Investor and analyst presentation

MAY 2018

Shaftesbury

Agenda

Introduction	Brian Bickell
Results & Finance	Chris Ward
Operational Review	Brian Bickell
Summary & 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

Introduction

- Sustained demand for space and management initiatives driving rental growth
- Continued growth in earnings, dividends and NAV
- Considerable progress in letting our larger schemes
- Important acquisitions
- Share placing in December 2017 – 79% of proceeds invested or earmarked for investment
- Bank facilities refinanced/extended – no maturities before 2022

The West End

Enduring appeal and resilience

- Global destination for visitors and businesses
  - Exceptional local employment base
  - Catchment of 8.6 million Londoners plus similar number in Home Counties
  - Forecast 35% increase in inbound visitors by 2025 – unrivalled range of attractions – the best city experience
- Over 200 million visitors annually – unmatched by any other UK destination
- Structural imbalance between demand for and availability of restaurant, leisure and retail space (68% of our current income)
- Exceptional and improving transport links
- Unique features provide considerable insulation from national economic uncertainties and challenges

>200 million annual visits to the West End

c. 700,000 working population in the City of Westminster

>4% of UK GVA produced within the City of Westminster

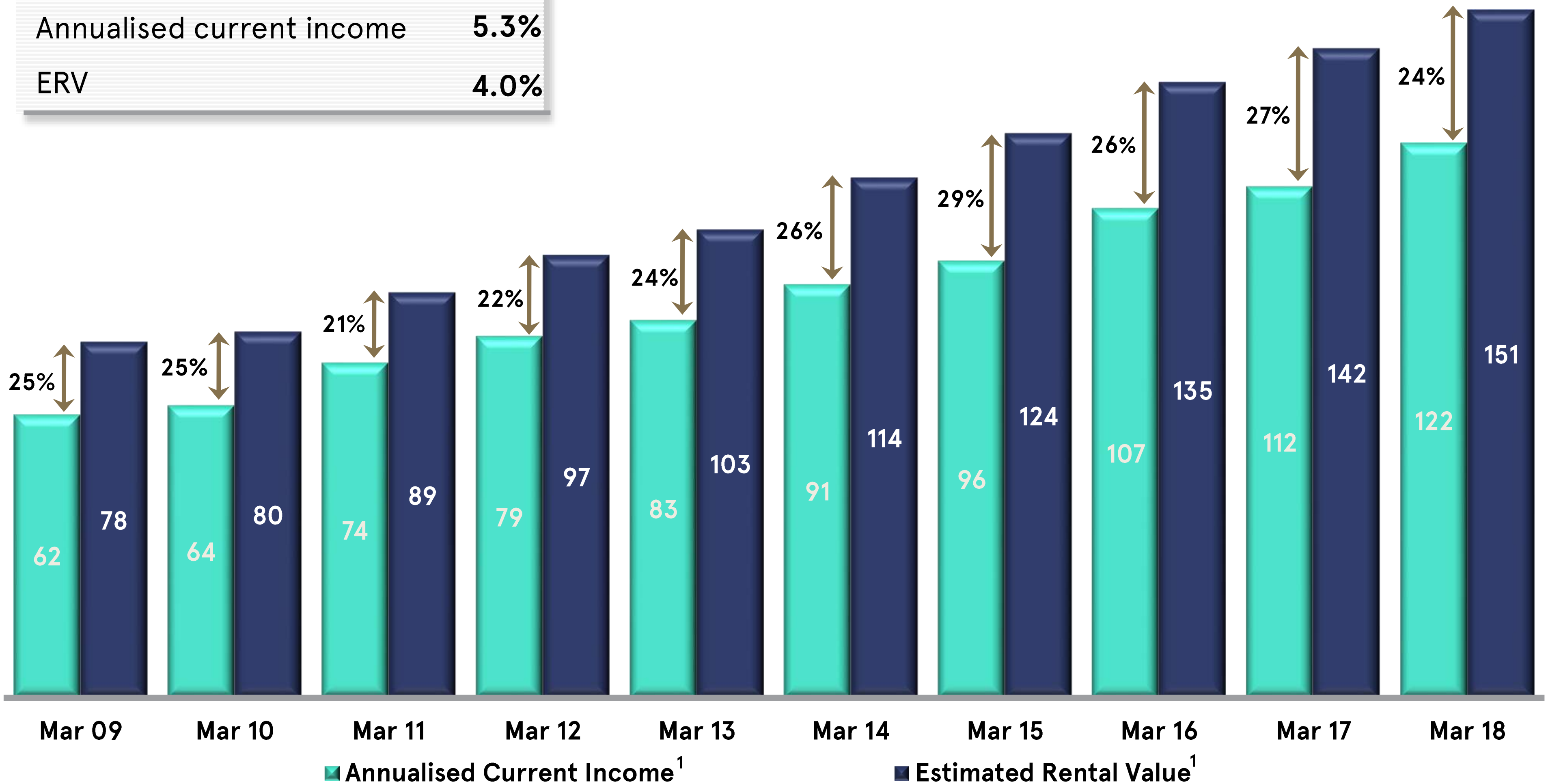
Operating environment

West End economy largely unaffected by national conditions

- Current trading and footfall largely unaffected by national sentiment and structural challenges facing retail and restaurant chains
  - Broad base of visitors, who are less price-sensitive
- Our restaurants, cafés, bars and shops are reporting year-on-year sales growth
- Healthy demand for space in our high profile and affordable central locations
- Expectation of continuing growth in trading volumes and visitor numbers
- Careful, long-term curation differentiates our locations
- Marketing and promotional activities an important element of our strategy

Focus on long-term rental growth

10 year L-f-L CAGR[1]	
Annualised current income	5.3%
ERV	4.0%



1. Including our 50% share of Longmartin

Results & Finance

Chris Ward

Headlines

Growth in earnings, dividend and NAV

Net property income	EPRA EPS	Dividend
£46.2m	8.4p	8.3p
(H1 2017: £43.8m)	(H1 2017: 8.2p)	(H1 2017: 7.9p)
+5.5%	+2.4%	+5.1%

Portfolio value growth[1]	EPRA NAV: £9.83 (30.9.17: £9.52)	NAV return before dividends
+3.0%	+3.3%	+4.1%
12 months: +8.0%	12 months: +7.8%	12 months: +9.0%

1. Like-for-like

Rents receivable

Converting potential rents into contracted income

RENTS RECEIVABLE

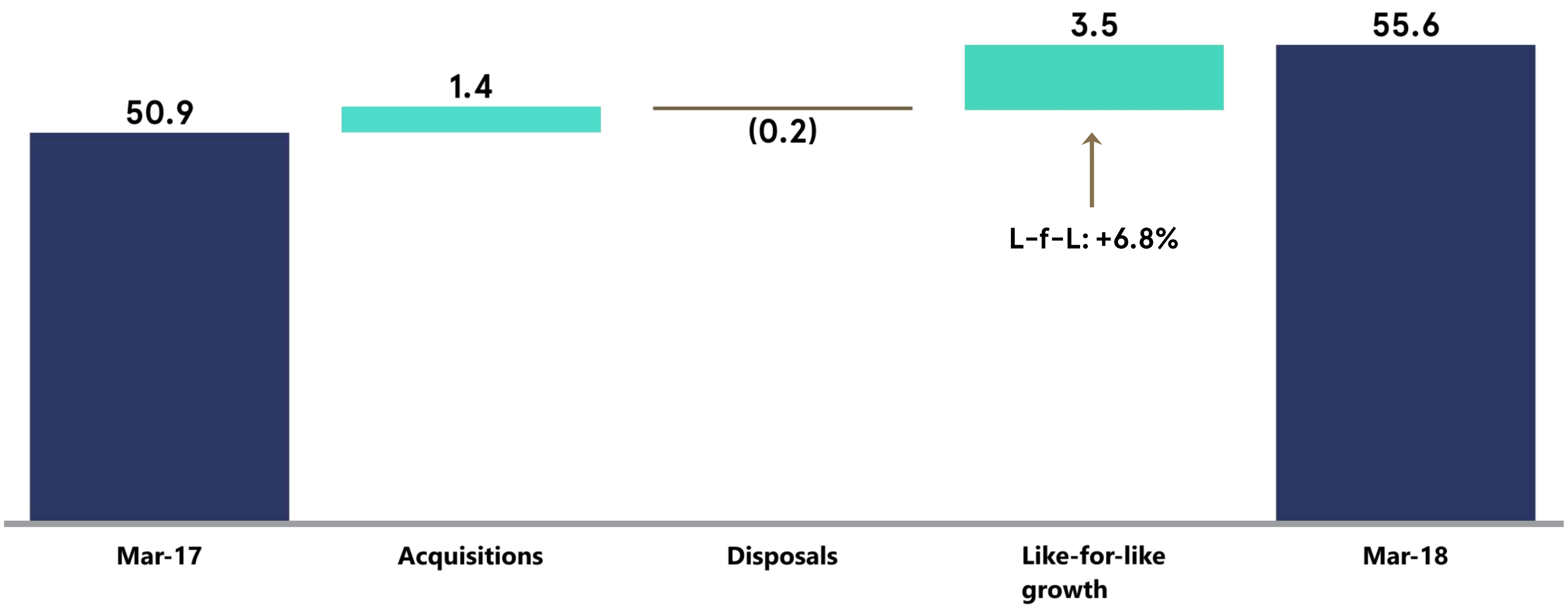
£55.6m

+9.2%

L-F-L GROWTH

+6.8%

Rents receivable (£m)

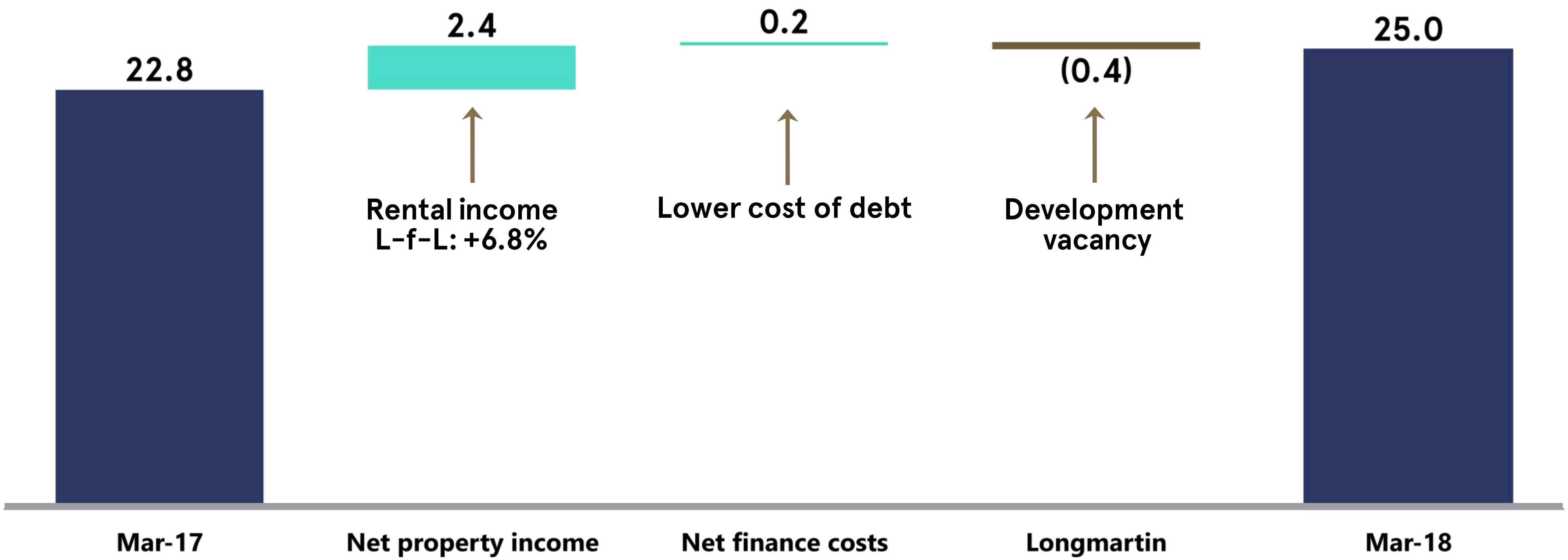


EPRA earnings

Active management delivering earnings growth

NET PROPERTY INCOME	EPRA EARNINGS	EPRA EPS	INTERIM DIVIDEND
+5.5%	+9.6%	8.4p +2.4%	8.3p +5.1%

EPRA earnings (£m)



Leasing and occupancy

High level of leasing activity

COMMERCIAL LETTINGS & REVIEWS	LARGER SCHEMES EPRA VACANCY[1]	OTHER EPRA VACANCY
+4.2% vs 9/17 ERV	2.8%	2.8%

Leasing and rent review transactions

	£m	
Commercial	10.9	▪ +4.2% vs 9/17 ERV ▪ +7.6% vs 3/17 ERV
Residential	4.4	▪ -0.5% vs previous rent
	15.3	

