



## INVESTOR AND ANALYST PRESENTATION

six months ended 31 March 2016

# Shaftesbury



# Agenda

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Introduction

Brian Bickell

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Results and finance

Chris Ward

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Portfolio review

Brian Bickell

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Summary and outlook

Brian Bickell

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Q&A

Brian Bickell  
Chris Ward  
Simon Quayle  
Tom Welton

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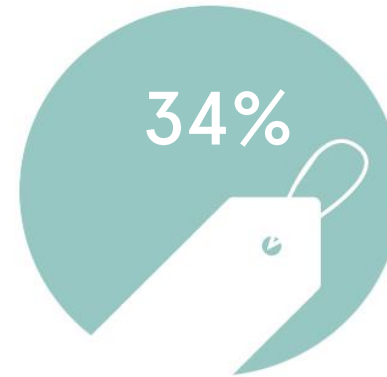
# Introduction

**BRIAN BICKELL**

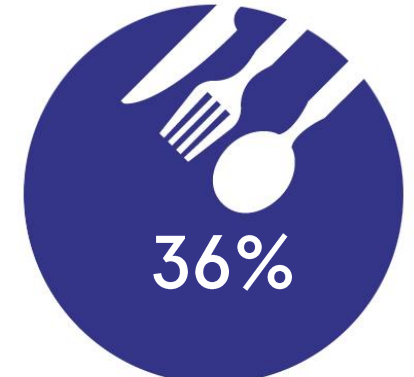
# Our portfolio

- Exceptional portfolio in the heart of the West End
- Mostly clustered in iconic areas
- Comprehensive management strategy for each village
- Initiatives bring compound benefits to our nearby holdings
- Limited obsolescence in retail, restaurant and leisure space

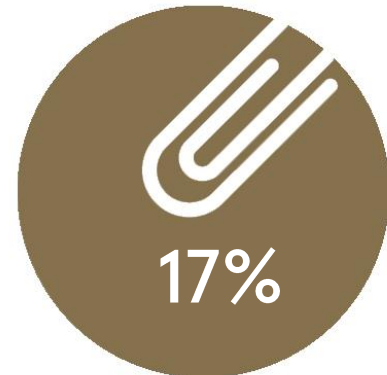
% of current income



Shops



Restaurants, cafés and leisure



Offices



Residential



# Buoyant demand underpinned by robust footfall and spending

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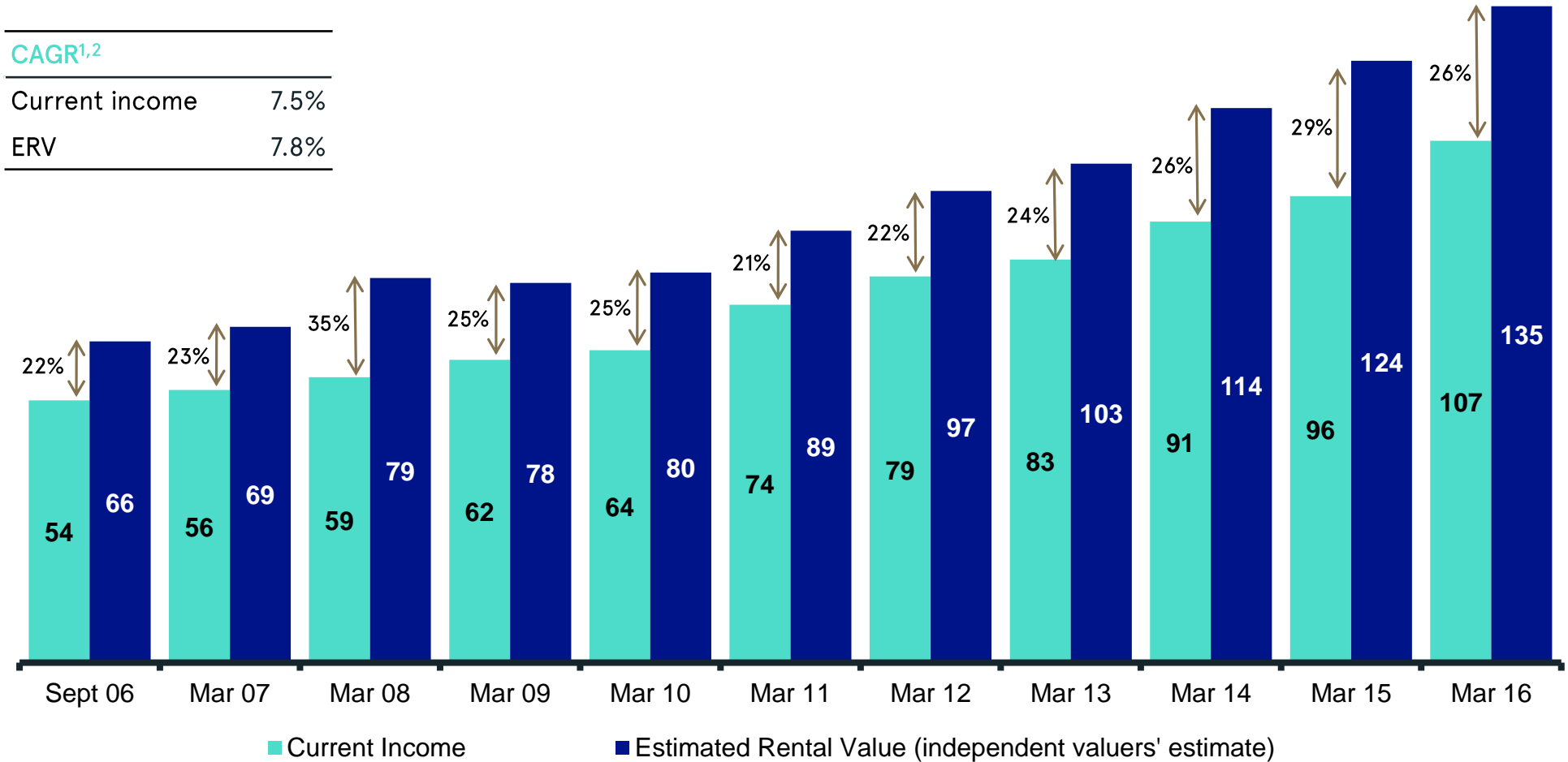
- The West End continues to flourish
  - Growth in London's population, visitors and economy
  - Large working and resident populations
  
- Sustained occupier demand across each location and all uses; availability of space constrained; occupancy levels remain high
  
- Important for long-term rental prospects and capital value
  
- Shaftesbury a major beneficiary of Crossrail which opens in 2018

## Extensive asset management activity and investment

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- Busy period for lettings, renewals and rent reviews
- A variety of schemes extending to 150,000 sq. ft. during the period
- Major schemes in Chinatown, Carnaby and Seven Dials now on-site
- Continue to identify and accelerate future projects
- Acquisitions totalling £43.2 million; all offer potential for good rental and capital growth through short and medium-term asset management

# Delivering long-term growth in contracted and potential future income<sup>1</sup>



1. Includes 50% share of Longmartin 2. Data includes acquisitions



# Results and finance

CHRIS WARD

# Headlines

	6 months <sup>1</sup>		12 months <sup>1</sup>	
	L-f-L	After SDLT impact	L-f-L	After SDLT impact
Portfolio value growth <sup>2</sup>	+3.0%	+2.1%	+12.5%	+11.6%
EPRA NAV: £8.93 <sup>3</sup> (30.9.15: £8.69)	+3.9%	+2.8%	+16.5%	+15.2%
NAV return before dividends	+4.7%	+3.6%	+18.3%	+17.0%

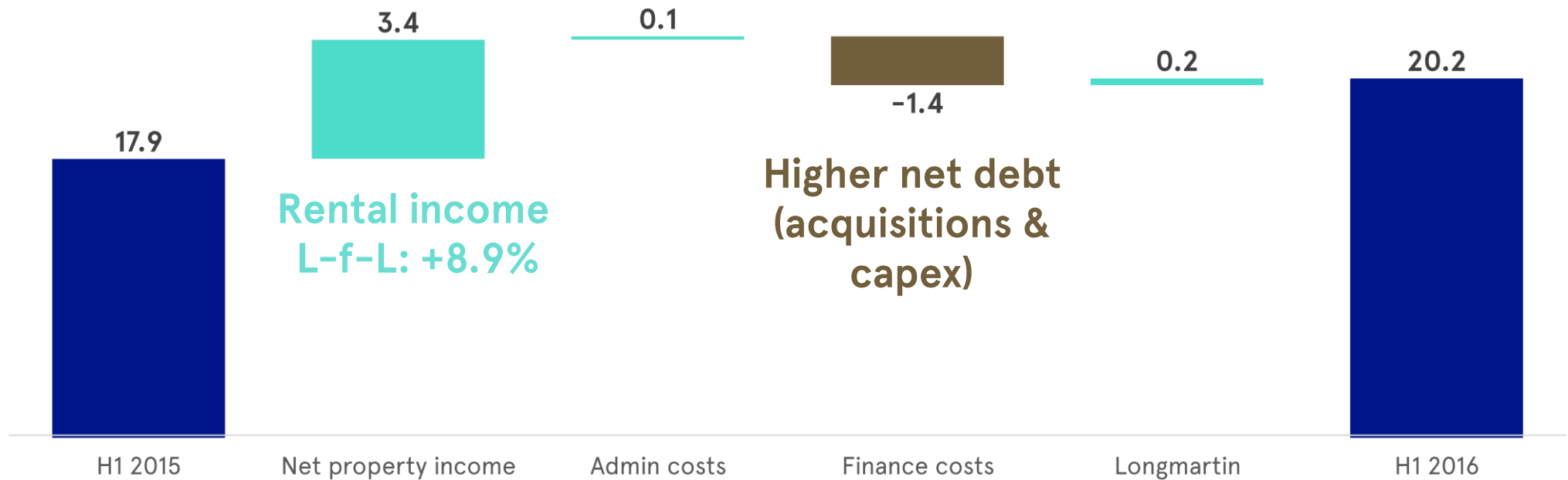
  

	H1 2016	H1 2015	CHANGE (%)
EPRA EPS	7.3p	6.4p	+14.1%
Interim dividend	7.15p	6.825p	+4.8%

# Earnings

NET PROPERTY INCOME	EPRA EARNINGS	EPRA EPS	INTERIM DIVIDEND
<b>£42.1m</b>	<b>£20.2m</b>	<b>7.3p</b>	<b>7.15p</b>
<b>+8.8%</b>	<b>+12.8%</b>	<b>+14.1%</b>	<b>+4.8%</b>

## EPRA earnings (£m)





# Balance Sheet

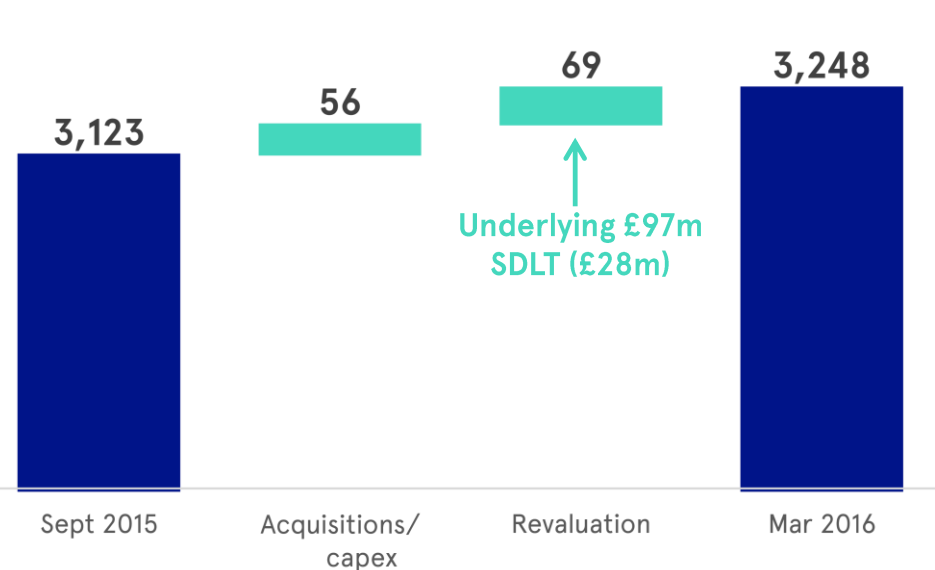
ACQUISITIONS

## £43.2m

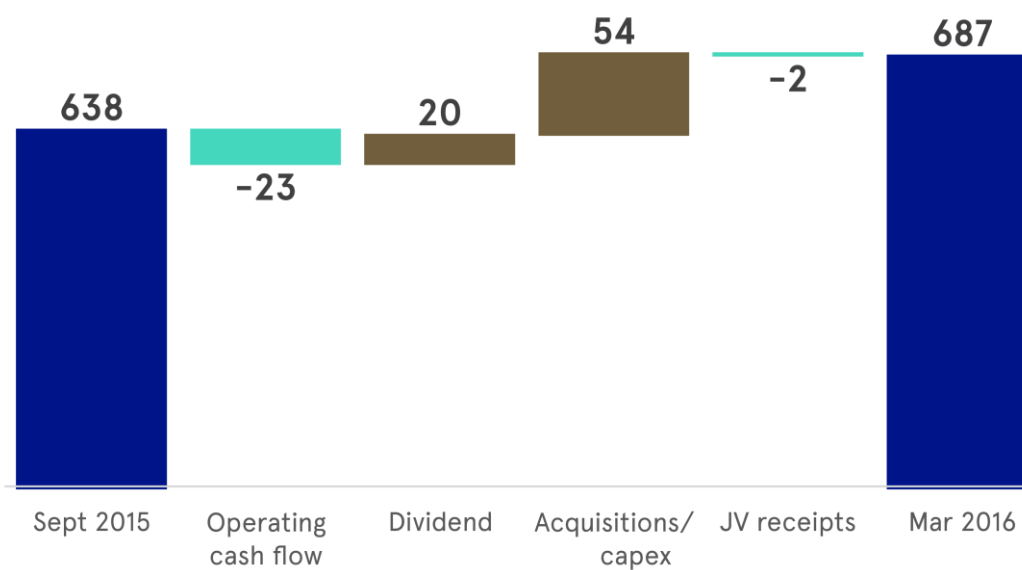
CAPITAL EXPENDITURE

## £12.8m

## Portfolio value (£m)<sup>1</sup>



## Net debt (£m)



1. Including our 50% share of Longmartin and on an IFRS basis (after adjusting for head leases and unamortised lease incentives)

