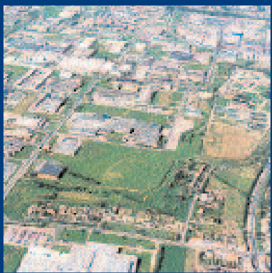
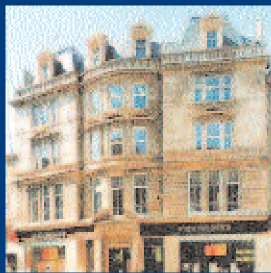
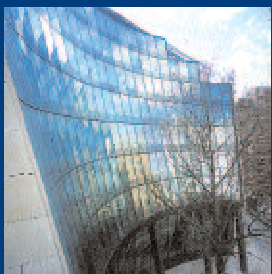
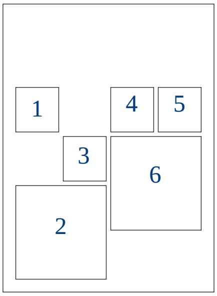
Helical Bar plc
Interim Statement 2005

20 years of successful performance



Helical Bar plc



Photographs on front cover:
1. Aycliffe Industrial Estate
2. 48 Chiswell Street, London EC1
3. 100 Wood Street, London EC2
4. 60 Sloane Avenue, London SW3
5. George Hotel, Glasgow
6. 40 Berkeley Square, London W1

CONTENTS

Contact details

Registered office: 11-15 Farm Street, London W1J 5RS
Telephone: 020 7629 0113
Fax: 020 7408 1666
Website address: www.helical.co.uk

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 30.9.05 £m	Restated* Half year to 30.9.04 £m	Restated* Year to 31.3.05 £m
Net rental income		8.2	*11.2*	20.4
Development profits		3.9	*0.2*	12.7
Trading profits		6.8	*1.3*	5.8
Other gross profits		0.5	*2.0*	2.9
Gain on investment properties		7.2	*0.7*	44.2
Profits before tax		15.1	*8.4*	64.8
Adjusted profits before tax	1	7.9	*7.7*	20.6

		pence	pence	pence
Basic earnings per share	4	21.4	*9.6*	54.3
Diluted earnings per share	4	20.5	*9.3*	52.1
Adjusted diluted earnings per share	3/4	6.0	*3.8*	10.3
Dividends per share				
– ordinary dividend	4	1.45	*1.32*	3.32
– Return of Cash	4	–	–	80.00
Adjusted diluted net assets per share	2/4	231	*183*	221

		£m	£m	£m
Value of investment portfolio		239.2	*251.7*	271.3
Net borrowings		77.5	*77.6*	125.0
Net assets		202.0	*225.7*	185.4
Net gearing		38%	*34%*	67%

Notes

1. After excluding the gain on investment properties.
2. 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.
3. After deducting the gain on investment properties, the associated deferred tax and the deferred tax on capital allowances.
4. Comparative figures have been adjusted to reflect the five for one share split on 1 September 2005.

*Restated under IFRS.

CHAIRMAN'S STATEMENT

Introduction The results for the first six months of the year, showing profits before tax of £15.1m (2004: £8.4m), have been marked by big increases in profits from trading, development and sales of investment properties, all areas where Helical has added substantial value over the last two years. The trading profits were mainly due to the partial sale of the Unwins portfolio, acquired at the end of last year. The forward sale of our £100m mixed use retail and student accommodation scheme in Nottingham produced most of the development profits. The disposal of our retail park at Weston-super-Mare contributed the majority of the gain on investment properties. Further profits are anticipated on all these sales.

International Financial Reporting Standards (IFRS) In common with all companies listed on European Union stock exchanges, Helical adopted IFRS with effect from 1 January 2005, although for practical purposes these interim accounts are the first to be prepared in accordance with IFRS. Included in these accounts are restated comparative figures for the half year to 30 September 2004 and the year to 31 March 2005. Reconciliations to, and explanations of, the differences between these figures and those previously reported under UK GAAP, are provided in the notes to these accounts.

The adoption of IFRS has changed the presentation and format of the interim report. However, it has no impact on the cash flows of the business or its underlying performance.

We believe that the adjusted earnings per share and adjusted net asset value per share are the best comparative figures for the Company.

Share capital On the 31 August 2005 shareholders approved a five for one share split effective from 1 September 2005. As a consequence the 18,424,385 ordinary 5p shares in existence on 1 September 2005 were divided into 92,121,925 ordinary 1p shares. The net asset value per share and earnings per share calculations for the current and comparative periods have all been adjusted accordingly.

Results Profits before tax for the half year to 30 September 2005 increased by 80% to £15.1m (2004: £8.4m). Rental income for the period fell to £10.1m (2004: £12.4m) following the sale of investment property, in particular the sale of Aycliffe and Peterlee in October 2004. Trading profits of £6.8m (2004: £1.3m) and development profits of £3.9m (2004: £0.2m) augmented the gain on the sale of investment properties of £7.2m (2004: £0.7m).

Diluted earnings per share increased by 120% to 20.5p (2004: 9.3p) and adjusted earnings per share by 58% to 6.0p (2004: 3.8p).

Basic net assets per share rose to 225p per share (31.3.05: 211p) and the fully diluted net assets per share adjusted for the add back of the deferred tax provision rose to 231p per share (31.3.05: 221p).

