE-FOR-LIKE INCREASE

+3.6%

RENTAL INCOME (£M)

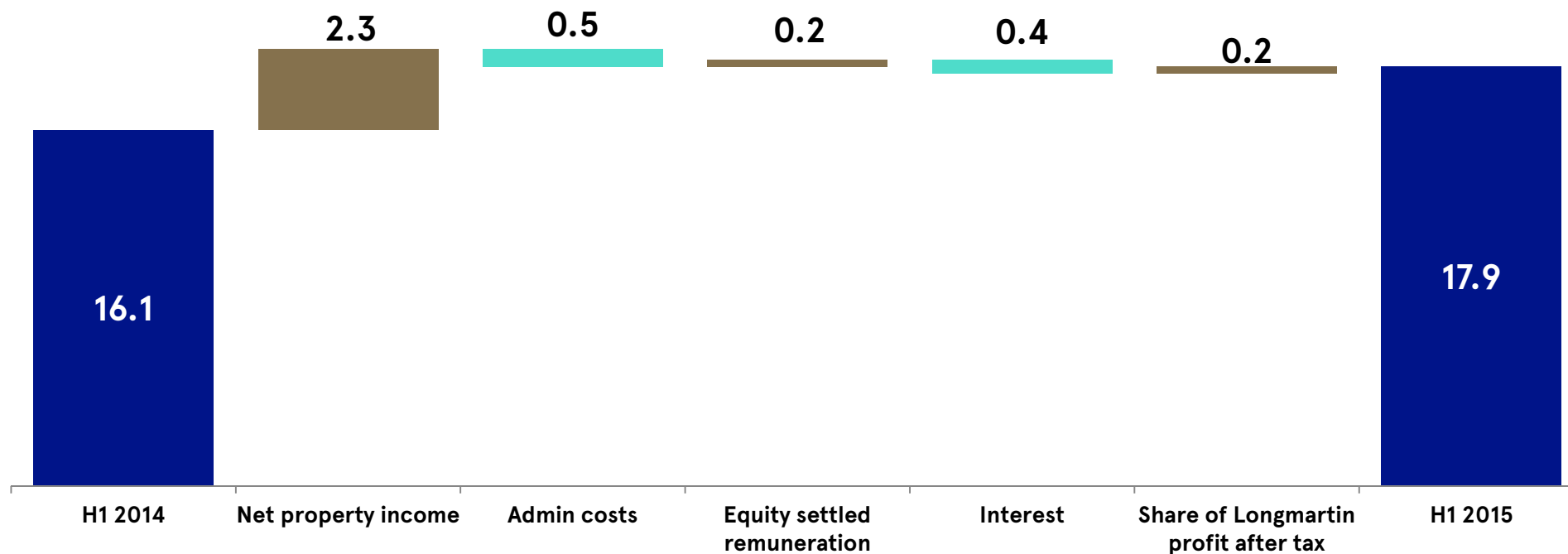


EPRA earnings

GROWING NET PROPERTY INCOME

NET PROPERTY INCOME	EPRA EARNINGS	EPRA EPS
+£2.3m	+£17.9m	+6.4p
+6.3% (vs H1 2014)	+11.2% (vs H1 2014)	+1.6% (vs H1 2014)

EPRA EARNINGS (£M)



Debt summary

CONSERVATIVE GEARING AND LOWER COST OF DEBT

COMMITTED UNDRAWN FACILITIES

£99.6m

LOAN-TO-VALUE¹

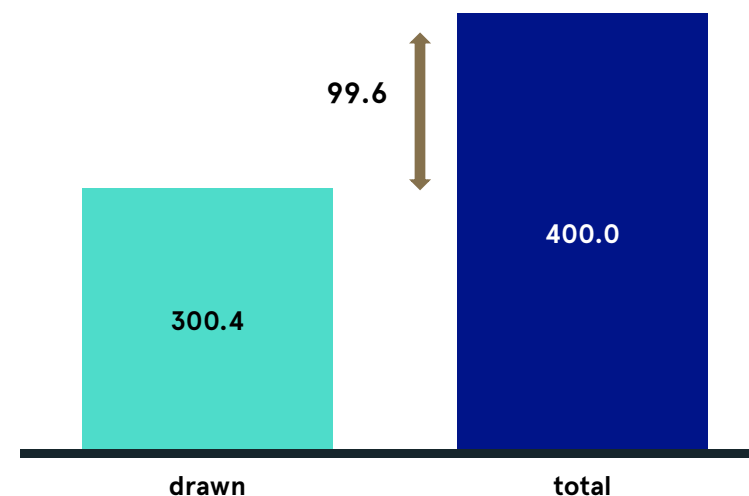
24%

WEIGHTED AVERAGE MATURITY¹

8.7 years

DEBT SUMMARY ¹	March 2015	Sept 2014
Total facilities	£785.8m	£755.8m
Undrawn committed facilities	£99.6m	£139.4m
LTV	24.0%	23.6%
Gearing	31.7%	31.0%
Weighted average cost ²	4.63%	5.11%
Weighted average maturity	8.7 years	7.1 years
% debt fixed	82.5%	82.1%

BANK FACILITIES (£M)



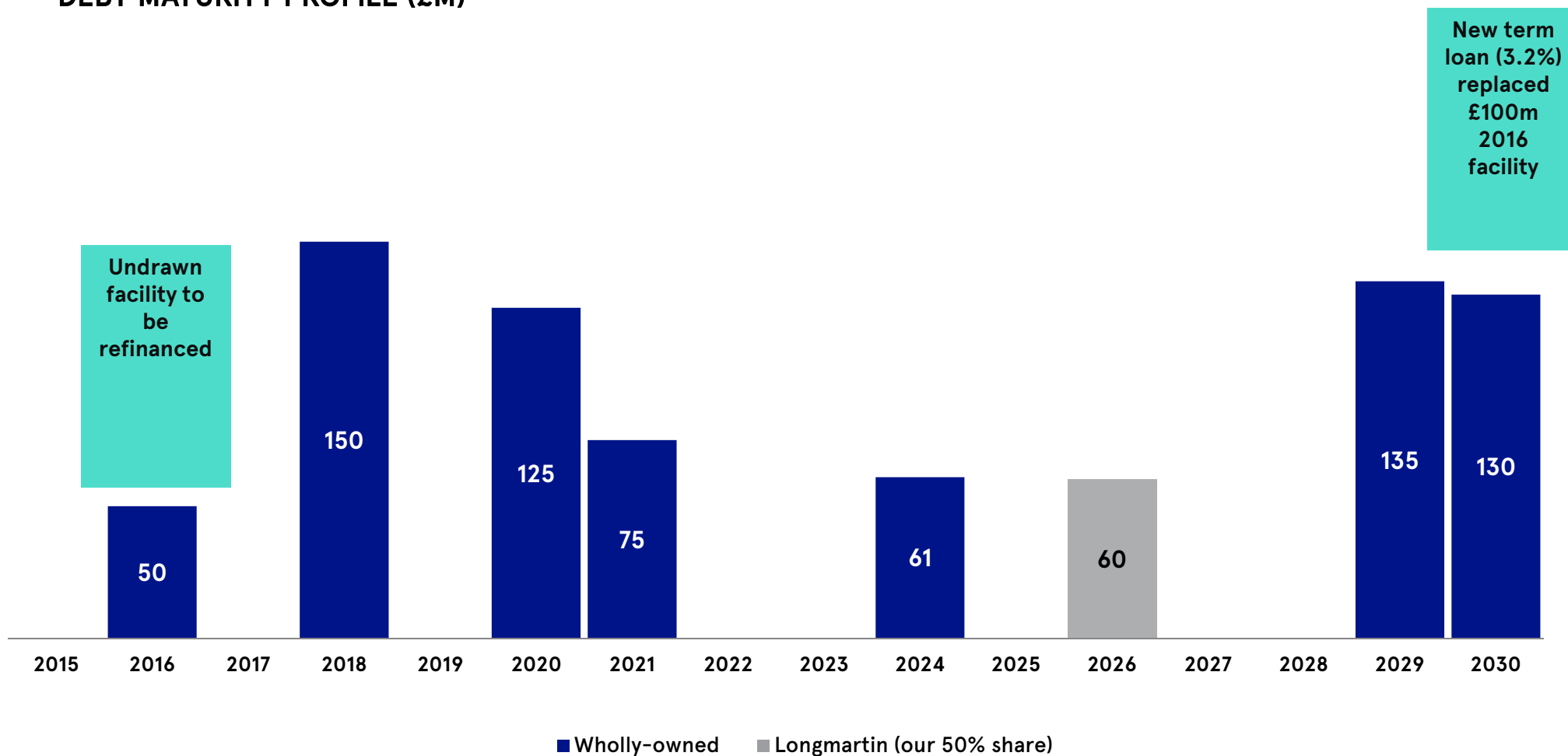
1. including our 50% share of Longmartin debt. For analysis split between wholly owned group and Longmartin, see Appendix 11

