



Shaftesbury

Investor and Analyst Presentation
Year ended 30 September 2016



AGENDA

INTRODUCTION

Brian Bickell

RESULTS AND FINANCE

Chris Ward

OPERATIONAL REVIEW

Brian Bickell

SUMMARY AND OUTLOOK

Brian Bickell

Q&A

Brian Bickell
Chris Ward
Simon Quayle
Tom Welton

Email address for audio participants' questions: brian.bickell@shaftesbury.co.uk

Note: All data refers to the wholly-owned portfolio unless otherwise stated

Exceptional portfolio in the heart of London's West End

- Global destination attracting high volumes of footfall and spending
- Record of long-term prosperity, economic resilience and growth
- Broad-based local economy, not solely reliant on the fortunes of the UK
- Focused on restaurants, leisure and retail (70% of annualised current income)



Delivering our strategy

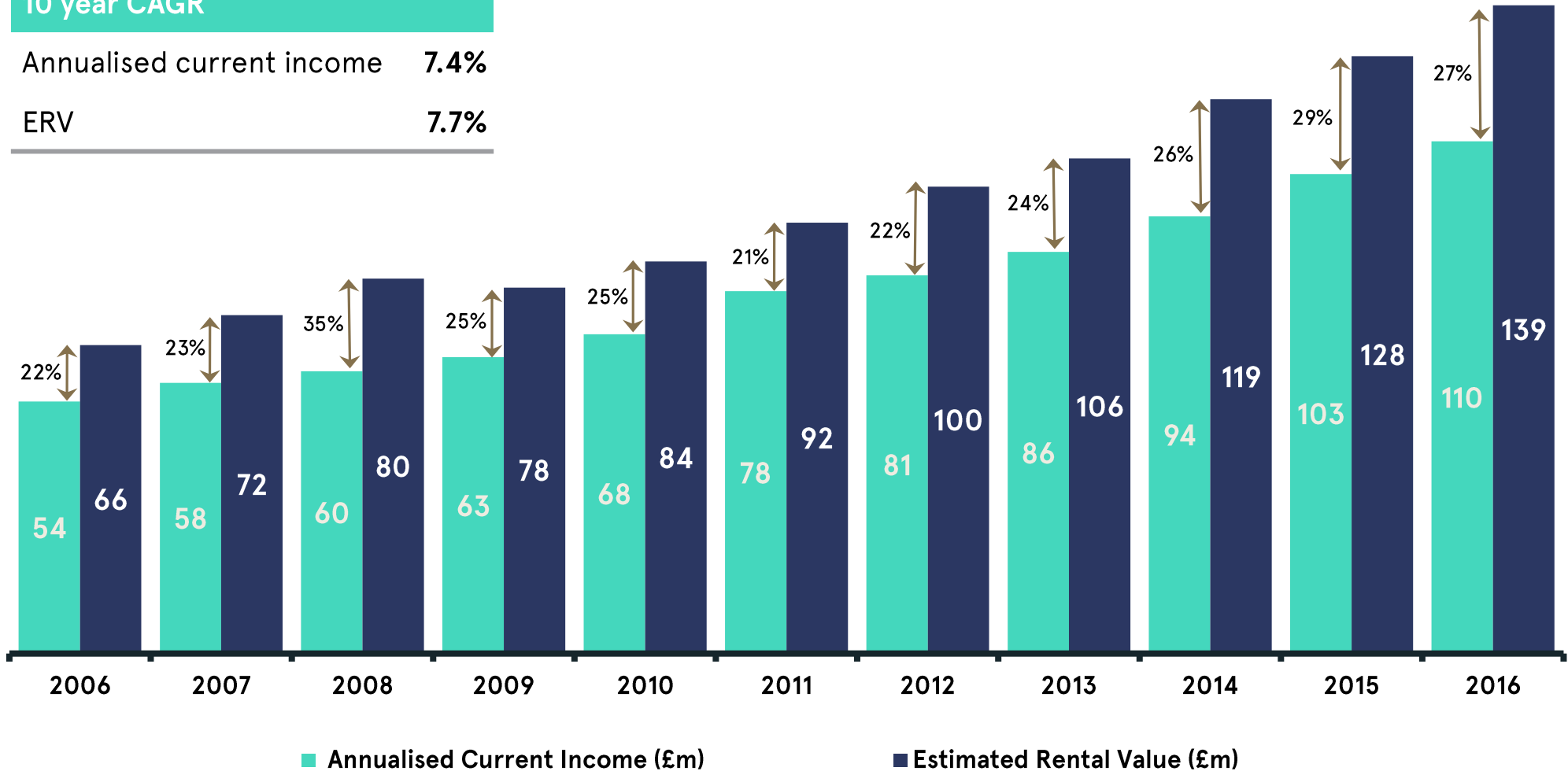


Resilient, long-term growth in rents¹

10 year CAGR^{1,2}

Annualised current income **7.4%**

ERV **7.7%**



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

Rental growth drives total shareholder returns

Growing contracted income and potential future income



Growth in earnings and dividends



Long-term growth in portfolio value and total shareholder returns



CHRIS WARD RESULTS AND FINANCE

Headlines

Growth in value, earnings and dividends

	Underlying	After refinancing costs ² and SDLT increase ³
Portfolio value growth ¹	+4.9%	+4.0%
EPRA NAV: £8.88 (2015: £8.69)	+6.1%	+2.2%
NAV return before dividends	+7.7%	+3.8%

	2016	2015	Change
EPRA EPS	14.0p	13.0p	+7.7%
Adjusted EPRA EPS ⁴	14.7p	13.9p	+5.7%
Dividend	14.7p	13.75p	+6.9%

1. Like-for-like capital value growth

2. Debenture refinancing and swap cancellations reduce NAV by 24p per share

3. SDLT increase reduces EPRA NAV by 10p per share

4. EPRA EPS adjusted for non-cash accounting charge for equity-settled remuneration

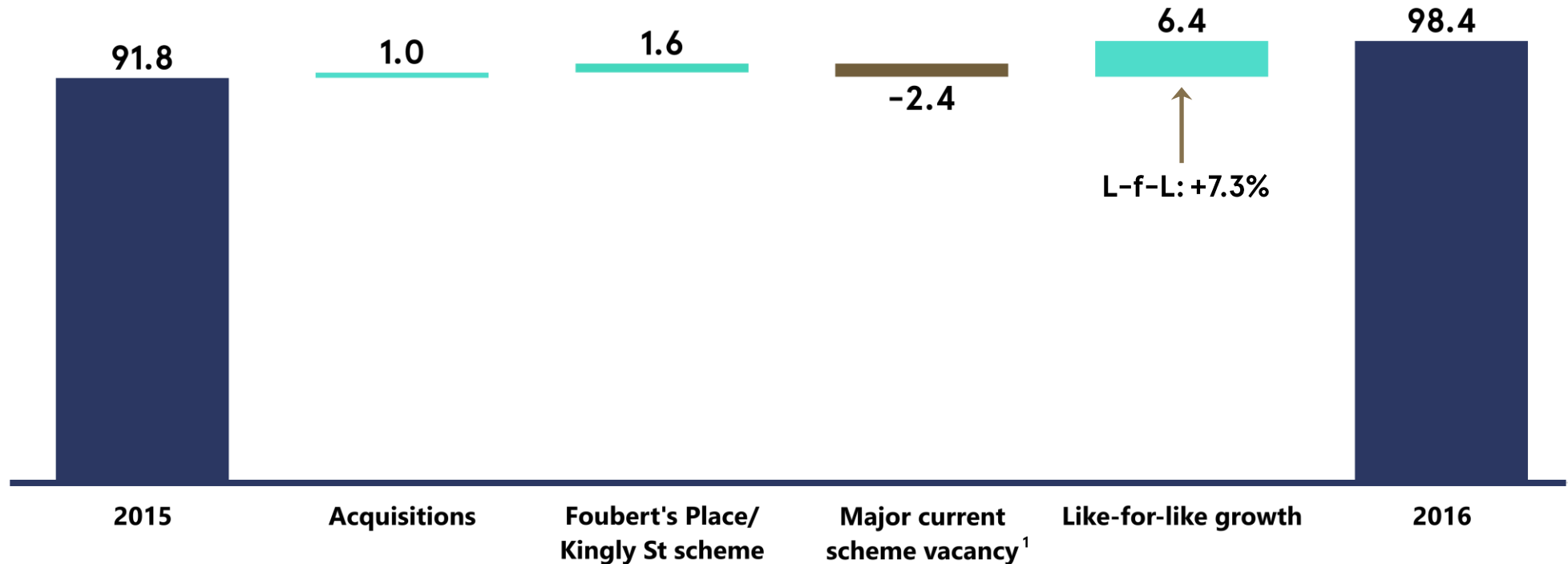
Rents receivable

Strong like-for-like growth

RENTS RECEIVABLE
£98.4m
 +7.2%

L-F-L GROWTH
7.3%

Rents receivable (£m)



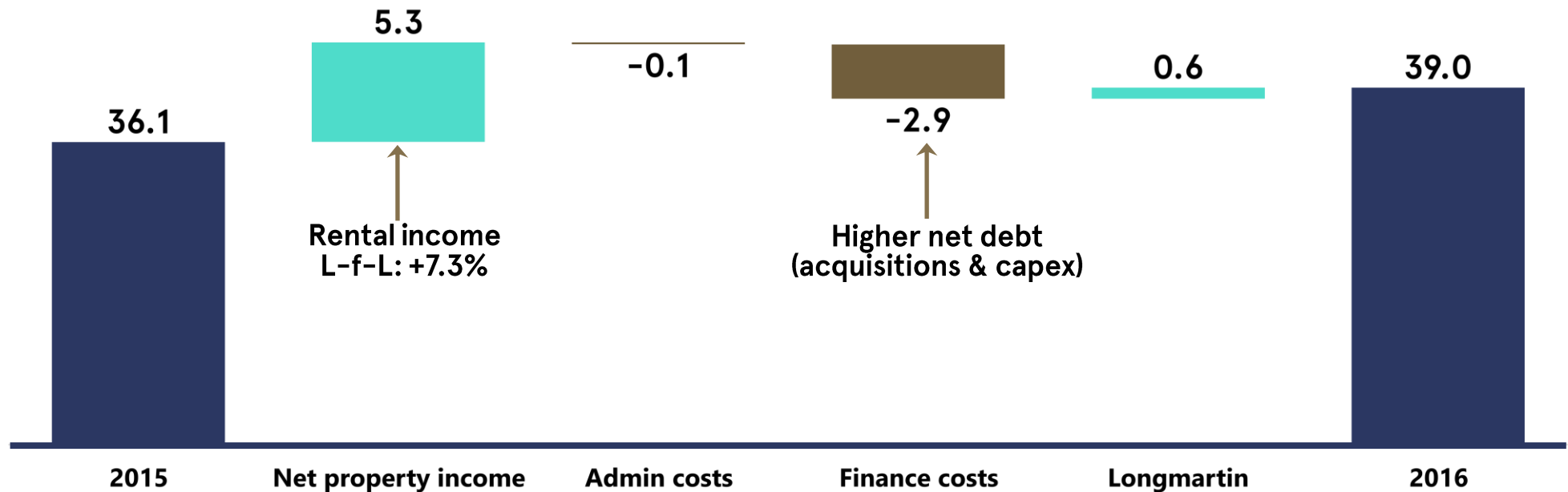
1. Charing Cross Road/Chinatown, Thomas Neal's Warehouse, Seven Dials and 57 Broadwick Street, Carnaby

Earnings

Increase driven by growth in income

NET PROPERTY INCOME	EPRA EARNINGS	EPRA EPS	TOTAL DIVIDEND
£84.1m	£39.0m	14.0p	14.7p
+6.7%	+8.0%	+7.7%	+6.9%

EPRA earnings (£m)



Rental growth

Continuing good demand for all uses

COMMERCIAL LETTINGS & REVIEWS

£21.6m

+7.7% (vs 9/15 ERV)

AVAILABLE-TO-LET

£0.6m

0.5% of ERV

UNDER OFFER

£1.4m

1.1% of ERV

- Sustained tenant demand for all uses
- £27.8m leasing and rent review transactions (2015: £27.3m)
 - Commercial: £21.6m (2015: +7.7%)
 - Residential: £6.2m
- EPRA vacancy 1.6% (2015: 1.6%)
 - 1.1% under offer at 30.9.16
- Space continues to let quickly (average: 1.2 months)

