



Shaftesbury

Investor and analyst presentation
Year ended 30 September 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

Our business

Exceptional

portfolio

Resilient

long-term outperformance

Focused

investment strategy

Proven

management strategy

Experienced

team

Robust

balance sheet

Delivering shareholder value

GROWTH IN VALUE & DIVIDENDS

	2015	2014
Portfolio value growth ^{1,2}	+18.0%	+21.0%
EPRA NAV: £8.69 (2014: £7.13)	+21.9%	+25.7%
NAV return before dividends	+23.8%	+28.0%
TSR³		
- Shaftesbury	+36.7%	+17.8%
- FTSE 350 Real Estate Index	+24.3%	+16.4%

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
- EPRA vacancy averaged 2.1% throughout the year
- Rental value of leasing transactions¹: £27.3m
- Reversion²: £25.2m, 25% above current income
- Schemes undertaken: 181,000 sq.ft. (10.4% of floor area¹)
- Good progress with major projects in Chinatown, Carnaby and Seven Dials
- £25.8m of acquisitions in the year; £22.1m further acquisitions since September

Completed refinancing 2016 debt maturities

- Refinancing lowered cost of debt and extended weighted average maturity

1. Wholly-owned portfolio 2. 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	TOTAL DIVIDEND
£8.69	£3.13bn	£36.1m	13.75p
+21.9%	+18.0%²	+10.7%	+5.0%

BALANCE SHEET	2015	2014	CHANGE %
Portfolio value – Wholly-owned ³	£2,908m	£2,426m	+17.9% ²
Portfolio value – Including 50% share of Longmartin ³	£3,123m	£2,605m	+18.0% ²
EPRA NAV ⁴	£8.69	£7.13	+21.9%
Loan-to-value ^{1,5}	22.5%	23.6%	

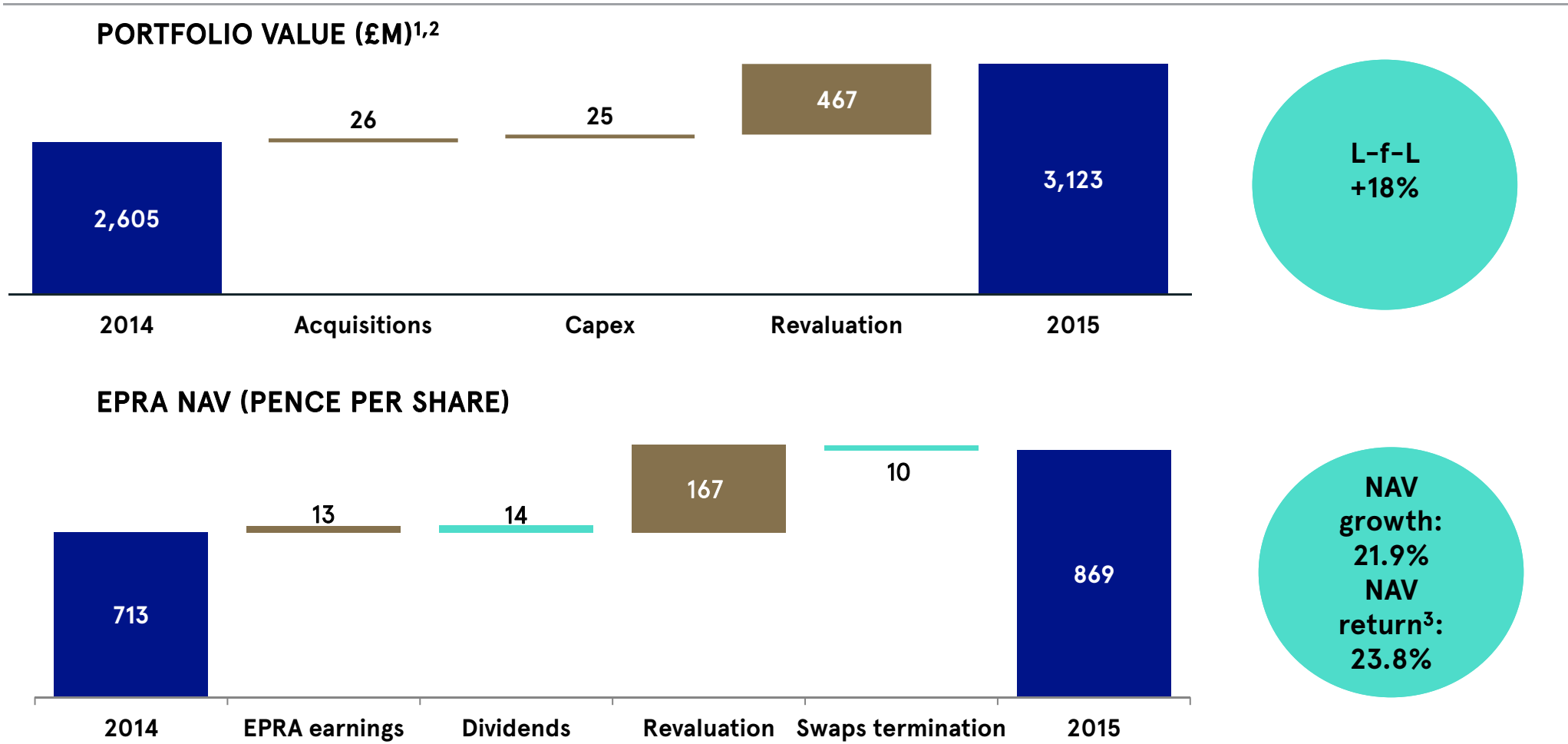
INCOME STATEMENT	2015	2014	CHANGE %
Net property income	£78.8m	£74.1m	+6.3%
EPRA earnings	£36.1m	£32.6m	+10.7%
Adjusted EPS ⁶	13.9p	13.4p	+3.7%
Dividends	13.75p	13.1p	+5.0%

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 6. EPRA EPS adjusted for non-cash accounting charge for equity-settled remuneration and the accelerated write-off of unamortized loan issue costs

Net asset value

VALUATION UPLIFT DELIVERING NAV GROWTH



Note: Y axes not to scale

1. Including our 50% share of Longmartin

2. IFRS basis – after adjusting for headleases and unamortized lease incentives

3. Before dividends

Valuation

STRONG GROWTH UNDERPINNED BY SUSTAINED DEMAND

Portfolio valuation¹

£3.13bn

I-f-I capital value growth¹

+18.0%

3 year CAGR¹

+16.0%

Portfolio reversion¹

£25.2m

Further capital growth

- Continuing strong occupier demand and low vacancy
- Sustained growth in actual and prospective rents
- Improvements from asset management and move to more valuable uses
- Strong investor appetite for assets with growing returns, and scarce supply
- Equivalent yields
 - Wholly-owned: 3.61% (↓39 bps)
 - Longmartin: 3.75% (↓35 bps)

DTZ continue to advise potential additional value in this unique portfolio

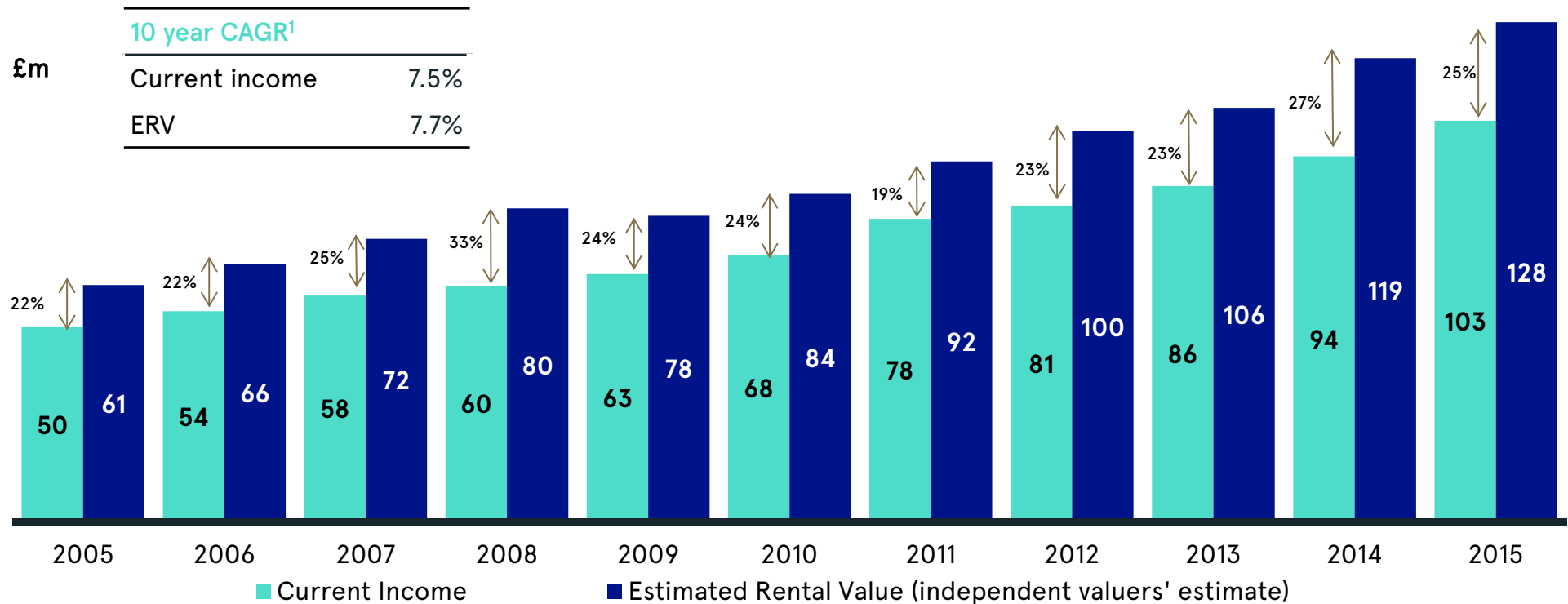
- Some prospective purchasers may recognise compelling opportunity, to own a substantial portfolio with:
 - Concentration in sought-after West End locations
 - Predominance of retail, restaurant and leisure uses in adjacent or adjoining locations
- Portfolio valued in parts, not its entirety

1. Including our 50% share of Longmartin

Portfolio reversion

CONVERTING THE REVERSION IN TO CASH FLOW AND ESTABLISHING NEW RENTAL TONES

<p>Current annualised income²</p> <p>£102.6m</p> <p>+9.1%³ vs Sept 14</p>	<p>ERV²</p> <p>£127.8m</p> <p>+7.0%³ vs Sept 14</p>	<p>Portfolio reversion²</p> <p>24.6%</p> <p>Above current income</p>
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1. Data includes acquisitions 2. Including our 50% share of Longmartin 3. Like-for-like

