HELICAL

HALF YEAR RESULTS

FOR THE SIX MONTHS TO 30 SEPTEMBER 2016

ONE CREECHURCH PLACE, LONDON EC3

FINANCIAL HIGHLIGHTS

EPRA NET ASSET VALUE PER SHARE

471p

31 March 2016: **456p**

SEE-THROUGH PROPERTY PORTFOLIO

£1,250m

31 March 2016: **£1,240m**

TOTAL PROPERTY RETURN

£47.8m

2015: **£107.6m**

IFRS PROFIT BEFORE TAX

£31.1m

2015: **£85.9m**

EPRA EARNINGS PER SHARE

4.4p

2015: **13.0p**

INTERIM DIVIDEND PROPOSED PER SHARE

2.40p

2015: **2.30p**

CONTENTS

FINANCIAL HIGHLIGHTS CONTINUED

See-through Income Statement	Notes 1	**Half Year to 30 September 2016 £m**	Half Year to 30 September 2015 £m	Year to 31 March 2016 £m
Net rental income		**24.6**	20.8	43.4
Development property (losses)/profits		**(2.6)**	18.7	27.5
Gain on revaluation of investment properties		**28.6**	59.8	49.8
(Loss)/gain on sale of investment properties		**(2.8)**	8.3	43.9
Total property return		**47.8**	107.6	164.6
IFRS Profit before tax		**31.1**	85.9	114.0
EPRA earnings		**5.0**	14.9	19.6
Earnings Per Share and Dividends		**Pence**	Pence	Pence
Basic earnings per share	2	**27.8**	66.1	91.3
Diluted earnings per share	2	**26.6**	63.7	88.0
EPRA earnings per share	2	**4.4**	13.0	17.1
Dividends per share paid in period		**0.72**	5.15	12.60
Dividends per share declared for period		**2.40**	2.30	8.17
See-through Balance Sheet	3	**At 30 September 2016 £m**	At 30 September 2015 £m	At 31 March 2016 £m
See-through property portfolio		**1,249.5**	1,066.3	1,240.0
See-through net borrowings		**664.3**	518.0	681.8
Net assets		**508.9**	461.2	480.7
Net assets per share, gearing and loan to value				
EPRA Net Asset Value per share	4	**471p**	436p	456p
See-through loan to value	5	**53%**	49%	55%
Pro-forma see-through loan to value	6	**49%**	n/a	n/a
See-through net gearing	7	**131%**	112%	142%
See-through Net Asset Value gearing	8	**118%**	99%	126%

Notes

1. Includes Group's share of income and gains of its subsidiaries and joint ventures. See Note 25.
2. Calculated in accordance with IAS 33 and guidance issued by the European Public Real Estate Association ("EPRA"). EPRA earnings per share exclude the net gain on sale and revaluation of the investment portfolio of £25.8m (2015: £68.1m) but include development losses of £2.6m (2015: profits of £18.7m).
3. Includes the Group's share of assets and liabilities of its subsidiaries and joint ventures. See Note 25.
4. The EPRA Net Asset Value per share at 31 March 2016 has been restated from 461p for the matters referred to in note 28.
5. See-through loan to value is the ratio of see-through net borrowings to see-through property portfolio. See Note 26.
6. See-through loan to value at 30 September 2016, adjusted for £91.5m of sales since the half year end.
7. See-through net gearing is the ratio of see-through net borrowings to net assets. See Note 26.
8. See-through net asset value gearing is the ratio of see-through net borrowing to EPRA net asset value. See Note 26.

HELICAL'S PORTFOLIO

DEVELOPMENT STOCK
15.2% £190.7m

LONDON OFFICES
1.8% £22.3m

LONDON RESIDENTIAL
5.4% £67.8m

REGIONAL OFFICES
0.1% £1.0m

REGIONAL RETAIL
0.6% £7.8m

RETIREMENT VILLAGES
6.8% £85.9m

LAND
0.5% £5.9m

INVESTMENT PROPERTIES
84.8% £1,058.8m

LONDON OFFICES
52.1% £651m

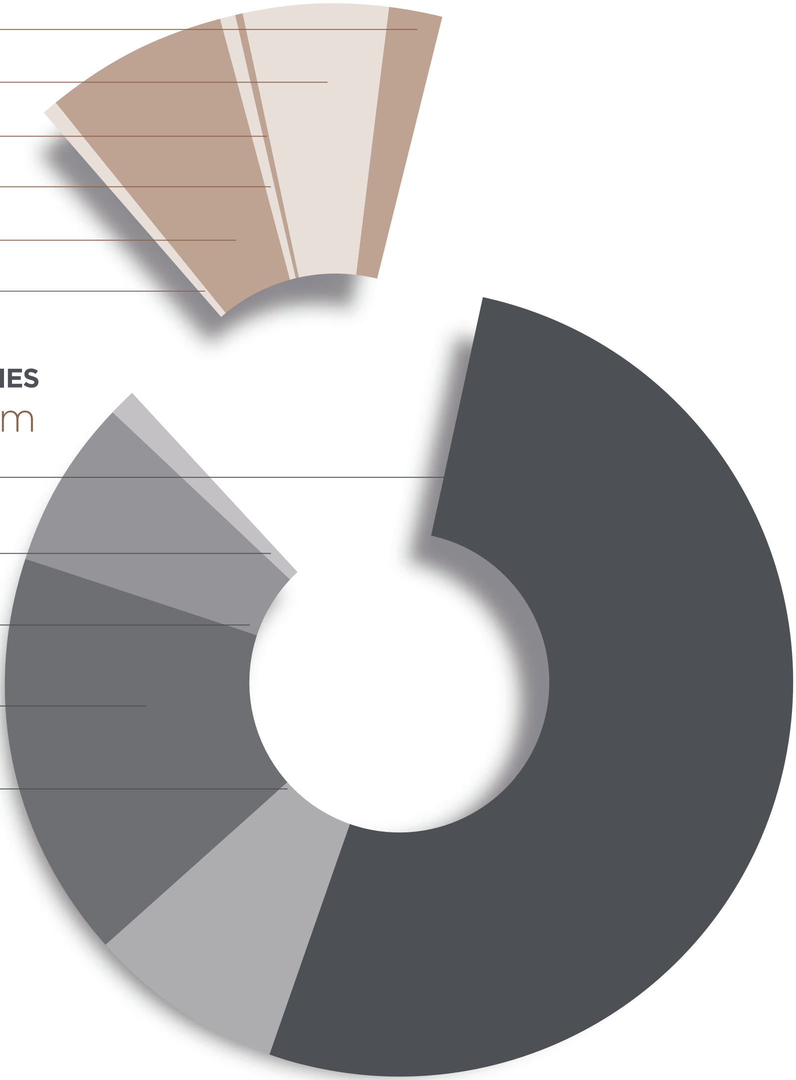
RETIREMENT VILLAGES
1.0% £11.9m

REGIONAL RETAIL
7.1% £89.1m

REGIONAL LOGISTICS
16.5% £205.5m

REGIONAL OFFICES
8.1% £101.2m

LAND
0.0% £0.1m



TOTAL PORTFOLIO FAIR VALUE
£1,249.5m

CHIEF EXECUTIVE'S STATEMENT

OVERVIEW

I am pleased to be able to announce the Company's Half Year Results to 30 September 2016, my first results as Chief Executive Officer of Helical.

Against a background of some uncertainty in the UK Real Estate market and widespread debate as to whether the "property cycle" has peaked or is merely pausing, Helical's results show growing net rental income, a net gain on sale and revaluation of our investment portfolio, growth in Shareholders' Funds and an increase in our EPRA net asset value per share.

The results demonstrate:

- our ability to enhance value through our development programme;
- the success of our asset management initiatives for individual assets; and,
- that stock selection is key to performance.

Our business model, using investment, trading and development strategies to acquire assets on an opportunity led basis, continues to have the potential to create value for Shareholders. For a number of years we have sought a balance between a higher yielding regional portfolio providing good cash flow for the business with development and capital profits coming from the London portfolio, augmented by our retirement and retail development programmes.

In recent years, we have made significant progress in de-risking our development programme, funding our largest two London schemes at One Creechurch Place, EC3 and One Bartholomew Close, EC1, with third party investors. Since 31 March 2016 we have made further progress on de-risking this development programme. These actions have enabled Helical to release equity from those properties where our asset management objectives have been met (One King Street, Hammersmith and two logistics portfolios) and to reduce our loan to value ("LTV") below our medium to long term target of 50%. As further asset management plans reach their conclusion, and as we continue to focus the business, I would expect additional recycling of equity to provide firepower for future acquisitions or to further reduce LTV levels.

Helical's portfolio at the half year reflected passing rents of £39m, contracted rents of a further £13m and an ERV of £78m. As this reversionary potential is captured and passing rental income grows, I would expect our EPRA earnings per share to grow proportionately.

In London, where most of this reversionary potential exists, we have an exciting collection of assets under refurbishment and development in locations where we believe demand from occupiers will continue to be robust. Today's news of a 59,000 sq ft pre-let at The Bower is a good example of this and I am confident that we will continue to attract occupiers to ensure that our schemes become vibrant and dynamic office communities.

RESULTS FOR THE HALF YEAR

The IFRS profit before tax for the half year to 30 September 2016 was £31.1m (2015: £85.9m), Total Property Return was £47.8m (2015: £107.6m) and included growing net rents of £24.6m, an increase of 18.3% on 2015 (£20.8m), offset by development losses of £2.6m (2015: profit of £18.7m). The gain on sale and revaluation of the investment portfolio contributed £25.8m (2015: £68.1m).

Net finance costs of £12.8m were higher than in 2015 (£10.0m), and the Income Statement was adversely affected by falls in expected future interest rates which led to a £5.9m charge (2015: credit of £0.01m) arising from the valuation of the Group's derivative financial instruments. The valuation of the Group's Convertible Bond provided a credit of £7.7m (2015: £0.1m). Recurring administration costs were £5.8m (2015: £5.4m) and the provision for performance related remuneration, including associated NIC, was £0.1m (2015: £8.7m).

These results allow the Board to continue its progressive dividend policy and to recommend to Shareholders an interim dividend of 2.40p (2015: 2.30p), an increase of 4.3%.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

THE LONDON PORTFOLIO

Since 2010 we have steadily acquired property in two "clusters"; the City and Tech Belt districts of Farringdon, Shoreditch, Aldgate through to Whitechapel and the West London districts of Hammersmith, Shepherds Bush and Chiswick.

The London investment and development portfolio contributes capital growth and development profits and, increasingly, rental income. In the half year to 30 September 2016, London provided c. 66% of the total property return of £47.8m (2015: £107.6m).

City and Tech Belt

Helical has a portfolio of six investment assets in the East London districts of Shoreditch, Farringdon and Whitechapel acquired between 2012 and 2015. Five of these assets have been subject to complete or substantial redevelopment/refurbishment programmes. The assets in the Tech Belt comprise 42% of our total property portfolio and have made a substantial contribution to the growth of our current and future rental income stream and to the growth in our net assets.

Phase One of The Bower, comprising The Warehouse and The Studio, is fully let with contracted rents of £8.0m at an average of £53 psf compared to an ERV of £62 psf. Phase Two, The Tower, is being redeveloped, adding 65,000 sq ft to the current building, taking the completed building to 171,200 sq ft of offices and 7,200 sq ft of retail with works due for completion in June 2018. We are pleased to be able to announce today the pre-letting of six floors, comprising c. 59,000 sq ft, to WeWork, the global provider of flexible collaborative co-working space.

At The Loom, E1 we completed a major repositioning in September and recently announced two separate lettings totalling 4,750 sq ft at rents of £52.50 psf, a 17% premium to March 2016 ERV. A further 29,000 sq ft of this 110,000 sq ft building is available to let with 9,250 sq ft currently under offer.

We have let the remaining 15,387 sq ft at C-Space, EC1 and at 25 Charterhouse Square, EC1 we have made good progress on the redevelopment and expect works at this 43,674 sq ft building to complete in March 2017.

In the City we have completed and launched our 272,555 sq ft new office building at One Creechurch Place, EC3, funded with our joint venture partner HOOPP (Healthcare of Ontario Pension Plan). Several potential tenants are showing interest in taking space in the building and we hope that we shall be able to announce lettings by the end of our financial year.

At Barts Square, EC1, our mixed use scheme in joint venture with The Baupost Group LLC, we have now exchanged contracts on 108 of the 144 residential units with a further two units reserved in Phase One of the development. Phased completion of these units is expected to commence in Q2 2017. Demolition of the existing buildings for the second phase of residential is due to commence in December 2016 for 92 additional units with completion expected in 2019. Terms have been agreed with HSBC for the financing of these works. The office development of 213,000 sq ft at One Bartholomew Close, forward funded by clients of Ashby Capital, is under construction with completion due in August 2018.

The West

We had five assets in West London at 30 September 2016 comprising c. 17% of our total property portfolio. At One King Street, Hammersmith we have completed our asset management programme, having refurbished the building, adding a fifth floor to create 26,000 sq ft of offices with retail units on the ground floor. Having delivered on the business plan we sold the building in November 2016 for its March 2016 book value of £34.5m, a net initial yield of 4.85%. At Shepherd's Building, Shepherds Bush, W14 we have grown contracted rents to £6.3m with the most recent lettings at £54 psf. At Power Road Studios, W4 we have taken 17,000 sq ft of space back and are shortly to start on refurbishment works which is partly funded by dilapidations receipts and will increase rents from £22 psf to £42.50 psf. A planning application to add further office space is expected to be submitted in December 2016.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

THE REGIONAL PORTFOLIO

The regional portfolio provides a rental stream from a high yielding investment portfolio while contributing development profits from our retirement village and out-of-town retail development programmes.