# Valuation

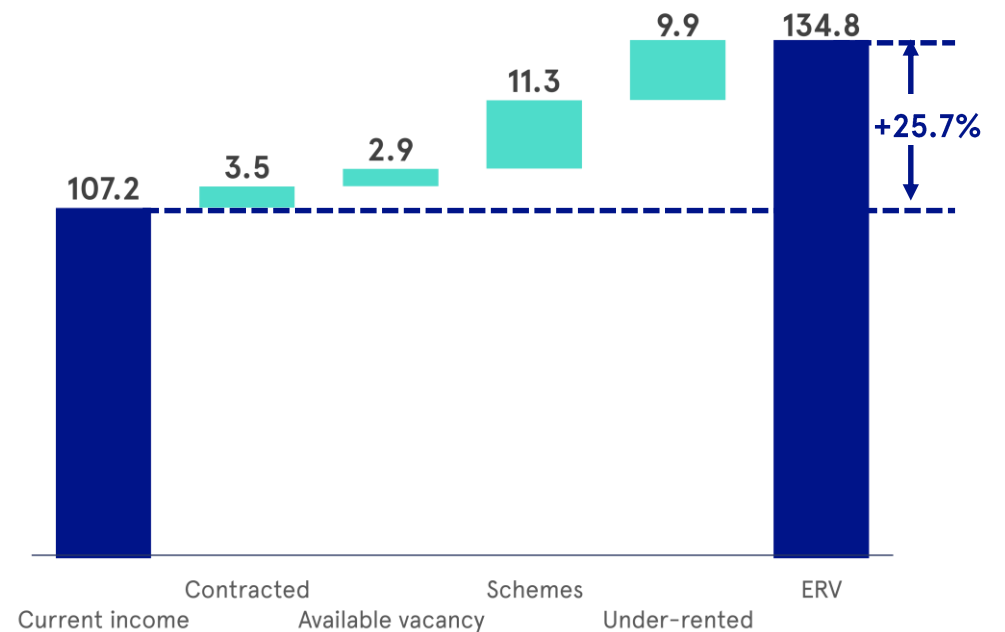


## L-f-L rental growth<sup>1,2</sup>

	6m	12m
ERV	3.1%	6.7%
Annualised current income	4.1%	12.0%

- Continuing strong occupier demand and low vacancy
- Sustained growth in actual and prospective rents
- Converting reversion into contracted cash flow

## Components of the reversion (£m)<sup>1</sup>



1. Including our 50% share of Longmartin 2. Excluding acquisitions and impact of major schemes

# Valuation

## Equivalent yields

	Mar 16	Sept 15
Wholly-owned portfolio	3.57%	3.61%
Longmartin	3.68%	3.75%

- Continuing strong investor demand
- Limited availability of properties for sale
- Prospects for sustained rental growth over the long term
- Limited exposure to obsolescence in our portfolio

## 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



# Net asset value

EPRA NAV PER SHARE

**£8.93**

+2.8% (6m)

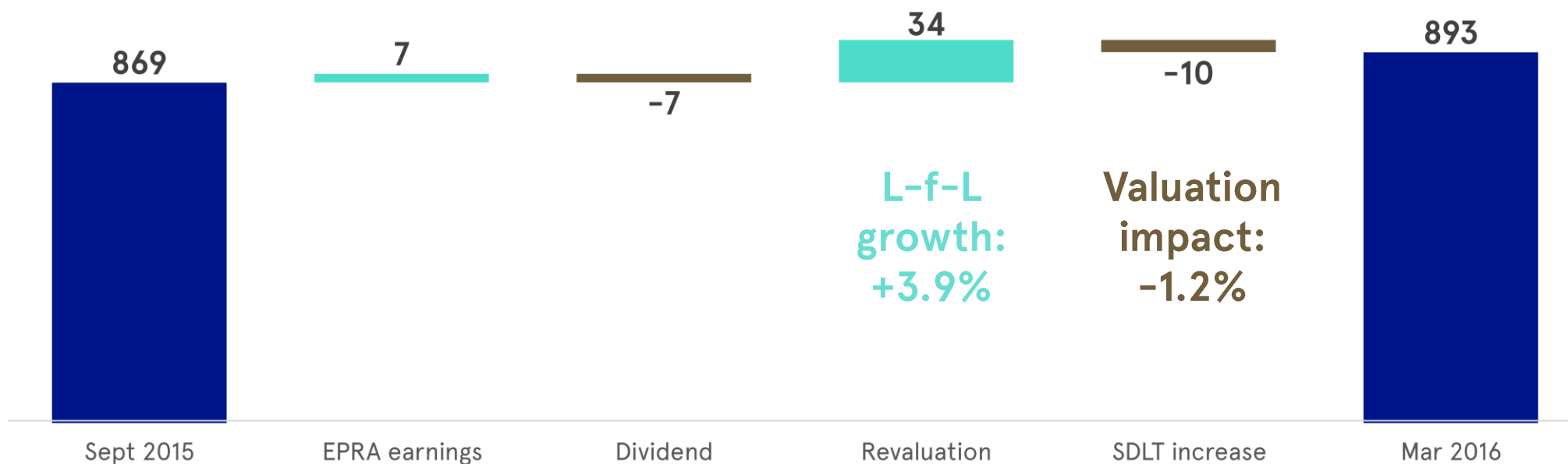
+15.2% (12m)

NAV RETURN

**+3.6%** (6m)

+17.0% (12m)

## EPRA NAV (pence per share)



# Debt summary

COMMITTED UNDRAWN FACILITIES

**£101.4m**

LOAN-TO-VALUE<sup>1</sup>

**23.2%**

WEIGHTED AVERAGE MATURITY<sup>1</sup>

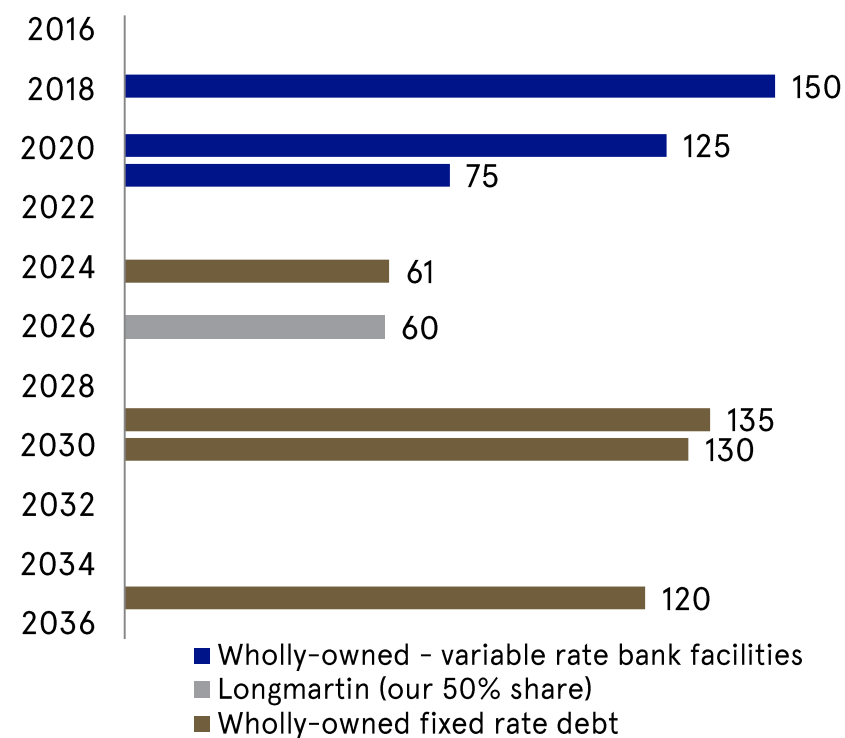
**9.7 years**

DEBT SUMMARY <sup>1</sup>	March 2016	Sept 2015
Total facilities	£855.8m	£855.8m
Undrawn committed facilities	£101.4m	£150.3m
LTV	23.2%	22.5%
Gearing	30.2%	29.1%
Weighted average cost <sup>2</sup>	4.71%	4.92%
Weighted average maturity	9.7 years	10.2 years
% debt fixed	90.9%	97.2%

1. Including our 50% share of Longmartin debt

2. Including non-utilisation fees on undrawn bank facilities

## Debt maturity profile<sup>1</sup> (£m)



# Portfolio review

**BRIAN BICKELL**



# Demand and occupancy

## CONTINUED STRONG DEMAND ACROSS THE PORTFOLIO

### COMMERCIAL LETTINGS, RENEWALS & REVIEWS

**£10.8m**

**+6.5% (vs 9/15 ERV)**

**+12.3% (vs 3/15 ERV)**

### AVAILABLE TO LET

**£1.2m**

**1.0% of ERV**

### UNDER OFFER

**£1.5m**

**1.2% of ERV**

- Demand remains strong across each village and for all uses
- £13.6m leasing and rent review transactions (H1 2015: £11.2m)
  - Commercial: £10.8m
    - +6.5% vs Sept 2015 ERV
    - +12.3% vs Mar 2015 ERV
  - Residential: £2.8m
- Space continues to let quickly (average: 1.1 months)

# Retail

## DOMESTIC AND INTERNATIONAL DEMAND REMAINS GOOD

LETTINGS/RENEWALS/REVIEWS

£4.9m

11% of ERV

EPRA VACANCY

£1.6m

1.3% of ERV



### Overview

- Sustained demand from domestic and international retailers
- Wide range of shop sizes and rental levels attract a diverse range of retailers
- High footfall locations but rental tones competitive

### Leasing activity

- 14 lettings (incl. one larger shop and thirteen smaller shops)
- 10 renewals and 12 reviews



# A selection of retail lettings/openings in H1

Envy Barbers



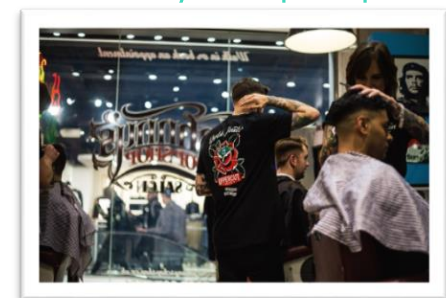
Sugar Sin



Le Jeune Chocolatiers



Johnny's Chop Shop



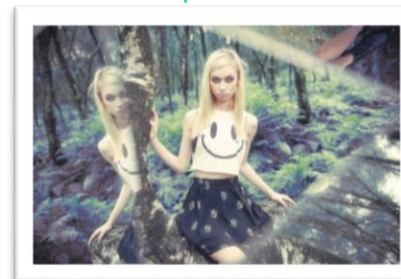
Scalpers



True Religion



Drop Dead



Sandqvist



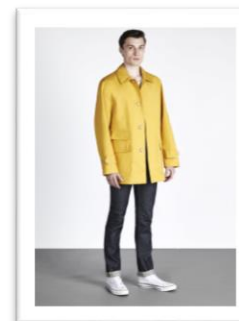
Third Space Gym



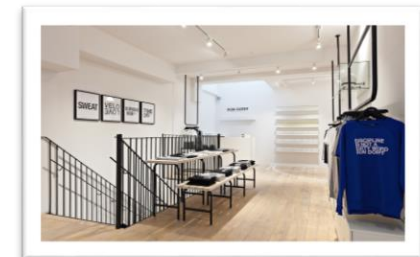
Le Labo



Mackintosh



Ron Dorff



# Restaurants, cafés and leisure

## DEMAND REMAINS EXCEPTIONALLY STRONG

LETTINGS/RENEWALS/REVIEWS

**£4.5m****11% of ERV**

EPRA VACANCY

**£0.6m****0.5% of ERV**

### Overview

- Largest single provider of dining and leisure space in the West End
- A footfall driver in their own right, increasing dwell times and complementing other uses
- Occupier demand remains strong
- Availability of space is constrained
- Identifying further opportunities to secure vacant possession

