SHAFTESBURY 2016 HALF YEAR RESULTS
Buoyant demand and asset management activity continues to deliver growth in income, earnings and capital values

Shaftesbury PLC ("Shaftesbury") today announces its results for the six months ended 31 March 2016.

Highlights

- Strong growth in net property income, EPRA earnings, dividend and NAV
- Buoyant occupier demand underpinned by robust footfall and spending
- Continuing rental growth and conversion of rental potential into contracted cash flow
- Available to let vacancy: 1.0% of ERV
- Major schemes in Chinatown, Seven Dials and Carnaby now underway

Growth in income, earnings, dividend and NAV

- Net property income[1] up £3.4 million (8.8%) to £42.1 million (six months ended 31.3.2015: £38.7 million).
- EPRA earnings increased by 12.8% to £20.2 million (six months ended 31.3.2015: £17.9 million). EPRA earnings per share increased by 14.1% to 7.3p (six months ended 31.3.2015: 6.4p).
- Interim dividend per share of 7.15p (six months ended 31.3.2015: 6.825p), an increase of 4.8%.
- EPRA NAV: £8.93 per share. Increase of 24 pence (2.8%) over six months, after a reduction of 10 pence per share as a result of the increase in SDLT announced in the March 2016 Budget. Increase over 12 months to 31.3.2016: £1.18 per share (15.2%).
- Net asset value return for six months ended 31.3.2016: 3.6%; increase for 12 months to 31.3.2016: 17.0%.

Continued rental growth and capital value appreciation[2]

- Portfolio valued at £3.26 billion. Like-for-like capital value return over six months: +3.0% (12 month increase: +12.5%), prior to a reduction as a result of the increase in SDLT of 0.9%.
- Total portfolio ERV increased by £7.0 million to £134.8 million at 31.3.2016 (30.9.2015: £127.8 million). Like-for-like ERV growth over six months: +3.1%; increase for 12 months to 31.3.2016: +6.7%.
- Portfolio reversion has grown by £2.4 million to £27.6 million, 25.7% above current income.
- Equivalent yields largely unchanged. Wholly-owned portfolio: 3.57% (30.9.2015: 3.61%); Longmartin joint venture: 3.68% (30.9.2015: 3.75%).

Strong demand across all villages and for all uses

- EPRA vacancy[1] at 31.3.2016: 2.2% of ERV, of which 1.2% was under offer.
- Commercial lettings, lease renewals and rent reviews[1] (rental value: £10.8 million) concluded at an average 6.5% above 30 September 2015 ERV and 12.3% above ERV at 31 March 2015.

Further investment in our portfolio

- Redevelopment and refurbishment schemes in the six months ended 31 March 2016 across 150,000 sq. ft. (8% of floor space[1]). Capital expenditure in the period[1]: £12.8 million (31.3.2015: £14.3 million).

- Works commenced at two major schemes in the period: Charing Cross Road/Chinatown and Thomas Neal's Warehouse.

- Planning consent granted for 30,000 sq. ft. mixed-use scheme at 57 Broadwick Street, Carnaby. Works commenced in May 2016.

- We continue to identify opportunities to carry out further asset management initiatives to increase rental potential and unlock value.

- Acquisitions totalling £43.2 million in the period in Covent Garden, Soho and Charlotte Street.

Strong Balance Sheet

- Conservative gearing. Loan-to-value ratio[2]: 23.2% (30.9.2015: 22.5%).

- Weighted average maturity of debt[2]: 9.7 years (30.9.2015: 10.2 years).

- Weighted average cost of debt[2]: 4.71% (30.9.2015: 4.92%).

- Committed unutilised facilities: £101.4 million. Marginal cost on these facilities: 1.5%.

Board changes

- The Board has decided to appoint Jonathan Nicholls as a non-executive director on 1 September 2016.

- He will assume the role of Chairman on 1 October 2016, at which point Jonathan Lane will retire from the Board.

1. Wholly-owned portfolio.
2. Includes 50% of the Longmartin joint venture.

Brian Bickell, Chief Executive, commented:

"This has been a period of considerable activity across our portfolio. A combination of sustained demand for accommodation in our areas and our asset management initiatives continues to deliver growing current and future potential rental income, underpinning growth in earnings, the value of our portfolio and shareholders' investment in our business.

We are confident that, with the benefit of our proven strategy, together with our experience and forensic knowledge of the West End, our business will continue to deliver growth in income and shareholder value over the long-term."

24 May 2016

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There will be a presentation to equity analysts at 10.30 am on Wednesday 25 May 2016, at The London Stock Exchange, 10 Paternoster Square, London EC4M 7LS.

There is a live audio webcast of the analyst presentation which you can access via the following link: http://goo.gl/b7zfdR or from our website. If you are unable to access this link, there is a dial in facility: +44(0)20 3427 1905. The PIN code is 8144572#. You should dial in 5-10 minutes before the start of the meeting.

A playback facility of this presentation will be available on the Group's website www.shaftesbury.co.uk by the end of the day. The presentation document is available on the Group's website www.shaftesbury.co.uk

About Shaftesbury

Shaftesbury PLC is a Real Estate Investment Trust, which owns a unique real estate portfolio extending to 14 acres in the heart of London's West End – a highly popular, sought-after and prosperous destination for visitors and businesses. Our holdings are concentrated in Carnaby, Covent Garden, Chinatown, Soho and Charlotte Street.

Our objective is to deliver long-term growth in rental income, capital values and shareholder returns.

We focus on retail, restaurants and leisure in the liveliest parts of the West End. Our portfolio now comprises 589 shops, restaurants, cafés and pubs, extending to 1 million sq. ft., and accounting for 70% of our current income. In our locations these uses have a long record of occupier demand exceeding their availability. The portfolio also includes 406,000 sq. ft. of offices and 539 apartments for rent, which provide 17% and 13%, respectively, of our current income.

In addition, we have a 50% interest in the Longmartin joint venture with The Mercers' Company, which has a long leasehold interest in St Martin's Courtyard in Covent Garden. Extending to 1.9 acres, it includes 21 shops, ten restaurants and cafés, 102,000 sq. ft. of offices and 75 apartments.

Our proven management strategy is to create and foster distinctive, attractive and prosperous locations. Its implementation is supported by an experienced management team with an innovative approach to long-term, sustainable income and value creation, and a focus on shareholder returns. We have a strong balance sheet with modest leverage.

Forward-looking statements

This document 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.

Any forward-looking statements made by, or on behalf of, Shaftesbury PLC speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Shaftesbury PLC does not undertake to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this document relating to Shaftesbury PLC or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Ends.

Highlights

		Six months ended		Year ended
		31.3.2016	31.3.2015	30.9.2015
Net property income	£m	**42.1**	38.7	78.8
Property assets at fair value				
- Wholly-owned	£m	**3,034.3**	2,658.9	2,919.5
- Total including 50% share of the Longmartin joint venture	£m	**3,257.6**	2,857.6	3,132.0
Loan-to-value[1]	%	**23.2%**	24.0%	22.5%
EPRA results[2]				
Earnings	£m	**20.2**	17.9	36.1
Earnings per share	Pence	**7.3**	6.4	13.0
Net assets	£m	**2,497.9**	2,164.5	2,427.6
Net asset value per share	£	**8.93**	7.75	8.69
Dividends				
Interim dividend per share	Pence	**7.15**	6.825	6.825
Final dividend per share	Pence	**-**	-	6.925
Total distribution declared in respect of the financial period	£m	**19.9**	19.0	38.5
Reported results				
Profit after tax	£m	**80.1**	180.2	467.3
Diluted earnings per share	Pence	**28.7**	64.6	167.4
Net assets	£m	**2,387.1**	2,056.1	2,325.4
Diluted net asset value per share	£	**8.53**	7.36	8.32
KPIs				
Portfolio ERV growth[1,3]	%	**3.1%**	3.4%	7.0%
Average time to let[4]	Months	**1.1**	0.9	1.0
Available to let vacancy[4]	%	**1.0%**	0.7%	1.3%
Performance[5]				
Total shareholder return	%	**+0.7%**	+22.9%	+36.7%
Capital value return[1,6]	%	**+2.1%**	+8.0%	+18.0%
Total property return[1,6]	%	**+3.5%**	+9.5%	+21.2%
Net asset value return	%	**+3.6%**	+9.6%	+23.8%

1. Including 50% share of the Longmartin joint venture.
2. Adjusted in accordance with EPRA Best Practice Recommendations.
3. Like-for-like, measured against previous year end ERV.
4. Wholly-owned portfolio.
5. Shaftesbury Group data (other than total shareholder return) derived from financial results.
6. Like-for-like.

See Glossary of terms on pages 38 to 39.

Half-year results

Introduction

This has been a period of considerable activity across our portfolio. A combination of sustained demand for accommodation in our areas and our asset management initiatives continues to deliver growing current and future potential rental income, underpinning growth in earnings, the value of our portfolio and shareholders' investment in our business.

London's West End is a popular destination, attracting huge numbers of international and domestic visitors daily. Its unrivalled concentration of entertainment, cultural and historic buildings, and public spaces are complemented by a world–class variety of shopping. Importantly, these attractions are enhanced by a globally-recognised choice of innovative and accessible dining and leisure concepts. Together, these provide an all-round experience sought by today's visitors, unmatched by any other city destination.

The West End is also a location for a wide range of global, national and local businesses, and a popular place to live. The large local working population and residential community are important to the character and economy of our areas, bringing added life and vibrancy, and providing a substantial customer-base for our shops, restaurants, cafés and leisure businesses.

Our business

Our objective is to deliver long-term growth in rental income, capital values and shareholder returns.

Located in the heart of the West End, our exceptional portfolio extends to 14 acres, together with 1.9 acres in our Longmartin joint venture. Our wholly-owned portfolio, located close to the West End's major visitor attractions, comprises nearly 600 buildings, mainly clustered in villages in Carnaby, Seven Dials and Chinatown, as well as across Covent Garden, Soho and Charlotte Street.

We focus on retail, restaurants, cafés and leisure; uses which, in the West End, have a long history of sustained tenant demand, low vacancy and long-term rental growth. Together, these uses extend to over 1 million sq. ft. across the lower floors of our buildings and provide 70% of current income. Availability of retail, restaurant and leisure space in the West End is constrained. Consequently, there is a structural imbalance between demand for, and supply of, space, which is an important factor in our portfolio's long-term rental prospects and capital value.