The regional investment portfolio reduced to £408m at 30 September 2016 (31 March 2016: £460m) following the sale of two distribution warehouses, five retail assets and two regional offices for total proceeds of £56m. Subsequent to the half year end we have sold a further ten distribution warehouses and one retail asset for c.£55m, a 3.3% premium to 30 September 2016 book values and an 6.7% premium to March 2016 book values. Regional assets contributed £17.8m of net rental income during the period (2015: £15.6m).

Our regional development exposure is limited to our retirement villages, out-of-town retail development programmes and our Scottish Power project in Glasgow, where balance sheet risk is limited. In our retirement village development programme we continued the construction of units at Bramshott Place Liphook, Durrants Village Horsham, Millbrook Village Exeter and Maudslay Park Great Alne, near Stratford-upon-Avon. Since March we have sold 56 residential units at the three schemes (14 since 30 September 2016) and land at Liphook for £3.7m (£2.5m since 30 September 2016). In our retail development programme, we have forward funded our 79,750 sq ft retail park in Cortonwood, which is 95% pre-let and due for completion in June 2017. Scottish Power's new headquarters building in Glasgow is due to be completed by the end of this month.

FINANCE

In recent years, the Group has expanded its activities significantly, seeking to increase Shareholder Funds through the generation and retention of increased net rental streams, development profits and valuation surpluses. This growth has been financed through an increase in secured debt borrowed primarily from UK high street banks and, since 2013, through the use of unsecured debt in the form of a retail bond and a convertible bond.

At 31 March 2016, the growth in the activities took the LTV up to 55%. Since 31 March 2016, we have sold five of our eight out-of-town retail assets, two of our regional offices, 12 of our distribution warehouses (ten since 30 September 2016), one of our Central London offices and our 50% share of a shopping centre (both post half year end), reducing LTV to 53% at 30 September 2016 and to c. 49% on a pro-forma basis, taking into account the recent sales. With the first phase of our major residential scheme at Barts Square completing in mid 2017 and our retirement village development programme expected to be cash positive going forward, we expect to see further reductions in net debt levels and LTV in the foreseeable future, notwithstanding the planned capital expenditure on the portfolio.

As our individual asset management initiatives on our investment portfolio complete, driving rental income upwards and maximising value, we would expect to see equity recycled and cash resources boosted, enabling the Group to finance new acquisitions with potential for growth.

In pursuing this strategy, the Group operates with an average debt maturity of 4.0 years (31 March 2016: 4.5 years) with no secured loan repayable before November 2019, and with an average cost of debt of 4.3% (31 March 2016: 4.2%). The Group continues to retain a significant level of liquidity with cash and unutilised bank facilities of £220m (31 March 2016: £193m) to fund capital works and potential future additions to its portfolio.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

OUTLOOK

We stated in May that Helical is well placed to deal with any headwinds that may come its way and we reiterate that statement in the knowledge that we have made good progress on our development programme:

- we have completed One Creechurch Place, EC3 on time and on budget and are encouraged with the level of interest being shown by potential tenants;
- we have agreed a fixed price building contract on the second phase of The Bower and have pre-let one third of the space at rents in line with our latest valuation;
- we have let the remaining space at C Space, EC1 at 31 March 2016 ERV levels;
- construction works continue at One Bartholomew Close, EC1, a scheme forward sold and wholly funded by clients of Ashby Capital;
- we are on track to complete the redevelopment work at Charterhouse Square, EC1 in March 2017 and initial interest from potential tenants is encouraging; and,
- we have exchanged contracts on over 75% of Phase One of our residential scheme at Barts Square, well in advance of completion and have agreed terms for the financing of the final phase of residential.

In addition, we have a robust investment portfolio where we have demonstrated value through lettings above ERV and sales above book value.

When considering our strategy, we remain of the view that our portfolio, balanced between investments and redevelopment schemes in central London and high yielding regional investment assets, provides investors with access to a growing income stream and potential future capital growth.

Looking ahead, the UK faces a continued period of uncertainty as it seeks its place in a post Brexit world. However, I believe the UK will remain resilient and London will continue to be a World City attracting people, businesses and investors.

Gerald Kaye
Chief Executive

24 November 2016

THE BOWER, OLD STREET, LONDON EC1

FINANCIAL REVIEW

RESULTS FOR THE HALF YEAR

Despite growing concerns over the impact of global events, we are pleased to be able to report good results with pre-tax profits of £31.1m in the half year to 30 September 2016 (2015: £85.9m). Growing net rental income of £24.6m and a valuation surplus of £28.6m (2015: £59.8m) were driven by our London development and asset management strategies.

The fair value of the Group's real estate portfolio, including its share of assets held in joint ventures, increased to £1,250m (31 March 2016: £1,240m).

The Group acquired no new assets during the period and concentrated on value enhancing capital expenditure and letting available space which helped to create an increase in the value of its investment portfolio by £34.4m, of which £5.3m came through lease incentives and £29.1m as revaluation surpluses. This valuation increase and sales of £57m of investment assets during the period, helped to reduce the Group's loan to value to 53% (31 March 2016: 55%). Since the half year end, further sales of £91.5m of assets has reduced the Group's loan to value, based on the 30 September 2016 balance sheet, to 34% on a secured basis and 49% overall.

During the period we increased our facility with Deutsche Pfandbriefbank by £21m to £120m to fund the redevelopment of Charterhouse Square and refinanced our retirement village development facility with HSBC to fund the development of Phase 4 at Bramshott Place Liphook. At 30 September 2016, the Group's overall debt maturity profile reduced to 4.0 years (31 March 2016: 4.5 years) with a weighted average cost of debt marginally increasing to 4.3% (31 March 2016: 4.2%).

At 30 September 2016, the Group had unutilised bank facilities of £155m and £65m of cash. These facilities are primarily available to fund Phase Two of the Group's redevelopment of The Bower, London EC1, its retirement village development programme, Phase One of the construction works at Barts Square, London EC1, refurbishment works at 25 Charterhouse Square, London EC1 and potential future investment acquisitions.

EPRA EARNINGS PER SHARE

EPRA earnings per share were 4.4p (2015: 13.0p), reflecting the Group's share of net rental income of £24.6m (2015: £20.8m) net of development losses of £2.6m (2015: profits £18.7m) but excluding gains on sale and revaluation of investment properties of £25.8m (2015: £68.1m).

EPRA NET ASSET VALUE

EPRA net asset value per share increased by 3% to 471p per share (31 March 2016: 456p). This increase arose principally from a total comprehensive income (retained profits) of £31.7m (2015: £75.7m) less dividends paid of £0.8m (2015: £5.9m) and reflecting a reduction in the surplus on valuation of the trading and development stock to £13.6m (31 March 2016: £19.4m).

FINANCIAL REVIEW CONTINUED

INCOME STATEMENT

RENTAL INCOME AND PROPERTY OVERHEADS

Gross rental income receivable by the Group in respect of wholly owned properties increased by 20% to £25.5m (2015: £21.2m) as we continue to capture the investment portfolio's reversionary potential. In the joint ventures, gross rents fell from £1.0m to £0.8m. Property overheads in respect of wholly owned assets and those in joint ventures increased from £1.1m to £1.5m and after taking account of net rents payable to our profit share partners of £0.2m (2015: £0.2m), see-through net rents increased by 18.3% to £24.6m (2015: £20.8m).

DEVELOPMENT PROFITS

Development profits, before provisions, reduced from £20.2m to £4.0m on a see-through basis. The main contributor to profits during the period was the out-of-town retail development at Cortonwood where we recognised £3.1m of development profits at this 79,750 sq ft retail park. Continued development management fees at the Scottish Power headquarters in Glasgow and at One Creechurch Place, London EC3, plus profits from the sale of our site in Bracknell, contributed a further £1.3m. Provisions against the carrying value of sites at Maudslay Park, Great Alne and King Street, London W6 offset these development profits and resulted in a net loss on developments of £2.6m on a see-through basis.

SHARE OF RESULTS OF JOINT VENTURES

The results of the joint ventures include our development schemes at Barts Square, London EC1; One Creechurch Place, London EC3; Shirley Town Centre, West Midlands; and King Street, London W6. Detailed analysis of our share of these joint ventures is provided in note 13 to this report and in the see-through analysis in note 25. In the period, net rents of £0.7m (2015: £0.8m) were received. A loss on the revaluation of the investment assets of £0.5m (2015: gain of £23.4m) arose in respect of Barts Square, London EC1. Net of taxes, our joint ventures incurred a loss of £1.0m (2015: profit of £31.8m).

GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

The valuation of our investment portfolio reflected our increased exposure to London offices where we generated an increase of 5.3% overall and also on a like-for-like basis. The regions showed a valuation fall of 0.1% overall and an increase of 1.1% on a like-for-like basis. In total, the investment portfolio showed a valuation increase of 3.0%, or 4.0% on a like-for-like basis.

The total impact on our financial statements of the gain on sale and revaluation of our investment portfolio was a net gain of £25.8m (2015: £68.1m).

ADMINISTRATION COSTS

Administration costs, before performance related awards, increased by 7% from £5.4m to £5.8m. Performance related share awards of £0.3m (2015: £2.8m) and bonus payments of £nil (2015: £4.5m), were accrued. In addition, there was a credit for the reversal of previously accrued National Insurance of £0.2m (2015: charge of £1.4m).

FINANCE COSTS, FINANCE INCOME AND DERIVATIVE FINANCIAL INSTRUMENTS

Interest payable on secured bank loans, including our share of loans on assets held in joint ventures, but before capitalised interest, increased to £10.6m (2015: £10.0m) reflecting the impact of funding our development programme with bank finance. Interest payable in respect of the unsecured Retail and Convertible Bonds was £4.4m (2015: £4.4m). Capitalised interest increased from £2.4m to £3.5m as development schemes progressed. Other interest payable increased from £1.5m to £2.5m reflecting an increase in the amortisation of bank arrangement fees. Total finance costs increased from £13.4m to £14.1m and finance income earned was £2.3m (2015: £1.2m). Net finance costs for the period reduced from £12.1m to £11.7m. The continued fall in medium and long term interest rate projections at 30 September 2016 contributed to a charge of £5.9m (2015: £nil) on the derivative financial instruments which have been valued on a mark-to-market basis.

FINANCIAL REVIEW CONTINUED

TAXATION

Helical pays corporation tax on its net rental income, trading and development profits and realised chargeable gains, after offset of administration and finance costs.

The deferred tax credit for the half year is principally derived from the recognition of tax losses which the Group believes will be utilised against profits in the foreseeable future.

DIVIDENDS

Helical follows a progressive dividend policy, seeking to increase its dividends in line with its results and expected future profitability, whilst retaining the majority of funds generated for investment in growing the business. The interim dividend to be paid on 30 December 2016 is 2.40p (2015: 2.30p) per share, an increase of 4.3%.

BALANCE SHEET

INVESTMENT PORTFOLIO

During the period no new investment assets were acquired whilst nine investment assets were sold with a combined book value of £57.2m. In accordance with the Group's current development and refurbishment programme, £26.1m was expended on capital works in the London investment portfolio and £3.5m on the regional investment portfolio. During the period, new lettings, erosion of rent free periods and other asset management activities created a revaluation surplus of £34.4m.

		Wholly owned £000	In joint venture £000	See-through £000
Valuation at 31 March 2016		1,041,100	11,552	1,052,652
Acquisitions		-	-	-
Capital Expenditure		27,806	1,791	29,597
Disposals		(57,243)	-	(57,243)
Revaluation Surplus	- Helical	34,397	(510)	33,887
	- Profit Share Partners	(50)	-	(50)
Valuation at 30 September 2016		**1,046,010**	**12,833**	**1,058,843**
Disclosed as:				
Investment properties		1,034,687	12,833	1,047,520
In Trade and other receivables		11,323	-	11,323
		1,046,010	**12,833**	**1,058,843**

DEBT AND FINANCIAL RISK

In seeking to finance Helical's recent expansion, the Group has used a combination of secured facilities, whose purpose and terms reflect the nature of the assets charged to the lenders, and unsecured bonds which have provided the firepower to acquire many of the assets which have contributed to the recent growth in Shareholders' Funds. The composition of the Group's debt structure has significantly changed in recent years with unsecured debt now representing 24% of debt drawn at 30 September 2016.

In total, Helical's outstanding debt at 30 September 2016 of £737m (31 March 2016: £778m) had an average maturity of 4.0 years (31 March 2016: 4.5 years) and a weighted interest cost of 4.3% (31 March 2016: 4.2%).