Reversionary potential

Capturing the reversion and proving new rental tones

ANNUALISED CURRENT INCOME¹

£109.6m
+6.2%²

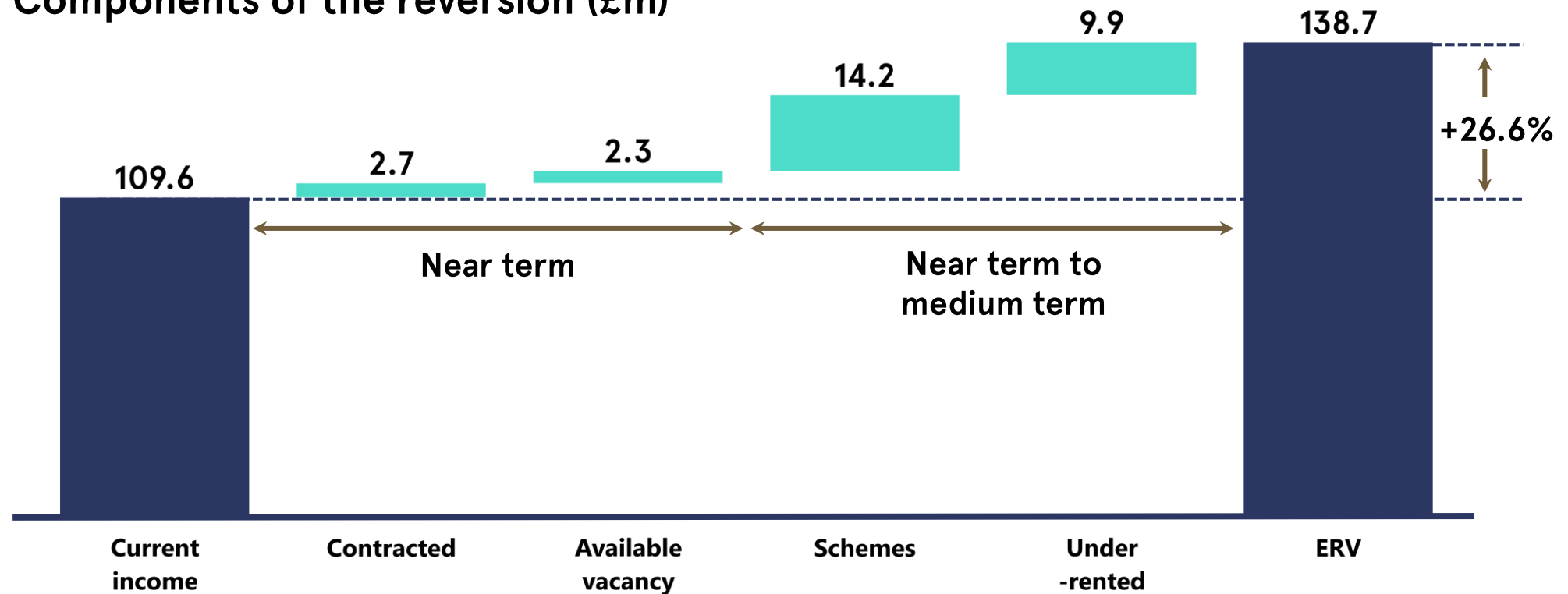
ERV¹

£138.7m
+5.7%²

PORTFOLIO REVERSION¹

£29.1m

Components of the reversion (£m)



1. Including our 50% share of Longmartin

2. Like-for-like, excluding acquisitions and impact of major schemes

Valuation

Capital growth driven by growth in rents and ERV

PORTFOLIO VALUATION¹

£3.35bn

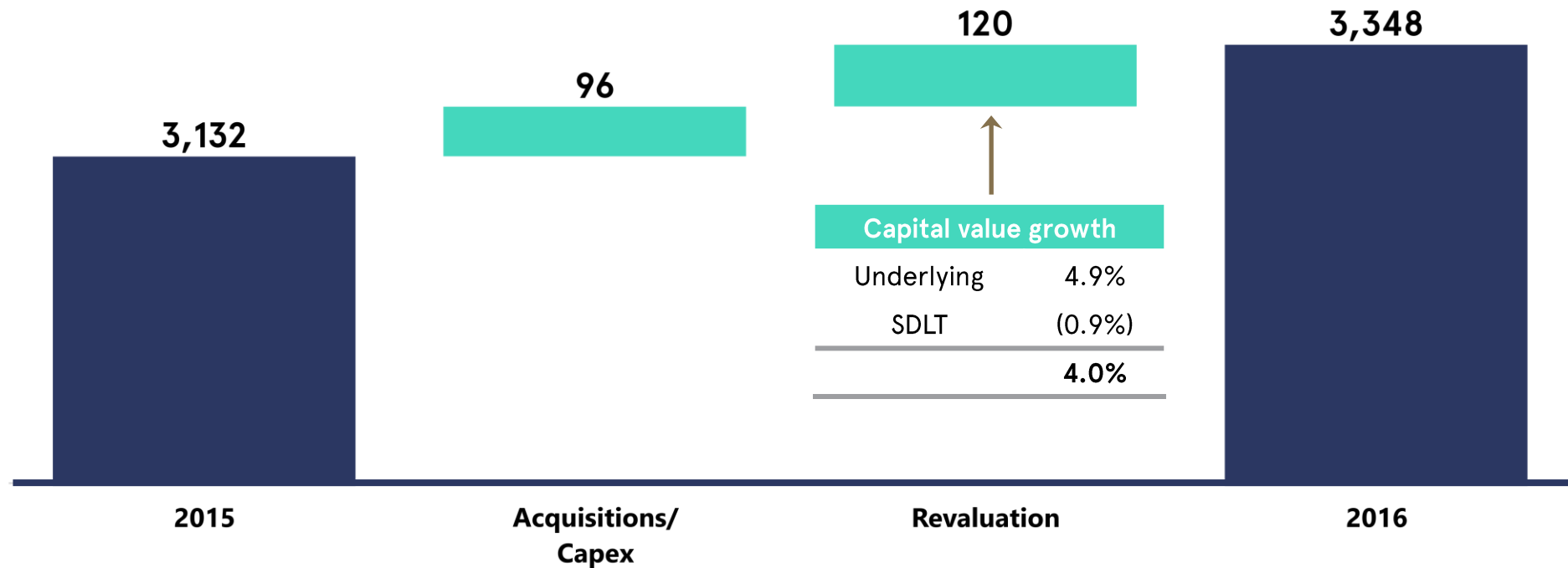
ACQUISITIONS/CAPEX¹

£96.3m

UNDERLYING CAPITAL VALUE GROWTH²

+4.9%

Portfolio valuation (£m)



1. Including our 50% share of Longmartin

2. Like-for-like and before SDLT increase

Valuation

Impossible-to-replicate portfolio

WHOLLY-OWNED EQUIVALENT YIELD

3.57%
(9/15: 3.61%)

LONGMARTIN EQUIVALENT YIELD

3.79%
(9/15: 3.75%)

- Continuing strong investor demand; low interest rate environment
- Owners reluctant to sell properties we seek in our locations
- ERV based on today's established rental tones
- Predominance of restaurant, leisure and retail uses
- Valued in parts, not its entirety

Net asset value

Growth driven by valuation surplus

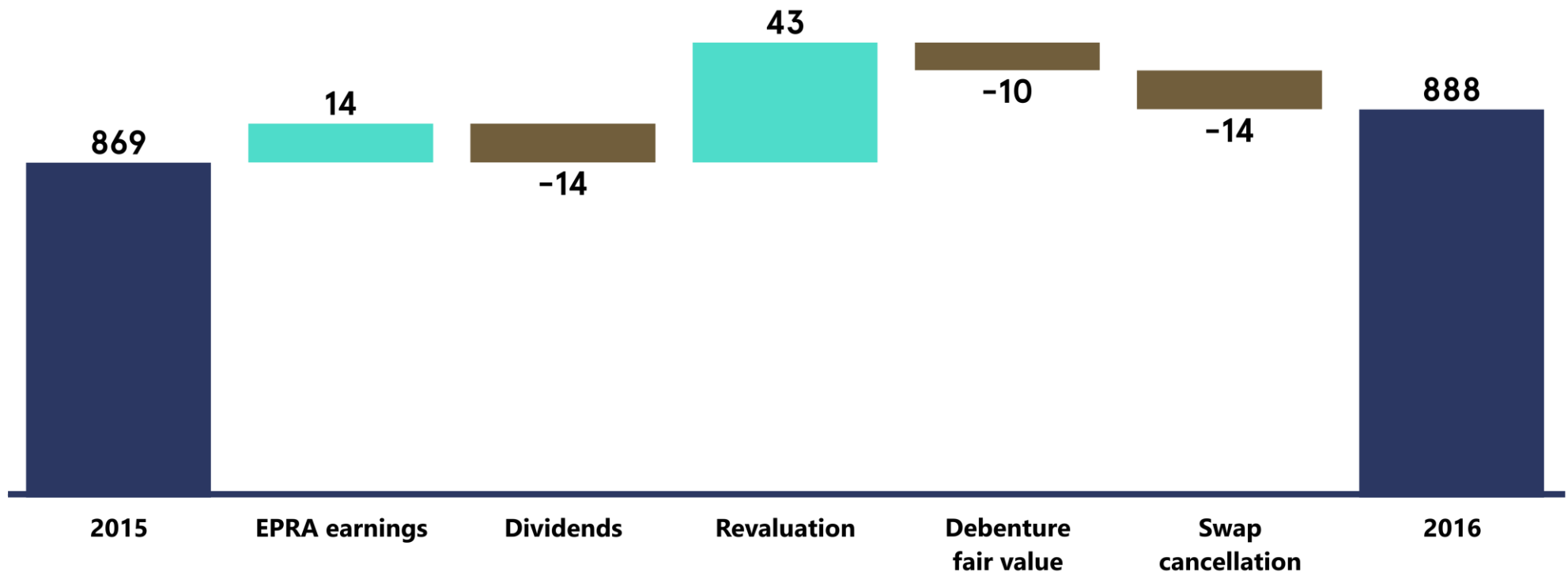
EPRA NAV PER SHARE

+2.2%

NAV RETURN

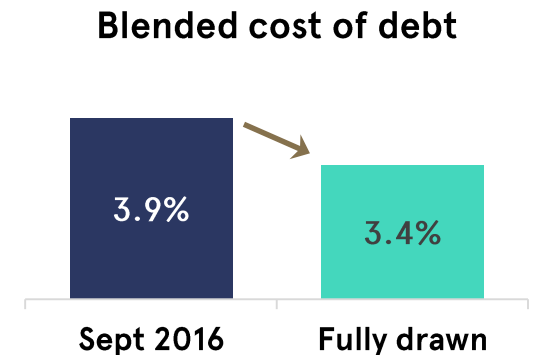
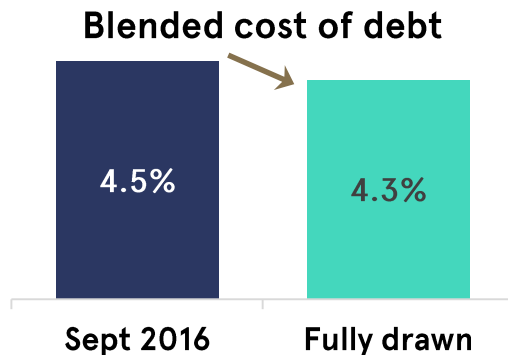
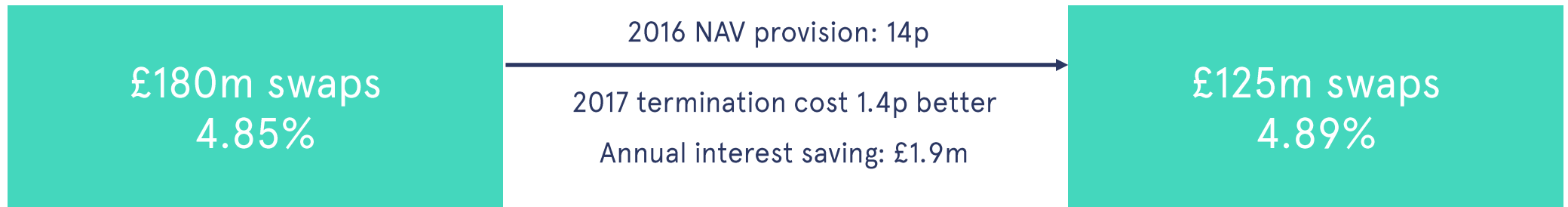
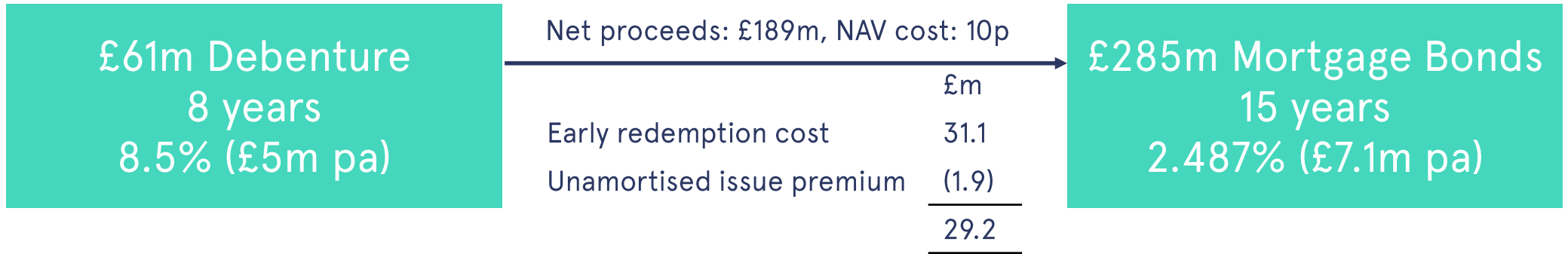
+3.8%