### Leasing activity

- 5 lettings and renewals
- 17 reviews





# A selection of new restaurant, café and leisure lettings/openings in H1

Bodeans



Pizza Pilgrims<sup>1</sup>



Black Sheep Coffee



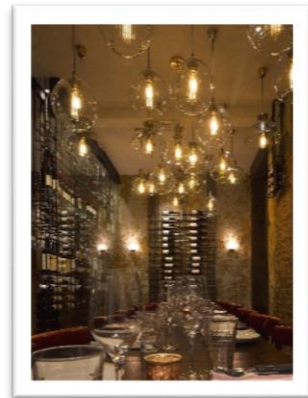
Dickie Fitz



Le Bab



The Ninth



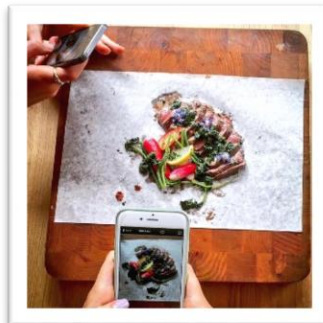
Shuang Shuang



Salad Pride



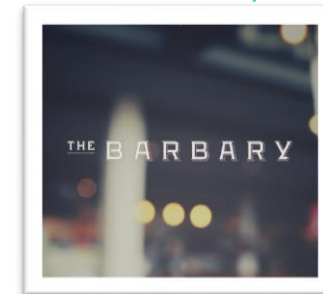
Native



Balans Soho Society



The Barbary



1. Tenant that has expanded within our villages

# Offices

## WEST END SUPPLY CONSTRAINTS CONTINUE

LETTINGS/RENEWALS/REVIEWS

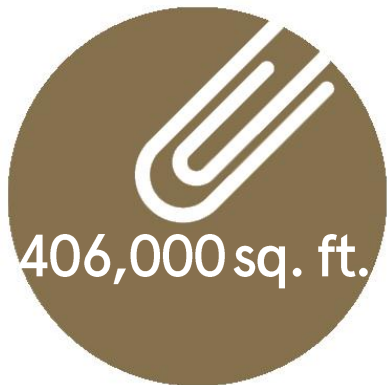
£1.4m

6% of ERV

EPRA VACANCY

£0.4m

0.3% of ERV



17%  
of our current  
income

### Overview

- Important provider of small office space in the core West End
- Average area: 1,400 sq. ft.; Average current rent: £48 psf (ERV: £60 psf)
- Occupier demand remains strong, particularly from SME media, creative, fashion and IT businesses
- Supply constraints, resulting in:
  - rising rents
  - shorter rent-free periods
  - extremely low vacancy levels

### Leasing activity

- Lettings/renewals/reviews extending to 22,400 sq. ft.

# Residential

## GOOD CASH FLOW AND LOW VACANCY

LETTINGS/RENEWALS/REVIEWS

£2.8m

19% of ERV

EPRA VACANCY

£0.1m

0.1% of ERV

### Overview

- West End a popular place to live
- Sustained demand to rent our mid-market apartments
- Continue to upgrade and reconfigure existing apartments
- 45 under construction or being upgraded (ERV: £1.7m)



### Leasing activity

- Lettings and renewals: £2.8m





# Schemes

## CREATING VALUE THROUGH IMPROVING OUR PORTFOLIO

SCHEMES IN THE PERIOD ACROSS

**150,000 sq. ft.**  
8% of floor space

H1 CAPITAL EXPENDITURE

**£12.8m**

ERV UNDER DEVELOPMENT

**£9.8m**  
7.9% of ERV

### Continued high level of refurbishment activity

- Three major schemes now on site – ERV: £7.3m, 5.9% of ERV (pro-forma including 57 Broadwick St)
  - Thomas Neal’s Warehouse, Seven Dials
  - Charing Cross Road/Chinatown
  - 57 Broadwick Street, Carnaby (commenced May 2016)
- ERV of other schemes under refurbishment at 31 March 2016: £4.8m, 3.9% of ERV (Sept 2015: 2.9%)
- Continue to identify schemes across the portfolio
- Public realm schemes progressing well

## Thomas Neal's Warehouse, Seven Dials

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- Short walk from new interchange at Tottenham Court Road
- Will provide up to 22,000 sq. ft. of flagship retail space
- Estimated capital expenditure: £2.0m
- Loss of annualised net income: £0.8m
- Completion anticipated in late 2016



# Thomas Neal's Warehouse, Seven Dials



CGI  
Ground



CGI  
Basement

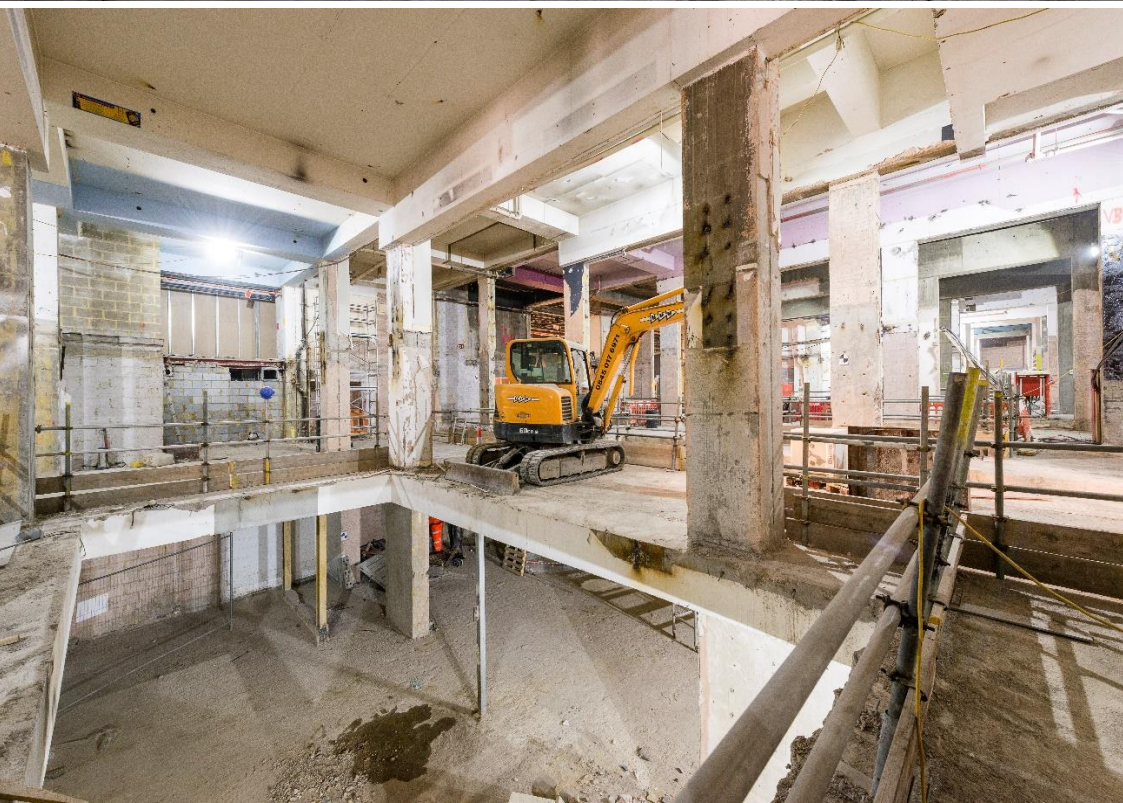


# Charing Cross Road/Chinatown

- Located next to Leicester Square Underground and a short walk from Tottenham Court Road Crossrail hub
- Substantial improvements to the configuration of space:
  - 32,000 sq. ft. of large, double-height retail space on Charing Cross Road (330 ft. frontage)
  - 13,500 sq. ft. of restaurant space, fronting Newport Place and Newport Court
  - Much-improved gateway into Chinatown
- Current expected cost of enhanced scheme: £14.6m
- Anticipated completion mid-2017
- Significant benefits to Chinatown as a whole
- Supporting WCC plans to create a part-pedestrianised public square in Newport Court



# Charing Cross Road/Chinatown





Shaftesbury

# 57 Broadwick Street, Carnaby

- Situated within a few minutes' walk of Tottenham Court Road's new Dean Street ticket hall.
- Works commenced May 2016
- 30,000 sq. ft. scheme comprising:
  - 8,000 sq. ft. of flagship retail and restaurant space
  - 20,000 sq. ft. of refurbished and extended grade A office space
  - Two apartments totalling 2,000 sq. ft.
- Estimated cost: £14.5m
- Completes in phases from late 2017



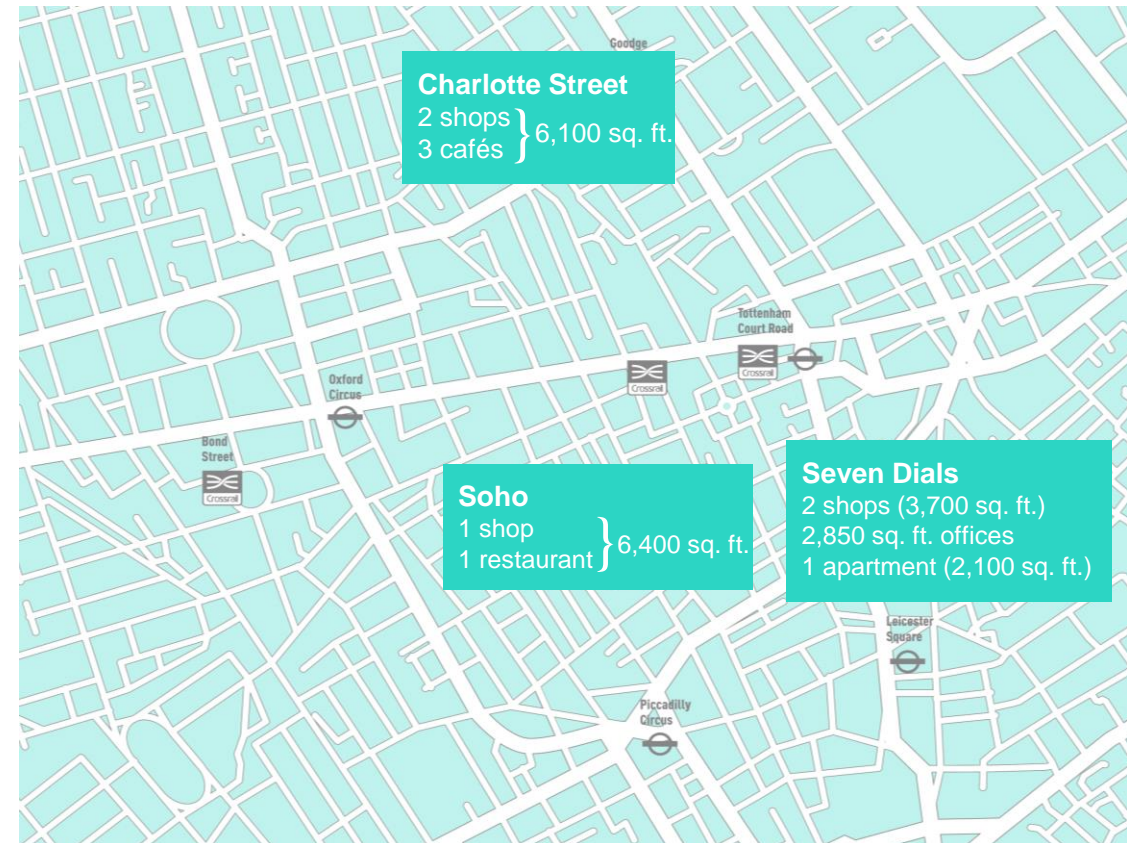
Before



After

# Acquisitions

- Acquisitions: £43.2m
- Complement our existing, extensive ownerships
- Potential for good rental and capital value creation
- Continue to seek opportunities to increase our ownerships...
- ... availability of suitable properties remains restricted





