Alternative Performance Measures (APMs)

The Group has applied the European Securities and Markets Authority (ESMA) guidelines on alternative performance measures in these annual results. An APM is a financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS.

Set out below is a summary of APMs used in this Annual Report – some of which are EPRA performance measures, which are a set of standard disclosures for the property industry, as defined by EPRA in its Best Practice Recommendations.

APM	Nearest IFRS measure	Explanation and reconciliation
EPRA earnings and earnings per share	Profit and total comprehensive income for the year Basic earnings per share	Note 22 and Strategic Report (pages 51 and 52)
Adjusted earnings per share	Basic earnings per share	Note 22 and Strategic Report (page 53)
Net asset value per share	Net assets attributable to shareholders	Note 22 and Strategic Report (page 54)
Diluted net asset value per share	Net assets attributable to shareholders	Note 22
EPRA net assets and NAV	Net assets	Note 22 and Strategic Report (pages 51 and 54)
Net asset value return	N/A	Note 22 and Strategic Report (pages 51 and 54)
Total portfolio	Investment properties	Strategic Report (pages 42 to 43 and 51)
Revaluation surplus	Net surplus on revaluation of investment properties	Note 22 and Strategic Report (pages 42 and 54)
Valuation growth	Net surplus on revaluation of investment properties	Strategic Report (pages 42 to 43)
Net debt	Borrowings less cash and cash equivalents	Note 22 and Strategic Report (pages 51 and 56)
Group LTV	N/A	Note 22 and Strategic Report (pages 51 and 55 to 56)
Gearing	N/A	Note 22 and Strategic Report (pages 51 and 56)
Blended cost of debt	N/A	Note 22 and Strategic Report (pages 51 and 55 to 56)
Interest cover	N/A	Note 22 and Strategic Report (pages 51 and 55 to 56)

Where this report uses like-for-like comparisons, these are defined within the Glossary.

EPRA Measures

The following is a summary of the EPRA performance measures included in this Annual Report. The measures are defined in the Glossary.

Measure	Definition	Page	2018	2017
Earnings	Earnings from operational activities, excluding fair value movements in respect of properties and interest rate swaps (in 2017), profits on disposal of investment properties and deferred tax arising in our joint venture	137	**£51.7m**	£45.2m
Earnings per share	EPRA earnings per weighted average number of ordinary shares	137	**17.1p**	16.2p
Net assets	Net assets adjusted to remove deferred tax arising in our joint venture	137	**£3,050.2m**	£2,665.3m
NAV per share	Diluted EPRA net assets per share	137	**£9.91**	£9.52
Triple net assets	EPRA net assets adjusted to include the fair value of debt	137	**£3,031.0m**	£2,622.9m
Triple NAV (NNNAV)	Diluted triple net assets per share	137	**£9.85**	£9.37
Net Initial Yield (NIY)	Current annualised rental income less non-recoverable property costs as a % of property valuation plus assumed purchasers' costs	143	**2.68%**	2.77%
Topped-up NIY	NIY adjusted to reflect expiry of rent-free periods and stepped rents	143	**2.84%**	2.89%
Vacancy	ERV of vacant space as a % of ERV of all properties	46	**4.6%**	6.0%
Cost ratio	Total costs as a % of gross rental income – including direct vacancy cost	141	**28.0%**	26.9%
	Total costs as a % of gross rental income – excluding direct vacancy cost	141	**26.6%**	25.6%

As disclosed in note 1 to the financial statements, the Group's properties are all located in London's West End, and are all of a similar type. The properties are typically mixed-use buildings with restaurants, leisure and retail on the lower floors and small offices and apartments on the upper floors. As the properties share similar economic characteristics we consider them to be one operating segment. Like-for-like calculations of growth in values and rents are therefore stated on an aggregated basis.