EPRA NAV (pence per share)



Refinancing

Additional resources, lower cost of debt



Debt summary

Reduced cost of debt

COMMITTED UNDRAWN FACILITIES¹

£214.6m

LOAN-TO-VALUE^{1,2}

25.8%

MARGINAL COST OF UNDRAWN FACILITIES

1.2%

DEBT SUMMARY ²	Pro-forma ¹	2015
Total facilities	£1,079.8m	£855.8m
Undrawn committed facilities	£214.6m	£150.3m
LTV	25.8%	22.5%
Gearing	34.9%	29.1%
Weighted average cost ³	3.9%	4.9%
Weighted average maturity	10.8 years	10.2 years
% debt fixed	99%	97%

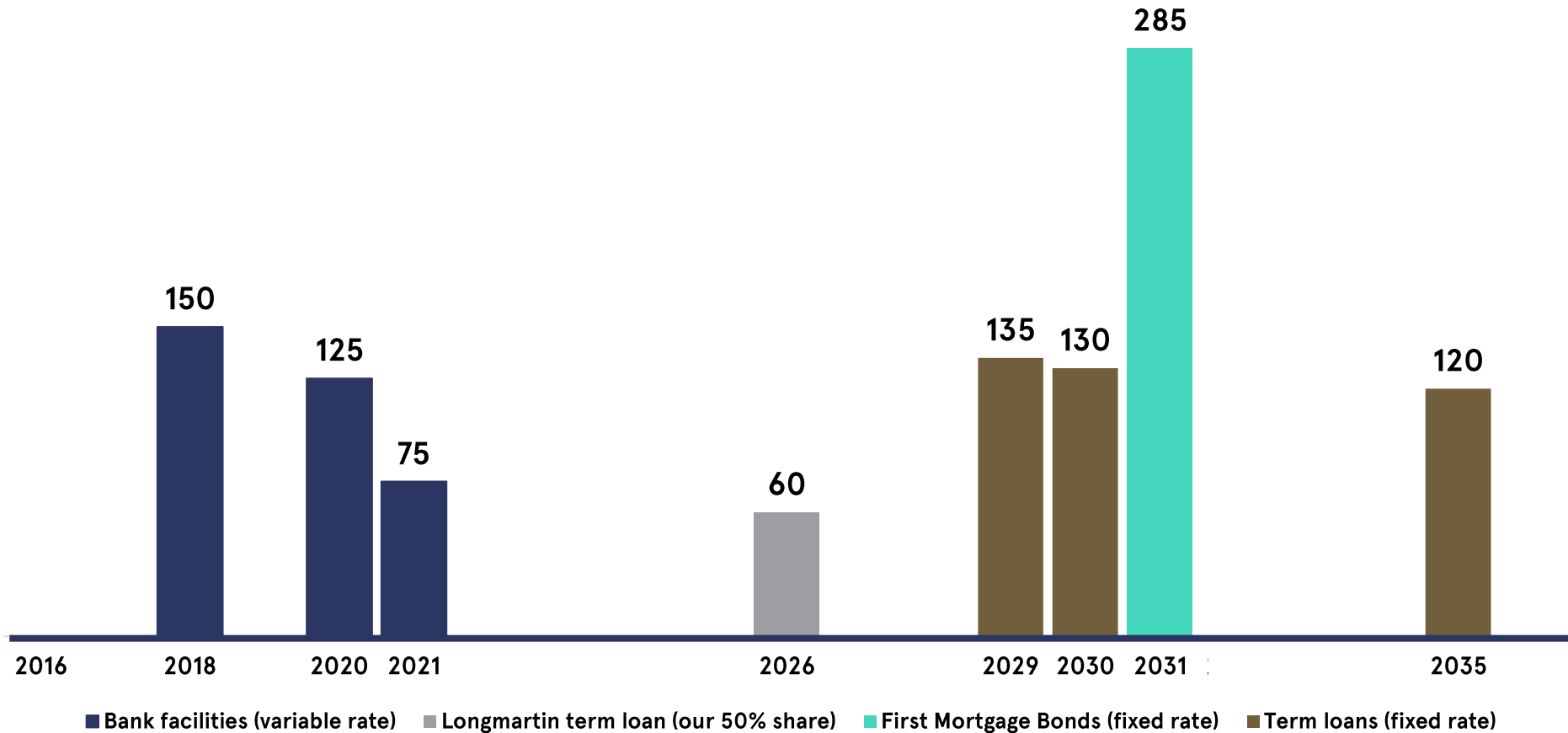
1. Pro-forma for debenture refinancing and swap cancellations

2. Including our 50% share of Longmartin debt

3. Including non-utilisation fees on undrawn bank facilities

Debt maturity profile

Weighted average maturity: 10.8 years^{1,2}



1. Pro-forma for debenture refinancing and swap cancellations
 2. Including our 50% share of Longmartin debt



BRIAN BICKELL

OPERATIONAL REVIEW

Resilient West End

- Global appeal of the West End
- Robust footfall and spending throughout the year
- Broad-based occupier demand across our ownerships
 - From domestic and non-UK businesses
 - For all uses
- No adverse impact since the EU referendum

Restaurants, cafés and leisure

Strong demand and limited availability of space

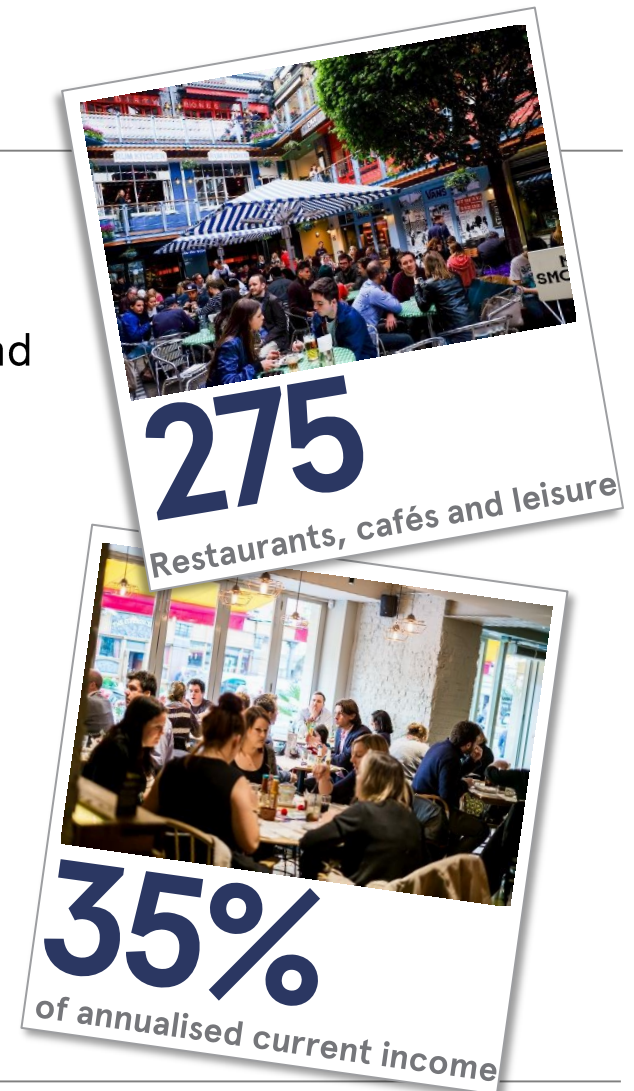
LETTINGS/RENEWALS/REVIEWS

£8.2m
19.4% of ERV¹

EPRA VACANCY

£0.4m
0.9% of ERV¹

- A key aspect of the “West End experience”
- Largest single provider of dining and leisure space in the West End
- Strong occupier demand continues
- Availability of space is restricted
- Newer leases on more favourable terms
- Identifying further opportunities to negotiate vacant possession



1. Restaurant, café and leisure ERV

A SELECTION OF NEW RESTAURANT, CAFÉ & LEISURE OPENINGS/LETTINGS IN THE YEAR



BREAD AHEAD



THE BARBARY



CHICK 'N' SOURS



ISLAND POKÉ



KILN



TWO



PILAU



POD



BUTIFARRA



TEMPER



26 GRAINS



CURE + CUT

Retail

Iconic retail destinations

LETTINGS/RENEWALS/REVIEWS

£10.3m

22.5% of ERV¹

EPRA VACANCY

£0.3m

0.7% of ERV¹

- Quality, variety and experience ever-more important
- Wide range of shop sizes and rental levels – important to village character and mix
- Demand in our iconic destinations from domestic and international retailers
- High footfall locations but rental tones competitive

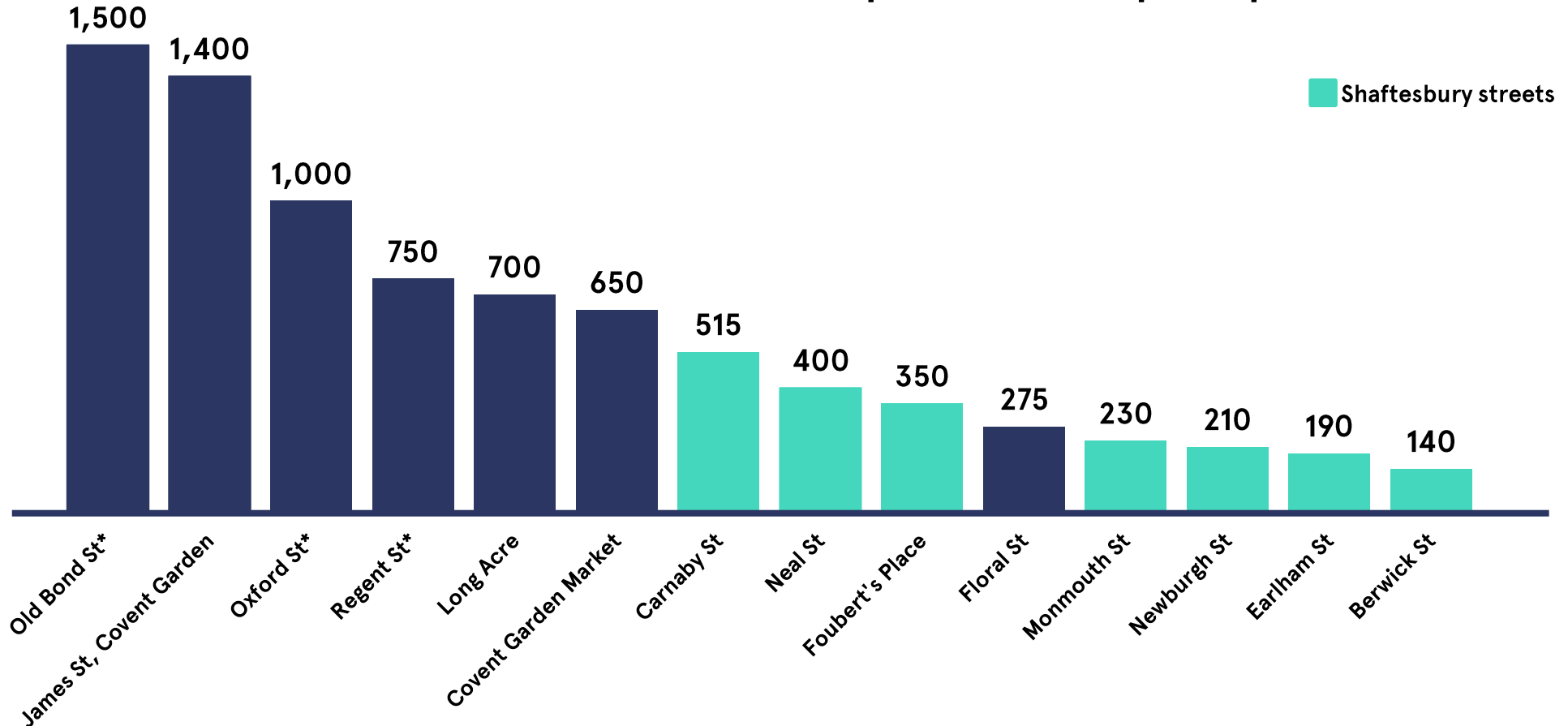


1. Retail ERV

Retail

Competitive rental levels compared to nearby streets

West End retail rental tones (prime zone A per sq. ft.)



