Helical Bar plc
Interim Report 2006

Contents

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Corporate Statement

Helical Bar is a property development and investment company.

Our objective is to maximise growth in assets per share using a recurring stream of development and trading profits to build up the investment portfolio.

Financial Highlights

	Notes	Half year to 30.9.06 £m	Half year to 30.9.05 £m	Year to 31.3.06 £m
Net rental income		6.7	*8.2*	16.5
Development profits		1.7	*3.9*	4.6
Trading profits		4.6	*6.8*	13.4
Joint ventures	1	3.3	*0.3*	0.4
Other gross profits		0.7	*0.1*	0.2
Profits before gain on investment properties and taxation		10.8	*7.9*	13.5
Gain on investment properties	2	0.6	*7.2*	43.6
Profits before tax		11.4	*15.1*	57.1

	Notes	pence	pence	pence
Basic earnings per share		11.1	*21.4*	54.7
Diluted earnings per share		10.5	*20.5*	51.8
Adjusted diluted earnings per share	3	7.5	*6.0*	8.5
Dividends per share – ordinary dividend		1.60	*1.45*	3.65
Adjusted diluted net assets per share	2/4	283	*231*	278

	Notes	£m	£m	£m
Value of investment portfolio		290.4	*239.2*	294.6
Net borrowings		132.1	*77.5*	112.7
Net assets	2	236.5	*202.0*	230.1

Net gearing		56%	*38%*	49%

Notes
1. The Group's share of the results of entities controlled equally by the Group and its joint venture partners.
2. There has been no interim revaluation of the investment portfolio as at 30 September 2006 (2005: nil)
3. After adding back deferred taxation arising from the clawback of capital allowances on sale of investment properties, the deferred taxation on the revaluation surpluses of the investment portfolio and the fair value of financial instruments.
4. Excludes any surplus arising from a valuation of trading stock.

Chairman's Statement

Introduction During the first six months Helical has made substantial progress on a number of its existing schemes whilst continuing to identify and work on new high margin business.

With yields at historic lows, the prospective return from holding conventional property investments is likely to be much lower than in recent years. However, we continue to find value in a variety of specialist niches including gaining change of use, mixed use development, retirement village schemes and industrial units built for freehold sales. Acting as lead partner in a series of joint ventures, our growing pipeline is sourced by using partners hand picked for the quality of execution in their specialist fields. We believe this model will be the key to outperformance as the benign impact of yield shift fades.

At Liphook, Hampshire, we have obtained planning permission for a retirement village. Rather than selling the site for a gain of over £10m we intend to retain it and expand our involvement in this sector by building up a portfolio of such villages in Hampshire, Warwickshire, Cambridgeshire and other areas.

At C4.1 Milton Keynes, forward sales to J. Sainsbury plc, KingsOak and Genesis exceed £100m. These sales enable us to recognise profit on this mixed use development.

During the period, we also sold five assets which we had either owned or developed with one of our specialist joint venture partners. These have all generated returns over cost of at least 25%.

Lettings at our retail and mixed use developments in Luton, Cardiff and Wroclaw and Gliwice in Poland and office developments in Central London will all generate healthy surpluses in the foreseeable future.

Our industrial schemes at Oxford, Kidlington, Southall, Southampton and Hailsham are all expected to contribute to profitability in 2007 and 2008. Meanwhile our involvement in outsourcing through The Asset Factor is making encouraging progress.

Results The results, excluding investment gains, for the first six months to 30 September 2006 are up 37% to £10.8m (2005: £7.9m) on the comparative period last year with lower levels of finance costs and administrative costs exceeding the fall in operating profit.

Profits before tax, including investment gains, were £11.4m (2005: £15.1m). Net rental income for the period was £6.7m (2005: £8.2m). Trading profits of £4.6m (2005: £6.8m) and development profits of £1.7m (2005: £3.9m) augmented the gain on the sale of investment properties of £0.6m (2005: £7.2m). Profit from joint ventures contributed £3.3m (2005: £0.3m). Administration costs fell by 18% to £6.0m (2005: £7.4m) and net financing costs fell by 94% to £0.3m (2005: £4.1m).

Diluted earnings per share were 10.5p (2005: 20.5p) and adjusted earnings per share were 7.5p (2005: 6.0p).

Basic net assets per share rose to 265p per share (31 March 2006: 259p) and the fully diluted net assets per share adjusted for the add back of the deferred tax provision rose to 283p per share (31 March 2006: 278p).

There has been no interim revaluation of the investment portfolio as at 30 September 2006.