EPRA cost ratio

	Note	2018 £m	2017 £m
Gross rental income			
Revenue	2	**122.1**	111.5
Less: recoverable property expenses	2	**(9.3)**	(8.1)
Share of joint venture rents receivable	10	**8.1**	8.9
		120.9	112.3
Cost			
Property charges	3	**28.3**	23.2
Less: recoverable property expenses	3	**(9.3)**	(8.1)
Share of joint venture property expenses	10	**0.9**	0.9
Administrative expenses		**13.7**	14.1
Share of joint venture administrative expenses	10	**0.2**	0.1
Total costs		**33.8**	30.2
Vacant property costs	3	**(1.4)**	(1.1)
Share of joint venture vacant property costs		**(0.3)**	(0.3)
Total costs excluding vacant property costs		**32.1**	28.8
EPRA cost ratio (including vacant property costs)		**28.0%**	26.9%
EPRA cost ratio (excluding vacant property costs)		**26.6%**	25.6%

Note: We do not capitalise property nor administrative expenses.

Investment properties

Whilst our portfolio is geographically concentrated in London's West End, it is granular in nature, with almost 600, generally small, buildings, often clustered in contiguous blocks. It is not practical to provide detailed property-by-property information recommended by EPRA's BPR. However, an analysis of our portfolio, split by destination and occupier use, is set out on pages 142 to 143.

We own 100% of our properties, except for property held by our Longmartin joint venture, in which we have a 50% interest. The breakdown of our wholly-owned portfolio between freehold and long leasehold ownership is set out on page 126.

At 30 September 2018, we had 802 commercial and 545 residential tenants, with no individual tenant representing a material amount of our current annualised income. The ten largest commercial tenants represented just 10.7% of current annualised income. As our tenant base is so granular, we do not believe listing the top ten tenants, nor a detailed analysis of tenant business sector is useful. However, the analysis on pages 142 to 143 sets out details of income and rental values by destination and occupier use.

EPRA vacancy by occupier use is set out on page 46.

Like-for-like growth in annualised current income and ERV is set out on page 44. Like-for-like growth in rental income is set out on page 52.

Development disclosures

Our wholly-owned portfolio is all within Conservation Areas and around 20% of our buildings are listed. We do not carry out material speculative developments. Our capital expenditure commitments are low, representing an average of 1.0% of portfolio value over the past five years. Included in this are numerous small schemes, and no one scheme is material.

At 30 September 2018, we had one larger scheme, details of which are set out on page 50. An overview of assets held for, or undergoing, refurbishment is set out on pages 46 to 47.

EPRA capital expenditure

	2018 £m	2017 £m
Group		
Acquisitions	**167.8**	37.1
Investment property capital expenditure		
- On acquisitions during the year	**1.3**	0.5
- On like-for-like portfolio	**24.0**	39.8
Joint venture (our 50% share)		
Investment property capital expenditure	**2.4**	1.2
	195.5	78.6

Details of acquisitions and capital expenditure in the year are set out on pages 46 to 50.

Portfolio analysis

At 30 September 2018		Note	Carnaby	Covent Garden	Chinatown	Soho
Portfolio	Fair value (£m)	1,14	1,424.7	1,013.7	837.2	300.8
	% of total fair value		36%	26%	21%	7%
	Current income (£m)	2,14	44.8	30.2	24.1	9.4
	ERV (£m)	3,14	57.2	37.6	31.6	11.6
Restaurants, cafés and leisure	Number		61	95	86	32
	Area – sq. ft.		114,000	178,000	221,000	62,000
	% of current income	4	21%	39%	62%	42%
	% of ERV	4	17%	36%	62%	39%
	Average unexpired lease length – years	5	10	9	11	9
Shops	Number		97	97	57	37
	Area – sq. ft.		180,000	147,000	83,000	44,000
	% of current income	4	46%	28%	20%	22%
	% of ERV	4	42%	32%	21%	28%
	Average unexpired lease length – years	5	4	4	4	3
Offices	Area – sq. ft.		304,000	88,000	25,000	39,000
	% of current income	4	27%	12%	4%	17%
	% of ERV	4	35%	14%	4%	18%
	Average unexpired lease length – years	5	4	4	3	2
Residential	Number		109	214	149	68
	Area – sq. ft.		67,000	133,000	97,000	37,000
	% of current passing rent	4	6%	21%	14%	19%
	% of ERV	4	6%	18%	13%	15%