Source: Cushman & Wakefield, published information and company data
Shaftesbury Zone As are "net effective"
* Based on 30 ft. zones

A SELECTION OF RETAIL LETTINGS/OPENINGS IN THE YEAR



DUKE + DEXTER



SUGAR SIN



BEAST



WAH LONDON



SCALPERS



NORTON



MACKINTOSH



URBAN DECAY



AXEL ARIGATO



LE LABO



G.H. BASS



ESTÉE EDIT

Offices

West End supply constraints for smaller space

LETTINGS/RENEWALS/REVIEWS

£3.1m
12.8% of ERV¹

EPRA VACANCY

£1.0m
4.1% of ERV¹

- Important provider of small offices
 - Average area: 1,440 sq. ft.
 - Average current rent: £51 psf (2015: £46 psf)
 - ERV: £61 psf (2015: £56 psf)
- Occupier demand remains strong, particularly from SME media, creative, fashion and tech sectors
- Loss of smaller office accommodation in West End in recent years



1. Office ERV

Residential

Reliable and growing source of income

LETTINGS/RENEWALS/REVIEWS

£6.2m
37.6% of ERV¹

EPRA VACANCY

£0.3m
1.8% of ERV¹

- Sustained demand to rent our mid-market unfurnished apartments
- Occupancy levels high
- Continue to upgrade and reconfigure existing apartments
- 56 apartments under construction or being upgraded at 30 September (ERV: £2.1m)



559
apartments



14%
of annualised current income

1. Residential ERV

Business rates revaluation

- Increases the levy on all business premises in London from next April
- Across our areas, we estimate increases in the range of 30% to 45%, depending on location
- We estimate this will increase tenants' occupancy cost ratios by c. 2-3%
 - “Bottom line” impact depends on individual tenants' turnover and margins
- Average increases across our streets less than nearby locations
 - Increasing the competitive advantage of our relatively modestly priced accommodation
- Transitional arrangements unchanged for premises with a rateable value below £100,000
- No discernable impact to date on occupier interest for any of our commercial uses

Schemes

Increasing income and unlocking value

SCHEMES IN THE YEAR ACROSS	CAPITAL EXPENDITURE	ERV UNDER DEVELOPMENT
249,000 sq. ft. 14% of floor space	£32.6m	£14.2m 11.0% ERV

- 202,000 sq. ft. of space held for, or under, refurbishment at 30 September
 - 101,200 sq. ft. for our 3 major schemes
 - 100,800 sq. ft. for 46 other projects
- 71 planning consents secured during the year
- Actively seeking to negotiate early vacant possession of under-rented/under-utilised space
- Crystallising and grow reversion
- Encourage and support improvements to the public realm

Major schemes

**Thomas Neal's
Warehouse,
Seven Dials**

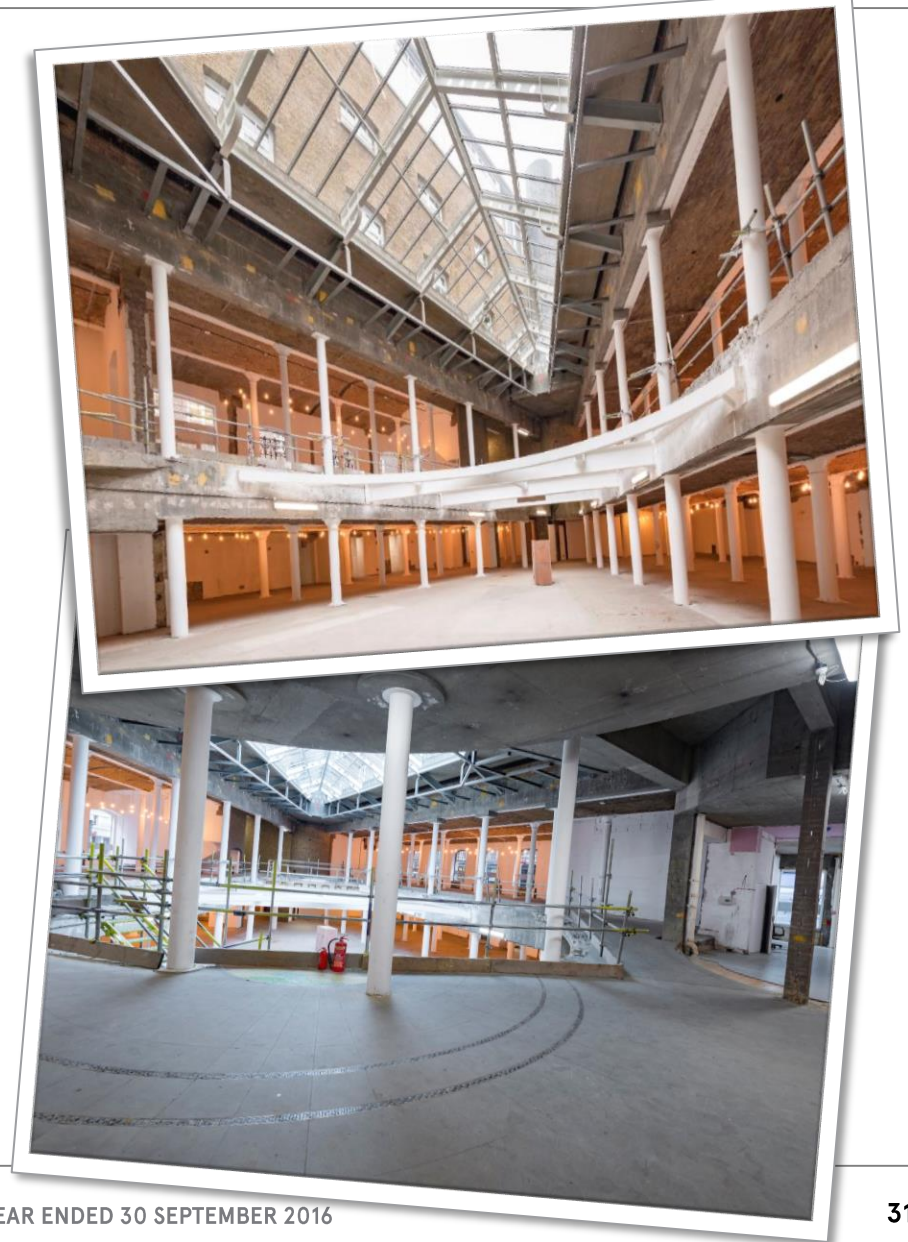
**Charing Cross Road/
Chinatown**

**57 Broadwick Street,
Carnaby**

- Each scheme well-positioned to benefit from expected change in footfall patterns post-Elizabeth Line opening
- Benefits to our nearby ownerships
- Careful selection of tenants
- Large spaces/high tenant investment will inevitably result in longer letting periods

Thomas Neal's Warehouse, Seven Dials

- Scheme completed in October 2016
- Estimated total cost including lost income: £3.2m
- 22,700 sq. ft. of retail space, including up to 3,000 sq. ft. of restaurant space
- Marketing underway, initial interest encouraging
- Together with Earlham Street upgrade in 2017, will further strengthen Seven Dials
- Well-located in relation to Tottenham Court Road transport hub and Soho



Charing Cross Road/Chinatown

- Scheme now passed the half-way point: estimated completion spring 2017
- The scheme will provide:
 - 35,000 sq. ft. of large, double-height retail space on Charing Cross Road (330 ft. frontage)
 - 13,500 sq. ft. of restaurant space, fronting Newport Place and Newport Court
 - Large volume – potential for mezzanine floors
 - Much-improved gateway into Chinatown



Charing Cross Road/Chinatown

- Current expected cost of enhanced scheme: £14.5m
- £8.4m incurred to date
- Continue to support WCC plans to create a part-pedestrianised public square in Newport Place – works expected to begin late spring 2017
- Significant benefits to Chinatown as a whole



57 Broadwick Street, Carnaby

- Works commenced May 2016, completes in phases from late 2017
- 30,000 sq. ft. scheme comprising:
 - 8,000 sq. ft. of flagship retail and restaurant space
 - 20,000 sq. ft. of refurbished and extended grade A office space
 - Two apartments totalling 2,000 sq. ft.
- Estimated cost: £14.5m: £3.1m incurred to date
- Broadwick Street designated a priority pedestrian route - programme to improve streetscape has begun



Acquisitions

- Acquisitions: £62.7m
- Potential for good rental and capital value growth
- Asset management initiatives already underway
- Availability of buildings that meet strict criteria remains limited
- Maintain a patient and disciplined approach





BRIAN BICKELL SUMMARY AND OUTLOOK

Outlook

Sustained demand underpins income and capital value growth

- Destination for businesses and visitors from across the world
- Robust trading conditions; no noticeable effects from political and economic uncertainties
- Transport infrastructure improvements
- Benefit from huge investment by others (especially offices and hotels)

Outlook

Long-term management strategy focused on income growth

- Focus on uses and locations with structural imbalance between availability and demand
- Sustained occupier demand in our locations drives rental growth and high occupancy levels
- Limited obsolescence; capex modest at less than 1% of portfolio value
- Asset management initiatives continuing to unlock income and capital value growth bringing compound benefits to our nearby ownerships