Components of the portfolio reversion

SECURITY OF THE REVERSION

COMPONENTS OF THE REVERSION (£M)¹



Note: Y axis not to scale

1. Including our 50% share of Longmartin

Rental income

CRYSTALLISATION OF REVERSION

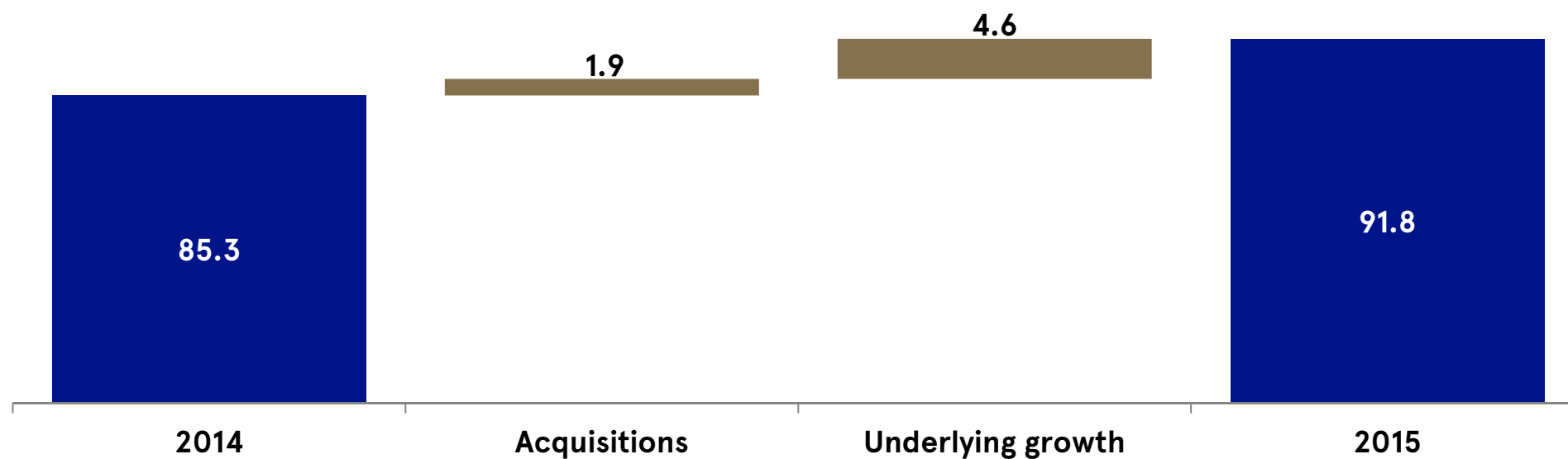
RENTS RECEIVABLE

+£6.5m

GROWTH OVER 2015

+7.6%

LIKE-FOR-LIKE INCREASE

+5.5%RENTAL INCOME (£M)¹

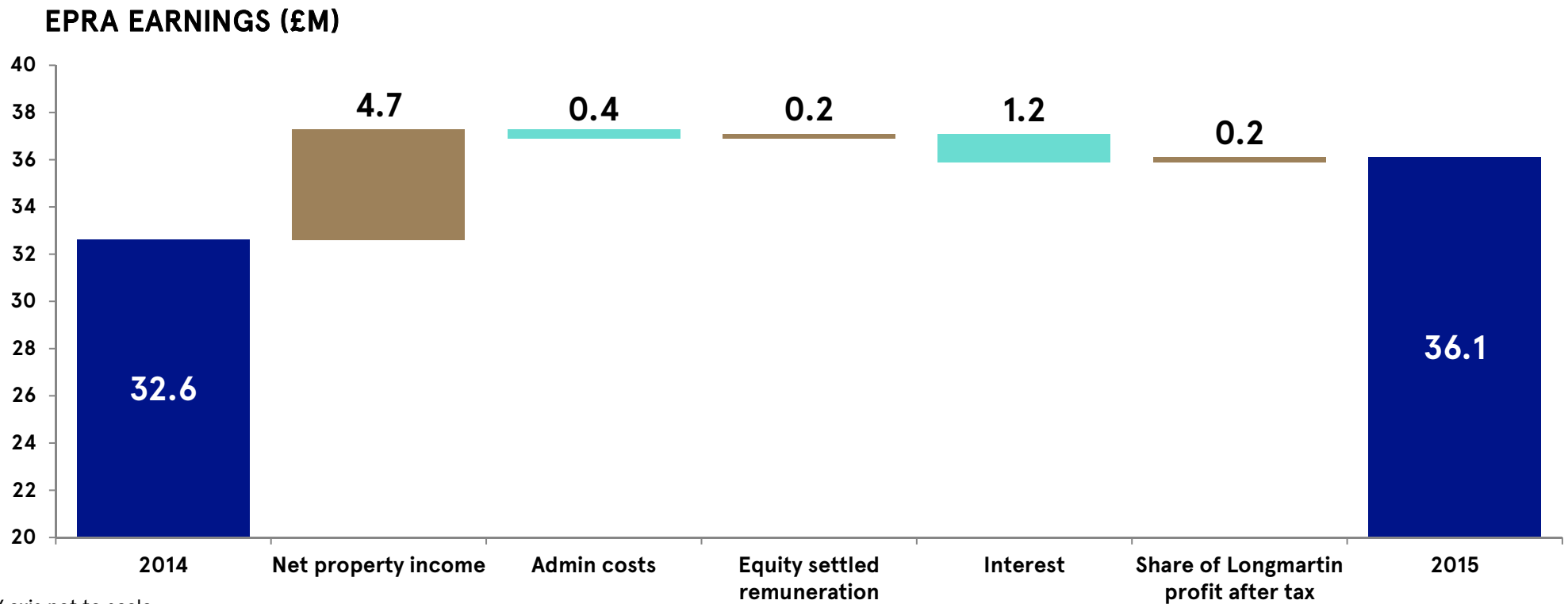
Note: Y axis not to scale

1. Net of recharge of recoverable property expenses

EPRA earnings

GROWING NET PROPERTY INCOME

NET PROPERTY INCOME	EPRA EARNINGS	EPRA EPS
+£4.7m	+£36.1m	+13.0p
+6.3%	+10.7%	+6.6%



Note: Y axis not to scale

Debt summary

CAPITAL TO INVEST IN OUR PORTFOLIO

COMMITTED UNDRAWN FACILITIES

£150.3m

LOAN-TO-VALUE¹

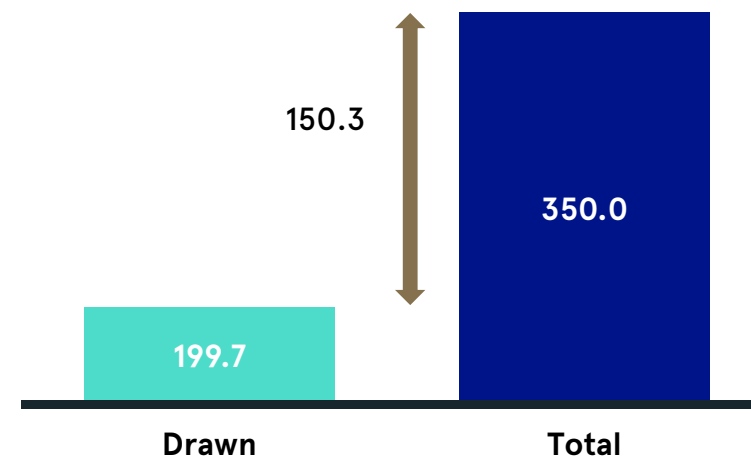
22.5%

WEIGHTED AVERAGE MATURITY¹

10.2 years

DEBT SUMMARY ¹	2015	2014
Total facilities	£855.8m	£755.8m
Undrawn committed facilities	£150.3m	£139.4m
LTV	22.5%	23.6%
Gearing	29.1%	31.0%
Weighted average cost ²	4.92%	5.11%
Weighted average maturity	10.2 Years	7.1 years
% debt fixed	97.2%	82.1%

BANK FACILITIES (£M)



Note: Y axis not to scale

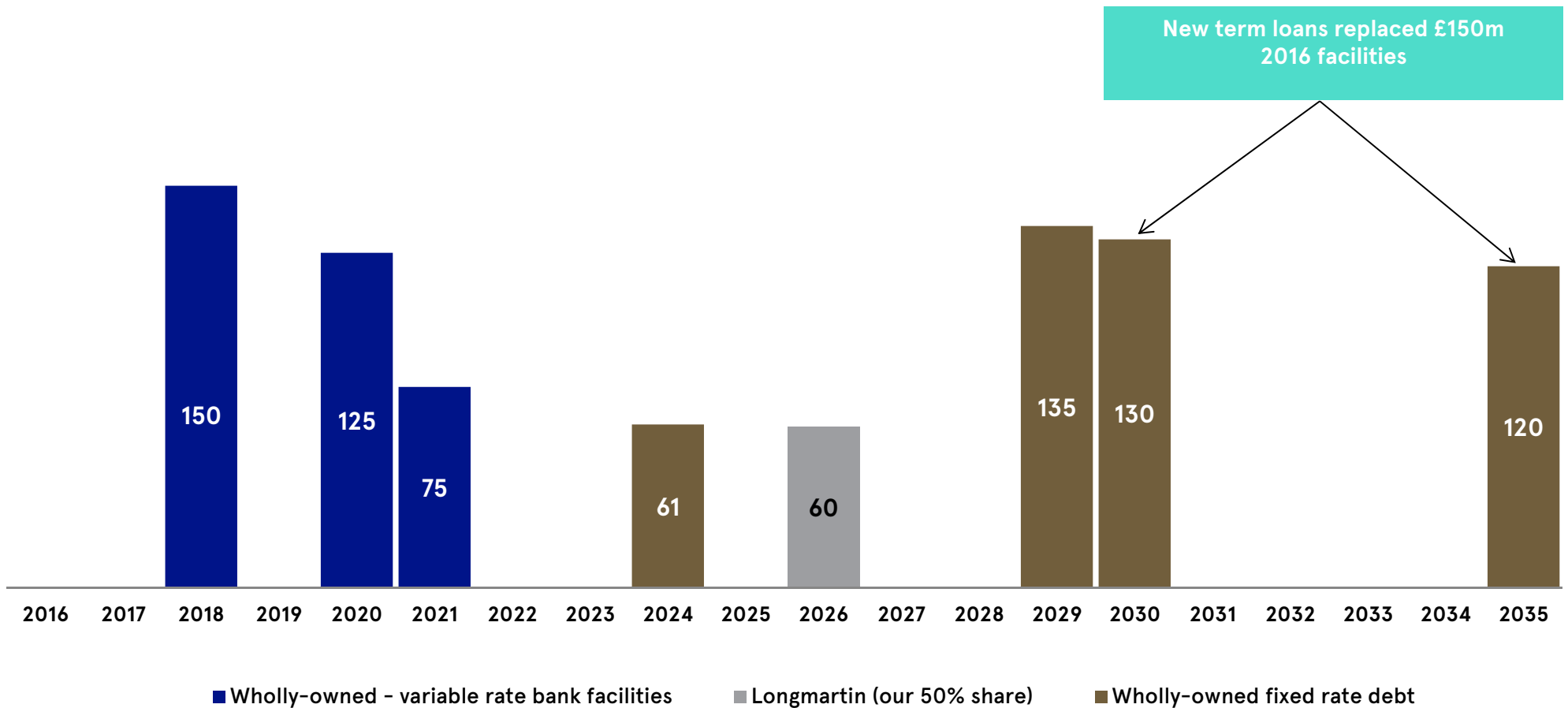
1. including our 50% share of Longmartin debt. For breakdown between wholly-owned group and Longmartin, see Appendix 11