2. Including non-utilisation fees on undrawn bank facilities

Debt maturity profile¹

EXTENDED WEIGHTED AVERAGE MATURITY

DEBT MATURITY PROFILE (£M)



¹ including our 50% share of Longmartin debt. For analysis split between wholly owned group and Longmartin, see Appendix 11

Portfolio review

BRIAN BICKELL

Demand and occupancy

CONTINUED STRONG DEMAND ACROSS THE PORTFOLIO

COMMERCIAL LETTINGS, RENEWALS & REVIEWS¹

£8.9m

+2.8% (vs 9/14 ERV)
+10.0% (vs 3/14 ERV)

AVAILABLE TO LET VACANCY

0.7%

(of ERV)

SCHEMES IN PROGRESS

5.0%

(of ERV)

- Demand remains strong across each village and for all uses
- £11.2m leasing and rent review transactions¹ (H1 2014: £13.3m)
 - Commercial lettings/renewals/rent reviews: £8.9m, up 2.8% vs Sept 2014 ERV (+10.0% vs Mar 2014 ERV)
 - Residential transactions: £2.3m
- Space continues to let quickly (average: 1 month)
- EPRA vacancy: 2.6% of ERV
 - 1.9% under offer
 - 0.7% available to let

1. Wholly owned portfolio

Shops

DEMAND REMAINS HEALTHY



Overview

- Strong demand from domestic and international retailers (European & North American)
- Interest from UK brands opening new concept stores/flagships
- Existing tenants upsizing/relocating (particularly in Carnaby)/taking second sites within our villages

Leasing activity

- Lettings/renewals/reviews: £3.6m (equivalent to 11.4% of current income)¹
 - 17 lettings (incl. 8 larger shops)
 - 10 renewals and 5 reviews
- Longmartin lettings/renewals: £0.1m

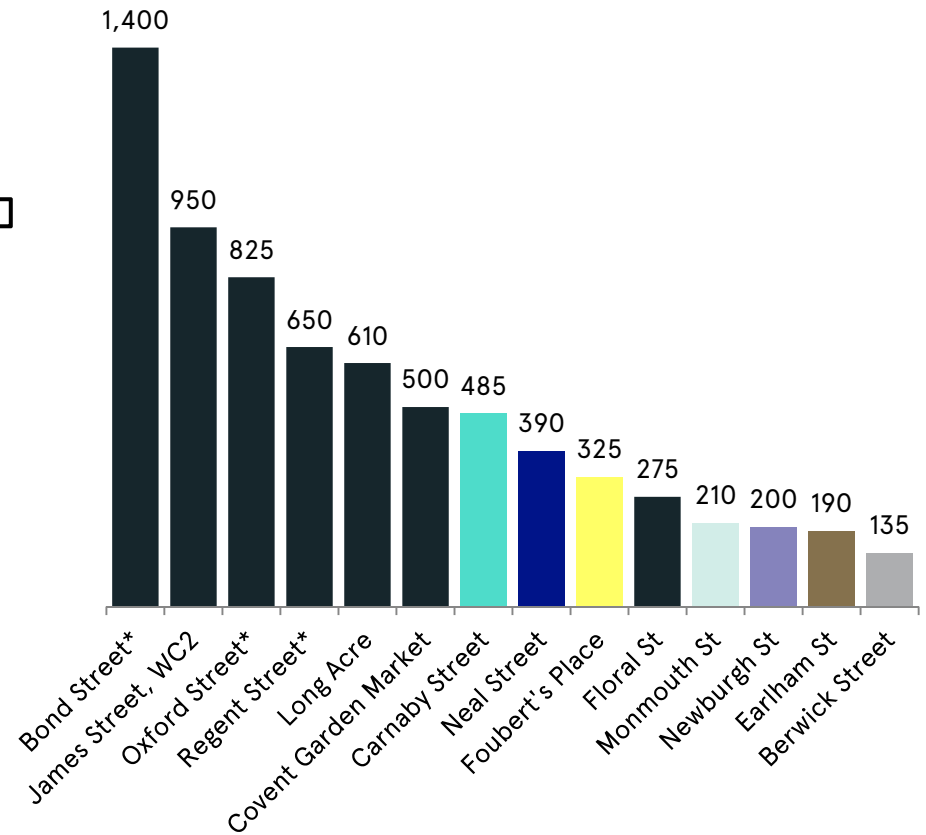
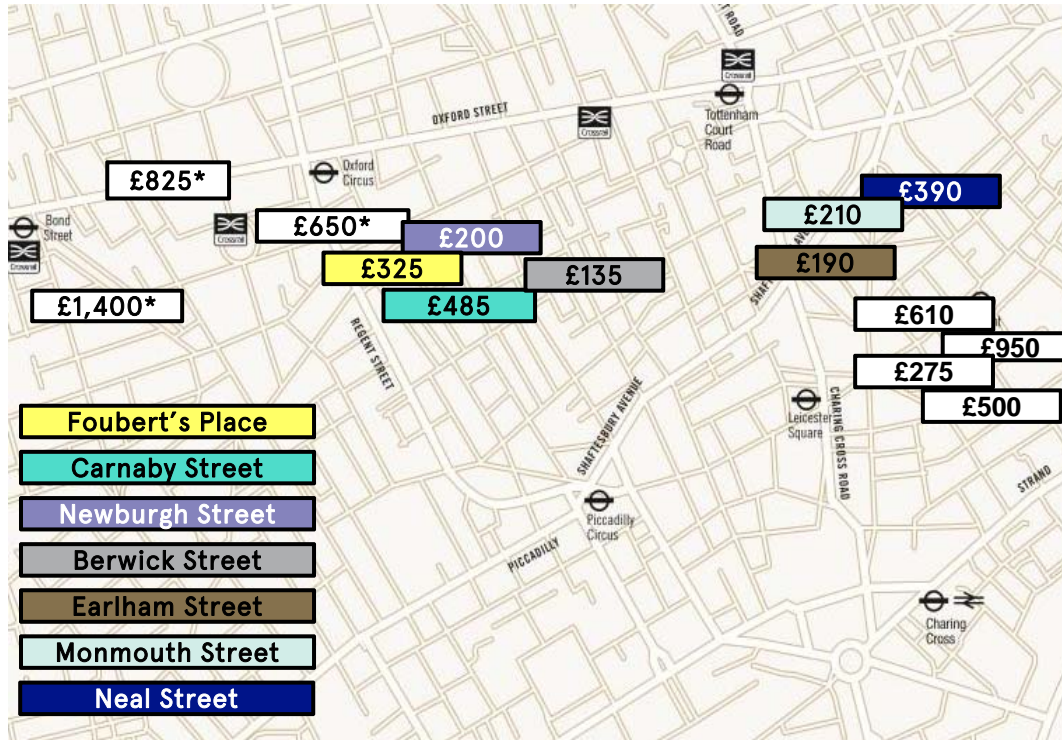
EPRA vacancy

- 5.1% of ERV¹
 - 3.4% under offer
 - 1.7% available to let

1. Wholly owned portfolio

Retail rental tone – prime Zone A vs Shaftesbury

RELATIVE VALUE VS NEARBY STREETS



Source: Jones Lang LaSalle, company data. Shaftesbury Zone As are "net effective".
 * Based on 30 ft. zones

A selection of retail lettings

American Apparel¹



Billionaire Boys Club



Oi Polloi



Toms



Natural Selection



Filson



Shinola



The Kooples & Kooples Sport¹



MAC¹



Larsson & Jennings



Palace Skates



Finisterre



1. Tenants that have expanded within our villages

Restaurants, cafés, and leisure

INCREASINGLY A DESTINATION AND DRIVER OF FOOTFALL

Overview

- Occupier demand continues at historically high level
- Supply of space remains restricted
 - Long-term restrictive planning policies
 - Tenant reluctance to relinquish profitable/valuable sites
- Numerous competitive offers for available space and pre-lets are common
- Strong interest from independents and street food operators
- Securing vacant possession of space, where possible



Leasing activity

- Lettings/renewals/reviews: £3.9m (equivalent to 12.4% of current income)¹
 - 10 new concepts
 - 4 renewals and 8 reviews