Financing Purchases of trading and development stock of £29.0m have contributed to an increase in net debt to £132.1m. Gearing has increased to 56% from 49% at 31 March 2006.

Outlook As indicated in our 2006 accounts our business model is not consistent with the requirements of the REIT legislation and Helical will not convert to REIT status in 2007. However, we continue to believe that our model is robust enough to outperform our REIT peers.

The past six months have seen significant progress in many of our schemes and further development of joint venture relationships. We are confident that despite the anticipated easing of recent yield compression, our diversified, value added, active management approach will create significant surpluses in the foreseeable future.

Giles Weaver
Chairman

29 November 2006

Property Portfolio

A complete list of the Group's ongoing projects is noted on pages 4 to 6 below. Highlights during the half year to 30 September 2006 are as follows:

Milton Keynes At C4.1, Milton Keynes, our 50:50 joint venture with Abbeygate Developments has successfully forward sold 300 residential units to KingsOak, a subsidiary of Barratt Developments PLC. Forward sales on this mixed use development now exceed £100m following the earlier sale of a 110,000 sq.ft. supermarket to J. Sainsbury plc and social housing sale to Genesis. Completion of this scheme is due in 2008.

Weston-super-Mare At Weston-super-Mare we have completed a new 29,000 sq.ft. retail warehouse which we have pre-let to Wickes and forward sold to Scottish Widows for £7.66m.

Morgan Department Store, Cardiff
The refurbishment of the Morgan Department Store, Cardiff is proceeding and the retail element of the scheme is due to complete before Christmas with 80% pre-let to Borders, TK Maxx, Moss Bros and Rossiters. In the meantime all 56 residential apartments were sold on the first day of their launch for just under £11m with completion in Summer 2007.

Leisure Plaza, Milton Keynes A resolution to grant planning consent has been gained for our scheme with Abbeygate Developments at the Leisure Plaza, Milton Keynes. This mixed use scheme comprises a new 150,000 sq.ft. retail store for ILVA, a refurbishment of the existing ice rink and a further 100,000 sq.ft. of leisure and retail uses.

Hatters Retail Park, Luton In Luton our 80,000 sq.ft. retail scheme is under construction and is due to be completed in Spring 2007. Tenants include DFS, Carpetright, Paul Simon, Harveys and SCS and the development is almost 90% pre-let. The completed development will be sold and the Company is in discussions with potential purchasers.

St Austell During the six months to 30 September 2006 we sold our retail warehouse at St. Austell for £7.55m plus a top-up payment due on settlement of the outstanding rent review with Homebase. The property was acquired for £4.37m in 2002.

Worthing Our Wickes retail warehouse was sold during the half year for £7.25m having been bought for £4.32m in 2003.

Freehold industrial developments The Company continued to make progress on its freehold industrial developments by selling units at Cowley, Oxford and Sawston, Cambridge. A 145,000 sq.ft. industrial unit at Sandiacre, Nottingham was sold to a supermarket operator. Further industrial sites at Southall, Watford, Southampton, Stockport, Hailsham and Whitstable have been acquired which are to be redeveloped/refurbished and sold.

Retirement villages The planning success at Liphook, Hampshire where, after five years of negotiation, the site was given consent for a retirement village of 144 units, has prompted the Company to expand its activity within this sector. Further sites at Great Alne, Warwickshire and Milton, Cambridge have been acquired with a view to developing retirement villages at each site. Helical will retain a core central facility as a long-term investment.

Central London

Riverside House At Riverside House, London EC4 we have a development management role on a 300,000 sq.ft. development pre-let to Man Group. This development is due to start in 2007.

Ropemaker Place Helical has a Development Management Agreement with British Land who have now commenced piling on site. The Agreement provides for a fixed fee and a profit share dependent upon outcome.

Mitre Square Good progress is being made first in completing negotiations with the City of London on the S.106 Agreement and second on completing the site acquisition. The project is planned to start on site in 2008.

White City Preparations are now well advanced for the submission of an outline planning application based on the masterplan prepared by Rem Koolhaas's Office of Metropolitan Architecture with both an Environmental Impact Assessment and Transport Assessment under way. The planning application will be for a major mixed use regeneration comprising circa five million sq.ft. and will be submitted in 2007.

Property Portfolio continued

Helical, jointly with Morley, are one of the major landowners and are appointed to lead the landowning consortium.

Outsourcing

The Asset Factor Since its launch at the end of 2005 The Asset Factor has established The Asset Factor Business Services and Space 2, two new joint ventures adding supply chain services and short-term management to the existing property and facilities management team. The Asset Factor is in negotiation with a number of major organisations regarding the provision of integrated property asset and lease liability management solutions. Over the period The Asset Factor has worked for the University of Westminster on its London property strategy and partnered with BT to undertake certain property aspects of key Local Authority outsourcing deals.