# Summary and outlook

BRIAN BICKELL

# Outlook

## SUSTAINED OCCUPIER DEMAND UNDERPINS INCOME AND CAPITAL VALUE GROWTH

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### London and the West End

- Destination for businesses and visitors from across the world
- Robust trading conditions; no noticeable effects from emerging economic and political uncertainties
- Regeneration stimulated by Crossrail

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### Proven long-term management strategy focussed on income growth

- Focus on uses and accommodation with structural imbalance between availability and demand and limited obsolescence
- Buoyant occupier demand in our locations supports rental growth and high occupancy levels
- Asset management initiatives continuing to unlock income and capital value growth bringing compound benefits to our nearby ownerships

# Conclusion

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Growing contracted income and potential future income



Growth in earnings and dividends



Long-term growth in portfolio value and total shareholder returns

# Appendices

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1. Exceptional portfolio in the heart of the West End
2. Delivering our strategy
3. Finance analysis
4. Valuation analysis
5. Vacancy
6. Portfolio analysis
7. Retail rental tone – prime Zone A vs Shaftesbury
8. Schemes
9. Village summaries
10. Key risks

# Appendix 1

## 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

322

SHOPS

267

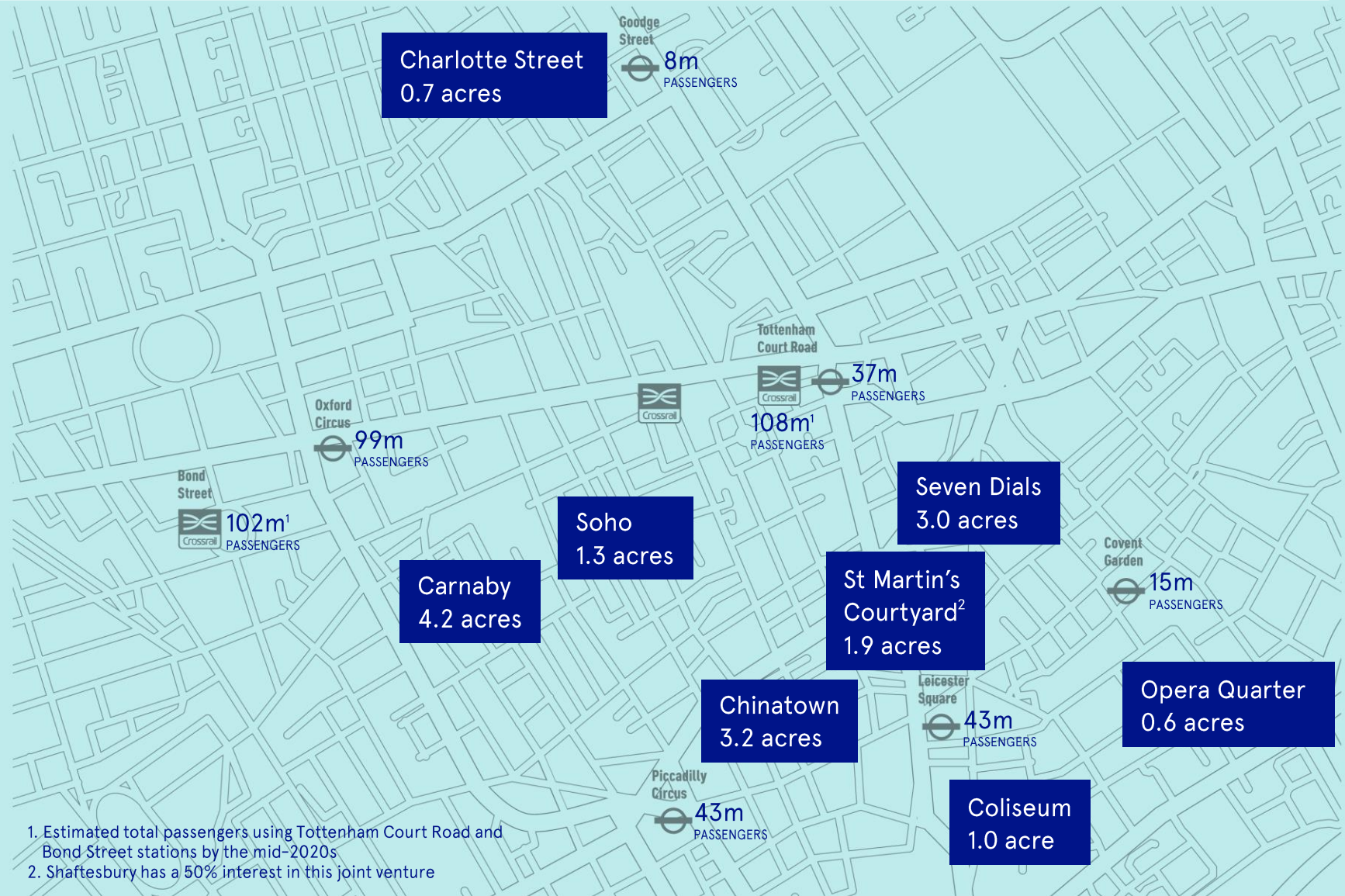
RESTAURANTS, CAFÉS AND LEISURE

406,000

SQ. FT. OFFICE SPACE

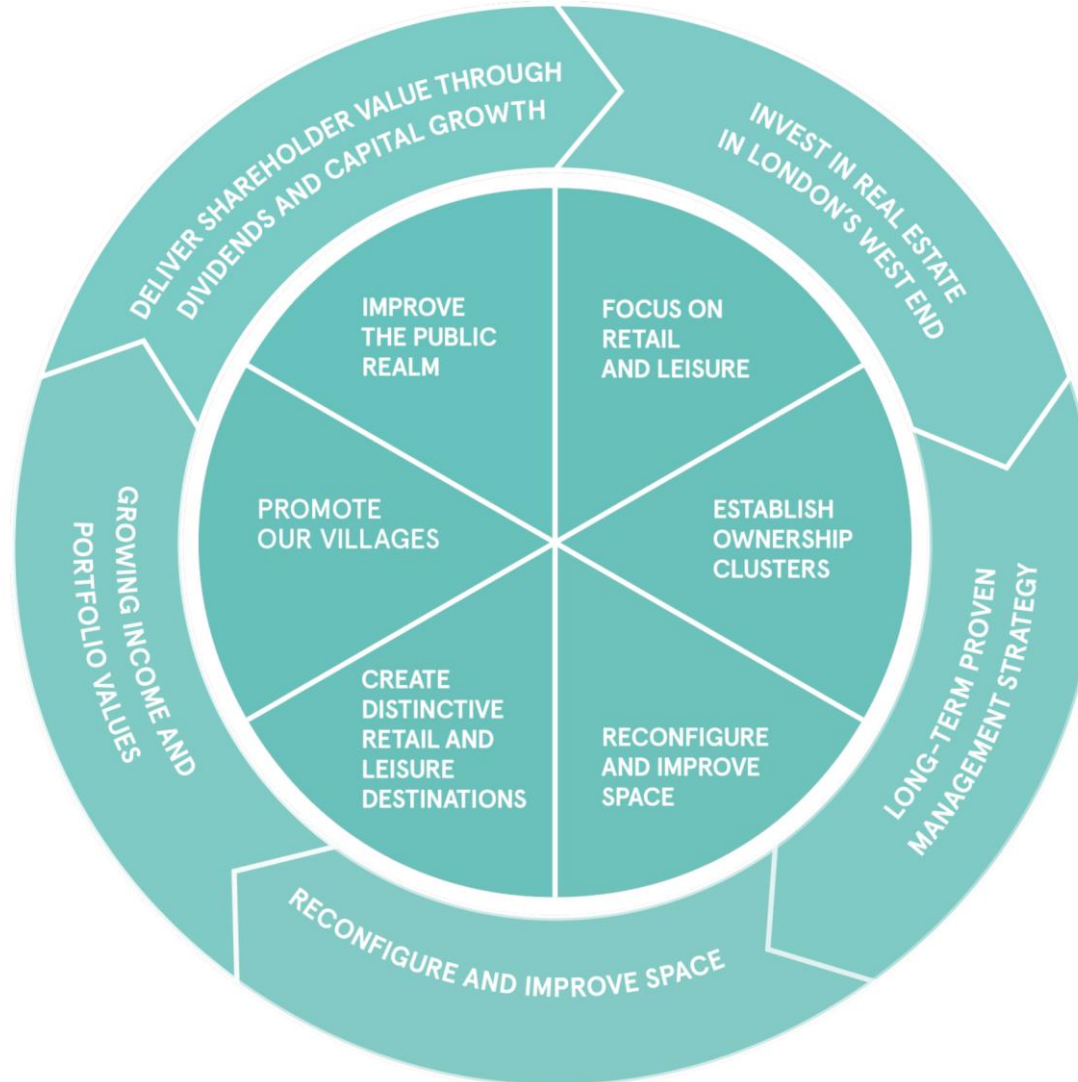
539

APARTMENTS



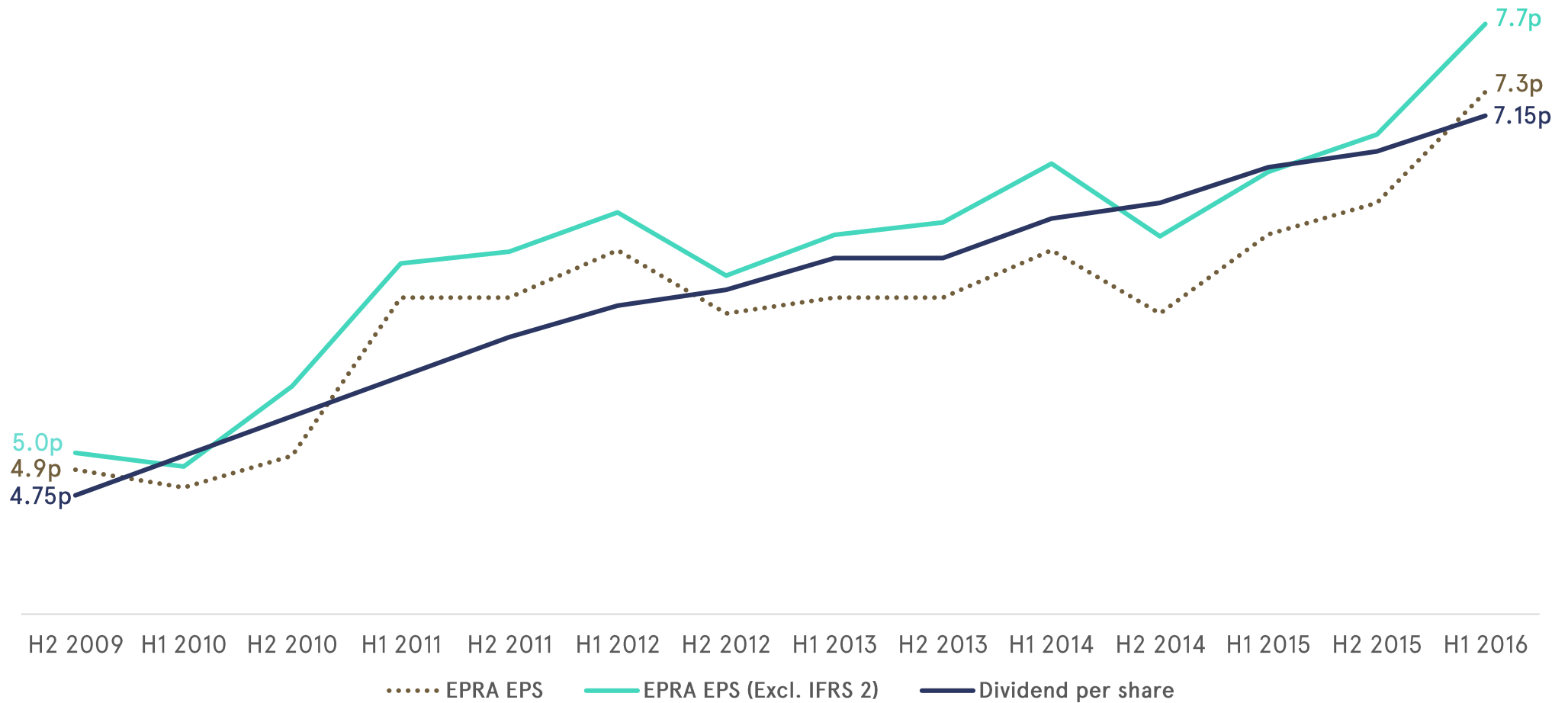
# Appendix 2

## DELIVERING OUR STRATEGY



# Appendix 3

## EARNINGS AND DIVIDENDS PER SHARE



# Appendix 3 (cont.)

## EPRA EARNINGS AND NAV RECONCILIATIONS

Earnings	Mar 16 £m	Mar 15 £m	Sept 15 £m	NAV	Mar 16 £m	Mar 15 £m	Sept 15 £m
<b>Reported profit after tax</b>	<b>80.1</b>	180.2	467.3	<b>Reported net assets</b>	<b>2,387.1</b>	2,056.1	2,325.4
Adjust for fair value movements:				Adjust for:			
Investment properties	<b>(58.2)</b>	(183.2)	(432.0)	Fair value of financial derivatives	<b>91.3</b>	88.2	79.2
Financial derivatives	<b>12.1</b>	37.5	28.5	Adjustments re: Longmartin JV:			
Adjustments re: Longmartin JV:				Deferred tax	<b>19.1</b>	19.8	22.6
Investment property revaluation	<b>(10.4)</b>	(20.7)	(34.6)	<b>Adjusted net assets</b>	<b>2,497.5</b>	2,164.1	2,427.2
Deferred tax	<b>(3.4)</b>	4.1	6.9	Additional equity if all share options are exercised	<b>0.4</b>	0.4	0.4
<b>EPRA earnings</b>	<b>20.2</b>	17.9	36.1	<b>EPRA net assets (diluted)</b>	<b>2,497.9</b>	2,164.5	2,427.6
Number of shares for EPS calculation (million)	<b>278.3</b>	278.0	278.1	Number of shares for diluted NAV calculation (million)	<b>279.7</b>	279.3	279.4
<b>EPRA EPS</b>	<b>7.3p</b>	6.4p	13.0p	<b>EPRA NAV per share</b>	<b>£8.93</b>	£7.75	£8.69