Rental growth drives total shareholder returns

Growing contracted income and potential future income



Growth in earnings and dividends



Long-term growth in portfolio value and total shareholder returns

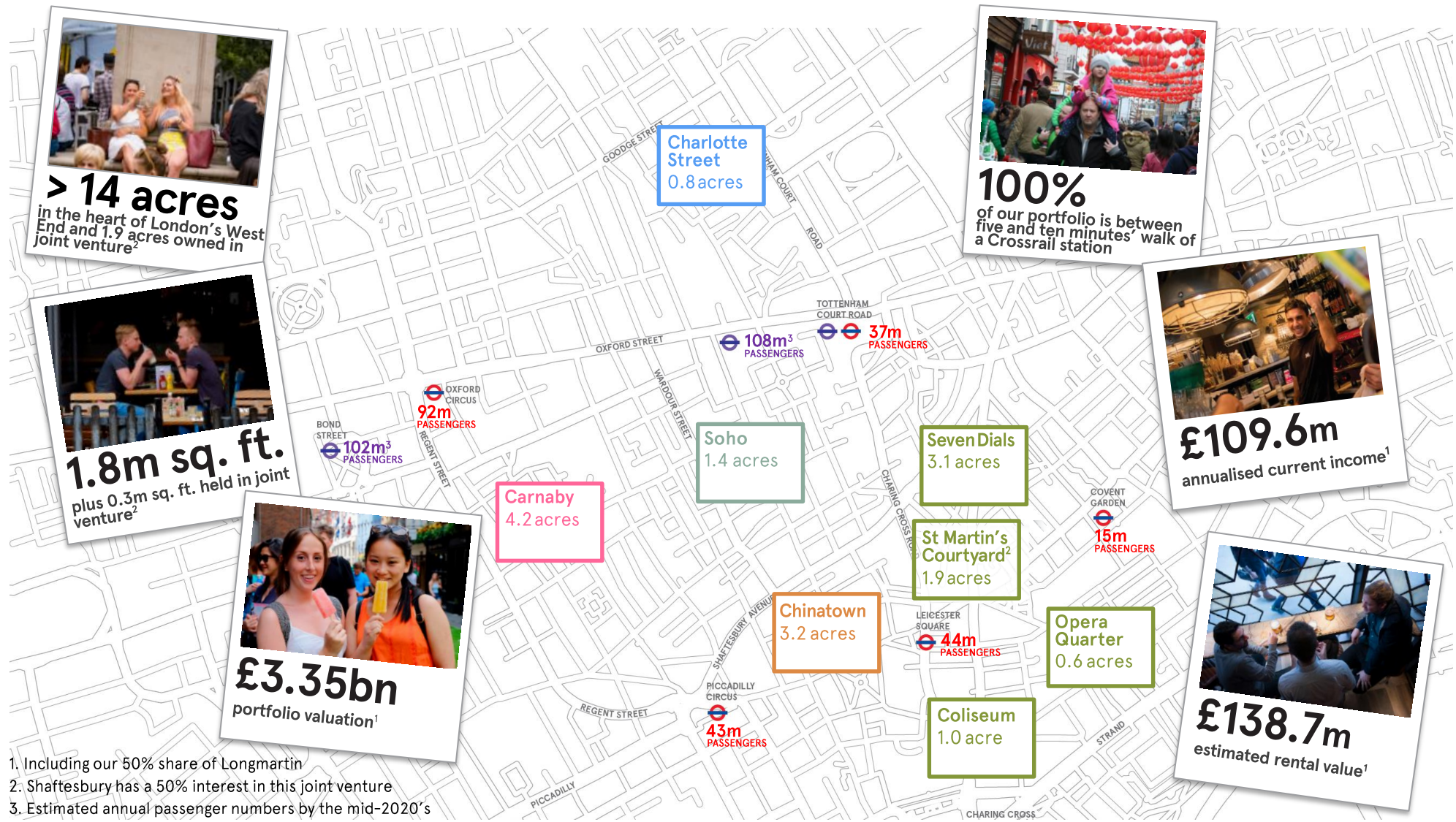
1. PORTFOLIO
2. FINANCIAL
3. VALUATION
4. VILLAGE SUMMARIES
5. OTHER

APPENDICES



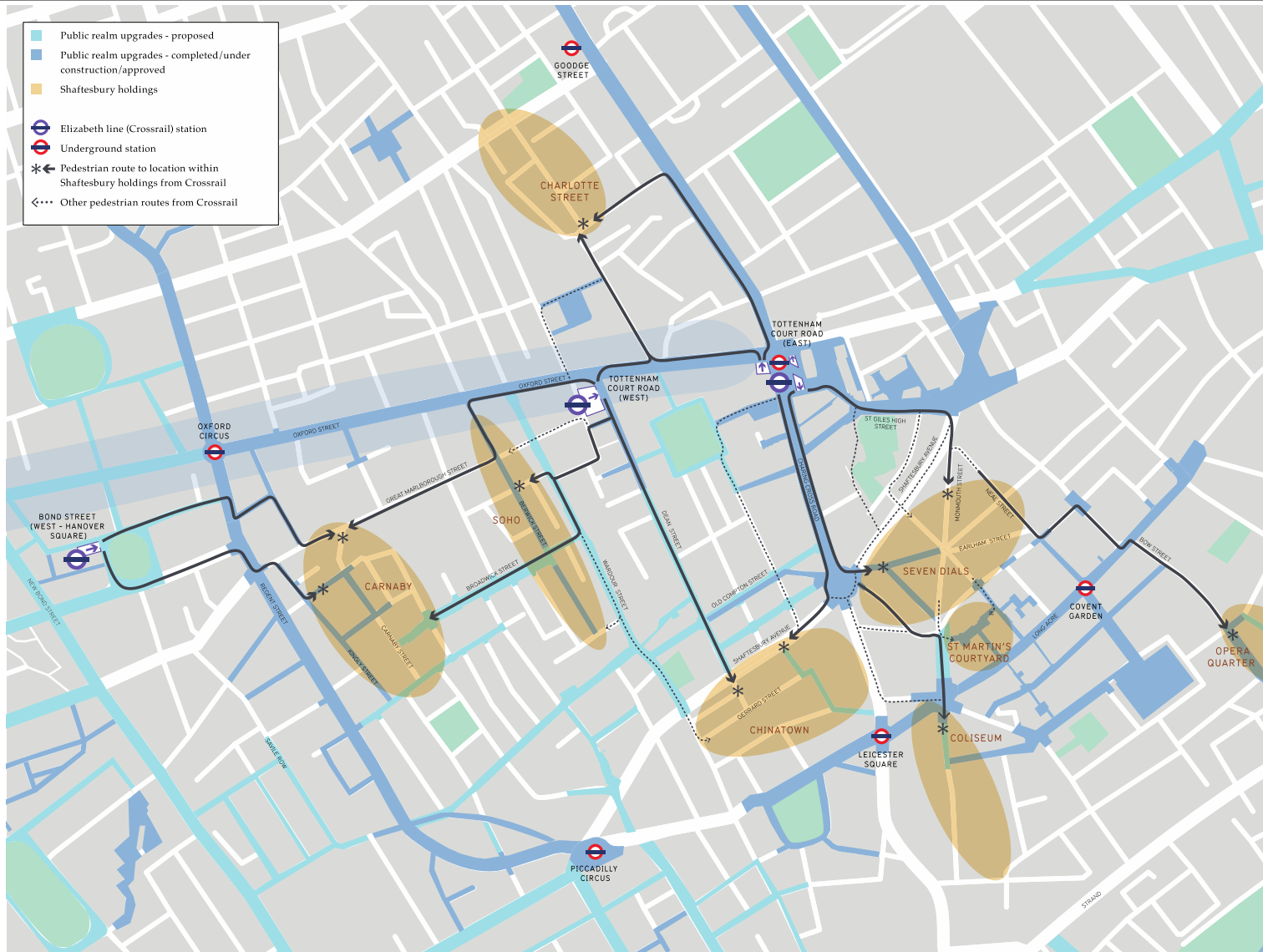
1. PORTFOLIO

Exceptional portfolio in the heart of London's West End



1. Including our 50% share of Longmartin
2. Shaftesbury has a 50% interest in this joint venture
3. Estimated annual passenger numbers by the mid-2020's

Public realm/Elizabeth line



Our portfolio

**RESTAURANTS,
CAFÉS AND LEISURE**

WHOLLY-OWNED

275

590,000 sq. ft.

**LONGMARTIN
JOINT VENTURE**

10

45,000 sq. ft.

35%

of our annualised current income¹

SHOPS

WHOLLY-OWNED

309

471,000 sq. ft.

**LONGMARTIN
JOINT VENTURE**

21

67,000 sq. ft.

35%

of our annualised current income¹

OFFICES

WHOLLY-OWNED

406,000 sq. ft.

**LONGMARTIN
JOINT VENTURE**

102,000 sq. ft.

16%

of our annualised current income¹

RESIDENTIAL

WHOLLY-OWNED

559

332,000 sq. ft.

**LONGMARTIN
JOINT VENTURE**

75

55,000 sq. ft.

14%

of our annualised current income¹

1. Wholly-owned portfolio

Mix of uses (wholly-owned portfolio)

% of annualised current income

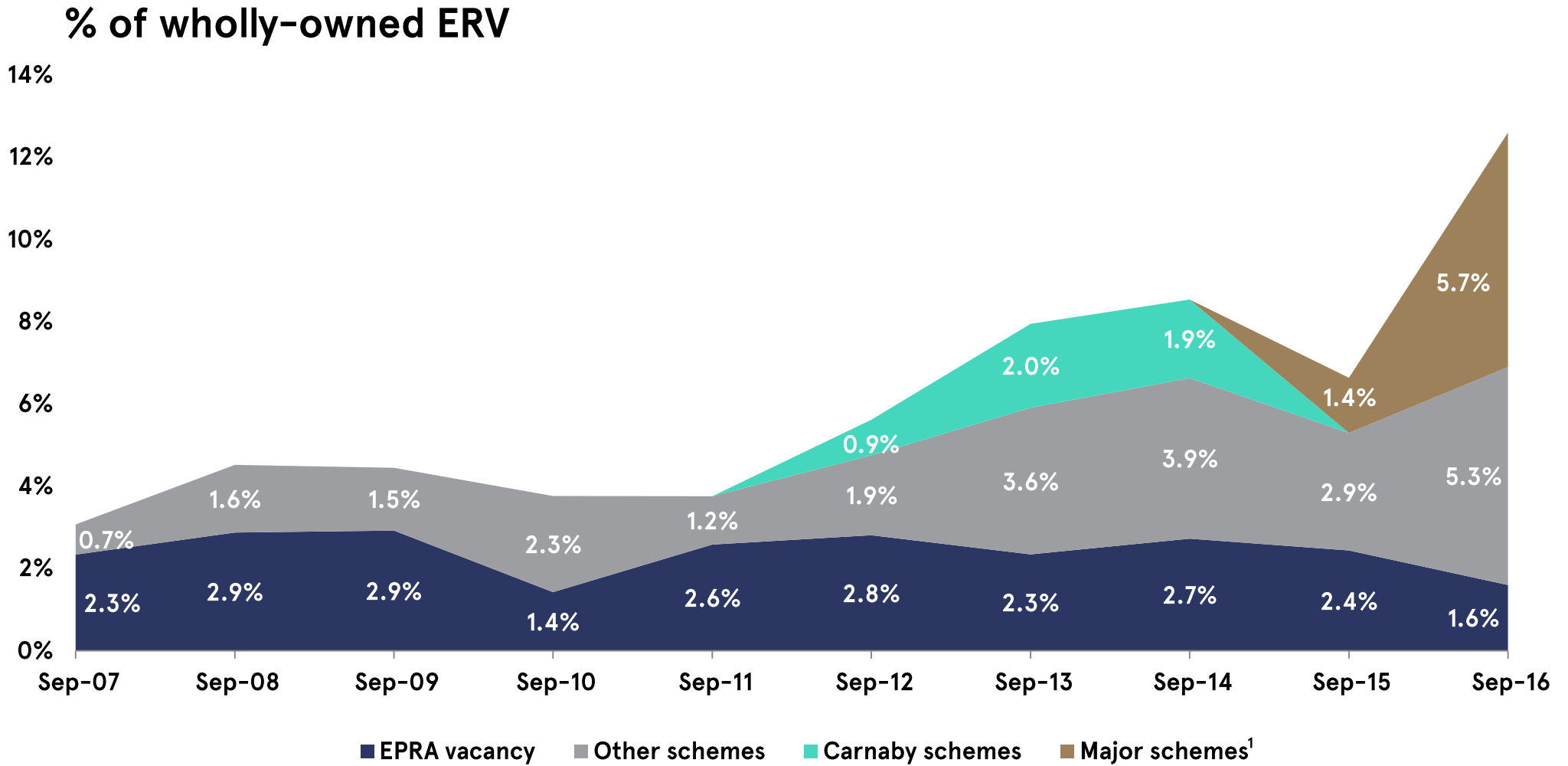


Vacancy

	Restaurants, cafés and leisure £m	Shops £m	Offices £m	Residential £m	Wholly- owned Total £m	% of ERV	Longmartin £m	Total £m	% of ERV
Major schemes ¹	1.4	4.2	1.7	0.1	7.4	5.7%	-	7.4	5.3%
Other schemes	1.4	1.5	1.9	2.0	6.8	5.3%	-	6.8	4.9%
Total held for or under refurbishment	2.8	5.7	3.6	2.1	14.2	11.0%	-	14.2	10.2%
Under offer	0.3	-	0.8	0.3	1.4	1.1%	0.1	1.5	1.1%
Available-to-let	0.1	0.3	0.2	-	0.6	0.5%	0.2	0.8	0.6%
EPRA vacancy	0.4	0.3	1.0	0.3	2.0	1.6%	0.3	2.3	1.7%
Total	3.2	6.0	4.6	2.4	16.2	12.6%	0.3	16.5	11.9%

1. Charing Cross Road/Chinatown, Thomas Neal's Warehouse, Seven Dials and 57 Broadwick Street, Carnaby

Wholly-owned vacant space



1. Charing Cross Road/Chinatown, Thomas Neal's Warehouse, Seven Dials and 57 Broadwick Street, Carnaby

Letting activity during the year

RESTAURANTS, CAFÉS AND LEISURE

Letting/rent reviews:

£8.2m

(19.4% of restaurant, café and leisure ERV)

15 New lettings
4 Lease renewals
29 Rent reviews

SHOPS

Letting/rent reviews:

£10.3m

(22.5% of retail ERV)

25 New lettings
26 Lease renewals
21 Rent reviews

OFFICES

Letting/rent reviews:

£3.1m

(12.8% of office ERV)

26 New lettings
35 Lease renewals
1 Rent reviews

RESIDENTIAL

Letting/renewals:

£6.2m

(37.6% of residential ERV)

200 New lettings
29 Lease renewals

Portfolio summary

	Fair value £m	% of portfolio	Annualised current income £m	ERV £m
Wholly-owned portfolio				
Carnaby	1,161.0	35%	39.6	48.8
Covent Garden	875.0	26%	27.5	35.9
Chinatown	725.9	22%	22.3	29.2
Soho	244.0	7%	8.0	10.0
Charlotte Street	117.7	3%	3.6	4.8
	3,123.6	93%	101.0	128.7
Longmartin joint venture (our 50%)	224.4	7%	8.6	10.0
Total	3,348.0	100%	109.6	138.7

	Wholly-owned portfolio			Longmartin joint venture ¹		
	Number	Area (sq. ft.)	% of annualised current income	Number	Area (sq. ft.)	% of annualised current income
Restaurants, cafés and leisure	275	590,000	35%	10	45,000	16%
Shops	309	471,000	35%	21	67,000	37%
Offices		406,000	16%		102,000	32%
Residential	559	332,000	14%	75	55,000	15%
Total		1,799,000	100%		269,000	100%

1. Shaftesbury has a 50% share of these figures

Charing Cross Road/Chinatown – ground floor plan



Earlham Street public realm works

- Important gateway to Seven Dials from Cambridge Circus
- Rental tone has lagged nearby streets for some time (Zone A: £190 psf)
- Works to start in early 2017
- Street expected to be a major beneficiary of Crossrail footfall from Tottenham Court Road





2. FINANCIAL

Finance analysis

	PRO-FORMA ¹				2015			
	IFRS £m	Longmartin £m	Proportional consolidation £m	Rate	IFRS £m	Longmartin £m	Proportional consolidation £m	Rate
Bonds	285.0	-	285.0	2.487%	63.2	-	63.2	7.93%
Term loans – wholly-owned	384.8	-	384.8	3.85%	384.8	-	384.8	3.85%
Term loan – Longmartin JV	-	60.0	60.0	4.43%	-	60.0	60.0	4.43%
Hedged bank loans ²	125.0	-	125.0	6.03%	180.0	-	180.0	6.01%
Variable bank loans	10.4	-	10.4	1.57%	19.7	-	19.7	1.75%
Weighted average cost ³								
– drawn facilities				3.73%				4.78%
– incl. non-utilisation costs on undrawn facilities				3.90%				4.92%
Average margin on bank loans								
– drawn								116 bps
– if all facilities are drawn								135 bps
Current marginal cost of additional drawings (approx)								
								1.5%
Weighted average loan maturity (years)								
– bank facilities								4.2
– total debt ³								10.2