Our upper floors generally comprise small offices or rental apartments, or a mix of both. In our locations, demand increasingly exceeds availability of smaller office and residential space.

In each village, we adopt a comprehensive and long-term management strategy to:

- curate and promote distinctive and lively destinations, which attract footfall and spending;
- ensure we respond to ever-changing tastes and expectations by encouraging new retail, restaurant and leisure formats;
- improve and reconfigure our buildings to provide more efficient accommodation for occupiers and, wherever possible, maximise valuable retail, restaurant and leisure space;
- enhance the public realm to increase pedestrian capacity and raise the quality of local streetscapes.

With the geographic concentration of our holdings, our management activities bring compound and cumulative benefits across our adjacent and nearby ownerships.

Trading conditions

Despite some emerging concerns regarding national economic trends and current political uncertainties, the West End's economy continues to flourish, benefitting from London's growing population and diverse economy. Importantly for us, retail and leisure spending generated by the visitor economy, and a very large local working population, continues to attract strong occupier demand across each of our locations.

The focus of our proven, long-term management strategy is to create and foster distinctive, interesting and lively locations which attract footfall, businesses and spending, underpinned by the long-established strength of the West End's economy. This enables businesses based here to benefit from a growing market, lessening the impact of increasing local and national taxation.

The opening of Crossrail, now only two years away, will increase transport capacity and is expected to change West End footfall patterns significantly over time. With all our holdings within a short walk of the new transport interchanges at Tottenham Court Road and Bond Street, we expect to be a major beneficiary. Currently, we are undertaking three major refurbishment schemes, in Carnaby, Chinatown and Seven Dials, each of which is in close proximity to these new gateways to the West End.

We are confident that, with the benefit of our proven management strategy, together with our experience and forensic knowledge of the West End, our business will continue to deliver growth in income and shareholder value over the long-term.

Leasing activity

During the six months ended 31 March 2016, we concluded lettings, lease renewals and rent reviews in the wholly-owned portfolio with a rental value of £13.6 million (31.3.2015: £11.2 million). Of this, commercial transactions totalled £10.8 million (31.3.2015: £8.9 million) and residential lettings and renewals amounted to £2.8 million (31.3.2015: £2.3 million). Rents for commercial uses were, on average, 6.5% above ERV at 30 September 2015 and 12.3% ahead of ERV twelve months ago.

	£m	
Commercial		
Lettings and renewals	5.3	+7.0% vs 30 September 2015 ERV
Rent reviews	5.5	+30.8% vs previous rent (equivalent to 5.5% CAGR over five years)
	10.8	+6.5% vs 30 September 2015 ERV
Residential		
Lettings and renewals	2.8	
Total	**13.6**	

Our share of leasing activity in the Longmartin joint venture was £1.4 million. Commercial rents achieved were, on average, 8.1% and 14.0% above ERVs at 30 September 2015 and 31 March 2015, respectively.

Vacancy

EPRA vacancy at 31 March 2016[1]

	Shops £m	Restaurants, cafés and leisure £m	Offices £m	Residential £m	Total £m	% of total ERV 31.3.16 %	30.9.15 %
Under offer	0.7	0.5	0.3	-	1.5	**1.2%**	0.3%
Available-to-let	0.9	0.1	0.1	0.1	1.2	**1.0%**	1.3%
EPRA vacancy	**1.6**	**0.6**	**0.4**	**0.1**	**2.7**	**2.2%**	1.6%
Area ('000 sq. ft.)	13	8	7	4	32		

1. Wholly-owned portfolio.

EPRA vacancy comprised four large shops (ERV: £1.0 million), eight small shops (ERV: £0.6 million), four restaurants, 6,900 sq. ft. of office space, and eight apartments. Over half of this space was under offer at 31 March 2016.

In the Longmartin joint venture, one shop, 3,750 sq. ft. of office space and two apartments were available to let or under offer. The ERV of our 50% share of EPRA vacancy was £0.2 million.

Portfolio review

Lower floors – 70% of current income[1]

	Wholly-owned	Longmartin[2]
Retail – 34% of current income[1]		
Number	322	21
Area (sq. ft.)	466,000	67,000
Restaurants, cafés and leisure – 36% of current income[1]		
Number	267	10
Area (sq. ft.)	582,000	45,000

1. Wholly-owned portfolio
2. Shaftesbury has a 50% interest

Retail

Demand remains good, both from domestic and international retailers seeking representation in our locations. Brands from the US, Sweden, France, Spain and Australia have taken space within the portfolio in the period.

We are able to offer a wide range of shop sizes and rental levels across our buildings and streets, enabling us to provide a wide diversity of retail formats. Importantly, in our high-footfall locations, rental levels remain competitive in relation to nearby streets.

During the six months to 31 March 2016, we completed letting transactions with a combined rental value of £4.9 million, equivalent to 11% of retail ERV. This included fourteen new shop lettings, ten lease renewals and twelve rent reviews.

Our share of lettings and rent reviews in the Longmartin joint venture was £0.7 million.

Restaurants, cafés and leisure

Restaurants, cafés and leisure choices are important to the mix of uses in our villages and are a footfall driver in their own right, particularly in the West End. Kingly Court, in Carnaby, is often highlighted in the trade and consumer media as a great example of an innovative food hub, complementing the retail on adjacent streets, drawing visitors from a wider catchment and encouraging longer dwell-times.

We are the largest single provider of dining and leisure space in the West End, where the availability of space is constrained due to local planning policies and the reluctance of operators to relinquish sites other than for significant premiums. Occupier demand in the casual dining market remains exceptionally strong, as businesses are keen to establish in this exceptionally busy area. We receive numerous competitive offers for any available restaurant space and vacancy levels are minimal. With such strong demand, we are identifying further opportunities to secure vacant possession of space where we can make improvements and attract new operators with innovative concepts on more beneficial terms.

During the period, we completed leasing transactions with a rental value of £4.5 million, equivalent to 11% of restaurants, cafés and leisure ERV. This included five lettings and renewals, and seventeen rent reviews.

Our share of leasing transactions in the Longmartin joint venture was £0.2 million.

Upper floors – 30% of current income[1]

	Wholly-owned	Longmartin[2]
Offices – 17% of current income[1]		
Area (sq. ft.)	406,000	102,000
Residential – 13% of current income[1]		
Number	539	75
Area (sq. ft.)	321,000	55,000

1. Wholly-owned portfolio
2. Shaftesbury has a 50% interest

Offices

We are an important provider of small offices in the core West End, with 406,000 sq. ft. of accommodation in the wholly-owned portfolio, let to 273 tenants. The average letting is c. 1,400 sq. ft. at £48 per sq. ft. (30.9.2015: £46 per sq. ft.), and the average ERV is £60 per sq. ft. (30.9.2015: £56 per sq. ft.).

Occupier demand remains strong, particularly from SME media, creative, fashion, and IT businesses. Over recent years, office-to-residential conversions and redevelopment of multi-let office buildings to create higher specification space and larger floor plates has reduced the availability of smaller office accommodation across our locations. Consequently, rents have continued to rise, rent-free periods have reduced, and vacancy levels remain extremely low.

During the period, we completed lettings and lease renewals extending to 22,400 sq. ft., with a rental value of £1.4 million, equivalent to 6% of office ERV.

Our share of lettings in the Longmartin joint venture was £0.1 million.

Residential

With the growing popularity of the West End as a place to live, we continue to see sustained demand to rent our mid-market apartments. We have a rolling refurbishment programme to continue reconfiguring and upgrading our stock to meet rental market expectations. Of our 539 apartments, 45 were under construction, or being upgraded, at 31 March 2016.

During the six months ended 31 March 2016, we completed lettings and renewals totalling £2.8 million, equivalent to 19% of residential ERV.

Our share of residential letting activity in the Longmartin joint venture was £0.4 million.

Investing in our portfolio

High level of refurbishment activity

A high level of refurbishment activity continues across our portfolio, improving our buildings, increasing income and unlocking value. Schemes during the period extended to 150,000 sq. ft. (8% of wholly-owned floor space).

Space held for, or under, refurbishment has increased during the period by 3.6% to 7.9% of ERV, as we commenced two major schemes: Charing Cross Road/Chinatown and Thomas Neal's Warehouse, Seven Dials.

With strong occupier demand across our locations, we continue to identify opportunities to implement further asset management initiatives. We have a pipeline of other projects at various stages from initial ideas, seeking planning consent, awaiting vacant possession or under construction.

Vacant space held for, or undergoing, refurbishment at 31 March 2016[1]

						% of total ERV	
	Shops £m	**Restaurants, cafés and leisure £m**	**Offices £m**	**Residential £m**	**Total £m**	**31.3.16 %**	30.9.15 %
Major schemes[2]	4.0	1.0	-	-	**5.0**	**4.0%**	1.4%
Other schemes	1.0	0.5	1.6	1.7	**4.8**	**3.9%**	2.9%
Total	**5.0**	**1.5**	**1.6**	**1.7**	**9.8**	**7.9%**	4.3%
Area ('000 sq. ft.)	64	19	26	31			

1. Wholly-owned portfolio
2. Charing Cross Road/Chinatown and Thomas Neal's Warehouse, Seven Dials

Charing Cross Road/Chinatown

In January 2016, we commenced our Charing Cross Road/Chinatown scheme. Located next to Leicester Square Underground station, and within a short walk of the Tottenham Court Road Crossrail hub, it will bring major improvements to this important block on Chinatown's eastern boundary.

We are making substantial improvements to the configuration of the space to provide:

- 32,000 sq. ft. of large, double-height retail units along a 330-foot frontage on Charing Cross Road;
- 13,500 sq. ft. of restaurant space, fronting Newport Place and Newport Court; and
- a much-improved gateway into Chinatown.

Having identified enhancements to our scheme, it is now expected to cost £14.6 million and completion is anticipated by mid-2017.

We are supporting Westminster City Council's plans to create a part-pedestrianised public square in Newport Place. This will provide the opportunity for al fresco dining for our newly-created restaurants, and significantly improve the public realm in Chinatown, which will benefit our wider holdings.

Thomas Neal's Warehouse, Seven Dials

In February 2016, we commenced the first phase of our reconfiguration of the Thomas Neal's Warehouse to provide up to 22,000 sq. ft. of flagship retail space, further strengthening this popular and distinctive retail and leisure destination.

The estimated total cost is £2.0 million, in addition to a loss of annual net income during the scheme of £0.8 million. Completion is anticipated in late 2016.