EPRA vacancy

- 0.8% of ERV¹ – all under offer

1. Wholly-owned portfolio

A selection of new restaurants, cafés, pubs and clubs

On the Bab



Cahoots



Crumbs and Doilies



26 Grains



Jinjuu



Café Murano



Dishoom



NY Fold



Oka



Brindisa Morada



The Cornwall Project



Beyond Bread



Mr Fogg's



Free Range People

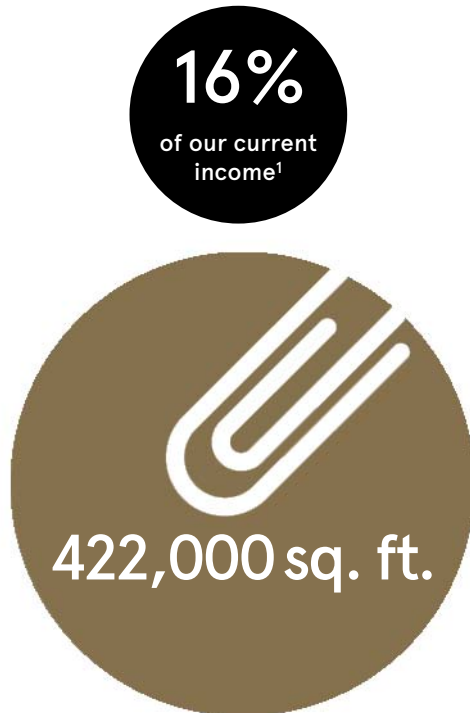


Shackfuyu



Offices

SUPPLY CONSTRAINTS DRIVE RENTAL GROWTH



Overview

- Strong demand for smaller office suites and constrained supply
 - Rental growth
 - Reduction in incentives
- Tenants are renewing/expanding within our villages
- Interest from media, creative and tech companies, as well as financial businesses
- Average area¹: 1,400 sq. ft.; Average current rent¹: £43 psf
- Upgrading office space where possible to improve rental prospects

Leasing activity

- Lettings/renewals/reviews: £1.4m (equivalent to 10.0% of current income)¹
 - 25,000 sq. ft.
 - 12 lettings, 8 renewals and 3 reviews
- Longmartin lettings/renewals: £0.1m

EPRA vacancy

- 2.8% of ERV¹ – 2.3% under offer

1. Wholly-owned portfolio

Residential

GOOD CASH FLOW AND LOW OBSOLESCENCE

Overview

- West End remains a popular place to live
- Demand to rent our reasonably-priced apartments remains strong
- Continuing to unlock space for conversion on upper floors and upgrading existing apartments

Leasing activity

- Lettings/renewals: £2.3m (equivalent to 20.7% of current income)¹
- Longmartin lettings/renewals: £0.1m

EPRA vacancy

- 2.2% of ERV¹ – 1.5% under offer
- 6 apartments available to let (1 in the Longmartin joint venture)
- Plus 23 under construction and 37 being upgraded at 31 March 2015 (ERV: £1.9m)



1. Wholly-owned portfolio

Acquisitions

H1 acquisitions: £25.8m

- Seven properties in Soho, Charlotte Street, Carnaby and Covent Garden
- Complement our existing, extensive ownerships
- Potential for good rental and capital value creation
- Availability of suitable properties restricted

H2 contracted: 19-25 Broadwick Street (opposite)

- Forward purchase of 6,500 sq. ft. restaurant and retail space
- Handover late summer 2015
- Cost £6.6m (incl. purchase costs)
- New commercial space in this busy and changing street connecting Soho and Carnaby



19-25 Broadwick Street - CGIs

Schemes

CREATING VALUE THROUGH IMPROVING OUR PORTFOLIO

SCHEMES IN THE PERIOD ACROSS

121,000 sq.ft.
6.9% of floor space¹

H1 CAPITAL EXPENDITURE

£14.3m

ERV UNDER DEVELOPMENT

£6.2m
at 31 March 2015

Schemes across the portfolio

- Schemes in the period across 121,000 sq.ft., 6.9% of wholly-owned floor space
- £6.2m (ERV) held for or under, refurbishment (across 103,000 sq. ft.) at 31.3.2015
- Continue to identify schemes across the portfolio
- 48 planning applications in the period
- Compound and cumulative benefits to nearby ownerships
- Invest in the public realm

1. Wholly owned portfolio

Shaftesbury

Foubert's Place/Kingly Street

- Mixed-use scheme – recently completed
 - 7,500 sq. ft. retail (under offer)
 - 6,500 sq. ft. restaurant (let)
 - 10,500 sq. ft. office (3,500 sq. ft. let, 7,000 sq. ft. under offer)
 - Twelve apartments (marketing recently commenced)
- Cost: £14.8m
- March ERV: £2.2m (£1.8m above pre-scheme rents)
- Compound benefits to nearby holdings
 - Restaurant anchor for north end of Kingly Street
 - Better retail accommodation on Foubert's Place, raising ERV tone
 - Two new apartments created above 35 Carnaby Street
 - Improved restaurant space at 24 Kingly Street, now re-let



Before



After

Charing Cross Road/Chinatown

- Planning application submitted; reconfigured building will provide:
 - 32,000 sq.ft. retail space on Charing Cross Road (330 ft. frontage)
 - 13,500 sq.ft. restaurant space, principally fronting Newport Place
 - much improved space for occupiers
 - vibrant new gateway into Chinatown
- Expect to commence works in early 2016
- Current forecast capex c. £10m
- Significant benefits to Chinatown as a whole
- Public realm scheme proposed by WCC to create traffic-free public square in Newport Place



Charing Cross Road/Chinatown

GROUND FLOOR PLAN



Ground Floor Plan

Broadwick Street

- Pre-planning discussions with Westminster and public consultation completed
- Planning application to be made shortly – expect to commence works in early 2016
- Proposals now include:
 - Retail over lower floors
 - Extend/reconfigure office space
 - Create new residential
 - Add c. 8,000 sq. ft.
- Long-term rental and valuation growth – Broadwick Street will benefit from Crossrail footfall
- Capex for enhanced scheme (subject to planning consent) expected at c. £14m



Before



After

Cambridge Circus proposals

- Important and busy gateway to Soho and Seven Dials
- Plans to widen pavements and introduce diagonal crossing
- Remove barriers and islands
- Repaving/resurfacing and improved lighting
- Better connectivity for pedestrians
- Plans to start in Autumn/Winter 2015
- Plans are subject to consultation process



Westminster City Council/FM Conway Limited concept image for the purposes of consultation only

Summary and outlook

BRIAN BICKELL

Outlook

CONTINUED PORTFOLIO ACTIVITY

London and the West End

- Destination for visitors and businesses from across the world
 - Buoyant trading conditions
 - Regeneration stimulated by Crossrail
-

Unique and growing portfolio

- Demand remains strong across the portfolio
 - Occupancy remains high and void periods are short
 - Accelerating opportunities to realise and grow the reversionary potential in our portfolio
 - Continue to identify opportunities to improve buildings, income and capital value potential
 - Good progress with our major schemes in Chinatown and Carnaby
 - Concentration of ownerships: incremental improvements bring compound benefits to nearby ownerships
-

Summary

The best city

+

The best locations

+

Innovative, proven long-term strategy

+

Experienced team

+

Prudent financial management



CONTINUE TO DELIVER LONG-TERM SHAREHOLDER VALUE

Appendices

1. Unique portfolio in the heart of the West
End
2. Delivering our strategy
3. EPRA earnings and NAV reconciliations
4. Valuation by village
5. Our portfolio
6. Portfolio reversion
7. Vacancy
8. L-f-I Increase in capital values
9. Yields
10. Income and costs
11. Finance analysis
12. Impact of change in accounting policy
13. Village summaries
14. Key risks