2. Including non-utilisation fees on undrawn bank facilities

Debt maturity profile

REFINANCING OF 2016 DEBT MATURITIES COMPLETE

DEBT MATURITY PROFILE¹ (£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

Exceptional portfolio

Situated entirely in the heart of the West End

- 14 acres (wholly-owned)
 - plus 50% interest in 1.9 acres (Longmartin joint venture)
-

Mostly clustered in iconic areas

- Concentration in renowned areas with high footfall; estimated 315m visits p.a. to the West End
 - Comprehensive management strategy for each village
 - Our initiatives bring compound benefits to adjacent, and nearby, holdings
-

Focused on shops, restaurants, cafés and pubs

- 570 shops and restaurants, cafés and pubs, extending to over 1 million sq. ft., produce 70% of current income¹
- Long history of demand exceeding availability for these uses; rents not cyclical
- Retail, restaurant and leisure space provided in shell form; no exposure to obsolesce for us, as landlord

1. Wholly-owned portfolio

Exceptional portfolio in the heart of the West End



245 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



313
SHOPS



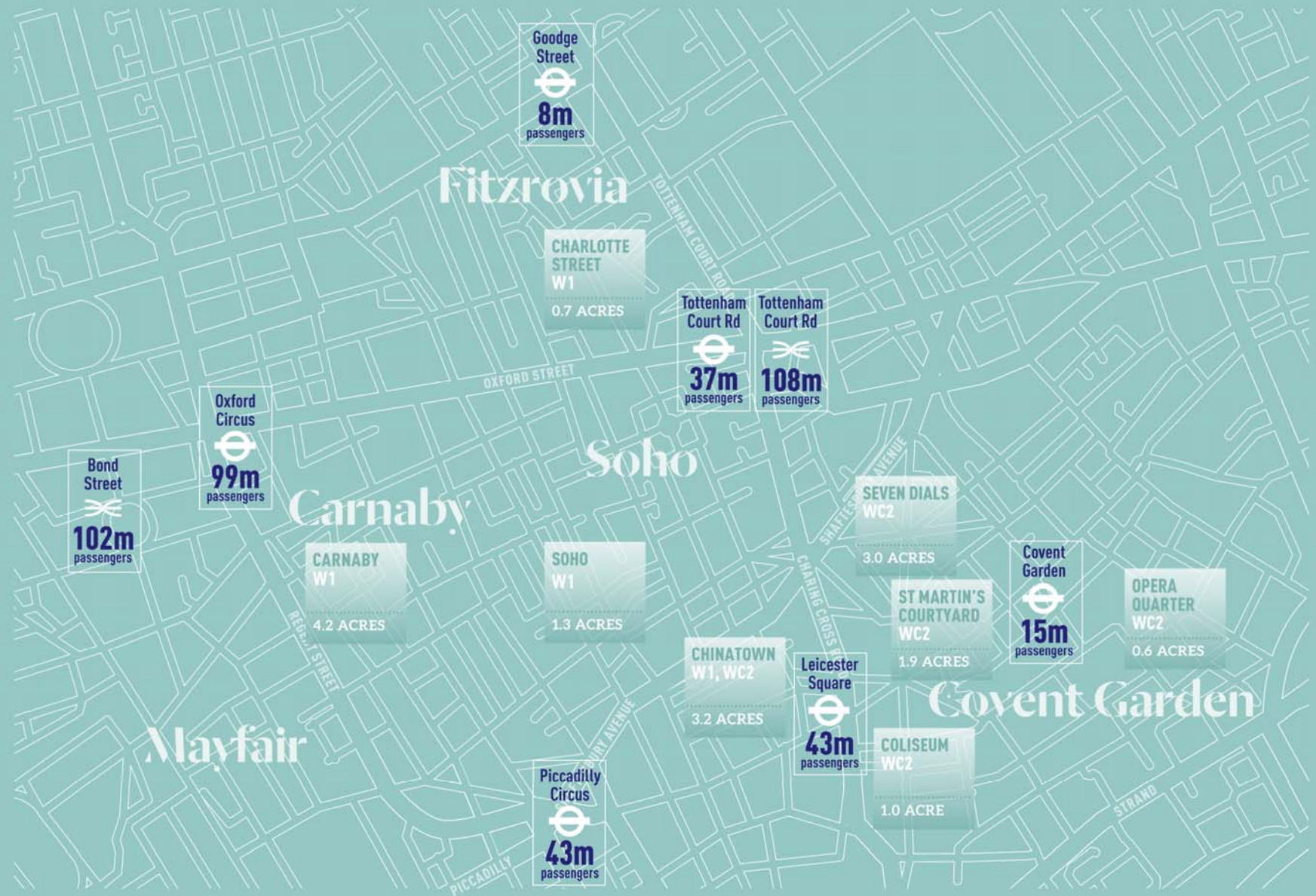
257
RESTAURANTS,
CAFÉS AND PUBS



418,000
SQ. FT. OFFICE SPACE



528
APARTMENTS



Demand and occupancy

CONTINUING STRONG DEMAND, HIGH OCCUPANCY & RENTAL GROWTH

COMMERCIAL LETTINGS, RENEWALS & REVIEWS¹

£21.6m

+8.1% (vs 9/14 ERV)

EPRA VACANCY¹

1.6%

(of ERV)

SCHEMES IN PROGRESS¹

4.3%

(of ERV)

- Demand remains strong across each village and for all uses
- £27.3m leasing and rent review transactions¹ (2014: £25.1m)
 - Commercial lettings/renewals/rent reviews: £21.6m (↑8.1% vs Sept 2014 ERV)
 - Residential transactions: £5.7m (↑3.4% over previous rent)
- Space continues to let quickly (average: 1 month)
- EPRA vacancy¹ at 30.9.2015: 1.6% of ERV
 - 0.3% under offer
 - 1.3% available to let
- Vacancy held for, or under, refurbishment to increase as we commence our important large schemes next year

1. Wholly-owned portfolio

Shops

SUSTAINED BROAD-BASED DEMAND



Overview

- Wide range of shop sizes and rental tones
- High footfall locations but rental levels remain competitive
- Sustained broad-based demand from domestic and international retailers

Leasing activity

- Lettings/renewals/reviews: £8.9m (equivalent to 27% of current income)¹
 - 34 lettings (incl. 11 larger shops)
 - 17 renewals and 12 reviews



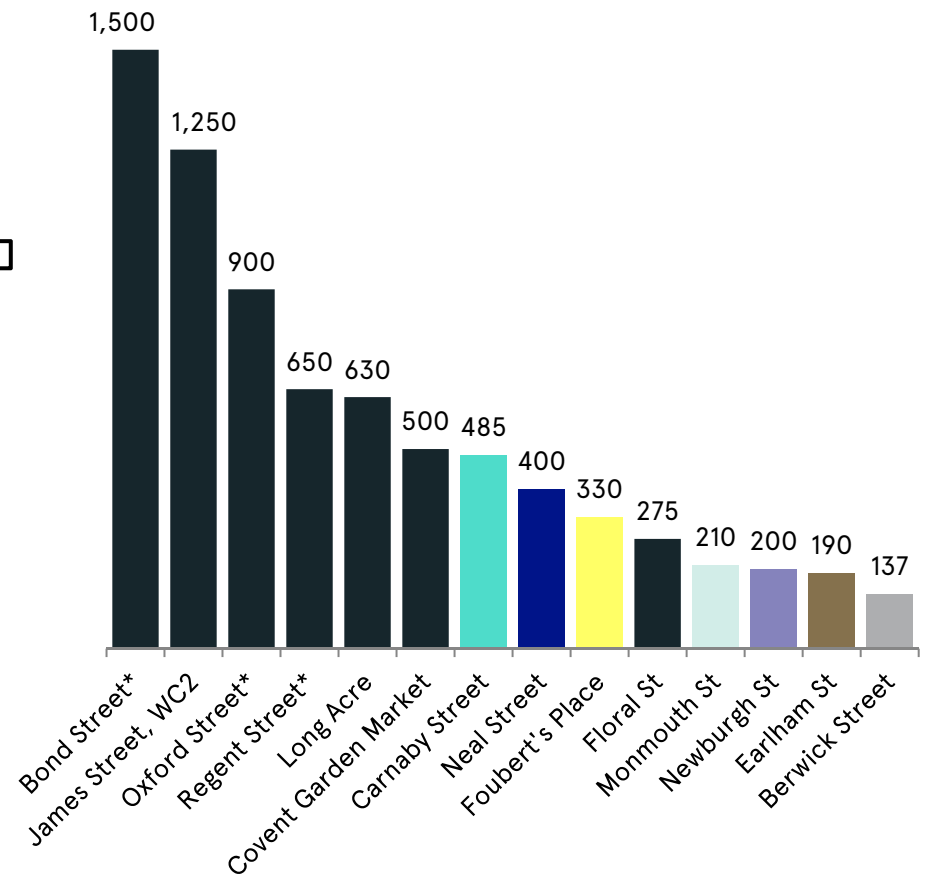
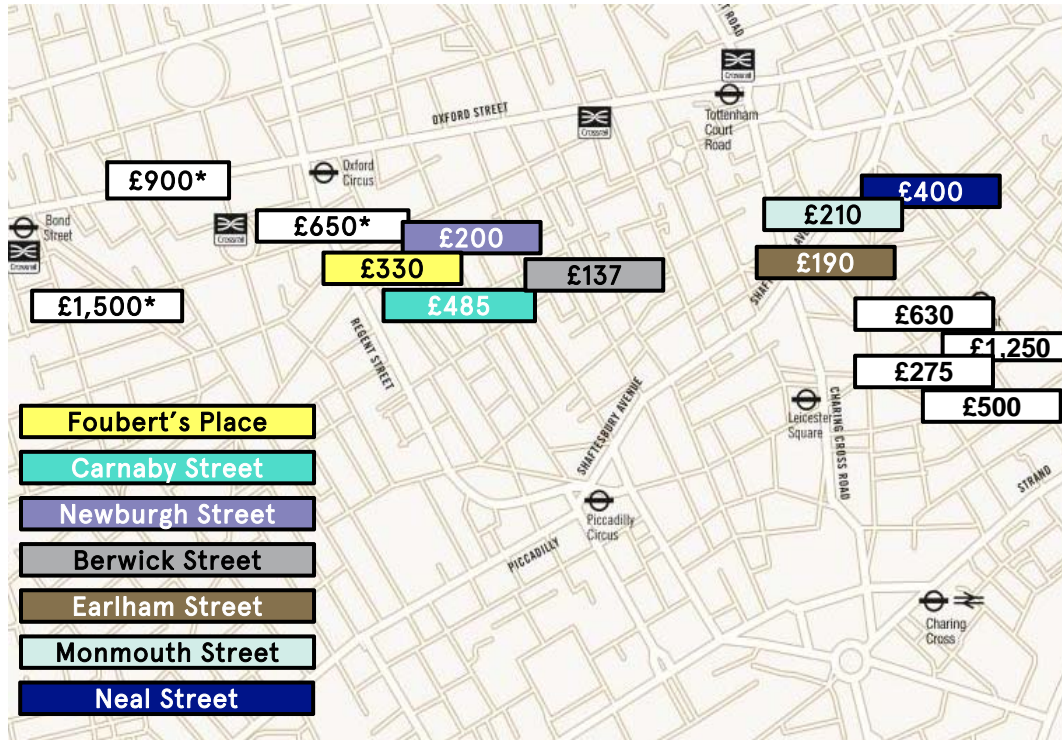
EPRA vacancy