FINANCIAL REVIEW CONTINUED

Debt profile at 30 September 2016 (excluding the impact of capitalised refinancing costs)

	Total Facility £000's	Total Utilised £000's	Available Facility £000's	Net LTV %	Weighted Average Interest Rate %	Average Maturity Years
Investment facilities	589,566	472,925	116,641	-	4.3	4.4
Development facilities	60,000	46,119	13,881	-	3.6	3.9
Total wholly owned	**649,566**	**519,044**	**130,522**	**-**	**4.2**	**4.3**
In joint ventures	58,035	43,198	14,837	-	3.1	3.2
Total secured debt	**707,601**	**562,242**	**145,359**	**39.2**	**4.2**	**4.2**
Retail bond	80,000	80,000	-	-	6.0	3.6
Convertible bond	100,000	100,000	-	-	4.0	2.6
Working capital	10,000	-	10,000	-	-	-
Fair value of convertible bond	(4,916)	(4,916)	-	-	-	-
Total unsecured debt	**185,084**	**175,084**	**10,000**	**-**	**4.9**	**3.2**
Total debt	**892,685**	**737,326**	**155,359**	**53.2**	**4.3**	**4.0**

SECURED DEBT

The Group arranges its secured investment and development facilities to suit its business needs as follows:

Investment Facilities

We have £190m of revolving credit facilities which enable the group to acquire, refurbish, reposition and hold significant parts of our investment portfolio. We have used these facilities mainly to finance our regional portfolio. Our London investment assets are primarily held in £400m of secured loan facilities which, where appropriate, allow us to finance refurbishment projects, including the redevelopment of The Tower at The Bower, London EC1 and 25 Charterhouse Square, London EC1. Of the total of £590m of investment facilities we have £117m available to fund these redevelopment works and finance any new acquisitions. The average maturity of the Group's investment facilities at 30 September 2016 was 4.4 years with a weighted average interest rate of 4.3%.

Development Facilities

These facilities finance the construction of the retirement villages at Durrants Village Horsham; Maudslay Park Great Alne; Phase IV at Bramshott Place Liphook and Millbrook Village, Exeter. The average maturity of the Group's development facilities at 30 September 2016 was 3.9 years with a weighted average interest rate of 3.6%.

Joint Venture Facilities

We hold a number of investment and development properties in joint venture with third parties and include in our reported figures our share, in proportion to our economic interest, of the debt associated with each asset. The average maturity of the Group's share of bank facilities in joint ventures at 30 September 2016 was 3.2 years with a weighted average interest rate of 3.1%.

FINANCIAL REVIEW CONTINUED

UNSECURED DEBT

The Group's unsecured debt, including the convertible bond at its mark-to-market valuation, is £175.1m as follows:

Retail Bond

In June 2013, the Group raised £80m from the issue of an unsecured Retail Bond with a 6.00% coupon. This bond is repayable in June 2020.

Convertible Bond

In June 2014, the Group raised £100m from the issue of a listed unsecured Convertible Bond with a 4.0% coupon, repayable in June 2019, or, subject to certain conditions, convertible at the option of the bond holders into ordinary shares, unless a cash settlement option is exercised by the Company. The initial conversion price has been set at £4.9694 per share, representing a 35% premium above the price on the day of the issue and a premium of 59% above the Company's EPRA net asset value per share at 31 March 2014. The value of the Bond at 30 September 2016, as determined by the listed market price, was £95.1m.

Short term working capital facilities

These facilities provide access to additional working capital for the Group.

CASH AND CASH FLOW

At 30 September 2016, the Group had £220m of cash and agreed, undrawn, committed bank facilities including its share in joint ventures as well as £93m of uncharged property on which it could borrow funds.

NET BORROWINGS AND GEARING

Total gross borrowings of the Group, including in joint ventures, have reduced from £777.9m to £737.3m during the period to 30 September 2016. After deducting cash balances of £64.6m and unamortised refinancing costs of £8.4m, net borrowings reduced from £681.8m to £664.3m. The gearing of the Group, including in joint ventures, reduced from 142% to 131%. Including EPRA adjustments to IFRS shareholder's funds, the see-through net asset value gearing reduced from 126% to 118%. This gearing measure, the ratio of see-through net borrowings to EPRA net asset value, represents a longer term view of gearing than the standard measure.

	30 September 2016	31 March 2016
See-through gross borrowings	**£737.3m**	£777.9m
See-through cash balances	**£64.6m**	£86.8m
Unamortised refinancing costs	**£8.4m**	£9.3m
See-through net borrowings	**£664.3m**	£681.8m
Shareholders' funds	**£508.9m**	£480.7m
EPRA shareholders' funds	**£561.1m**	£540.7m
See-through gearing – IFRS net asset value	**131%**	142%
See-through gearing – EPRA net asset value	**118%**	126%

HEDGING

At 30 September 2016, the Group had £647.7m (31 March 2016: £635.5m) of fixed rate debt with an average effective interest rate of 4.2% (31 March 2016: 4.2%) and £46.4m (31 March 2016: £107.1m) of floating rate debt with an average effective interest rate of 2.9%. In our joint ventures, the Group had £43.2m (31 March 2016: £35.3m) of floating rate debt with an effective rate of 3.1% (31 March 2016: 3.4%).

FINANCIAL REVIEW CONTINUED

	30 September 2016 £m	30 September 2016 %	31 March 2016 £m	31 March 2016 %
Fixed rate debt				
- Secured borrowings	**472.6**	**4.0**	452.8	3.9
- Retail Bond	**80.0**	**6.0**	80.0	6.0
- Convertible Bond	**100.0**	**4.0**	100.0	4.0
- Fair value of Convertible Bond	**(4.9)**	**-**	2.7	-
Total fixed rate debt	**647.7**	**4.2**	635.5	4.2
Floating rate debt				
- Secured	**46.4**	**2.9**	107.1	3.9
Total wholly owned	**694.1**	**4.4**	742.6	4.2
In joint ventures				
- Fixed rate	**-**	**-**	-	-
- Floating rate	**43.2**	**3.1**	35.3	3.4
Total borrowings	**737.3**	**4.3**	777.9	4.2

INTEREST COVER

In assessing the results of the Group for each financial year Helical considers its interest cover as a measure of its performance and its ability to finance its annual interest payments from its net operating income, before revaluation gains or losses on the investment portfolio and provisions on the trading and development stock. In the half year to 30 September 2016, this interest cover was 2.2 times (2015: 4.1 times).

	30 September 2016	30 September 2015	31 March 2016
See-through net operating income	**£25.8m**	£49.4m	£121.3m
See-through net financing costs	**£11.7m**	£12.1m	£22.6m
Interest Cover	**2.2x**	4.1x	5.4x

INVESTMENT PROPERTY ACCOUNTING TREATMENT

International Accounting Standard 40 – *Investment Property* requires that accrued operating lease income assets should be shown separately and deducted from the fair value of the investment properties in the Statement of Financial Position. This accounting treatment had not been applied at 31 March 2016 but has been adopted for the period ended 30 September 2016. A prior year adjustment has been made to ensure consistency of comparative information, clarity and transparency.

The effect of the adjustment on the relevant financial statement line items for the year ended 31 March 2016 is detailed in Note 28.

Tim Murphy
Finance Director

24 November 2016

HELICAL'S PROPERTY PORTFOLIO

TOTAL PORTFOLIO BY FAIR VALUE

	Investment £m	%	Development £m	%	Total £m	%
London Offices						
- Completed	466.3	37.3	-	-	466.3	37.3
- Being redeveloped/refurbished	142.1	11.4	22.3	1.8	164.4	13.2
- Held for future development/refurbishment	42.6	3.4	-	-	42.6	3.4
London Residential	-	-	67.8	5.4	67.8	5.4
Total London	**651.0**	**52.1**	**90.1**	**7.2**	**741.1**	**59.3**
Regional Offices	101.2	8.1	1.0	0.1	102.2	8.2
Regional Logistics	205.5	16.5	-	-	205.5	16.5
Regional Retail	89.1	7.1	7.8	0.6	96.9	7.7
Retirement Villages	11.9	1.0	85.9	6.8	97.8	7.8
Land	0.1	-	5.9	0.5	6.0	0.5
Total Regional	**407.8**	**32.7**	**100.6**	**8.0**	**508.4**	**40.7**
Total	**1,058.8**	**84.8**	**190.7**	**15.2**	**1,249.5**	**100.0**

INVESTMENT PORTFOLIO BY ASSET STATUS

	Income Producing £m	%	Being redeveloped/ refurbished £m	%	Total £m	%
London Offices						
- Completed	466.3	44.1	-	-	466.3	44.1
- Being redeveloped/refurbished	-	-	142.1	13.4	142.1	13.4
- Held for future development/refurbishment	42.6	4.0	-	-	42.6	4.0
Total London	**508.9**	**48.1**	**142.1**	**13.4**	**651.0**	**61.5**
Regional Offices	93.5	8.8	7.7	0.7	101.2	9.5
Regional Logistics	205.5	19.5	-	-	205.5	19.5
Regional Retail	89.1	8.4	-	-	89.1	8.4
Retirement Villages	11.9	1.1	-	-	11.9	1.1
Land	-	-	0.1	-	0.1	-
Total Regional	**400.0**	**37.8**	**7.8**	**0.7**	**407.8**	**38.5**
Total	**908.9**	**85.9**	**149.9**	**14.1**	**1,058.8**	**100.0**

Income producing assets are those assets where the majority of the space is let. Major projects are those assets that are being substantially developed or refurbished.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

TRADING AND DEVELOPMENT PORTFOLIO

	Book Value £m	Fair Value £m	Surplus £m	Fair Value %
London Offices	18.3	22.3	4.0	11.7
London Residential	64.8	67.8	3.0	35.6
Total London	**83.1**	**90.1**	**7.0**	**47.3**
Regional Offices	0.2	1.0	0.8	0.5
Regional Retail	7.8	7.8	-	4.1
Retirement Villages	81.0	85.9	4.9	45.0
Land	5.0	5.9	0.9	3.1
Total Regional	**94.0**	**100.6**	**6.6**	**52.7**
Total	**177.1**	**190.7**	**13.6**	**100.0**

OVERVIEW

Helical divides its property activities into two core markets, London and the Regions. The London Portfolio represents 59% of the total property portfolio and drives capital growth, development profits and, increasingly, income. The Regional Portfolio, which accounts for the remaining 41%, predominantly generates rental income.

THE LONDON PORTFOLIO

Our strategy is to increase our London holdings, focusing on select areas where we see strong tenant demand and growth potential, such as the "Tech Belt" that runs from King's Cross through Old Street and Shoreditch to Whitechapel and in West London, in particular Hammersmith, Shepherds Bush and Chiswick. Our London portfolio comprises income producing multi-let offices, office refurbishments and developments and residential development schemes.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

CITY AND TECH BELT

The Bower, Old Street EC1

This 3.12 acre asset was acquired in November 2012 for £60.8m in joint venture with Crosstree Real Estate Partners LLP. The site is in the heart of an area which has become a "creative halo", a district of London which is a hub for technology, media and telecommunications companies and which is benefitting from substantial investment in infrastructure. A planning consent has been implemented to increase the floor space on the site by 116,000 sq ft, to refurbish existing areas and significantly upgrade the public realm with the creation of a new pedestrian street.

On 20 January 2016, Helical acquired The Warehouse and The Studio (211 Old Street) and The Tower (207 Old Street) from the joint venture.

- **211 Old Street EC1**

  The development of phase 1, comprising The Warehouse, 128,262 sq ft, and The Studio, 23,177 sq ft, completed in November 2015.

  Phase 1 is fully let to CBS, Farfetch, Pivotal, Allegis and Stripe (The Warehouse) and John Brown Media (The Studio), and all tenants are in occupation. Retail operators Bone Daddies, Draft House, Enoteca da Luca, Honest Burger and Maki are open and trading.

- **207 Old Street EC1**

  Comprising The Tower, the phase 2 deconstruction works have been concluded and the main contractor has started on site with practical completion scheduled for Q2 2018. Whilst the formal letting campaign for the building is expected to commence closer to completion, we have pre-let 6 floors, comprising 59,000 sq ft, to WeWork, the global provider of flexible collaborative co-working space.

Barts Square EC1

In joint venture with The Baupost Group LLC we own the freehold interest in land and buildings at Bartholomew Close, Little Britain and Montague Street, a 3.2 acre site adjacent to the new Barts Hospital and just south of Smithfield Market and the Farringdon East station on the Elizabeth Line (Crossrail) due to be operational in 2018.

Planning consent has been implemented for a comprehensive redevelopment of 19 buildings to provide a total of 236 residential apartments, three office buildings of 213,000 sq ft, 23,000 sq ft and 10,200 sq ft, 20,600 sq ft of retail/A3 at ground floor as well as major public realm improvements, which will be incorporated into the wider Smithfield Area Strategy being worked up by the City of London.

- **Phase 1 – Residential/offices/retail**

  Phase 1 of the redevelopment of Barts Square comprises 144 residential units, 8,800 sq ft of retail space, 23,000 sq ft of new offices behind retained facades and public realm improvements. Completion of Phase 1 is expected in Summer 2017. Contracts have been exchanged for the sale of 108 residential units for a total value of c.£138.5m at an average £1,580 psf, with a further two units under offer.

- **Phase 2 – One Bartholomew Close – Offices**

  One Bartholomew Close was sold to clients of Ashby Capital LLP ("Ashby") for £102.4m in August 2015. The demolition of the existing building and the construction of a new 12 storey office block of 213,000 sq ft, commenced in January 2016. The building is due to be completed in August 2018. Ashby's clients finance the development costs and when the building is completed and successfully let the joint venture will be entitled to receive a profit share payment. Helical is the development manager for delivery of the project.