Vacancy

	Mar 18	Sept 17
Larger schemes		
Under offer	**1.2%**	0.2%
Available	**1.6%**	3.3%
	2.8%	3.5%
Other vacancy		
Under offer	**1.3%**	0.8%
Available	**1.5%**	1.7%
	2.8%	2.5%

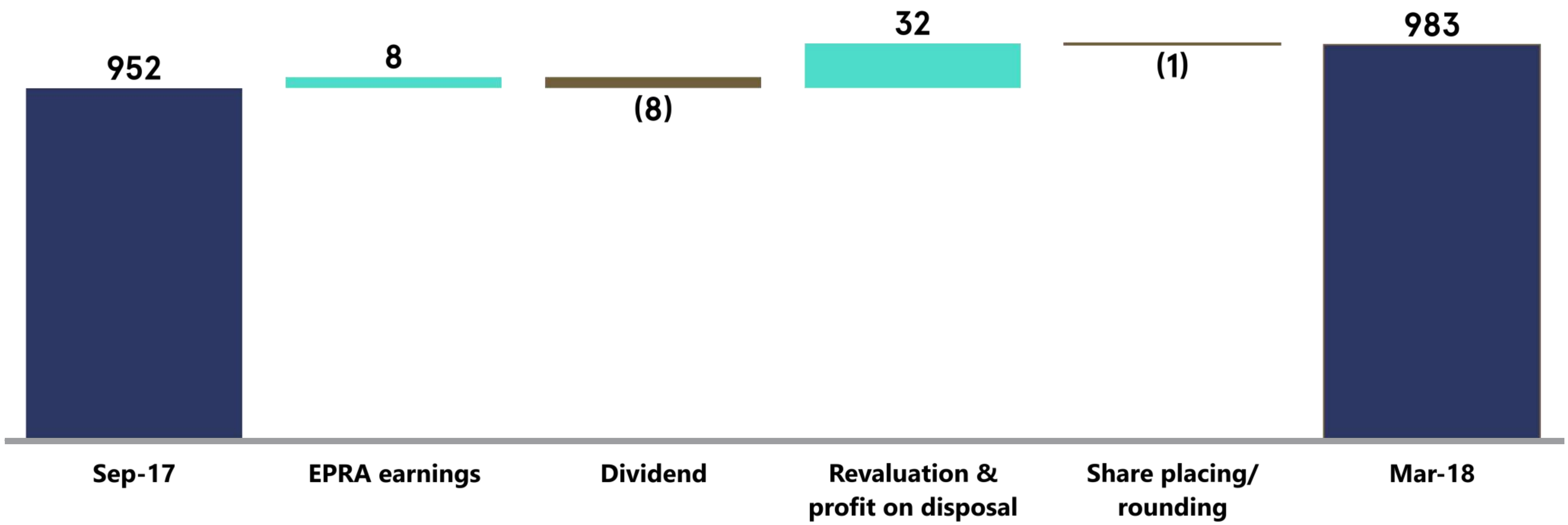
1. Larger schemes are Central Cross and Thomas Neal's Warehouse

Net asset value

Portfolio valuation growth drives NAV increase

EPRA NAV PER SHARE		NAV RETURN[1]	
+3.3%	+7.8%	+4.1%	+9.0%
6 months[2]	12 months[2]	6 months[2]	12 months[2]

EPRA NAV (pence per share)

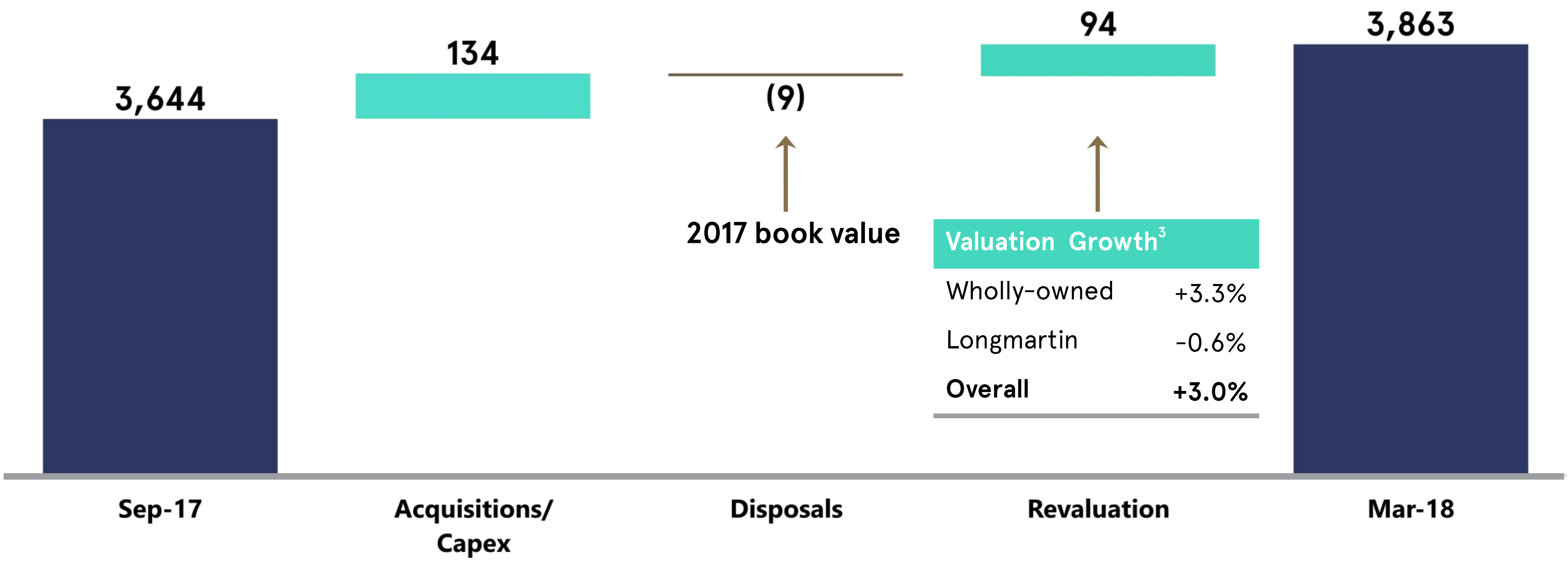


1. Before dividends
2. Period to 31.3.2018

Valuation

Important acquisitions and valuation growth

Portfolio valuation[1,2] (£m)

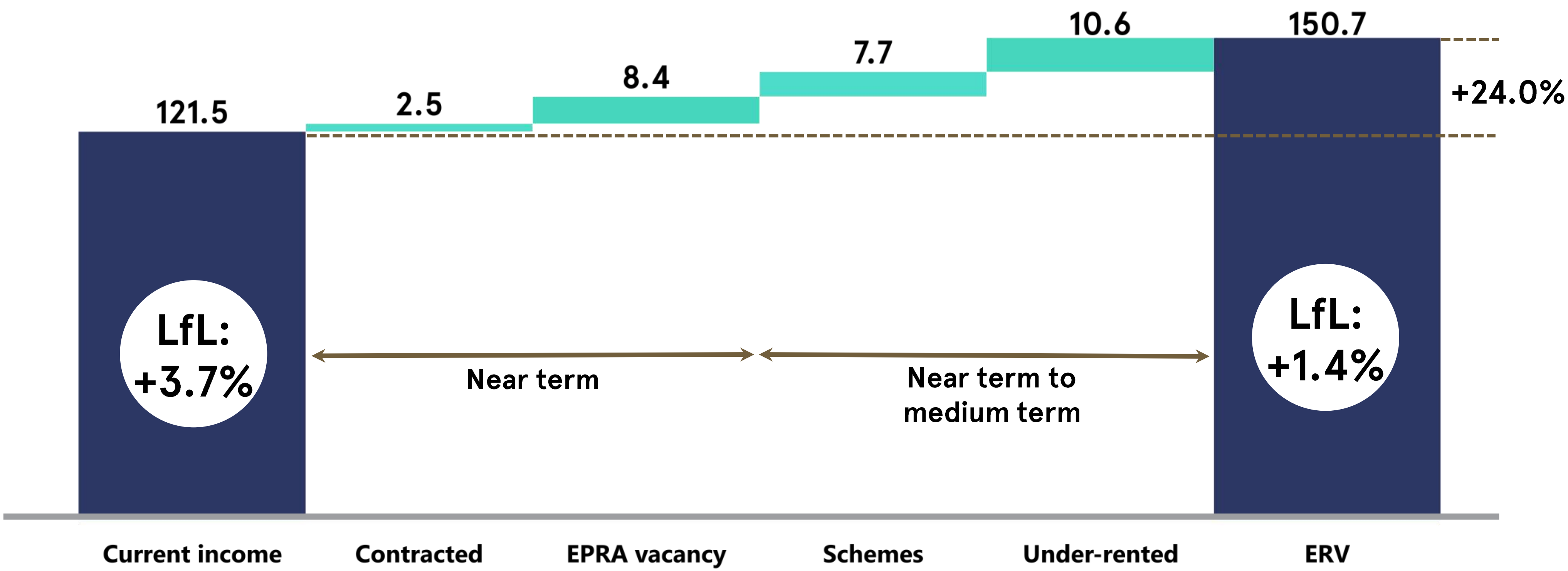


1. Including our 50% share of Longmartin
2. Excluding non-core asset acquired for £2.1m, as part of a portfolio
3. Like-for-like

Reversionary potential

Benefits of leasing and asset management activity

Components of the reversion[1,2] (£m)



1. Including our 50% share of Longmartin
2. Portfolio excluding non-core asset acquired in a portfolio

Valuation

Strong demand for best assets yet limited supply

WHOLLY-OWNED EQUIVALENT YIELD	LONGMARTIN EQUIVALENT YIELD
3.41%	**3.80%**
(9/17: 3.46%)	(9/17: 3.80%)

Strong demand for best quality assets in best locations

- Investment security
- Prospect of high occupancy and growing cash flows
- Asset management opportunities
- Limited exposure to obsolescence

Limited availability of properties to buy

- Owners reluctant to sell in this prosperous area
- Competition is intense

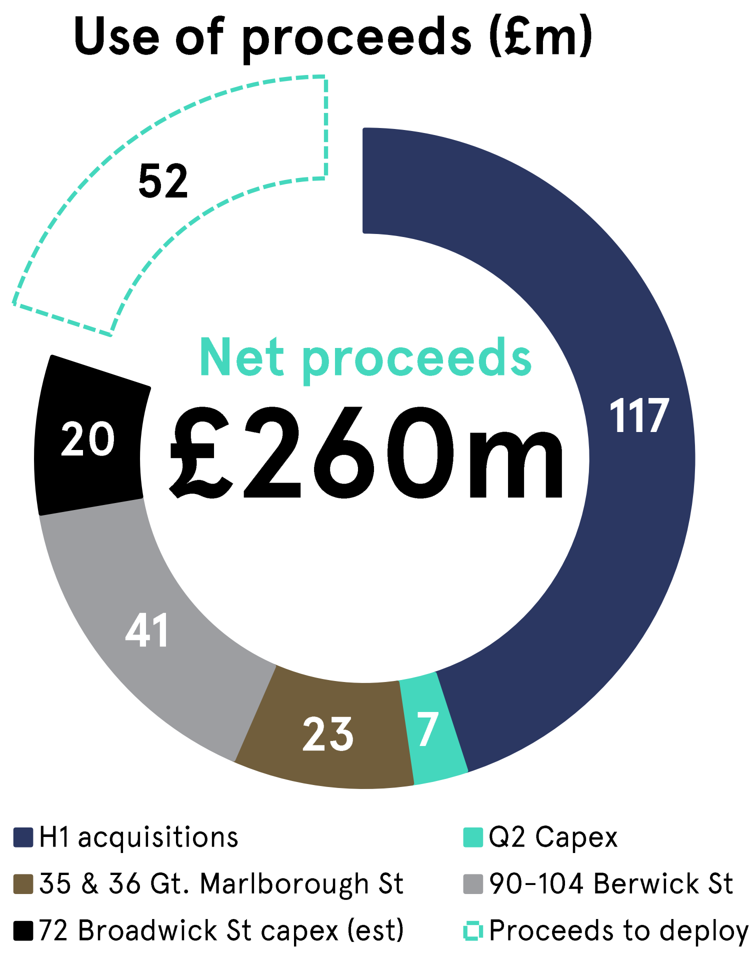
Potential greater value

- Predominance of restaurant, leisure and retail properties in adjacent, or adjoining, locations in the West End
- Long record of strong occupier demand for these uses and high occupancy levels – underpins long-term prospects for rental growth
- Valued in parts, not in its entirety[1]

1. In accordance with RICS guidelines

Share placing
Equity base strengthened

- 9.98% share placing @ £9.52 per share
- Support long-term growth and development of the business
- 79% of the net proceeds deployed/allocated
- Continue to evaluate acquisitions and value enhancing schemes