Appendix 1

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



328

SHOPS



255

RESTAURANTS, CAFÉS AND PUBS



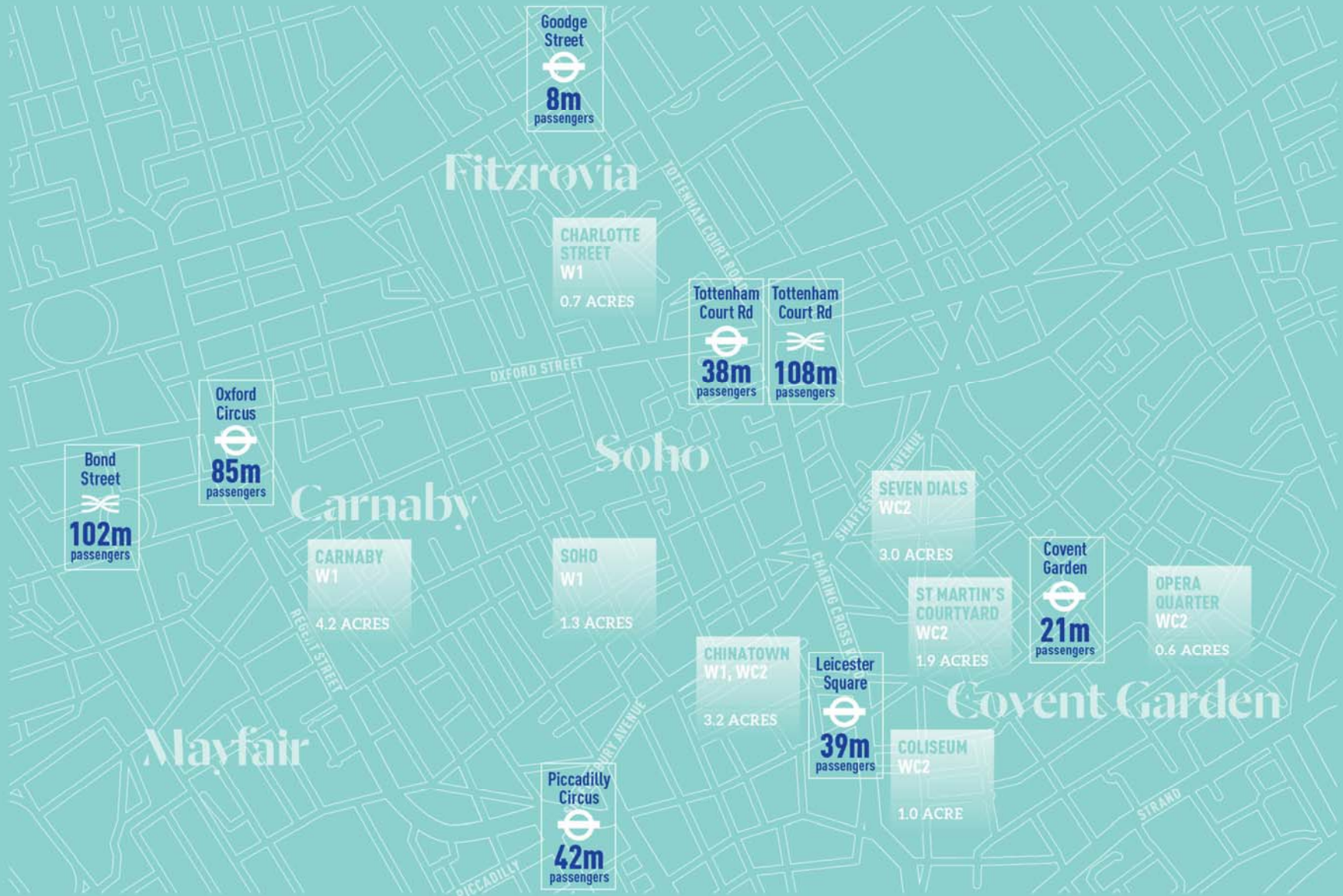
422,000

SQ. FT. OFFICE SPACE



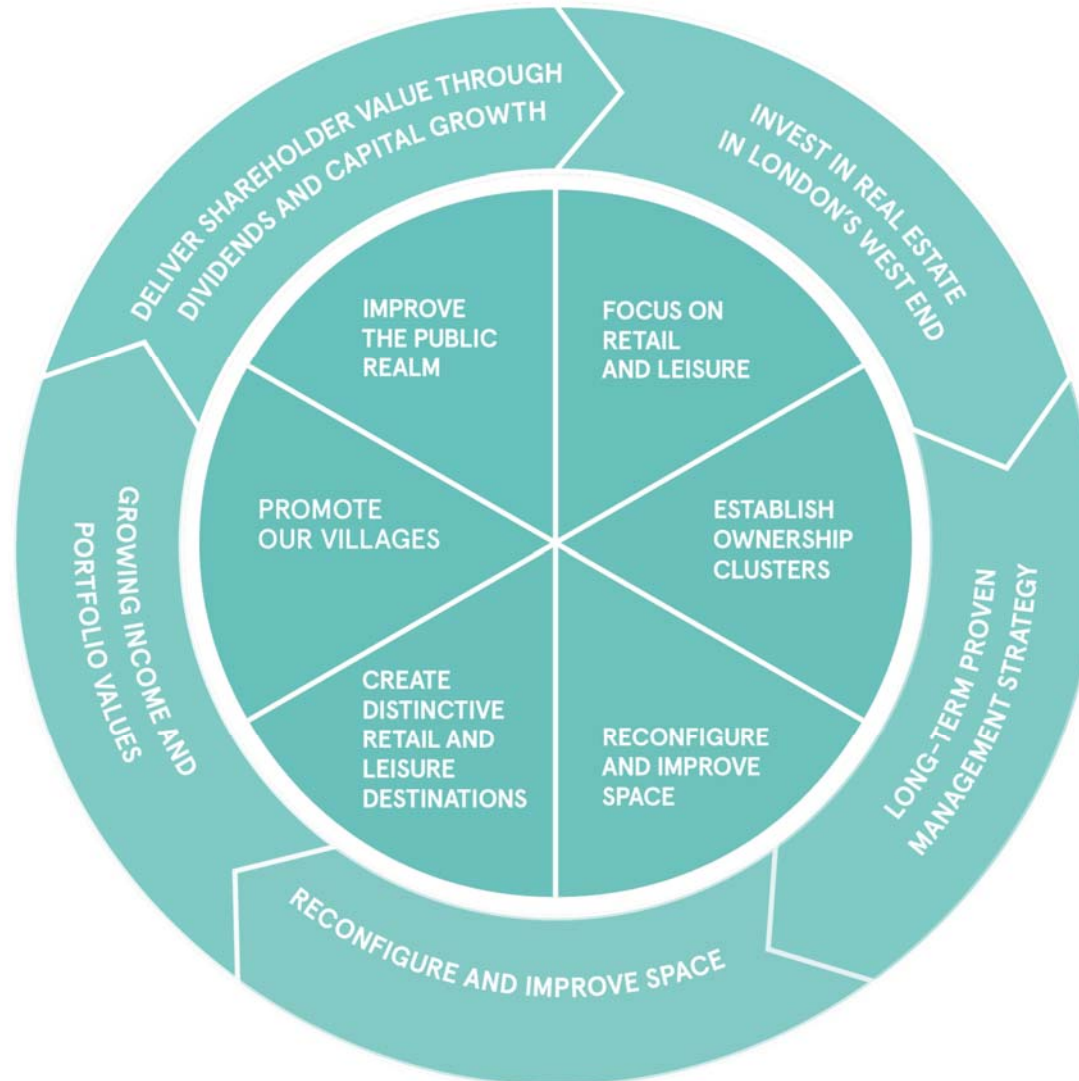
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APARTMENTS