- 2.4% of retail ERV¹ (0.2% under offer)

1. Wholly-owned portfolio

Retail rental tone – prime Zone A vs Shaftesbury

COMPETITIVE RENTAL LEVELS VS NEARBY STREETS



Source: Cushman & Wakefield, company data. Data as at 30 September 2015
 Shaftesbury Zone As are "net effective".
 * Based on 30 ft. zones

Selection of retail openings/lettings in H2

Billionaire Boys Club



Club Monaco



Cubitts KX



MAC



Oi Polloi



Our Legacy



New Era



Nixon



Descente



Tabio



Fresh Cosmetics



Slam City Skates



Skinny Dip



Moscot



Restaurants, cafés, and leisure

HISTORICALLY HIGH DEMAND, YET LOW AVAILABILITY OF SPACE

Overview

- Variety and quality of restaurants, cafés and pubs is an important footfall driver
- Supply of space remains restricted
 - Long-term restrictive planning policies
 - Tenant reluctance to relinquish profitable/valuable sites
- Occupier demand continues at historically high level
 - Numerous competitive offers for available space; pre-lets are common
 - Strong interest from independents and street food operators
 - Restaurateurs seeking locations ahead of Crossrail opening in 2018



Leasing activity

- Lettings/renewals/reviews: £7.8m (equivalent to 23% of current income)¹
 - 19 new lettings
 - 7 renewals and 23 reviews



EPRA vacancy

- 0.5% of ERV¹ (0.25% under offer)

1. Wholly-owned portfolio

Selection of new restaurant, café and pub lettings/openings in H2

Fogg's Tavern



Juice and Public



26 Grains



Shotgun



Fabrique



Viet Food



Pho & Bun



Roots



The Bowler



Happy Lemon



Vico



Sesame



Dirty Bones



Duck & Rice



Dishoom



Offices

SUPPLY CONSTRAINTS DRIVE RENTAL GROWTH

17%

of our current
income¹

418,000 sq. ft.

Overview

- One of largest providers of small office space in the core West End
- Supply of smaller office suites has become more restricted
 - Office to residential conversions
 - Redevelopment of small multi-let buildings
- Extremely strong demand
 - Buoyant SME media, creative, fashion, IT sectors
 - Rental growth
 - Reduced lease incentives
- Average area¹: 1,400 sq. ft.; Average current rent¹: £46 psf (ERV: £56 psf)
- Upgrading office space to improve rental prospects and environmental performance

Leasing activity

- Lettings/renewals/reviews: £4.9m (equivalent to 32% of current income)¹
 - 87,000 sq. ft.
 - 44 lettings, 23 renewals and 4 reviews

Vacancy

- EPRA vacancy¹: 0.9% (0.5% under offer)
- 4 suites (1,900 sq. ft.) available to let

1. Wholly-owned portfolio

Residential

RELIABLE AND GROWING CASH FLOW

Overview

- West End remains a popular place to live
- Reliable and growing income stream
- Sustained demand to rent our reasonably-priced apartments
- Continuing to unlock space for conversion on upper floors and upgrading existing apartments
- 37 apartments created in 2015
- 46 under construction, or being upgraded (ERV: £1.4m)

Leasing activity

- Lettings/renewals: £5.7m (equivalent to 46% of current income)¹

EPRA Vacancy

- 3.4% of ERV¹ – 0.6% under offer
- 13 apartments available to let

1. Wholly-owned portfolio

13%
of our current
income¹

528



Acquisitions

Acquisitions during the year: £25.8m

- Seven properties in Soho, Charlotte Street, Carnaby and Covent Garden
 - Two shops
 - Two restaurants
 - Two cafés
 - Vacant pub
 - 4,950 sq. ft. of offices
 - Eight apartments
- Complement our existing, extensive ownerships
- Potential for good rental and capital value creation. Initial income already grown by 20%
- Availability of suitable properties restricted
- Timing of acquisitions is always unpredictable

Acquisitions since year end: £22.1m

- Two properties in Seven Dials
 - Two shops
 - 2,850 sq. ft. of offices
 - One apartment
- Adjacent to, or opposite, existing holdings
- Asset management angles
- Continue to investigate further opportunities

19–25 Broadwick Street

- Forward purchase of 6,500 sq. ft. restaurant and retail space (not yet accounted for under IFRS)
- Handover December 2015
- Cost £6.6m (incl. purchase costs)
- New commercial space in this busy and improving street connecting Soho and Carnaby



Schemes

ADDING VALUE THROUGH IMPROVING OUR PORTFOLIO

SCHEMES IN THE YEAR ACROSS

181,000 sq.ft.

10.4% of floor space¹

CAPITAL EXPENDITURE¹

£24.7m

ERV UNDER DEVELOPMENT¹

£5.0m

Continued high level of asset management and refurbishment activity

- Schemes in the period across 181,000 sq. ft., 10.4% of wholly-owned floor space
- £5.0m (ERV) held for or under, refurbishment (82,000 sq. ft.)
- Continue to identify schemes across the portfolio
- Taking back space, where possible, to accelerate rental and capital growth
 - Crystallise reversion
 - Raise rental tones by letting above ERV
- 96 planning applications in the period – incl. 57 Broadwick Street & Charing Cross Road/Chinatown
- Compound and cumulative benefits to nearby ownerships
- Investing in, and improving the public realm – important catalyst for improving footfall
- Good progress with our larger schemes

1. Wholly-owned portfolio

Charing Cross Road/Chinatown

- Planning granted for reconfigured building to 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 and complete mid-2017, ahead of Crossrail opening in 2018
- 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



CGIs of proposed scheme

Charing Cross Road/Chinatown

GROUND FLOOR PLAN



Ground Floor Plan

57 Broadwick Street

- Planning application submitted to provide:
 - Flagship retail over lower floors (11,000 sq. ft.)
 - Extended and reconfigured office space (20,000 sq. ft.)
 - New residential (2,000 sq. ft.)
 - Increase in lettable space c. 8,000 sq. ft.
- Expect to commence works in spring 2016
 - Leases extended to April 2016
- Long-term rental and valuation growth – Broadwick Street will benefit from nearby schemes and Crossrail
- Capex for enhanced scheme (subject to planning consent) currently estimated at c. £14m



Before



After

CGI of proposed scheme

Thomas Neal's Warehouse

- Started to secure vacant possession
- Planned reconfiguration of 21,000 sq. ft.
- Reduce current 16 units to fewer, larger units or single unit suitable for retailers seeking flagship space in Seven Dials
- Works to commence early in 2016
- Completion mid-2017
- Estimated costs
 - Construction: £2m
 - Loss of net income: £800k p.a.



Ground



Thomas Neal's Warehouse - CGIs

Basement

Earlham Street proposals

- Important gateway to Seven Dials from Cambridge Circus
- Rental tone has lagged nearby streets for some time (Zone A: £190 psf)
- Discussions with Camden to materially improve the streetscape; public consultation in spring 2016
- Street expected to be a major beneficiary of Crossrail footfall from Tottenham Court Road



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
 - Significant investment by others across the West End
 - Crossrail arrives in 2018
-

Sustained broad-based demand

- Strong, broad-based demand across the portfolio
 - Occupancy high and void periods short
-

High level of activity

- Identifying and accelerating opportunities to realise and grow the reversionary potential in our portfolio
 - Good progress with our major schemes in Chinatown, Carnaby and Seven Dials
 - Concentration of ownerships: incremental improvements bring compound benefits to nearby ownerships
 - Steady stream of acquisitions over the medium term
-

Delivering long-term shareholder value

SUSTAINED RENTAL GROWTH UNDERPINNING LONG-TERM CAPITAL VALUES

Exceptional

portfolio

Resilient

long-term outperformance

Focused

investment strategy

Proven

management strategy

Experienced

team

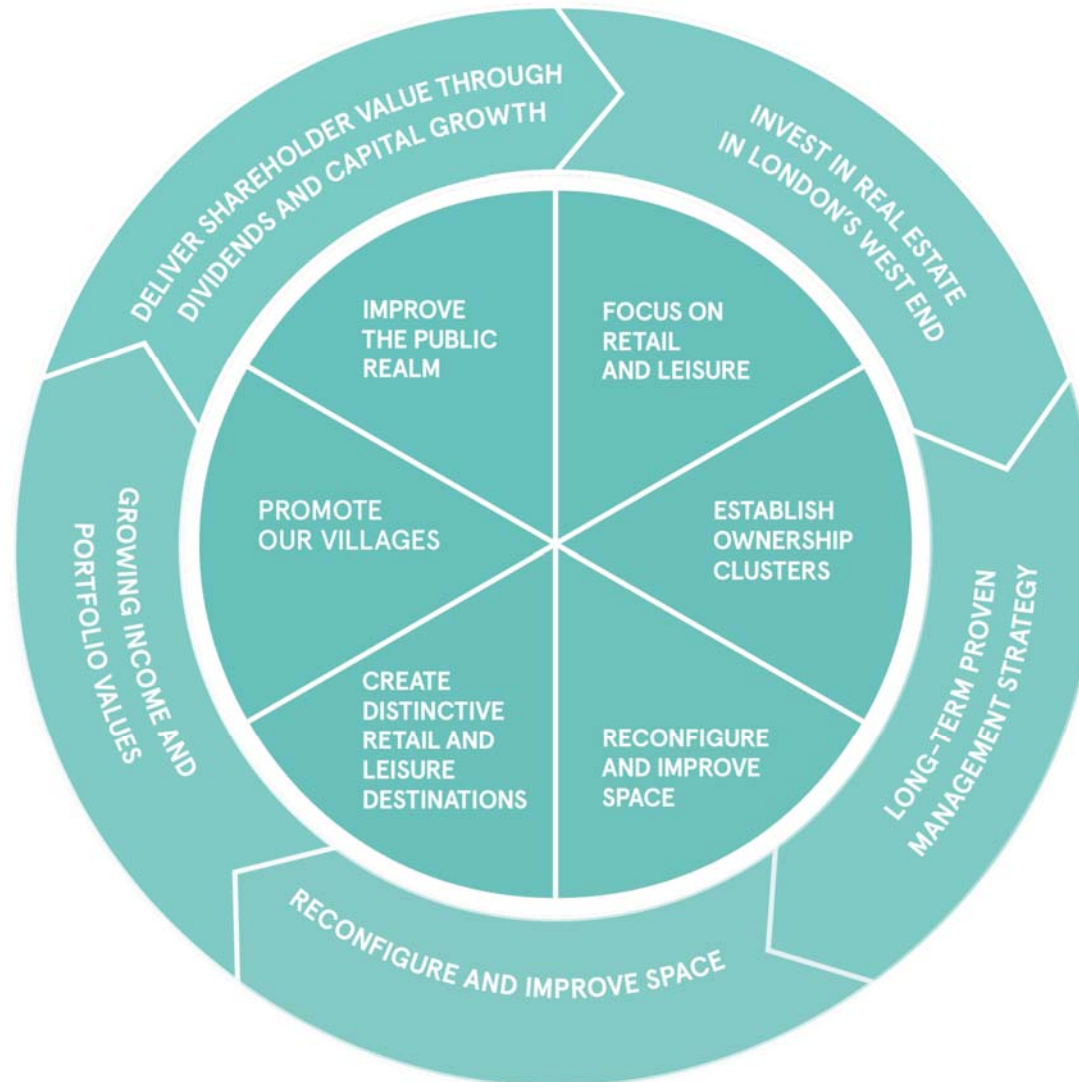
Robust

balance sheet

Appendices

Appendix 1

DELIVERING OUR STRATEGY



Appendix 2

LONDON AND THE WEST END

London – an unrivalled visitor and business destination

- One of the world's principal global cities
 - Current population: 8.6m
 - Expected to grow to over 10m by 2036
 - Similar population in Southern England who can easily commute/visit
 - World's most popular tourist destination
 - 18.7m international visitors in 2014
-