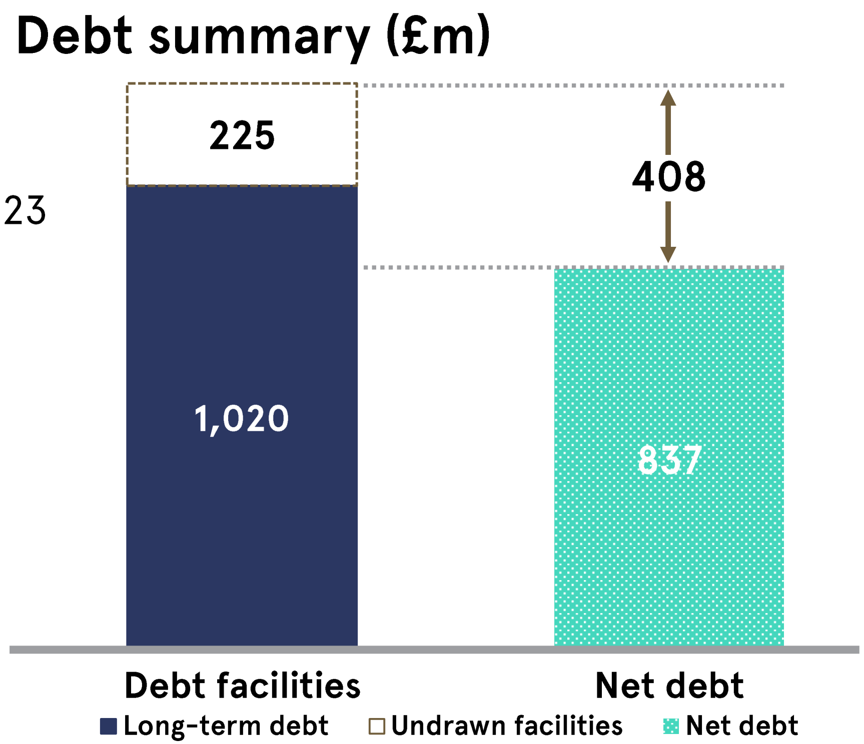


Debt summary

Platform for next leg of growth

LOAN-TO-VALUE[1,3]	INTEREST COVER[1]	WEIGHTED AVERAGE DEBT MATURITY[1]	BLENDED COST OF DEBT[1,2]
21.7%	2.5x	10.7 years	3.2%

- Terming out RCFs
  - £125m extended: 2020 → 2022
  - £150m refinanced: new facility £100m, 2023
- Earliest maturity now 2022
- Cash and undrawn facilities:
  - Wholly-owned: £406m
  - Longmartin: £2m



1. Including our 50% share of Longmartin debt
2. Including non-utilisation fees on undrawn bank facilities
3. Based on net debt

Operational Review

Brian Bickell

Our portfolio

- Lower floors – restaurants, cafés, bars and shops; 68% of current income
- Upper floors – offices and apartments; 32% of current income
- Leasing activity remains high
  - £15.3m of transactions (3/17: £13.9m)
  - Commercial transactions: +4.2% above 9/17 ERV (+7.6% above 3/17 ERV)
- Letting transactions generally taking longer to complete

283
602,000 sq. ft.

304
477,000 sq. ft.

452,000
sq. ft.

578
356,000 sq. ft.

Restaurants, cafés and leisure

Largest provider of dining and leisure space in the West End

LETTINGS/RENEWALS/REVIEWS	EPRA VACANCY	WEIGHTED AVERAGE UNEXPIRED LEASE TERM
£5.2m 10.9% of ERV[1]	£1.3m	9 years

- Healthy trading across our restaurant portfolio
- Innovative and accessible concepts; focus on experience and quality
- Occupational demand is good; operators attracted by exceptional footfall and spending throughout the year
- Occupier demand exceeds availability of space
  - Restrictive local planning policies
  - Existing occupiers reluctant to give up valuable sites
- Chinatown (our largest restaurant concentration) – strategy to improve variety and reposition making good progress

283 Restaurants cafés and pubs

36% of annualised current income

1. Restaurants, cafés and leisure ERV

A SELECTION OF RESTAURANT, CAFÉ & LEISURE SIGNINGS

Shu Xiangge

On the Dak

Inko Nito

Tsujuri

Evelyn's Table

Yolkin

Bread Ahead

Jinli

Retail

Important contribution to West End retail's global reputation

LETTINGS/RENEWALS/REVIEWS	EPRA VACANCY	WEIGHTED AVERAGE UNEXPIRED LEASE TERM
£2.9m 6.2% of ERV[1]	**£5.2m**	**4 years**

- Majority of shops in Carnaby and Seven Dials (76% by income) – retail destinations in their own right
- High footfall and spending locations
- Tenant selection focused on interesting, creative and experiential concepts
- Wide range of shop sizes and rental levels – encourages an eclectic mix of retailers – independents to international flagships
- Flexible and innovative leasing strategy

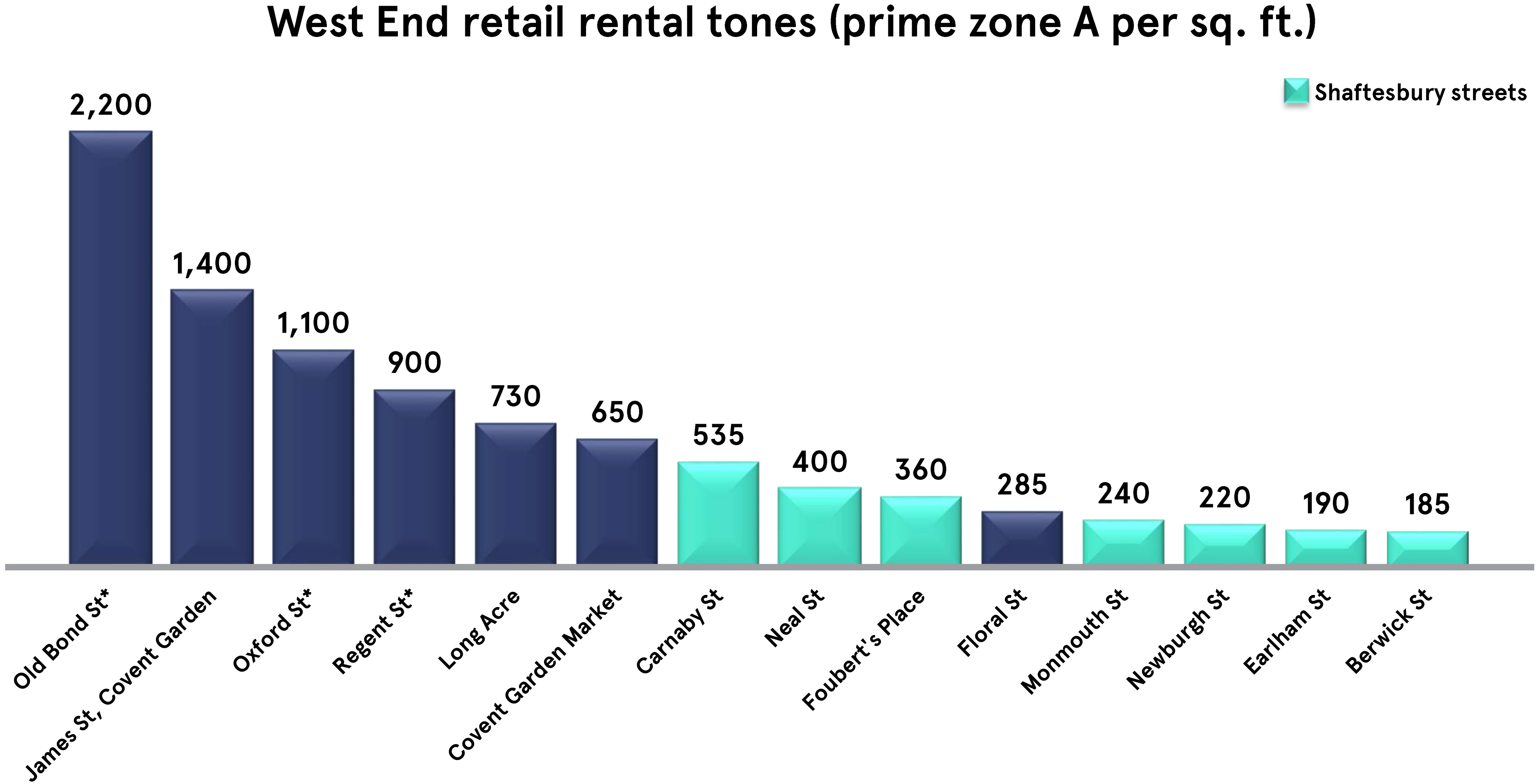
304 shops

32% of annualised current income

1. Retail ERV

Retail

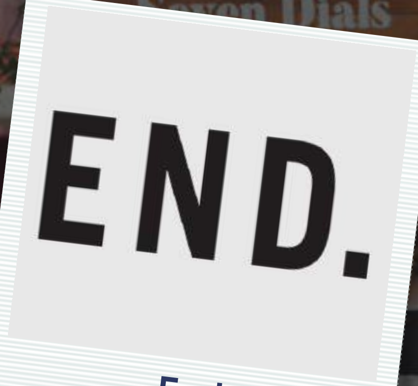
Competitive rental levels compared to nearby streets



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

A SELECTION OF RETAIL SIGNINGS

Rayban



End

Red Wing

Ellesse

Van Moof

Niod

Carousel

Daniel Wellington

Offices

Important provider of small, flexible space

LETTINGS/RENEWALS/REVIEWS	EPRA VACANCY	WEIGHTED AVERAGE UNEXPIRED LEASE TERM
£2.8m 9.7% of ERV[1]	£1.2m	3 years

- Important provider of small, flexible space
  - 238 tenants
  - Average letting: 1,650 sq. ft. (1,400 sq. ft. excl. 72 Broadwick St)
  - Average current rent: £56 psf (ERV: £64 psf)
- Demand remains good – particularly from SME media, fashion, creative and tech businesses
- Marginal increase in rents, and small increase in lease incentives
- High occupancy levels

452,000 sq. ft.

18% of annualised current income

1. Office ERV

Residential

High occupancy and reliable cash flow

LETTINGS/RENEWALS/REVIEWS	EPRA VACANCY
£4.4m	£0.2m
25.7% of ERV[1]	

- Continued good demand for our mid-market apartments
  - Occupancy as high as ever– typically < 10 apartments available
  - Reliable cash flow
- Rents stabilising despite greater availability of flats to rent in Central London
- Continue to upgrade our apartments
- 32 apartments under construction or being upgraded at 31 March (ERV: £1.0m)

578 apartments

14% of annualised current income

1. Residential ERV

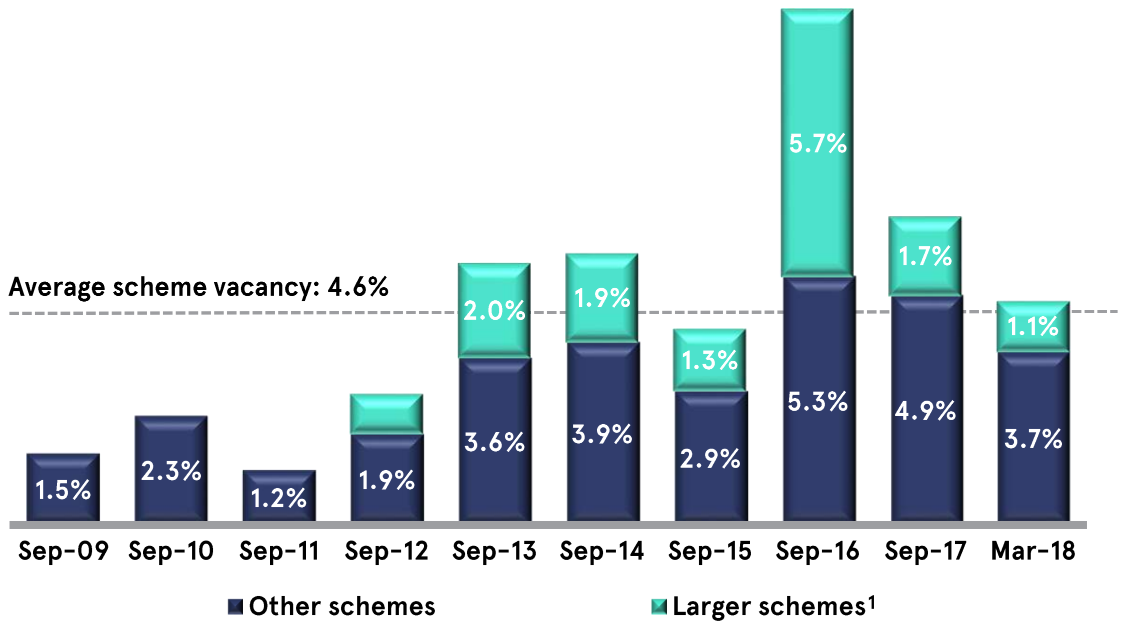
Schemes

Growing rents and unlocking value

SCHEMES IN THE PERIOD ACROSS	CAPITAL EXPENDITURE	ERV UNDER DEVELOPMENT
153,000 sq. ft.	**£14.9m**	**£6.7m**
8.4% of floor space	(+£1.2m in joint venture)	4.8% ERV

- 93,300 sq. ft. of space held for, or under, refurbishment at 31 March
  - 57 Broadwick Street: 17,400 sq. ft.
  - 39 other schemes: 75,900 sq. ft.
- Pipeline of potential projects at various stages from initial ideas to awaiting vacant possession
- Public realm improvements an important catalyst for long-term growth in footfall

Scheme vacancy



1. As at September 2012 to September 2014 larger schemes comprised Carnaby Court. As at September 2015 larger schemes comprised Central Cross. As at September 2016 larger schemes comprised Central Cross, 57 Broadwick St and Thomas Neal's Warehouse. As at September 2017 and 31 March 2018 larger schemes comprised 57 Broadwick St.