Other schemes

Other schemes underway at 31 March 2016 comprised the reconfiguration and improvement of 10,400 sq. ft. of retail, 7,500 sq. ft. of restaurants and cafés, 25,700 sq. ft. of office space, and 46 apartments either being created or upgraded.

Our share of ERV under refurbishment in Longmartin was £0.1 million.

57 Broadwick Street, Carnaby

In May 2016, we commenced our major mixed-use project at 57 Broadwick Street, Carnaby. Situated within a few minutes' walk of Tottenham Court Road's new western ticket hall on Dean Street, our 30,000 sq. ft. scheme at this eastern gateway to Carnaby will provide:

- flagship retail space and a restaurant, together extending to 8,000 sq. ft., over the lower floors;
- 20,000 sq. ft. of refurbished and extended grade A office accommodation across the upper floors; and
- two apartments totalling 2,000 sq. ft.

Completing in phases from late 2017, at an estimated cost of £14.5 million, the scheme has increased vacancy undergoing refurbishment, on a pro-forma basis, by 1.9% to 9.8%.

Acquisitions

During the six months to 31 March 2016, we acquired eight properties in Soho, Charlotte Street and Covent Garden. At a total cost of £43.2 million, these comprised five shops, four restaurants and cafés, 2,850 sq. ft. of office space and one apartment.

On acquisition, they produced an average net initial yield of 2.1%. However, they offer the potential for good rental and capital growth through short and medium-term asset management initiatives.

We continue to seek opportunities to increase our ownerships, concentrating on buildings in, and around, our villages which have a predominance of, or potential for, retail, restaurant and leisure uses and which offer the potential for future rental growth, either individually or through combination with our existing ownerships. As ever, the availability of buildings which fit these strict investment criteria remains limited, with existing owners reluctant to sell assets in this exceptionally prosperous and resilient area.

Portfolio valuation

Net valuation increase of 2.1%

Our portfolio, including our 50% share of the Longmartin joint venture, has been valued at 31 March 2016 at £3.26 billion. The combined revaluation surplus of £68.6 million represents an ungeared like-for-like capital value return for the six months ended 31 March 2016 of 3.0%, before a reduction of 0.9% as a result of the 1% increase in Stamp Duty Land Tax (SDLT) announced in the March 2016 Budget.

	Fair value £m	% of portfolio	Current income £m	ERV £m	Capital value growth[1] %	Topped-up initial yield %	Equivalent yield %
Wholly-owned portfolio							
Carnaby	1,140.1	35%	38.7	47.9	2.6%	3.28%	3.66%
Covent Garden	846.9	26%	27.3	34.5	1.7%	2.95%	3.55%
Chinatown	704.5	22%	22.5	28.6	0.8%	3.19%	3.45%
Soho	233.6	7%	7.8	9.6	2.6%	3.02%	3.63%
Charlotte Street	109.2	3%	3.4	4.5	2.2%	2.93%	3.53%
	3,034.3	93%	99.7	125.1	1.9%	3.14%	3.57%
Longmartin JV[2]	223.3	7%	7.5	9.7	4.7%	3.01%	3.68%
Total portfolio	**3,257.6**	**100%**	**107.2**	**134.8**	**2.1%**		

1. Like-for-like
2. Group's 50% share

Valuation increase driven by rental growth

The portfolio valuation increase has been driven by continued growth in both actual and potential rents, which produced like-for-like increases over the period of 4.1% and 3.1% respectively.

The equivalent yields attributed by our valuers are broadly unchanged since September 2015:

- Wholly-owned portfolio: 3.57% (30.9.2015: 3.61%)
- Longmartin joint venture: 3.68% (30.9.2015: 3.75%).

These yields reflect continuing strong investor demand, yet limited availability of properties for sale in our locations, the prospects for sustained rental growth over the long term, and the limited exposure to obsolescence in our portfolio.

Continuing capture of the portfolio reversionary potential

Sustained growth in both actual and prospective income underpins the long-term growth in property values. Over the six months ended 31 March 2016, we have continued our long record of converting the potential reversion in our portfolio into cash flow, whilst further increasing its rental value.

	Annualised current income[1] £m	ERV[1] £m	Reversionary potential[1] £m
At 30 September 2015	102.6	127.8	25.2
Contribution from acquisitions	0.7	1.9	1.2
Impact of major schemes[2]	(0.2)	1.3	1.5
Underlying growth	4.1	3.8	(0.3)
At 31 March 2016	**107.2**	**134.8**	**27.6**
Like-for-like growth[3]			
- 6 months	4.1%	3.1%	
- 12 months	12.0%	6.7%	

1. Including our 50% share of the Longmartin joint venture.
2. Charing Cross Road/Chinatown, Thomas Neal's Warehouse, Seven Dials, 57 Broadwick Street, Carnaby and Foubert's Place/Kingly Street, Carnaby.
3. Excluding acquisitions and the impact of major schemes.

Current annualised income has increased on a like-for-like basis by 4.1% and 12.0% over 6 months and 12 months, respectively, as we have let vacant space and continued to crystallise the reversionary potential in our portfolio. The large increase over 12 months reflects the high level of rent free periods at 31 March 2015, which have subsequently expired.

Like-for-like ERV growth over 6 months was 3.1%, bringing the total for the past 12 months to 6.7%. This recognises rental evidence arising from leasing transactions in the period.

Total ERV now stands at £134.8 million, 25.7% higher than the annualised current income. The reversionary potential of £27.6 million comprises:

- £3.5 million of contracted income, which will flow as rent-free periods expire.
- Vacant space with an ERV of £2.9 million, of which £1.6 million was under offer at 31 March 2016.
- Refurbishment schemes underway, or shortly due to commence, with a rental value estimated by our valuers totalling £11.3 million. This potential will be realised as schemes complete and become income-producing.
- £9.9 million of income which should be realised through the normal cycle of rent reviews, lease renewals and lettings. With our proven long-term management strategy, and the buoyancy and prospects for the West End economy, we remain confident that we shall not only continue to convert this rental potential into cash flow, but also deliver further long-term sustained rental growth.

DTZ, independent valuer of our wholly-owned portfolio, has again noted that:

- our portfolio is unusual in its substantial number of predominantly retail and restaurant properties in adjacent, or adjoining, locations in London's West End; and
- there is a long record of strong occupier demand for these uses in this location. This is demonstrated by current, and historic, low vacancy levels throughout the portfolio.
- Consequently, some prospective purchasers may recognise the compelling and rare opportunity which an acquisition in a single transaction of parts of, or the entire portfolio, would provide them. Such parties may consider a combination of some, or all, parts of the portfolio to have a greater value than

currently reflected in the valuation included in these financial statements, which has been prepared in accordance with RICS guidelines.

Results and finance

The results for the first half of this year show further growth in net property income, EPRA earnings, NAV and the interim dividend.

EPRA earnings

Profit after tax for the six months ended 31 March 2016 was £80.1 million (31.3.2015: £180.2 million), and included a valuation surplus of £58.2 million (31.3.2015: £183.2 million). As is usual practice in our sector, we produce an alternative measure for earnings, making adjustments set out by EPRA in its Best Practice and Policy Recommendations. EPRA earnings are a measure of the level of recurring income arising from core operational activities, as set out in the reconciliation below.

EPRA earnings increased by 12.8% to £20.2 million (31.3.2015: £17.9 million) resulting in EPRA EPS of 7.3p, 14.1% above the first half last year (31.3.2015: 6.4p). The increase in earnings was driven by increased net property income, partly offset by higher finance costs.

	Six months ended		Year ended
	31.3.2016	31.3.2015	30.9.2015
EPRA earnings	**£m**	£m	£m
IFRS profit after tax	**80.1**	180.2	467.3
Adjusted for:			
- Change in value of investment properties	**(58.2)**	(183.2)	(432.0)
- Change in fair value of financial instruments	**12.1**	37.5	28.5
Adjustments in respect of the Longmartin joint venture:			
- Change in value of investment properties	**(10.4)**	(20.7)	(34.6)
- Deferred tax	**(3.4)**	4.1	6.9
EPRA earnings	**20.2**	17.9	36.1
EPRA EPS	**7.3p**	6.4p	13.0p

Net property income

Rents receivable have increased by 9.8% to £49.2 million (31.3.2015: £44.8 million). Like-for-like growth, excluding the impact of acquisitions and major refurbishment schemes, was 8.9%, which reflects the continued conversion of our portfolio’s reversionary potential into contracted cash flow. Acquisitions accounted for £0.4 million of the increase. Our scheme at Foubert’s Place/Kingly Street, Carnaby, which became income producing in the second half last year, contributed £1.1 million. This was largely offset by vacancy at major schemes which commenced in the first half of this financial year.

Irrecoverable property charges were £7.1 million (31.3.2015: £6.1 million), representing 14.4% of rents receivable (31.3.2015: 13.6%). Excluding the impact of irrecoverable costs at our ownership fronting Charing Cross Road/Newport Court/Newport Place, where, ahead of the redevelopment we had only short-term inclusive leases and licences in place, irrecoverable costs were 13.5% of rents receivable (31.3.2015: 13.0%). The increase compared with last year is mainly due to higher levels of leasing transactions in the period and irrecoverable costs in respect of a number of repairs and external decoration projects.

Net property income was £42.1 million, up 8.8% on the same period last year (31.3.2015: £38.7 million).

Administrative expenses

Administrative expenses, excluding the charge for equity-settled remuneration, totalled £4.9 million (31.3.2015: £5.0 million). This includes a provision for annual bonuses of £0.7 million (31.3.2015: £0.7 million).

The charge for equity-settled remuneration was £1.5 million (31.3.2015: £1.5 million). This included a non-cash accounting provision of £1.2 million (31.3.2015: £1.1 million) and a charge for employer's National Insurance of £0.3 million (31.3.2015: £0.4 million).

Revaluation surplus

The surplus arising on the revaluation of our wholly-owned portfolio amounted to £58.2 million (31.3.2015: £183.2 million), representing a like-for-like increase of 2.8%, before a reduction of 0.9% for increased SDLT. This increase was principally driven by like-for-like ERV growth of 3.1%. Further details are provided on pages 11 to 12.

Finance costs

With higher net debt as a result of acquisitions and further investment in our portfolio, net finance costs (excluding the change in fair value of our interest rate swaps) increased by £1.4 million to £16.6 million (31.3.2015: £15.2 million).

The fair value deficit on our interest rate swaps increased by £12.1 million to £91.3 million, following a fall in long-dated interest rates, particularly over the first quarter of 2016. The Board regularly reviews the Group's interest hedging strategy and the impact these derivatives have on the long-term financing of the business.