Appendix 2

DELIVERING OUR STRATEGY



Appendix 3

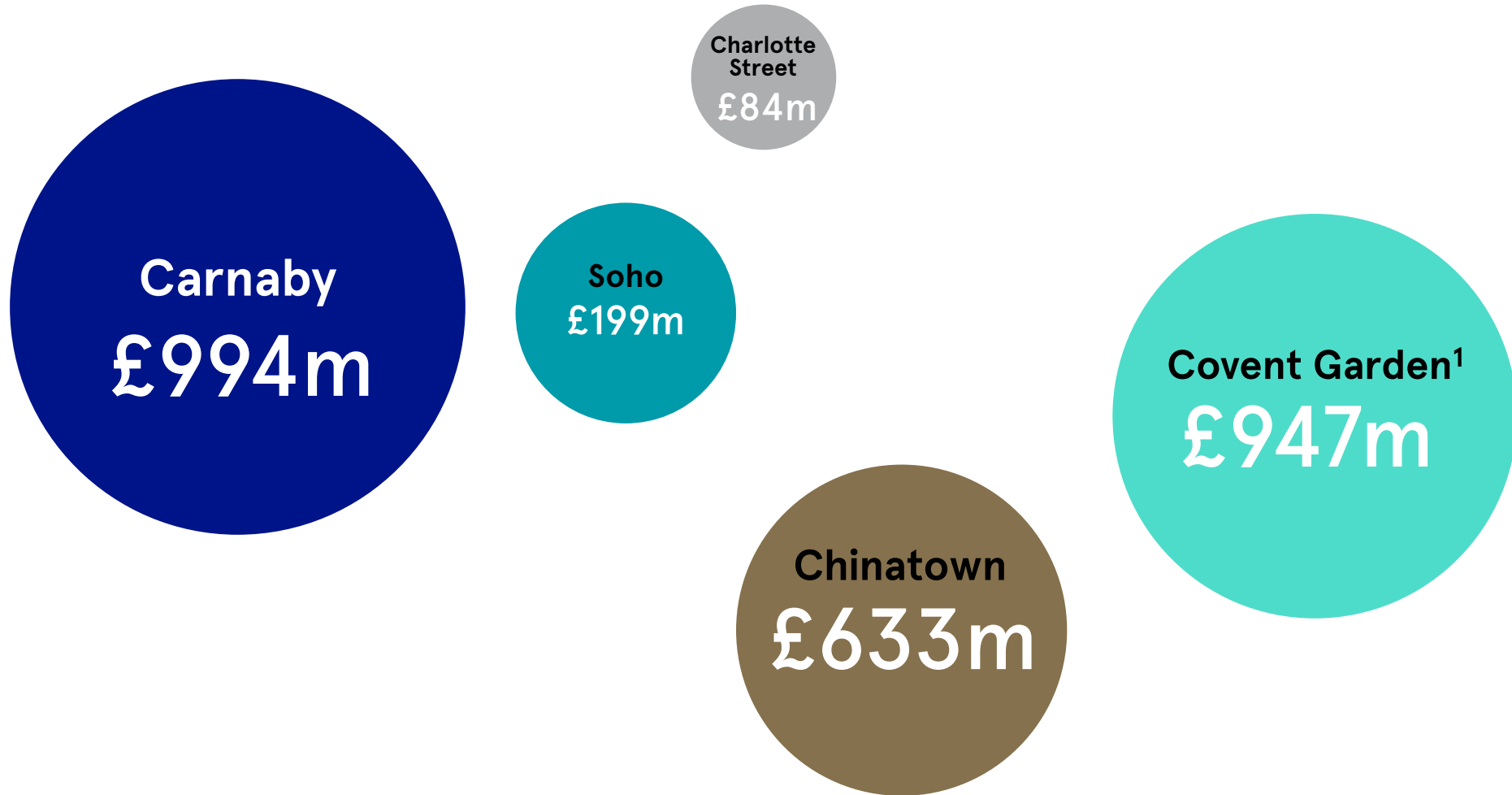
EPRA EARNINGS AND NAV RECONCILIATIONS

Earnings	Mar 15 £m	Mar 14 ¹ £m	Sept 14 ¹ £m	NAV	Mar 15 £m	Mar 14 ¹ £m	Sept 14 ¹ £m
Reported profit after tax	180.2	118.3	440.4	Reported net assets	2,056.1	1,587.7	1,893.2
Adjust for fair value movements:				Adjust for:			
Investment properties	(183.2)	(91.0)	(394.0)	Fair value of financial derivatives	88.2	63.5 ²	78.8
Financial derivatives	37.5	(3.3)	12.0	Adjustments re: Longmartin JV:			
Adjustments re: Longmartin JV:				Deferred tax	19.8	11.2	15.7
Investment property revaluation	(20.7)	(10.0)	(32.4)	Adjusted net assets	2,164.1	1,662.4	1,987.7
Deferred tax	4.1	2.1	6.6	Additional equity if all share options are exercised	0.4	0.2	0.4
EPRA earnings	17.9	16.1	32.6	EPRA net assets (diluted)	2,164.5	1,662.6	1,988.1
Number of shares for EPS calculation (million)	278.0	255.3	266.6	Number of shares for diluted NAV calculation (million)	279.3	278.8	279.0
EPRA EPS	6.4p	6.3p	12.2p	EPRA NAV per share	7.75	5.96	7.13

1. Re-stated to take into account the change of accounting policy for the Longmartin joint venture following the adoption of IFRS 11 "Joint Arrangements" in the current period. See appendix 12 for more on the impact of this change in accounting policy.
2. Net of £29 million cost of terminating swaps in April 2014

Appendix 4

VALUATION: £2.86BN (AT 31 MARCH 2015)



1. Including our 50% share of Longmartin

Appendix 5

OUR PORTFOLIO

Shops

Wholly owned

328

464,000 sq. ft.

Longmartin joint venture

22

67,000 sq. ft.

36%

of our current income¹

Restaurants, cafés and leisure

Wholly owned

255

557,000 sq. ft.

Longmartin joint venture

11

45,000 sq. ft.

36%

of our current income¹

Offices

Wholly owned

422,000 sq. ft.

Longmartin joint venture

102,000 sq. ft.

16%

of our current income¹

Residential

Wholly owned

509

299,000 sq. ft.

Longmartin joint venture

75

55,000 sq. ft.

12%

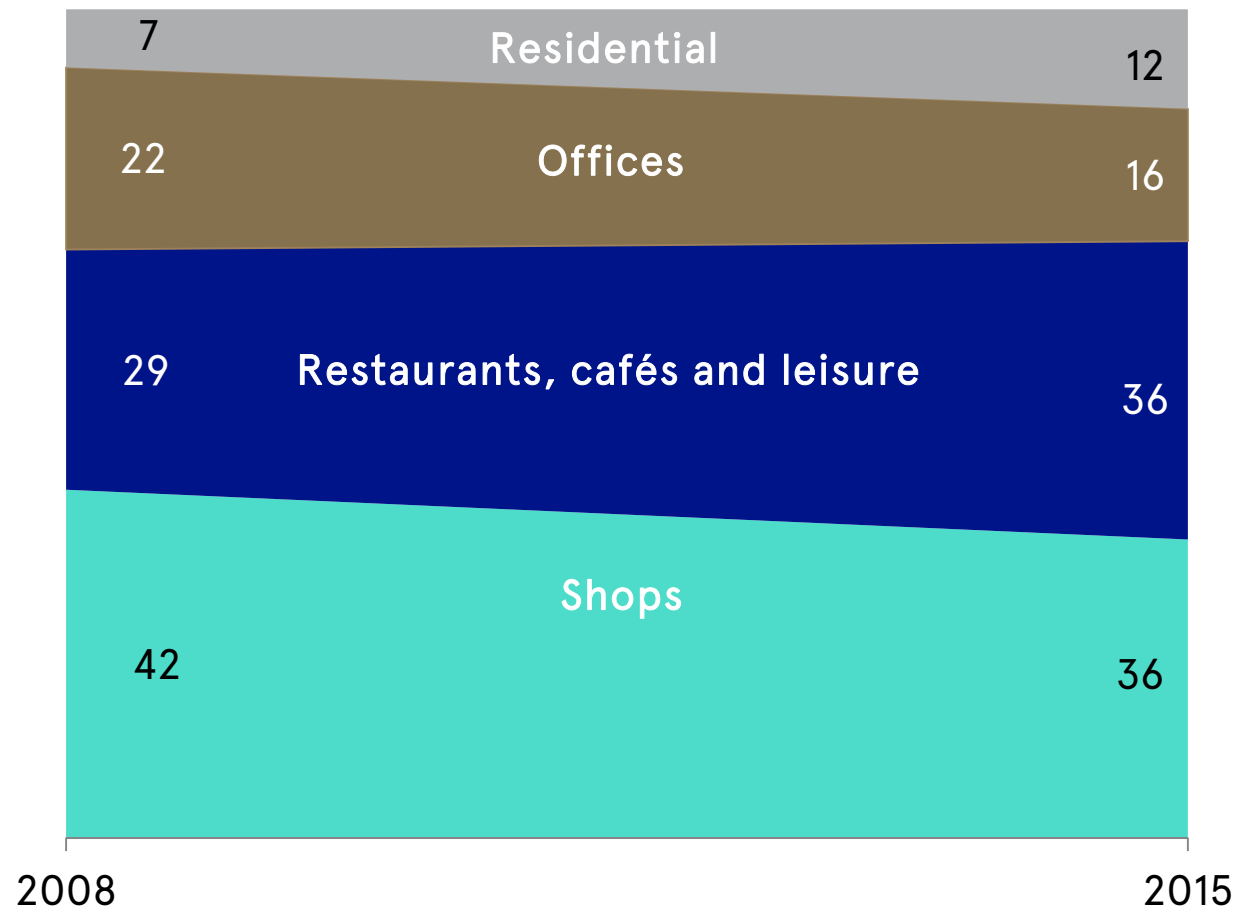
of our current income¹

¹Wholly owned portfolio

Appendix 5 (cont.)

MIX OF USES (WHOLLY-OWNED PORTFOLIO)

% OF CURRENT RENT



Appendix 5 (cont.)

PORTFOLIO SUMMARY

	Fair value £m	% of portfolio	Current rent £m	ERV £m
Wholly-owned portfolio				
Carnaby	994.2	35%	30.7	44.0
Covent Garden	748.4	26%	24.8	31.5
Chinatown	632.7	22%	22.6	27.0
Soho	199.2	7%	7.1	8.6
Charlotte Street	84.4	3%	2.9	3.5
	2,658.9	93%	88.1	114.6
Longmartin joint venture (our 50%)	198.7	7%	7.7	9.0
Total	2,857.6	100%	95.8	123.6

	Wholly-owned portfolio			Longmartin joint venture ¹		
	Number	Area (sq.ft.)	% of current income	Number	Area (sq.ft.)	% of current income
Shops	328	464,000	36%	22	67,000	38%
Restaurants, cafés and leisure	255	557,000	36%	11	45,000	16%
Offices		422,000	16%		102,000	31%
Residential	509	299,000	12%	75	55,000	15%
Total		1,742,000	100%		269,000	100%

1. Shaftesbury has a 50% share of these figures

Appendix 6

PORTFOLIO REVERSION BY USE

	Retail £m	Restaurants, cafés, leisure £m	Office £m	Residential £m	Longmartin £m	Total £m	% of ERV
Current income	31.5	31.5	14.0	11.1	7.7	95.8	77.5%
Vacancy							
- Available	2.1	0.3	0.6	0.3	-	3.3	2.6%
- Schemes	1.2	1.0	2.1	1.9	-	6.2	5.0%
	3.3	1.3	2.7	2.2	-	9.5	7.6%
Future schemes ¹	1.0	0.6	1.2	0.2	-	3.0	2.4%
Contracted (rent frees, stepped rents)	3.0	1.3	1.4	0.4	0.1	6.2	5.0%
Under-rented	2.5	2.9	2.5	-	1.2	9.1	7.5%
ERV	41.3	37.6	21.8	13.9	9.0	123.6	100%