Larger schemes – current letting status

- 62% of total larger scheme ERV is currently let or under offer
- Discussions with prospective tenants for the remaining space are on-going

	Completed 31.3.18		Completed since 31.3.18		Total	
	£m	%	£m	%	£m	%
Completed space – ERV						
Thomas Neal's Warehouse	0.9		–		0.9	
Central Cross	3.7		–		3.7	
57 Broadwick Street	1.0		1.5		2.5	
Total	**5.6**		**1.5**		**7.1**	
ERV let or under offer						
At 31 March 2018	3.4	61%	–	–	3.4	48%
Since 31 March 2018	0.2	4%	0.8	53%	1.0	14%
Total let or under offer at 21 May 2018	**3.6**	**65%**	**0.8**	**53%**	**4.4**	**62%**

1. Central Cross accounts for the remaining available retail space

Acquisitions and disposals

Acquisitions

- Important strategic acquisitions since 1 October: £140.1m
- We continue to identify and investigate opportunities – limited availability of properties which meet our criteria

Disposals

- Disposal of non-core assets: net proceeds of £12.9m (48.3% above 30.9.17 book value)
  - 2 small mixed-use buildings in Covent Garden and Soho
- Profit on disposal £4.2m

72 Broadwick Street

- £92.2m freehold acquisition in December 2017
- Already owned a substantial ungeared long leasehold interest in the building which extends to 13,900 sq. ft. of shops on Carnaby St and a café on Broadwick St
- Gives us control over the 0.5 acre site and the important eastern gateway to Carnaby
- Office tenant’s lease expires at end of September 2018
- Plans being drawn up and subject to planning consents, provides the opportunity to create new retail and restaurant space on the lower floors
- Estimated scheme duration 2 years, costing c. £20m

54,100 sq. ft. of offices

11 apartments

(Current configuration)

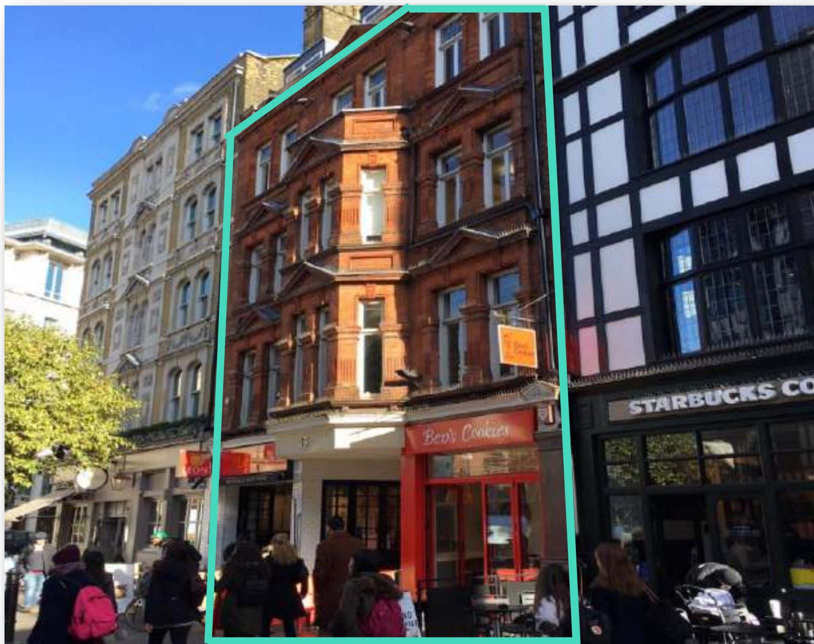
22 space car park

Neal Street

- Acquired, December 2017: £24.4m
- 6 shops on the northern end of Neal Street
- Adjacent to existing holdings, ownership of frontages on northern end of Neal Street now c. 70%
- Close proximity to Tottenham Court Road Crossrail hub – expect material increase in footfall
- Current rental tones significantly lower than the southern end of street (£285 vs £480 ERV ZA)
- Asset management initiatives and growth in footfall – the rent differential should narrow significantly over the medium term

35 & 36 Great Marlborough Street

- Exchanged, April 2018: £22.7m
- Located at the busy northern gateway in to Carnaby
- Discussions with WCC, to materially improve public realm in the vicinity
- Together with wider estate management strategy, will bring rental growth in the medium term



2 shops

4,250 sq. ft. of offices

Summary & Outlook

Outlook

Sustained demand underpins long-term growth prospects

- Uncertainties created by the 2016 EU referendum decision continue
- The West End offers a considerable degree of protection against national economic headwinds
  - Broad economic base
  - Enduring domestic and international appeal to visitors and businesses
- London is one of the world's most visited cities and Europe's creative hub

£14.4 billion domestic day spend in London in 2016

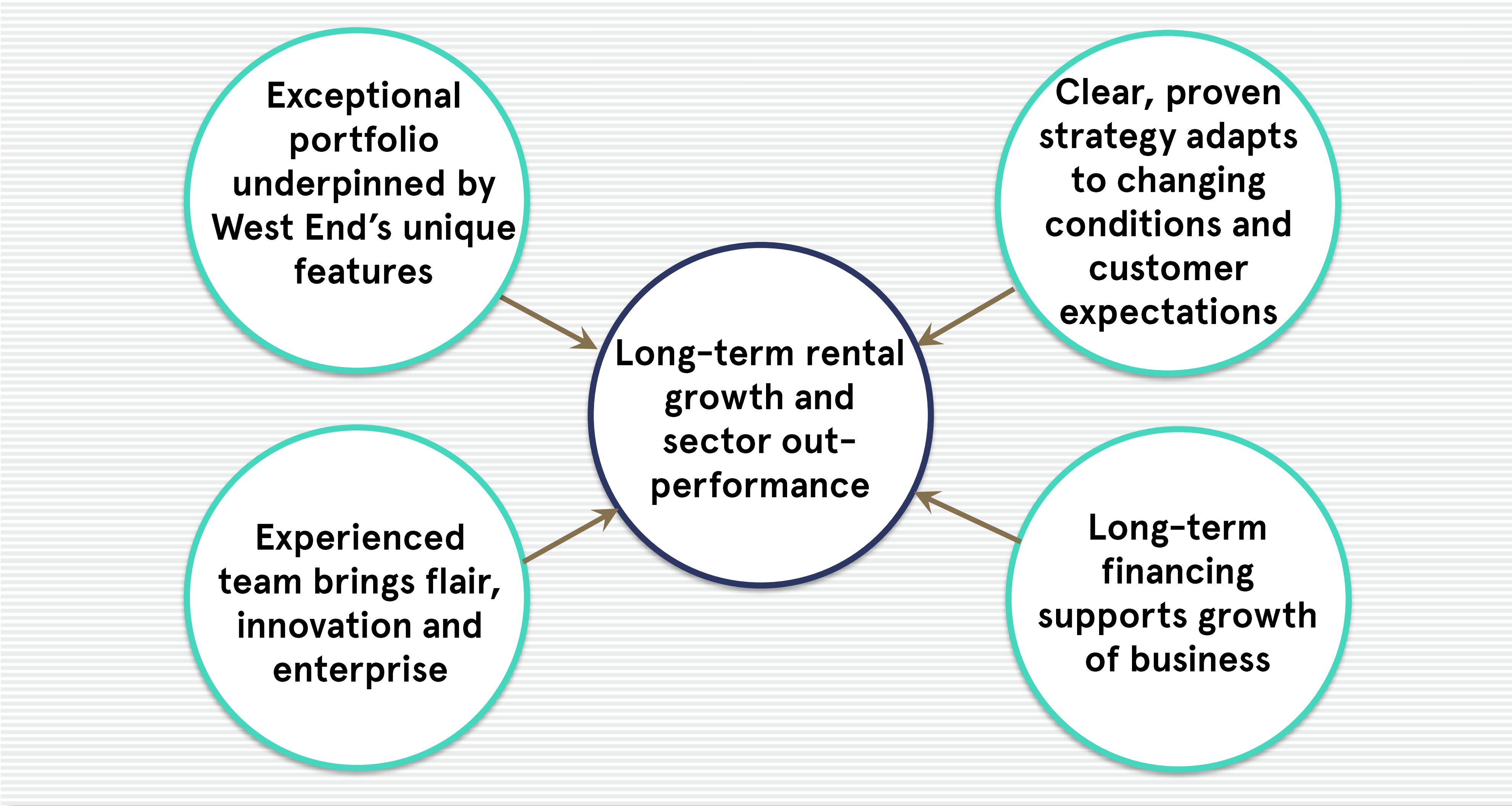
8.6 million London's population expected to reach 10 million by 2036

19.1 million overseas visits to London in 2016, expected to grow by 3.5% p.a. by 2025

£11.9 billion overseas spend in London in 2016

Outlook

Long-term strategy focused on income growth



1. Portfolio
2. Financial
3. Valuation
4. Village Summaries
5. Other

APPENDICES

1 Portfolio

Exceptional portfolio in the heart of London's West End

£150.7 million
estimated rental value[1,2]

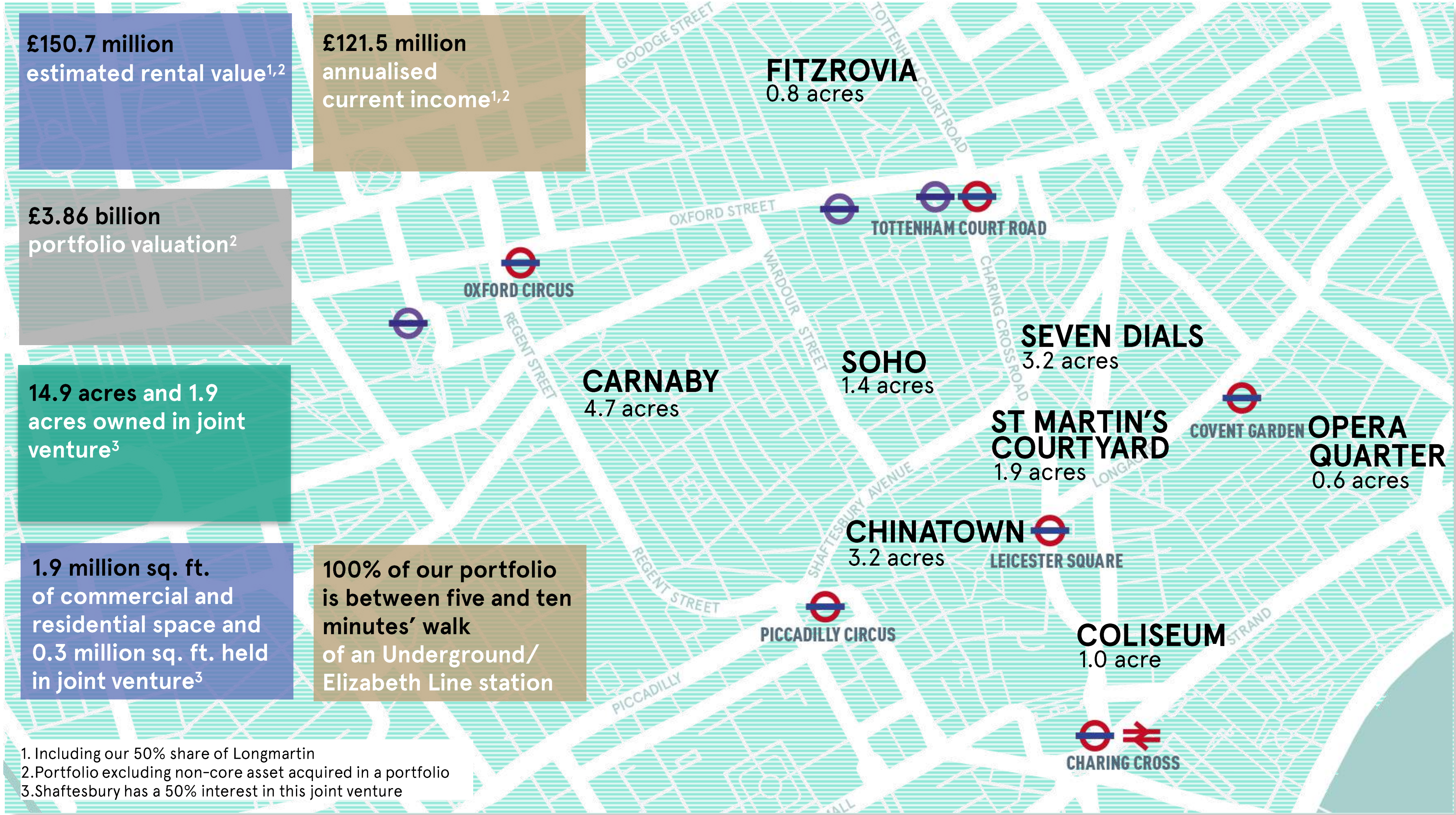
£121.5 million
annualised current income[1,2]