# Appendix 3 (cont.)

## INCOME AND COSTS

EPRA EARNINGS	H1 16 £m	H1 15 £m	FY 15 £m
Rental income	53.4	48.4	98.7
Property costs	(11.3)	(9.7)	(19.9)
<b>Net property income</b>	<b>42.1</b>	<b>38.7</b>	<b>78.8</b>
Admin expenses	(6.4)	(6.5)	(14.0)
	<b>35.7</b>	<b>32.2</b>	<b>64.8</b>
Net finance costs	(16.6)	(15.2)	(30.7)
Share of Longmartin JV profit before tax <sup>1</sup>	1.3	1.1	2.3
<b>Recurring profit before tax</b>	<b>20.4</b>	<b>18.1</b>	<b>36.4</b>
Share of Longmartin JV current tax	(0.2)	(0.2)	(0.3)
<b>EPRA earnings</b>	<b>20.2</b>	<b>17.9</b>	<b>36.1</b>

PROPERTY COSTS	H1 16 £m	H1 15 £m	FY 15 £m
Operating costs	3.1	2.7	6.1
Management fees	1.1	1.1	2.1
Letting costs	1.8	1.4	3.0
Village promotion	1.1	0.9	1.8
<b>Property outgoings</b>	<b>7.1</b>	<b>6.1</b>	<b>13.0</b>
Recoverable property costs	4.2	3.6	6.9
<b>Total</b>	<b>11.3</b>	<b>9.7</b>	<b>19.9</b>

ADMIN COSTS	H1 16 £m	H1 15 £m	FY 15 £m
Admin costs	4.2	4.3	8.8
Provision for annual bonuses	0.7	0.7	2.2
Charge for equity settled remuneration	1.5	1.5	3.0
<b>Total</b>	<b>6.4</b>	<b>6.5</b>	<b>14.0</b>

1. After adjusting for revaluation surplus

# Appendix 3 (cont.)

## RECONCILIATION OF IFRS TO PROPORTIONATE CONSOLIDATION

BALANCE SHEET	Mar 2016			Sept 2015		
	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m
Investment properties	3,022.2	226.1	3,248.3	2,908.0	215.0	3,123.0
Investment in Longmartin	143.4	(143.4)	-	129.6	(129.6)	-
Net debt	(687.2)	(58.0)	(745.2)	(637.8)	(57.1)	(694.9)
Other assets and liabilities	(91.3)	(24.7)	(116.0)	(74.4)	(28.3)	(102.7)
<b>Net assets</b>	<b>2,387.1</b>	<b>-</b>	<b>2,387.1</b>	<b>2,325.4</b>	<b>-</b>	<b>2,325.4</b>

INCOME STATEMENT	H1 2016			H1 2015			FY 2015		
	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 property income	42.1	3.1	45.2	38.7	2.9	41.6	78.8	5.9	84.7
Admin costs	(6.4)	(0.2)	(6.6)	(6.5)	(0.2)	(6.7)	(14.0)	(0.3)	(14.3)
Revaluation surplus	58.2	10.4	68.6	183.2	20.7	203.9	432.0	34.6	466.6
<b>Operating profit</b>	<b>93.9</b>	<b>13.3</b>	<b>107.2</b>	<b>215.4</b>	<b>23.4</b>	<b>238.8</b>	<b>496.8</b>	<b>40.2</b>	<b>537.0</b>
Net finance costs	(28.7)	(1.6)	(30.3)	(52.7)	(1.6)	(54.3)	(59.2)	(3.3)	(62.5)
Share of Longmartin post-tax profits	14.9	(14.9)	-	17.5	(17.5)	-	29.7	(29.7)	-
<b>Profit before tax</b>	<b>80.1</b>	<b>(3.2)</b>	<b>76.9</b>	<b>180.2</b>	<b>4.3</b>	<b>184.5</b>	<b>467.3</b>	<b>7.2</b>	<b>474.5</b>
Tax	-	3.2	3.2	-	(4.3)	(4.3)	-	(7.2)	(7.2)
<b>Profit after tax</b>	<b>80.1</b>	<b>-</b>	<b>80.1</b>	<b>180.2</b>	<b>-</b>	<b>180.2</b>	<b>467.3</b>	<b>-</b>	<b>467.3</b>

# Appendix 3 (cont.)

## FINANCE ANALYSIS

	Mar 2016				Sept 2015			
	IFRS £m	Longmartin £m	Proportionate consolidation £m	Rate	IFRS £m	Longmartin £m	Proportionate consolidation £m	Rate
Debenture <sup>1</sup>	63.1	-	63.1	7.93%	63.2	-	63.2	7.93%
Term loans – wholly-owned	384.8	-	384.8	3.85%	384.8	-	384.8	3.85%
Term loan – Longmartin JV	-	60.0	60.0	4.43%	-	60.0	60.0	4.43%
Hedged bank loans <sup>2</sup>	180.0	-	180.0	6.13%	180.0	-	180.0	6.01%
Variable bank loans	68.6	-	68.6	1.88%	19.7	-	19.7	1.75%
Weighted average cost <sup>3</sup>								
– drawn facilities				4.61%				4.78%
– incl. non-utilisation costs on undrawn facilities				4.71%				4.92%
Average margin on bank loans								
– drawn				128bps				116bps
– if all facilities are drawn				137bps				135bps
Current marginal cost of additional drawings (approx)				1.50%				1.50%
Weighted average loan maturity (years)								
– bank facilities				3.7				4.2
– total debt <sup>3</sup>				9.7				10.2

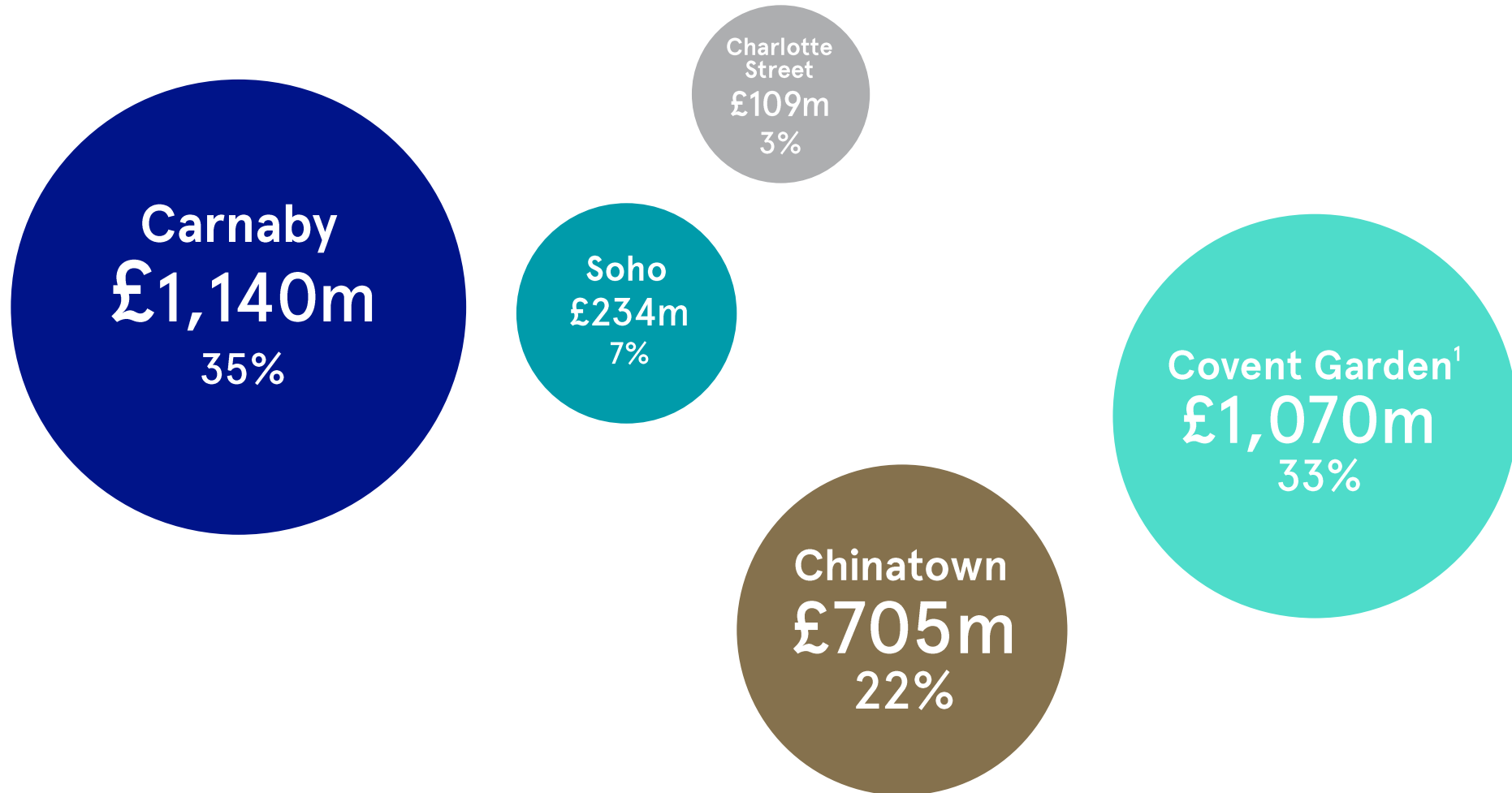
1. Including unamortised debenture premium

2. Interest rate inclusive of margin

3. Including our 50% share of Longmartin

# Appendix 4















VALUATION: £3.26BN<sup>1</sup> (AT 31 MARCH 2016)



1. Including our 50% share of Longmartin

# Appendix 4 (cont.)

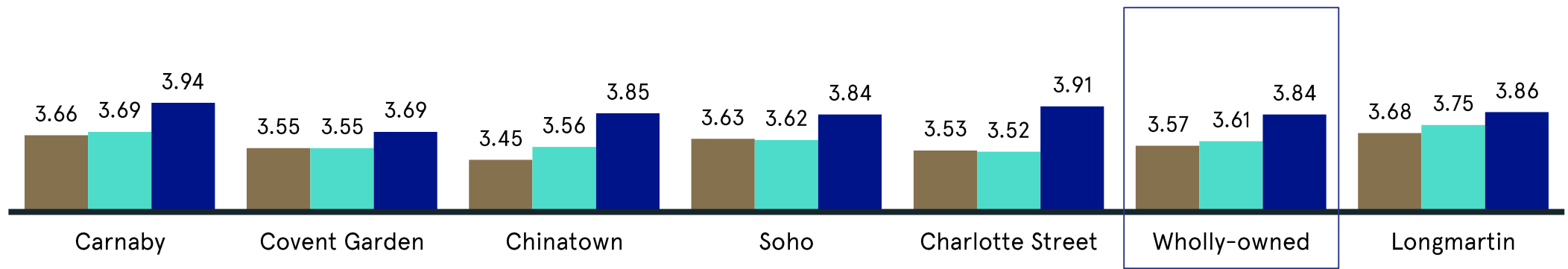
## LIKE-FOR-LIKE INCREASE IN CAPITAL VALUES