The West End's popularity

- Estimated 315m visits p.a.
- Annual visitor spending: £11bn
- 38 world-famous theatres, 30 museums, galleries, live entertainment, public spaces etc
- Westminster Borough generates 3% of UK GVA
 - Working population: 650,000
 - Resident population: 59,000

Exceptional/improving transport links

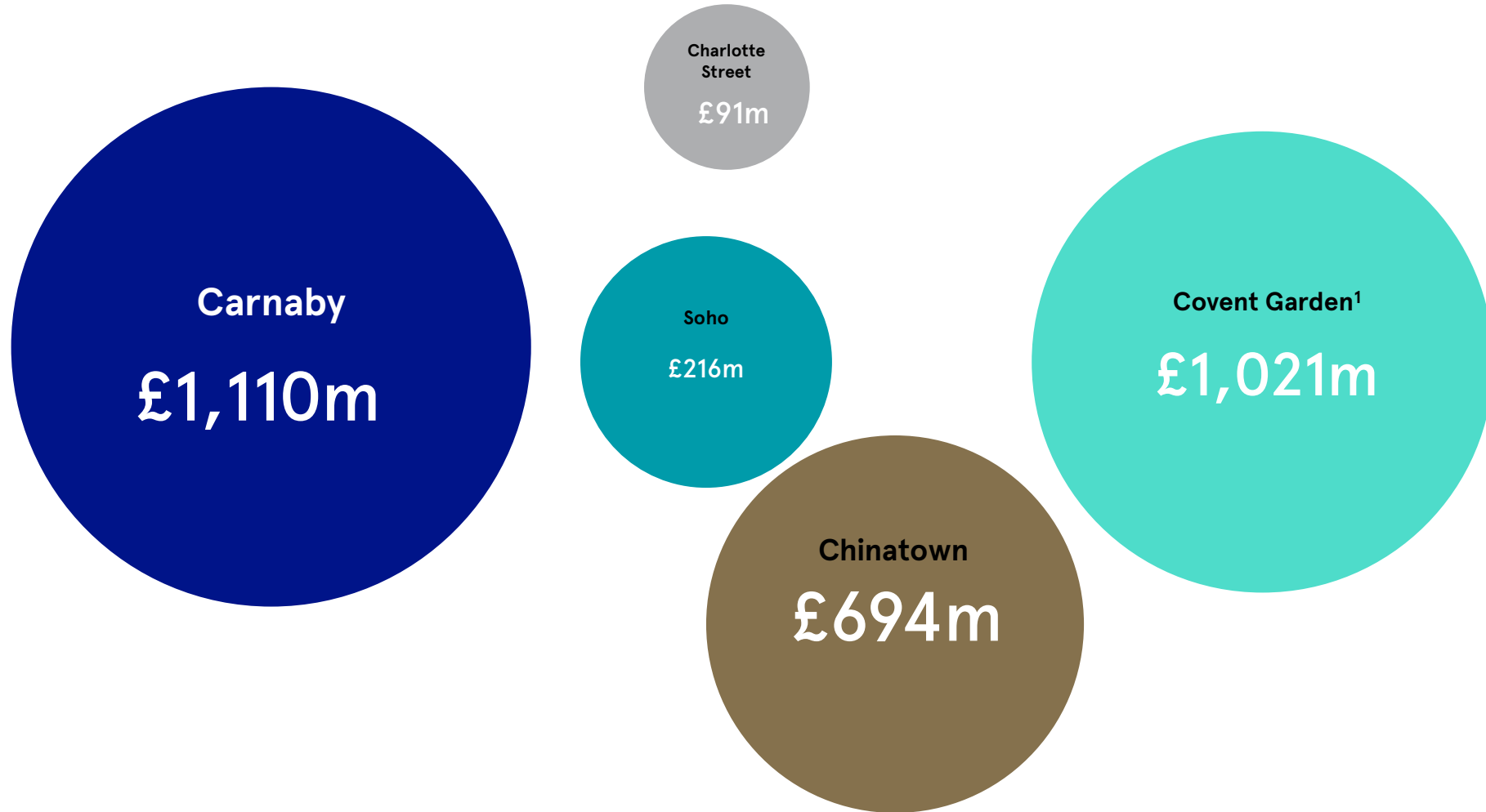
- Six underground stations closest to our villages handled 245m passengers in 2014
 - Major investment over coming six years to increase capacity and improve reliability
-

Crossrail – planned opening 2018

- Increase network capacity by 10%
- Extend the West End's provincial catchment by 27%
- Shorten travel times
- Treble passenger numbers at Tottenham Court Road and Bond Street hubs by 2026
- Materially change footfall patterns
- Increase retail and leisure spending
- All our properties are within 5-10 minutes' walk of the new Crossrail hubs

Appendix 3

VALUATION: £3.1 BN



1. Including our 50% share of Longmartin

Appendix 4

OUR PORTFOLIO

Shops

Wholly owned

313

456,000 sq. ft.

Longmartin joint venture

22

67,000 sq. ft.

35%

of our current income¹

Restaurants, cafés and leisure

Wholly owned

257

559,000 sq. ft.

Longmartin joint venture

11

45,000 sq. ft.

35%

of our current income¹

Offices

Wholly owned

418,000 sq. ft.

Longmartin joint venture

102,000 sq. ft.

17%

of our current income¹

Residential

Wholly owned

528

308,000 sq. ft.

Longmartin joint venture

75

55,000 sq. ft.

13%

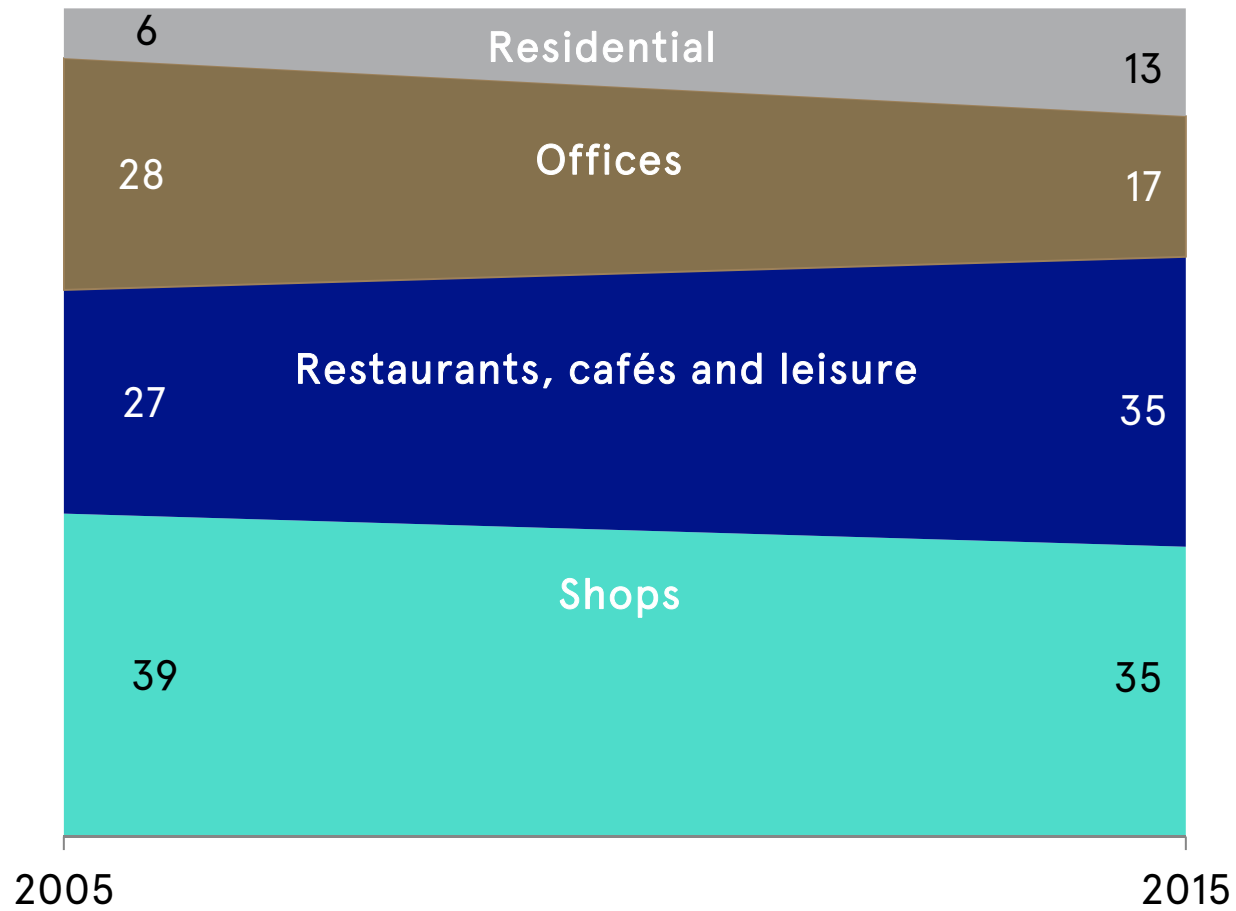
of our current income¹

1. Wholly-owned portfolio

Appendix 4 (cont.)

MIX OF USES (WHOLLY-OWNED PORTFOLIO)

% OF CURRENT RENT



Appendix 4 (cont.)