1 Shaftesbury Group's 50% share

Basis of valuation

At 30 September 2018	Note	Carnaby	Covent Garden	Chinatown	Soho
Overall initial yield	7	2.81%	2.64%	2.47%	2.77%
Topped-up initial yield	8	2.96%	2.78%	2.67%	2.90%
Overall equivalent yield	9	3.56%	3.26%	3.34%	3.44%
Tone of restaurant equivalent yields	10	3.40%-3.85%	3.35%-3.90%	3.40%-3.75%	3.40%-3.75%
Tone of restaurant ERVs - £ per sq. ft.	10	£120-£153	£55-£178	£270-£420 (ZA)	£110-£145
Tone of retail equivalent yields	10	3.30%-3.75%	3.00%-3.90%	3.40%-4.25%	3.40%-4.25%
Tone of retail ERVs - ITZA £ per sq. ft.	10	£125-£535	£110-£480	£150-£365	£150-£305
Tone of office equivalent yields	10	3.85%-4.50%	4.00%-4.25%	4.25%	4.25%-4.50%
Tone of office ERVs - £ per sq. ft.	10	£58-£85	£50-£75	£43-£65	£53-£73
Average residential ERVs - £ per sq. ft. per annum	10	£53	£52	£44	£51

Fitzrovia	Wholly-owned portfolio	Longmartin[1]	Total portfolio
148.2	3,724.6	224.6	3,949.2
4%	94%	6%	100%
4.9	113.4	8.1	121.5
5.7	143.7	10.3	154.0
23	297	9	
48,000	623,000	39,000	
51%	37%	14%	
49%	35%	13%	
8	9	13	
10	298	22	
16,000	470,000	73,000	
16%	32%	34%	
17%	33%	39%	
5	4	3	
10,000	466,000	102,000	
7%	17%	36%	
8%	20%	35%	
2	4	5	
53	593	75	
25,000	359,000	55,000	
26%	14%	16%	
26%	12%	13%	

Fitzrovia	Wholly-owned portfolio	Longmartin
2.82%	2.68%	2.99%
2.83%	2.84%	3.16%
3.31%	3.41%	3.82%
3.25%-3.65%		3.75%-4.00%
£93-£120		£90-£138
3.30%-4.35%		3.40%-4.15%
£100-£215		£94-£650
4.00%-4.35%		3.75%-4.00%
£48-£60		£63-£79
£58		£52

Notes

1. The fair values at 30 September 2018 (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 annualised 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.
14. The analysis excludes a non-core asset, acquired as part of a portfolio.

Summary report by the valuers
To the directors of Shaftesbury PLC

In accordance with your instructions, we have undertaken a valuation of the various commercial and residential freehold and long leasehold property interests as at 30th September 2018 (the "Valuation Date") held by Shaftesbury Carnaby PLC, Shaftesbury Covent Garden Limited, Shaftesbury Chinatown PLC, Shaftesbury Soho Limited, Shaftesbury AV Limited, Shaftesbury CL Limited and Shaftesbury West End Limited, which are subsidiary companies (collectively referred to as the "Subsidiary Companies") of Shaftesbury PLC (the "Company"), as referred to in our Valuation Reports dated 9 November 2018 ("our Reports"). Our Reports were prepared for accounts purposes.

All properties have been subject to external inspections between January and October 2018 and a number were subject to internal inspections.

We confirm that the valuations and Reports have been prepared in accordance with the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book") edition current at the Valuation Date. It follows that the valuations are compliant with IVS. We confirm that all valuers who have contributed to the valuations have complied with the requirements of PS 1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuations competently. We confirm that Charles Smith has overall responsibility for the valuations and is in a position to provide an objective and unbiased valuation and is competent to undertake the valuations. Finally, we confirm that we have undertaken the valuations acting as an External Valuer as defined in the RICS Red Book.

In accordance with PS 2.5 and UKVS 4, we are required to make certain disclosures in connection with this valuation instruction and our relationship with the Company and the Subsidiary Companies. Charles Smith has been the signatory of valuation reports addressed to the Company and the Subsidiary Companies since 2013. Cushman & Wakefield Debenham Tie Leung Limited ("C&W") has been carrying out this valuation instruction for the Company, and now the Subsidiary Companies, for a continuous period since 1996. As well as preparing our Reports, we also undertake valuations of certain of the properties referred to in our Reports for other purposes, such as secured lending and for inclusion in shareholders' circulars.

