



HALF YEAR RESULTS

TO 30 SEPTEMBER 2014

FRIDAY 28 NOVEMBER 2014

INTRODUCTION

The background features a dark gray field with several overlapping, semi-transparent light gray geometric shapes. These shapes include a large diamond, a tall vertical rectangle, and several triangles of various orientations, creating a layered, architectural effect.

Introduction

- Helical is in a strong position – developments on site and delivering value, strong valuation gains and growing rental income
- The huge investor appetite for real estate is great for our existing portfolio. We are still finding value in certain sectors with nearly £100m of purchases in this period. We bought two years ago what the market wants today and are still finding value.
- Another set of great results. Key drivers:
 - London portfolio in particular Clifton Street, The Bower, Old Street and C-Space, not forgetting Shepherds, New Loom, Hammersmith
 - In the regions Churchgate and Lee House Manchester is an outstanding example of a timely purchase as well as recent portfolio buys
- Our focus remains on:
 - Ramping up development and investment in central London for capital gain
 - Continued investment in the regions for income
- We have done and continue to do exactly what we said we would do

FINANCIAL



Headline Numbers

INCOME STATEMENT	Sep 2012	Sep 2013	Sep 2014
Profit before tax	£5.2m	£68.9m	£42.9m
Net rental income ¹	£12.2m	£14.1m	£18.8m
Gain on sale and revaluation of investment properties ¹	£0.5m	£10.9m	£34.8m
Interim dividend per share	1.85p	2.00p	2.10p Up 5%

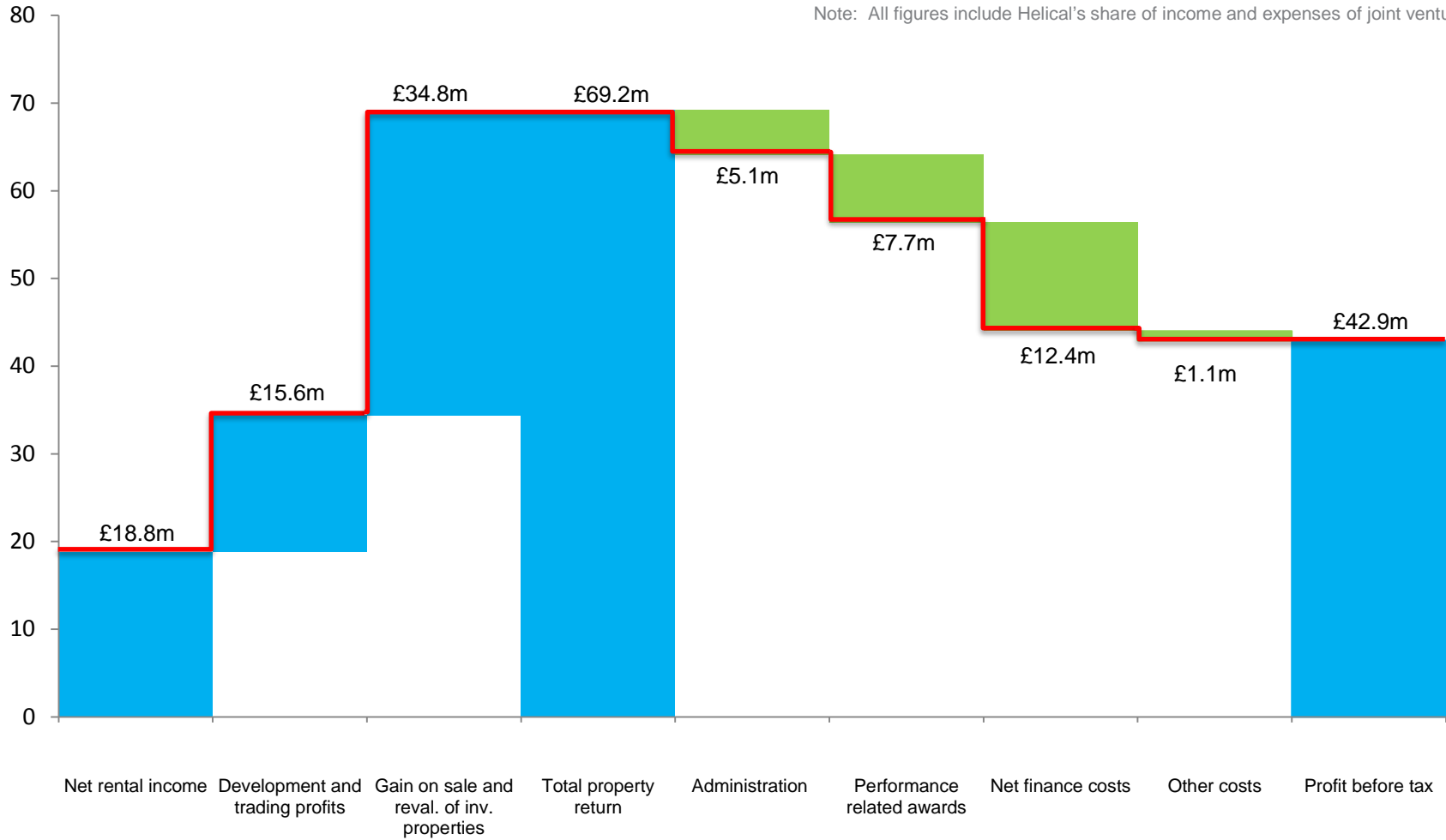
BALANCE SHEET		Mar 2013	Mar 2014	Sep 2014
Group's share of property portfolio at fair value ¹		£626	£802m	£919m
Loan to value ¹	- Secured ²	46%	36%	33%
	- Overall	46%	46%	53%
EPRA net asset value per share		264p	313p Up 18.6%	345p Up 10.2%