- **Phase 3 – Residential/retail**

  Phase 3 of the redevelopment of the site, involving the demolition of Queen Elizabeth II Building, 62 Bartholomew Close, 42-44 Little Britain and 45-47 Little Britain, is expected to commence after vacant possession of these buildings is obtained at the end of November 2016. In their place, 92 residential units and 11,800 sq ft of retail space will be constructed, with completion due in early 2019.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

One Creechurch Place, City of London EC3

One Creechurch Place, is a landmark City office scheme in the heart of the insurance sector in London. In May 2014, Helical signed a joint venture agreement with HOOPP (Healthcare of Ontario Pension Plan) to redevelop the site. Under the terms of the joint venture, HOOPP and Helical jointly funded the project on a 90:10 split, with Helical acting as development manager for which it will receive a promote payment depending on the successful outcome of the scheme. The new building, comprising 272,555 sq ft NIA of offices and 787 sq ft of retail, achieved practical completion on 7 November 2016 and is currently being marketed for occupation. A number of potential tenants have viewed the building and we are hopeful of being able to announce letting progress before our year end in March 2017.

C-Space, 37-45 City Road EC1

Helical acquired C-Space in June 2013. Planning consent was obtained for a complete refurbishment of the building which increased the previous existing 50,000 sq ft office building to 62,000 sq ft. The works, which were completed in October 2015, involved an additional floor and extensions to the third floor, a landscaped courtyard and entrance "pavilion" to the rear and full height glazing to the raised ground floor. 75% of the space was pre-let to the creative agency MullenLowe in June 2015, with the remaining space let to NeuLion in November 2016.

25 Charterhouse Square, Smithfield EC1

In January 2016, Helical was granted a new 155 year leasehold interest in 25 Charterhouse Square, from the Governors of Sutton's Hospital in Charterhouse for £16m. Helical has received planning for and commenced a major refurbishment of the existing building, which will increase the current 34,000 sq ft to 38,500 sq ft of offices, with the addition of a new sixth floor, and add 5,100 sq ft of retail/restaurant. The completed building is expected to be delivered in Q1 2017.

The Loom, Whitechapel E1

This 110,000 sq ft listed former wool warehouse was acquired in 2013. A major repositioning was completed in September 2016 to include a new entrance and reception onto Gowers Walk, showers and a bike store. A rolling refurbishment of the offices is also ongoing with circa 60,000 sq ft completed. The average contracted rent for the building is £32 psf. The largest, most prominent unit in the building of 9,000 sq ft was let in July in excess of £50 psf. Since then a further 4,750 sq ft has been let at £52.50 psf, a 17% premium to March 2016 ERV. 29,000 sq ft is currently available in 10 different sized units with an overall ERV of £1.4m.

Chart House, Islington N1

Chart House is a 10,500 sq ft office building in Islington. There is currently planning consent for an additional floor of residential on top of the building. This building is 100% let.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

THE LOOM, LONDON E1

HELICAL'S PROPERTY PORTFOLIO CONTINUED

THE WEST

Shepherds Building, Shepherds Bush W14

This 151,000 sq ft multi-let office building close to the Westfield London shopping centre maintains an occupancy approaching 100%, as it has for eight consecutive years. A rolling refurbishment of the common parts continues and the average contracted rent for the building is £44 psf with a total contracted rent of £6.3m and a passing net rent of £4.9m. During the period, 10 new lettings, all in excess of £50 psf, were completed securing a contracted rent of £350,000 and two rent reviews settled with an uplift to contracted rent of £225,000.

Power Road Studios, Chiswick W4

The site comprises 62,000 sq ft of offices across five buildings and is multi-let to a wide range of predominantly media tenants. Recent lettings have been concluded at a rent of £38 psf compared to an average rental of £24 psf at acquisition. Cineworld, who occupy 17,000 sq ft, have surrendered their lease which permits the comprehensive refurbishment of the unit and creation of a new entrance at the front of the building. The works, which are planned to commence in November 2016 and expected to last nine months, should increase the rent for this space from £22.00 psf to £42.50 psf. A planning application to add a further 45,000 sq ft of office space is expected to be submitted in December 2016.

One King Street, Hammersmith W6

This multi-let 39,000 sq ft building was acquired in 2012, comprising 26,000 sq ft of offices and 13,000 sq ft of ground floor retail. The building is fully let with a contracted rent of £1.8m. Following the period end this property has been sold to Orchard Street Investment Management at its March 2016 book value of £34.5m reflecting a net initial yield of 4.85%.

King Street, Hammersmith W6

King Street, Hammersmith W6, is a Council led regeneration project which is being carried out in a 50/50 joint venture with Grainger plc. Planning permission for the scheme has been granted for 196 apartments, a three-screen cinema, new retail and restaurant space and replacement offices for the Council. A minor amendment to the existing planning consent has been approved and demolition of the cinema site has commenced.

The Powerhouse, Chiswick W4

Helical acquired this 24,288 sq ft office and recording studios by way of sale and leaseback. The Powerhouse is a listed building on Chiswick High Road and is fully let on a long lease to Metropolis Music Group.

In addition to our holdings in East and West London we have one scheme in Covent Garden WC2.

Drury Lane & Dryden Street, Covent Garden WC2

The existing buildings, which are in office and retail use, sit on an island site of approximately 0.5 acres. Approximately half of the site, adjacent to Dryden Street, sits within the Covent Garden Conservation Area. In July 2015, contracts were exchanged with Diageo Pension Fund (a fund managed by Savills Investment Management) for the conditional acquisition of the Drury Lane site. The contract is conditional on the viability of the scheme and Helical securing planning consent. A planning application for the residential led scheme of 68 apartments was submitted in August 2015 and resolution to grant consent was issued at a planning committee in April 2016. A further planning consent for an alternative office led scheme is expected to be submitted in December 2016.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

THE REGIONAL PORTFOLIO

Our approach to regional investment is to acquire assets where occupational demand is robust throughout the property cycle and the barriers to new supply are high. Successfully picking the sectors and assets with these attributes will ensure strong cash flows and rental growth. In general, yields for regional assets are higher than those in London and these assets are acquired to provide significant cash flow for the Group. We anticipate that income will become an increasingly important part of total returns as yield compression slows and, as such, we focus our attention on areas where we believe the occupational market remains robust.

Our regional portfolio contributed 72% of our net rental income from tenants in diverse sectors and geographical locations. The £508.4m regional portfolio comprises £205.5m of logistics (41% of the regional portfolio), £102.2m of offices (20%), £96.9m of retail comprising £31.7m of retail warehousing and £65.2m of in-town retail, mainly the Morgan Quarter, Cardiff (in aggregate 19%), £97.8m in our retirement village development programme (19%) and £6.0m of land (1%).

DISTRIBUTION WAREHOUSES

Helical had 34 distribution and light logistics units located around major UK transport networks at 30 September 2016, of which ten have subsequently been sold. These units generally have few bespoke features making them straightforward to re-let if vacancies occur with minimal capital expenditure required. The majority of the assets are single let. Significant assets within the portfolio include a 256,000 sq ft distribution warehouse let to Sainsbury's in Yate, Bristol, a 203,000 sq ft facility in Leighton Buzzard, Bedfordshire and a 183,000 sq ft distribution warehouse let to the Royal Mail in Chester.

REGIONAL OFFICES

Our regional office investment portfolio comprises seven assets valued at £101.2m, with c. 70% of value in Manchester. Other assets are located in Crawley, Glasgow, Reading and Cobham. During the half year we sold two assets in Castle Donnington and Cheadle for £7.0m, a 3% discount to book value.

We have three offices in Manchester; a city with a diverse, thriving and growing economy which is widely regarded as England's second city and the centre of the "Northern Powerhouse".

Churchgate and Lee House, Manchester

This asset, comprising 248,000 sq ft of multi occupied offices, was purchased in March 2014.

Since then we have refurbished the reception, café and just over 73,735 sq ft of the offices and will continue to reposition the asset as floors become vacant.

In the period we have concluded three new lettings on over 23,000 sq ft increasing the contracted rent across the buildings by £418,000. At the end of the period the building was 95% let. We have subsequently agreed terms on the 1st Floor of Lee House and with the completion of its lease anticipated before the end of November, we are on course to be 100% let.

Dale House, Manchester

Dale House is a 54,000 sq ft office building situated in the Northern Quarter of Manchester. It is 87% let to a number of tenants with an average rent of £12.70 psf and was acquired in March 2015 for £7.4m. The property is a long term hold with plans to significantly refurbish the building over time. Strategic lease surrenders across the building have been obtained and a refurbishment of 33,000 sq ft will commence in January 2017, with completion in August 2017.

Fountain Court, 31 Booth Street, Manchester

This vacant office located in the prime city core was acquired in January 2016 for £4.7m. Refurbishment of this 25,349 sq ft building is underway and nearing completion. We anticipate that the building will be launched to the market in January 2017.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

St Vincent Street, Glasgow

In partnership with local development partner, Dawn Developments Ltd, Helical is the development manager for the new headquarters building for Scottish Power at St Vincent Street, Glasgow. The completed building comprises c. 220,000 sq ft of prime office space in the heart of the City's commercial district. Funded by M&G Investments, all works, including Scottish Power's fit out, are due to be completed in November 2016. As part of the overall deal, Helical took on three existing Scottish Power sites which are surplus to requirements. The site at Cathcart has been sold to Barratt Homes subject to detailed planning approval being received (outline planning already achieved) and the listed Cathcart House has been sold subject only to vacant possession being granted following the move to the new headquarters by Scottish Power. The site at Yoker was sold to a supermarket operator during the period and the site at Falkirk was sold in the prior year.

RETAIL

The retail market is undergoing major structural changes with many high profile companies going into administration. There is a continued migration of customers and retailers to prime centres where the leisure offer and quality of the environment are a big driver of footfall.

Our retail assets total £97m, 8% of our portfolio (31 March 2016: £143m). This part of the portfolio includes a prime retail asset in Cardiff, three retail parks, one retail unit and a number of pre let and/or prefunded retail developments.

During the half year, five retail properties were sold for a total of £41m, at c. 6% below book value. At the period end the portfolio consisted of assets in Cardiff, Great Yarmouth, Leicester, Sevenoaks and Southend.

The Morgan Quarter, Cardiff

During the period we have continued our plans to reposition the asset and consolidate rental tone. We have concluded six new retail leases representing over £200,000 per annum in rental income. These include two tenants upsizing within the estate and the addition of JoJo Maman Bébé.

Within the Creative Quarter we have completed five new office leases on 1,265 sq ft and one renewal lease. Work is underway on Phase Three of the refurbishment which is due to complete early 2017 providing 5,700 sq ft of new space.

RETAIL DEVELOPMENTS

Parkgate, Shirley, West Midlands

The shopping centre at Parkgate, Shirley, where Helical has a 50% interest, was completed in 2014 and the 80,000 sq ft Asda, which had been pre-sold to the food-store, together with a number of other retailers have all opened successfully for trade. The space beyond the food-store is let to occupiers such as B&M, Peacocks, Poundland, Pizza Express, JD Wetherspoon, Prezzo, Shoe Zone and Shirley Library and in November 2016 was sold to a private purchaser at its 30 September 2016 book value.

A second phase of high density residential is being progressed on a 10 acre site opposite the Parkgate scheme. Terms have been agreed with a care home provider, a residential developer and a supermarket operator for a petrol filling station. Planning consent has been achieved subject to a s.106 Agreement.

Truro

Helical has entered into a Conditional Purchase Agreement on the six acre Truro City Football Club site which has planning consent, subject to a s.106 Agreement, for a 78,000 sq ft non-food retail park. The scheme proposals provide for the relocation of the football club and we anticipate starting on site in late 2017.

Cortonwood

This 79,750 sq ft retail park has been 95% pre-let to tenants including Outfit, H&M, New Look, River Island and Marks and Spencer. The scheme has been forward funded with clients of Aberdeen Asset Management and construction on site has started with completion due in June 2017. The remaining space is currently under offer.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

RETIREMENT VILLAGES

Our retirement village portfolio consists of four villages. We design each of the villages with an active, independent retirement in mind and the communities that we create are the ideal place to live a social and varied lifestyle. Each private, age-exclusive retirement community is centred around a residents' clubhouse, and features many amenities including an indoor pool and gym, landscaped gardens, bar, restaurant and library. With an increasing UK population over 65 years old, and a severe under supply in retirement housing, this sector creates significant opportunities for investors and developers.

Bramshott Place, Liphook, Hampshire

This village is situated amongst natural parkland near the village of Liphook on the border of Hampshire, West Sussex and Surrey. The village features a selection of two and three bedroom cottages and one, two and three bedroom apartments arranged around a residents' clubhouse. All construction works to Phases 1-3 are completed. 151 units in total have been built and sold. Phase 4 commenced in August 2016 with the construction of 40 additional cottages, due for completion in January 2018. Sales on the site will be formally launched in July 2017, with seven of the 40 new cottages already having been reserved. The residents' clubhouse is currently being extended and refurbished with completion of this project due in January 2017.