	% of portfolio	H1 2016	Year to March 2016	3 Year CAGR
<b>Total</b>	<b>100%</b>	 <b>2.1%</b>	 <b>11.6%</b>	<b>15.6%</b>
Carnaby	35%	 <b>2.6%</b>	 <b>14.3%</b>	18.5%
Covent Garden	26%	 <b>1.7%</b>	 <b>9.7%</b>	13.5%
Chinatown	22%	 <b>0.8%</b>	 <b>9.8%</b>	13.5%
Soho	7%	 <b>2.6%</b>	 <b>11.0%</b>	14.6%
Charlotte St	3%	 <b>2.2%</b>	 <b>10.0%</b>	13.5%
Longmartin	7%	 <b>4.7%</b>	 <b>11.8%</b>	17.7%

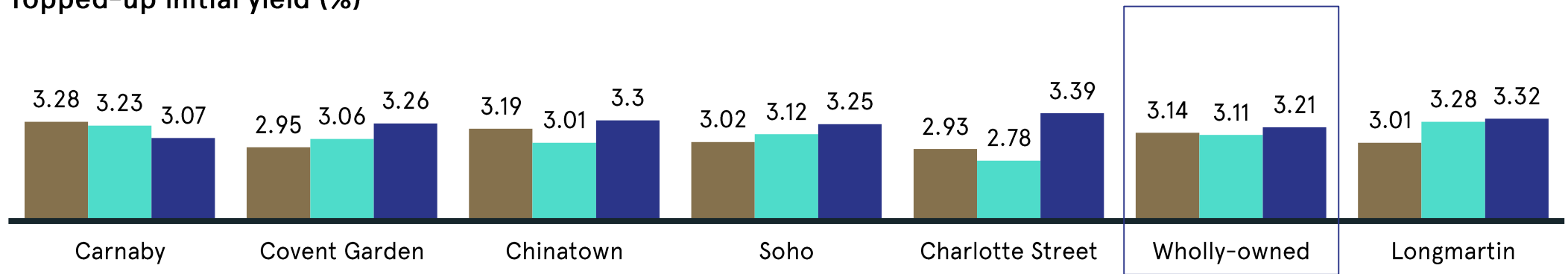
# Appendix 4 (cont.)

## YIELDS

Equivalent yield (%)



Topped-up initial yield (%)



■ Mar-16 ■ Sep-15 ■ Mar-15

# Appendix 4 (cont.)

## PORTFOLIO REVERSION BY USE

	Shops £m	Restaurants, cafés and leisure £m	Offices £m	Residential £m	Longmartin £m	Total £m	% of ERV
Current income	34.1	35.7	16.8	13.1	7.5	107.2	79.6%
Vacancy							
- EPRA	1.6	0.6	0.4	0.1	0.2	2.9	2.2%
- Major schemes	4.0	1.0	-	-	-	5.0	3.7%
- Other schemes	1.0	0.5	1.6	1.7	0.1	4.9	3.6%
	6.6	2.1	2.0	1.8	0.3	12.8	9.5%
Future schemes – 57 Broadwick Street	0.3	0.2	0.9	-	-	1.4	1.0%
Contracted (rent frees, stepped rents)	1.2	0.4	0.8	-	1.1	3.5	2.6%
Under-rented	2.5	2.7	3.6	0.4	0.7	9.9	7.3%
<b>ERV</b>	<b>44.7</b>	<b>41.1</b>	<b>24.1</b>	<b>15.3</b>	<b>9.6</b>	<b>134.8</b>	<b>100.0%</b>

# Appendix 5

## VACANCY

	Retail £m	Restaurants, cafés and leisure £m	Offices £m	Residential £m	Wholly-owned portfolio		Longmartin £m	Total portfolio	
					Total £m	% of ERV		Total £m	% of ERV
Major schemes <sup>1</sup>	4.0	1.0	-	-	5.0	4.0%	-	5.0	3.7%
Other schemes	1.0	0.5	1.6	1.7	4.8	3.9%	0.1	4.9	3.6%
<b>Total held for or under refurbishment</b>	<b>5.0</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>9.8</b>	<b>7.9%</b>	<b>0.1</b>	<b>9.9</b>	<b>7.3%</b>
Under offer	0.7	0.5	0.3	-	1.5	1.2%	0.1	1.6	1.2%
Available to let	0.9	0.1	0.1	0.1	1.2	1.0%	0.1	1.3	1.0%
EPRA vacancy	1.6	0.6	0.4	0.1	2.7	2.2%	0.2	2.9	2.2%
<b>Total</b>	<b>6.6</b>	<b>2.1</b>	<b>2.0</b>	<b>1.8</b>	<b>12.5</b>	<b>10.1%</b>	<b>0.3</b>	<b>12.8</b>	<b>9.5%</b>

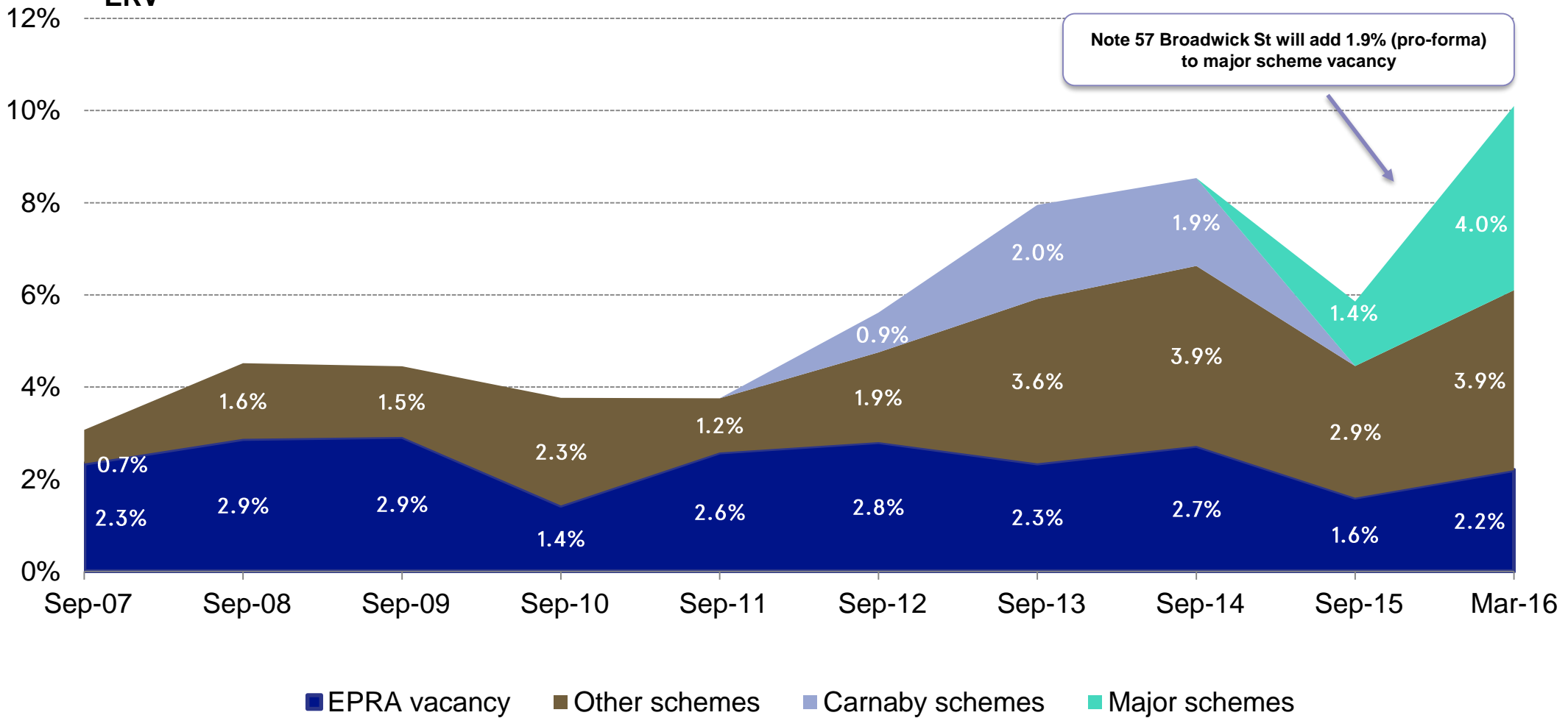
1. Charing Cross Road/Chinatown and Thomas Neal's Warehouse, Seven Dials



# Appendix 5 (cont.)

## WHOLLY-OWNED VACANT COMMERCIAL SPACE

% of wholly-owned ERV



# Appendix 6

## OUR PORTFOLIO

### Shops

Wholly-owned

322

466,000 sq. ft.

Longmartin joint venture

21

67,000 sq. ft.

**34%**

of our current income<sup>1</sup>

### Restaurants, cafés and leisure

Wholly-owned

267

582,000 sq. ft.

Longmartin joint venture

10

45,000 sq. ft.

**36%**

of our current income<sup>1</sup>

### Offices

Wholly-owned

406,000 sq. ft.

Longmartin joint venture

102,000 sq. ft.

**17%**

of our current income<sup>1</sup>

### Residential

Wholly-owned

539

321,000 sq. ft.

Longmartin joint venture

75

55,000 sq. ft.