PORTFOLIO SUMMARY

	Fair value £m	% of portfolio	Current rent £m	ERV £m
Wholly-owned portfolio				
Carnaby	1,109.9	35%	34.6	45.7
Covent Garden	808.6	26%	26.7	32.8
Chinatown	693.8	22%	23.3	27.3
Soho	215.8	7%	7.3	8.8
Charlotte Street	91.4	3%	2.8	3.9
	2,919.5	93%	94.7	118.5
Longmartin joint venture (our 50%)	212.5	7%	7.9	9.3
Total	3,132.0	100%	102.6	127.8

Appendix 5

PORTFOLIO REVERSION BY USE

	Retail £m	Restaurants, cafés, leisure £m	Office £m	Residential £m	Longmartin £m	Total £m	% of ERV
Current income	32.9	34.0	15.4	12.4	7.9	102.6	80.3%
Vacancy							
- Available	1.0	0.2	0.2	0.5	0.2	2.1	1.6%
- Schemes	1.6	1.0	1.0	1.4	0.2	5.2	4.1%
	2.6	1.2	1.2	1.9	0.4	7.3	5.7%
Future schemes	0.3	0.1	0.9	-	-	1.3	1.0%
Contracted (rent frees, stepped rents)	2.6	1.2	2.9	-	0.4	7.1	5.6%
Under-rented	3.3	2.5	2.9	0.2	0.6	9.5	7.4%
ERV	41.7	39.0	23.3	14.5	9.3	127.8	100%
% of ERV	33%	31%	18%	11%	7%		
% of ERV (wholly-owned portfolio)	35%	33%	20%	12%			

1. 57 Broadwick Street and Charing Cross Road/Chinatown (to the extent not included in vacancy – see also Appendix 6)

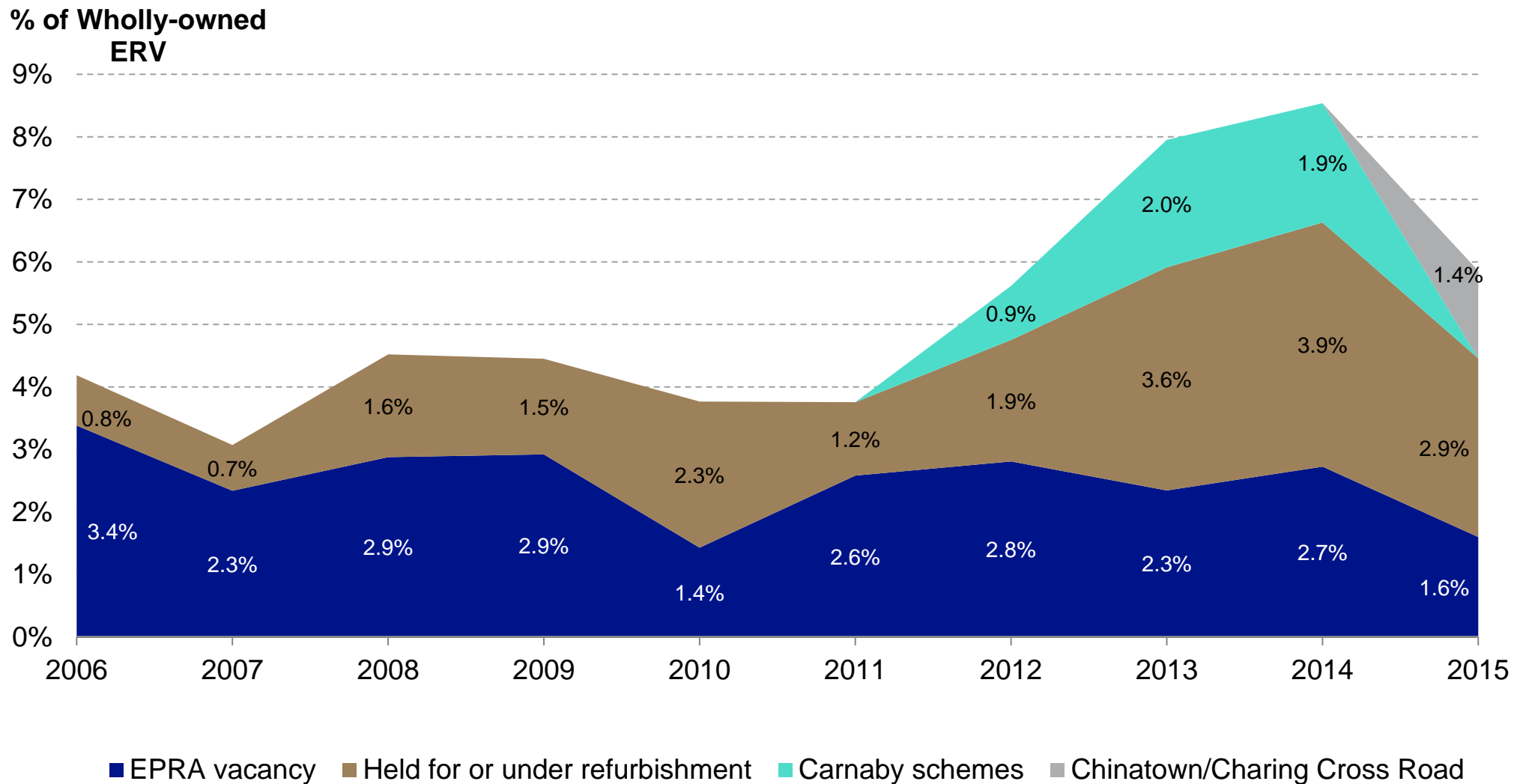
Appendix 6

VACANCY

	Shops £m	Restaurant, cafés, leisure £m	Offices £m	Residential £m	Longmartin £m	Total £m	% of ERV
Charing Cross Road/Chinatown	1.0	0.6	-	-	-	1.6	1.2%
Other schemes	0.6	0.4	1.0	1.4	0.2	3.6	2.9%
Total held for or under refurbishment	1.6	1.0	1.0	1.4	0.2	5.2	4.1%
Available to let	0.9	0.1	0.1	0.4	-	1.5	1.2%
Under offer	0.1	0.1	0.1	0.1	0.2	0.6	0.4%
EPRA vacancy	1.0	0.2	0.2	0.5	0.2	2.1	1.6%
Total	2.6	1.2	1.2	1.9	0.4	7.3	5.7%

Appendix 6 (cont.)

WHOLLY-OWNED VACANT COMMERCIAL SPACE



Appendix 7

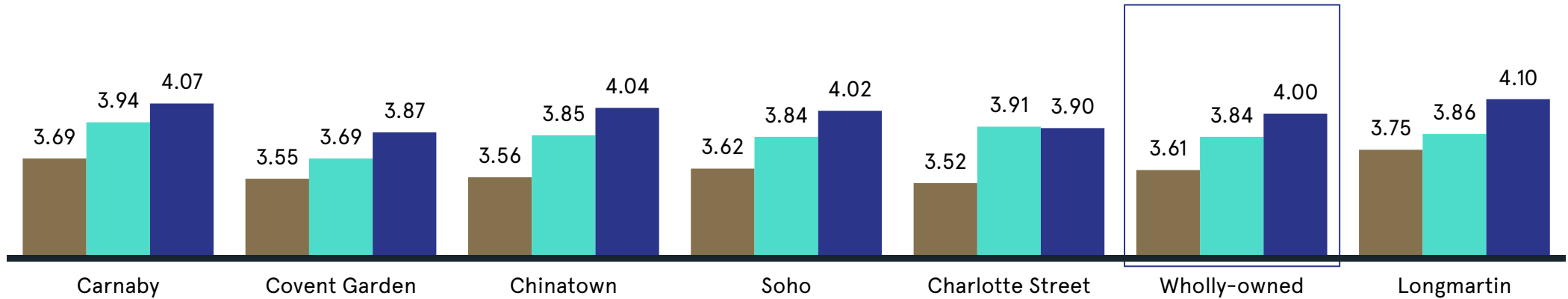
LIKE-FOR-LIKE INCREASE IN CAPITAL VALUES

	% of portfolio	H1	H2	FY 2015	3 Year CAGR
Total	100%	8.0%	9.3%	18.0%	16.0%
Carnaby	35%	8.6%	11.4%	21.0%	18.9%
Covent Garden	26%	6.6%	7.8%	14.8%	14.0%
Chinatown	22%	7.8%	8.9%	17.3%	14.1%
Soho	7%	6.3%	8.2%	15.0%	14.8%
Charlotte St	3%	11.7%	7.6%	20.3%	14.6%
Longmartin	7%	11.4%	6.8%	19.0%	16.9%

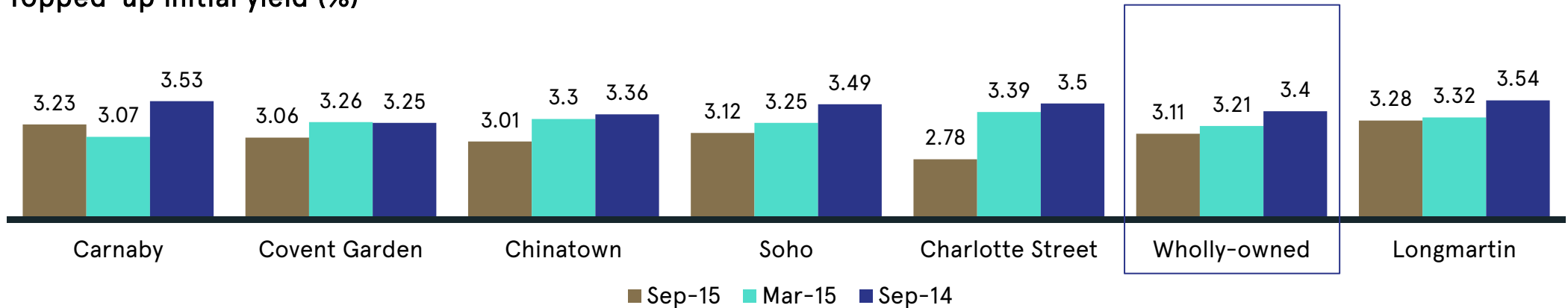
Appendix 8

YIELDS

Equivalent yield (%)



Topped-up initial yield (%)



Appendix 9

EPRA EARNINGS AND NAV RECONCILIATIONS

Earnings	2015 £m	2014 ¹ £m	NAV	2015 £m	2014 ¹ £m
Reported profit after tax	467.3	440.4	Reported net assets	2,325.4	1,893.2
Adjust for fair value movements:			Adjust for:		
Investment properties	(432.0)	(394.0)	Fair value of financial derivatives	79.2	78.8
Financial derivatives	28.5	12.0	Adjustments re: Longmartin JV:		
Adjustments re: Longmartin JV:			Deferred tax	22.6	15.7
Investment property revaluation	(34.6)	(32.4)	Adjusted net assets	2,427.2	1,987.7
Deferred tax	6.9	6.6	Additional equity if all share options are exercised	0.4	0.4
EPRA earnings	36.1	32.6	EPRA net assets (diluted)	2,427.6	1,988.1
Number of shares for EPS calculation (million)	278.1	266.6	Number of shares for diluted NAV calculation (million)	279.4	279.0
EPRA EPS	13.0p	12.2p	EPRA NAV per share	8.69	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.