¹ Including share of joint ventures

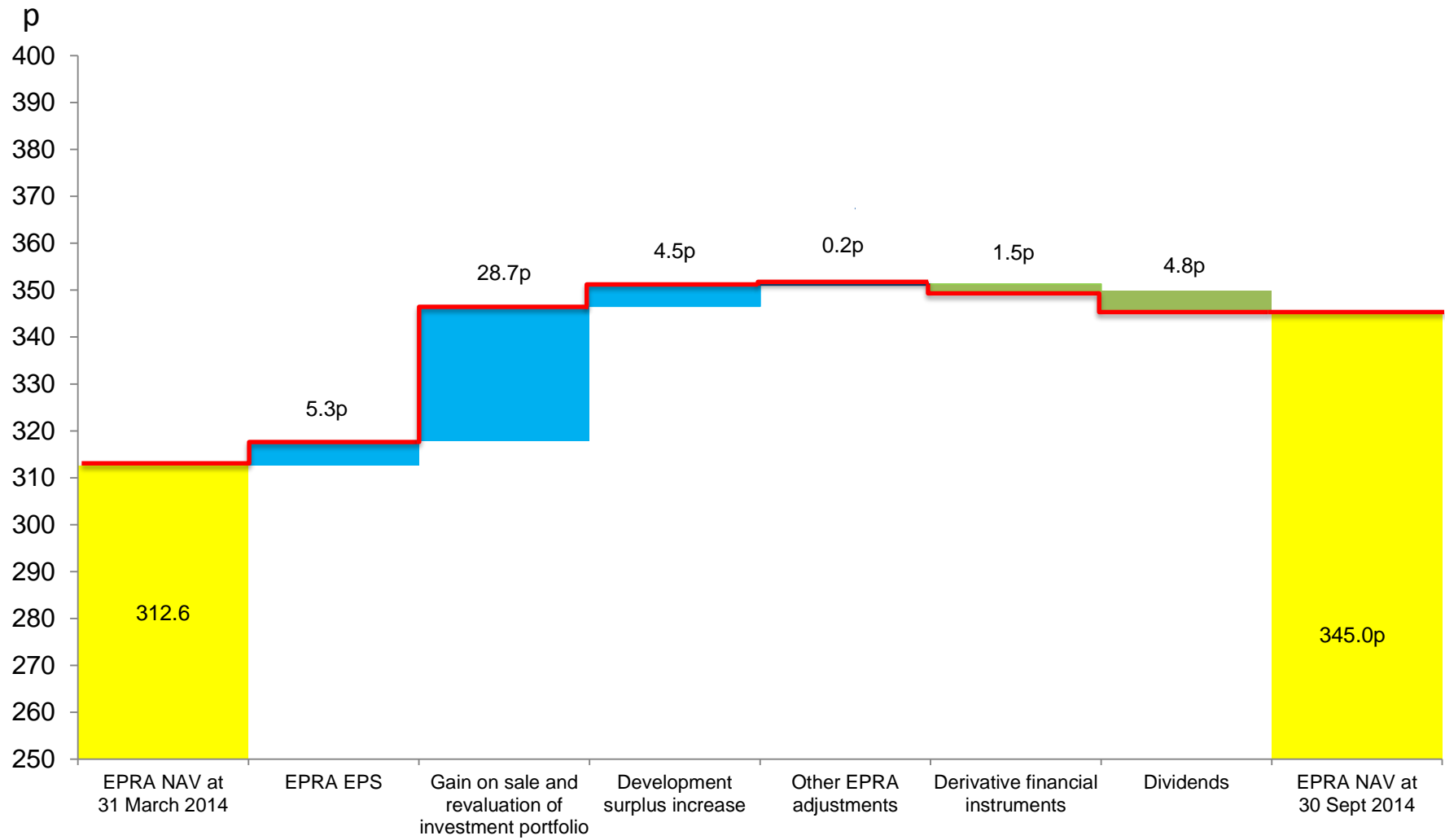
² Ratio of secured debt to total property portfolio