**13%**

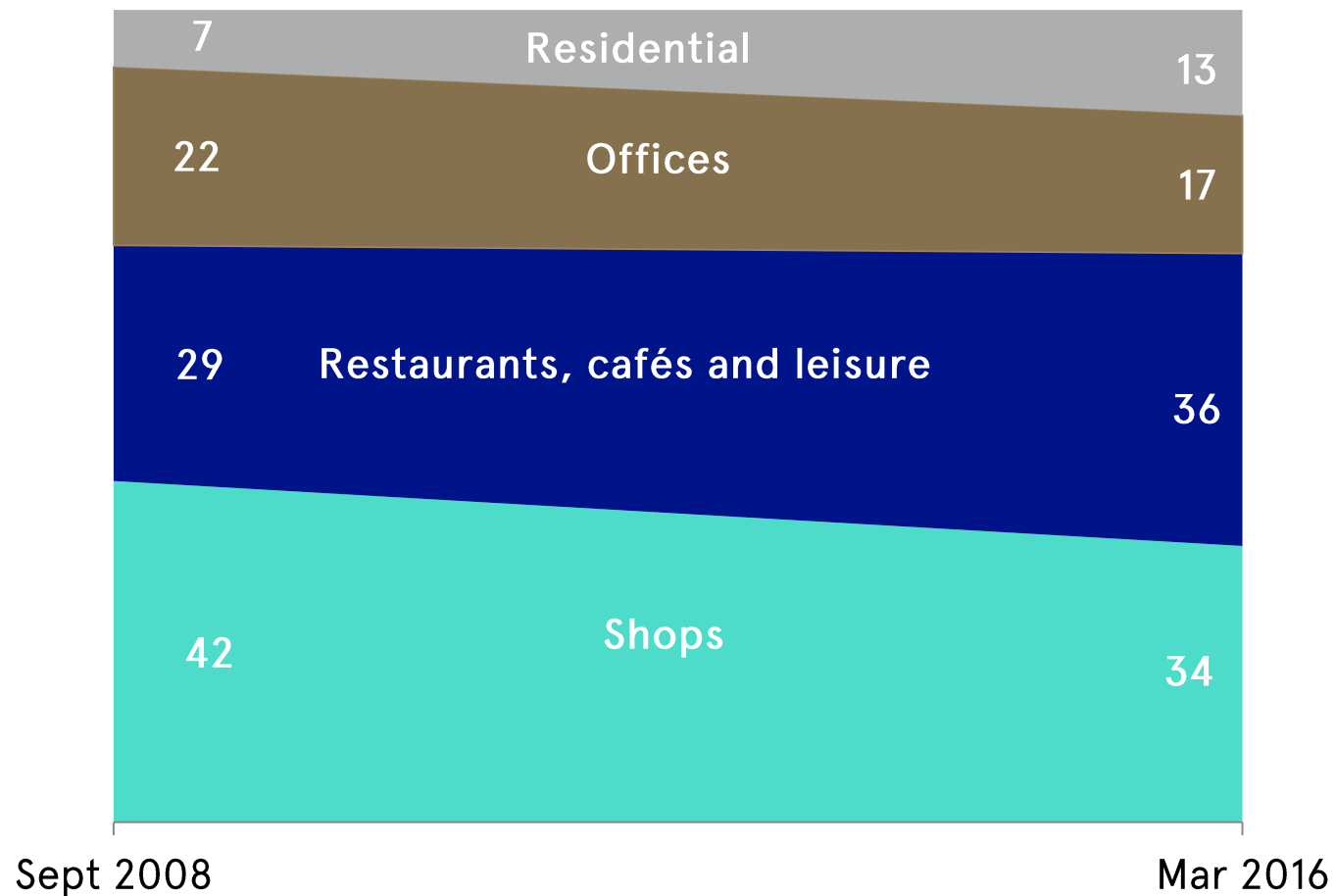
of our current income<sup>1</sup>

1. Wholly-owned portfolio

# Appendix 6 (cont.)

## MIX OF USES (WHOLLY-OWNED PORTFOLIO)

% OF CURRENT RENT



# Appendix 6 (cont.)

## PORTFOLIO SUMMARY

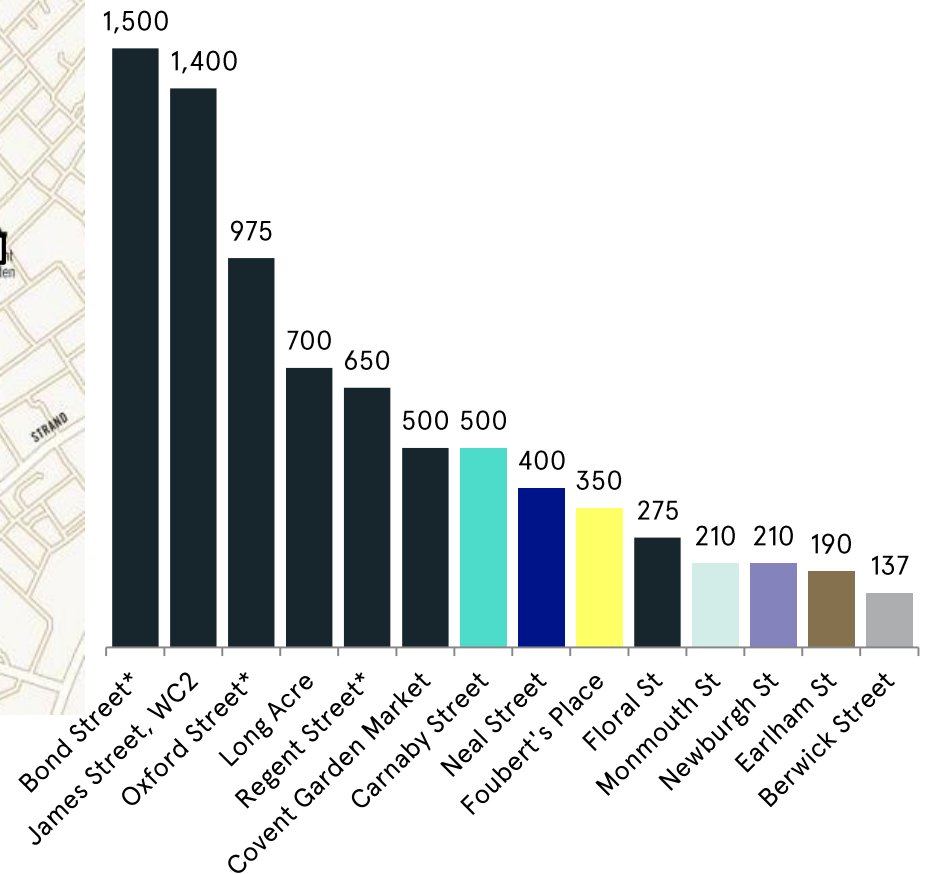
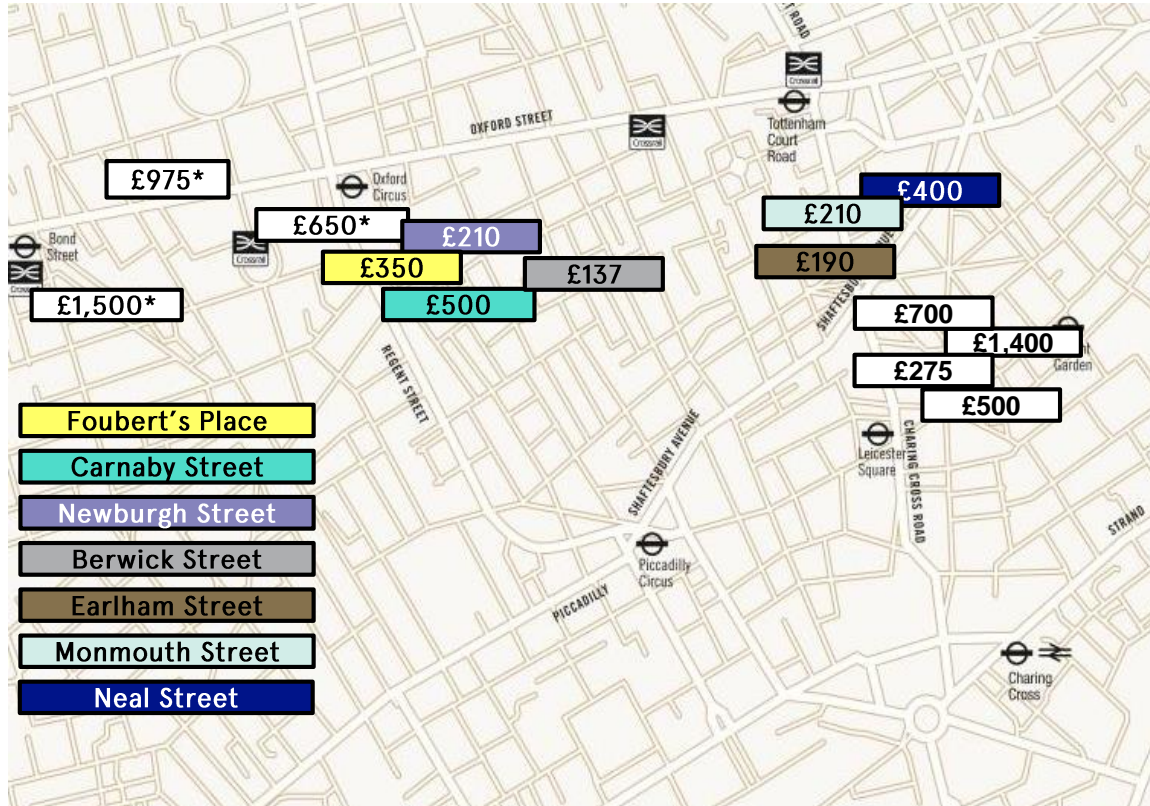
	Fair value £m	% of portfolio	Current income £m	ERV £m
<b>Wholly-owned portfolio</b>				
Carnaby	1,140.1	35%	38.7	47.9
Covent Garden	846.9	26%	27.3	34.5
Chinatown	704.5	22%	22.5	28.6
Soho	233.6	7%	7.8	9.6
Charlotte Street	109.2	3%	3.4	4.5
	<b>3,034.3</b>	<b>93%</b>	<b>99.7</b>	<b>125.1</b>
Longmartin joint venture (our 50%)	223.3	7%	7.5	9.7
<b>Total</b>	<b>3,257.6</b>	<b>100%</b>	<b>107.2</b>	<b>134.8</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	322	466,000	34%	21	67,000	37%
Restaurants, cafés and leisure	267	582,000	36%	10	45,000	17%
Offices		406,000	17%		102,000	29%
Residential	539	321,000	13%	75	55,000	17%
<b>Total</b>		<b>1,775,000</b>	<b>100%</b>		<b>269,000</b>	<b>100%</b>

1. Shaftesbury has a 50% share of these figures

# Appendix 7

## RETAIL RENTAL TONE – PRIME ZONE A VS SHAFTESBURY



Source: Cushman & Wakefield, company data. Data as at 31 March 2016.  
 Shaftesbury Zone As are "net effective".  
 \* Based on 30 ft. zones

# Appendix 8

## CHARING CROSS ROAD/CHINATOWN - GROUND FLOOR PLAN



**Key:**

**Proposed Units**

- A1 Retail
- A1/A3 Retail/Small Cafe
- A3 Restaurant

**Building Facilities**

- Waste Management Facility
- Cycle Storage
- Service Yard / Service Corridor

**Outside of Shaftesbury's Demise**

- Q-Park / Vale Royal House



Ground Floor Plan



# Appendix 8 (cont.)

## EARLHAM STREET PUBLIC REALM PROPOSALS

- Important gateway to Seven Dials from Cambridge Circus
- Rental tone has lagged nearby streets for some time (Zone A: £190 psf)
- Designs to improve the public realm have been prepared and are subject to public consultation in May
- Street expected to be a major beneficiary of Crossrail footfall from Tottenham Court Road



# Appendix 9

## VILLAGE SUMMARIES

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Village	Page
Carnaby	55
Covent Garden	56
Chinatown	57
Soho	58
Charlotte Street	59



# Carnaby

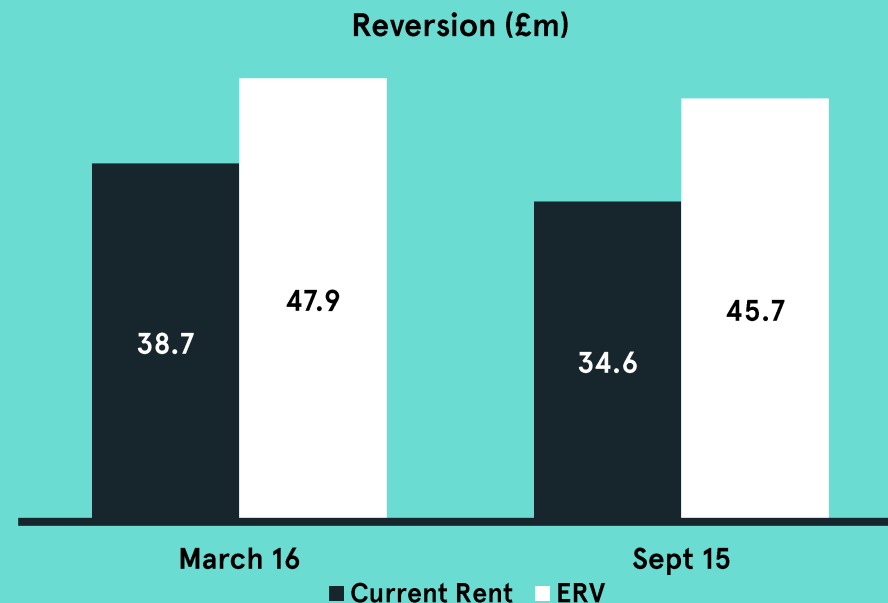
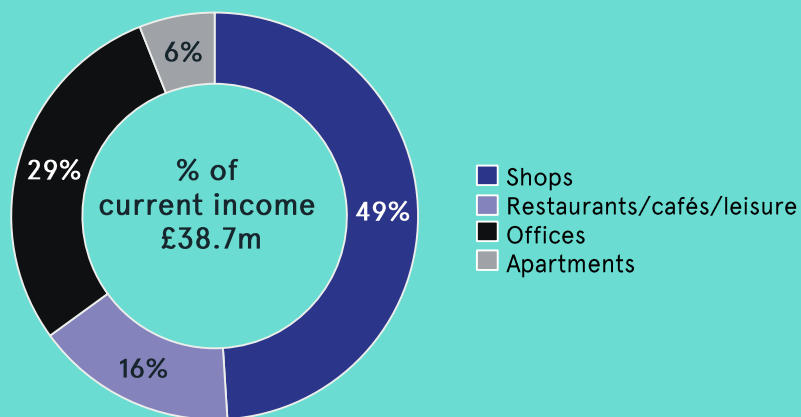
35% of our portfolio



Footfall > 40m pa

	March 2016	Sept 2015
Valuation	£1,140.1m	£1,109.9m
Acquisitions	Nil	£3.2m
Capital expenditure	£1.4m	£9.5m
Capital value return (L-f-L) <sup>1</sup>	3.5%	21.0%
Equivalent yield	3.66%	3.69%
Reversion	£9.2m	£11.1m