Ongoing Projects

Mixed use Developments	Description	Helical share
Morgan Department Store, Cardiff	160,000 sq.ft. retail – Borders, TK Maxx, Moss Bros. Completion December 2006 55 flats, all sold. Completion 2007.	100%
Trinity Square, Nottingham	200,000 sq.ft. retail – Borders, TK Maxx, Dixons 700 student units. Forward sold to Morley for over £100m. Completion 2007.	65%
C4.1, Milton Keynes	110,000 sq.ft. Sainsbury's (forward sold). 440 residential units (forward sold). Completion 2008.	50%
White City, London W12	Planning consent to be sought for five million sq.ft. of commercial and residential on 43 acres.	Consortium landowner and development manager
Amen Corner, Bracknell	Land and options held for a gateway office development off A329M.	50 to 100%
Bluebrick, Wolverhampton	11 acre site Individual land sales completed for 208 flats, 20,000 sq.ft. showroom, 88 bed hotel, 7,000 sq.ft. pub. A casino use is proposed for the remaining listed building.	75%

Mixed use Developments	Description	Helical share
Ropemaker Park, Hailsham	70,000 sq.ft. light industrial, 27,000 sq.ft. trade counter, 12,000 sq.ft. car showroom, 4,000 sq.ft. convenience store and 4,000 sq.ft. crèche. Construction started 2006.	50%
Leisure Plaza, Milton Keynes	Resolution to grant planning consent for 165,000 sq.ft. ILVA store, 65,000 sq.ft. casino, 50,000 sq.ft. ice rink, plus a further 25,000 sq.ft. of retail.	50%
Tiviot Way, Stockport	A planning application will be submitted in 2007 for 100,000 sq.ft. industrial, 49,000 sq.ft. trade counter, 20,000 sq.ft. self storage, 20,000 sq.ft. builders merchant and car showroom.	80%
Parkgate, Shirley, Birmingham	200,000 sq.ft. retail – Asda (80,000 sq.ft. supermarket) 200 residential units. Construction to commence 2007.	50%
Hagley Road West, Edgbaston, Birmingham	16,000 sq.ft. retail plus 15 residential units. Demolition imminent.	75%
Commerce House, Letchworth	Two retail units plus 33 retirement flats. Construction to commence early 2007.	50%

Office Developments	Description	Helical share
Mitre Square, London EC3	350,000 sq.ft. Due to start on site 2008.	50%
Riverbank House, London EC4	300,000 sq.ft. pre-let to Man Group. Due to start on site 2007.	Development management role
Ropemaker Place, London EC2	500,000 sq.ft. of offices. Construction started 2006.	Development management role
Clareville House, London SW1	Refurbishment of 35,000 sq.ft. offices plus 23,000 sq.ft. of restaurant, nightclub and retail. Start on site March 2007.	Development management role
Battersea Studios, London SW8	Refurbishment of 55,000 sq.ft. of media style studio offices completed 2006. Planning consent gained for 40,000 sq.ft. new build.	50%
Forestgate, Crawley	Refurbishment of 24,000 sq.ft. completed. Scheme for two new buildings of 21,000 sq.ft. and 18,000 sq.ft.	75%
Amberley Court, Crawley	Partial refurbishment of 31,000 sq.ft. Office campus.	90%

Industrial Developments	Description	Helical share
Watlington Road, Cowley, Oxford	71,000 sq.ft. of industrials and offices of which 25,000 sq.ft. of offices sold and 26,000 sq.ft. of industrials sold or under offer.	80%
Longford Lane, Kidlington	140,000 sq.ft. of industrial units for freehold sales. Construction started 2006.	80%
Scotts Road, Southall, West London	250,000 sq.ft. of industrial units for freehold sales. Construction to commence 2007.	80%
Southampton	50,000 sq.ft. of industrial units, 65,000 sq.ft. of trade counters, 20,000 sq.ft. of self storage to commence 2007 plus a further four acres of industrial land.	80%

Retail Developments	Description	Helical share
Hatters Retail Park, Luton	80,000 sq.ft. retail warehouse – DFS, SCS, Carpetright, Harveys, Paul Simon. Completion 2007 25,000 sq.ft. industrial to rear.	80%
Gliwice, Poland	500,000 sq.ft. out of town retail. Construction to commence 2007/08.	50%
Wroclaw, Poland	100,000 sq.ft. out of town retail. Construction due to commence 2007.	50%