1. Principally 57-59 Broadwick Street and Charing Cross Road/Chinatown

Appendix 7

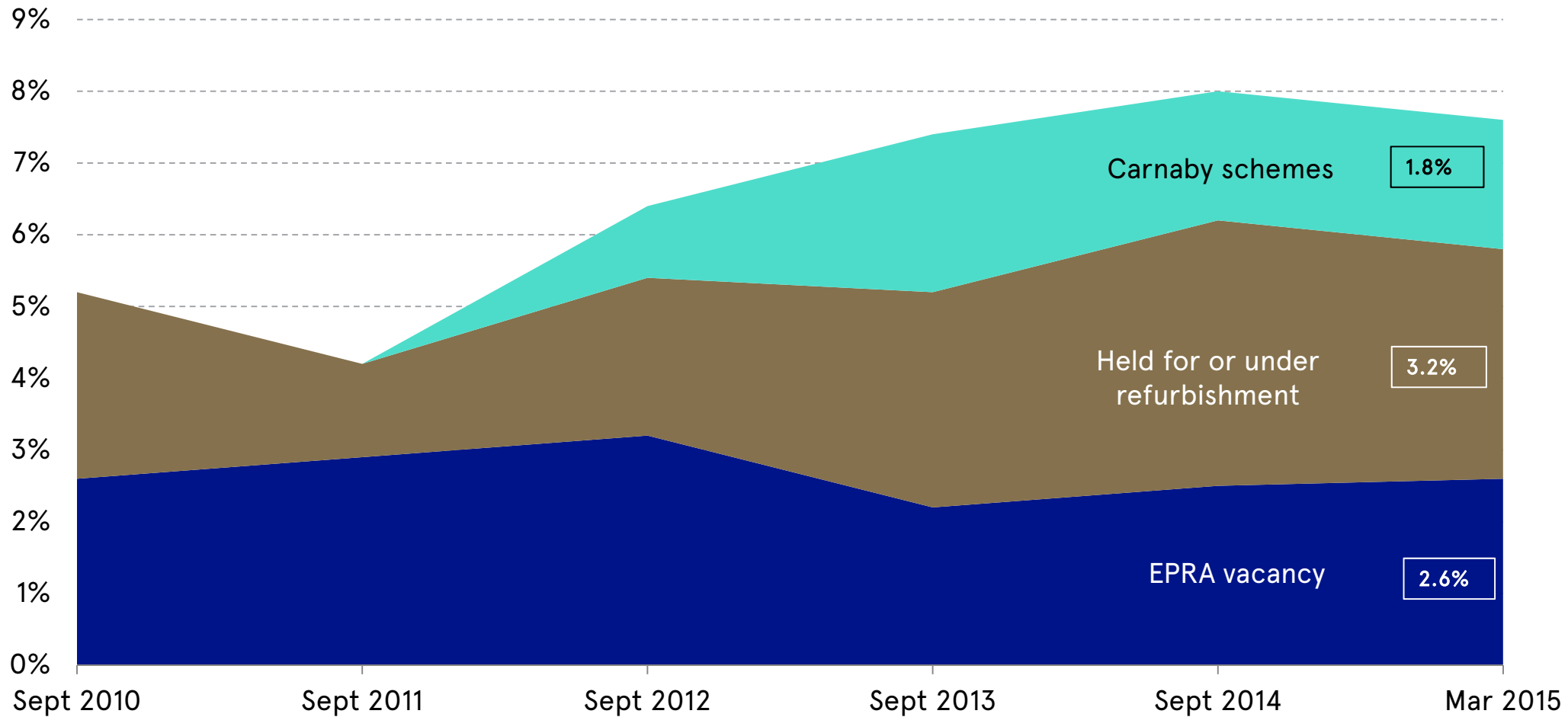
VACANCY

	Shops £m	Restaurant, cafés, leisure £m	Offices £m	Residential £m	Longmartin £m	Total £m	% of ERV
Foubert's Place/Kingly St	0.5	0.5	0.8	0.4	-	2.2	1.8%
Other schemes	0.7	0.5	1.3	1.5	-	4.0	3.2%
Total held for or under refurbishment	1.2	1.0	2.1	1.9	-	6.2	5.0%
Available to let	0.7	-	0.1	0.1	-	0.9	0.7%
Under offer	1.4	0.3	0.5	0.2	-	2.4	1.9%
EPRA vacancy	2.1	0.3	0.6	0.3	-	3.3	2.6%
Total	3.3	1.3	2.7	2.2	-	9.5	7.6%

Appendix 7 (cont.)

WHOLLY-OWNED VACANT COMMERCIAL SPACE

% OF WHOLLY-OWNED ERV



Appendix 8

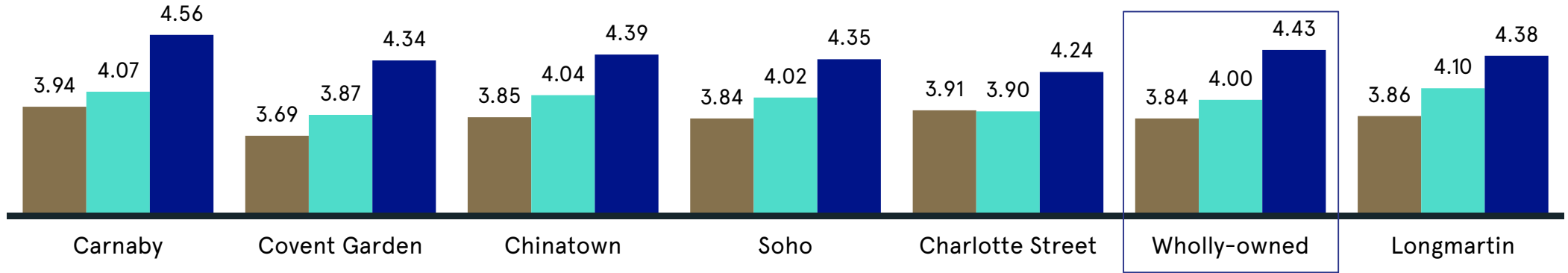
LIKE-FOR-LIKE INCREASE IN CAPITAL VALUES

	% of portfolio	H1 2015	Year to March 2015	3 Year CAGR
Total	100%	8.0%	24.0%	14.1%
Carnaby	35%	8.6%	29.0%	16.8%
Covent Garden	26%	6.6%	21.4%	12.3%
Chinatown	22%	7.8%	21.0%	12.2%
Soho	7%	6.3%	15.9%	13.2%
Charlotte St	3%	11.7%	26.2%	12.4%
Longmartin	7%	11.4%	27.3%	15.7%

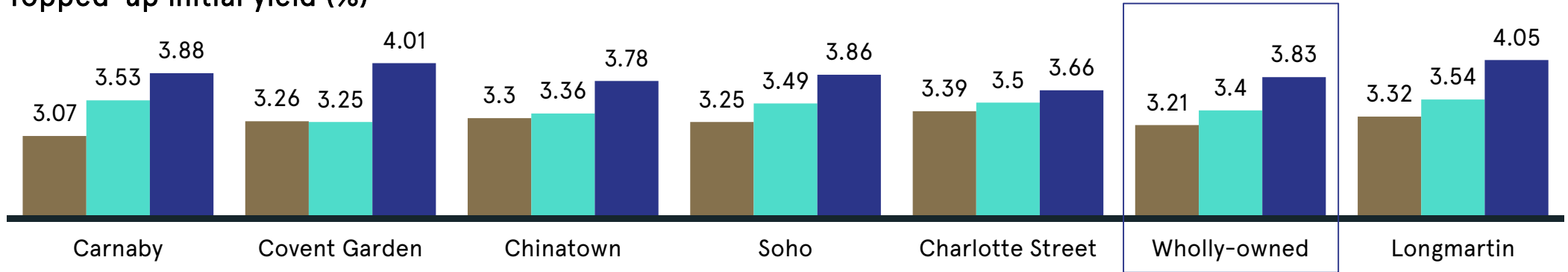
Appendix 9

YIELDS

Equivalent yield (%)



Topped-up initial yield (%)



■ Mar-15 ■ Sep-14 ■ Mar-14

Appendix 10

INCOME AND COSTS

EPRA EARNINGS	H1 15 £m	H1 14 ¹ £m	FY 14 ¹ £m
Rental income	48.4	45.1	91.2
Property costs	(9.7)	(8.7)	(17.1)
Net property income	38.7	36.4	74.1
Admin expenses	(6.5)	(6.2)	(13.8)
	32.2	30.2	60.3
Net finance costs	(15.2)	(14.8)	(29.5)
Share of Longmartin JV profit before tax ²	1.1	0.8	2.1
Recurring profit before tax	18.1	16.2	32.9
Share of Longmartin JV current tax	(0.2)	(0.1)	(0.3)
EPRA earnings	17.9	16.1	32.6

PROPERTY COSTS	H1 15 £m	H1 14 ¹ £m	FY 14 ¹ £m
Operating costs	2.7	2.5	4.8
Management fees	1.1	0.9	1.9
Letting costs	1.4	1.4	3.1
Village promotion	0.9	0.6	1.4
Non recoverable costs	6.1	5.4	11.2
Recoverable costs	3.6	3.3	5.9
Total	9.7	8.7	17.1