1. Before 0.9% decrease for SDLT increase



# Covent Garden

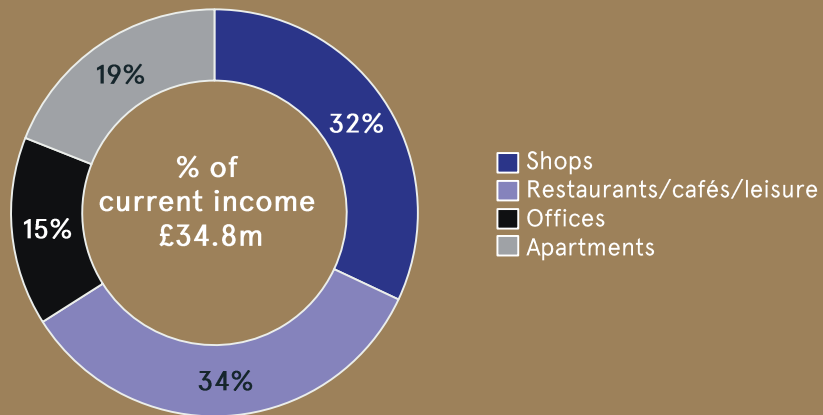
33% of our portfolio\*



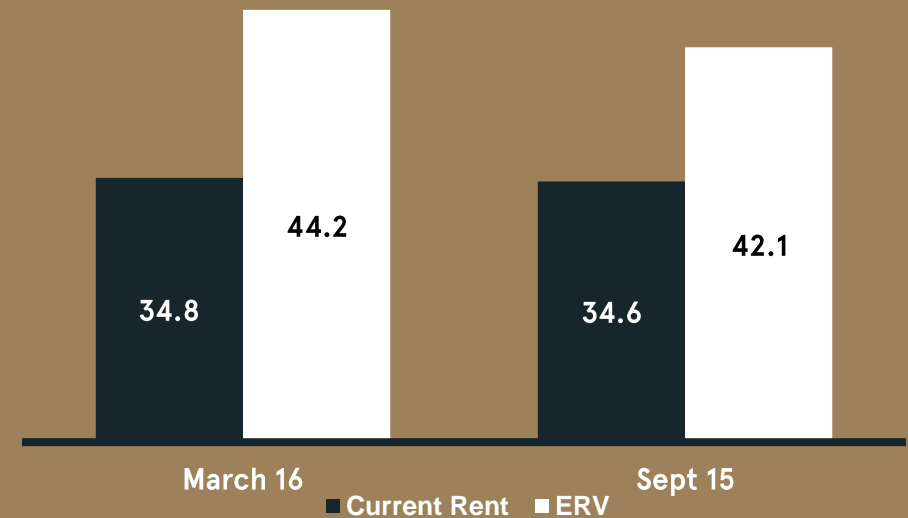
Footfall > 30m pa  
(Seven Dials)

	March 2016	Sept 2015
Valuation*	£1,070.2m	£1,021.1m
Acquisitions	£22.1m	£5.8m
Capital expenditure*	£4.1m	£6.5m
Capital value return (L-f-L) <sup>1</sup>		
– wholly-owned	2.6%	14.8%
– Longmartin	5.6%	18.7%
Equivalent yield		
– wholly-owned	3.55%	3.55%
– Longmartin	3.68%	3.75%
Reversion		
– wholly-owned	£7.2m	£6.1m
– Longmartin	£2.2m	£1.4m

1. Before 0.9% decrease for SDLT increase



Reversion (£m) \*



\* Including 50% share of Longmartin

# Chinatown

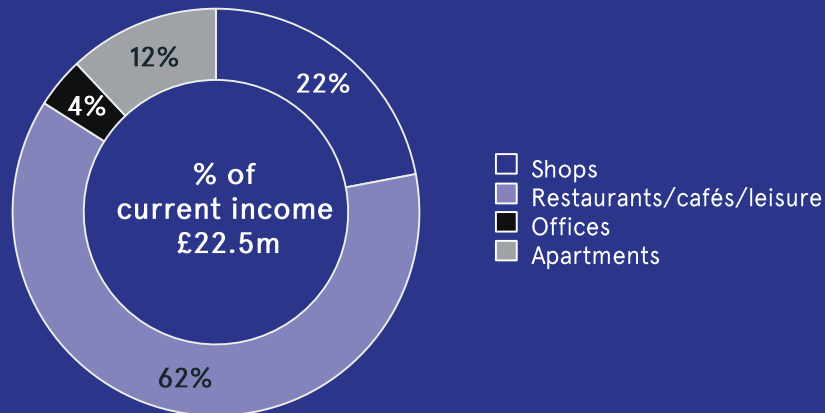
22% of our portfolio



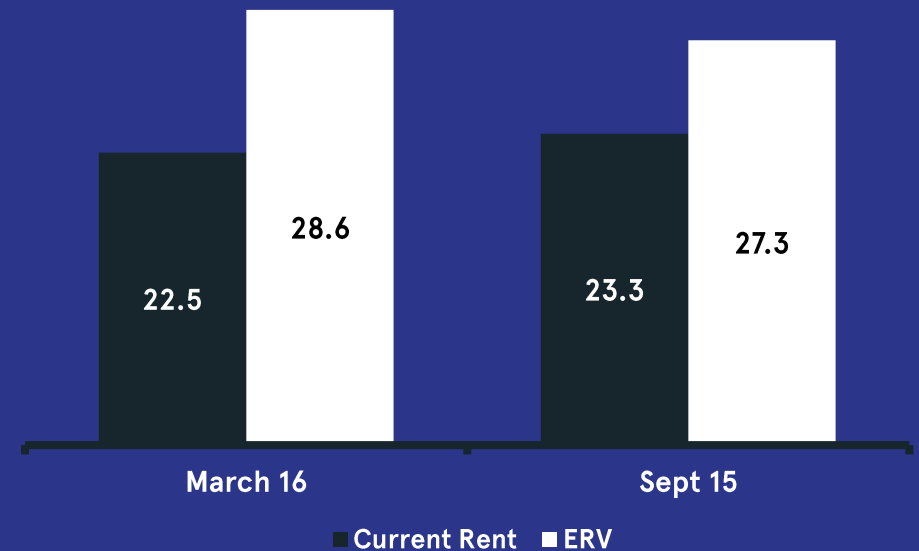
Footfall > 50m pa

	March 2016	Sept 2015
Valuation	£704.5m	£693.8m
Acquisitions	Nil	Nil
Capital expenditure	£5.0m	£8.0m
Capital value return (L-f-L) <sup>1</sup>	1.7%	17.3%
Equivalent yield	3.45%	3.56%
Reversion	£6.1m	£4.0m

1. Before 0.9% decrease for SDLT increase



Reversion (£m)

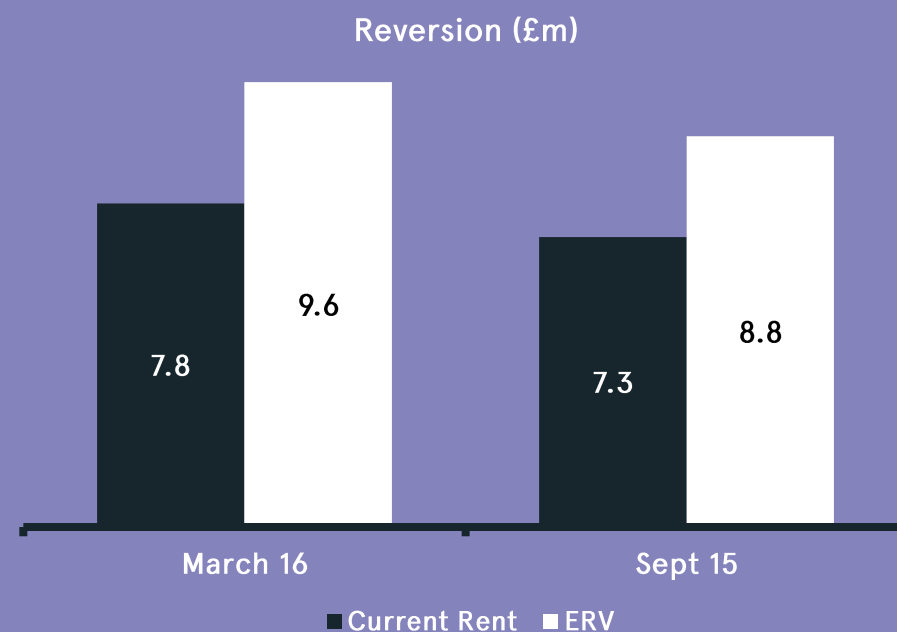
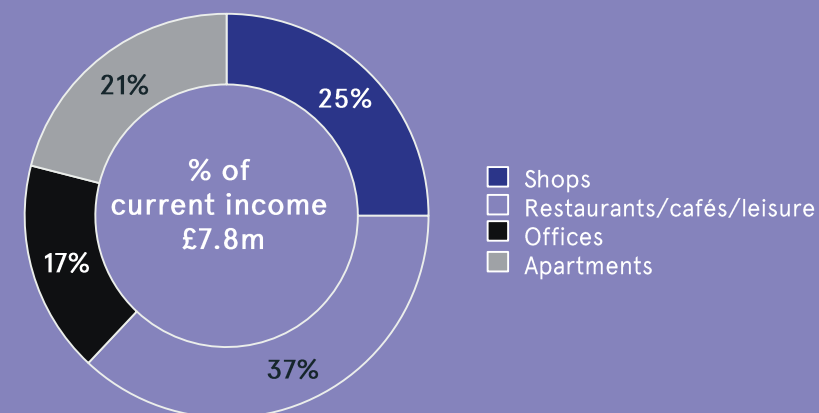


# Soho

7% of our portfolio

	March 2016	Sept 2015
Valuation	£233.6m	£215.8m
Acquisitions	£6.3m	£7.7m
Capital expenditure	£1.3m	£0.9m
Capital value return (L-f-L) <sup>1</sup>	3.5%	15.2%
Equivalent yield	3.63%	3.62%
Reversion	£1.8m	£1.5m

1. Before 0.9% decrease for SDLT increase

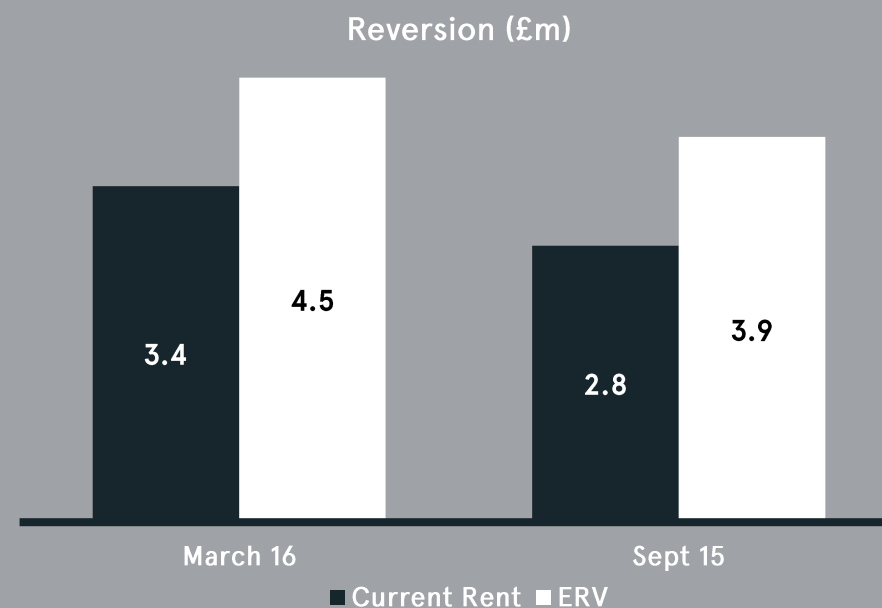
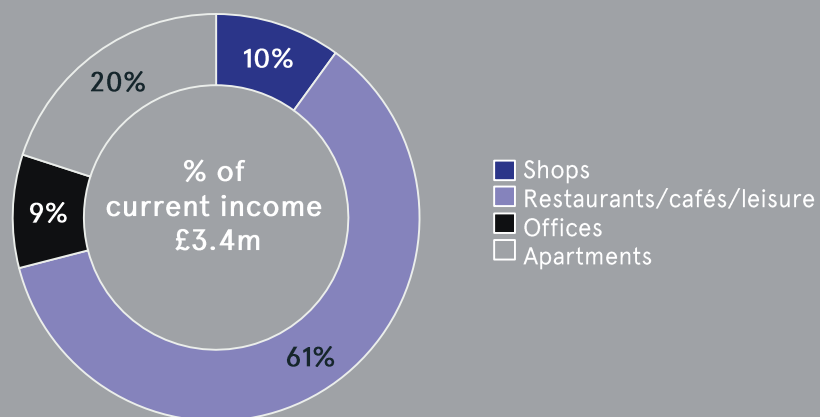


# Charlotte Street

3% of our portfolio

	March 2016	Sept 2015
Valuation	£109.2m	£91.4m
Acquisitions	£14.8m	£9.1m
Capital expenditure	£1.6m	£0.6m
Capital value return (L-f-L) <sup>1</sup>	3.1%	20.3%
Equivalent yield	3.53%	3.52%
Reversion	£1.1m	£1.1m

1. Before 0.9% decrease for SDLT increase



# Appendix 10

## 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 e.g. 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

### Economic risks

Periods of economic uncertainty and 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.

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