Retirement Village Developments	Description	Helical share
Lime Tree Village, Rugby	154 bungalows, cottages and apartments being constructed in phases 82 sold to date.	33%
Bramshott Place, Liphook	Planning consent granted in 2006 for 144 units resulting in an increase of over £10m in site value. Construction to commence 2007.	90%

Projects with change of use potential	Description	Helical share
Maudslay Park, Great Alne	314,000 sq.ft. industrial estate on a 20 acre site with a planning application for 175 retirement home units.	90%
Waterside, Fleet	54,000 sq.ft. of industrial property on five acres with planning application for 250 residential units.	75%
Upper High Street, Epsom	Site with residential consent subject to a planning appeal for an 80,000 sq.ft. supermarket.	100%
Ely Road, Milton, Cambridge	32,000 sq.ft. of industrial on 20 acres. Planning application to be submitted in 2007 for 120 unit retirement village.	90%
Thanet Way, Whitstable	80,000 sq.ft. of industrial on six acres with potential for mixed use development.	90%
Winterhill, Milton Keynes	28,000 sq.ft. of warehouses and offices with retail warehouse or trade counter potential.	50%
Cardiff Royal Infirmary	Vacant hospital on a peppercorn lease with residential potential.	75%

Property Portfolio continued

Income producing assets

Offices	Description	Helical share
Rex House, Lower Regent Street, London SW1	80,000 sq.ft. office building refurbished in 2001. Short leasehold expiring 2035. Acquired vacant in 2000.	100%
Shepherds Building, Shepherds Bush, London W14	150,000 sq.ft. of studio offices refurbished in 2001 and let to over 50 tenants. Acquired vacant in 2000.	90%
61 Southwark Street, London SE1	66,000 sq.ft. of offices that have been subject to a rolling refurbishment and a new penthouse floor. Acquired 1998.	100%

Retail – in town	Description	Helical share
Morgan & Royal Arcades, Cardiff	55 units to be subject to intensive management on completion of the adjoining development at the David Morgan Department Store. Acquired 2005.	100%
Garden Square, Letchworth	150,000 sq.ft. shopping centre acquired in 2003. Rental values increased from £35 psf to £65 psf Zone A during ownership.	95%
1-5 Queens Walk, East Grinstead	37,000 sq.ft. of retail opposite a proposed new retail scheme. Acquired 2005.	87%
Glasgow Portfolio	Six small unit shop investments and part of a multi-let office block, all in Glasgow City Centre. Acquired 2005.	100%

Retail – out of town	Description	Helical share
Otford Road Retail Park, Sevenoaks	43,000 sq.ft. with open A1 consent let to Wickes, Currys and Carpetright. Acquired 2003.	75%
Stanwell Road, Ashford	32,000 sq.ft. Focus DIY store. Acquired 2004.	75%
215 Brixham Road, Paignton	24,000 sq.ft. Focus store with open A1 consent. Acquired 2005.	67%

Industrial	Description	Helical share
Hawtin Park, Blackwood	251,000 sq.ft. estate, part vacant. Acquired 2003.	100%
Westgate, Aldridge	208,000 sq.ft. part vacant. Acquired 2006.	75%
Dales Manor, Sawston, Cambridge	188,000 sq.ft. multi-let estate. Acquired 2003.	67%
Golden Cross, Hailsham	102,000 sq.ft. unit let on a long RPI lease. Acquired 2001.	100%
Standard Industrial Estate, North Woolwich	50,000 sq.ft. estate, recently refurbished. Acquired 2002.	60%
Bushey Mill Lane, Watford	24,000 sq.ft. income producing with development potential. Acquired 2006.	80%

Properites sold/ projects completed during half year	Description	Helical share
Worthing	26,000 sq.ft. Wickes sold for 69% above 2003 purchase price.	75%
St Austell	36,000 sq.ft. Homebase sold with a top-up payment on outstanding review. Anticipated proceeds circa 100% above 2002 purchase price.	75%
Weston-super-Mare	29,000 sq.ft. retail warehouse development prelet to Wickes and presold to Scottish Widows. Completed October 2006. Profit over 40% on cost.	75%
Sandiacre, Nottingham	145,000 sq.ft. industrial sold to Tesco for potential supermarket development 32% profit on cost over one year.	75%
Sawston, Cambridge	Final sales completed of 65,000 sq.ft. of offices and industrial units developed for freehold sales. 25% profit on cost.	67%

Independent Review Report to Helical Bar plc

Introduction We have been instructed by the Company to review the financial information for the six months ended 30 September 2006 which comprises the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the related notes 1 to 19. We have read the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company, in accordance with guidance in APB Bulletin 1999/4 "Review of Interim Financial Information". Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed. This interim report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Review work performed We conducted our review in accordance with guidance contained in Bulletin 1999/4 "Review of Interim Financial Information" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2006.