Longmartin results

Our share of post-tax profit from the Longmartin joint venture decreased by £2.6 million to £14.9 million (31.3.2015: £17.5 million). This decrease was largely due to a smaller revaluation surplus of £10.4 million (31.3.2015: £20.7 million), which was partly offset by a deferred tax credit.

Our share of EPRA earnings increased by £0.2 million to £1.2 million (31.3.2015: £1.0 million), principally due to an increase in net property income of 10.3% to £3.2 million (31.3.2015: £2.9 million), following a number of rent reviews over the past twelve months.

Tax

As a REIT, the Group's activities are largely exempt from corporation tax and, as a result, there is no tax charge in the period (31.3.2015: £Nil).

Interim dividend

Your directors are pleased to declare an interim dividend of 7.15p per share, an increase of 4.8% on last year's interim dividend of 6.825p. The interim dividend, to be paid on 1 July 2016, will comprise 4.45p as a PID and 2.7p as an ordinary dividend.

We aim to maintain steady growth in dividends, reflecting the long-term trend in our income and cash earnings. The dividend is covered 1.02 times by EPRA earnings and 1.08 times by cash earnings, after adding back the non-cash accounting charge in the period for equity-settled remuneration of £1.2 million.

The Board monitors the Group's ability to pay dividends out of available resources and distributable reserves.

EPRA net asset value

EPRA NAV per share increased by 24p (2.8%) to £8.93 over the period (30.9.2015: £8.69). The revaluation surpluses in the wholly-owned portfolio and the Longmartin joint venture property added 24p. EPRA earnings of 7.3p per share were offset by the final dividend (6.925p per share).

EPRA NAV	**31.3.2016 £m**	31.3.2015 £m	30.9.2015 £m
IFRS net assets	**2,387.1**	2,056.1	2,325.4
Effect of exercise of options	**0.4**	0.4	0.4
Diluted net assets	**2,387.5**	2,056.5	2,325.8
Adjusted for:			
- Fair value of financial instruments	**91.3**	88.2	79.2
Adjustments in respect of the Longmartin joint venture:			
- Deferred tax	**19.1**	19.8	22.6
EPRA NAV	**2,497.9**	2,164.5	2,427.6
EPRA NAV per share	**£8.93**	£7.75	£8.69

Cash flows and net debt

Net debt increased by £49.4 million to £687.2 million over the period (30.9.2015: £637.8 million). The major cash flows were:

- Operating cash inflow totalling £22.9 million.
- Dividends paid amounting to £19.5 million.
- Acquisitions and capital expenditure of £54.3 million.

Finance

Our prudent approach to financing the Group is focused on maintaining a conservative loan-to-value ratio, healthy interest cover, a spread of loan maturities, diversity of lenders and limited exposure to interest rate movements.

Debt summary

	31.3.2016			30.9.2015		
	IFRS £m	**Longmartin[3] £m**	**Proportional consolidation £m**	IFRS £m	Longmartin[3] £m	Proportional consolidation £m
Total fixed debt[2]	**625.8**	**60.0**	**685.8**	625.8	60.0	685.8
Drawn unhedged bank debt	**68.6**	**-**	**68.6**	19.7	-	19.7
Total debt[2]	**694.4**	**60.0**	**754.4**	645.5	60.0	705.5
Undrawn facilities[4]	**101.4**	**-**	**101.4**	150.3	-	150.3
Committed facilities	**795.8**	**60.0**	**855.8**	795.8	60.0	855.8
Loan-to-value[2]	**22.9%**	**26.8%**	**23.2%**	22.1%	28.2%	22.5%
Gearing[5]	**29.7%**	**36.9%**	**30.2%**	28.4%	39.4%	29.1%
Interest cover	**2.2x**	**2.3x**	**2.2x**	2.1x	2.1x	2.1x
% debt fixed	**90.1%**	**100.0%**	**90.9%**	96.9%	100.0%	97.2%
Blended cost of debt[6]	**4.73%**	**4.43%**	**4.71%**	4.96%	4.43%	4.92%
Blended maturity (years)	**9.6**	**10.7**	**9.7**	10.1	11.2	10.2

At 31 March 2016, our loan-to-value ratio[1,2] was 23.2% (30.9.2015: 22.5%) and we had £101.4 million of committed undrawn facilities (30.9.2015: £150.3 million), which were available to fund further investment. Of our drawn debt, 90.9% was fixed or hedged[1] (30.9.2015: 97.2%), the decrease being due to acquisitions and capital expenditure being funded through drawings against our variable-rate bank facilities.

The blended cost of debt was 4.71%, 21 basis points lower than at 30 September 2015. With the marginal cost in our committed facilities of around 1.5% (30.9.2015: 1.5%), additional drawings will reduce this average cost further. If our facilities had been fully drawn at 31 March 2016, the weighted average cost of debt would have been 4.33%.

The weighted average debt maturity at 31 March 2016 was 9.7 years (30.9.2015: 10.2 years).

Debt maturity profile

Year of maturity	Facility type	Total facility £m
2018	Bank facility	150
2020	Bank facility	125
2021	Bank facility	75
2024	Debenture Stock	61
2026	Term loan (Longmartin joint venture)	60[3]
2029	Term loan	135
2030	Term loan	130
2035	Term loan	120

1. Including our 50% share of the Longmartin joint venture.
2. Based on nominal value of debt.
3. Shaftesbury Group's 50% share. This loan is without recourse to Shaftesbury.
4. Floating rate facilities.
5. Based on EPRA net assets.
6. Including non-utilisation fees on undrawn bank facilities.

Board changes

As previously reported, in November 2015 Jonathan Lane asked the Board to undertake a process to identify his successor as non-executive Chairman.

After an extensive search process, the Board has decided to appoint Jonathan Nicholls as a non-executive director on 1 September 2016 and he will assume the role of Chairman on 1 October 2016, at which point Jonathan Lane will retire from the Board.

Jonathan Nicholls currently has non-executive roles at Great Portland Estates plc, D S Smith plc, Ibstock plc and SIG plc. He will retire from the board of Great Portland Estates plc, where he is Senior Independent Director and Chair of the Audit Committee, at their annual general meeting in July 2016. His previous executive roles included Group Finance Director at Hanson plc and Old Mutual plc, as well as other senior positions with Abbey National plc.

The Board wishes to record its gratitude to Jonathan Lane for his outstanding contribution to the remarkable development of Shaftesbury since its formation 30 years ago. The qualities and strength of the business today, and its long-term prospects, are a testament to his commitment, determination, wide experience and vision.

Brian Bickell
Chief Executive

Christopher Ward
Finance Director

24 May 2016

Portfolio analysis

At 31 March 2016		Note	Carnaby	Covent Garden	Chinatown	Soho	Charlotte Street	Wholly owned portfolio	Longmartin	Total portfolio
Portfolio	Fair value	1	**£1,140.1m**	**£846.9m**	**£704.5m**	**£233.6m**	**£109.2m**	**£3,034.3m**	**£223.3m[1]**	**£3,257.6m**
	% of total fair value		**35%**	**26%**	**22%**	**7%**	**3%**	**93%**	**7%**	**100%**
	Current income	2	**£38.7m**	**£27.3m**	**£22.5m**	**£7.8m**	**£3.4m**	**£99.7m**	**£7.5m[1]**	**£107.2m**
	ERV	3	**£47.9m**	**£34.5m**	**£28.6m**	**£9.6m**	**£4.5m**	**£125.1m**	**£9.7m[1]**	**£134.8m**
Shops	Number		**104**	**109**	**68**	**34**	**7**	**322**	**21**	
	Area – sq. ft.		**185,000**	**137,000**	**95,000**	**37,000**	**12,000**	**466,000**	**67,000**	
	% of current income	4	**49%**	**30%**	**22%**	**25%**	**10%**	**34%**	**37%**	
	% of ERV	4	**46%**	**33%**	**29%**	**27%**	**13%**	**36%**	**38%**	
	Average unexpired lease length – years	5	**4**	**4**	**5**	**3**	**6**	**4**	**5**	
Restaurants, cafés and leisure	Number		**55**	**86**	**81**	**22**	**23**	**267**	**10**	
	Area – sq. ft.		**106,000**	**171,000**	**212,000**	**47,000**	**46,000**	**582,000**	**45,000**	
	% of current income	4	**16%**	**38%**	**62%**	**37%**	**61%**	**36%**	**17%**	
	% of ERV	4	**15%**	**33%**	**57%**	**37%**	**53%**	**33%**	**14%**	
	Average unexpired lease length – years	5	**10**	**9**	**11**	**9**	**9**	**10**	**14**	
Offices	Area – sq. ft.		**248,000**	**84,000**	**33,000**	**31,000**	**10,000**	**406,000**	**102,000**	
	% of current income	4	**29%**	**11%**	**4%**	**17%**	**9%**	**17%**	**29%**	
	% of ERV	4	**33%**	**15%**	**4%**	**18%**	**9%**	**19%**	**35%**	
	Average unexpired lease length – years	5	**4**	**3**	**2**	**3**	**3**	**3**	**5**	
Residential	Number		**101**	**216**	**121**	**55**	**46**	**539**	**75**	
	Area – sq. ft.		**59,000**	**133,000**	**78,000**	**30,000**	**21,000**	**321,000**	**55,000**	
	% of current passing rent	4	**6%**	**21%**	**12%**	**21%**	**20%**	**13%**	**17%**	
	% of ERV	4	**6%**	**19%**	**10%**	**18%**	**25%**	**12%**	**13%**	