Appendix 10

INCOME AND COSTS

EPRA EARNINGS	2015 £m	2014 ¹ £m
Rental income	98.7	91.2
Property costs	(19.9)	(17.1)
Net property income	78.8	74.1
Admin expenses	(14.0)	(13.8)
	64.8	60.3
Net finance costs	(30.7)	(29.5)
Share of Longmartin JV profit before tax ²	2.3	2.1
Recurring profit before tax	36.4	32.9
Share of Longmartin JV current tax	(0.3)	(0.3)
EPRA earnings	36.1	32.6

PROPERTY COSTS	2015 £m	2014 ¹ £m
Operating costs	6.1	4.8
Management fees	2.1	1.9
Letting costs	3.0	3.1
Village promotion	1.8	1.4
Non recoverable costs	13.0	11.2
Recoverable costs	6.9	5.9
Total	19.9	17.1

ADMIN COSTS	2015 £m	2014 ¹ £m
Admin costs	8.8	8.0
Provision for annual bonuses	2.2	2.6
Charge for equity settled remuneration	3.0	3.2
Total	14.0	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 9

Appendix 11

FINANCE ANALYSIS

	2015				2014			
	IFRS	Longmartin	Proportional consolidation	Rate	IFRS	Longmartin	Proportional 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	384.8	-	384.8	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	6.01%	250.0	-	250.0	6.06%
Variable bank loans	19.7	-	19.9	1.75%	110.6	-	110.6	1.66%
Weighted average cost ³								
– drawn facilities				4.78%				5.02%
– incl. non-utilisation costs on undrawn facilities				4.92%				5.11%
Average margin on bank loans								
– drawn				116bps				111bps
– if all facilities are drawn				135bps				124bps
Current marginal cost of additional drawings (approx)				1.5%				1.55%
Weighted average loan maturity (years)								
– bank facilities				4.2				4.2
– total debt ³				10.2				7.1

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

Appendix 12

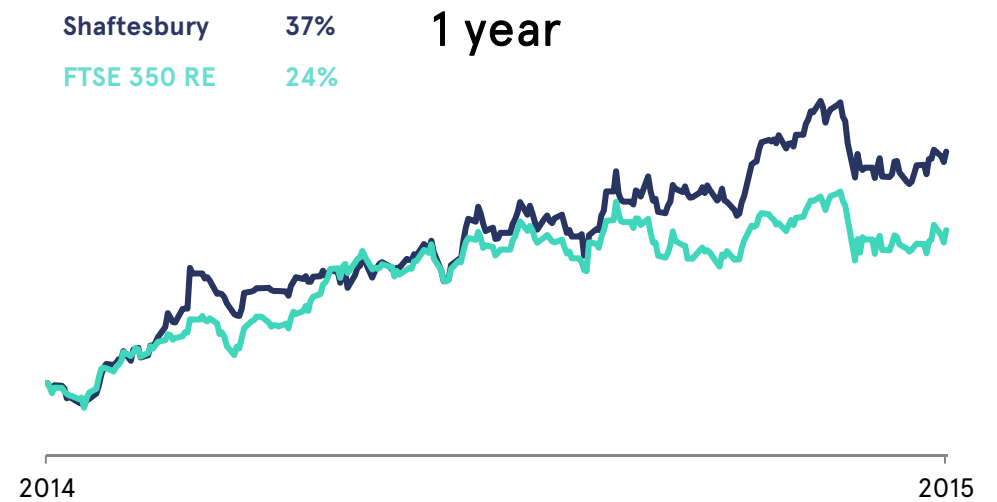
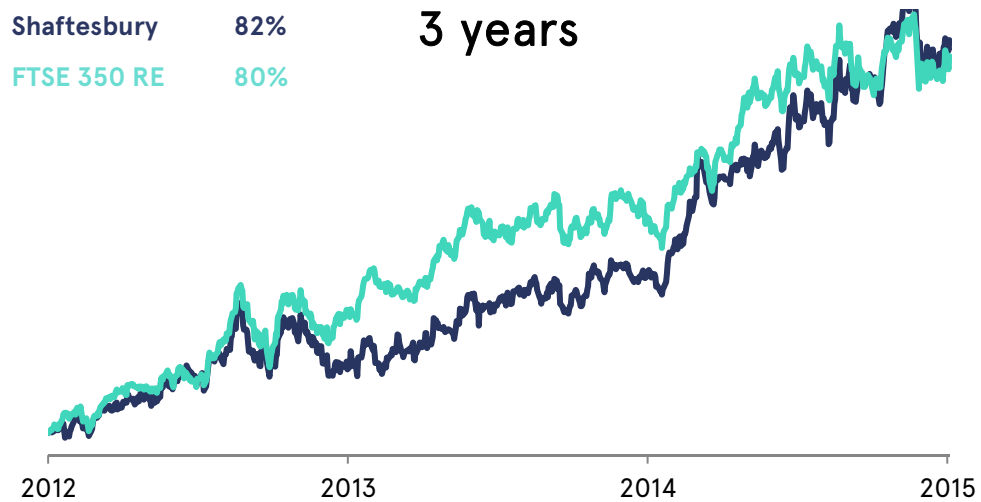
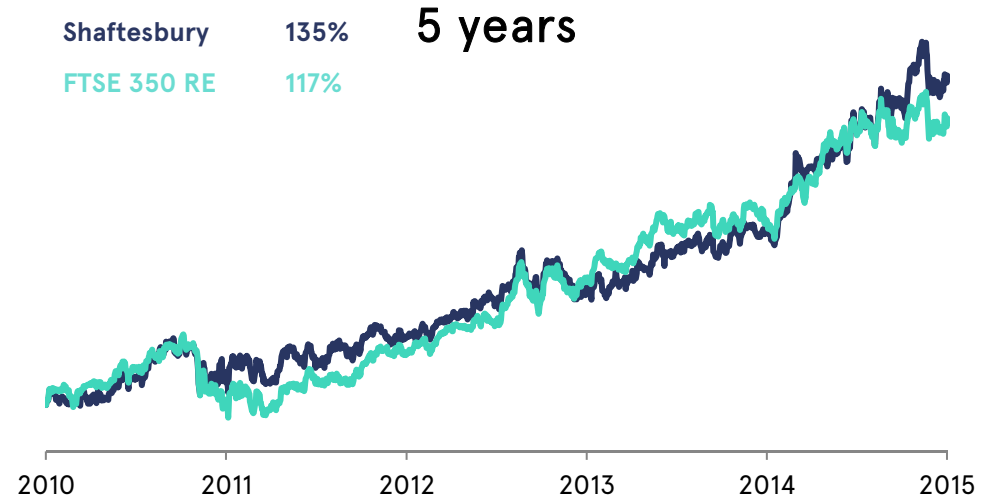
IMPACT OF CHANGE IN ACCOUNTING POLICY

BALANCE SHEET	2015			2014		
	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m
Investment properties	2,908.0	215.0	3,123.0	2,425.5	179.6	2,605.1
Investment in Longmartin	129.6	(129.6)	-	101.5	(101.5)	-
Net debt	(637.8)	(57.1)	(694.9)	(553.0)	(57.2)	(610.2)
Other assets and liabilities	(74.4)	(28.3)	(102.7)	(80.8)	(20.9)	(101.7)
Net assets	2,325.4	-	2,325.4	1,893.2	-	1,893.2

INCOME STATEMENT	2015			2014		
	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m
Net rental income	78.8	5.9	84.7	74.1	5.6	79.7
Admin costs	(14.0)	(0.3)	(14.3)	(13.8)	(0.2)	(14.0)
Revaluation surplus	432.0	34.6	466.6	394.0	32.4	426.4
Operating profit	496.8	40.2	537.0	454.3	37.8	492.1
Net finance costs	(59.2)	(3.3)	(62.5)	(41.5)	(3.3)	(44.8)
Share of Longmartin post-tax profits	29.7	(29.7)	-	27.6	(27.6)	-
Profit before tax	467.3	7.2	474.5	440.4	6.9	447.3
Tax	-	(7.2)	(7.2)	-	(6.9)	(6.9)
Profit after tax	467.3	-	467.3	440.4	-	440.4

Appendix 13

TSR TO 30 SEPTEMBER 2015



Appendix 14

VILLAGE SUMMARIES

Village	Page
Carnaby	57
Covent Garden	58
Chinatown	59
Soho	60
Charlotte Street	61

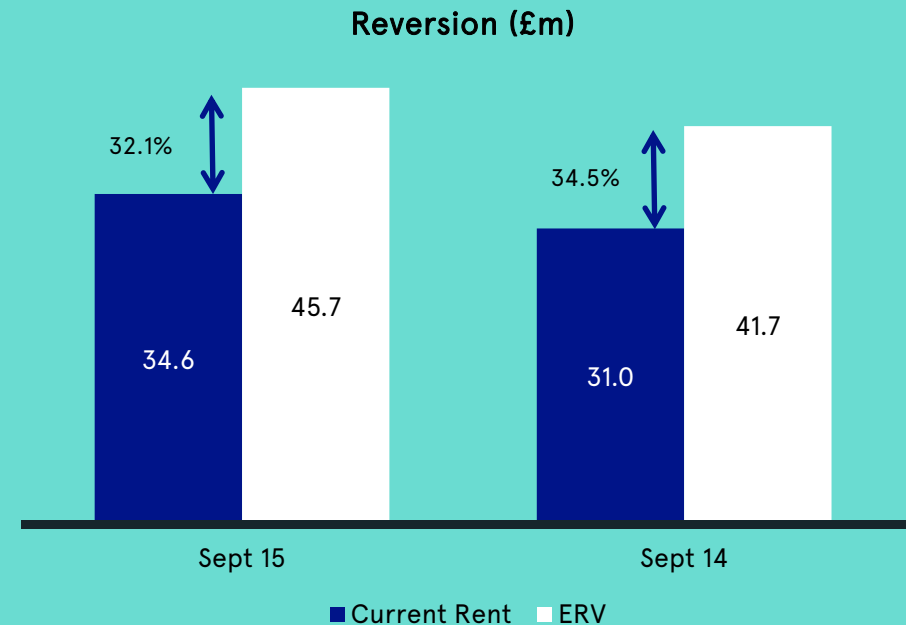
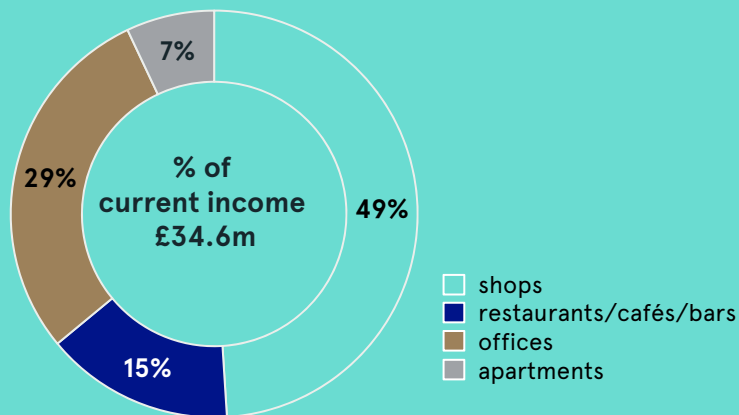
Carnaby

35% of our portfolio



Footfall > 40m pa

	Sept 2015	Sept 2014
Valuation	£1,109.9m	£906.2m
Acquisitions	£3.2m	£32.3m
Capital expenditure	£9.5m	£11.5m
Capital value return (I-f-I)	21.0%	25.8%
Equivalent yield	3.69%	4.07%
Reversion	£11.1m	£10.7m