Grant Thornton UK LLP
Chartered Accountants
London
29 November 2006

Unaudited Consolidated Income Statement

For the half year to 30 September 2006

	Notes	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Revenue	2	51,644	*52,394*	119,274
Net rental income	3	6,748	*8,229*	16,524
Trading profits		4,634	*6,813*	13,441
Development profits		1,681	*3,866*	4,594
Share of results of joint ventures		3,280	*324*	437
Other operating income		737	*140*	235
Gross profit before gain on investment properties		17,080	*19,372*	35,231
Gain on sale and revaluation of investment properties	4	644	*7,245*	43,551
Gross profit		17,724	*26,617*	78,782
Administrative expenses		(6,010)	*(7,354)*	(16,582)
Operating profit		11,714	*19,263*	62,200
Finance costs	5	(1,784)	*(5,303)*	(7,421)
Finance income		1,124	*330*	1,295
Change in fair value of derivative financial instruments		395	*834*	1,046
Profit before tax		11,449	*15,124*	57,120
Tax	6	(1,227)	*3,069*	(9,676)
Profit after tax		10,222	*18,193*	47,444
– attributable to minority interests		342	*(124)*	(124)
– attributable to equity shareholders		9,880	*18,317*	47,568
Profit for the year		10,222	*18,193*	47,444
Earnings per 1p share	7			
Basic		11.1p	*21.4p*	54.7p
Diluted		10.5p	*20.5p*	51.8p
Adjusted		7.5p	*6.0p*	8.5p

Unaudited Consolidated Balance Sheet

At 30 September 2006

	Notes	At 30.9.06 £000	At 30.9.05 £000	At 31.3.06 £000
Non-current assets				
Investment properties	8	290,401	*239,210*	294,583
Owner occupied property, plant and equipment		438	*471*	489
Investment in joint ventures		3,575	*2,519*	295
Goodwill		68	*182*	68
		294,482	*242,382*	295,435
Current assets				
Land, developments and trading properties	9	115,489	*71,043*	86,076
Available-for-sale investments	10	72	*82*	66
Trade and other receivables	11	38,893	*38,200*	33,925
Cash and cash equivalents	12	4,535	*31,230*	10,135
		158,989	*140,555*	130,202
Total assets		453,471	*382,937*	425,637
Current liabilities				
Trade payables and other payables	13	(57,008)	*(52,624)*	(49,506)
Tax liabilities		(6,255)	*(6,318)*	(3,394)
Borrowings	14	(23,273)	*(4,286)*	(42,683)
		(86,536)	*(63,228)*	(95,583)
Non-current liabilities				
Borrowings	14	(113,370)	*(104,404)*	(80,160)
Derivative financial instruments		(216)	*(823)*	(610)
Deferred tax provision	6	(16,644)	*(12,266)*	(19,005)
Obligation under finance leases		(180)	*(182)*	(182)
		(130,410)	*(117,675)*	(99,957)
Total liabilities		(216,946)	*(180,903)*	(195,540)
Net assets		236,525	*202,034*	230,097
Equity				
Called-up share capital	18	1,216	*1,204*	1,209
Share premium account	18	42,520	*42,052*	42,490
Revaluation reserve	18	63,326	*41,910*	64,820
Capital redemption reserve	18	7,478	*7,467*	7,478
Other reserves	18	291	*291*	291
Retained earnings	18	130,154	*112,704*	120,948
Investment in own shares	18	(8,802)	*(7,139)*	(7,139)
Equity attributable to equity holders of the parent		236,183	*198,489*	230,097
Minority interests		342	*3,545*	–
Total equity		236,525	*202,034*	230,097
Net assets per share				
Basic	19	265p	*225p*	259p
Diluted	19	260p	*219p*	253p
Adjusted diluted	19	283p	*231p*	278p