1 Shaftesbury Group's 50% share

Basis of valuation

At 31 March 2016	Note	Carnaby	Covent Garden	Chinatown	Soho	Charlotte Street	Wholly owned portfolio	Longmartin
Overall initial yield	7	**3.15%**	**2.90%**	**3.17%**	**2.95%**	**2.71%**	**3.05%**	**2.63%**
Topped-up initial yield	8	**3.28%**	**2.95%**	**3.19%**	**3.02%**	**2.93%**	**3.14%**	**3.01%**
Overall equivalent yield	9	**3.66%**	**3.55%**	**3.45%**	**3.63%**	**3.53%**	**3.57%**	**3.68%**
Tone of retail equivalent yields	10	**3.35-4.25%**	**3.50-4.25%**	**3.50-4.50%**	**3.75-4.50%**	**3.50-4.75%**		**3.15–4.15%**
Tone of retail ERVs - ITZA £ per sq. ft.	10	**£125-£500**	**£75-£475**	**£140-£350**	**£140-£275**	**£93-£215**		**£78-£643**
Tone of restaurant equivalent yields	10	**3.75-5.00%**	**3.50-4.25%**	**3.50-3.75%**	**3.75-4.10%**	**3.60-4.15%**		**3.75–4.15%**
Tone of restaurant ERVs - £ per sq. ft.	10	**£105-£130**	**£83-£179**	**£250-£400 ITZA**	**£85-£124 (£275 ITZA)**	**£75-£100**		**£90-£133**
Tone of office equivalent yields	10	**4.00%-4.50%**	**4.00-4.15%**	**4.25-4.50%**	**4.40-4.50%**	**4.50-4.75%**		**4.00%-4.50%**
Tone of office ERVs - £ per sq. ft.	10	**£58-£80**	**£50-£65**	**£43-£53**	**£50-£65**	**£45-£55**		**£50-£78**
Average residential ERVs - £ per sq. ft. per annum	10	**£46**	**£50**	**£39**	**£58**	**£53**		**£46**

Notes

1. The fair values at 31 March 2016 (the "valuation date") shown in respect of the individual villages are, in each case, the aggregate of the fair values of several different property interests located within close proximity which, for the purpose of this analysis, are combined to create each village. The different interests within each village were not valued as a single lot.
2. Current income includes total annual actual and 'estimated income' reserved by leases. No rent is attributed to leases which were subject to rent-free periods at the valuation date. Current income does not reflect any ground rents, head rents nor rent charges and estimated irrecoverable outgoings at the valuation date. 'Estimated income' refers to gross estimated rental values in respect of rent reviews outstanding at the valuation date and, where appropriate, ERV in respect of lease renewals outstanding at the valuation date where the fair value reflects terms for a renewed lease.
3. ERV is the respective valuers' opinion of the rental value of the properties, or parts thereof, reflecting the terms of the relevant leases or, if appropriate, reflecting the fact that certain of the properties, or parts thereof, have been valued on the basis of vacant possession and the assumed grant of a new lease. Where appropriate, ERV assumes completion of developments which are reflected in the valuations. ERV does not reflect any ground rents, head rents nor rent charges and estimated irrecoverable outgoings.
4. The percentage of current income and the percentage of ERV in each of the use sectors are expressed as a percentage of total income and total ERV for each village.
5. Average unexpired lease length has been calculated by weighting the leases in terms of current rent reserved under the relevant leases and, where relevant, by reference to tenants' options to determine leases in advance of expiry through effluxion of time.
6. Where mixed uses occur within single leases, for the purpose of this analysis, the majority use by rental value has been adopted.
7. The initial yield is the net initial income at the valuation date expressed as a percentage of the gross valuation. Yields reflect net income after deduction of any ground rents, head rents and rent charges and estimated irrecoverable outgoings at the valuation date.
8. The topped-up initial yield, ignoring contractual rent free periods, has been calculated as if the contracted rent is payable from the valuation date and as if any future stepped rental uplifts under leases had occurred.
9. Equivalent yield is the internal rate of return, being the discount rate which needs to be applied to the expected flow of income so that the total amount of income so discounted at this rate equals the capital outlay at values current as of the valuation date. The equivalent yield shown for each village has been calculated by merging together the cash flows and fair values of each of the different interests within each village and represents the average equivalent yield attributable to each village from this approach.
10. The tone of rental values and yields is the range of rental values or yields attributed to the majority of the properties.
11. All commercial floor areas are net lettable. All residential floor areas are gross internal.
12. For presentation purposes some percentages have been rounded to the nearest integer.
13. The analysis includes accommodation which is awaiting, or undergoing, refurbishment or development and is not available for occupation at the date of valuation.

Principal Risks and Uncertainties

The principal strategic risks and uncertainties are those which might prevent the Group from achieving its goal of long-term sustainable growth in rental income. The risks and uncertainties facing the Group for the remaining six months of the financial year are summarised below. These risks and uncertainties are largely consistent with those set out on pages 61 to 63 in the Annual Report for the year ended 30 September 2015, where we also detail relevant mitigating factors. We no longer consider meeting the requirements of legislation to improve environmental performance of buildings to be a principal risk or uncertainty. This is on the basis that the legislation has become more clear and, through our rolling refurbishment activities, we are able to meet its requirements without significant cost.

Geographic concentration risk

Risk	Potential impact
Events which discourage visitors to the West End e.g. • Threats to security or public safety due to terrorism • Health concerns (e.g. pandemics) • Major, long-term disruption to the public transport network upon which the area depends	• Reduced visitor numbers, spending and occupier demand • Reduced rental income and/or capital values • Potential increased vacancy and declining profitability • Damage to property
Competing destinations leading to long-term decline in footfall in our villages	• Reduced visitor numbers and occupier demand • Reduced rental income and/or capital values • Potential increased vacancy and declining profitability

Regulatory risks

Risk	Potential impact
All our properties are in the boroughs of Westminster and Camden. Changes to local policies, particularly planning and licensing, could have a significant impact on our ability to maximise the long-term potential of our assets	• Limit our ability to optimise revenues • Reduced profitability • Reduced capital values

Economic risks which may threaten our ability to meet our strategic objectives

Risk	Potential impact
Periods of economic uncertainty and lower confidence could reduce consumer spending, tenant profitability and occupier demand	• Pressure on rents • Declining profitability • Reduced capital values
Decline in the UK real estate market due to macro-economic factors e.g. global or national political landscape, currency expectations, bond yields, interest rate expectations, availability and cost of finance, relative attractiveness of property compared with other asset classes	• Reduced capital values • Decrease in NAV, amplified by gearing • Loan covenant defaults

Unaudited Group Statement of Comprehensive Income
for the six months ended 31 March 2016

	Notes	**Six months ended 31.3.2016 £m**	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Revenue	3	**53.4**	48.4	98.7
Property charges	4	**(11.3)**	(9.7)	(19.9)
Net property income		**42.1**	38.7	78.8
Administrative expenses		**(4.9)**	(5.0)	(11.0)
Charge in respect of equity settled remuneration	5	**(1.5)**	(1.5)	(3.0)
Total administrative expenses		**(6.4)**	(6.5)	(14.0)
Operating profit before investment property valuation movements		**35.7**	32.2	64.8
Net surplus on revaluation of investment properties	10	**58.2**	183.2	432.0
Operating profit		**93.9**	215.4	496.8
Finance income		**0.1**	0.1	0.1
Finance costs	6	**(16.7)**	(15.3)	(30.8)
Change in fair value of derivative financial instruments	17	**(12.1)**	(37.5)	(28.5)
Net finance costs		**(28.7)**	(52.7)	(59.2)
Share of post-tax profit from joint venture	12	**14.9**	17.5	29.7
Profit before tax		**80.1**	180.2	467.3
Tax charge for the period	7	**-**	-	-
Profit and total comprehensive income for the period		**80.1**	180.2	467.3
Earnings per share:	8			
Basic		**28.8p**	64.8p	168.0p
Diluted		**28.7p**	64.6p	167.4p
EPRA		**7.3p**	6.4p	13.0p

Unaudited Group Balance Sheet
as at 31 March 2016

	Notes	31.3.2016 £m	As restated 31.3.2015 £m	30.9.2015 £m
Non-current assets				
Investment properties	10	**3,022.2**	2,648.8	2,908.0
Accrued income	11	**9.9**	8.2	9.5
Investment in joint venture	12	**143.4**	118.2	129.6
Property, plant and equipment		**1.4**	1.6	1.5
Other receivables	14	**3.7**	2.5	3.7
		3,180.6	2,779.3	3,052.3
Current assets				
Trade and other receivables	13	**19.0**	18.0	21.7
Cash and cash equivalents	14	**7.2**	5.7	7.7
Total assets		**3,206.8**	2,803.0	3,081.7
Current liabilities				
Trade and other payables	15	**38.8**	36.6	36.8
Non-current liabilities				
Borrowings	16	**689.6**	622.1	640.3
Derivative financial instruments	17	**91.3**	88.2	79.2
Total liabilities		**819.7**	746.9	756.3
Net assets		**2,387.1**	2,056.1	2,325.4
Equity				
Share capital	18	**69.7**	69.6	69.6
Share premium		**124.7**	124.6	124.7
Share based payments reserve		**2.7**	2.9	4.0
Retained earnings		**2,190.0**	1,859.0	2,127.1
Total equity		**2,387.1**	2,056.1	2,325.4
Net asset value per share:	19			
Basic		**£8.57**	£7.39	£8.36
Diluted		**£8.53**	£7.36	£8.32
EPRA		**£8.93**	£7.75	£8.69

Unaudited Group Cash Flow Statement

for the six months ended 31 March 2016

	Notes	**Six months ended 31.3.2016 £m**	As restated Six months ended 31.3.2015 £m	As restated Year ended 30.9.2015 £m
Cash flows from operating activities				
Cash generated from operating activities	20	**38.9**	34.8	67.4
Interest received		**0.1**	0.1	0.1
Interest paid		**(16.1)**	(14.5)	(30.1)
Net cash generated from operating activities		**22.9**	20.4	37.4
Cash flows from investing activities				
Investment property acquisitions		**(43.2)**	(23.8)	(25.8)
Capital expenditure on investment properties		**(11.1)**	(14.2)	(25.1)
Purchase of property, plant and equipment		**(0.1)**	(0.2)	(0.3)
Dividends received from joint venture	21	**1.1**	0.8	1.6
Decrease in loans to joint venture	21	**0.5**	0.5	0.5
Net cash used in investing activities		**(52.8)**	(36.9)	(49.1)
Cash flows from financing activities				
Proceeds from exercise of share options		**-**	-	0.1
Proceeds from/(repayment of) borrowings	16	**48.9**	(60.2)	(160.9)
Proceeds from secured term loan	16	**-**	130.0	250.0
Increase in cash held in restricted accounts and deposits	14	**-**	(1.0)	(2.2)
Facility arrangement costs	16	**-**	(1.4)	(3.4)
Termination of derivative instruments	17	**-**	(28.1)	(28.1)
Equity dividends paid	9	**(19.5)**	(20.5)	(39.5)
Net cash from financing activities		**29.4**	18.8	16.0
Net change in cash and cash equivalents		**(0.5)**	2.3	4.3
Cash and cash equivalents at the beginning of the period	14	**7.7**	3.4	3.4
Cash and cash equivalents at the end of the period	14	**7.2**	5.7	7.7

Movements in loans to the joint venture have been reclassified from financing to investing activities to better reflect the nature of the transactions. This has no impact on the net assets nor reported results in any of the periods presented.