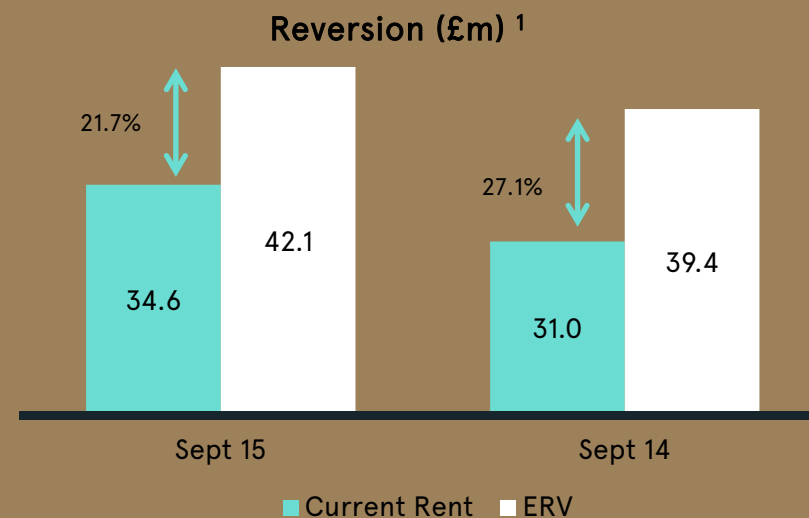
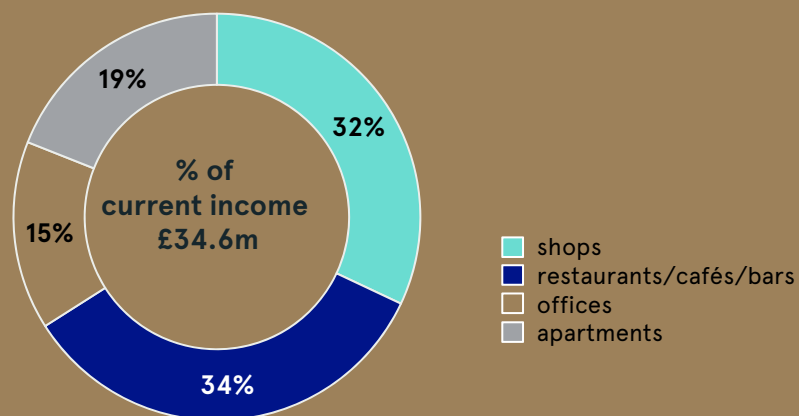
Covent Garden

33% of our portfolio*



Footfall > 30m pa
(Seven Dials)

	Sept 2015	Sept 2014
Valuation ¹	£1,021.1m	£873.5m
Acquisitions	£5.8m	£2.2m
Capital expenditure ¹	£6.5m	£7.1m
Capital value return		
– wholly-owned	14.8%	19.3%
– Longmartin	19.0%	22.2%
Equivalent yield		
– wholly-owned	3.55%	3.87%
– Longmartin	3.75%	4.10%
Reversion		
– wholly-owned	£6.1m	£7.0m
– Longmartin	£1.4m	£1.3m



1. Including 50% share of Longmartin

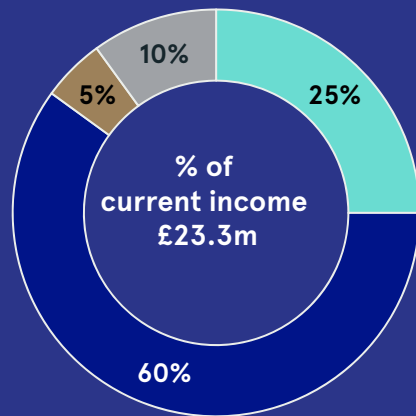
Chinatown

22% of our portfolio

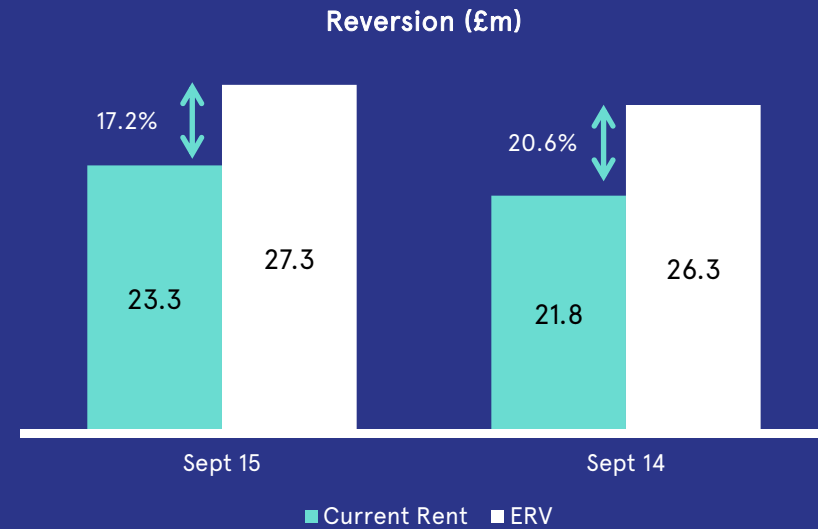


Footfall > 50m pa

	Sept 2015	Sept 2014
Valuation	£693.8m	£584.0m
Acquisitions	Nil	£61.6m
Capital expenditure	£8.0m	£3.8m
Capital value return (I-f-I)	17.3%	17.8%
Equivalent yield	3.56%	4.04%
Reversion	£4.0m	£4.5m



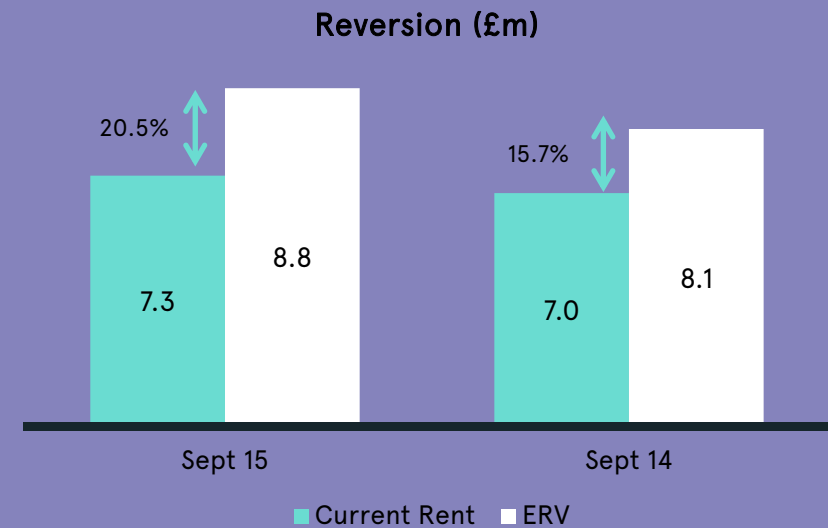
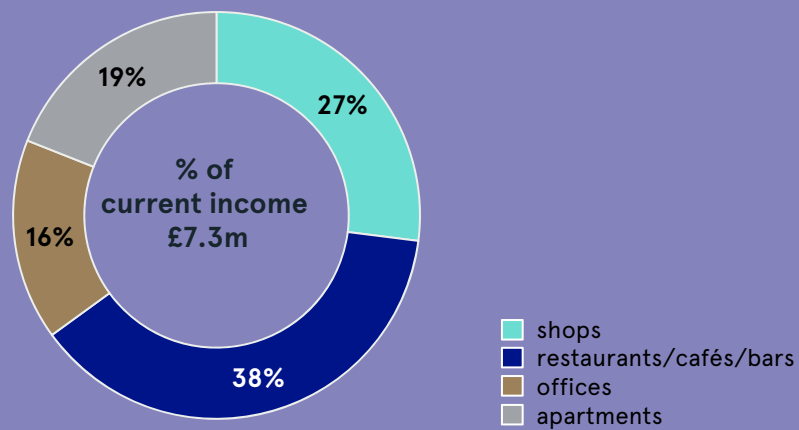
- shops
- restaurants/cafés/bars
- offices
- apartments



Soho

7% of our portfolio

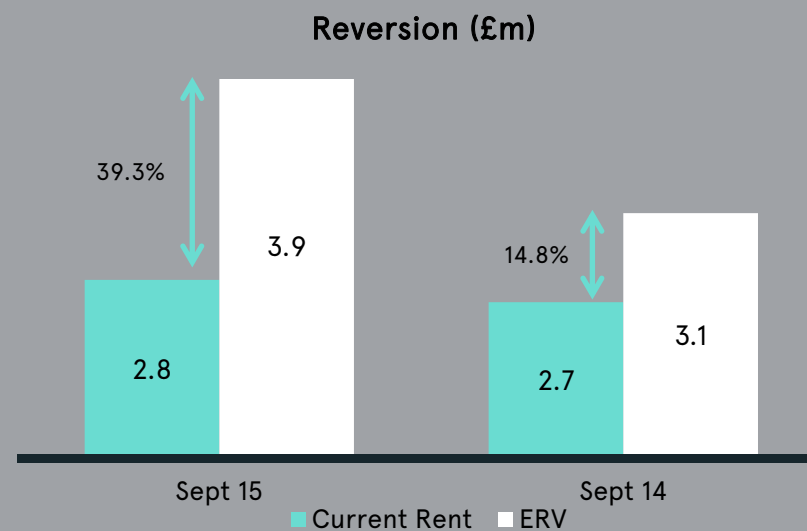
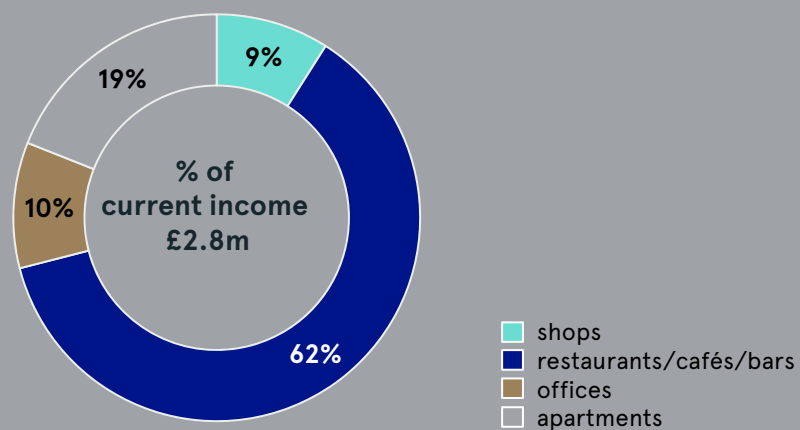
	Sept 2015	Sept 2014
Valuation	£215.8m	£181.0m
Acquisitions	£7.7m	£8.1m
Capital expenditure	£0.9m	£1.6m
Capital value return	15.0%	16.2%
Equivalent yield	3.62%	4.02%
Reversion	£1.5m	£1.1m



Charlotte Street

3% of our portfolio

	Sept 2015	Sept 2014
Valuation	£91.4m	£67.8m
Acquisitions	£9.1m	£3.7m
Capital expenditure	£0.6m	£0.2m
Capital value return	20.3%	15.8%
Equivalent yield	3.52%	3.90%
Reversion	£1.1m	£0.4m



Appendix 15

KEY RISKS

Geographic Concentration Risk

Sustained fall in visitor numbers and/or spending could affect the West End and our villages, leading to reduced occupier demand, higher vacancy and reduced rental income/capital values e.g. as a result of:

- External threats eg terrorism/security, public safety, health concerns
- Major long-term disruption to the transport networks
- Competing destinations resulting in long-term decline in footfall
- Failure to maintain special character and/or tenant mix

Regulatory Risks

Changing regulation could increase costs, adversely limit our ability to optimise revenues and affect our values e.g. as a result of:

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

Economic risks

Periods of economic uncertainty/lower confidence could reduce consumer spending, tenant profitability and occupier demand, leading to pressure on rents, higher vacancy, declining profitability and reduced capital values

Decline in the UK real estate market due to macro-economic factors e.g. global political landscape, currency expectations, bond yields, interest rate expectations, availability and cost of finance and the relative attractiveness of property compared with other asset classes. This could lead to reduced capital values, a decrease in NAV, amplified by gearing, and loan covenant defaults.

Disclaimer

This presentation may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

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