ADMIN COSTS	H1 15 £m	H1 14 ¹ £m	FY 14 ¹ £m
Admin costs	4.3	3.9	8.0
Provision for annual bonuses	0.7	0.6	2.6
Charge for equity settled remuneration	1.5	1.7	3.2
Total	6.5	6.2	13.8

1. Re-stated to take into account the change of accounting policy for the Longmartin joint venture following the adoption of IFRS 11 "Joint Arrangements" in the current period. See appendix 12 for more on the impact of this change in accounting policy.
2. After adjusting for revaluation surplus as set out in Appendix 3

Appendix 11

FINANCE ANALYSIS

	Mar 2015				Sept 2014			
	IFRS	Longmartin	Proportionate consolidation	Rate	IFRS	Longmartin	Proportionate consolidation	Rate
	£m	£m	£m		£m	£m	£m	
Debenture ¹	63.2	-	63.2	7.93%	63.3	-	63.3	7.93%
Term loans – wholly owned	264.8	-	264.8	3.85%	134.8	-	134.8	4.47%
Term loan – Longmartin JV	-	60.0	60.0	4.43%	-	60.0	60.0	4.43%
Hedged bank loans ²	180.0	-	180.0	6.16%	250.0	-	250.0	6.06%
Variable bank loans	120.4	-	120.4	1.88%	110.6	-	110.6	1.66%
Weighted average cost ³								
– drawn facilities				4.54%				5.02%
– incl. non-utilisation costs on undrawn facilities				4.63%				5.11%
Average margin on bank loans								
– drawn				131bps				111bps
– if all facilities are drawn				138bps				124bps
Current marginal cost of additional drawings (approx)				1.70%				1.55%
Weighted average loan maturity (years)								
– bank facilities				4.3				4.2
– total debt ³				8.7				7.1

1. Including unamortised debenture premium
2. Interest rate inclusive of margin
3. Including 50% share of Longmartin

Appendix 12

IMPACT OF CHANGE IN ACCOUNTING POLICY

BALANCE SHEET	Mar 2015			Sept 2014		
	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m
Investment properties	2,648.8	200.8	2,849.6	2,425.5	179.6	2,605.1
Investment in Longmartin	118.2	(118.2)	-	101.5	(101.5)	-
Net debt	(613.9)	(56.7)	(670.6)	(548.8)	(61.9)	(610.7)
Other assets and liabilities	(97.0)	(25.9)	(122.9)	(85.0)	(16.2)	(101.2)
Net assets	2,056.1	-	2,056.1	1,893.2	-	1,893.2

INCOME STATEMENT	H1 2015			H1 2014			FY 2014		
	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m
Net rental income	38.7	2.9	41.6	36.4	2.6	39.0	74.1	5.6	79.7
Admin costs	(6.5)	(0.2)	(6.7)	(6.2)	(0.1)	(6.3)	(13.8)	(0.2)	(14.0)
Revaluation surplus	183.2	20.7	203.9	91.0	10.0	101.0	394.0	32.4	426.4
Operating profit	215.4	23.4	238.8	121.2	12.5	133.7	454.3	37.8	492.1
Net finance costs	(52.7)	(1.6)	(54.3)	(11.5)	(1.7)	(13.2)	(41.5)	(3.3)	(44.8)
Share of Longmartin post-tax profits	17.5	(17.5)	-	8.6	(8.6)	-	27.6	(27.6)	-
Profit before tax	180.2	4.3	184.5	118.3	2.2	120.5	440.4	6.9	447.3
Tax	-	(4.3)	(4.3)	-	(2.2)	(2.2)	-	(6.9)	(6.9)
Profit after tax	180.2	-	180.2	118.3	-	118.3	440.4	-	440.4

Appendix 13

VILLAGE SUMMARIES

Village	Page
Carnaby	51
Covent Garden	52
Chinatown	53
Soho	54
Charlotte Street	55

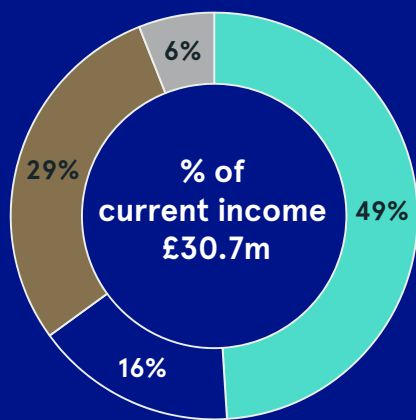
Carnaby

35% OF OUR PORTFOLIO



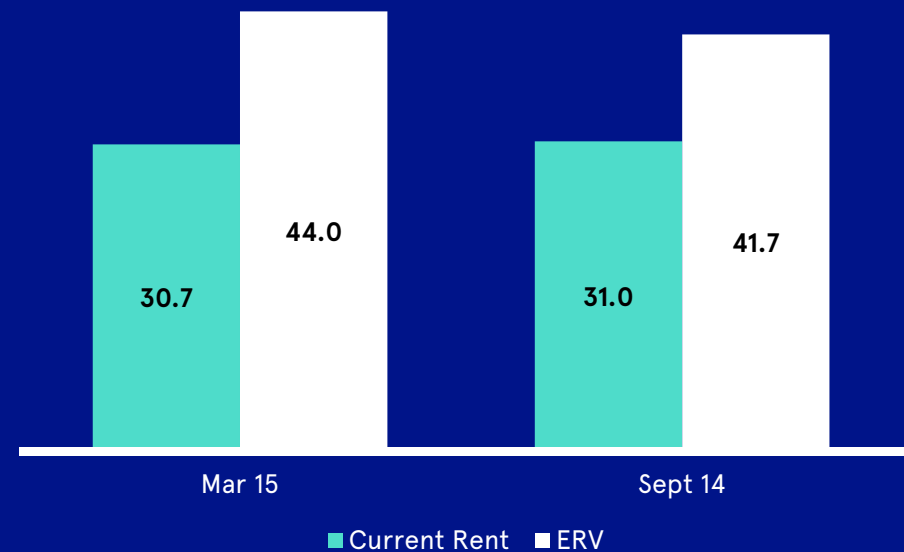
Footfall > 40m pa

	Mar 2015	Sept 2014
Valuation	£994.2m	£906.2m
Acquisitions	£3.2m	£32.3m
Capital expenditure	£6.9m	£11.5m
Capital value return (I-f-I)	8.6%	25.8%
Equivalent yield	3.94%	4.07%
Reversion	£13.3m	£10.7m



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

REVERSION (£M)



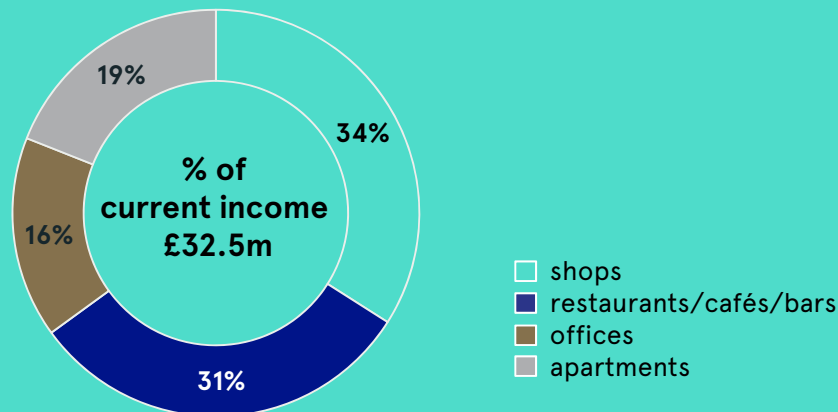
Covent Garden

33% OF OUR PORTFOLIO¹

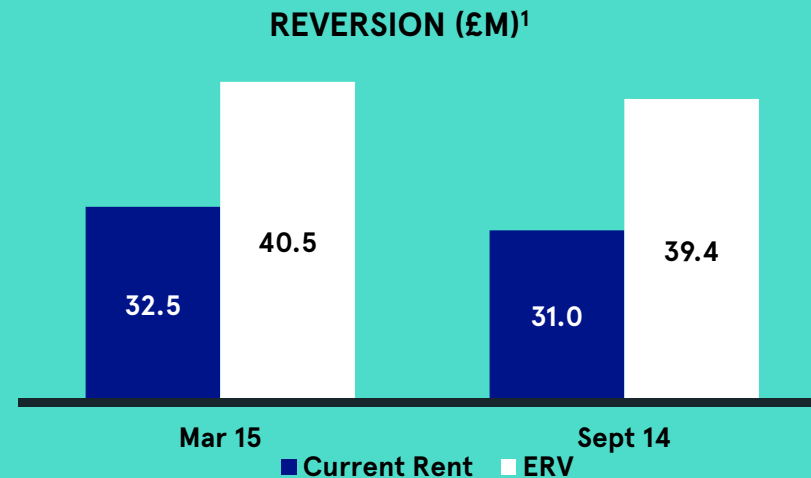


Footfall > 30m pa
(Seven Dials)