Unaudited Group Statement of Changes in Equity

for the six months ended 31 March 2016

	Notes	Ordinary shares £m	Share premium £m	Share based payments reserve £m	Retained earnings £m	Total £m
At 1 October 2015		**69.6**	**124.7**	**4.0**	**2,127.1**	**2,325.4**
Profit and total comprehensive income for the period ended 31 March 2016		**-**	**-**	**-**	**80.1**	**80.1**
Transactions with owners:						
Dividend paid during the period	9	**-**	**-**	**-**	**(19.5)**	**(19.5)**
Shares issued in connection with the exercise of share options	18	**0.1**	**-**	**-**	**-**	**0.1**
Fair value of share based payments	5	**-**	**-**	**1.0**	**-**	**1.0**
Transfer in respect of options exercised		**-**	**-**	**(2.3)**	**2.3**	**-**
At 31 March 2016		**69.7**	**124.7**	**2.7**	**2,190.0**	**2,387.1**
At 1 October 2014		69.5	124.6	4.0	1,695.1	1,893.2
Profit and total comprehensive income for the period ended 31 March 2015		-	-	-	180.2	180.2
Transactions with owners:						
Dividend paid during the period	9	-	-	-	(18.5)	(18.5)
Shares issued in connection with the exercise of share options		0.1	-	-	-	0.1
Fair value of share based payments	5	-	-	1.1	-	1.1
Transfer in respect of options exercised		-	-	(2.2)	2.2	-
At 31 March 2015		69.6	124.6	2.9	1,859.0	2,056.1
At 1 October 2014		69.5	124.6	4.0	1,695.1	1,893.2
Profit and total comprehensive income for the year ended 30 September 2015		-	-	-	467.3	467.3
Transactions with owners:						
Dividends paid during the year	9	-	-	-	(37.5)	(37.5)
Shares issued in connection with the exercise of share options		0.1	0.1	-	-	0.2
Fair value of share based payments	5	-	-	2.2	-	2.2
Transfer in respect of options exercised		-	-	(2.2)	2.2	-
At 30 September 2015		69.6	124.7	4.0	2,127.1	2,325.4

Notes to the half year results

for the six months ended 31 March 2016

1. GENERAL INFORMATION

The condensed consolidated half year financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information presented for the year ended 30 September 2015 is derived from the statutory accounts for that year. Statutory accounts for the year ended 30 September 2015 were approved by the Board of directors on 24 November 2015 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

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

BASIS OF PREPARATION

These half year financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, Interim Financial Reporting, as adopted by the European Union. They should be read in conjunction with the annual financial statements for the year ended 30 September 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

GOING CONCERN

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the condensed half year financial statements.

CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

The preparation of these half year financial statements requires the Board to make judgements, assumptions and estimates that affect amounts reported in the Statement of Comprehensive Income and Balance Sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

The directors consider the valuation of investment property to be critical because of the level of complexity, judgement or estimation involved and its impact on the financial statements. The Group uses the valuation performed by its external valuers, DTZ Debenham Tie Leung Limited, as the basis for the fair value of its investment properties. Knight Frank LLP value the investment properties owned by the Longmartin joint venture.

The valuation of the Group's property portfolio is inherently subjective due to, amongst other factors, the individual nature of each property, its location and the expected future rental income. As a result, the valuations the Group places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market. DTZ Debenham Tie Leung Limited and Knight Frank LLP make a number of assumptions in forming their opinion on the valuation of our investment properties, which are detailed in the Basis of Valuation on page 17. These assumptions are in accordance with the RICS Valuation Standards. However, if any assumptions made by the external valuers prove to be incorrect, this may mean that the value of the Group's properties differs from their valuation reported in the financial statements, which could have a material effect on the Group's financial position.

Certain statements in this half year report are forward looking. Although the Group believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

The Group undertakes no obligation to update any forward looking statements whether as a result of new information, future events or otherwise.

2. ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used are consistent with those of the previous financial year.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

a) The following amendments to standards and Annual Improvements are mandatory for the first time for the financial year beginning 1 October 2015:

Standard or Interpretation	**Effective from**
Annual Improvements 2011-2013	1 January 2015
Amendment to IAS 19 Employee benefits on defined benefit plans	1 February 2015
Annual Improvements 2010-2012	1 February 2015

No material changes to accounting policies arose as a result of these amendments.

b) The following amendments to standards and Annual Improvements are relevant to the Group and are not yet effective in the year ending 30 September 2016 and not expected to have a significant impact on the Group's financial statements:

Standard or Interpretation	**Effective from**
Annual Improvements 2012-2014	1 January 2016
Amendment to IFRS 11 Joint arrangements on acquisition of an interest in a joint operation	1 January 2016
Amendments to IAS 16 and IAS 38 on depreciation and amortisation	1 January 2016
Amendments to IAS 27 Separate financial statements on equity accounting	1 January 2016
Amendments to IAS 1 Presentation of financial statements disclosure initiative	1 January 2016

c) There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. REVENUE AND SEGMENTAL INFORMATION

	Six months ended 31.3.2016 £m	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Rents receivable	**49.2**	44.8	91.8
Recoverable property expenses	**4.2**	3.6	6.9
	53.4	48.4	98.7

Rents receivable include lease incentives recognised of £0.6 million (31.3.2015: £1.0 million; 30.9.2015: £2.4 million).

The chief operating decision maker has been identified as the Board, which is responsible for reviewing the Group's internal reporting in order to assess performance and the allocation of resources.

The Group's properties, which are all located in London's West End, are managed as a single portfolio. Its properties, which are of similar type, are combined into villages. All of the villages are geographically close to each other and have similar economic features and risks.

For the purposes of IFRS 8, each village is considered to be a separate operating segment. However, in view of the similar characteristics of each village, and the reporting of all investment, income and expenditure to the Board at an overall Group level, the aggregation criteria set out in IFRS 8 have been applied to give one reportable segment.

The Board assesses the performance of the reportable segment based on net property income and investment property valuation. All financial information provided to the Board is prepared on a basis consistent with these financial statements and, as the Group has only one reportable segment, the measures used in assessing the business are set out in the Group Statement of Comprehensive Income.

4. PROPERTY CHARGES

	Six months ended 31.3.2016 £m	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Property operating costs	**3.1**	2.7	6.1
Fees payable to managing agents	**1.1**	1.1	2.1
Letting, rent review, and lease renewal costs	**1.8**	1.4	3.0
Village promotion costs	**1.1**	0.9	1.8
Property outgoings	**7.1**	6.1	13.0
Recoverable property expenses	**4.2**	3.6	6.9
	11.3	9.7	19.9

5. CHARGE IN RESPECT OF EQUITY SETTLED REMUNERATION

	Six months ended 31.3.2016 £m	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Charge for share based remuneration	**1.2**	1.1	2.3
Employer's national insurance in respect of share awards and share options vested or expected to vest	**0.3**	0.4	0.7
	1.5	1.5	3.0

Included in the charge for share based remuneration is £1.0 million (31.3.2015: £1.1 million; 30.9.2015: £2.2 million) for the fair value of share options.

6. FINANCE COSTS

	Six months ended 31.3.2016 £m	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Debenture stock interest and amortisation	**2.5**	2.5	5.0
Bank and other interest	**9.8**	6.6	15.6
Facility arrangement cost amortisation	**0.5**	0.4	0.8
Facility arrangement costs written-off on refinancing	**-**	0.2	0.2
Amounts payable under derivative financial instruments	**3.9**	5.6	9.2
	16.7	15.3	30.8

7. TAX CHARGE FOR THE PERIOD

The Group's wholly-owned business is subject to taxation as a REIT. Under the REIT regime, income from its rental business (calculated by reference to tax rather than accounting rules) and chargeable gains from the sale of its investment properties are exempt from corporation tax.

8. EARNINGS PER SHARE

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

	31.3.2016		31.3.2015		30.9.2015	
	Profit after tax £m	**EPS pence**	Profit after tax £m	EPS pence	Profit after tax £m	EPS pence
Basic	**80.1**	**28.8**	180.2	64.8	467.3	168.0
EPRA adjustments:						
Investment property valuation movements – wholly-owned portfolio	**(58.2)**	**(20.9)**	(183.2)	(66.0)	(432.0)	(155.3)
Investment property valuation movements – joint venture	**(10.4)**	**(3.7)**	(20.7)	(7.4)	(34.6)	(12.4)
Movement in fair value of derivative financial instruments	**12.1**	**4.3**	37.5	13.5	28.5	10.2
Deferred tax on property valuations and capital allowances – joint venture	**(3.4)**	**(1.2)**	4.1	1.5	6.9	2.5
EPRA	**20.2**	**7.3**	17.9	6.4	36.1	13.0
Diluted	**80.1**	**28.7**	180.2	64.6	467.3	167.4
Weighted average number of ordinary shares in issue (million)		**278.3**		278.0		278.1
Weighted average number of ordinary shares in issue for the calculation of diluted earnings per share (million)		**279.3**		279.0		279.2

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

9. DIVIDENDS PAID

	Six months ended 31.3.2016 £m	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Final dividend paid in respect of:			
Year ended 30 September 2015 at 6.925p per share	**19.5**	-	-
Year ended 30 September 2014 at 6.60p per share	**-**	18.5	18.5
Interim dividend paid in respect of:			
Six months ended 31 March 2015 at 6.825p per share	**-**	-	19.0
Dividends for the period	**19.5**	18.5	37.5
Timing difference on payment of withholding tax	**-**	2.0	2.0
Dividends cash paid	**19.5**	20.5	39.5

An interim dividend in respect of the six months ended 31 March 2016 of 7.15p per ordinary share was declared by the Board on 24 May 2016. The interim dividend will be paid on 1 July 2016 to shareholders on the register at 10 June 2016. 4.45p of the dividend will be paid as a PID under the UK REIT regime and 2.7p will be paid as an ordinary dividend. The dividend will be accounted for as an appropriation of revenue reserves in the year ending 30 September 2016.