£3.86 billion
portfolio valuation[2]

14.9 acres and 1.9 acres owned in joint venture[3]

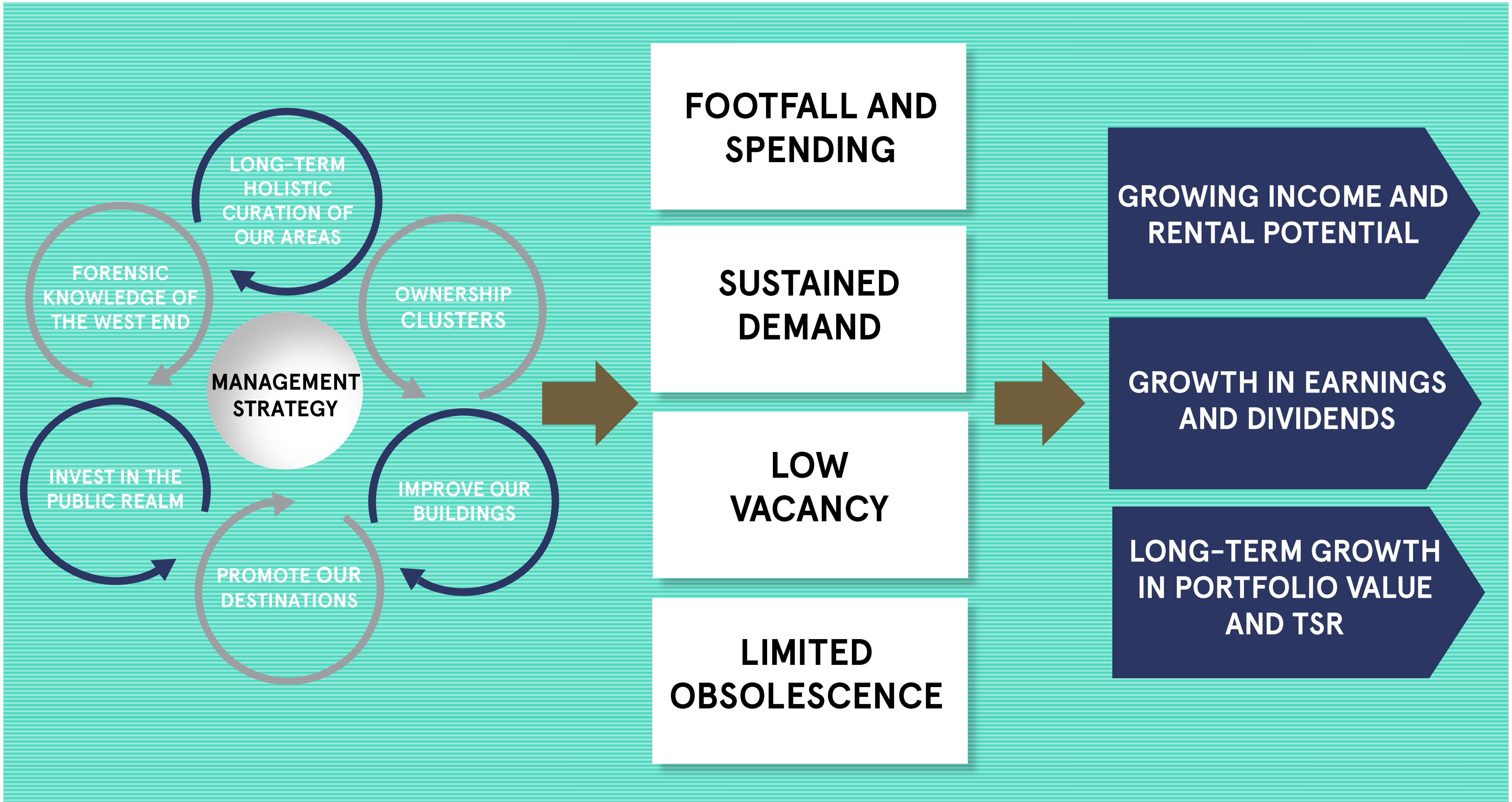
1.9 million sq. ft. of commercial and residential space and 0.3 million sq. ft. held in joint venture[3]

100% of our portfolio is between five and ten minutes' walk of an Underground/ Elizabeth Line station



1. Including our 50% share of Longmartin
2. Portfolio excluding non-core asset acquired in a portfolio
3. Shaftesbury has a 50% interest in this joint venture

Drivers of long-term growth in total shareholder returns



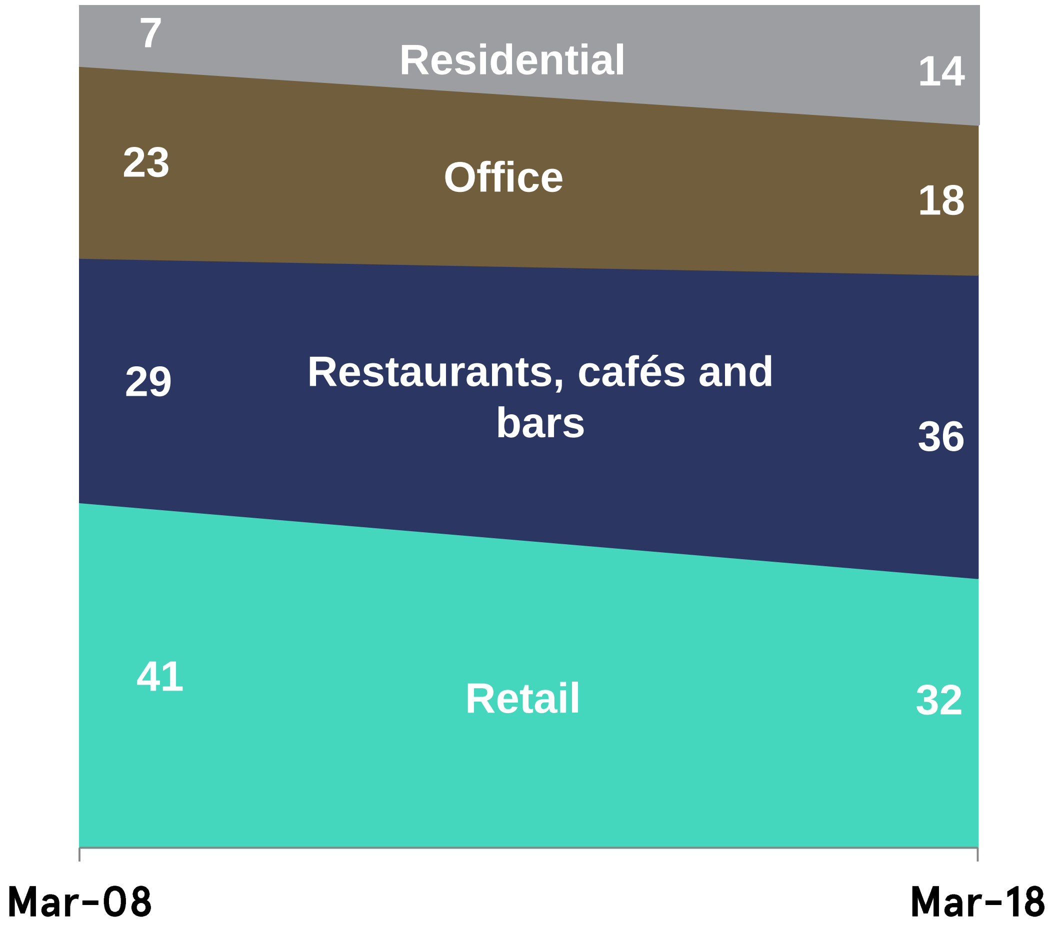
Our portfolio

RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	RESIDENTIAL
WHOLLY-OWNED	WHOLLY-OWNED	WHOLLY-OWNED	WHOLLY-OWNED
283	304		578
602,000 sq. ft.	477,000 sq. ft.	452,000 sq. ft.	356,000 sq. ft.
36% of annualised current income[1]	32% of annualised current income[1]	18% of annualised current income[1]	14% of annualised current income[1]
LONGMARTIN JOINT VENTURE	LONGMARTIN JOINT VENTURE	LONGMARTIN JOINT VENTURE	LONGMARTIN JOINT VENTURE
9	22		75
39,000 sq. ft.	73,000 sq. ft.	102,000 sq. ft.	55,000 sq. ft.

1. Wholly-owned portfolio

Mix of uses (wholly-owned portfolio)

% of annualised current income



Scheme vacancy

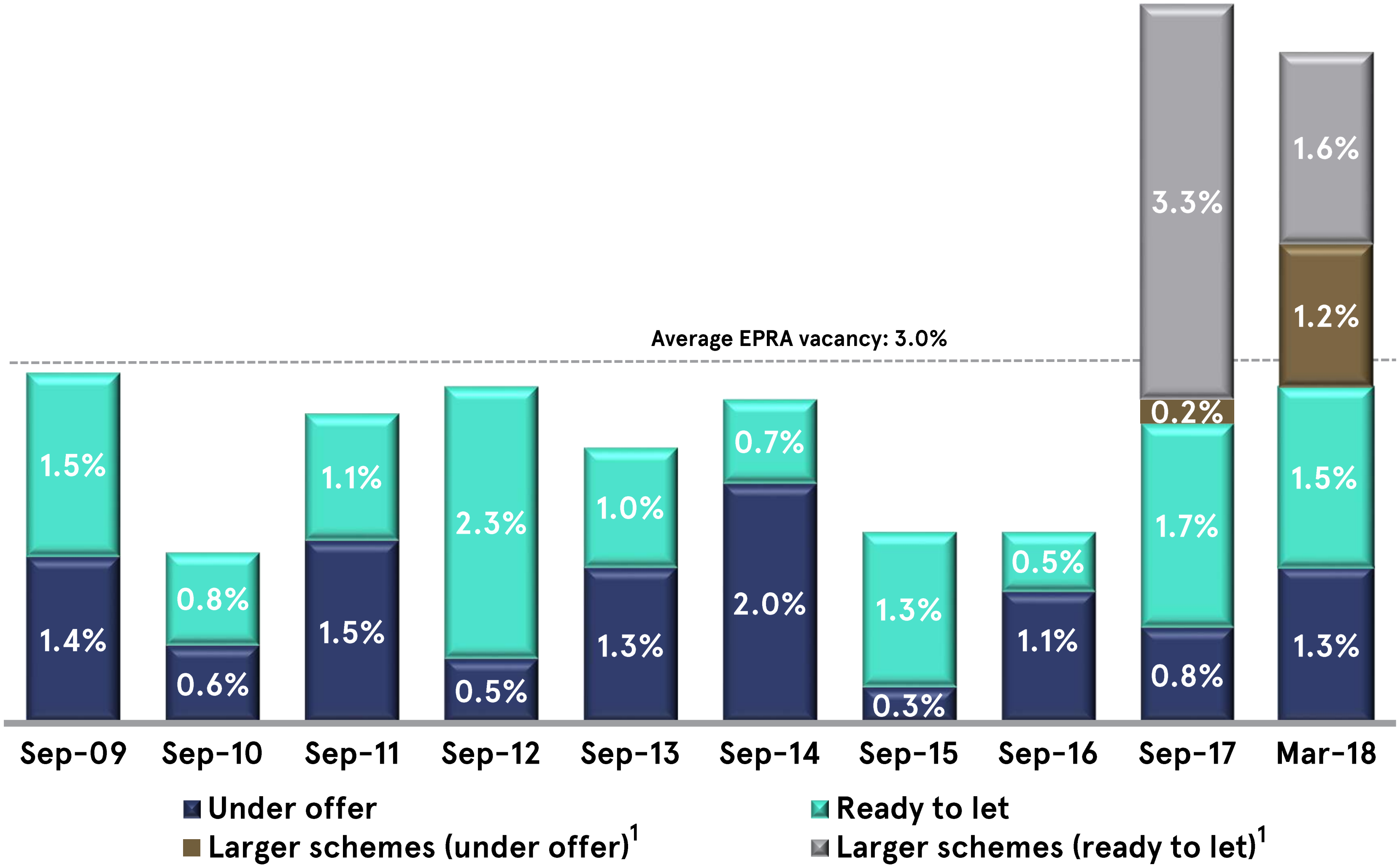
	Restaurants, cafés and leisure	Shops	Offices	Residential	Total	% of total ERV 31.3.18	30.9.17
57 Broadwick St	–	–	£1.4m	£0.1m	**£1.5m**	**1.1%**	1.7%
Other schemes	£1.5m	£1.2m	£1.6m	£0.9m	**£5.2m**	**3.7%**	4.9%
	£1.5m	**£1.2m**	**£3.0m**	**£1.0m**	**£6.7m**	**4.8%**	6.6%
	14,400 sq. ft.	**20,400** sq. ft.	**39,100** sq. ft.	**19,400** sq. ft.	**93,300** sq. ft.		124,000 sq. ft.