On 1st September 2015, DTZ acquired Cushman & Wakefield and the combined group now trades under the Cushman & Wakefield brand. Cushman & Wakefield's financial year end is 31st December. The proportion of fees payable by the Company to the Cushman & Wakefield group in the financial year to 31st December 2017 was less than 5%. We anticipate that the proportion of fees payable by the Company to the Cushman & Wakefield group in the financial year to 31st December 2018 will remain at less than 5%.

Prior to 1st September 2015, there had been no fee-earning instructions between DTZ and the Company or the Subsidiary Companies, other than valuation instructions, for in excess of four years. Prior to 1st September 2015, Cushman & Wakefield were appointed as retail agents by Shaftesbury Soho Limited and Shaftesbury Carnaby PLC; this instruction ceased in 2017. C&W acted as rent review surveyors on behalf of Shaftesbury CL Limited during 2018 and are currently appointed as letting agents on behalf of Shaftesbury Chinatown PLC in respect of restaurant accommodation in the property known as Central Cross.

In accordance with the provisions of VPS3 of the RICS Red Book edition current at the Valuation Date, in undertaking our valuations we have lotted together certain individual properties to form a separate property (each referred to as a "Property", collectively as the "Properties") in the manner we consider to be most likely to be adopted in the case of an actual sale. We consider that lotting the properties together on the basis reflected in our valuations would allow a purchaser to capitalise on the estate management advantages and opportunities available from such comprehensive ownership.

A high proportion of the total value of the Subsidiary Companies' properties and Properties is accounted for by properties and Properties situated in adjacent and/or adjoining locations in four specific areas of the West End of London: Carnaby Street and its environs, Chinatown and the adjoining area immediately west of Wardour Street (south of its junction with Shaftesbury Avenue), and the areas around Seven Dials in the western part of Covent Garden and a block of properties to the east of the Central Covent Garden Piazza with its main frontage to Wellington Street. These areas are all dominated by retail and restaurant uses. In our opinion, at the Valuation Date, this particular unusual confluence of ownership and use characteristics may cause some prospective purchasers to regard parts of the portfolio when combined as having a greater value than the aggregate of the individual values of the combined properties and Properties which make up those parts.

As required by the provisions of the RICS Red Book, in undertaking our valuations, we have valued each property or Property separately, rather than valuing the portfolio as a whole or in combinations of parts. The "total" valuation figure below is the aggregated value of the separate properties or Properties within the various categories of tenure referred to below.

All valuations were on the basis of Fair Value. We have assessed Fair Value in accordance with VPS4 item 7 of the RICS Red Book. Under these provisions, the term "Fair Value" means the definition adopted by the International Accounting Standards Board ("IASB") in IFRS 13, namely "The price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

Under IFRS 13, The Fair Value Hierarchy, the properties we have valued are designated as Level 3 inputs. Level 3 inputs have been designated as unobservable inputs. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available. [IFRS 13:87-89].

Our opinion of the Fair Value of each of the properties and Properties has been primarily derived using comparable recent market transactions on arm's length terms.

We have not made any allowance for vendor's sale costs nor for any tax liabilities which may arise upon the disposal of any of the properties or Properties. We have made deductions to reflect purchasers' normal acquisition costs.

A full explanation of the Assumptions made in our valuations and details of the sources of information are contained within our Reports.

The Company, its managing agents or professional advisers have provided us with the floor areas of the remaining properties or parts of properties.

We have read some of the leases and related documents provided to us in respect of the commercial properties. Where we have not read leases, we have relied on tenancy information provided by the Company, its managing agents or professional advisers.

Certain properties were subject to works of repair or refurbishment at 30th September 2018, or were subject to outstanding retentions and fees in respect of projects already completed at that date. In these instances, the Company advised us of the amount of the outstanding costs. The costs will be borne by the Company as they are not recoverable from tenants. We have reflected these costs in our valuations. The total amount of such costs is £17,461,800 and details of the individual sums are included in our Reports.