There has been no interim revaluation of the investment portfolio as at 30 September 2005. The interim revaluation at 30 September 2004, undertaken for the purposes of the Return of Cash in December 2004, has been excluded from the comparative figures for that period, to be consistent with the accounts for the year to 31 March 2005.

Financing Further sales of investment, trading and development properties contributed to a reduction in net debt to £77.5m (31.3.05: £125.0m). Gearing has reduced to 38% from 67% at 31 March 2005.

Outlook The first half year has produced a good result. We are recycling cash out of an expensive investment market building up our liquidity to accelerate our development programme. With 40 active projects spread over the different property sectors we view the prospects, for this year and thereafter, with confidence.

Giles Weaver
Chairman

17 November 2005

DEVELOPMENT PROGRAMME

In the half year under review the major components of development profits recognised have come from the retail development at Commercial Road, Bournemouth and the mixed use retail and student accommodation scheme at Trinity Square, Nottingham, with a contribution from a second phase at Stafford. It is anticipated that this picture will be repeated in the second half of the year.

On the offices side, the Company has continued to work up schemes at Ropemaker Place EC2, Clareville House SW1 and looking longer term at schemes in White City, Mitre Square EC3 and Amen Corner, Bracknell.

Office Developments

Wood Lane, White City At Wood Lane, White City the Company is one of a number of landowners promoting the regeneration of 43 acres of land into a major mixed use development. The scheme is likely to comprise a high density mix of offices, retail, residential, leisure and community uses.

The masterplanning process, being undertaken by Rem Koolhaas and The Office of Metropolitan Architecture, is well underway and should be completed by the end of the year. We have held a number of consultations with stakeholder forum groups and a public exhibition at various sites in the White City area.

Mitre Square, London EC3 At Mitre Square we are planning a 350,000 sq.ft. office scheme in a joint venture with Ansbacher Property Development Ltd. In July 2005 the City resolved to grant detailed planning consent for the scheme subject to completion of a Section 106 agreement, which is currently being negotiated.

Ropemaker Place, London EC2 At Ropemaker Place we are acting as Development Manager for DB Real Estate and have received approval for a new building of approximately 500,000 sq.ft. Demolition of the existing building has been completed and we await a substantial pre-let before commencing work on the new building.

Clareville House, London SW1 At Clareville House we are acting as Development Manager for Lattice Group Pension Scheme. Discussions continue with Westminster City Council with regard to our proposed refurbishment of the existing building. Once completed the refurbished building will house 35,000 sq.ft. of offices, a nightclub of 17,000 sq.ft., restaurant of 4,000 sq.ft. and retail of 2,000 sq.ft.

Joint Ventures

The Asset Factor The Company recently announced a new outsourcing joint venture called The Asset Factor. The Asset Factor is a joint venture with Matthew Punshon and Oliver Jones, both of whom have considerable experience of outsourcing. The venture will offer organisations integrated property asset management solutions with the aim of reducing costs, increasing efficiency and making their accommodation work for their business.

Retail Developments

56-76 Commercial Road, Bournemouth Building works on this £40m scheme are well advanced and the units will be handed over to the retailers by the end of this year for fitting out. The redeveloped section, comprising 48,000 sq.ft. has been pre-let to Hennes, Zara and Republic. The last remaining unit is now under offer to a national retailer.

The scheme has been pre-sold to Irish investors, and also includes three retained shops let to Wallis, Dixons and Carphone Warehouse.

Trinity Square, Nottingham The £45m building contract was awarded to Shepherds earlier this summer, and work is now well underway on this ten storey scheme divided into two blocks. Completion of the works and trading by retailers is expected by the summer of 2007. The development comprises nearly 200,000 sq.ft. of retail accommodation, plus 700 student units and a multi-storey car park. Nearly 60% of the retail accommodation has been pre-let to Borders, TK Maxx and Dixons, and early talks are now underway with national retailers on the remainder. The entire scheme has been pre-sold to Morley for over £100m and their Beach Fund will operate the student accommodation.

DEVELOPMENT PROGRAMME
continued

Friary Retail Park, Stafford Phase 2 of the Friary Retail Park is currently on site with completion due March 2006. The 4,000 sq.ft. unit is pre-let to Laura Ashley and pre-sold to Arlington as an extension to the main funding deal on Phase 1.

Bluebrick, Wolverhampton The former Low Level Station comprising 11 acres was purchased in November 2003. Planning consent is awaited for a major mixed use scheme comprising 25,000 sq.ft. car showroom, 88 bed hotel, 7,500 sq.ft. public house, five restaurants and 208 apartments. Demolition work and the provision of a spine road to provide serviced sites will commence in early 2006.

Hatters Retail Park, Luton The eight acre site has now been purchased following receipt of planning consent for 80,000 sq.ft. of bulky goods retail warehousing and 25,000 sq.ft. of industrial units. Marketing of the retail units is underway and terms have been agreed on a number of pre-lettings. Work has begun on an infrastructure contract to prepare the site for construction of the units to commence in Spring 2006.

Town Centre, Shirley, Solihull The scheme, which comprises 175,000 sq.ft. of retail anchored by a 75,000 sq.ft. food store and some 200 apartments, is being progressed through a 50:50 joint venture with Coltham Developments. A development agreement is in place with Solihull Metropolitan Borough Council and a planning application is to be submitted early in 2006. Solicitors are instructed for the forward sale of the food store.

Shrub Hill Retail Park, Worcester A purchase contract is in place with First Bus subject to their relocation to a new site and once this has been achieved the site, which has planning consent for 35,000 sq.ft. of retail warehousing and 38 canal side apartments, can be progressed.