Income Statement

£m

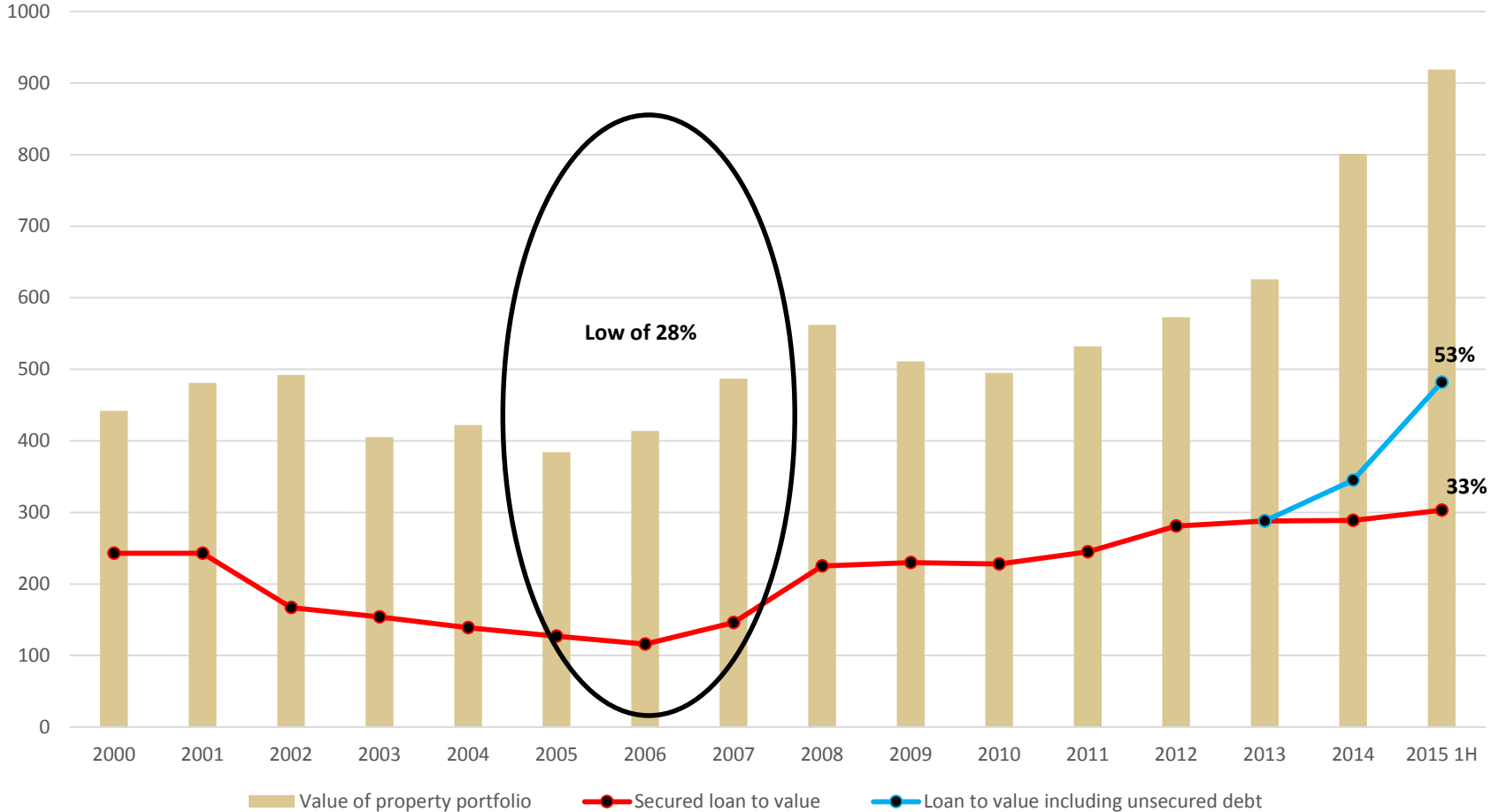


EPRA Net Assets

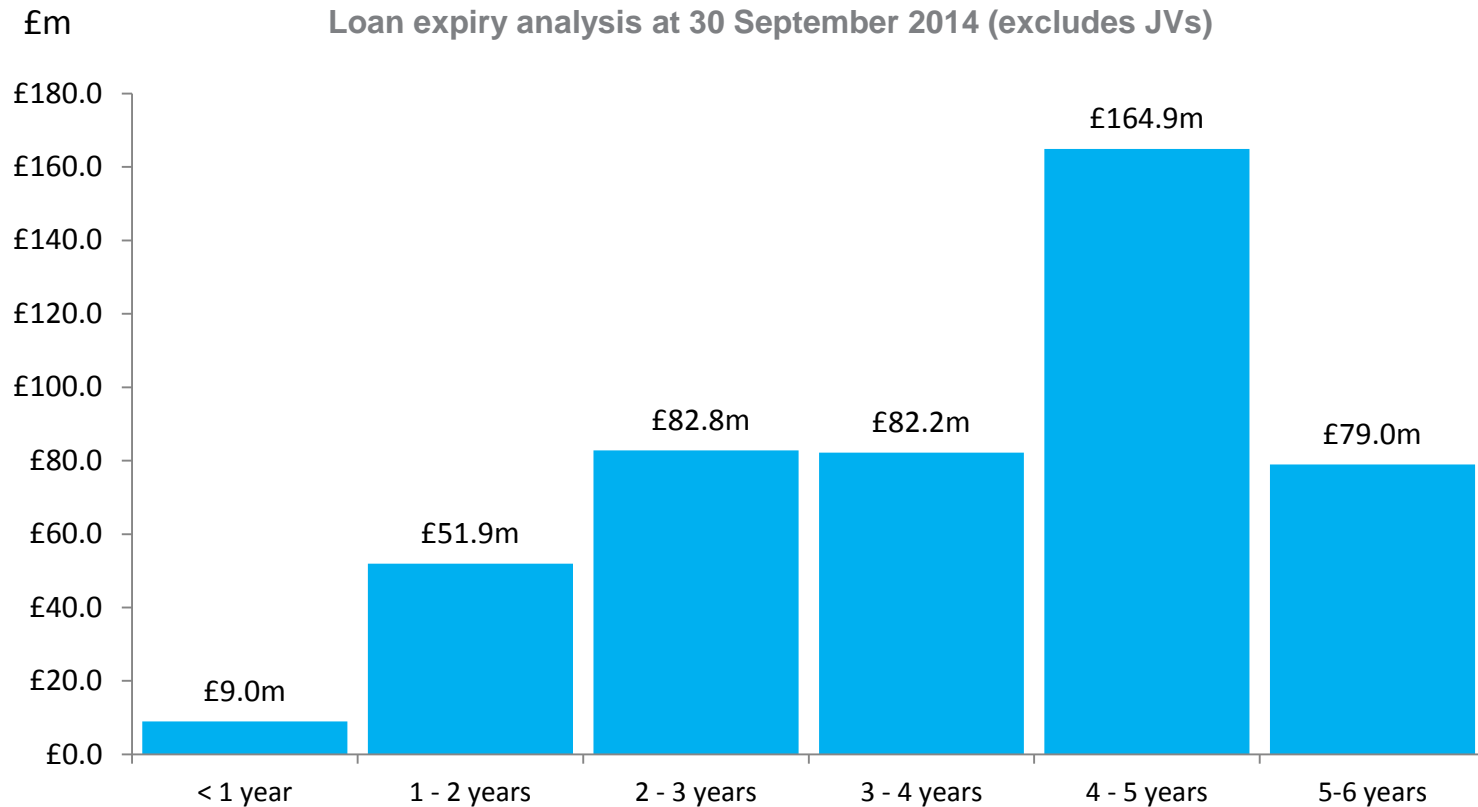


Helical Loan to Value

Value £000's



Loan Expiry in Parent and Subsidiaries

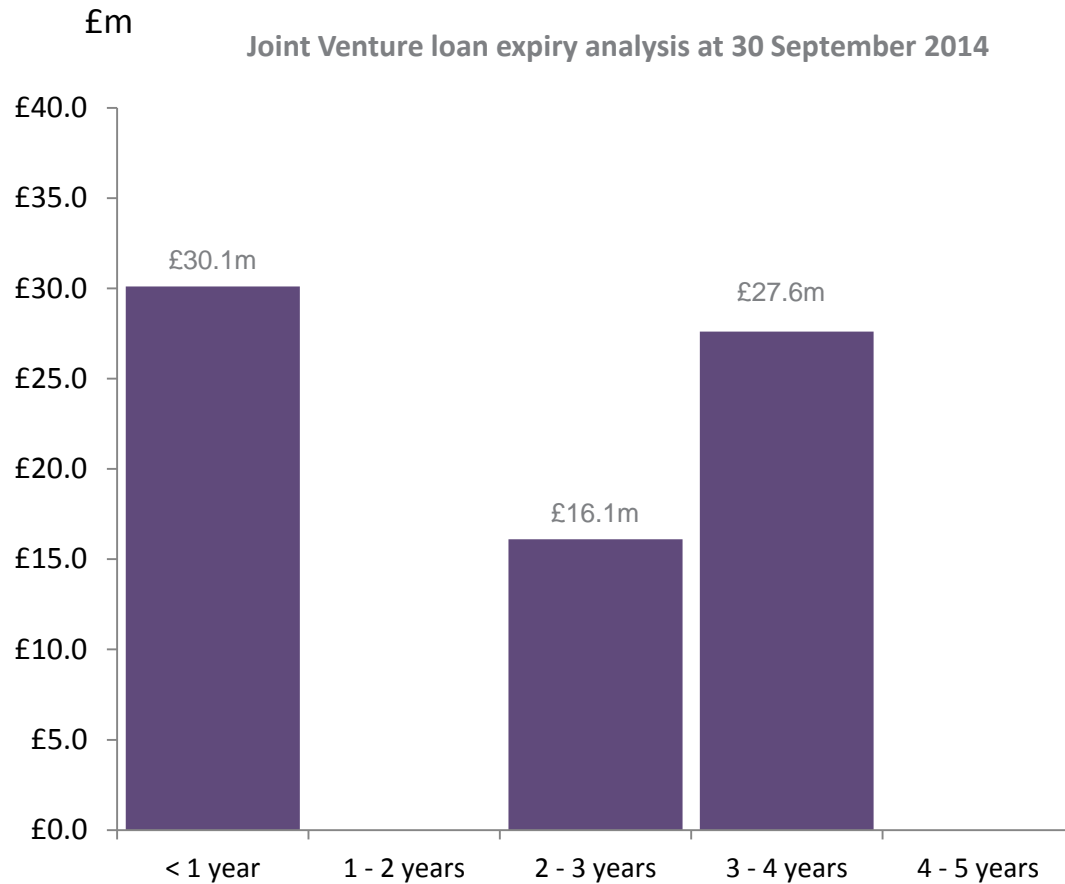


- £100m 4% Convertible Bond issued June 2014

Average maturity 3.7 years

Average cost of debt 4.5 %

Loan Expiry in Joint Ventures



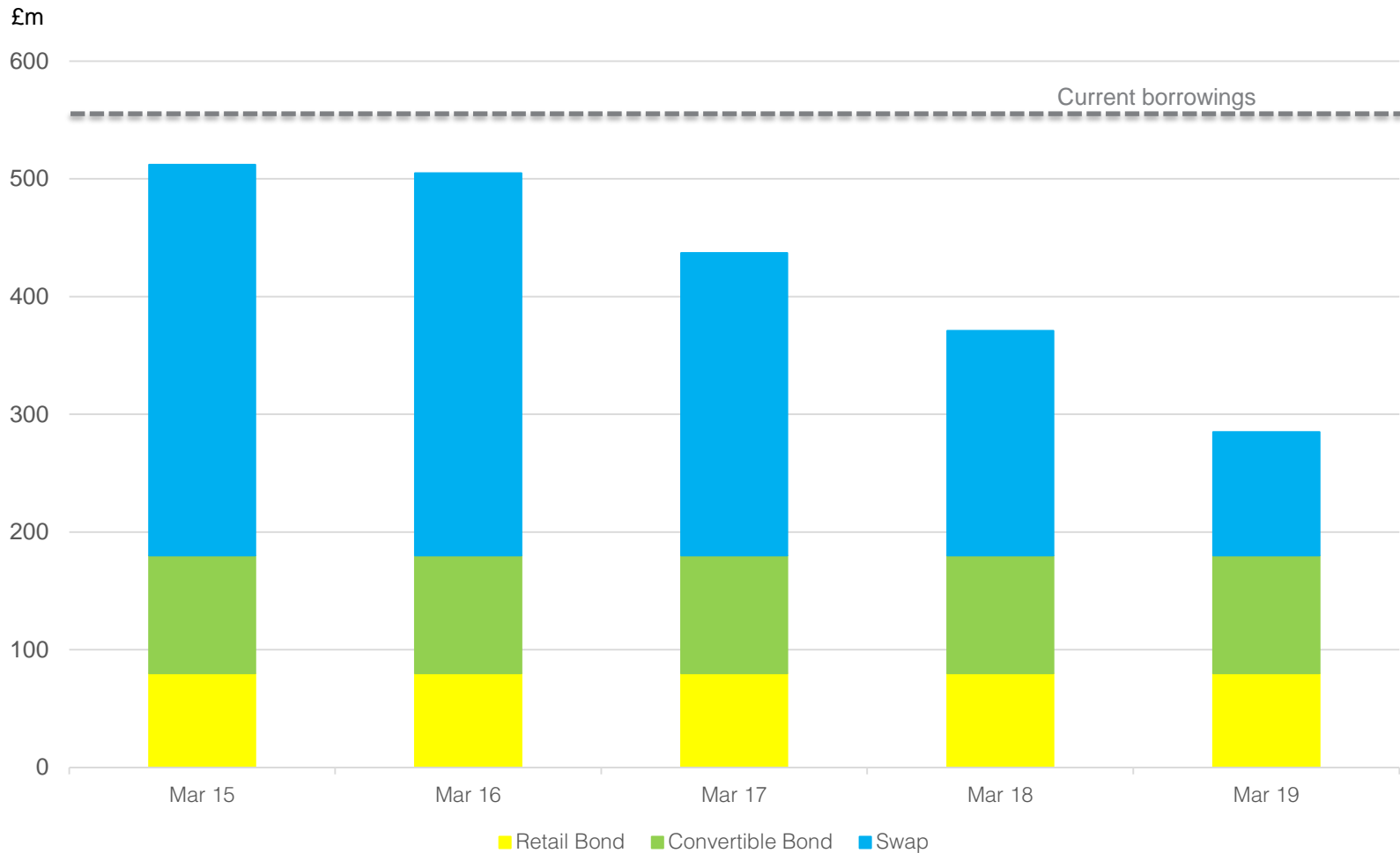
- Terms agreed for a £165m (five) year development facility to build out the first phase of Barts Square. Existing debt repayable March 2015.