Durrants Village, Faygate, West Sussex

Durrants Village is set within 30 acres of private parkland in the hamlet of Faygate, near Horsham in West Sussex. The village features a selection of cottages and apartments. Phases 1 and 2 of the construction completed in January 2016 with 105 units located around the residents' clubhouse. Phase 3A has commenced and consists of an additional 20 units and is due to complete in July 2017. Sales have progressed well with 82 units sold, 4 exchanged and an additional 13 units reserved.

Millbrook Village, Exeter, Devon

Millbrook Village is nestled close to the River Exe in the heart of the historic cathedral city of Exeter. The village features a selection of two and three bedroom cottages and one, two and three bedroom apartments. The site will comprise 164 units once completed. The clubhouse will include a restaurant and bar, games room, gym, cinema and a swimming pool. The build programme is well advanced with 81 units currently completed with more stock now coming online at regular three month intervals. We anticipate that the village will be fully constructed by early 2018 with the clubhouse handed over in March 2017. 37 units have been sold, 7 exchanged with an additional 18 reserved.

Maudslay Park, Great Alne, Warwickshire

Maudslay Park is set in 90-acres of parkland in the Warwickshire village of Great Alne, near Stratford-upon-Avon. The village will comprise 164 units with a mixture of cottages and apartments built around the central clubhouse facility. The clubhouse will include a restaurant and bar, games room, gym, cinema and a swimming pool. Phase 1 of the development is currently under construction which consists of 14 cottages, 35 apartments and the central clubhouse facility. We have recently launched the sales office on site and have achieved six reservations on cottages. We anticipate the first cottages being completed in February 2017 with the central clubhouse facility being completed in March 2018.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

CAPITAL EXPENDITURE

We have a planned development and refurbishment programme to drive the rental value and secure the future of our assets.

Property	Capex budget (Helical Share) £m	Remaining spend (Helical share) £m	Current total space Sq ft	Refurbished space Sq ft	New space Sq ft	Completion date
Under Development						
London Offices						
207 Old Street, London EC1	93.5	72.6	114,000	114,000	65,000	Jun 2018
One Creechurch Place, London EC1	9.7	0.2	-	-	273,000	Nov 2016
25 Charterhouse Square, London EC1	15.5	8.7	34,000	34,000	9,600	Mar 2017
The Loom, London E1	10.0	0.9	112,000	37,500	-	Jan 2017
London Residential						
Barts Square, London EC1	85.2	63.7	n/a	n/a	n/a	Mar 2019
Regional Offices						
Fountain Court, Booth Street, Manchester	2.3	1.0	25,500	25,000	-	Dec 2016
Future Development						
London Residential						
Drury Lane, London WC2	75.0	73.2	-	-	80,000	Jun 2019
King Street, London W6	55.0	55.0	-	-	300,000	Dec 2021

Retirement Villages

Property	Capex budget £m	Remaining spend £m	Total number of units	Completed units	Units under construction	Completion date
Millbrook Village, Exeter	40.1	12.8	164	81	83	Mar 2018
Durrants Village, Faygate	46.5	17.9	173	105	20	Feb 2019
Maudslay Park, Great Alne	58.4	46.6	164	5	45	Dec 2020
Bramshott Place, Liphook	16.6	14.6	40	-	40	Jun 2018
	161.6	**91.9**	**541**	**191**	**188**	

HELICAL'S PROPERTY PORTFOLIO CONTINUED

ASSET MANAGEMENT

Asset management is a critical component in driving Helical's performance. Through having intelligent business plans and by maximising the combined skills of our management team, we are able to create value in our assets without relying on market movements.

Investment portfolio	Fair Value Weighting %	Passing Rent £m	%	Contracted Rent £m	%	ERV £m	%	ERV Change Since March 2016 %
London Offices								
- Completed	44.1	10.6	27.2	21.5	41.4	28.3	36.4	3.0
- Being redeveloped/refurbished	13.4	-	-	-	-	16.1	20.7	-
- Held for future development /refurbishment	4.0	1.8	4.6	1.9	3.7	2.5	3.2	(0.8)
Total London	**61.5**	**12.4**	**31.8**	**23.4**	**45.1**	**46.9**	**60.3**	**1.7**
Regional Offices	9.5	5.9	15.3	6.8	13.1	8.3	10.6	1.0
Regional Logistics	19.5	14.8	38.1	15.8	30.4	16.1	20.8	0.2
Regional Retail	8.4	5.8	14.8	5.9	11.4	6.4	8.3	0.1
Retirement Villages	1.1	-	-	-	-	-	-	-
Total Regional	**38.5**	**26.5**	**68.2**	**28.5**	**54.9**	**30.8**	**39.7**	**0.4**
Total	**100.0**	**38.9**	**100.0**	**51.9**	**100.0**	**77.7**	**100.0**	**1.2**

During the half year contracted income increased by £1.1m as a result of new lettings and rent reviews, net of any losses from breaks and lease expiries (2015: £1.5m). The significant contributors to the new lettings were: The Loom, London E1 (£0.3m), Shepherds Building, London W14 (£0.4m) and our logistics unit in Burton-on-Trent (£0.5m).

There was significant activity within the investment portfolio with 165 lease events.

	Contacted Rent £m
Rent lost at break/expiry	(1.0)
Rent reviews	0.4
Uplift at Lease renewals	0.3
New Lettings	1.4
Total increase in the half year	**1.1**

HELICAL'S PROPERTY PORTFOLIO CONTINUED

PORTFOLIO YIELDS

	EPRA Topped Up NIY %	Reversionary %
London Offices		
- Completed	4.3	5.6
- Being redeveloped/refurbished	-	5.8
- Held for future development/refurbishment	4.3	5.4
Total London	**3.3**	**5.7**
Regional Offices	6.3	7.5
Regional Logistics	7.1	7.1
Regional Retail	6.2	6.7
Total	**4.6**	**6.2**

CAPITAL VALUES, VACANCY RATES AND UNEXPIRED LEASE TERMS

	Capital value psf £	Vacancy rate* %	WAULT Years
London Offices			
- Completed	868	9.5	6.7
- Being redeveloped/refurbished	575	n/a	-
- Held for future development/refurbishment	621	7.4	0.1
Total London	**763**	**9.3**	**6.8**
Regional Offices	204	10.9	5.5
Regional Logistics	57	3.5	4.7
Regional Retail	239	-	4.9
Total Regional	**91**	**4.0**	**5.0**
Total	**197**	**4.6**	**5.8**

*The vacancy rates exclude assets in the course of redevelopment/refurbishment.

HELICAL'S PROPERTY PORTFOLIO CONTINUED

VALUATION MOVEMENTS

	Val Change inc Capex, Sales & Purchases %	Val Change inc Capex, excl Sales & Purchases %	Investment Portfolio Weighting September 2016 %	Investment Portfolio Weighting March 2016 %
London Offices				
- Completed	5.5	5.5	44.0	29.0
- Being redeveloped/refurbished	6.7	6.7	13.5	23.4
- Held for future development/refurbishment	(0.1)	(0.1)	4.0	4.0
Total London	**5.3**	**5.3**	**61.5**	**56.4**
Regional Offices	2.7	4.0	9.6	9.7
Regional Logistics	0.9	1.4	19.4	20.0
Regional Retail	(3.7)	(2.5)	8.4	12.8
Retirement Villages	-	-	1.1	1.1
Total Regional	**(0.1)**	**1.0**	**38.5**	**43.6**
Total	**3.0**	**4.0**	**100.0**	**100.0**

LEASE EXPIRIES OR TENANT BREAK OPTIONS

	Year to 2017	Year to 2018	Year to 2019	Year to 2020	Year to 2021
% of rent roll	8.5	11.8	14.4	8.7	6.9
Number of leases	72	109	73	41	21
Average rent per lease (£)	61,685	56,488	102,826	110,316	171,088

HELICAL'S PROPERTY PORTFOLIO CONTINUED

We have a strong rental income stream and a diverse tenant base, with the largest tenant in the portfolio accounting for only 7.5% of the rent roll. The top 10 tenants account for 31.3% of the total rent roll and the tenants come from a variety of industries.

Rank	Tenant	Tenant Industry	Rent £m	Rent Roll %
1	Endemol UK Limited	Media	4.0	7.5
2	MullenLowe Limited	Marketing Communications	2.6	4.9
3	Gopivotal (UK) Limited	Technology	2.0	3.8
4	Farfetch UK Limited	Online Retail	1.9	3.5
5	Sainsbury's Supermarkets Limited	Food Retail	1.2	2.3
6	CBS Interactive Limited	Media	1.0	2.0
7	DSG Retail Limited	Retail	1.0	2.0
8	Allegis Group Limited	Recruitment	1.0	1.9
9	Economic Solutions Limited	Employment and Skills Training	1.0	1.8
10	Stripe Payments UK Limited	Technology	0.8	1.6
Total			**16.5**	**31.3**

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF HELICAL PLC

INTRODUCTION

We have been engaged by the Company to review the condensed set of financial statements in the Half Year Results report of Helical plc for the six months ended 30 September 2016 which comprises the Unaudited Consolidated Income Statement, the Unaudited Consolidated Statement of Comprehensive Income, the Unaudited Consolidated Balance Sheet, the Unaudited Consolidated Cash Flow Statement, the Unaudited Consolidated Statement of Changes in Equity and the related unaudited notes. We have read the other information contained in the report: Financial Highlights, Chief Executive's Statement, Financial Review and Helical's Property Portfolio and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' 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 conclusion we have formed.

DIRECTORS' RESPONSIBILITIES

The report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

OUR RESPONSIBILITY

Our responsibility is to express a conclusion on the condensed set of financial statements in the report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

London
24 November 2016

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the Half Year to 30 September 2016

	Notes	**Half Year to 30 September 2016 £000**	Half Year to 30 September 2015 £000	Year to 31 March 2016 Restated £000
Revenue	3	**52,367**	58,280	116,500
Net rental income	4	**23,911**	19,999	42,164
Development property (loss)/profit	5	**(83)**	16,165	24,252
Share of results of joint ventures	13	**(1,044)**	31,795	50,469
Other operating (expense)/income		**(1)**	87	20
Gross profit before net gain on sale and revaluation of investment properties		**22,783**	68,046	116,905
Net gain on sale and revaluation of investment properties	6	**26,353**	42,253	49,826
Impairment of available-for-sale investments	15	**(1,179)**	(350)	(1,370)
Gross profit		**47,957**	109,949	165,361
Administrative expenses	7	**(5,871)**	(14,079)	(26,103)
Operating profit		**42,086**	95,870	139,258
Finance costs	8	**(13,949)**	(11,281)	(24,113)
Finance income		**1,199**	1,248	5,128
Change in fair value of derivative financial instruments		**(5,949)**	(9)	(6,860)
Change in fair value of Convertible Bond		**7,663**	48	516
Foreign exchange gain		**2**	27	100
Profit before tax		**31,052**	85,903	114,029
Tax on profit on ordinary activities	9	**672**	(10,196)	(9,146)
Profit after tax		**31,724**	75,707	104,883
- attributable to equity shareholders		**31,724**	75,767	104,943
- attributable to non-controlling interests		**-**	(60)	(60)
Profit for the period		**31,724**	75,707	104,883
Earnings per share	11			
Basic		**27.8p**	66.1p	91.3p
Diluted		**26.6p**	63.7p	88.0p

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year to 30 September 2016

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 Restated £000
Profit for the period	**31,724**	75,707	104,883
Exchange difference on retranslation of net investments in foreign operations	**21**	5	(16)
Total comprehensive income for the period	**31,745**	75,712	104,867
- attributable to equity shareholders	**31,745**	75,772	104,927
- attributable to non-controlling interests	**-**	(60)	(60)
Total comprehensive income for the period	**31,745**	75,712	104,867

The exchange differences on retranslation of net investments in foreign operations will be reclassified to the Income Statement on disposal.