Residential Developments

Lime Tree Village, Dunchurch, Rugby At Lime Tree Village, Dunchurch, Rugby we have refurbished, with our joint venture partners, a Victorian country house and are in the process of constructing a retirement village of 153 bungalows, cottages and apartments. Phases I and II have been completed with 53 sold and reservations on a further 14 units of the 21 unsold. It is anticipated that the final phase will be completed in Spring 2007.

Bramshott Place, Liphook At Bramshott Place, Liphook we are progressing planning negotiations for a retirement village of 144 bungalows, cottages and apartments. The local Plan Inspector has recommended that part of the site be included in the Local Plan as housing land and his recommendations have been accepted by East Hampshire District Council. We have submitted two outline planning applications and these are being processed by the local authority. We anticipate a planning consent for around 150 residential units in early 2006.

Maudsley Park, Great Alne Maudsley Park, Great Alne is a 314,000 sq.ft. industrial estate on a 20 acre site with potential for a retirement home use. The Local Plan Inspector has recommended that the planning brief for this site is relaxed to include, in part, a retirement village. Stratford District Council has accepted his findings. An outline planning application has been submitted together with a design brief which has been prepared in collaboration with the local authority and the local villagers. The scheme comprises a 230,000 sq.ft. retirement village, country club facility and an element of low rise starter commercial units.

INVESTMENT AND TRADING

Whilst the strong investment market presents a challenge to secure new deals at attractive prices, we continue to focus on sourcing properties where we can add value via redevelopment, refurbishment, or change of use.

Out of Town Retail

Our retail park investment in Weston-super-Mare was sold for £35m, 20% above valuation and approximately two and a half times 1999 historic cost. The buyer has also entered into a £7.65m forward commitment to acquire a new 27,000 sq.ft. Wickes to be constructed next year.

In Milton Keynes we have completed an 80,000 sq.ft. retail warehouse pre-let to Homebase and forward sold to Arlington Investors for £24.5m to show a profit of over 40% on cost. Also in Milton Keynes we have exchanged contracts to acquire a site called C4.1 where a 110,000 sq.ft. Sainsbury's supermarket and 400 residential units are planned. Both these deals are in partnership with local developers Abbeygate.

We have acquired a 24,000 sq.ft. solus retail warehouse with open A1 consent in Paignton with medium term redevelopment potential.

In Town Retail

At the half year end we had sold, for a total consideration of £19.71m, 40 of the 95 Unwins off licences acquired earlier in the year to show a net profit of £5.25m. A further 33 have subsequently exchanged at auction with the remaining 22 lots to be auctioned prior to Christmas.

In Chiswick we secured a new 15 year lease to WH Smith at a 30% increase in rent whilst obtaining planning consent for a residential development at the rear of the site. The combined sale proceeds of £4.1m were 26% above valuation and about two and a half times 2000 historic cost.

In Glasgow we have acquired a portfolio of eight small city centre properties with asset management or trading potential.

Since the half year end we have acquired a parade of shops in East Grinstead let on a long lease to Sainsbury's where the pitch has the potential to improve dramatically as a result of a proposed new shopping centre.

At our Letchworth Shopping Centre we have signed three further lettings leading to a 50% increase in rental value of the secondary mall, matching the increase we secured in the prime pitch last year.

Offices

We have completed the refurbishment of Battersea Studios acquired this year to provide 55,000 sq.ft. of media friendly accommodation for multiple occupation. One letting is signed with five more in solicitors' hands. Our first project of this nature, Shepherds Building, comprises 150,000 sq.ft. fully let to over 50 businesses with a waiting list of occupiers seeking space.

At 61 Southwark Street we have just completed the refurbishment of an office floor and taken a surrender of a part floor which is now under offer to an adjoining occupier. The building is close to the Tate Modern and the higher floors have views over to St Paul's.

Industrial

We continue to make good progress in our joint ventures with Dencora and Chancerygate building small industrial units for owner occupation.

Our final profits on Harlow have been taken with the sale of the remaining five units. At Edenbridge four units were sold during the half year with the final four sold subsequently. Both these completed projects showed geared IRRs in excess of 20% pa. Nine more units were sold at Sawston, Cambridge leaving seven of the initial 26 to sell of which three are under offer. A second phase of 12 units has now commenced. A site was bought and sold in Newmarket to show a gross profit of about 40%.

INVESTMENT AND TRADING
continued

Our largest scheme at Slough was awarded the IAS Industrial Development of the Year Award following practical completion in March. Here four more units were sold and a further unit placed under offer leaving 16% of the scheme by floor area (two units out of 13) to sell.

After the half year end we sold the existing office element of our scheme at Cowley, Oxford to an owner occupier and have now commenced construction of ten industrial units and four office units. We have two further site purchases in solicitors' hands to maintain our level of exposure as existing schemes have completed and sold.

Further industrial sales during the year included Preston for £3.97m, 16% above valuation and over double historic cost. In North Woolwich we sold 55% of the estate by floor area in two transactions for a total of £9m, £2m more than the purchase price of the whole in 2002 and all subsequent refurbishment costs.

In Sandiacre, Nottingham we have acquired a 150,000 sq.ft. distribution complex let on a short-term basis with active management opportunities.