Average maturity 1.9 years
Average cost of debt 5.6 %

¹ £47m non-recourse of which £12m has interest guarantees

Interest Rate Protection

Interest rate swaps over time



Firepower

At 30 September 2014

Unutilised bank facilities	<u>£137m</u>
Cash	<u>£61m</u>
Uncharged Properties (at fair value)	<u>£120m</u>

Strategy

1. Extend debt maturities
 - New 10 year fixed rate loan facility
 - Extend RCFs back to 5 years
2. Maintain high level of hedging
 - Average £475m of total debt fixed or hedged for average 3 years
3. Retain flexible debt structure:
 - Secured v Unsecured
 - RCFs v Term Loans

INVESTMENT

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Summary

- Helical's share of investment portfolio £692m
- Investment 78%, Development 22%¹
- £53.5m net purchases, an average of one new asset acquired every eight days in the period
- Valuation increase of £34.1m, 4.9% net of capex, purchases and sales. 6.5% ignoring purchases and sales. Absorbed c. £6m of acquisition costs in period
- Rent roll £40.9m. Up £3.2m from March 2014. £57.1m ERV. Majority of reversionary rent in London offices
- 1.4% ERV growth across the portfolio. 3.6% in London
- 6.0% initial yield, 7.3% reversionary yield
- £1.0m increase in contractual rent, like for like. An average of one new letting / regear every two days in the period
- Retirement villages continue in line with previous announcements. Full detail in Appendices