Unaudited Consolidated Cash Flow Statement

For the half year to 30 September 2006

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Cash flows from operating activities			
Operating profit	11,714	*19,263*	62,200
Depreciation	88	*87*	179
Gain on investment properties	(644)	*(7,245)*	(43,551)
Other non-cash items	(3,678)	*(409)*	(454)
Cash flows from operations before changes in working capital	7,480	*11,696*	18,374
Change in trade and other receivables	(4,670)	*1,904*	3,232
Change in land, developments and trading properties	(27,521)	*25,826*	11,989
Change in trade and other payables	6,537	*(22,743)*	(30,779)
Cash used in/generated from operations	(18,174)	*16,683*	2,816
Finance costs	(3,492)	*(6,849)*	(10,256)
Finance income	730	*330*	1,295
Minority interest dividends paid	–	*–*	(3,545)
Dividends from joint ventures	–	*–*	2,337
Tax paid	(199)	*(424)*	(4,743)
	(2,961)	*(6,943)*	(14,912)
Cash flows from operating activities	(21,135)	*9,740*	(12,096)
Cash flows from investing activities			
Purchase of investment property	(10,062)	*(15,909)*	(39,055)
Sale of investment property	15,124	*55,353*	65,991
Purchase of shares by ESOP	(1,663)	*(175)*	(85)
Purchase of investments	(3,264)	*–*	–
Sale of investments	3,828	*–*	–
Sale of plant and equipment	13	*–*	47
Purchase of plant and equipment	(45)	*(18)*	(140)
	3,931	*39,251*	26,758
Cash flows from financing activities			
Issue of shares	37	*2,976*	3,418
Borrowings drawn down	29,448	*13,555*	35,146
Borrowings repaid	(15,564)	*(58,178)*	(65,647)
Equity dividends paid	(2,174)	*(1,831)*	(3,127)
Return of Cash – B share repurchase	–	*(2,451)*	(2,451)
Refinancing costs	(143)	*(35)*	(69)
	11,604	*(45,964)*	(32,730)
Net (decrease)/increase in cash and cash equivalents	(5,600)	*3,027*	(18,068)
Cash and cash equivalents at 1 April 2006	10,135	*28,203*	28,203
Cash and cash equivalents at 30 September 2006	4,535	*31,230*	10,135

Unaudited Consolidated Statement of Recognised Income and Expense

For the half year to 30 September 2006

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Profit for the year	10,222	*18,193*	47,444
Fair value movements on available-for-sale investments	6	–	(14)
Total recognised income and expense for period	10,228	*18,193*	47,430
– attributable to equity shareholders	9,886	*18,317*	47,554
– attributable to minority interest	342	*(124)*	(124)
	10,228	*18,193*	47,430

Unaudited Notes to the Interim Report

1. Financial information

The financial information contained in this statement does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The full accounts for the year ended 31 March 2006, which were prepared under International Financial Reporting Standards and which received an unqualified report from the Auditors, and did not contain a statement under s237(2) or (3) of the Companies Act 1985, have been filed with the Registrar of Companies.

The interim statement has been prepared in accordance with IAS 34 Interim Financial Reporting. The principal accounting policies have remained unchanged from the prior financial period to 31 March 2006.

The interim statement was approved by the Board on 28 November 2006 and is being sent to shareholders and will be available from the Company's registered office at 11-15 Farm Street, London W1J 5RS and on the Company's website at www.helical.co.uk.

2. Revenue

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Rental income	8,102	*10,135*	20,102
Trading property sales	20,378	*30,694*	72,101
Developments	19,164	*11,356*	26,756
Other income	4,000	*209*	315
	51,644	*52,394*	119,274

3. Net rental income

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Gross rental income	8,102	*10,135*	20,102
Rents payable	(54)	*(307)*	(489)
Other property outgoings	(1,300)	*(1,599)*	(3,089)
Net rental income	6,748	*8,229*	16,524

4. Gain on sale and revaluation of investment properties

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Net proceeds from the sale of investment properties	15,124	*55,353*	65,992
Book value	(14,475)	*(48,108)*	(57,565)
Lease incentive and letting costs adjustment	(5)	*–*	(609)
Gain on sale of investment properties	644	*7,245*	7,818
Revaluation gains on investment properties	–	*–*	35,733
Gain on sale and revaluation of investment properties	644	*7,245*	43,551

5. Finance costs

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Interest payable on bank loans and overdrafts	3,730	*4,483*	7,638
Other interest payable and similar charges	120	*2,046*	2,346
Finance arrangement costs	59	*169*	234
Interest capitalised	(2,125)	*(1,395)*	(2,797)
Finance costs	1,784	*5,303*	7,421

6. Tax

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
The tax charge is based on the profit for the period and represents:			
United Kingdom corporation tax at 30% (2005: 30%)			
– Group corporation tax	3,588	*2,411*	5,983
Current tax charge	3,588	*2,411*	5,983
Deferred tax – capital allowances	66	*(688)*	(804)
– other timing differences	(121)	*248*	(872)
– revaluation surpluses	(2,306)	*(5,040)*	5,369
Deferred tax	(2,361)	*(5,480)*	3,693
Tax on profit on ordinary activities	1,227	*(3,069)*	9,676
Deferred tax provision			
Capital gains	18,621	*9,644*	20,927
Capital allowances	2,241	*1,417*	2,175
Other temporary differences	(4,218)	*1,205*	(4,097)
Deferred tax provision	16,644	*12,266*	19,005

Under IAS 12, deferred tax provisions are made for the tax that would potentially be payable on the realisation of investment properties and other assets at book value.