Portfolio split (by value)

	Offices	Retail In Town	Retail Out of Town	Industrial	Other	Total
Investment	31.3%	23.3%	9.7%	12.2%	0.1%	76.6%
Trading	0.6%	4.6%	0.7%	6.8%	2.6%	15.3%
Development	2.3%	0.0%	3.8%	0.0%	2.0%	8.1%
Total	34.2%	27.9%	14.2%	19.0%	4.7%	100.0%

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 2005 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 24. We have read the other information contained in the interim report 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 Bulletin 1999/4 issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent 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 directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority, which 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.

International Financial Reporting Standards

As disclosed in note 2, the next annual financial statements of the Group will be prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union. Accordingly, the interim report has been prepared in accordance with the recognition and measurement criteria of IFRS and the disclosure requirements of the Listing Rules.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group 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 2005.

Grant Thornton UK LLP
Chartered Accountants, London
17 November 2005

FOR THE HALF YEAR TO 30 SEPTEMBER 2005
Unaudited Consolidated Income Statement

	Notes	Half year to 30.9.05 £000	Restated* Half year to 30.9.04 £000	Restated* Year to 31.3.05 £000
Revenue	5	52,394	*30,948*	101,469
Net rental income	6	8,229	*11,203*	20,440
Trading profits		6,813	*1,264*	5,771
Development profits		3,866	*239*	12,664
Share of operating profit of joint ventures after tax		324	*1,934*	2,699
Sundry income		140	*48*	235
Gross profit before gain on investment properties		19,372	*14,688*	41,809
Gain on investment properties	7	7,245	*695*	44,204
Gross profit		26,617	*15,383*	86,013
Administration costs		(7,354)	*(4,562)*	(15,634)
Operating profit		19,263	*10,821*	70,379
Finance costs	8	(4,469)	*(3,368)*	(7,509)
Finance income		330	*963*	1,948
Profit before taxation		15,124	*8,416*	64,818
Taxation	9	3,069	*3,971*	(1,584)
Profit on ordinary activities after taxation		18,193	*12,387*	63,234
– attributable to minority interests		(124)	*116*	17
– attributable to equity shareholders		18,317	*12,271*	63,217
		18,193	*12,387*	63,234
Dividend	20	(1,831)	*(2,524)*	(60,798)
Retained profit for the period		16,362	*9,863*	2,436
Earnings per 1p share	10			
– basic		21.4p	*9.6p*	54.3p
– fully diluted		20.5p	*9.3p*	52.1p
– adjusted		6.0p	*3.8p*	10.3p

*Restated under IFRS.

AT 30 SEPTEMBER 2005
Unaudited Consolidated Balance Sheet

	Notes	At 30.9.05 £000	Restated* At 30.9.04 £000	Restated* At 31.3.05 £000
Non-current assets				
Investment properties	11	239,210	*251,714*	271,315
Plant, equipment and owner occupied property		471	*509*	540
Investment in joint ventures		2,519	*1,222*	2,195
Goodwill		182	*258*	182
		242,382	*253,703*	274,232
Current assets				
Land, developments and trading properties	12	71,043	*67,994*	95,568
Available for sale investments	13	82	*263*	123
Trade and other receivables	14	38,200	*39,388*	41,528
Cash and cash equivalents	15	31,230	*63,851*	28,203
		140,555	*171,496*	165,422
Total assets		382,937	*425,199*	439,654
Current liabilities				
Trade and other payables	16	(52,624)	*(35,251)*	(75,711)
Taxation		(6,318)	*(3,340)*	(5,787)
Borrowings	17	(4,286)	*(26,291)*	(21,136)
		(63,228)	*(64,882)*	(102,634)
Non-current liabilities				
Borrowings	17	(104,404)	*(115,116)*	(132,043)
Financial instruments	18	(823)	*(1,773)*	(1,657)
Deferred tax	9	(12,266)	*(17,537)*	(17,746)
Obligation under finance leases		(182)	*(182)*	(182)
		(117,675)	*(134,608)*	(151,628)
Total liabilities		(180,903)	*(199,490)*	(254,262)
Net assets		202,034	*225,709*	185,392
Equity				
Called up share capital	19	1,204	*1,358*	3,621
Share premium account		42,052	*38,196*	39,110
Revaluation reserve		41,910	*53,625*	54,530
Capital redemption reserve		7,467	*7,273*	7,467
Other reserves		291	*291*	291
Retained earnings		112,704	*135,318*	83,598
Investment in own shares	21	(7,139)	*(14,051)*	(6,893)
Equity shareholders' funds		198,489	*222,010*	181,724
Minority interests		3,545	*3,699*	3,668
Total equity		202,034	*225,709*	185,392
Net assets per share				
Basic	23	225p	*175p*	211p
Diluted	23	219p	*170p*	201p
Adjusted diluted	23	231p	*183p*	221p

*Restated under IFRS.