1. Pro-forma for the issue of the 2.487% First Mortgage Bonds and the redemption of the 8.5% Debenture Stock and the cancellation of interest rate swaps with a notional principal of £55m

2. Interest rate inclusive of margin

3. Including our 50% share of Longmartin

EPRA earnings and NAV reconciliations

EARNINGS	2016 £m	2015 £m	NAV	2016 £m	2015 £m
Reported profit after tax	99.1	467.3	Reported net assets	2,387.1	2,325.4
Adjust for fair value movements:			Adjust for:		
Investment properties	(108.3)	(432.0)	Fair value of financial derivatives	76.1	79.2
Financial derivatives	34.9	28.5	Adjustments re: Longmartin JV:		
Recognition of fair value of Debenture	29.2	-	Deferred tax	18.0	22.6
Adjustments re: Longmartin JV:			Adjusted net assets	2,481.2	2,427.2
Investment property revaluation	(11.3)	(34.6)	Additional equity on exercise of options	0.5	0.4
Deferred tax	(4.6)	6.9	EPRA net assets (diluted)	2,481.7	2,427.6
EPRA earnings	39.0	36.1	Number of shares (diluted) (million)	279.6	279.4
Number of shares (million)	278.4	278.1	EPRA NAV per share	£8.88	£8.69
EPRA EPS	14.0p	13.0p			

Income and costs

	2016 £m	2015 £m
EPRA EARNINGS		
Rental income	106.2	98.7
Property costs	(22.1)	(19.9)
Net property income	84.1	78.8
Admin expenses	(14.1)	(14.0)
	70.0	64.8
Net finance costs	(33.6)	(30.7)
Share of Longmartin JV profit before tax ¹	3.2	2.3
Recurring profit before tax	39.6	36.4
Share of Longmartin JV current tax	(0.6)	(0.3)
EPRA earnings	39.0	36.1

	2016 £m	2015 £m
PROPERTY COSTS		
Operating costs	6.5	6.1
Management fees	2.3	2.1
Letting costs	3.3	3.0
Village promotion	2.2	1.8
Property outgoings	14.3	13.0
Recoverable property costs	7.8	6.9
Total	22.1	19.9

	2016 £m	2015 £m
ADMIN COSTS		
Admin costs	8.6	8.8
Provision for annual bonuses	3.0	2.2
Charge for equity settled remuneration	2.5	3.0
Total	14.1	14.0

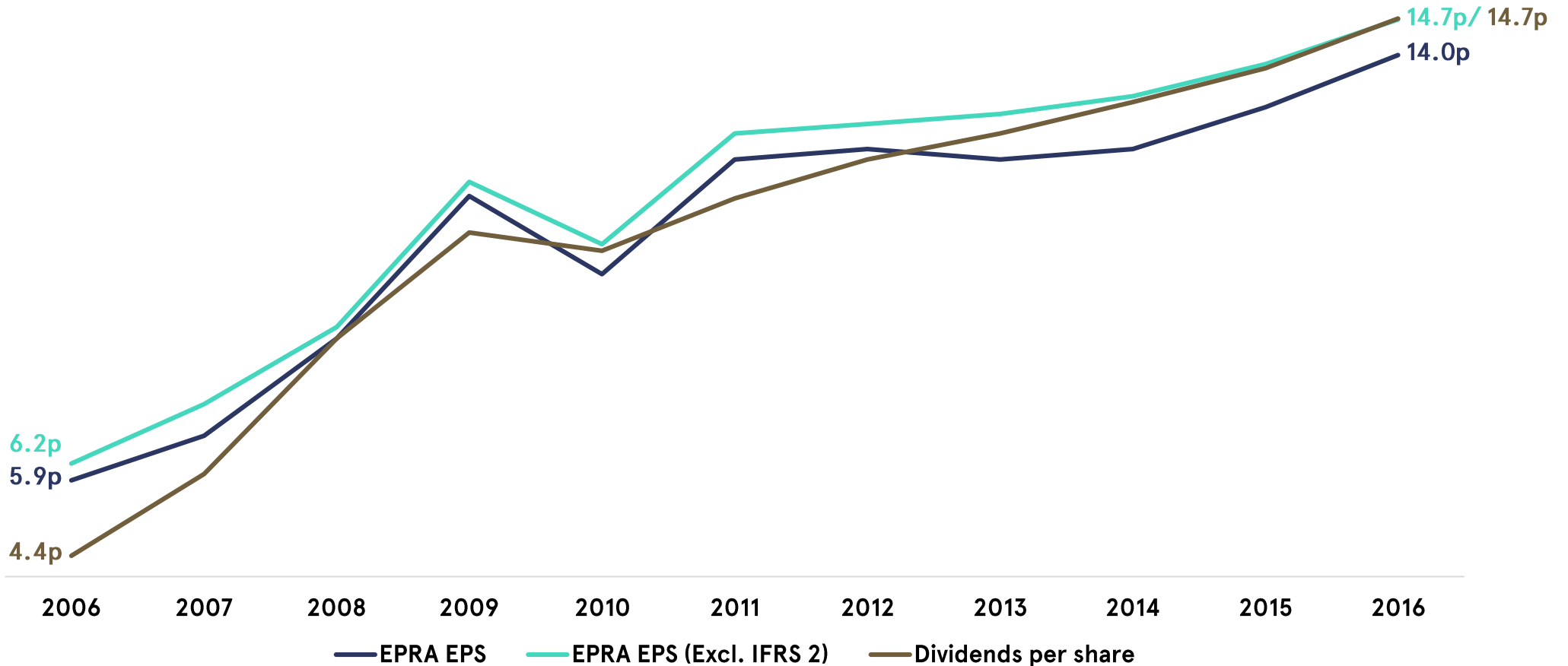
1. After adjusting for revaluation surplus

Reconciliation of IFRS to proportional consolidation

BALANCE SHEET	2016			2015		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Investment properties	3,111.6	227.5	3,339.1	2,908.0	215.0	3,123.0
Investment in Longmartin JV	146.4	(146.4)	-	129.6	(129.6)	-
Net debt	(669.1)	(65.1)	(734.2)	(637.8)	(57.1)	(694.9)
Other assets and liabilities	(201.8)	(16.0)	(217.8)	(74.4)	(28.3)	(102.7)
Net assets	2,387.1	-	2,387.1	2,325.4	-	2,325.4

INCOME STATEMENT	2016			2015		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Net property income	84.1	6.7	90.8	78.8	5.9	84.7
Admin costs	(14.1)	(0.2)	(14.3)	(14.0)	(0.3)	(14.3)
Revaluation surplus	108.3	11.3	119.6	432.0	34.6	466.6
Operating profit	178.3	17.8	196.1	496.8	40.2	537.0
Net finance costs	(97.7)	(3.3)	(101.0)	(59.2)	(3.3)	(62.5)
Share of Longmartin post-tax profits	18.5	(18.5)	-	29.7	(29.7)	-
Profit before tax	99.1	(4.0)	95.1	467.3	7.2	474.5
Tax	-	4.0	4.0	-	(7.2)	(7.2)
Profit after tax	99.1	-	99.1	467.3	-	467.3

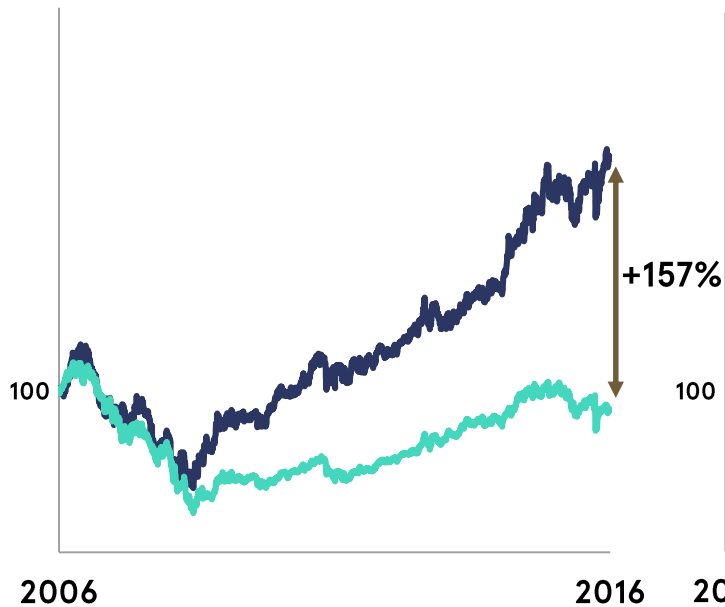
Earnings and dividends per share¹



1. Data for years ended 30 September 2006, 2007 and 2008 has been adjusted for the bonus element inherent in the 2009 Rights Issue