10. INVESTMENT PROPERTIES

	31.3.2016 £m	31.3.2015 £m	30.9.2015 £m
At beginning of period	**2,908.0**	2,425.5	2,425.5
Acquisitions	**43.2**	25.8	25.8
Refurbishment and other capital expenditure	**12.8**	14.3	24.7
Net surplus on revaluation of investment properties	**58.2**	183.2	432.0
Book value at end of period	**3,022.2**	2,648.8	2,908.0
Fair value at end of period:			
Properties valued by DTZ Debenham Tie Leung Limited	**3,034.3**	2,658.9	2,919.5
Less: Lease incentives recognised to date (note 11)	**(12.1)**	(10.1)	(11.5)
Book value at end of period	**3,022.2**	2,648.8	2,908.0

Investment properties were subject to external valuation as at 31 March 2016 by qualified professional valuers, being members of the Royal Institution of Chartered Surveyors, working for DTZ Debenham Tie Leung Limited, Chartered Surveyors, acting in the capacity of external valuers.

All properties were valued on the basis of fair value and highest and best use in accordance with the RICS Valuation - Professional Standards 2014 and IFRS 13. When considering the highest and best use a valuer considers its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer considers the use a market participant would have in mind when formulating the price it would bid and reflects the cost and likelihood of achieving that use.

Investment properties include freehold properties valued at £2,789.1 million, and leasehold properties valued at £245.2 million.

The Group's investment properties are reported under IFRS 13 'Fair value measurement' which uses the following hierarchy to determine the valuation basis of assets or liabilities:

Hierarchy	Description
Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). Discounted cash flows are used to determine fair values of these instruments.

The fair value of the Group's investment properties has primarily been determined using a Market Approach, which provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. There are a number of assumptions that are made in deriving the fair value, including equivalent yields and ERVs. Equivalent yields are based on current market prices, depending on, inter alia, the location and use of the property. ERVs are calculated using a number of factors which include current rental income, market comparatives, occupancy and timing of rent reviews. Whilst there is market evidence for these inputs, and recent transaction prices for similar properties, there is still a significant element of estimation and judgement. As a result of adjustments made to market observable data, these significant inputs are deemed unobservable.

The Group considers all of its investment properties to fall within Level 3. The Group's policy is to recognise transfers between fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There have been no transfers during the period (31.3.2015: none; 30.9.2015: none).

The key assumptions made by the valuers are set out in the Basis of Valuation on page 17. The Group's acquisition and capital expenditure activity is discussed on pages 9 to 10.

As noted in the critical judgements, assumptions and estimates section of note 1 on page 24, the valuation of the Group's property portfolio is inherently subjective. As a result, the valuations the Group places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market.

These key unobservable inputs are inter-dependent. All other factors being equal, a higher equivalent yield would lead to a decrease in the valuation of a property, and an increase in the ERV would increase the capital value, and vice versa.

At 31 March 2016, the Group had capital commitments of £13.9 million (31.3.2015: £9.7 million; 30.9.2015: £16.4 million).

11. ACCRUED INCOME

	31.3.2016 £m	31.3.2015 £m	30.9.2015 £m
Accrued income in respect of lease incentives recognised to date	**12.1**	10.1	11.5
Less: included in trade and other receivables (note 13)	**(2.2)**	(1.9)	(2.0)
	9.9	8.2	9.5

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

12. INVESTMENT IN JOINT VENTURE

	31.3.2016 £m	31.3.2015 £m	30.9.2015 £m
At beginning of period	**129.6**	101.5	101.5
Share of profits	**14.9**	17.5	29.7
Dividends received	**(1.1)**	(0.8)	(1.6)
Book value at end of period	**143.4**	118.2	129.6

The summarised Statement of Comprehensive Income and Balance Sheet are presented below:

	Six months ended 31.3.2016 £m	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Statement of Comprehensive Income			
Rents receivable (adjusted for lease incentives)	**7.2**	6.6	13.4
Recoverable property expenses	**0.7**	0.8	1.6
Revenue	**7.9**	7.4	15.0
Property outgoings	**(0.9)**	(0.8)	(1.6)
Recoverable property expenses	**(0.7)**	(0.8)	(1.6)
Property charges	**(1.6)**	(1.6)	(3.2)
Net property income	**6.3**	5.8	11.8
Administrative expenses	**(0.3)**	(0.4)	(0.6)
Operating profit before investment property valuation movements	**6.0**	5.4	11.2
Net surplus on revaluation of investment properties	**20.7**	41.4	69.2
Operating profit	**26.7**	46.8	80.4
Net finance costs	**(3.3)**	(3.2)	(6.6)
Profit before tax	**23.4**	43.6	73.8
Tax credit/(charge) for the period	**6.4**	(8.6)	(14.4)
Profit and total comprehensive income for the period	**29.8**	35.0	59.4
Profit attributable to the Group	**14.9**	17.5	29.7

	31.3.2016 £m	As restated 31.3.2015 £m	As restated 30.9.2015 £m
Balance Sheet			
Non-current assets			
Investment properties at book value	**452.1**	401.6	430.0
Accrued income	**4.2**	4.8	4.4
Other receivables	**1.3**	1.3	1.3
	457.6	407.7	435.7
Cash and cash equivalents	**4.0**	3.9	4.6
Current assets	**2.6**	3.4	3.5
Total assets	**464.2**	415.0	443.8
Current liabilities	**9.3**	9.2	9.8
Non-current liabilities			
Secured term loan	**120.0**	120.0	120.0
Other non-current liabilities	**48.1**	49.4	54.8
Total liabilities	**177.4**	178.6	184.6
Net assets	**286.8**	236.4	259.2
Net assets attributable to the Group	**143.4**	118.2	129.6

Amounts totalling £1.3 million, in respect of cash held on deposit, have been reclassified from cash and cash equivalents to other receivables at 31 March 2015 and 30 September 2015. This presentational change does not impact earnings nor net assets.

13. TRADE AND OTHER RECEIVABLES

	31.3.2016 £m	31.3.2015 £m	30.9.2015 £m
Amounts due from tenants	**11.8**	8.3	11.3
Provision for doubtful debts	**(0.5)**	(0.4)	(0.6)
	11.3	7.9	10.7
Accrued income in respect of lease incentives (note 11)	**2.2**	1.9	2.0
Amounts due from joint venture (note 21)	**0.9**	1.4	1.4
Other receivables and prepayments	**4.6**	6.8	7.6
	19.0	18.0	21.7

At 31 March 2016, cash deposits totalling £17.7 million were held against tenants' rent payment obligations (31.3.2015: £15.5 million; 30.9.2015: £17.4 million). The deposits are held in bank accounts administered by the Group's managing agents.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 March 2016 were £7.2 million (31.3.2015: £5.7 million; 30.9.2015: £7.7 million).

Other receivables of £3.7 million at 31 March 2016 (31.3.2015: £2.5 million; 30.9.2015: £3.7 million) relates to cash held on deposit, which has certain conditions restricting its use. Holding cash in restricted accounts does not prevent the Group from earning returns by placing these monies in interest bearing accounts or on deposit. The comparative information has been restated to reclassify cash and cash equivalents totalling £2.5 million at 31 March 2015 to other receivables. This presentational change does not impact earnings nor net assets.

15. TRADE AND OTHER PAYABLES

	31.3.2016 £m	31.3.2015 £m	30.9.2015 £m
Rents and service charges invoiced in advance	**20.8**	19.4	20.7
Amounts due in respect of property acquisitions	**-**	2.0	-
Trade payables and accruals in respect of capital expenditure	**3.6**	2.4	1.9
Other payables and accruals	**14.4**	12.8	14.2
	38.8	36.6	36.8

16. BORROWINGS

	Nominal value £m	**Unamortised premium and issue costs £m**	**31.3.2016 £m**	31.3.2015 £m	30.9.2015 £m
Debenture stock	**61.0**	**2.1**	**63.1**	63.2	63.2
Secured bank loans	**248.6**	**(2.0)**	**246.6**	297.8	197.4
Secured term loans	**384.8**	**(4.9)**	**379.9**	261.1	379.7
Total borrowings	**694.4**	**(4.8)**	**689.6**	622.1	640.3

NET DEBT

	31.3.2016 £m	As restated 31.3.2015 £m	30.9.2015 £m
Nominal value of drawn borrowings	**703.3**	633.2	652.8
Cash balances set-off against certain borrowings	**(8.9)**	(7.0)	(7.3)
	694.4	626.2	645.5
Cash and cash equivalents (note 14)	**(7.2)**	(5.7)	(7.7)
	687.2	620.5	637.8

See note 14 for details on the restatement of cash and cash equivalents at 31 March 2015.

AVAILABILITY AND MATURITY OF BORROWINGS

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

	Facilities	
	Committed £m	**Undrawn £m**
Repayable between 1 and 2 years	**-**	**-**
Repayable between 2 and 5 years	**350.0**	**101.4**
Repayable between 5 and 10 years	**61.0**	**-**
Repayable between 10 and 20 years	**384.8**	**-**
At 31 March 2016	**795.8**	**101.4**
At 31 March 2015	725.8	99.6
At 30 September 2015	795.8	150.3

MOVEMENT IN BORROWINGS

	1.10.2015 £m	Cash flows £m	Non-cash items £m	31.3.2016 £m
Debenture Stock	**(63.2)**	**-**	**0.1**	**(63.1)**
Secured bank loans	**(199.7)**	**(48.9)**	**-**	**(248.6)**
Secured term loans	**(384.8)**	**-**	**-**	**(384.8)**
Facility arrangement costs	**7.4**	**-**	**(0.5)**	**6.9**
Six months ended 31 March 2016	**(640.3)**	**(48.9)**	**(0.4)**	**(689.6)**
Six months ended 31 March 2015	(553.7)	(68.4)	-	(622.1)
Year ended 30 September 2015	(553.7)	(85.7)	(0.9)	(640.3)

INTEREST RATE PROFILE OF INTEREST BEARING BORROWINGS

		31.3.2016		31.3.2015		30.9.2015
	Debt £m	**Weighted average interest rate**	Debt £m	Weighted average interest rate	Debt £m	Weighted average interest rate
Floating-rate borrowings						
LIBOR-linked loans (including margin)	**68.6**	**1.88%**	120.4	1.88%	19.7	1.75%
Hedged borrowings						
Interest rate swaps (including margin)	**180.0**	**6.13%**	180.0	6.16%	180.0	6.01%
Total bank borrowings	**248.6**	**4.96%**	300.4	4.44%	199.7	5.59%
Fixed rate borrowings						
Secured term loans	**384.8**	**3.85%**	264.8	3.85%	384.8	3.85%
8.5% First Mortgage Debenture Stock – book value	**63.1**	**7.93%**	63.2	7.93%	63.2	7.93%
Weighted average cost of drawn borrowings		**4.61%**		4.54%		4.78%

The Group also incurs non-utilisation fees on undrawn facilities. At 31 March 2016, the weighted average charge on the undrawn facilities of £101.4 million (31.3.2015: £99.6 million; 30.9.2015: £150.3 million) was 0.69% (31.3.2015: 0.55%; 30.9.2015: 0.70%).