	Mar 2015	Sept 2014
Valuation ¹	£947.1m	£873.5m
Acquisitions	£5.8m	£2.2m
Capital expenditure	£3.9m	£7.1m
Capital value return		
– wholly-owned	6.6%	19.3%
– Longmartin	11.4%	22.2%
Equivalent yield		
– wholly-owned	3.69%	3.87%
– Longmartin	3.86%	4.10%
Reversion		
– wholly-owned	£6.7m	£7.1m
– Longmartin	£1.3m	£1.3m



1. including 50% share of Longmartin



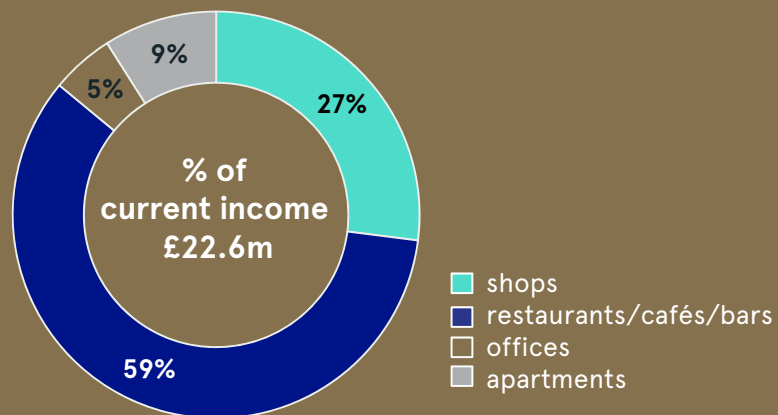
Chinatown

22% OF OUR PORTFOLIO

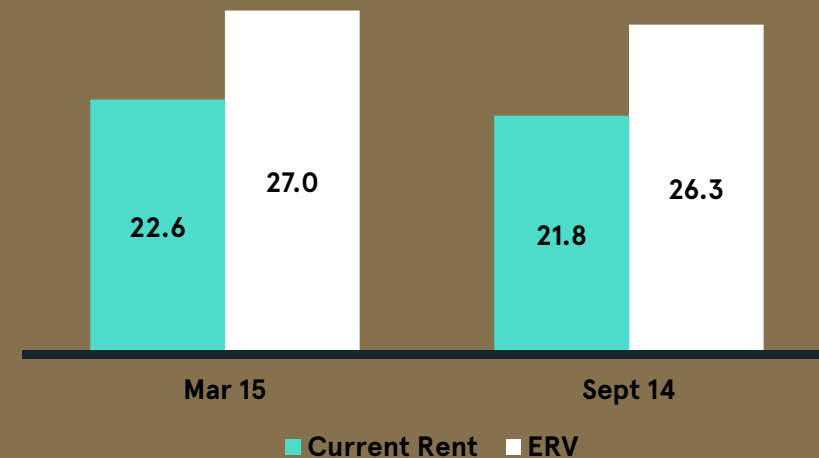


Footfall > 50m pa

	Mar 2015	Sept 2014
Valuation	£632.7m	£584.0m
Acquisitions	Nil	£61.6m
Capital expenditure	£3.3m	£3.8m
Capital value return (I-f-I)	7.8%	17.8%
Equivalent yield	3.85%	4.04%
Reversion	£4.4m	£4.5m



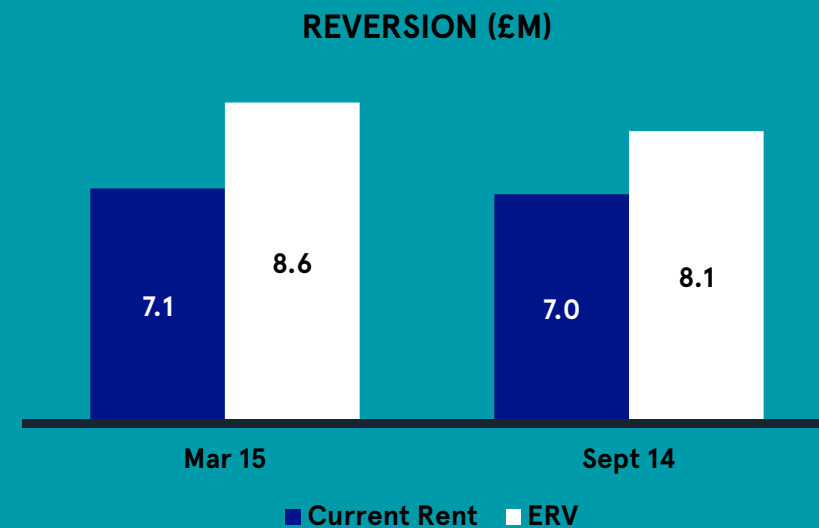
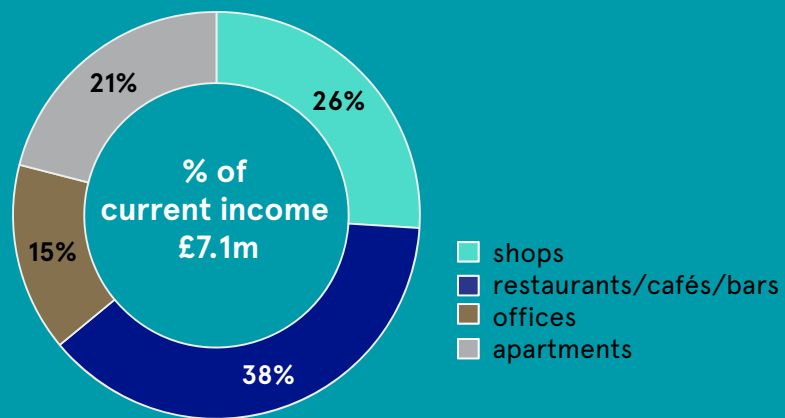
REVERSION (£m)



Soho

7% OF OUR PORTFOLIO

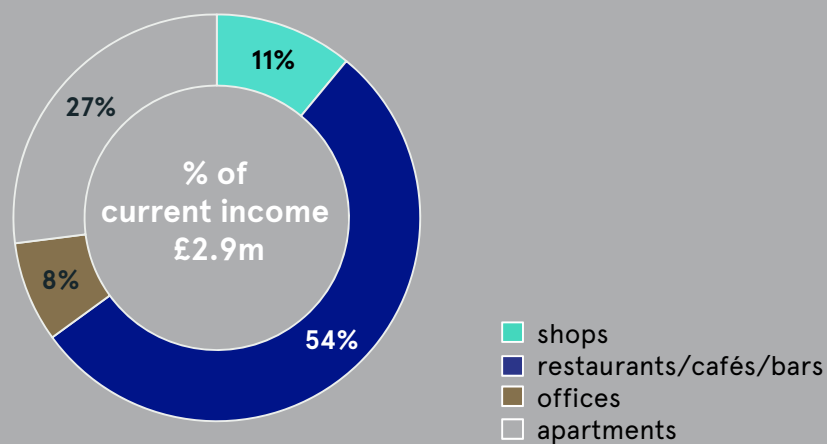
	Mar 2015	Sept 2014
Valuation	£199.2m	£181.0m
Acquisitions	£7.7m	£8.1m
Capital expenditure	£0.1m	£1.6m
Capital value return	6.3%	16.2%
Equivalent yield	3.84%	4.02%
Reversion	£1.5m	£1.1m



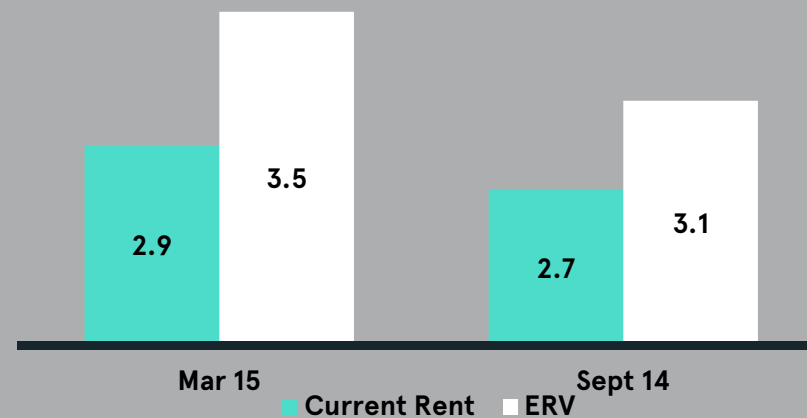
Charlotte Street

3% OF OUR PORTFOLIO

	Mar 2015	Sept 2014
Valuation	£84.4m	£67.8m
Acquisitions	£9.1m	£3.7m
Capital expenditure	£0.1m	£0.2m
Capital value return	11.7%	15.8%
Equivalent yield	3.91%	3.90%
Reversion	£0.6m	£0.4m



REVERSION (£m)



Appendix 14

KEY RISKS

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 optimise 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

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