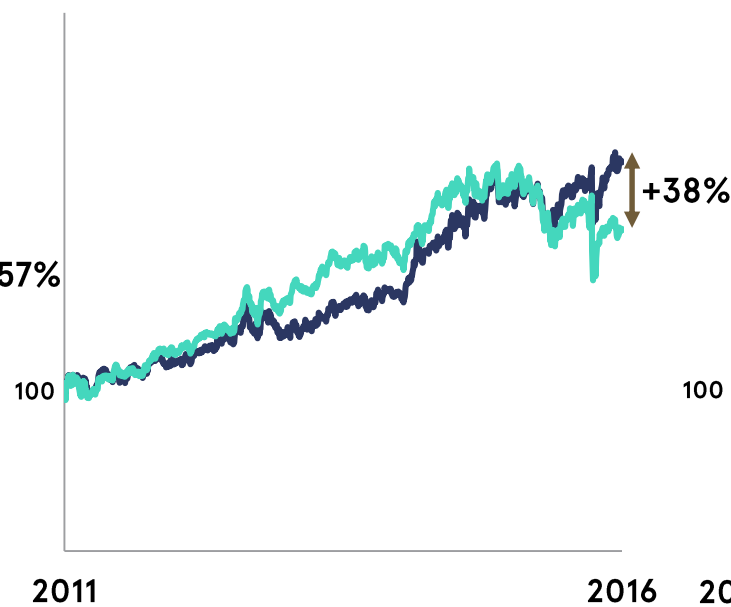
TSR outperformance

10 years



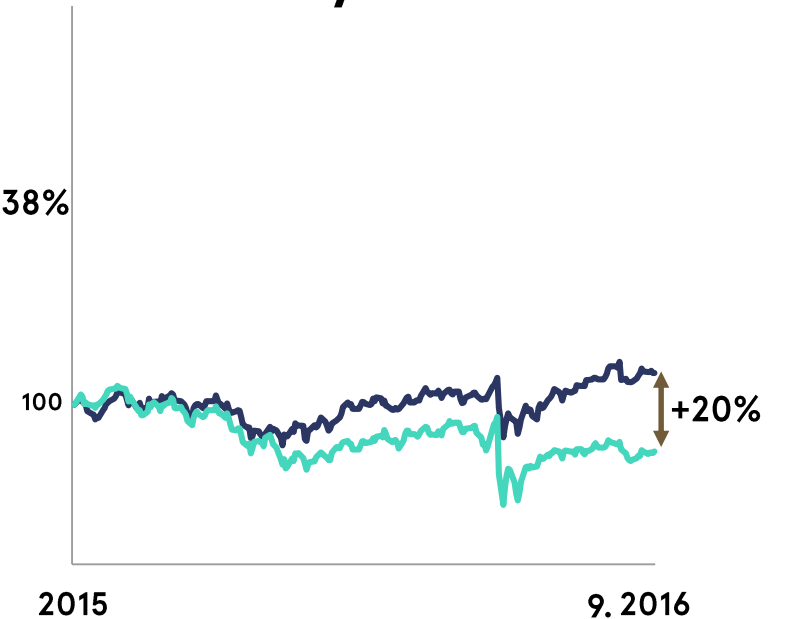
Shaftesbury +146%
 FTSE 350 RE -11%

5 years



Shaftesbury +134%
 FTSE 350 RE +96%

1 year

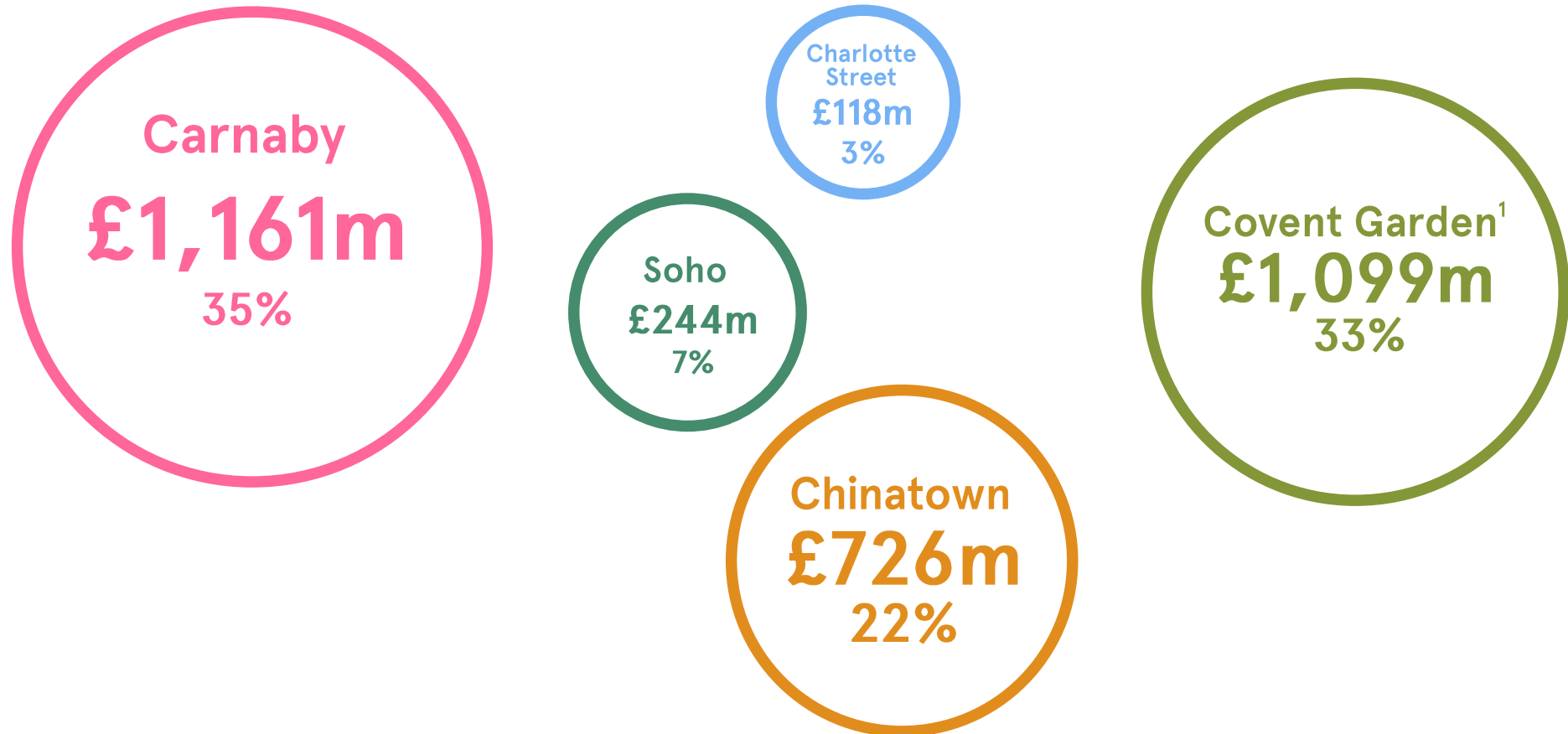


Shaftesbury +8%
 FTSE 350 RE -12%





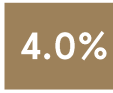


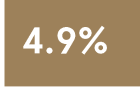











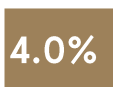
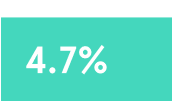

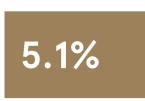
3. VALUATION

Valuation: £3.35bn¹ (at 30 September 2016)



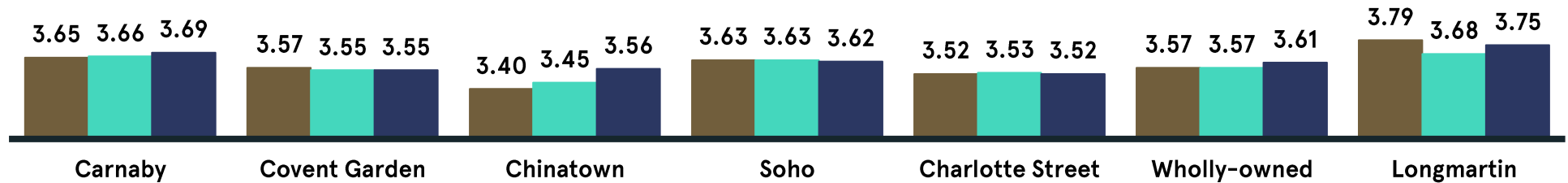
1. Including our 50% share of Longmartin

Like-for-like increase in capital values

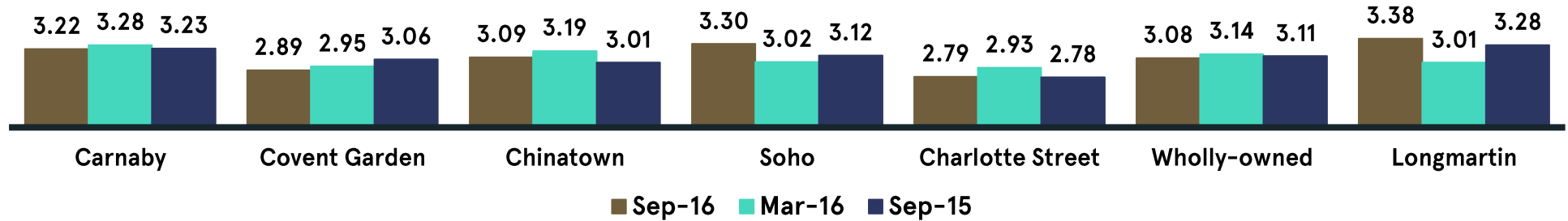
	% of portfolio	H1	H2	2016	3 Year CAGR
Total	100%	 2.1%	 1.9%	 4.0%	14.1%
Carnaby	35%	 2.6%	 2.3%	 4.9%	16.9%
Covent Garden	26%	 1.7%	 1.4%	 3.2%	12.2%
Chinatown	22%	 0.8%	 1.9%	 2.7%	12.4%
Soho	7%	 2.6%	 2.7%	 5.3%	12.1%
Charlotte St	3%	 2.2%	 1.7%	 4.0%	13.2%
Longmartin	7%	 4.7%	 0.4%	 5.1%	15.2%

Yields

Equivalent yield (%)



Topped-up initial yield (%)

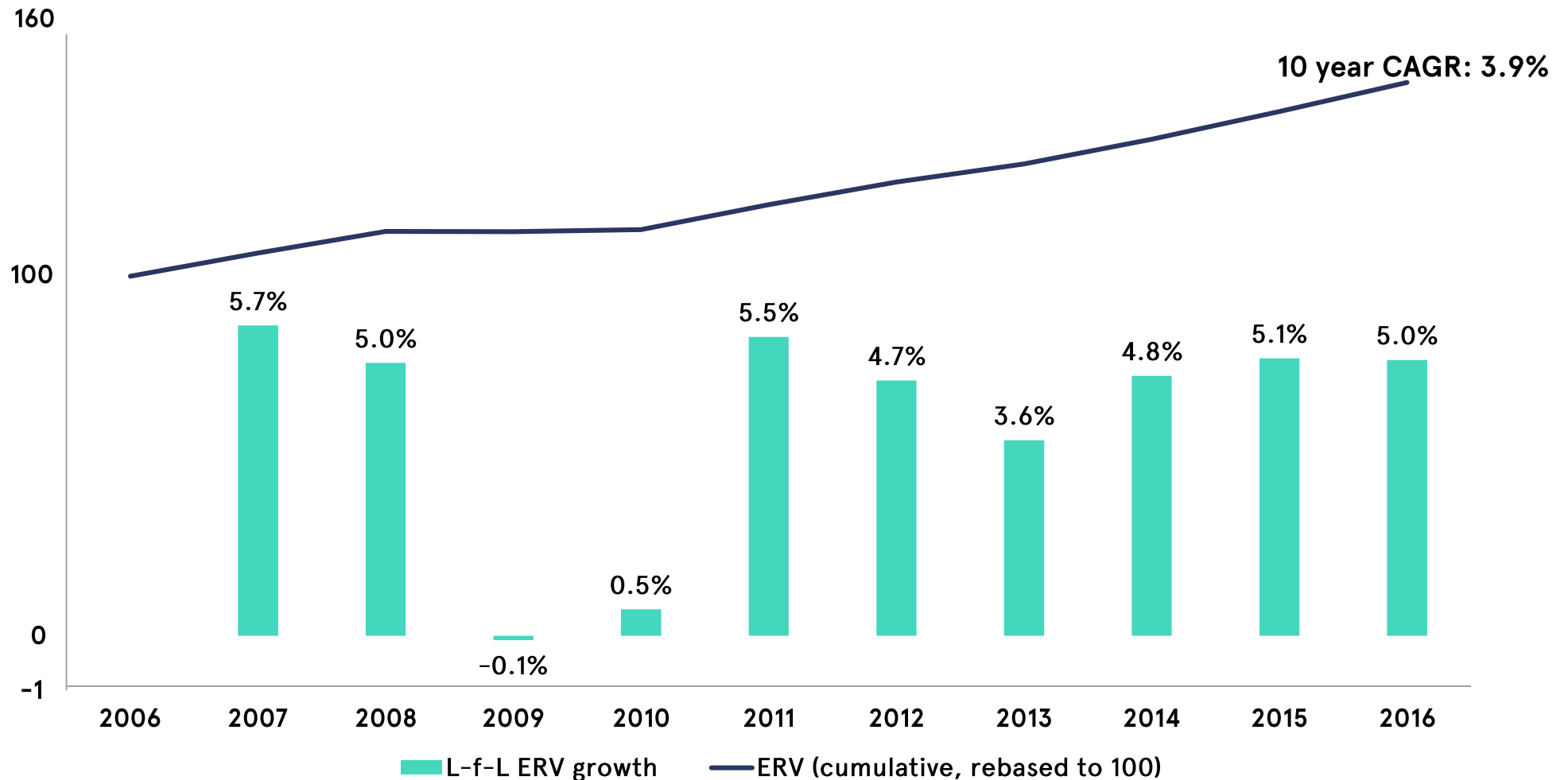


Portfolio reversion by use

	Restaurants, cafés and leisure £m	Shops £m	Office £m	Residential £m	Longmartin £m	Total £m	% ERV
Annualised current income	35.3	35.8	16.5	13.5	8.5	109.6	79.0%
Vacancy							
- Under offer/available-to-let	0.4	0.3	1.0	0.3	0.3	2.3	1.7%
- Major schemes ¹	1.4	4.2	1.7	0.1	-	7.4	5.3%
- Other schemes	1.4	1.5	1.9	2.0	-	6.8	4.9%
	38.5	41.8	21.1	15.9	8.8	126.1	90.9%
Contracted (rent frees, stepped rents)	1.3	0.6	0.4	-	0.4	2.7	1.9%
Under-rented	2.4	3.4	2.7	0.6	0.8	9.9	7.2%
ERV	42.2	45.8	24.2	16.5	10.0	138.7	100.0%