The Group has in place interest rate swaps to hedge £180.0 million of floating rate bank debt, at fixed rates in the range of 4.64% to 5.16%, with a weighted average rate of 4.85%. The swaps, which settle against three month LIBOR, expire between August 2028 and November 2038. If mutual break or early termination options were exercised the weighted average term would be 3.6 years (31.3.2015: 4.6 years; 30.9.2015: 4.1 years).

Details of the Group's current financial position are discussed on pages 15 to 16.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

	31.3.2016 £m	31.3.2015 £m	30.9.2015 £m
Interest rate swaps			
At beginning of period	**(79.2)**	(78.8)	(78.8)
Swap contracts terminated	**-**	28.1	28.1
Fair value deficit charged to the Group Statement of Comprehensive Income	**(12.1)**	(37.5)	(28.5)
At end of period	**(91.3)**	(88.2)	(79.2)

Interest rate hedging in place at 31 March 2016

Changes in the fair value of the Group's interest rate swaps, which are not held for speculative purposes, are reflected in the Statement of Comprehensive Income as the Group has chosen not to adopt hedge accounting under the provisions of IAS 39 (Financial Instruments: Recognition and Measurement).

The fair value of the Group's interest rate swaps has been estimated using the mid-point of the relevant yield curve prevailing at the reporting date, and represents the net present value of the differences between the contractual rate and the valuation rate through to the contracted expiry date of the swap contract. The valuation technique falls within Level 2 of the fair value hierarchy (see note 10 for definition). The swaps are valued by J.C Rathbone Associates Limited.

Interest rate swaps are the only financial instruments which are held at fair value. There have been no transfers between hierarchy levels during the period (31.3.2015: none; 30.9.2015: none).

8.5% Mortgage Debenture Stock 2024 and secured term loans
The 8.5% Mortgage Debenture Stock 2024 and the Group's secured term loans are held at amortised cost in the Balance Sheet. The fair value of the liability in excess of book value which is not recognised in the reported results for the period is £31.7 million (31.3.2015: £40.8 million; 30.9.2015: £39.1 million). The fair values have been calculated based on a discounted cash flow model using the relevant reference gilt and appropriate market spread. The valuation technique falls within Level 2 of the fair value hierarchy (see note 10 for definition).

Other financial instruments
The fair values of the Group's cash and cash equivalents, and those financial instruments included within trade and other receivables, interest bearing borrowings (other than the 8.5% Mortgage Debenture Stock 2024 and its secured term loans), and trade and other payables are not materially different from the values at which they are carried in the financial statements.

18. SHARE CAPITAL

During the period, 359,956 ordinary 25p shares were issued in connection with the exercise of nil cost options granted under the 2006 LTIP.

19. NET ASSET VALUE PER SHARE

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

	31.3.2016 Net assets		31.3.2015 Net assets		30.9.2015 Net assets	
		Per share		Per share		Per share
	£m	**£**	£m	£	£m	£
Basic	**2,387.1**	**8.57**	2,056.1	7.39	2,325.4	8.36
Additional equity if all vested share options are exercised	**0.4**		0.4		0.4	
Diluted	**2,387.5**	**8.53**	2,056.5	7.36	2,325.8	8.32
Fair value deficit in respect of Debenture and secured term loans	**(31.7)**	**(0.11)**	(40.8)	(0.15)	(39.1)	(0.14)
EPRA triple net	**2,355.8**	**8.42**	2,015.7	7.21	2,286.7	8.18
Fair value deficit in respect of Debenture and secured term loans	**31.7**	**0.11**	40.8	0.15	39.1	0.14
Fair value of derivative financial instruments	**91.3**	**0.33**	88.2	0.32	79.2	0.29
Deferred tax on property valuations and capital allowances - joint venture	**19.1**	**0.07**	19.8	0.07	22.6	0.08
EPRA	**2,497.9**	**8.93**	2,164.5	7.75	2,427.6	8.69
Ordinary shares in issue (million)		**278.5**		278.2		278.2
Diluted ordinary shares in issue (million)		**279.7**		279.3		279.4

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

20. CASH FLOWS FROM OPERATING ACTIVITIES

	Six months ended 31.3.2016 £m	Six months ended 31.3.2015 £m	Year ended 30.9.2015 £m
Operating activities			
Profit before tax	**80.1**	180.2	467.3
Adjusted for:			
Lease incentives recognised	**(0.6)**	(1.0)	(2.4)
Charge for share based remuneration (note 5)	**1.2**	1.1	2.3
Depreciation	**0.2**	0.2	0.4
Net surplus on revaluation of investment properties (note 10)	**(58.2)**	(183.2)	(432.0)
Net finance costs	**28.7**	52.7	59.2
Share of profit from joint venture	**(14.9)**	(17.5)	(29.7)
Cash flows from operations before changes in working capital	**36.5**	32.5	65.1
Changes in working capital:			
Change in trade and other receivables	**2.3**	3.3	(0.5)
Change in trade and other payables	**0.1**	(1.0)	2.8
Cash generated from operating activities	**38.9**	34.8	67.4

21. RELATED PARTY TRANSACTIONS

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

Transactions and balances between the Company and its joint venture, which have not been eliminated on consolidation are summarised below:

	31.3.2016 £m	31.3.2015 £m	30.9.2015 £m
Transactions with joint venture:			
Administrative fees receivable	**0.2**	0.2	0.4
Dividends receivable	**1.1**	0.8	1.6
Interest receivable	**-**	-	0.1
Amount due from joint venture	**0.9**	1.4	1.4

Responsibility Statement

The directors confirm that the condensed consolidated half year financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and that the half year management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- important events that have occurred during the first six months and their impact on the condensed set of half year financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and a fair review of any material changes in the related party transactions described in the last Annual Report.

The maintenance and integrity of the Shaftesbury website is the responsibility of the directors. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

The directors of Shaftesbury PLC are listed in its Annual Report for the year ended 30 September 2015.

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

On behalf of the Board

Brian Bickell
Chief Executive

Chris Ward
Finance Director

24 May 2016

Independent Review Report to Shaftesbury PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2016 which comprises the Unaudited Group Statement of Comprehensive Income, the Unaudited Group Balance Sheet, the Unaudited Group Cash Flow Statement, the Unaudited Group Statement of Changes in Equity and the related notes to the financial statements 1 to 21. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

London

24 May 2016

Shareholder Information

Registrar

Equiniti Limited maintains the Group's Register or Members. They may be contacted at:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex, BN99 6DA

Telephone 0871 384 2294 (International +44 121 415 7047). Calls to this number are charged at 8p per minute from a BT landline plus network extras. Lines open 8.30am to 5.30pm, Monday to Friday.

Shareholder accounts may be accessed online through www.shareview.co.uk. This gives secure access to account information instructions. There is also a Shareview dealing service which is a simple and convenient way to buy or sell shares in the Group.

Effect of REIT status on payment of dividends

As a REIT, we do not pay UK corporation tax in respect of rental profits and chargeable gains relating to our property rental business. However, we are required to distribute at least 90% of the qualifying income (broadly calculated using the UK tax rules) as a PID.

Certain categories of shareholder may be able to receive the PID element of their dividends gross, without deduction of withholding tax. Categories which may claim this exemption include: UK companies, charities, local authorities, UK pension schemes and managers of PEPs, ISAs and Child Trust Funds.

Further information and the forms for completion to apply for PIDs to be paid gross are available on the Group's website or from the registrar. The deadline for completed forms to be with the registrar for payment of the 2016 interim dividend is 10 June 2016.

Where the Group pays an ordinary dividend, in addition to the PID, this will be treated in the same way as dividends from non-REIT companies.

Details of the interim dividend are set out on page 14.

Corporate Timetable

Financial Calendar

Trading Statement (second half)	September 2016
Annual Results	November 2016
Annual General Meeting	February 2017

Dividends and Debenture interest

Proposed 2016 interim dividend:

Ex-dividend	9 June 2016
Record date	10 June 2016
Payment date	1 July 2016
Debenture stock interest	30 September 2016

Glossary of terms

Capital value return
The valuation movement and realised surpluses or deficits arising from the Group's investment portfolio expressed as a percentage return on the valuation at the beginning of the period adjusted for acquisitions and capital expenditure.

Compound Annual Growth Rate (CAGR)
The year-on-year growth rate of an investment over a specified period of time.

EPRA adjustments
Standard adjustments to calculate EPS and NAV as set out by EPRA in its Best Practice and Policy Recommendations.

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

EPRA NAV
EPRA NAV aims to provide a consistent long-term performance measure, by adjusting reported net assets for items that are not expected to crystallise in normal circumstances, such as the fair value of derivative financial instruments and deferred tax on property valuation surpluses. EPRA NAV includes the potentially dilutive effect of outstanding options granted over ordinary shares.

EPRA net assets
Net assets used in the EPRA NAV calculation, including additional equity if all vested share options were exercised.

EPRA triple net asset value
EPRA NAV incorporating the fair value of debt which is not included in the reported net assets.

EPRA vacancy
The rental value of vacant property available expressed as a percentage of ERV of the total portfolio.

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

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

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

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

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

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

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

Loan-to-value
Nominal value of borrowings expressed as a percentage of the fair value of property assets.

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

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

Net asset value return
The change in EPRA NAV per ordinary share plus dividends paid per ordinary share expressed as a percentage of the EPRA NAV per share at the beginning of the period.

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

Real Estate Investment Trust (REIT)
A REIT is a tax designation for an entity or group investing in real estate that reduces or eliminates corporation tax on rental profits and chargeable gains relating to the rental business, providing certain criteria obligations set out in tax legislation are met.

Topped-up initial yield
An adjusted initial yield which assumes rent free periods or other unexpired lease incentives, such as discounted rent periods and step ups, have expired.

Total property return
Net property income and the valuation movement and realised surpluses or deficits arising from the portfolio for the year expressed as a percentage return on the valuation at the beginning of the period adjusted for acquisitions and capital expenditure.

Total Shareholder Return (TSR)
The change in the market price of an ordinary share plus dividends reinvested expressed as a percentage of the share price at the beginning of the period.