UNAUDITED CONSOLIDATED BALANCE SHEET

At 30 September 2016

	Notes	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 Restated £000
Non-current assets				
Investment properties	12	**1,034,687**	800,600	1,035,033
Owner occupied property, plant and equipment		**2,147**	2,328	2,200
Investment in joint ventures	13	**26,259**	68,174	27,990
		1,063,093	871,102	1,065,223
Current assets				
Land, developments and trading properties	14	**88,294**	91,589	92,035
Available-for-sale investments	15	**1,991**	4,064	3,114
Corporate tax receivable		**1,335**	-	-
Trade and other receivables	16	**77,485**	72,104	73,057
Cash and cash equivalents	17	**52,945**	136,998	74,670
		222,050	304,755	242,876
Total assets		**1,285,143**	1,175,857	1,308,099
Current liabilities				
Trade and other payables	18	**(62,408)**	(82,085)	(71,000)
Corporation tax payable		**-**	(2,226)	(1,592)
Borrowings	19	**(901)**	(36,272)	(885)
		(63,309)	(120,583)	(73,477)
Non-current liabilities				
Borrowings	19	**(685,404)**	(577,695)	(733,178)
Derivative financial instruments	20	**(20,721)**	(8,104)	(14,955)
Deferred tax liability	9	**(6,800)**	(8,258)	(5,768)
		(712,925)	(594,057)	(753,901)
Total liabilities		**(776,234)**	(714,640)	(827,378)
Net assets		**508,909**	461,217	480,721
Equity				
Called-up share capital	21	**1,447**	1,447	1,447
Share premium account		**98,798**	98,798	98,798
Revaluation reserve		**171,600**	147,596	143,699
Capital redemption reserve		**7,478**	7,478	7,478
Other reserves		**291**	291	291
Retained earnings		**229,295**	205,607	229,008
Equity attributable to equity holders of the parent		**508,909**	461,217	480,721
Non-controlling interests		**-**	-	-
Total equity		**508,909**	461,217	480,721

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the Half Year to 30 September 2016

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 Restated £000
Cash flows from operating activities			
Profit before tax	**31,052**	85,903	114,029
Depreciation	**204**	186	338
Net revaluation gain on investment properties	**(29,141)**	(41,249)	(47,441)
Loss/(gain) on sales of investment properties	**2,788**	(1,004)	(2,385)
Profit on sale of plant and equipment	**(13)**	-	-
Net financing costs	**12,750**	10,033	18,985
Change in value of derivative financial instruments	**5,949**	9	6,860
Change in fair value of Convertible Bond	**(7,663)**	(48)	(516)
Share based payment charge	**283**	2,841	6,666
Share of results of joint ventures	**1,044**	(31,795)	(50,469)
Impairment of available-for-sale investment	**1,179**	350	1,370
Foreign exchange movement	**32**	248	250
Other non-cash items	**-**	3	-
Cash inflows from operations before changes in working capital	**18,464**	25,477	47,687
Change in trade and other receivables	**(4,319)**	(5,333)	(5,074)
Movement in property derivative financial asset	**-**	16,388	16,388
Change in land, developments and trading properties	**5,451**	752	306
Change in trade and other payables	**(7,625)**	16,579	5,314
Cash inflows generated from operations	**11,971**	53,863	64,621
Finance costs	**(17,028)**	(11,923)	(25,312)
Finance income	**627**	1,248	3,915
Tax paid	**(2,928)**	(1,276)	(4,712)
	(19,329)	(11,951)	(26,109)
Cash flows from operating activities	**(7,358)**	41,912	38,512
Cash flows from investing activities			
Additions to investment property	**(26,022)**	(87,693)	(405,133)
Sale of investment property	**54,919**	31,101	121,770
Return of investment in joint ventures	**-**	-	11,495
Dividends from joint ventures	**687**	35,206	82,569
Available for sale asset additions	**(56)**	(72)	(142)
Sale of plant and equipment	**49**	48	70
Purchase of leasehold improvements, plant and equipment	**(193)**	(205)	(263)
Net cash generated from/(used by) investing activities	**29,384**	(21,615)	(189,634)
Cash flows from financing activities			
Borrowings drawn down	**15,725**	128,005	299,754
Borrowings repaid	**(57,709)**	(111,641)	(161,648)
Shares issued	**-**	-	-
Purchase of own shares	**(944)**	(14,752)	(18,857)
Equity dividends paid	**(823)**	(5,899)	(14,437)
Net cash (used by)/generated from financing activities	**(43,751)**	(4,287)	104,812
Net (decrease)/increase in cash and cash equivalents	**(21,725)**	16,010	(46,310)
Exchange losses on cash and cash equivalents	**-**	(5)	(13)
Cash and cash equivalents at start of period	**74,670**	120,993	120,993
Cash and cash equivalents at end of period	**52,945**	136,998	74,670

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 September 2016

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Non-controlling interests £000	Total £000
At 31 March 2015	1,447	98,798	108,060	7,478	291	188,229	-	60	404,363
Total comprehensive income	-	-	-	-	-	104,927	-	(60)	104,867
Revaluation surplus	-	-	47,441	-	-	(47,441)	-	-	-
Realised on disposals	-	-	(11,802)	-	-	11,802	-	-	-
Performance share plan	-	-	-	-	-	6,666	-	-	6,666
Performance share plan - deferred tax	-	-	-	-	-	(3,002)	-	-	(3,002)
Share settled bonus	-	-	-	-	-	1,121	-	-	1,121
Dividends paid	-	-	-	-	-	(14,437)	-	-	(14,437)
Purchase of own shares	-	-	-	-	-	-	(18,857)	-	(18,857)
Own shares held reserve transfer	-	-	-	-	-	(18,857)	18,857	-	-
At 31 March 2016 restated	1,447	98,798	143,699	7,478	291	229,008	-	-	480,721
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**31,745**	**-**	**-**	**31,745**
Revaluation surplus	**-**	**-**	**29,141**	**-**	**-**	**(29,141)**	**-**	**-**	**-**
Realised on disposals	**-**	**-**	**(1,240)**	**-**	**-**	**1,240**	**-**	**-**	**-**
Performance share plan	**-**	**-**	**-**	**-**	**-**	**283**	**-**	**-**	**283**
Performance share plan - deferred tax	**-**	**-**	**-**	**-**	**-**	**(1,748)**	**-**	**-**	**(1,748)**
Share settled bonus	**-**	**-**	**-**	**-**	**-**	**(325)**	**-**	**-**	**(325)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(823)**	**-**	**-**	**(823)**
Purchase of own shares	**-**	**-**	**-**	**-**	**-**	**-**	**(944)**	**-**	**(944)**
Own shares held reserve transfer	**-**	**-**	**-**	**-**	**-**	**(944)**	**944**	**-**	**-**
At 30 September 2016	**1,447**	**98,798**	**171,600**	**7,478**	**291**	**229,295**	**-**	**-**	**508,909**

For a breakdown of total comprehensive income see the Unaudited Consolidated Statement of Comprehensive Income.

The adjustment against retained earnings of £283,000 (31 March 2016: £6,666,000) adds back the share based payments charge in accordance with IFRS 2 Share Based Payments.

There were net transactions with owners of £3,557,000 (31 March 2016: £28,509,000) made up of the performance share plan charge of £283,000 (31 March 2016: £6,666,000) and related deferred tax debit of £1,748,000 (31 March 2016: £3,002,000), dividends paid of £823,000 (31 March 2016: £14,437,000), the purchase of own shares of £944,000 (31 March 2016: £18,857,000) and the share settled bonus of £325,000 (31 March 2016: credit of £1,121,000).

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

	Share capital £000	Share premium £000	Revaluation reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Own shares held £000	Non-controlling interests £000	Total £000
At 31 March 2015	1,447	98,798	108,060	7,478	291	188,229	-	60	404,363
Total comprehensive income	-	-	-	-	-	75,772	-	(60)	75,712
Revaluation surplus	-	-	41,249	-	-	(41,249)	-	-	-
Realised on disposals	-	-	(1,713)	-	-	1,713	-	-	-
Performance share plan	-	-	-	-	-	2,840	-	-	2,840
Performance share plan - deferred tax	-	-	-	-	-	(1,714)	-	-	(1,714)
Share settled bonus	-	-	-	-	-	667	-	-	667
Dividends paid	-	-	-	-	-	(5,899)	-	-	(5,899)
Purchase of own shares	-	-	-	-	-	-	(14,752)	-	(14,752)
Own shares held reserve transfer	-	-	-	-	-	(14,752)	14,752	-	-
At 30 September 2015	1,447	98,798	147,596	7,478	291	205,607	-	-	461,217

The adjustment against retained earnings of £2,840,000 adds back the share based payments charge in accordance with IFRS 2 Share Based Payments.

There were net transactions with shareholders of £18,858,000 made up of the performance share plan charge of £2,840,000 and related deferred tax debit of £1,714,000, dividends paid of £5,899,000, the purchase of own shares of £14,752,000 and the share settled bonus of £667,000.

UNAUDITED NOTES TO THE HALF YEAR RESULTS

1. FINANCIAL INFORMATION

The financial information contained in this statement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The full accounts for the year ended 31 March 2016, which were prepared under International Financial Reporting Standards as adopted by the European Union and which received an unqualified report from the Auditors, and did not contain a statement under Section 498 of the Companies Act 2006, have been filed with the Registrar of Companies.

These interim condensed unaudited consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The principal accounting policies have remained unchanged from the prior financial period to 31 March 2016.

These interim condensed unaudited consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2016.

The Directors have a reasonable expectation that the Group will continue in operational existence for the foreseeable future and have, therefore, used the going concern basis in preparing the financial statements.

Principal risks and uncertainties

The responsibility for the governance of the Group's risk profile lies with the Board of Directors of Helical. The Board is responsible for setting the Group's risk strategy by assessing risks, determining its willingness to accept those risks and ensuring that the risks are monitored and that the Group is aware of and, if appropriate, reacts to changes in those risks. The Board is also responsible for allocating responsibility for risk within the Group's management structure.

The Group considers its principal risks to be:

- strategic risk;
- financial risk;
- operational risk; and
- reputational risk.

There have been no significant changes to these risk areas in the period nor are there expected to be for the half year to 31 March 2017. A further analysis of these risks is included within the consolidated financial statements of the Group for the year ended 31 March 2016.

Use of estimates and judgements

The estimates and judgements have remained unchanged from the prior financial year to 31 March 2016.

2. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Each of the Directors confirms that, to the best of his knowledge, the condensed set of unaudited financial statements, which has been prepared in accordance with IAS 34 as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

Balances with related parties at 30 September 2016, 30 September 2015 and 31 March 2016 are disclosed in Note 24.

A list of current Directors is maintained at 5 Hanover Square, London W1S 1HQ and at www.helical.co.uk.

The half year statement was approved by the Board on 24 November 2016 and is available from the Company's registered office at 5 Hanover Square, London W1S 1HQ and on the Company's website at www.helical.co.uk.

On behalf of the Board

Tim Murphy
Finance Director

24 November 2016

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

3. SEGMENTAL INFORMATION

The Group identifies two discrete operating segments whose results are regularly reviewed by the Chief Operating Decision Maker (the Chief Executive) to allocate resources to these segments and to assess their performance. The segments are:

- investment properties, which are owned or leased by the Group for long-term income and for capital appreciation, and trading properties, which are owned or leased with the intention to sell; and,
- development properties, which include sites, developments in the course of construction, completed developments available for sale, and pre-sold developments.

Revenue	**Investment and Trading Half Year to 30.09.16 £000**	**Developments Half Year to 30.09.16 £000**	**Total Half Year to 30.09.16 £000**	Investment and Trading Half Year to 30.09.15 £000	Developments Half Year to 30.09.15 £000	Total Half Year to 30.09.15 £000
Rental income	**25,531**	**-**	**25,531**	20,891	325	21,216
Development property income	**-**	**26,836**	**26,836**	-	36,948	36,948
Other revenue	**-**	**-**	**-**	116	-	116
Revenue	**25,531**	**26,836**	**52,367**	21,007	37,273	58,280

Revenue	Investment and Trading Year to 31.03.16 £000	Developments Year to 31.03.16 £000	Total Year to 31.03.16 £000
Rental income	45,158	347	45,505
Development property income	-	70,876	70,876
Other revenue	119	-	119
Revenue	45,277	71,223	116,500

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

3. SEGMENTAL INFORMATION CONTINUED

Profit before tax	**Investment and Trading Half Year to 30.09.16 £000**	**Developments Half Year to 30.09.16 £000**	**Total Half Year to 30.09.16 £000**	Investment and Trading Half Year to 30.09.15 £000	Developments Half Year to 30.09.15 £000	Total Half Year to 30.09.15 £000
Net rental income	**23,935**	**(24)**	**23,911**	19,803	196	19,999
Development property (loss)/ profit	**-**	**(83)**	**(83)**	-	16,165	16,165
Share of results of joint ventures	**(704)**	**(340)**	**(1,044)**	30,712	1,083	31,795
Gain on sale and revaluation of investment properties	**26,353**	**-**	**26,353**	42,253	-	42,253
	49,584	**(447)**	**49,137**	92,768	17,444	110,212
Impairment of available for sale assets			**(1,179)**			(350)
Other operating (expense)/income			**(1)**			87
Gross profit			**47,957**			109,949
Administrative expenses			**(5,871)**			(14,079)
Net finance costs			**(11,036)**			(9,994)
Foreign exchange gain			**2**			27
Profit before tax			**31,052**			85,903

Profit before tax	Investment and Trading Year to 31.03.16 £000	Developments Year to 31.03.16 £000	Total Year to 31.03.16 £000
Net rental income	42,010	154	42,164
Development property profit	-	24,252	24,252
Share of results of joint ventures	47,592	2,877	50,469
Gain on sale and revaluation of investment properties	49,826	-	49,826
	139,428	27,283	166,711
Impairment of available for sale assets			(1,370)
Other operating income			20
Gross profit			165,361
Administrative expenses			(26,103)
Net Finance costs			(25,329)
Foreign exchange gain			100
Profit before tax			114,029

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

3. SEGMENTAL INFORMATION CONTINUED

Balance sheet	**Investment and Trading At 30.09.16 £000**	**Developments At 30.09.16 £000**	**Total At 30.09.16 £000**	Investment and Trading At 30.09.15 £000	Developments At 30.09.15 £000	Total At 30.09.15 £000
Investment properties	**1,034,687**	**-**	**1,034,687**	800,600	-	800,600
Land, development and trading properties	**28**	**88,266**	**88,294**	28	91,561	91,589
Investment in joint ventures	**3,192**	**23,067**	**26,259**	57,825	10,349	68,174
	1,037,907	**111,333**	**1,149,240**	858,453	101,910	960,363
Other assets			**135,903**			215,494
Total assets			**1,285,143**			1,175,857
Liabilities			**(776,234)**			(714,640)
Net assets			**508,909**			461,217