As referred to above, we have lotted together certain individual properties to form a number of separate Properties. In the case of five Properties which comprise a number of individual properties, the majority of such properties are held freehold but certain of them are held on long leases. In order to divide our valuation of these Properties between the categories of freehold and long leasehold, we have undertaken notional apportionments of value between the freehold elements and the long leasehold elements which together comprise the relevant Properties. The amounts arising from these notional apportionments of value have been included in the figures representing the freehold and long leasehold categories below. The amounts arising from the notional apportionments do not themselves represent the Fair Value of the two elements.

The Subsidiary Companies own a number of properties on a freehold basis where they also hold long leasehold interests within the freehold and have not merged the interests. For the purposes of the freehold/long leasehold split below, we have included such properties within the freehold category.

Having regard to the foregoing, we are of the opinion that the aggregates of the Fair Values, as at 30th September 2018, of the freehold and long leasehold property interests owned by the Company and the Subsidiary Companies, subject to the Assumptions and comments in our Reports dated 9 November 2018, were as follows:

Freehold Properties	£3,495,245,000 (Three billion, four hundred and ninety-five million, two hundred and forty-five thousand pounds)
Long leasehold Properties	£231,740,000 (Two hundred and thirty-one million, seven hundred and forty thousand pounds)
Total	**£3,726,985,000** **(Three billion, seven hundred and twenty-six million, nine hundred and eighty-five thousand pounds)**

A long lease is one with an unexpired term in excess of 50 years.

The contents of our Reports including this summary report are confidential to Shaftesbury PLC, Shaftesbury Covent Garden Limited, Shaftesbury Carnaby PLC, Shaftesbury Chinatown PLC, Shaftesbury Soho Limited, Shaftesbury AV Limited, Shaftesbury CL Limited and Shaftesbury West End Limited for the specific purpose to which they refer and are for their use only. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of the contents of our Reports or this summary report. Before our Reports or this summary report, or any part thereof, are reproduced or referred to, in any document, circular or statement, and before their contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt, such approval is required whether or not Cushman & Wakefield Debenham Tie Leung Limited is referred to by name and whether or not the contents of our Reports or this summary report are combined with others.

Charles Smith MRICS
International Partner
RICS Registered Valuer

For and on behalf of
Cushman & Wakefield Debenham Tie Leung Limited

Non-financial information statement

We are not required to comply with the new non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. However the table below, and information it refers to, is intended to help stakeholders understand our position on key non-financial matters. This builds on existing reporting that we already do under the following frameworks: CDP, Disclosure and Transparency Rules, Guidance on the Strategic Report (UK Financial Reporting Council), UN Global Compact, UN Sustainable Development Goals and UN Guiding Principles.

Reporting requirement	Related CSR goal	Policies and standards which govern our approach[1, 2]	Further information
Environmental matters	The environmentally sustainable re-use and management of existing buildings, page 34	Sustainability policy	Environment, pages 36 to 37 Greenhouse gas reporting, page 109 Sustainability and stakeholders, pages 34 to 35
Employees	A fair and ethical framework for employees and our supply chain, page 39	Anti-bullying and harassment policy Disability policy Equal opportunities policy Health and safety policy	Diversity and inclusion, pages 39 and 81 Employees, pages 39 and 74 to 75 Health and safety, page 35 Nomination Committee report, pages 80 to 81
Human rights	A fair and ethical framework for employees and our supply chain, page 35	Modern Slavery and Human Trafficking Statement Statement of data protection principles Sustainability policy	Modern slavery and human rights, page 35 Sustainability and stakeholders, pages 34 to 39
Social matters	Invest in our local community, page 38 A fair and ethical framework for employees and our supply chain, page 39	Community Investment Committee Terms of Reference Sustainability policy Supplier Code of Conduct	Community, page 38 Sustainability and stakeholders, pages 34 to 39
Anti-corruption and anti-bribery	A fair and ethical framework for employees and our supply chain, page 35	Bribery and anti-corruption policy Whistleblowing policy Money laundering policy	Audit Committee report, pages 82 to 85 Modern slavery and human rights, page 35