FOR THE HALF YEAR TO 30 SEPTEMBER 2005

Unaudited Consolidated Cash Flow Statement

	Notes	Half year to 30.9.05 £000	Restated* Half year to 30.9.04 £000	Restated* Year to 31.3.05 £000
Cash flows from operating activities				
Net operating profit before net finance costs	24	11,694	*8,192*	23,476
Depreciation and amortisation		87	*98*	190
Adjustments for other non-cash items		(85)	*(201)*	(852)
Cash flows from operations before changes in working capital		11,696	*8,089*	22,814
Change in trade and other receivables		1,904	*4,166*	(14,375)
Change in trading properties		25,826	*3,543*	(21,366)
Change in trade and other payables		(22,743)	*(1,936)*	45,545
Cash generated from operations		4,987	*5,773*	9,804
Interest paid		(6,849)	*(5,148)*	(10,408)
Interest received		330	*960*	1,942
Minority interest dividends paid		–	–	(1,249)
Dividends from joint ventures		–	*1,078*	846
Acquisitions		–	*(350)*	(124)
Tax paid		(424)	*(464)*	(42)
		(6,943)	*(3,924)*	(9,035)
Cash flows from operating activities		9,740	*9,938*	23,583
Cash flows from investing activities				
Purchase of investment property		(15,909)	*(8,857)*	(57,872)
Sale of investment property		55,353	*59,807*	138,305
Purchase of investments		(175)	*(3,503)*	(4,078)
Sale of tangible fixed assets		–	*24*	47
Purchase of tangible fixed assets		(18)	*(109)*	(231)
		39,251	*47,362*	76,171
Cash flows from financing activities				
Issue of shares		2,976	*2,323*	3,965
Net borrowings drawn down		–	–	4,859
Net borrowings repaid		(44,623)	*(7,009)*	–
Equity dividends paid		(1,831)	*(2,532)*	(60,798)
Repurchase of shares		–	*(4,467)*	(4,467)
Return of Cash				
– B share repurchase		(2,451)	–	(32,465)
– expenses		–	–	(709)
Refinancing costs		(35)	*(48)*	(220)
		(45,964)	*(11,733)*	(89,835)
Net increase in cash and cash equivalents		3,027	*45,567*	9,919
Cash and cash equivalents at 1 April 2005		28,203	*18,284*	18,284
Cash and cash equivalents at 30 September 2005		31,230	*63,851*	28,203

*Restated under IFRS.

FOR THE HALF YEAR TO 30 SEPTEMBER 2005
Unaudited Consolidated Statement of Recognised Income and Expense

	Half year to 30.9.05 £000	Restated* Half year to 30.9.04 £000	Restated* Year to 31.3.05 £000
Profit for the period after taxation	18,193	*12,387*	63,234
Minority interest	124	*(116)*	(17)
Minority interest in revaluation surplus	–	*191*	(960)
Total recognised income and expense	18,317	*12,462*	62,257

*Restated under IFRS.

UNAUDITED NOTES TO THE INTERIM REPORT

1. Financial information

The financial information contained in this report 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 2005, which were prepared under UK GAAP and which received an unqualified report from the Auditors, and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985, have been filed with the Registrar of Companies.

The interim report was approved by the Board on 16 November 2005 and this report 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

The income statement and balance sheet have been prepared on the basis of recognition and measurement requirements of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that are expected to be applicable for the full year accounts.

2. Transition to IFRS

All listed companies in the European Union are required to present their consolidated financial statements for accounting periods beginning on or after 1 January 2005 in accordance with IFRS as adopted by the European Union. Therefore, the Group's consolidated financial statements for the year ending 31 March 2006 will be presented on this basis with IFRS comparative figures. These interim financial statements have been prepared on the basis of the IFRS accounting policies expected to be adopted in the year-end consolidated financial statements.

The Group's transition date for adoption of IFRS is 1 April 2004. IAS32 and IAS39, dealing with financial instruments, have been adopted from 1 April 2005. The provisions of IFRS2 "Share-Based Payments" have been applied in respect of equity settled awards granted since 7 November 2002 that had not vested by 1 January 2005. These transition dates have been selected in accordance with IFRS1, "First time adoption of International Financial Reporting Standards".

Prior to the adoption of IFRS, the financial statements of Helical Bar plc had been prepared in accordance with the United Kingdom accounting standards (UK GAAP). UK GAAP differs in certain respects from IFRS and certain accounting, valuation and consolidation methods have been amended, when preparing these financial statements, to comply with IFRS. The comparative figures in respect of 30 September 2004 and 31 March 2005 have been restated to reflect these amendments. Reconciliation and description of the effect of the transition from UK GAAP to IFRS on the Group's reported financial position and financial performance are set out in note 4. A full restatement of the accounts for the year to 31 March 2005 is available on the Company's website at www.helical.co.uk

3. Principal accounting policies

Basis of consolidation

The consolidated financial information includes financial information in respect of the Company and its subsidiary undertakings.

The Group's interest in jointly controlled entities is accounted for using the equity method of accounting.

Goodwill

Goodwill arising on acquisition of Group undertakings is carried as an intangible asset at cost less accumulated impairment losses.

3. Principal accounting policies (continued)

Investment properties

Investment properties are properties owned or leased by the Group which are held for long-term rental income and for capital appreciation. Investment property is initially recognised at cost and revalued at the balance sheet date to fair value as determined by professionally qualified external valuers. In accordance with IAS40, investment property held under the leases is stated gross of the recognised finance lease liability.

Gains or losses arising from changes in the fair value of investment property are included in other operating income in the income statement of the period in which they arise.

In accordance with IAS40, as the Group uses the fair value model, no depreciation is provided in respect of investment properties including integral plant.

When the Group redevelops an existing investment property for continued future use as investment property, the property remains an investment property measured at fair value and is not reclassified. Interest is capitalised before tax relief until the date of practical completion.

Leases

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

In accordance with IAS40, finance and operating leases of investment property are accounted for as finance leases and recognised as an asset and an obligation to pay future minimum lease payments. The investment property asset is included in the balance sheet at fair value, gross of the recognised finance lease liability. Lease payments are allocated between the liability and finance charges so as to achieve a constant financing rate.