EPRA vacancy

	Restaurants, cafés and leisure	Shops	Offices	Residential	Total	% of total ERV 31.3.18	30.9.17
Larger schemes[1]							
- under offer	£0.8m	£0.9m	–	–	**£1.7m**	**1.2%**	0.2%
- available-to-let	–	£2.2m	–	–	**£2.2m**	**1.6%**	3.3%
	£0.8m	**£3.1m**	**-**	**-**	**£3.9m**	**2.8%**	3.5%
Other vacancy							
- under offer	£0.5m	£1.0m	£0.2m	£0.1m	**£1.8m**	**1.3%**	0.8%
- available-to-let	–	£1.1m	£1.0m	£0.1m	**£2.2m**	**1.5%**	1.7%
	£0.5m	**£2.1m**	**£1.2m**	**£0.2m**	**£4.0m**	**2.8%**	2.5%
	£1.3m 13,300 sq. ft.	**£5.2m** 83,100 sq. ft.	**£1.2m** 18,400 sq. ft.	**£0.2m** 4,900 sq. ft.	**£7.9m** 119,700 sq. ft.	**5.6%**	6.0% 109,900 sq. ft.

1. Larger schemes are Central Cross and Thomas Neal's Warehouse

10 year EPRA vacancy

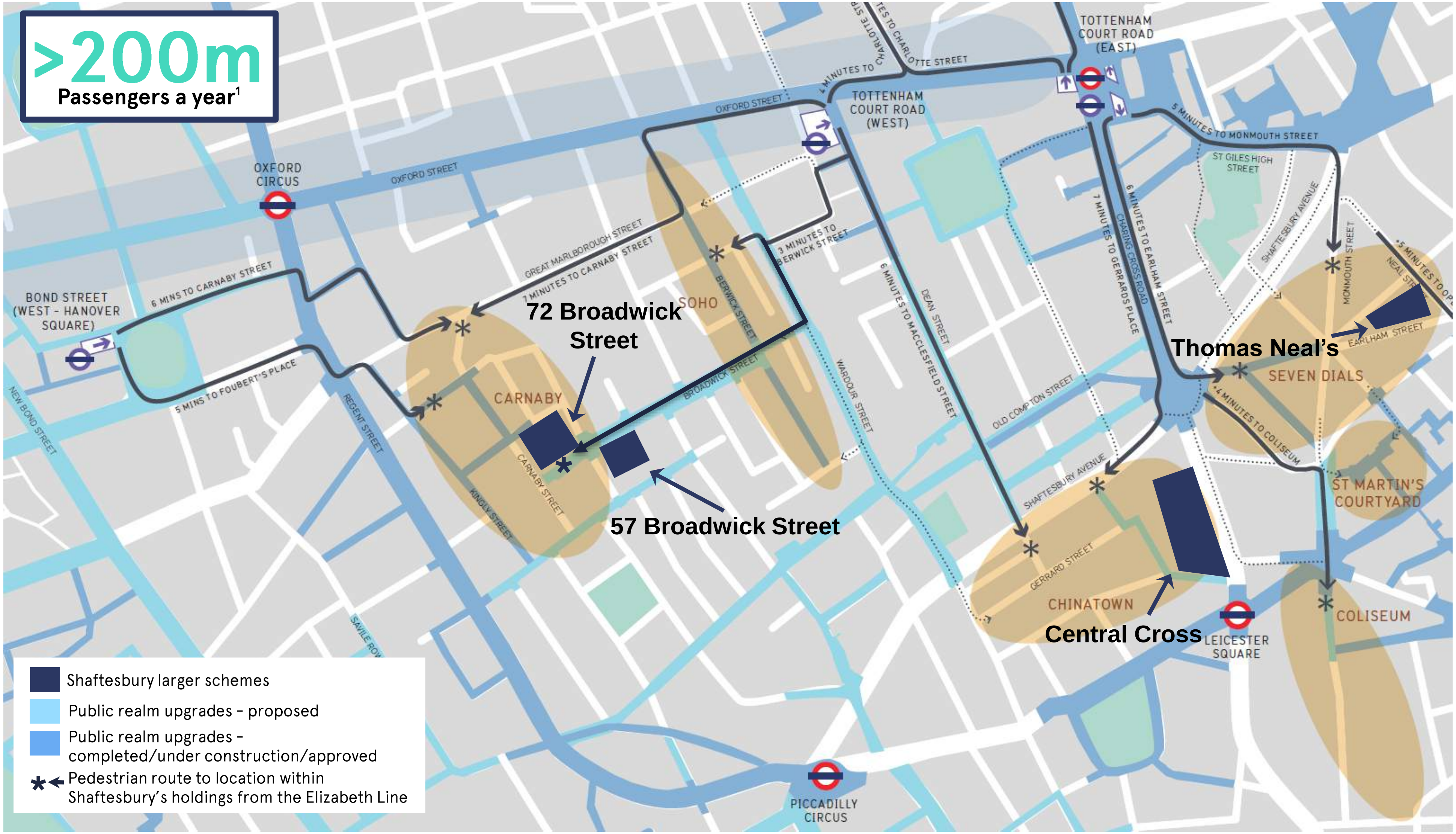


1. Larger schemes are Central Cross and Thomas Neal's Warehouse

Letting activity during the period

RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	RESIDENTIAL
Letting/rent reviews:	Letting/rent reviews:	Letting/rent reviews:	Letting/rent reviews:
£5.2m	**£2.9m**	**£2.8m**	**£4.4m**
(10.9% of restaurant, café and leisure ERV)	(6.2% of retail ERV)	(9.7% of office ERV)	(25.7% of residential ERV)
15 Lettings & renewals	**18** Lettings & renewals	**20** Lettings & renewals	**154** Lettings & renewals
15 Rent reviews	**5** Rent reviews	**3** Rent reviews	

Elizabeth Line and public realm



1. Forecast passenger numbers a year passing through the Tottenham Court Road and Bond Street transport hubs by the mid-2020s

2 Financial

EPRA earnings and NAV reconciliations

EARNINGS	Mar 2018 £m	Mar 2017 £m	Sept 2017 £m
IFRS profit after tax	**123.7**	102.4	301.6
Adjust for fair value movements:			
Investment properties	**(97.6)**	(61.6)	(230.6)
Financial derivatives	**-**	(16.1)	(22.0)
Profit on disposal of investment properties	**(4.2)**	(0.3)	(1.1)
Adjustments re: Longmartin JV:			
Investment property revaluation	**4.1**	(1.5)	(2.6)
Deferred tax	**(1.0)**	(0.1)	(0.1)
EPRA earnings	**25.0**	22.8	45.2
Number of shares (million)	**296.9**	278.8	278.9
EPRA EPS	**8.4p**	8.2p	16.2p

NAV	Mar 2018 £m	Mar 2017 £m	Sept 2017 £m
IFRS net assets	**3,006.3**	2,468.9	2,646.9
Effect of exercise of options	**0.5**	0.5	0.5
Diluted net assets	**3,006.8**	2,469.4	2,647.4
Adjust for:			
Fair value of financial derivatives	**-**	63.9	-
Adjustments re: Longmartin JV:			
Deferred tax	**16.9**	17.9	17.9
EPRA NAV	**3,023.7**	2,551.2	2,665.3
Number of shares (diluted) (million)	**307.7**	279.8	279.8
EPRA NAV per share	**£9.83**	£9.12	£9.52

Income and costs

EPRA EARNINGS	H1 2018 £m	H1 2017 £m	2017 £m
Rental income	**55.6**	50.9	103.4
Property costs	**(9.4)**	(7.1)	(15.1)
Net property income	**46.2**	43.8	88.3
Admin expenses	**(6.8)**	(6.8)	(14.1)
	39.4	37.0	74.2
Net finance costs	**(15.9)**	(16.1)	(32.7)
Share of Longmartin JV profit before tax[1]	**1.9**	2.4	4.5
Recurring profit before tax	**25.4**	23.3	46.0
Share of Longmartin JV current tax	**(0.4)**	(0.5)	(0.8)
EPRA earnings	**25.0**	22.8	45.2

PROPERTY COSTS	H1 2018 £m	H1 2017 £m	2017 £m
Operating costs	**4.5**	3.1	7.1
Management fees	**1.4**	1.2	2.4
Letting costs	**1.7**	1.8	3.4
Village promotion	**1.8**	1.0	2.2
Property outgoings	**9.4**	7.1	15.1

1. After adjusting for revaluation surplus

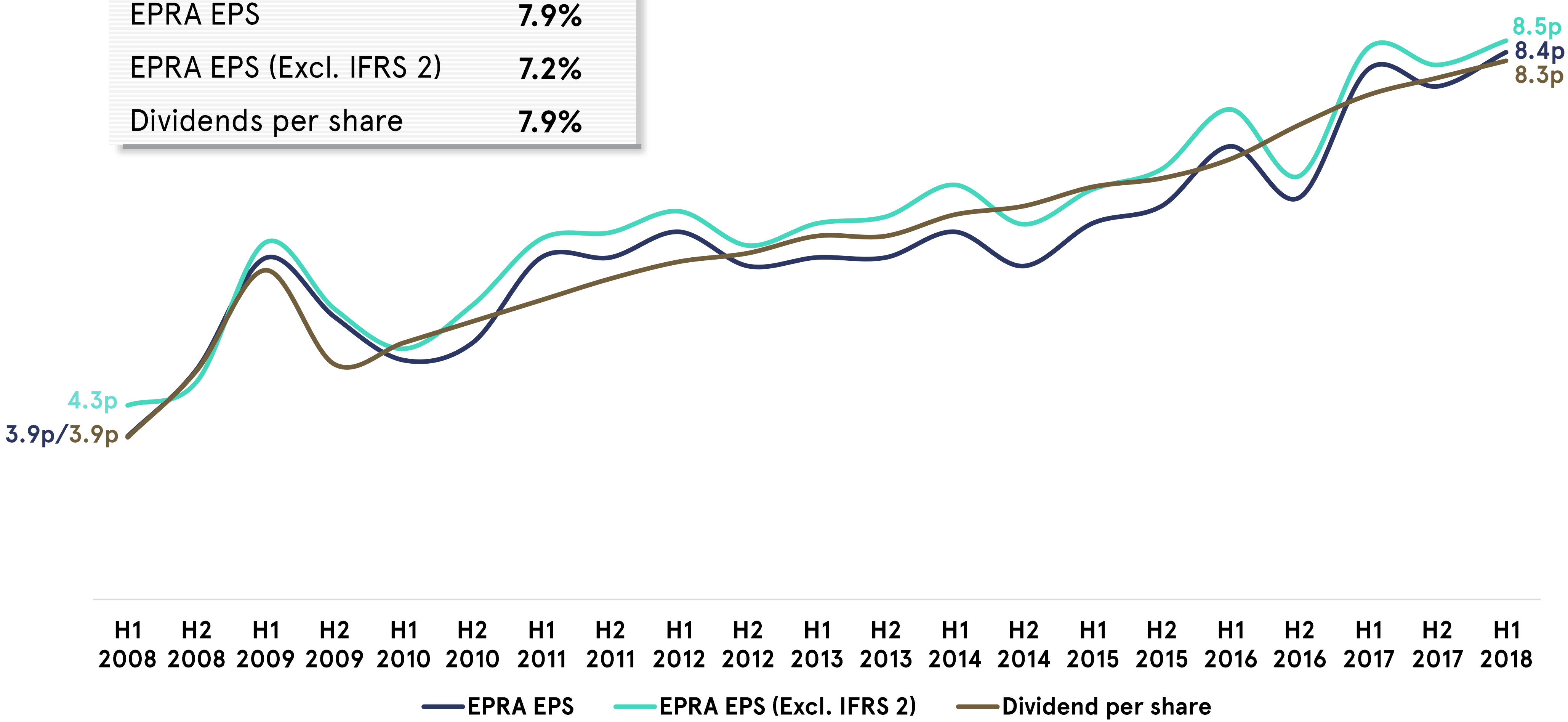
Reconciliation of IFRS to proportional consolidation