Balance sheet	Investment and Trading At 31.03.16 £000	Developments At 31.03.16 £000	Total At 31.03.16 £000
Investment properties	1,035,033	-	1,035,033
Land, development and trading properties	28	92,007	92,035
Investment in joint ventures	14,162	13,828	27,990
	1,049,223	105,835	1,155,058
Other assets			153,041
Total assets			1,308,099
Liabilities			(827,378)
Net assets			480,721

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

4. NET RENTAL INCOME

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Gross rental income	**25,531**	21,216	45,505
Rents payable	**(17)**	(24)	(80)
Property overheads	**(1,378)**	(964)	(2,728)
Net rental income	**24,136**	20,228	42,697
Net rental income attributable to profit share partner	**(225)**	(229)	(533)
Group share of net rental income	**23,911**	19,999	42,164

5. DEVELOPMENT PROPERTY (LOSS)/PROFIT

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Development property income	**26,836**	36,948	70,876
Profit on forward property contract	**-**	1,008	14
Cost of sales	**(18,938)**	(18,204)	(29,519)
Sales expenses	**(4,012)**	(2,056)	(10,671)
Provision against book values	**(3,969)**	(1,531)	(6,448)
Development property (loss)/profit	**(83)**	16,165	24,252

6. NET GAIN ON SALE AND REVALUATION OF INVESTMENT PROPERTIES

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Net proceeds from the sale of investment properties	**54,919**	31,101	122,201
Book value (note 12)	**(57,243)**	(30,097)	(119,385)
Tenants incentives on sold investment properties	**(464)**	-	(431)
(Loss)/gain on sale of investment properties	**(2,788)**	1,004	2,385
Revaluation surplus on investment properties	**29,141**	41,249	47,441
Net gain on sale and revaluation of investment properties	**26,353**	42,253	49,826

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

7. ADMINISTRATIVE EXPENSES

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Administration costs	**(5,801)**	(5,356)	(10,717)
Performance related awards	**(285)**	(7,302)	(13,299)
National Insurance on performance related awards	**215**	(1,421)	(2,087)
Administrative expenses	**(5,871)**	(14,079)	(26,103)

8. FINANCE COSTS

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Interest payable on bank loans, bonds and overdrafts	**(14,923)**	(12,178)	(25,353)
Other interest payable and similar charges	**(2,520)**	(1,468)	(3,700)
Interest capitalised	**3,494**	2,365	4,940
Finance costs	**(13,949)**	(11,281)	(24,113)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
The tax credit/(charge) is based on the profit for the period and represents:			
United Kingdom corporation tax at 20%			
- Group corporation tax	**-**	(4,990)	(7,010)
- Adjustment in respect of prior periods	**-**	(98)	(115)
- Overseas tax	**2**	(19)	(712)
Current tax credit/(charge)	**2**	(5,107)	(7,837)
Deferred tax			
- Capital allowances	**(847)**	(115)	(385)
- Tax losses	**674**	(1,379)	500
- Unrealised chargeable gains	**(164)**	(6,906)	(7,447)
- Other temporary differences	**1,007**	3,311	6,023
Deferred tax credit/(charge)	**670**	(5,089)	(1,309)
Total tax credit/(charge) for period	**672**	(10,196)	(9,146)

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

9. TAX ON PROFIT ON ORDINARY ACTIVITIES CONTINUED

Deferred tax	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Capital allowances	**(2,793)**	(1,676)	(1,946)
Tax losses	**13,195**	10,642	12,521
Unrealised chargeable gains	**(24,298)**	(23,593)	(24,134)
Other temporary differences	**7,096**	6,369	7,791
Deferred tax liability	**(6,800)**	(8,258)	(5,768)

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 £2,793,000 would be released and further capital allowances of £27,551,000 would be available to reduce future tax liabilities.

The net deferred tax asset in respect of other temporary differences arises from tax relief available to the Group on the mark to market valuation of financial instruments, the future vesting of share awards and other timing differences.

10. DIVIDENDS

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Attributable to equity share capital			
Ordinary			
- Interim paid 2.30p per share	**-**	-	2,652
- Second interim paid of 5.15p per share	**-**	-	5,886
- Prior period final paid 0.72p per share (2015: 5.15p)	**823**	5,899	5,899
	823	5,899	14,437

The interim dividend of 2.40p (30 September 2015: 2.30p per share) was approved by the Board on 22 November 2016 and will be paid on 30 December 2016 to Shareholders on the register on 2 December 2016. This interim dividend, amounting to £2,743,000 has not been included as a liability as at 30 September 2016.

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

11. 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 period. This is a different basis to the net asset per share calculations which are based on the number of shares at the year end. Shares held by the Helical Employees' Share Ownership Plan Trust (the "ESOP"), which has waived its entitlement to receive dividends, are treated as cancelled for the purpose 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.

The earnings per share is calculated in accordance with IAS 33 and the best practice recommendations of the European Public Real Estate Association ("EPRA").

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

	Half Year to 30 September 2016 000's	Half Year to 30 September 2015 000's	Year to 31 March 2016 000's
Ordinary shares in issue	**118,184**	118,184	118,184
Weighting adjustment	**(3,901)**	(3,547)	(3,296)
Weighted average ordinary shares in issue for calculation of basic and EPRA earnings per share	**114,283**	114,637	114,888
Weighted average ordinary shares issued on share settled bonuses	**1,197**	1,053	1,197
Weighted average ordinary shares to be issued under performance share plan	**3,700**	3,271	3,212
Weighted average ordinary shares in issue for calculation of diluted earnings per share	**119,180**	118,961	119,297

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Earnings used for calculation of basic and diluted earnings per share	**31,724**	75,767	104,943
Basic earnings per share	**27.8p**	66.1p	91.3p
Diluted earnings per share	**26.6p**	63.7p	88.0p

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

11. EARNINGS PER SHARE CONTINUED

		Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Earnings used for calculation of basic and diluted earnings per share		**31,724**	75,767	104,943
Net gain on sale and revaluation of investment properties	– subsidiaries	**(26,353)**	(42,253)	(49,826)
	– joint ventures	**518**	(25,887)	(50,210)
Tax on (loss)/profit on disposal of investment properties		**(308)**	-	998
Fair value movement on derivative financial instruments	– subsidiaries	**5,949**	9	6,860
	– joint ventures	**-**	(82)	(211)
Fair value movement on Convertible Bond		**(7,663)**	(48)	(516)
Impairment of available-for-sale investment		**1,179**	350	1,370
Deferred tax on adjusting items		**(66)**	7,021	6,212
Earnings used for calculations of EPRA earnings per share		**4,980**	14,877	19,620
EPRA earnings per share		**4.4p**	13.0p	17.1p

The earnings used for the calculation of EPRA earnings per share includes net rental income and development property profits but excludes trading property gains.

12. INVESTMENT PROPERTIES

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Book value at 1 April	**1,035,033**	701,521	701,521
Additions at cost	**27,806**	87,693	405,133
Disposals	**(57,243)**	(30,097)	(119,385)
Revaluation surplus	**34,397**	41,249	53,508
Increase in lease incentive asset	**(5,256)**	-	(6,067)
Revaluation surplus attributable to profit share partners	**(50)**	234	323
As at period end	**1,034,687**	800,600	1,035,033

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

12. INVESTMENT PROPERTIES CONTINUED

All properties are stated at market value as at 30 September 2016, and are valued by professionally qualified external valuers (Cushman & Wakefield LLP) in accordance with the Valuation-Professional Standards published by the Royal Institution of Chartered Surveyors. The fair value of the investment properties at 30 September 2016 is as follows:

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Book value	**1,034,687**	800,600	1,035,033
Lease incentives and costs included in trade and other receivables	**11,323**	-	6,067
Fair value	**1,046,010**	800,600	1,041,100

Interest capitalised in respect of the refurbishment of investment properties at 30 September 2016 amounted to £8,355,000 (30 September 2015: £5,959,000; 31 March 2016: £6,571,000).

The historical cost of investment property is £861,338,000 (30 September 2015: £650,303,000; 31 March 2016: £889,493,000).

13. JOINT VENTURES

Share of results of joint ventures	**Half Year to 30 September 2016 £000**	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Gross rental income	**794**	953	1,828
Property overheads	**(90)**	(130)	(558)
Net rental income	**704**	823	1,270
Net (loss)/gain on revaluation of investment properties	**(510)**	18,521	2,316
(Loss)/profit on sale of investment properties	**(8)**	7,366	41,553
Development profit	**116**	2,528	3,223
Provision against book values	**(2,668)**	-	-
Other operating income	**-**	263	218
Administrative expenses	**(175)**	(404)	(1,140)
Finance costs	**(105)**	(2,118)	(3,673)
Finance income	**1,141**	3	21
Change in fair value of derivative financial instruments	**-**	82	211
(Loss)/profit before tax	**(1,505)**	27,064	43,999
Tax	**461**	(196)	129
(Loss)/profit after tax	**(1,044)**	26,868	44,128
Economic interest adjustment*	**-**	4,927	6,341
Share of results of joint ventures	**(1,044)**	31,795	50,469

*Under the Barts Square joint venture agreement the Group is entitled to varying returns dependent upon the performance of the development. Whilst the Group holds a 33.35% equity share in the Barts Square group, it has accounted for its share at 43.8% to reflect its expected economic interest in the joint venture. The assessment of the Group's economic interest has not changed since 31 March 2016.

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

13. JOINT VENTURES CONTINUED

Investment in joint ventures	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Summarised balance sheets			
Non-current assets			
Investment properties	**12,833**	88,545	11,552
Owner occupied property, plant and equipment	**88**	43	96
Deferred Tax	**907**	633	412
	13,828	89,221	12,060
Current assets			
Land, development and trading properties	**88,831**	60,402	75,904
Trade and other receivables	**2,918**	3,133	3,497
Cash and cash equivalents	**11,690**	12,845	12,177
	103,439	76,380	91,578
Current liabilities			
Trade and other payables	**(17,184)**	(13,366)	(14,436)
	(17,184)	(13,366)	(14,436)
Non-current liabilities			
Trade and other payables	**(31,211)**	(29,787)	(26,586)
Borrowings	**(42,613)**	(53,884)	(34,626)
Derivative financial instruments	**-**	(390)	-
	(73,824)	(84,061)	(61,212)
Net assets	**26,259**	68,174	27,990

The Directors' valuation of trading and development stock shows a surplus of £7,000,000 (30 September 2015: £7,238,000; 31 March 2016: £7,000,000) above book value.

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

14. LAND, DEVELOPMENTS AND TRADING PROPERTIES

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Development properties	**88,266**	91,561	92,007
Properties held as trading stock	**28**	28	28
	88,294	91,589	92,035

The Directors' valuation of trading and development stock shows a surplus of £6,573,000 (30 September 2015: £17,906,000; 31 March 2016: £12,412,000) above book value.

Total interest to date in respect of the development of sites is included in stock to the extent of £11,441,000 (30 September 2015: £10,482,000; 31 March 2016: £11,626,000). Interest capitalised during the period in respect of development sites amounted to £1,710,000.

15. AVAILABLE-FOR-SALE INVESTMENTS

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Fair value at 1 April	**3,114**	4,342	4,342
Fair value additions	**56**	72	142
Fair value impairment	**(1,179)**	(350)	(1,370)
Fair value at period end	**1,991**	4,064	3,114

The fair values of the Group's available-for-sale investments have been determined by assessing the expected future consideration receivable from these investments, representing Level 3 fair value measurements as defined by IFRS 13 Fair Value Measurement as the value cannot be derived from observable market data. The fair value of the asset is sensitive only to potential sales proceeds.

16. TRADE AND OTHER RECEIVABLES

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Trade receivables	**13,974**	5,432	20,869
Other receivables	**36,022**	52,027	32,382
Prepayments and accrued income	**27,489**	14,645	19,806
	77,485	72,104	73,057

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

17. CASH AND CASH EQUIVALENTS

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Rent deposits and cash held at managing agents	**7,513**	4,196	4,906
Restricted cash	**9,176**	7,411	17,063
Cash deposits	**36,256**	125,391	52,701
	52,945	136,998	74,670

Restricted cash is made up of cash held by solicitors and cash in blocked accounts.

18. TRADE AND OTHER PAYABLES

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Trade payables	**17,256**	14,375	14,463
Other payables	**3,494**	18,236	8,218
Accruals and deferred income	**41,658**	49,474	48,319
	62,408	82,085	71,000

19. BORROWINGS

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Current borrowings	**901**	36,272	885
Borrowings repayable within:			
- one to two years	**4,133**	2,224	3,617
- two to three years	**99,250**	3,633	3,650
- three to four years	**424,077**	106,881	337,098
- four to five years	**84,053**	390,132	219,523
- five to six years	**1,072**	1,036	95,981
- six to ten years	**72,819**	73,789	73,309
Non-current borrowings	**685,404**	577,695	733,178
Total borrowings	**686,305**	613,967	734,063

Included within borrowings repayable within three to four years is the convertible bond at its fair value of £95,084,000. It is a financial instrument classified as Level 1 under the IFRS 13 fair value hierarchy.