Assets leased out under operating leases are included in investment property, with rental income recognised on a straight-line basis over the lease term.

Depreciation

Plant and equipment is depreciated to its residual value on a straight-line basis over its expected useful life.

Trading properties

Properties and land held for sale are included in the balance sheet at the lower of cost and net realisable value.

Investments

Investments are classified as available-for-sale investments or trading investments dependent on the purpose for which they were acquired. Available-for-sale investments, being investments intended to be held for an indefinite period, are revalued to fair value at the balance sheet date. For listed investments, fair value is the bid market listed value ruling at the balance sheet date. Gains or losses arising from changes in fair value are included in the revaluation reserve except to the extent that losses are attributable to impairment, in which case they are recognised in the income statement. Upon disposal, accumulated fair value adjustments are included in the income statement.

Trading investments, acquired principally for the purpose of generating a profit from short-term fluctuations in price, are included in current assets and revalued to fair value. Realised and unrealised gains or losses arising from changes in fair value are included in the income statement in the period in which they arise.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks, other short-term, highly liquid investments with original maturities of three months or less, net of bank overdrafts.

UNAUDITED NOTES TO THE INTERIM REPORT
continued

3. Principal accounting policies (continued)

Revenue recognition

Property revenue consists of gross rental income on an accruals basis, together with sales of trading and development properties, excluding sales of investment properties. Rental income receivable in the period from lease commencement to the earlier of lease expiry and any tenant option to break is spread evenly over that period. Any incentive for lessees to enter into a lease agreement and any costs associated with entering into the lease are spread over the same period.

Revenue in respect of investment and other income represents investment income, fees and commissions earned on an accruals basis and profits or losses recognised on investments held for the short-term. Dividends are recognised when the shareholders' right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate.

A property is regarded as sold when the significant risks and returns have been transferred to the buyer. For conditional exchanges, sales are recognised as the conditions are satisfied.

Income tax

The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date. Tax payable upon realisation of revaluation gains recognised in prior periods is recorded as a current tax charge with a release of the associated deferred taxation.

Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of tax profit with the exception of deferred tax on the revaluation surpluses where the tax basis used is the accounts historical cost.

Deferred tax is provided on all temporary differences.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. It is recognised in the income statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Derivative financial instruments

The Group enters into derivative transactions such as interest rate swaps, caps and floors in order to manage the risks arising from its activities. Derivatives are initially recorded at cost and are subsequently remeasured to fair value based on market prices, estimated future cash flows and forward rates as appropriate. Any change in the fair value of such derivatives is recognised immediately in the income statement as a finance cost.

Share based payments

The cost of granting share options, awards under the performance share plan and the other share-based remuneration to directors and other employees is recognised through the income statement. The Company uses the Stochastic valuation model and the resulting value is amortised through the income statement over the vesting period of the options, awards and shares.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which dividends are declared.

4. Reconciliation between UK GAAP and IFRS

The principal changes arising from the presentation of the 30 September 2004 and 31 March 2005 results under IFRS are:

(a) Profit before tax

	Restated Year to 31.3.05 £000	Restated Half year to 30.9.04 £000
As previously reported under UK GAAP	34,851	*9,474*
Goodwill impairment	87	*(356)*
Amortisation of rent free periods and other lease incentives	(1,029)	*(1,183)*
Amortisation of letting costs	(82)	*(404)*
Share based payments	47	*(151)*
Joint venture share of taxation	(570)	*(73)*
Revaluation gains on investment properties reported as income		
– subsidiaries	30,098	–
– associated companies	191	–
Movement in fair value of derivative financial instruments	1,225	*1,109*
IFRS profit before tax	64,818	*8,416*

(b) Taxation

	Restated Year to 31.3.05 £000	Restated Half year to 30.9.04 £000
Current tax		
As previously reported under UK GAAP	8,583	*3,162*
Joint venture share of current tax	(570)	*(496)*
As restated under IFRS	8,013	*2,666*
Deferred tax		
As previously reported under UK GAAP	(546)	*(1,118)*
Investment property surpluses	(5,825)	*(5,681)*
Capital allowances	(93)	*(118)*
Financial instruments	368	*333*
Tenants incentives	(309)	*(355)*
Letting costs	(24)	*(121)*
Joint venture share of deferred tax	–	*423*
As restated under IFRS	(6,429)	*(6,637)*
Taxation as restated under IFRS	1,584	*(3,971)*

UNAUDITED NOTES TO THE INTERIM REPORT
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4. Reconciliation between UK GAAP and IFRS (continued)

(c) Profit after tax

	Restated Year to 31.3.05 £000	Restated Half year to 30.9.04 £000
As previously reported under UK GAAP	26,814	*7,429*
IFRS adjustments to profit before taxation	29,967	*(1,058)*
IFRS adjustments to taxation	6,453	*6,016*
IFRS profit after tax	63,234	*12,387*

(d) Net assets:

	Restated At 31.3.05 £000	Restated At 31.3.04 £000
As previously reported under UK GAAP	196,712	*238,615*
Amortisation of rent free periods and other lease incentives	3,240	*4,269*
Amortisation of letting costs	1,606	*1,687*
Fair value of financial instruments	(1,657)	*(2,882)*
Tax effect of the above	(957)	*(923)*
Goodwill impairment	(491)	*(575)*
Share based payment	98	*51*
Exclusion of provision for proposed dividend	1,831	*2,524*
Provision for contingent tax liability		
– on revaluation surplus	(14,684)	*(20,509)*
– on capital allowances	(306)	*(399)*
	(11,320)	*(16,757)*
As at 31 March under IFRS	185,392	*221,858*