1 Certain group policies and internal guidelines are not published externally

2 Further information is available on our website, including our Supplier Code of Conduct and our Sustainability Policy

Sustainability and stakeholders: pages 34 to 39

Business model and strategy: pages 10 to 11

Risk management: pages 57 to 58

Shareholder information

Corporate Timetable

Financial Calendar

Annual General Meeting and AGM statement	8 February 2019
2019 half year results	May 2019

Dividends and bond interest

Proposed 2018 final dividend:	
Ex-dividend	17 January 2019
Record date	18 January 2019
Payment date	15 February 2019
2019 interim dividend to be paid	July 2019
Bond interest	31 March and 30 September 2019

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 our website or from the registrar.

Where we pay an ordinary dividend this will be treated in the same way as dividends from non-REIT companies. The 2018 final dividend between will be paid as an ordinary dividend.

Registrar

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

Telephone 0371 384 2294 (International +44 121 415 7047). Lines open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales).

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 Company.

Secretary and registered office

Penny Thomas LLB (Hons), FCIS
22 Ganton Street
Carnaby
London W1F 7FD

Glossary of terms

Annualised current income
Total annualised actual and 'estimated income' reserved by leases at a valuation date. No rent is attributed to leases which were subject to rent-free periods at that date. It does not reflect any ground rents, head rents nor rent charges and estimated irrecoverable outgoings at the valuation date. 'Estimated income' refers to gross ERVs 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. Like-for-like growth in annualised current income is the change during a period, adjusted to remove the impact of acquisitions and disposals, expressed as a percentage of annualised current income at the start of the period.

Alternative Performance Measure (APM)
A financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS.

Best Practices Recommendations (BPR)
Standards set out by EPRA to provide comparable reporting between investment property companies.

Blended cost of debt
Weighted average cost of drawn borrowings, plus non-utilisation fees on undrawn borrowings.

Building Research Establishment Environmental Assessment Method (BREEAM)
An environmental impact assessment method for commercial buildings. Performance is measured across a series of ratings: Pass, Very Good, Excellent and Outstanding

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

Diluted net asset value per share
Net asset value per share taking into account the dilutive effect of potential vesting of share options.

EPRA
European Public Real Estate Association.

EPRA adjustments
Standard adjustments to calculate EPRA measures, in accordance with its BPR.

EPRA cost ratio
Total costs as a percentage of gross rental income.

EPRA earnings
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 EPS
EPRA earnings divided by the weighted average number of shares in issue during a reporting period.

EPRA net assets
Net assets adjusted 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. It includes additional equity if all vested share options were exercised.

EPRA NAV
EPRA net assets per share, including the potentially dilutive effect of outstanding options granted over ordinary shares.

EPRA triple net assets
EPRA net assets amended to include the fair value of financial instruments and debt.

EPRA NNNAV
EPRA NAV amended to include the fair value of financial instruments and debt.

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.

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

Like-for-like ERV growth is the change in ERV during a period, adjusted to remove the impact of acquisitions and disposals, expressed as a percentage of ERV at the start of the period.

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.

Interest cover
Operating profit before investment property disposals and valuation movements, divided by finance costs net of finance income.

Like-for-like growth in rents receivable
The increase in rents receivable during an accounting period, adjusted to remove the impact of acquisitions, disposals and changes as a result of larger refurbishment schemes, expressed as a percentage of rents receivable in the corresponding previous accounting period.

Loan-to-value (LTV)
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 performance 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 during the period of calculation, expressed as a percentage of the EPRA NAV per share at the beginning of the period.

Net initial yield
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.

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.

Reversionary potential
The amount by which ERV exceeds annualised current income, measured at a valuation date.

Topped-up net initial yield
Net initial yield adjusted to assume rent-free periods or other unexpired lease incentives, such as discounted rent periods and stepped rents, have expired.

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.

Valuation growth
The valuation movement and realised surpluses or deficits arising from the group's investment property portfolio expressed as a percentage return on the valuation at the beginning of the period adjusted, on a time weighted basis, for acquisitions, disposals and capital expenditure. When measured on a like-for-like basis, the calculation excludes those properties acquired or sold during the period.