If upon sale of the investment properties the Group retained all the capital allowances, the deferred tax provision in respect of capital allowances of £2.2m would be released and further capital allowances of £14.8m would be available to reduce future tax liabilities. The provision in respect of capital gains has been reduced by indexation.

7. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Shares held by the ESOP, which has waived its entitlement to receive dividends, are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed exercise of all dilutive options.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	Earnings £000	Half year to 30.9.06 Weighted average number of shares 000	Per share amount pence
Basic earnings per share	9,880	89,297	11.1
Dilutive effect of share options		4,368	
Diluted earnings per share	9,880	93,665	10.5
Adjustments			
– gain on investment properties	(644)		
– deferred tax on revaluation surpluses	(2,306)		
– deferred tax on capital allowances	66		
Adjusted earnings per share	6,996	93,665	7.5

Unaudited Notes to the Interim Report continued

7. Earnings per share (continued)

	Earnings £000	Half year to 30.9.05 Weighted average number of shares 000	Per share amount pence
Basic earnings per share	*18,317*	*85,716*	*21.4*
Dilutive effect of share options		*3,512*	
Diluted earnings per share	*18,317*	*89,228*	*20.5*
Adjustments			
– gain on investment properties	*(7,245)*		
– deferred tax on revaluation surpluses	*(5,040)*		
– deferred tax on capital allowances	*(688)*		
Adjusted earnings per share	*5,344*	*89,228*	*6.0*

8. Investment properties

	Valuation £000	Cost £000
At 1 April 2006	294,583	209,529
Additions	10,452	10,452
Disposals	(14,475)	(10,675)
Transfer to trading stock	(157)	(157)
Amortisation of short leasehold	(2)	–
As at 30 September 2006	290,401	209,149

All properties are stated at market value as at 31 March 2006, as adjusted for additions and disposals in the half year to 30 September 2006. Interest capitalised in respect of investment properties at 30 September 2006 amounted to £1,703,000 (31 March 2006: £1,313,000). Interest capitalised during the period in respect of investment properties was £390,000.

9. Land, developments and trading properties

	At 30.9.06 £000	At 31.3.06 £000
Development sites	45,047	40,568
Properties held as trading stock	70,442	45,508
	115,489	86,076

The directors' valuation of trading and development stock showed a surplus of £29m above book value at 31 March 2006.

Interest capitalised in respect of the development of sites is included in stock to the extent of £3,567,000 (31 March 2006: £2,867,000). Interest capitalised during the period in respect of development sites amounted to £1,735,000.

10. Available-for-sale investments

	At 30.9.06 £000	At 31.3.06 £000
UK listed investments at fair value	72	66
	72	66

11. Trade and other receivables

	At 30.9.06 £000	At 31.3.06 £000
Trade receivables	20,085	13,156
Other receivables	6,098	5,999
Prepayments and accrued income	12,710	14,770
	38,893	33,925

12. Cash and cash equivalents

	At 30.9.06 £000	At 31.3.06 £000
Rent deposits and cash held at managing agents	3,042	1,980
Cash secured against debt and cash held at solicitors	670	189
Cash held to fund future development costs	390	382
Cash deposits	433	7,584
	4,535	10,135

13. Trade payables and other payables

	At 30.9.06 £000	At 31.3.06 £000
Trade creditors	17,661	8,424
Other payables	7,126	7,372
Accruals and deferred income	32,221	33,710
	57,008	49,506

14. Borrowings

	At 30.9.06 £000	At 31.3.06 £000
Bank overdraft and loans – maturity		
Due within one year	23,273	42,683
Due after more than one year	113,370	80,160
	136,643	122,843

Gearing

	At 30.9.06 £000	At 31.3.06 £000
Total borrowings	136,643	122,843
Cash	(4,535)	(10,135)
Net borrowings	132,108	112,708
Net assets	236,525	230,097
Gearing	56%	49%

15. Share capital

	At 30.9.06 £000	At 31.3.06 £000
Authorised	39,577	39,577
	39,577	39,577

The authorised share capital of the Company is £39,576,626.60 divided into ordinary shares of 1p each, 5.25p convertible cumulative redeemable preference shares 2012 of 70p each and deferred shares of ⅛p each.