(e) Adjusted net asset value per share

	Restated 31.3.05 pence	Restated 31.3.04 pence
As previously reported	216	*193*
Amortisation period of lease incentives (net of tax)	2	*2*
Amortisation of letting costs (net of tax)	1	*1*
Dividend adjustment	2	*1*
Interim revaluation surplus (net of tax)	–	*(11)*
Adoption of UITF38 – Accounting for ESOP Trusts	–	*(3)*
Restated under IFRS	221	*183*

5. Revenue

	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
Trading property sales	30,694	*9,608*	25,432
Rental income	10,135	*12,441*	22,745
Developments	11,356	*8,850*	52,916
Other income	209	*49*	376
	52,394	*30,948*	101,469

6. Net rental income

	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
Gross rental income	10,135	*12,441*	22,745
Rents payable	(307)	*(233)*	(396)
Other property outgoings	(1,599)	*(1,005)*	(1,909)
Net rental income	8,229	*11,203*	20,440

7. Gain on investment properties

	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
Net proceeds from the sale of investment properties	55,353	*71,140*	140,183
Book value	(48,108)	*(68,578)*	(124,210)
Lease incentive and letting costs adjustment	–	*(1,867)*	(1,867)
Profit on sale of investment properties	7,245	*695*	14,106
Revaluation gains on investment properties	–	*–*	30,098
Gain on investment properties	7,245	*695*	44,204

UNAUDITED NOTES TO THE INTERIM REPORT
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8. Finance costs

	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
Interest payable on bank loans and overdrafts	4,483	*4,260*	8,330
Other interest payable and similar charges	2,046	*1,119*	2,243
Finance arrangement costs	169	*381*	457
Interest capitalised	(1,395)	*(1,283)*	(2,296)
Change in fair value of interest rate swaps	(834)	*(1,109)*	(1,225)
Finance costs	4,469	*3,368*	7,509

9. Taxation

	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
The tax charge is based on the profit for the period and represents:			
United Kingdom corporation tax at 30% (2004: 30%)			
– Group corporation tax	2,411	*2,666*	6,100
– adjustments in respect of prior periods	–	–	1,913
Current tax charge	2,411	*2,666*	8,013
Deferred tax – capital allowances	(688)	*(813)*	(639)
– other timing differences	248	*(143)*	35
– revaluation surpluses	(5,040)	*(5,681)*	(5,825)
Deferred tax	(5,480)	*(6,637)*	(6,429)
Tax on profit on ordinary activities	(3,069)	*(3,971)*	1,584
Deferred tax			
Capital gains	9,644	*14,827*	14,684
Capital allowances	1,417	*1,931*	2,105
Other timing differences	1,205	*779*	957
Deferred tax provision	12,266	*17,537*	17,746

Under IAS12, 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. This potential tax payable is reduced by indexation of the capital gains.

If upon sale of the investment properties the Group retained all the capital allowances the deferred tax provision in respect of capital allowances of £1.4m would be released and further capital allowances of £18.9m would be available to reduce future tax liabilities.

10. 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 and the post tax effect of dividends 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 30.9.05 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

	Earnings £000	Restated Half year to 30.9.04 Weighted average number of shares 000	Per share amount pence
Basic earnings per share	*12,271*	*127,619*	*9.6*
Dilutive effect of share options		*5,025*	
Diluted earnings per share	*12,271*	*132,644*	*9.3*
Adjustments			
– gain on investment properties	*(695)*		
– deferred tax on revaluation surpluses	*(5,681)*		
– deferred tax on capital allowances	*(813)*		
Adjusted earnings per share	*5,082*	*132,644*	*3.8*

UNAUDITED NOTES TO THE INTERIM REPORT
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11. Investment properties

	Valuation £000
At 1 April 2005	271,315
Additions	16,003
Disposals	(48,108)
As at 30 September 2005	239,210

All properties are stated at market value as at 31 March 2005, as adjusted for additions and disposals in the half year to 30 September 2005.

Interest capitalised in respect of investment properties at 30 September 2005 amounted to £1,107,000 (31 March 2005: £1,013,000).

12. Land, developments and trading properties

	At 30.9.05 £000	Restated At 31.3.05 £000
Development sites	24,015	34,711
Properties held as trading stock	47,028	60,857
	71,043	95,568

Interest capitalised in respect of the development of sites is included in stock to the extent of £2,431,000 (31 March 2005: £2,185,000). Interest capitalised during the period in respect of development sites amounted to £1,301,000.