1. Charing Cross Road/Chinatown, Thomas Neal's Warehouse, Seven Dials and 57 Broadwick Street, Carnaby

L-f-L ERV growth in restaurants, leisure and retail





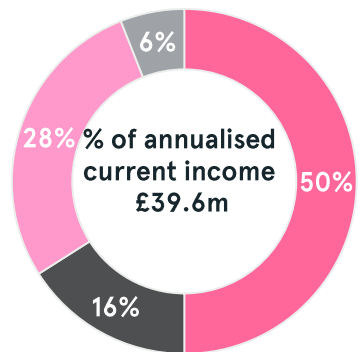
4. VILLAGE SUMMARIES

CARNABY

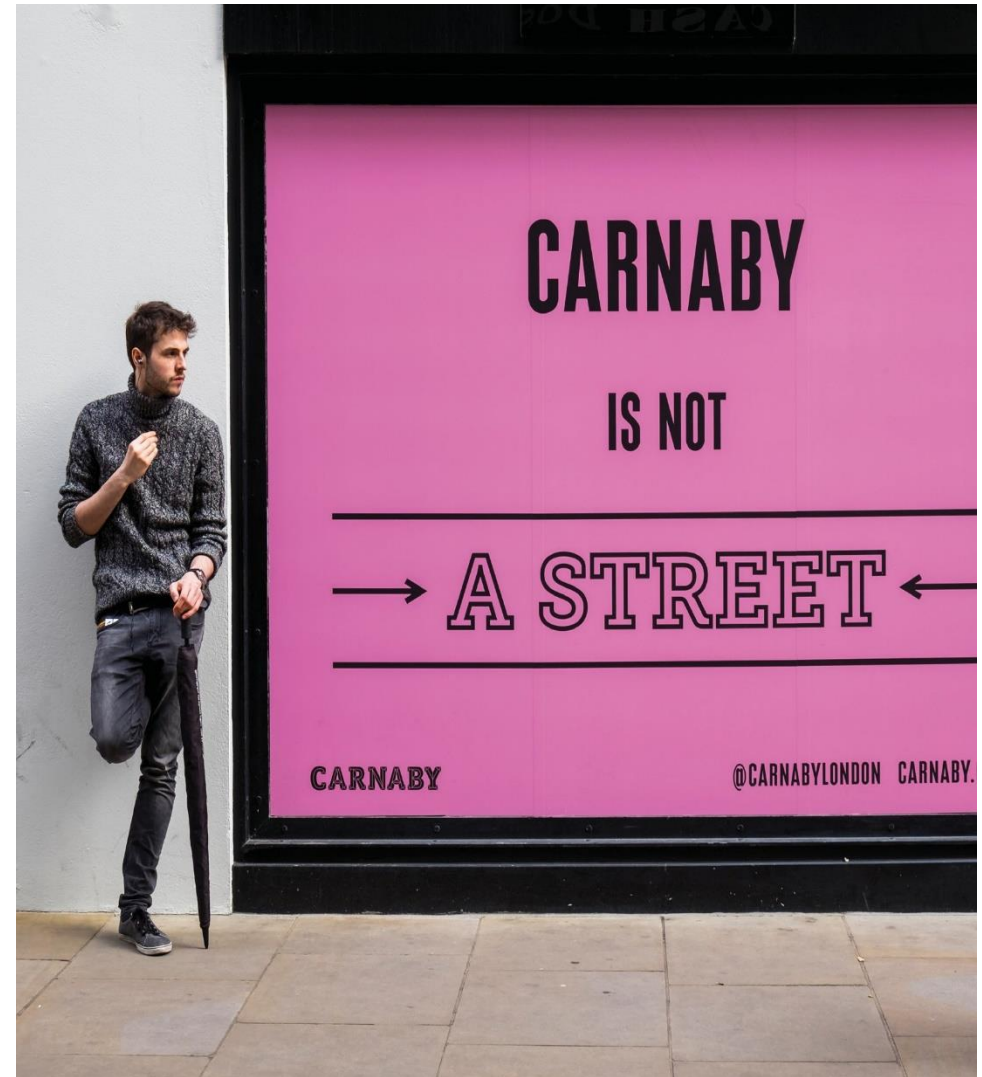
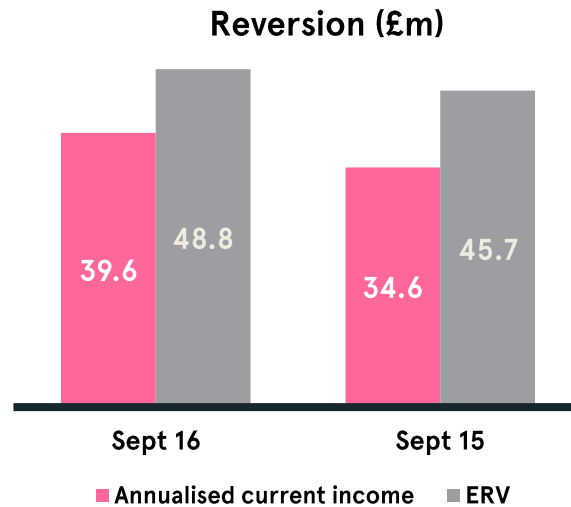
35% OF OUR PORTFOLIO

	Sept 2016	Sept 2015
Valuation	£1,161.0m	£1,109.9m
Acquisitions	Nil	£3.2m
Capital expenditure	£4.4m	£9.5m
Capital value return (L-f-L) ¹	5.8%	21.0%
Equivalent yield	3.65%	3.69%
Reversion	£9.2m	£11.1m

1. Before 0.9% decrease for SDLT increase



- Shops
- Restaurants/cafés/leisure
- Offices
- Apartments

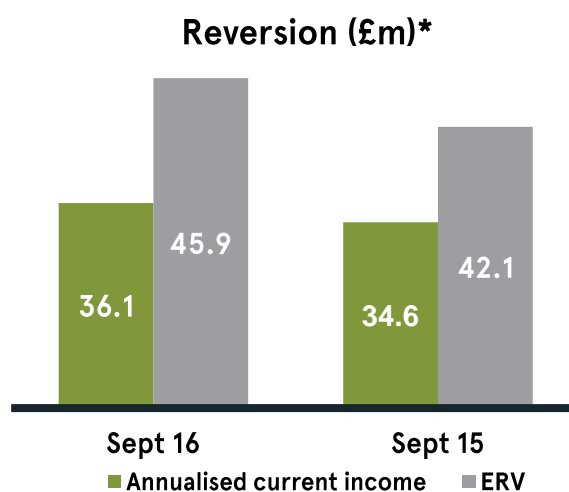
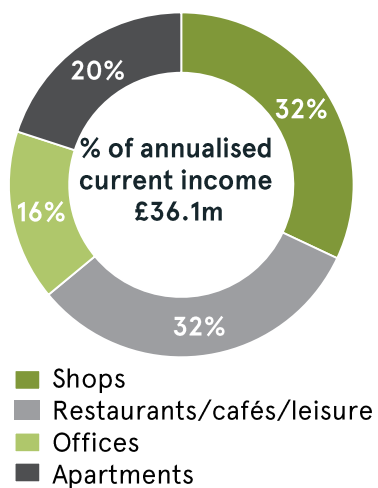


COVENT GARDEN

33% OF OUR PORTFOLIO*

	Sept 2016	Sept 2015
Valuation*	£1,099.4m	£1,021.1m
Acquisitions	£33.7m	£5.8m
Capital expenditure*	£9.5m	£6.5m
Capital value return (L-f-L) ¹		
– wholly-owned	4.1%	14.8%
– Longmartin JV	6.0%	18.7%
Equivalent yield		
– wholly-owned	3.57%	3.55%
– Longmartin JV	3.79%	3.75%
Reversion		
– wholly-owned	£8.4m	£6.1m
– Longmartin JV	£1.4m	£1.4m

1. Before 0.9% decrease for SDLT increase



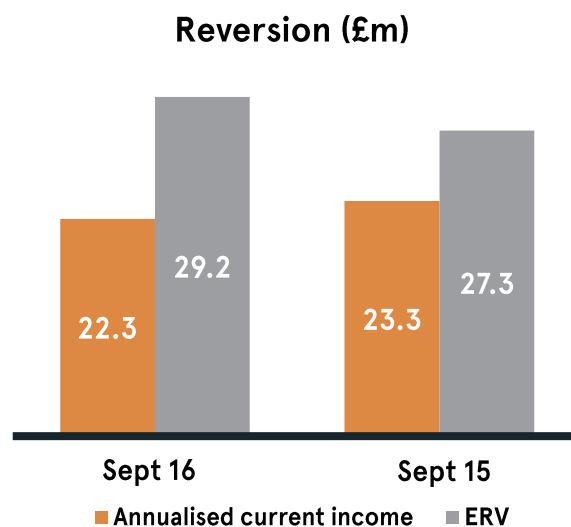
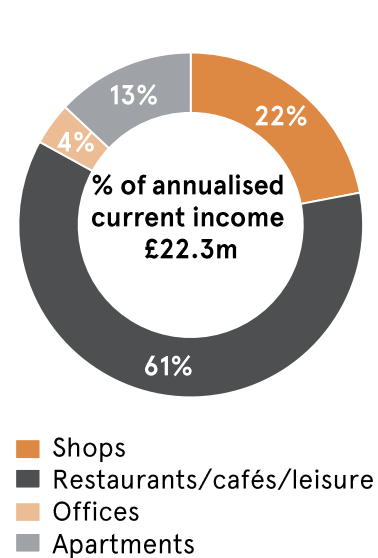
* Including 50% share of Longmartin

CHINATOWN

22% OF OUR PORTFOLIO

	Sept 2016	Sept 2015
Valuation	£725.9m	£693.8m
Acquisitions	Nil	Nil
Capital expenditure	£13.3m	£8.0m
Capital value return (L-f-L) ¹	3.6%	17.3%
Equivalent yield	3.40%	3.56%
Reversion	£6.9m	£4.0m

1. Before 0.9% decrease for SDLT increase

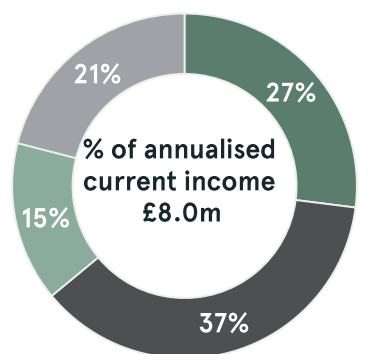


SOHO

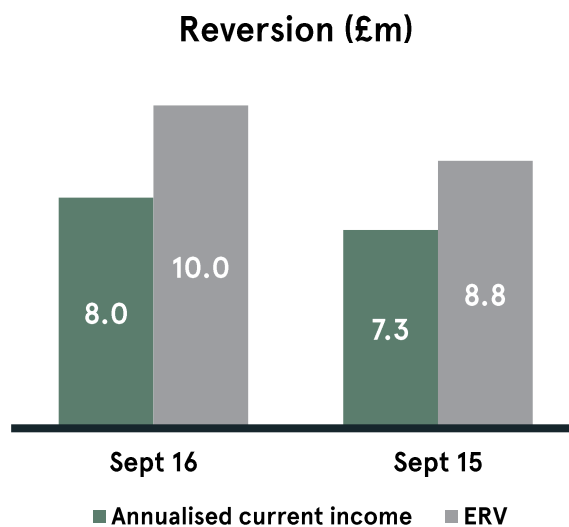
7% OF OUR PORTFOLIO

	Sept 2016	Sept 2015
Valuation	£244.0m	£215.8m
Acquisitions	£9.4m	£7.7m
Capital expenditure	£2.3m	£0.9m
Capital value return (L-f-L) ¹	6.2%	15.2%
Equivalent yield	3.63%	3.62%
Reversion	£2.0m	£1.5m

1. Before 0.9% decrease for SDLT increase



- Shops
- Restaurants/cafés/leisure
- Offices
- Apartments

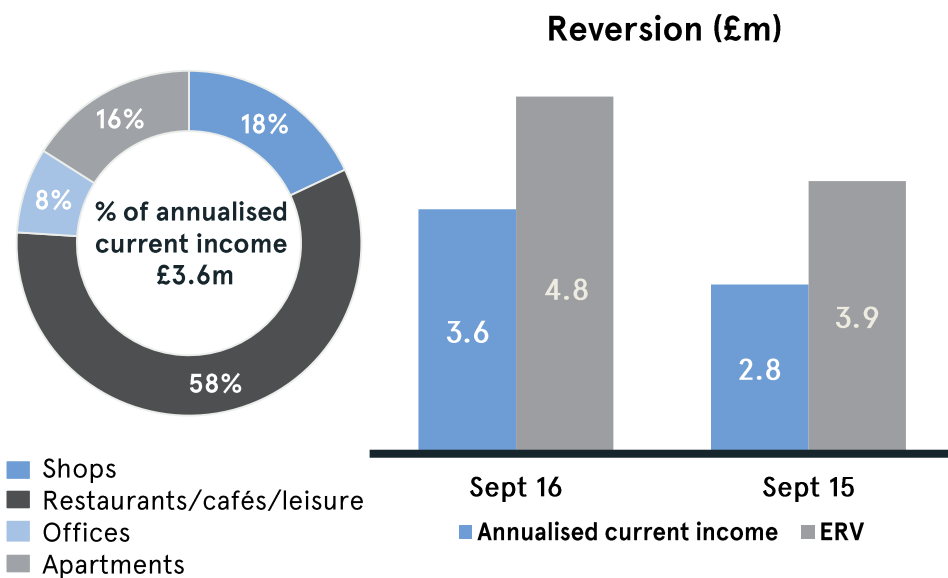


CHARLOTTE STREET

3% OF OUR PORTFOLIO

	Sept 2016	Sept 2015
Valuation	£117.7m	£91.4m
Acquisitions	£19.6m	£9.1m
Capital expenditure	£4.1m	£0.6m
Capital value return (L-f-L) ¹	4.9%	20.3%
Equivalent yield	3.52%	3.52%
Reversion	£1.2m	£1.1m

1. Before 0.9% decrease for SDLT increase





5. OTHER

Sustainability performance 2016

- EPRA Silver award for sustainability reporting
- GRESB Four Green Stars
- Continued listing on FTSE4Good – top 16%
- Also listed: Ethibel Excellence, CDP, Oekom Prime
- Signatory to UN Global Compact
- Member of Better Building Partnership
- Member of Wild West End
- Sponsor of Real Estate Balance
- RICS Inclusive Employer Quality Mark
- Report in line with London Benchmarking Group guidelines

Key risks

Geographic Concentration Risk

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

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

Regulatory Risks

Changing regulation could increase costs, adversely limit our ability to optimise revenues and affect our values e.g. as a result of changes to planning or licensing policies.

Economic risks

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

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

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