BALANCE SHEET	Mar 2018			Sept 2017		
	IFRS £m	Longmartin JV £m	Proportional consolidation £m	IFRS £m	Longmartin JV £m	Proportional consolidation £m
Investment properties	**3,628.5**	**228.5**	**3,857.0**	3,407.3	231.3	3,638.6
Investment in Longmartin JV	**144.9**	**(144.9)**	**-**	148.0	(148.0)	-
Net debt	**(779.1)**	**(58.3)**	**(837.4)**	(914.2)	(59.4)	(973.6)
Other assets and liabilities	**12.0**	**(25.3)**	**(13.3)**	5.8	(23.9)	(18.1)
Net assets	**3,006.3**	**-**	**3,006.3**	2,646.9	-	2,646.9

INCOME STATEMENT	H1 2018			H1 2017			FY 2017		
	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m	IFRS £m	Longmartin JV £m	Proportionate consolidation £m
Net property income	**46.2**	**3.7**	**49.9**	43.8	4.1	47.9	88.3	8.0	96.3
Admin costs	**(6.8)**	**(0.1)**	**(6.9)**	(6.8)	-	(6.8)	(14.1)	(0.1)	(14.2)
Profit on disposal	**4.2**	**-**	**4.2**	0.3	-	0.3	1.1	-	1.1
Revaluation surplus	**97.6**	**(4.1)**	**93.5**	61.6	1.5	63.1	230.6	2.7	233.3
Operating profit	**141.2**	**(0.5)**	**140.7**	98.9	5.6	104.5	305.9	10.6	316.5
Net finance costs	**(15.9)**	**(1.7)**	**(17.6)**	-	(1.7)	(1.7)	(10.7)	(3.4)	(14.1)
Share of Longmartin post-tax (loss)/profits	**(1.6)**	**1.6**	**-**	3.5	(3.5)	-	6.4	(6.4)	-
Profit before tax	**123.7**	**(0.6)**	**123.1**	102.4	0.4	102.8	301.6	0.8	302.4
Tax	**-**	**0.6**	**0.6**	-	(0.4)	(0.4)	-	(0.8)	(0.8)
Profit after tax	**123.7**	**-**	**123.7**	102.4	-	102.4	301.6	-	301.6

Earnings and dividends per share[1]

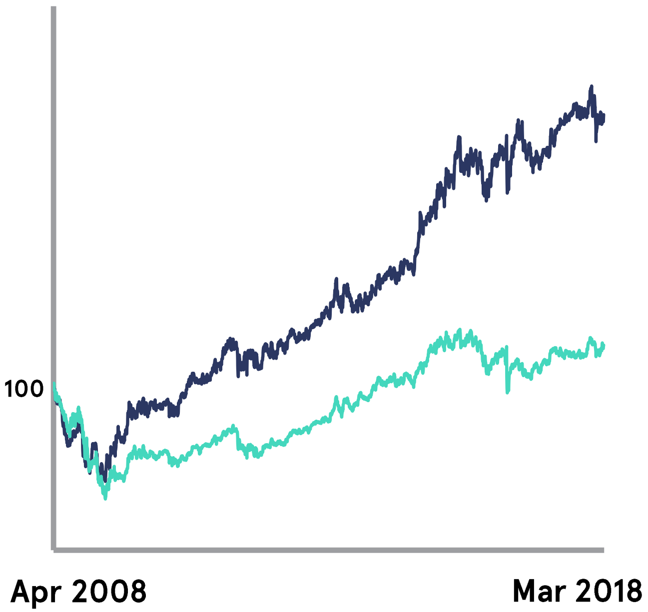
10 year CAGR	
EPRA EPS	7.9%
EPRA EPS (Excl. IFRS 2)	7.2%
Dividends per share	7.9%



1. Data for H1 and H2 2008 has been adjusted for the bonus element inherent in the 2009 Rights Issue

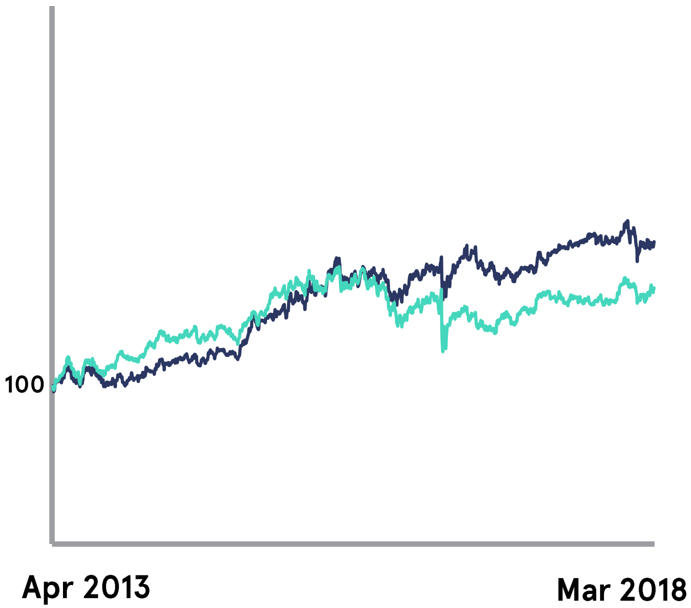
TSR outperformance

10 years



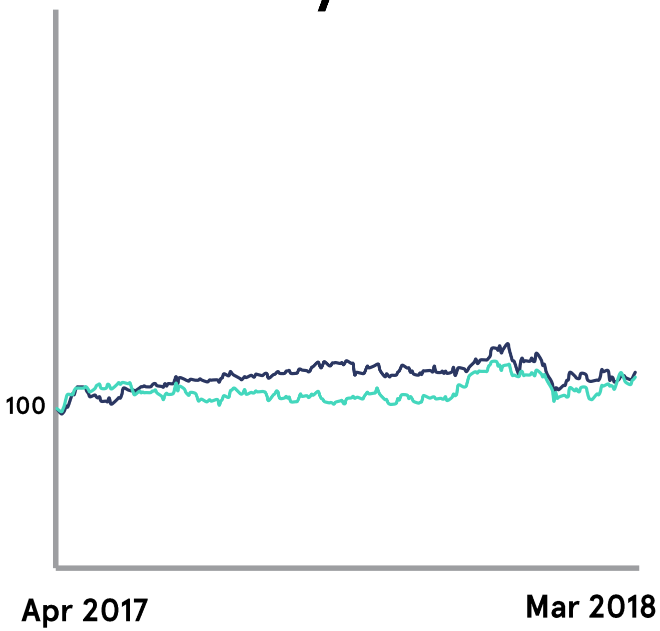
Shaftesbury	+172.3%
FTSE 350 RE	+28.2%
Out performance	+144.1%

5 years



Shaftesbury	+84.2%
FTSE 350 RE	+57.5%
Out performance	+26.7%

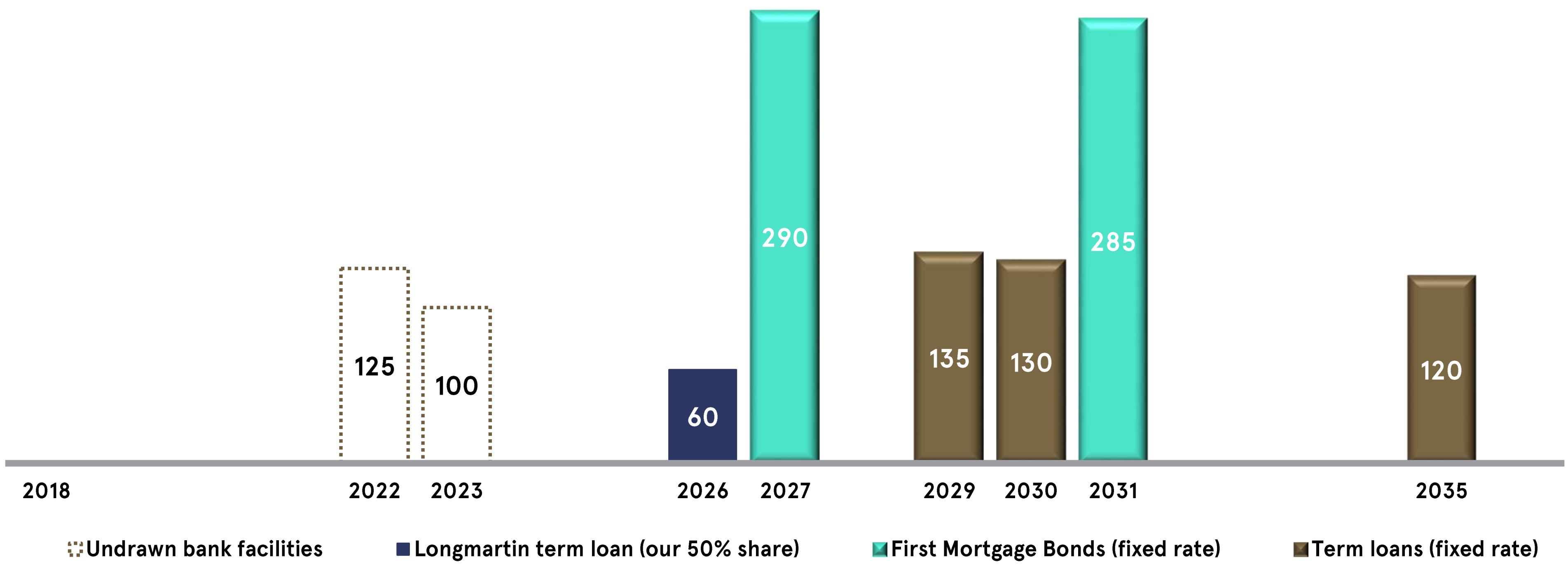
1 year



Shaftesbury	+9.1%
FTSE 350 RE	+7.9%
Out performance	+1.2%

Debt maturity profile

Weighted average maturity: 10.7 years[1]



1. Including our 50% share of Longmartin debt

3 Valuation

Valuation: £3.86bn[1,2]

Carnaby
£1,396m
36%

Fitzrovia
£146m
4%

Soho
£281m
7%

Chinatown
£818m
21%

Covent Garden[1]
£1,222m
32%

1. Including our 50% share of Longmartin. As at 31 March, the wholly-owned Covent Garden portfolio was valued at £997m and Longmartin was valued at £225m
2.Portfolio excluding non-core asset acquired in a portfolio

Valuation summary[1]

	Fair value £m	% of portfolio	Annualised current income £m	ERV £m
Wholly-owned portfolio				
Carnaby	1,396.1	36%	45.3	56.2
Covent Garden	997.3	26%	29.7	36.9
Chinatown	817.5	21%	24.6	30.9
Soho	281.1	7%	8.9	10.8
Fitzrovia	146.3	4%	4.7	5.6
	3,638.3	**94%**	**113.2**	**140.4**
Longmartin joint venture (our 50%)	**224.7**	6%	8.3	10.3
Total	**3,863.0**	**100%**	**121.5**	**150.7**

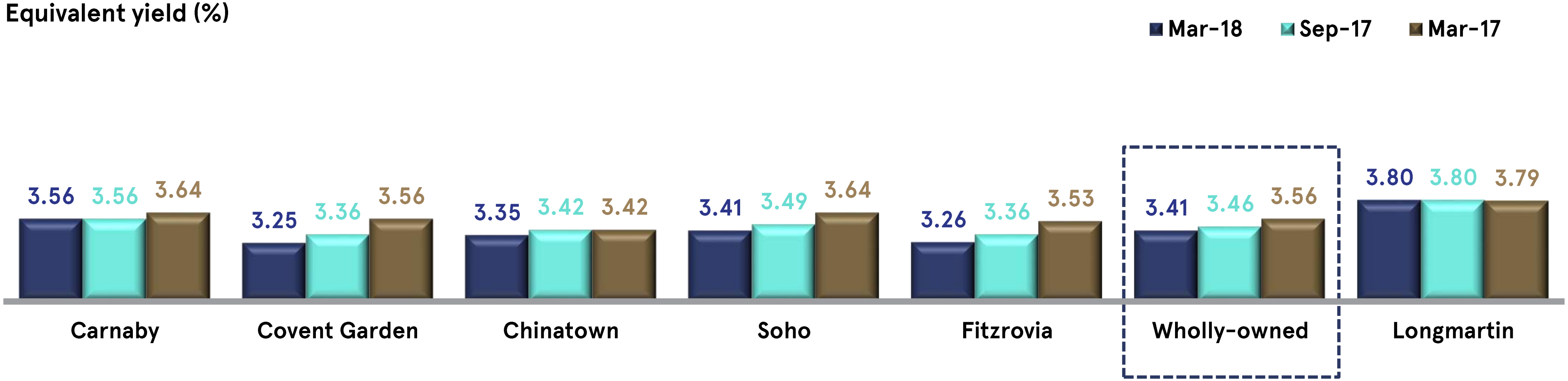
1. Portfolio excluding non-core asset acquired in a portfolio