13. Available for sale investments

	At 30.9.05 £000	Restated At 31.3.05 £000
UK listed investments at fair value	82	123
	82	123

14. Trade and other receivables

	At 30.9.05 £000	Restated At 31.3.05 £000
Trade receivables	12,954	16,056
Other receivables	6,219	11,979
Prepayments	19,027	13,493
	38,200	41,528

15. Cash and cash equivalents

	At 30.9.05 £000	Restated At 31.3.05 £000
Rent deposits and cash held at managing agents	1,882	2,612
Cash secured against debt and cash held at solicitors	414	2,368
Cash held to fund future development costs	374	364
Free cash	28,560	22,859
	31,230	28,203

16. Trade and other payables

	At 30.9.05 £000	Restated At 31.3.05 £000
Trade payables	5,500	32,149
Other payables	19,410	8,788
Accruals	27,714	34,774
	52,624	75,711

17. Borrowings

	At 30.9.05 £000	Restated At 31.3.05 £000
Bank overdraft and loans – maturity		
Due within one year	4,286	21,136
Due after more than one year	104,404	132,043
	108,690	153,179

Gearing

	At 30.9.05 £000	Restated At 31.3.05 £000
Total borrowings	108,690	153,179
Cash	(31,230)	(28,203)
Net borrowings	77,460	124,976
Net assets	202,034	185,392
Gearing	38%	67%

UNAUDITED NOTES TO THE INTERIM REPORT
continued

18. Fair value of financial assets and financial liabilities

	At 30.9.05 £000	Restated At 31.3.05 £000
Book value	126,214	153,587
Fair value	(127,037)	(155,244)
	(823)	(1,657)

The fair value of financial assets and financial liabilities represents the market valuations at 30 September 2005 and 31 March 2005.

19. Share capital

	At 30.9.05 £000	Restated At 31.3.05 £000
Authorised		
– 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	39,577	39,577
	39,577	39,577
Allotted, called up and fully paid		
Attributable to equity interests:		
– 93,871,925 ordinary shares of 1p each	939	905
Attributable to non-equity interest		
– 612,704 non-cumulative preference shares	–	2,451
– 212,145,300 deferred shares of ⅛p each	265	265
	1,204	3,621

As at 1 April 2005 the Company had 18,101,164 ordinary 5p shares in issue. On 17 June 2005 options over 323,221 ordinary 5p shares were exercised increasing the issued share capital of the Company to 18,424,385 ordinary 5p shares. On 1 September 2005, following approval by shareholders at an EGM on 31 August 2005, each 5p share was split into five 1p shares. Following this share split there were 92,121,925 ordinary 1p shares in issue. On 7 September options over 1,750,000 ordinary 1p shares were exercised increasing the issued share capital of the Company to 93,871,925 ordinary 1p shares.

Share options

At 30 September 2005 unexercised options over 4,155,510 (31.3.05: 7,521,615) new ordinary 1p shares in the Company and 6,234,695 (31.3.05: 6,484,695) 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. Options over 323,221 ordinary 5p shares and 2,000,000 ordinary 1p shares were exercised.

20. Dividends

	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
Attributable to equity share capital			
Ordinary – interim paid 1.32p per share		–	1,702
– final paid 2.20p (2004: 2.00p) per share	1,831	*2,524*	2,524
A shares – Return of Cash	–	–	56,572
	1,831	*2,524*	60,798

The interim dividend of 1.45p (30.9.04: 1.32p per share) was approved by the Board on 16 November 2005 and is payable on 22 December 2005 to shareholders on the register on 2 December 2005. The dividend has not been included as a liability as at 30 September 2005.

The final dividend for the year to 31 March 2005 of £2,524,000, representing 2.20p per share, was paid on 21 July 2005 and is included in the Consolidated statement of changes in equity (note 22).

21. 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 2005 the Trust held 5,648,080 (31.3.05: 5,695,580) ordinary shares in Helical Bar plc.

At 30 September 2005 options over 6,234,695 (31.3.05: 6,484,695) ordinary shares in Helical Bar plc had been granted through the Trust. At 30 September 2005 awards over 4,514,380 (31.3.05: 2,549,760) ordinary shares in Helical Bar plc had been made under the terms of the Performance Share Plan.

22. Consolidated statement of changes in equity

	Notes	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
Opening equity shareholders' funds				
– as previously reported		193,044	*234,918*	234,918
– effect of adopting IFRS	4	(11,320)	*(16,757)*	(16,757)
Opening shareholders' funds restated		181,724	*218,161*	218,161
Issue of shares		2,976	*2,323*	3,965
Purchase of shares		–	*(4,467)*	(4,467)
Return of Cash		(2,451)	–	(40,607)
(Investment) / amortisation of investment in own shares		(246)	*(3,945)*	3,213
		182,003	*212,072*	180,265
Total recognised income and expense		18,317	*12,462*	62,257
		200,320	*224,534*	242,522
Dividends	20	(1,831)	*(2,524)*	(60,798)
Closing equity shareholders' funds		198,489	*222,010*	181,724

UNAUDITED NOTES TO THE INTERIM REPORT
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23. Net assets per share

	£000	Number of shares 000	p.p.s.	Change since 31.3.05 + %
Basic	198,224	88,224	225	6.4
Unexercised share options	3,949	4,155		
Diluted	202,173	92,379	219	8.7
Adjustment for:				
– Deferred tax on capital allowances	1,417			
– Deferred tax on chargeable gains	9,644			
– Fair value of financial instruments	576			
Adjusted diluted net asset value	213,810	92,379	231	4.8

24. Net operating profit before net finance costs

	Half year to 30.9.05 £000	Restated Half year to 30.9.04 £000	Restated Year to 31.3.05 £000
Operating profit	19,263	*10,821*	70,379
Share of operating profit of joint ventures	(324)	*(1,934)*	(2,699)
Gain on investment properties	(7,245)	*(695)*	(44,204)
Net operating profit before net finance costs	11,694	*8,192*	23,476

Designed and produced by Radley Yeldar (London)

Helical Bar plc
11-15 Farm Street, London W1J 5RS
Tel: 020 7629 0113, Fax: 020 7408 1666
www.helical.co.uk