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

19. BORROWINGS CONTINUED

Net Gearing	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Total borrowings	**686,305**	613,967	734,063
Cash	**(52,945)**	(136,998)	(74,670)
Net borrowings	**633,360**	476,969	659,393

Net borrowings excludes the Group's share of borrowings in joint ventures of £42,613,000 (30 September 2015: £53,884,000; 31 March 2016: £34,626,000) and cash of £11,690,000 (30 September 2015: £12,845,000; 31 March 2016: £12,177,000). All borrowings in joint ventures are secured.

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Net assets	**508,909**	461,217	480,721
Gearing	**124%**	103%	137%

20. DERIVATIVE FINANCIAL INSTRUMENTS

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Derivative financial instruments asset	**-**	-	-
Derivative financial instruments liability	**(20,721)**	(8,104)	(14,955)

The fair values of the Group's outstanding interest rate swaps have been estimated by calculating the present values of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined in IFRS 13 Fair Value Measurement.

21. SHARE CAPITAL

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Authorised	**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 and deferred shares of 1/8p each.

Allotted, called up and fully paid:			
- 118,183,806 ordinary shares of 1p each	**1,182**	1,182	1,182
- 212,145,300 deferred shares of 1/8p each	**265**	265	265
	1,447	1,447	1,447

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

22. OWN SHARES HELD

Following approval at the 1997 Annual General Meeting the Company established the Helical Employees' Share Ownership Plan Trust (the "ESOP") to be used as part of the remuneration arrangements for employees. The purpose of the ESOP 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 ESOP purchases shares in the Company to satisfy the Company's obligations under its Share Option Scheme and Performance Share Plan.

At 30 September 2016 the ESOP held 3,901,000 ordinary shares in Helical plc (30 September 2015: 2,901,000; 31 March 2016: 3,901,000).

At 30 September 2016 options over nil (30 September 2015 and 31 March 2016: nil) ordinary shares in Helical plc had been granted through the ESOP. At 30 September 2016 awards over 7,524,000 (30 September 2015 and 31 March 2016: 6,558,000) ordinary shares in Helical plc, made under the terms of the Performance Share Plan, were outstanding.

23. NET ASSETS PER SHARE

	At 30 September 2016 £000	Number of Shares 000's	At 30 September 2016 Pence Per Share
Net asset value	508,909	118,184	
Less: – own shares held by ESOP		(3,901)	
– deferred shares	(265)		
Basic net asset value	508,644	114,283	445
Add: share settled bonus		1,197	
Add: dilutive effect of the Performance Share Plan		3,562	
Diluted net asset value	508,644	119,042	427
Adjustment for:			
– fair value of financial instruments	20,721		
– fair value movement on Convertible Bond	(4,916)		
– deferred tax	23,094		
Adjusted diluted net asset value	547,543	119,042	460
Adjustment for:			
– fair value of trading and development properties	13,573		
EPRA net asset value	561,116	119,042	471
Adjustment for:			
– fair value of financial instruments	(20,721)		
– deferred tax	(23,094)		
EPRA triple net asset value	517,301	119,042	435

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

23. NET ASSETS PER SHARE CONTINUED

The adjustment for the fair value of trading and development properties represents the surplus as at 30 September 2016.

	At 31 March 2016 £000	Number of Shares 000's	At 31 March 2016 Pence Per Share
Net asset value	480,721	118,184	
Less: – own shares held by ESOP		(3,901)	
– deferred shares	(265)		
Basic net asset value	480,456	114,283	420
Add: share settled bonus		1,197	
Add: dilutive effect of the Performance Share Plan		3,177	
Diluted net asset value	480,456	118,657	405
Adjustment for:			
– fair value of financial instruments	14,955		
– fair value movement on Convertible Bond	2,747		
– deferred tax	23,161		
Adjusted diluted net asset value	521,319	118,657	439
Adjustment for:			
– fair value of trading and development properties	19,412		
EPRA net asset value	540,731	118,657	456
Adjustment for:			
– fair value of financial instruments	(14,955)		
– deferred tax	(23,161)		
EPRA triple net asset value	502,615	118,657	424

The net asset values per share have been calculated in accordance with guidance issued by the European Public Real Estate Association ("EPRA").

The adjustments to the net asset value comprise the amounts relating to the Group and its share of Joint Ventures.

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

24. RELATED PARTY TRANSACTIONS

At 30 September 2016, 30 September 2015 and 31 March 2016 the following amounts were due from the Group's joint ventures.

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
King Street Developments (Hammersmith) Ltd	**6,818**	5,880	6,231
Shirley Advance LLP	**11,688**	10,372	11,347
Barts Square companies	**-**	36	77
Helical Sosnica Sp. zoo	**1,112**	1,090	1,099
207 Old Street Unit Trust	**-**	2,625	-
211 Old Street Unit Trust	**-**	2,401	-
Old Street Retail Unit Trust	**-**	725	-
City Road (Jersey) Ltd	**-**	737	-
Old Street Holdings LP	**169**	14,872	-
Creechurch Place Ltd	**14,267**	12,721	13,345

25. SEE-THROUGH ANALYSIS

Helical holds a significant proportion of its property assets in joint ventures with partners that provide the majority of the equity required to purchase the assets, whilst relying on the Group to provide asset management or development expertise. Accounting convention requires Helical to account under IFRS for our share of the net results and net assets of joint ventures in limited detail in the income statement and balance sheet. Net asset value per share, a key performance measure used in the real estate industry, as reported in the financial statements under IFRS, does not provide shareholders with the most relevant information on the fair value of assets and liabilities within an ongoing real estate company with a long term investment strategy.

This analysis incorporates the separate components of the results of the consolidated subsidiaries and Helical's share of its joint ventures' results into a 'see-through' analysis of our property portfolio, debt profile and the associated income streams and financing costs, to assist in providing a comprehensive overview of the Group's activities.

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

25. SEE-THROUGH ANALYSIS CONTINUED

See-through net rental income

Helical's share of the gross rental income, head rents payable and property overheads from property assets held in subsidiaries and in joint ventures are shown in the table below.

		Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Gross rental income	– subsidiaries	**25,531**	21,216	45,505
	– joint ventures	**794**	953	1,828
Total gross rental income		**26,325**	22,169	47,333
Rents payable	– subsidiaries	**(17)**	(24)	(80)
Property overheads	– subsidiaries	**(1,378)**	(964)	(2,728)
	– joint ventures	**(90)**	(130)	(558)
Net rental income attributable to profit share partner		**(225)**	(229)	(533)
See-through net rental income		**24,615**	20,822	43,434

See-through net development (losses)/profits

Helical's share of development (losses)/profits from property assets held in subsidiaries and in joint ventures are shown in the table below.

	Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
In parent and subsidiaries	**3,886**	17,694	30,700
In joint ventures	**116**	2,528	3,223
Total gross development profit	**4,002**	20,222	33,923
Provision against stock	**(6,637)**	(1,529)	(6,448)
See-through development (losses)/profits	**(2,635)**	18,693	27,475

See-through net gain on sale and revaluation of investment properties

		Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Revaluation surplus on investment properties	– subsidiaries	**29,141**	41,249	47,441
	– joint ventures	**(510)**	18,521	2,316
Total revaluation surplus		**28,631**	59,770	49,757
Net (loss)/gain on sale of investment properties	– subsidiaries	**(2,788)**	1,004	2,385
	– joint ventures	**(8)**	7,366	41,553
Total net (loss)/gain on sale of investment properties		**(2,796)**	8,370	43,938
See-through net gain on sale and revaluation of investment properties		**25,835**	68,140	93,695

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

25. SEE-THROUGH ANALYSIS CONTINUED

See-through net finance costs

Helical's share of the interest payable, finance charges, capitalised interest and interest receivable on bank borrowings and cash deposits in subsidiaries and in joint ventures are shown in the table below.

		Half Year to 30 September 2016 £000	Half Year to 30 September 2015 £000	Year to 31 March 2016 £000
Interest payable on bank loans and overdrafts	– subsidiaries	**14,923**	12,178	25,353
	– joint ventures	**105**	2,118	3,673
Total interest payable on bank loans and overdrafts		**15,028**	14,296	29,026
Other interest payable and similar charges	– subsidiaries	**2,520**	1,468	3,700
Interest capitalised	– subsidiaries	**(3,494)**	(2,365)	(4,940)
Total finance costs		**14,054**	13,399	27,786
Interest receivable and similar income	– subsidiaries	**(1,199)**	(1,248)	(5,128)
	– joint ventures	**(1,141)**	(3)	(21)
See-through net finance costs		**11,714**	12,148	22,637

See-through property portfolio

Helical's share of the investment, trading and development property portfolio in subsidiaries and joint ventures are shown in the table below.

		At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Investment property fair value	– subsidiaries	**1,046,010**	800,600	1,041,100
	– joint ventures	**12,833**	88,545	11,552
Total investment property fair value		**1,058,843**	889,145	1,052,652
Trading and development stock	– subsidiaries	**88,294**	91,589	92,035
	– joint ventures	**88,831**	60,402	75,904
Total trading and development stock		**177,125**	151,991	167,939
Trading and development stock surplus	– subsidiaries	**6,573**	17,906	12,412
	– joint ventures	**7,000**	7,238	7,000
Total trading and development stock surpluses		**13,573**	25,144	19,412
Total trading and development stock at fair value		**190,698**	177,135	187,351
See-through property portfolio		**1,249,541**	1,066,280	1,240,003

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

25. SEE-THROUGH ANALYSIS CONTINUED

See-through net borrowings

Helical's share of borrowings and cash deposits in parent and subsidiaries and joint ventures are shown in the table below.

		At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
In parent and subsidiaries	– gross borrowings less than one year	**901**	36,272	885
	– gross borrowings more than one year	**685,404**	577,695	733,178
	Total	**686,305**	613,967	734,063
In joint ventures	– gross borrowings less than one year	**-**	-	-
	– gross borrowings more than one year	**42,613**	53,884	34,626
	Total	**42,613**	53,884	34,626
In parent and subsidiaries	Cash and cash equivalents	**(52,945)**	(136,998)	(74,670)
In joint ventures	Cash and cash equivalents	**(11,690)**	(12,845)	(12,177)
See-through net borrowings		**664,283**	518,008	681,842

See-through net operating income

	Half year to 30 September 2016 £000	Half year to 30 September 2015 £000	Year to 31 March 2016 £000
Net rental income	**24,615**	20,822	43,434
Development profits (before provisions)	**4,002**	20,222	33,923
(Loss)/gain on sale of investment properties	**(2,796)**	8,370	43,938
Net operating income	**25,821**	49,414	121,295

26. SEE-THROUGH INTEREST COVER, GEARING AND LOAN TO VALUE

	At 30 September 2016	At 30 September 2015	At 31 March 2016
Interest cover	**2.2x**	4.1x	5.4x
Gearing	**131%**	112%	142%
Gearing based on EPRA net asset value	**118%**	99%	126%
Loan to value	**53%**	49%	55%

UNAUDITED NOTES TO THE HALF YEAR RESULTS CONTINUED

27. CAPITAL COMMITMENTS

The Group has a commitment of £131,085,000 (30 September 2015: £34,299,000, 31 March 2016: £34,054,000) in relation to construction contracts, which are due to be completed in the period to March 2019. Of the total, £86,155,000 relates to the Group's investment property portfolio and £44,930,000 are in relation to the Group's retirement village programme.

28. INVESTMENT PROPERTY ACCOUNTING RESTATEMENT

International Accounting Standard 40 – *Investment Property* requires that accrued operating lease income assets should be shown separately and deducted from the fair value of the investment properties in the Consolidated Balance Sheet. This accounting treatment had not been applied at 31 March 2016 but has been adopted for the period ended 30 September 2016. A prior year adjustment has been made to ensure consistency of comparative information, clarity and transparency.

The effect of the adjustment on the relevant financial statement line items for the year ended 31 March 2016 is as follows:

Impact on equity – increase/(decrease) in equity	Original At 31 March 2016 £000	Adjustment At 31 March 2016 £000	Restated At 31 March 2016 £000
Investment properties	1,041,100	(6,067)	1,035,033
Deferred tax liability	(6,367)	599	(5,768)
Equity	486,189	(5,468)	480,721

Impact on the consolidated income statement – increase/(decrease) in profit for the year	Original At 31 March 2016 £000	Adjustment At 31 March 2016 £000	Restated At 31 March 2016 £000
Net gain on sale and revaluation of investment properties	55,893	(6,067)	49,826
Profit before tax	120,096	(6,067)	114,029
Tax on profit on ordinary activities	(9,745)	599	(9,146)
Profit for the year	**110,351**	**(5,468)**	**104,883**

Impact on basic and diluted earnings per share and EPRA Net Asset Value – increase/(decrease)	Original At 31 March 2016 £000	Adjustment At 31 March 2016 £000	Restated At 31 March 2016 £000
Basic earnings per share	96.1	(4.8)	91.3
Diluted earnings per share	92.6	(4.6)	88.0
EPRA net asset value per share	461	(5)	456

The adjustment did not have an impact on the Group's EPRA earnings per share.

29. POST BALANCE SHEET EVENTS

Since the period end, the Group has sold ten logistics units, one retail asset and one London office for £91,500,000, an aggregate of £1,450,000 above 30 September 2016 fair values.

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