L-f-L change in capital values

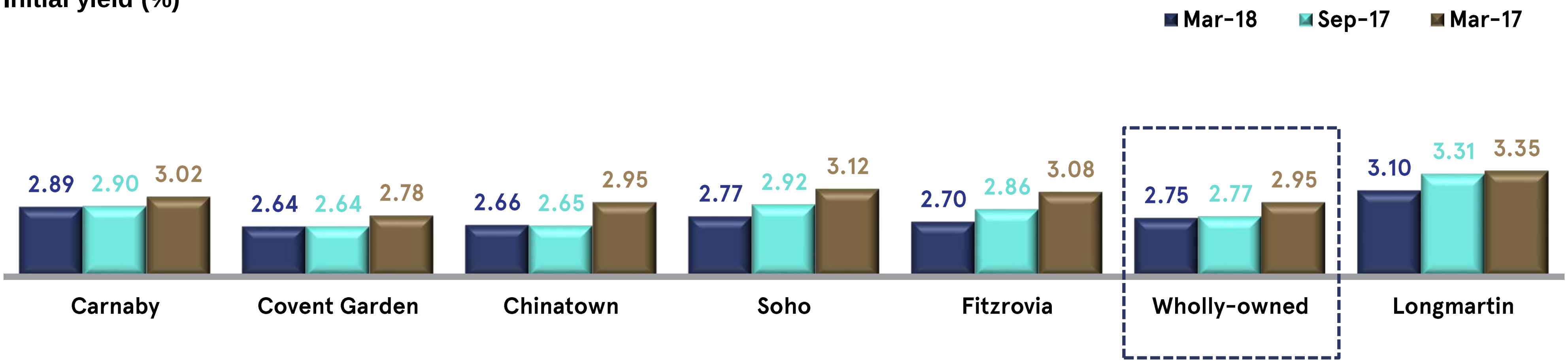
	% of portfolio	H2 FY 17	H1 FY 18	YEAR TO 31.3.2018	5 Year CAGR
Total	100%	+4.9%	+3.0%	+8.0%	+11.6%
Carnaby	36%	+5.0%	+3.2%	+8.4%	+13.5%
Covent Garden	26%	+6.2%	+3.5%	+9.9%	+10.5%
Chinatown	21%	+3.3%	+2.7%	+6.1%	+10.1%
Soho	7%	+7.3%	+4.5%	+12.1%	+12.5%
Fitzrovia	4%	+8.5%	+3.8%	+12.6%	+11.4%
Longmartin	6%	+0.4%	-1.9%	-1.5%	+10.1%

Yields

Equivalent yield (%)



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	40.8	36.4	20.3	15.7	8.3	**121.5**	**80.6%**
Vacancy							
– EPRA vacancy	1.3[1]	5.2[2]	1.2	0.2	0.5	**8.4**	**5.6%**
– 57 Broadwick Street	–	–	1.4	0.1	–	**1.5**	**1.0%**
– Other schemes	1.5	1.2	1.6	0.9	1.0	**6.2**	**4.1%**
	43.6	42.8	24.5	16.9	9.8	**137.6**	**91.3%**
Contracted (rent frees, stepped rents)	1.1	1.2	0.2	–	–	**2.5**	**1.7%**
Under-rented	2.7	3.2	4.0	0.2	0.5	**10.6**	**7.0%**
ERV	**47.4**	**47.2**	**28.7**	**17.1**	**10.3**	**150.7**	**100.0%**

1. £0.8m is under offer at Central Cross.
2. Includes £0.9m at Thomas Neal's Warehouse and £2.4m at Central Cross.

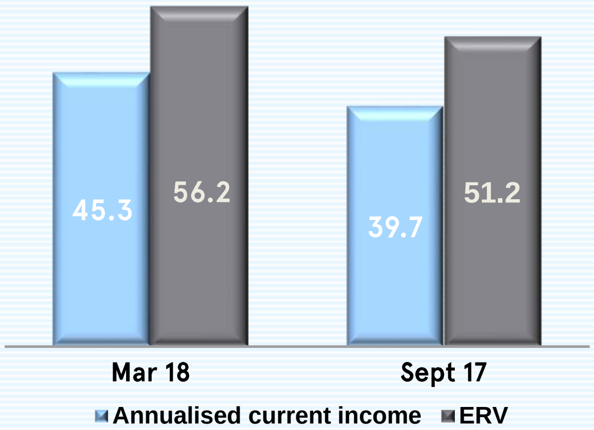
4 Village Summaries

Carnaby – in numbers
36% of our portfolio

carnaby.co.uk

	Mar 2018	Sept 2017
Valuation	**£1,396.1m**	£1,265.5m
Acquisitions	**£93.0m**	£5.1m
Capital expenditure	**£5.7m**	£15.5m
Capital value return (L-f-L)	**+3.2%**	+7.1%
Equivalent yield	**3.56%**	3.56%
Reversion	**£10.9m**	£11.5m

REVERSION (£m)



RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	APARTMENTS
59	97		109
111,000 sq. ft.	180,000 sq. ft.	299,000 sq. ft.	67,000 sq. ft.

ANNUALISED CURRENT INCOME BREAKDOWN

18%	44%	31%	7%

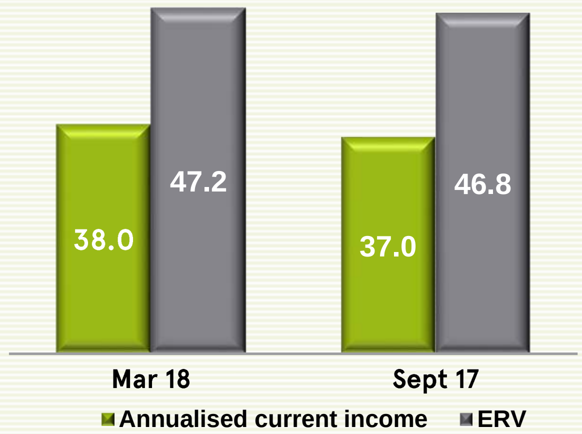
Covent Garden – in numbers

32% of our portfolio*

sevendials.co.uk
stmartinscourtyard.co.uk

	Mar 2018	Sept 2017
Valuation*	**£1,222.0m**	£1,175.0m
Acquisitions	**£24.4m**	£11.2m
Disposals	**£5.1m**	£10.2m
Capital expenditure*	**£4.6m**	£9.5m
Capital value return (L-f-L)		
– wholly-owned	**+3.5%**	+7.5%
– Longmartin JV	**-1.9%**	+1.0%
Equivalent yield		
– wholly-owned	**3.25%**	3.36%
– Longmartin JV	**3.80%**	3.80%
Reversion		
– wholly-owned	**£7.2m**	£8.2m
– Longmartin JV	**£2.0m**	£1.6m

REVERSION (£m)*



WHOLLY-OWNED

RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	APARTMENTS
90	101		214
176,000 sq. ft.	147,000 sq. ft.	84,000 sq. ft.	133,000 sq. ft.

ANNUALISED CURRENT INCOME BREAKDOWN

38%	29%	12%	21%

LONGMARTIN[1]

RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	APARTMENTS
9	22		75
39,000 sq. ft.	73,000 sq. ft.	102,000 sq. ft.	55,000 sq. ft.

ANNUALISED CURRENT INCOME BREAKDOWN

14%	35%	36%	15%

* Including 50% share of Longmartin

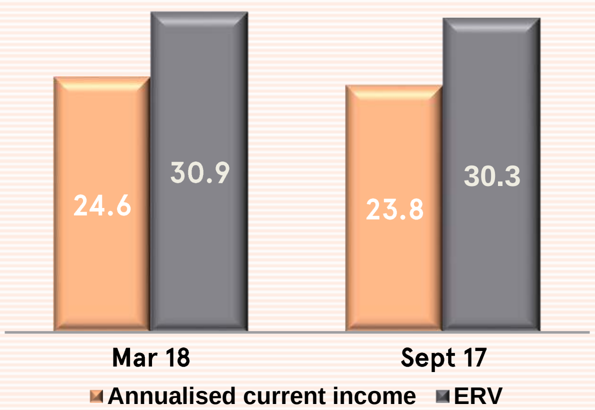
1. Shaftesbury has a 50% interest in this joint venture

Chinatown – in numbers
21% of our portfolio

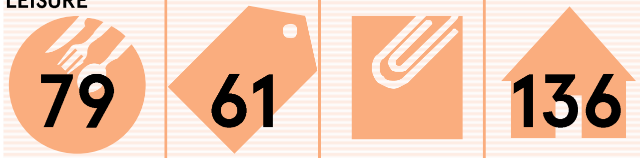
chinatown.co.uk

	Mar 2018	Sept 2017
Valuation	**£817.5m**	£791.5m
Acquisitions	**–**	£9.7m
Disposal	**–**	£1.0m
Capital expenditure	**£4.5m**	£14.2m
Capital value return (L-f-L)	**+2.7%**	+6.0%
Equivalent yield	**3.35%**	3.42%
Reversion	**£6.3m**	£6.5m

REVERSION (£m)



RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	APARTMENTS
79	61		136
206,000 sq. ft.	92,000 sq. ft.	25,000 sq. ft.	94,000 sq. ft.



ANNUALISED CURRENT INCOME BREAKDOWN

62%	21%	4%	13%

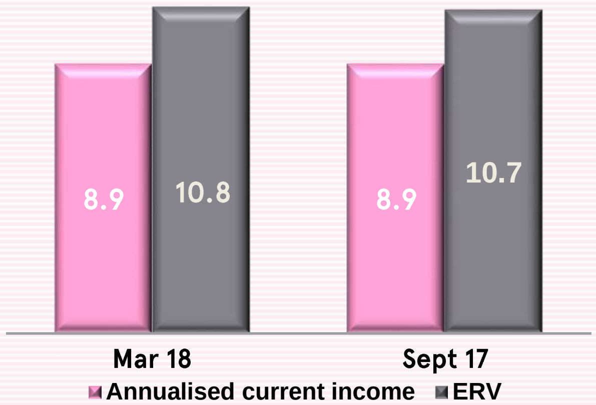
Soho – in numbers

7% of our portfolio

thisissoho.co.uk

	Mar 2018	Sept 2017
Valuation	**£281.1m**	£272.1m
Acquisitions	**-**	£1.5m
Disposal	**£3.6m**	£1.1m
Capital expenditure	**£0.5m**	£0.4m
Capital value return (L-f-L)	**+4.5%**	+11.3%
Equivalent yield	**3.41%**	3.49%
Reversion	**£1.9m**	£1.8m

REVERSION (£m)



RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	APARTMENTS
31	36		68
59,000 sq. ft.	44,000 sq. ft.	34,000 sq. ft.	37,000 sq. ft.

ANNUALISED CURRENT INCOME BREAKDOWN

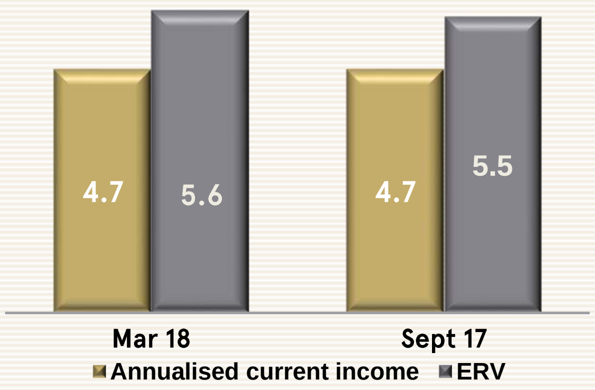
RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	APARTMENTS
40%	25%	15%	20%

Fitzrovia – in numbers

4% of our portfolio

	Mar2018	Sept 2017
Valuation	**£146.3m**	£140.2m
Acquisitions	**-**	£7.5m
Capital expenditure	**£0.8m**	£1.9m
Capital value return (L-f-L)	**+3.8%**	+11.4%
Equivalent yield	**3.26%**	3.36%
Reversion	**£0.9m**	£0.8m

REVERSION (£m)



RESTAURANTS, CAFÉS AND LEISURE	SHOPS	OFFICES	APARTMENTS
24	9		51
50,000 sq. ft.	14,000 sq. ft.	10,000 sq. ft.	25,000 sq. ft.

ANNUALISED CURRENT INCOME BREAKDOWN

53%	13%	8%	26%

5 Other

Sustainability performance 2017

- EPRA Gold Award for sustainability reporting
- GRESB Green Star
- Continued listing on FTSE4Good – 94%
- Also listed: Ethibel Excellence and CDP
- Awarded Fair Place Award
- Signatory to UN Global Compact
- Member of Better Building Partnership
- Member of Wild West End (won Big Biodiversity Challenge Award 2017)
- Member of Real Estate Balance
- RICS Inclusive Employer Quality Mark
- Green Apple Award for Carnaby waste recycling
- Hampton Alexander gender diversity review – 1st in FTSE 250 for executive team
- Report in line with London Benchmarking Group guidelines
  - £562,000 charitable contributions
  - £513,000 S106 contributions

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
- Competing destinations resulting in long-term decline in footfall

Regulatory Risks

Changing national or local policies, particularly planning and licensing could increase costs, adversely limit our ability to optimise revenues and affect our values

Economic Risks

Periods of economic uncertainty and lower confidence could reduce consumer spending. Together with upward cost pressure, this could reduce 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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