	At 30.9.06 £000	At 31.3.06 £000
Allotted, called up and fully paid		
– 95,060,612 ordinary shares of 1p each	951	944
– 212,145,300 deferred shares of ⅛p each	265	265
	1,216	1,209

As at 1 April 2006 the Company had 94,371,925 ordinary 1p shares in issue. On 30 June 2006 options over 654,792 ordinary 1p shares were exercised. On 29 September 2006 options over 33,895 ordinary 1p shares were exercised increasing the issued share capital of the Company to 95,060,612 ordinary 1p shares.

Share options At 30 September 2006 unexercised options over 2,764,405 (31 March 2006: 3,655,510) new ordinary 1p shares in the Company and 6,209,695 (31 March 2006: 6,234,695) purchased ordinary 1p shares held by the ESOP had been granted to directors and employees under the Company's share option schemes. During the period no new options were granted.

16. Dividends

	Half year to 30.9.06 £000	Half year to 30.9.05 £000	Year to 31.3.06 £000
Attributable to equity share capital			
Ordinary – interim paid 1.45p per share	–	–	1,296
– prior period final paid 2.45p (2005: 2.20p) per share	2,174	*1,831*	1,831
	2,174	*1,831*	3,127

The interim dividend of 1.60p (30 September 2005: 1.45 pence per share) was approved by the Board on 28 November 2006 and will be paid on 29 December 2006 to shareholders on the register on 8 December 2006. This interim dividend, amounting to £1,423,000 has not been included as a liability as at 30 September 2006.

17. Investment in own shares

Following approval at the 1997 Annual General Meeting the Company established the Helical Bar Employees' Share Ownership Plan Trust (the "Trust") to be used as part of the remuneration arrangements for employees. The purpose of the Trust is to facilitate and encourage the ownership of shares by or for the benefit of employees by the acquisition and distribution of shares in the Company.

The Trust purchases shares in the Company to satisfy the Company's obligations under its Share Option Schemes and Performance Share Plan.

At 30 September 2006 the Trust held 6,092,131 (31 March 2006: 5,648,080) ordinary shares in Helical Bar plc.

At 30 September 2006 options over 6,209,695 (31 March 2006: 6,234,695) ordinary shares in Helical Bar plc had been granted through the Trust. At 30 September 2006 awards over 5,960,575 (31 March 2006: 4,514,380) ordinary shares in Helical Bar plc had been made under the terms of the Performance Share Plan.

18. Statement of Changes in Equity

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Investment in own shares £000	Total £000
At 1 April 2006	1,209	42,490	64,820	7,478	291	120,948	(7,139)	230,097
Total recognised income	–	–	–	–	–	10,228	–	10,228
Dividends paid	–	–	–	–	–	(2,174)	–	(2,174)
Revaluation surplus	–	–	2,306	–	–	(2,306)	–	–
Realised on disposals	–	–	(3,800)	–	–	3,800	–	–
Minority interest	–	–	–	–	–	(342)	–	(342)
Issue of shares	7	30	–	–	–	–	–	37
Purchase of shares	–	–	–	–	–	–	(1,663)	(1,663)
Performance share plan	–	–	–	–	–	4,551	–	4,551
Provision for ESOP purchase	–	–	–	–	–	(4,551)	–	(4,551)
At 30 September 2006	1,216	42,520	63,326	7,478	291	130,154	(8,802)	236,183

The adjustment to retained earnings of £4,551,000 adds back the share based payments charge, net of tax, in accordance with IFRS 2 Share Based Payments. The Group has made a provision of £4,551,000 in respect of future purchases of shares by the ESOP in anticipation of the vesting of share awards under the Group's Performance Share Plan.

19. Net assets per share

	30.9.06 £000	Number of shares* 000's	30.9.06 pence per share
Shareholders' funds	236,183	88,968	
Less: deferred shares	(265)	–	
Basic net asset value	235,918	88,968	265
Add: unexercised share options	2,717	2,764	
Diluted net asset value	238,635	91,732	260
Adjustment for			
– deferred tax on capital allowances	2,241		
– deferred tax on capital gains	18,621		
– fair value of financial instruments	151		
Adjusted diluted net asset value	259,648	91,732	283

*Excludes 6,092,131 shares held by the Company's Employee Share Ownership Plan Trust.

The net asset values per share exclude any surplus from a valuation of trading stock.

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