¹ Helical share by book value

Purchases and Sales Summary

Acquired		
Constellation Portfolio	Industrial and Office	£40m
Stockport and Harrogate	Retail Warehousing	£12m
Boss Portfolio	Industrial	£30m
Yate	Industrial	£12m
TOTAL		£94m

Sold		
Fordham	Regional Office	£16m
Newmarket	Retail	£18m
Others	Various	£6m
TOTAL		£40m

- £53.5m net investment in the period (ex retirement village unit sales)
- Since period end we have acquired £14m of assets, have £28m under offer to buy and sold £38m of assets

Investment Portfolio Split						
In Town Retail	Out of Town Retail	Industrial	London Offices	Regional Offices	Retirement Villages	Total
27.5%	7.6%	12.9%	39.7%	11.2%	1.1%	100%

London

- 39.7% of the portfolio (down from 43.2% - Barts transfer)
- 9.2% valuation growth. 3.6% ERV growth
- Continued strong rental growth and investment demand
- Shepherds Building (Hammersmith) refurbishment complete. Achieving rents of £37.50 psf vs average passing of £24.50 psf
- New Loom (Whitechapel) planning granted for reconfiguration around tenants. Rents £34.50 psf vs average passing of £19.50 psf
- One King Street (Hammersmith) addition of extra floor, works on site
- Artillery Lane (City) on site December 2014. Ground floor and basement under offer to restaurant group
- **Strategy: Buy if we can find value, continue to drive performance of existing assets through refurbishment and re-letting**

1 King Street, Hammersmith



Shepherds Building, Shepherds Bush



99 Clifton Street, Shoreditch



- Signed contract to purchase 45,000 sq ft building in November 2013. Deposit £1m. Agreed purchase price £21m. Anticipated completion summer 2015
- Assigned contract in September 2014. Purchasers will pay £38.25m upon PC of the building
- £1m deposit returned
- £17.3m profit
- 360% IRR
- 15.4x Equity multiple
- Still substantial exposure to this market through C-Space and Old Street

Regional Offices

- 11.2% of the portfolio (down from 12.7%)
- 8.8% valuation growth, 0.4% ERV growth
- Selective markets very strong:
 - Churchgate House Manchester acquired for £34m in March
 - NIY 5.9%
 - £2m spent – reception and floor refurbishment
 - 55,000 sq ft let since purchase
 - Running 7.8% yield upon expiry of rent free periods
 - 38,000 sq ft to let. 10.5% reversionary yield
 - Latest valuation £42.1m
- **Strategy: Acquire very selectively – only a few markets with sufficient depth of occupational demand**

Churchgate House, Manchester



Retail

Harrogate



Huddersfield



- 35.1% of the portfolio (down from 40.8%)
- 0.5% valuation growth, 0.7% ERV growth
- Occupational market beginning to pick up
- Acquiring retail parks; Harrogate, Stockport
- Selling shopping centres; Newmarket sold at a 2.5% premium to book value
- **Strategy: Acquire good secondary retail parks, manage The Hayes, Cardiff for the long term, sell smaller schemes (Sutton in Ashfield, Basildon now sold) and manage bigger schemes (Corby and Clydebank) for cashflow.**

Industrial

- 12.9% of the portfolio (up from 2.1%)
- 0.6% valuation growth, 0% ERV growth
- Strong occupational market, although no rental growth yet
- Acquisitions below replacement cost. Value in smaller lots below institutional radar. Premium for size
- Strong cash on cash returns
- Trading potential e.g. Leicester acquired as part of portfolio for 8.0% blended yield. Sold for 6.3% once tenant didn't exercise break
- **Strategy: continue to acquire individual lots. Manage for cashflow and potentially sell a portfolio in future**

DHL, Leicester



Boss portfolio: Gloucester IO Centre



Portfolio Summary

Asset Class	Value	% Portfolio	Yield	Strategy
Retail	£243m	35.1%	7.0%	Buy retail parks. Sell smaller shopping centres
Industrial	£89m	12.9%	7.7%	Acquire and build bigger portfolio
*London Offices	£275m	39.7%	4.1%	Acquire if value found. Refurbish and relet to capture rental gains
Regional Offices	£77m	11.2%	5.9%	Acquire very selectively. Manage for cashflow
Retirement Villages	£8m	1.1%	-	Build out and sell
TOTAL	£692m	100%	6.0%	

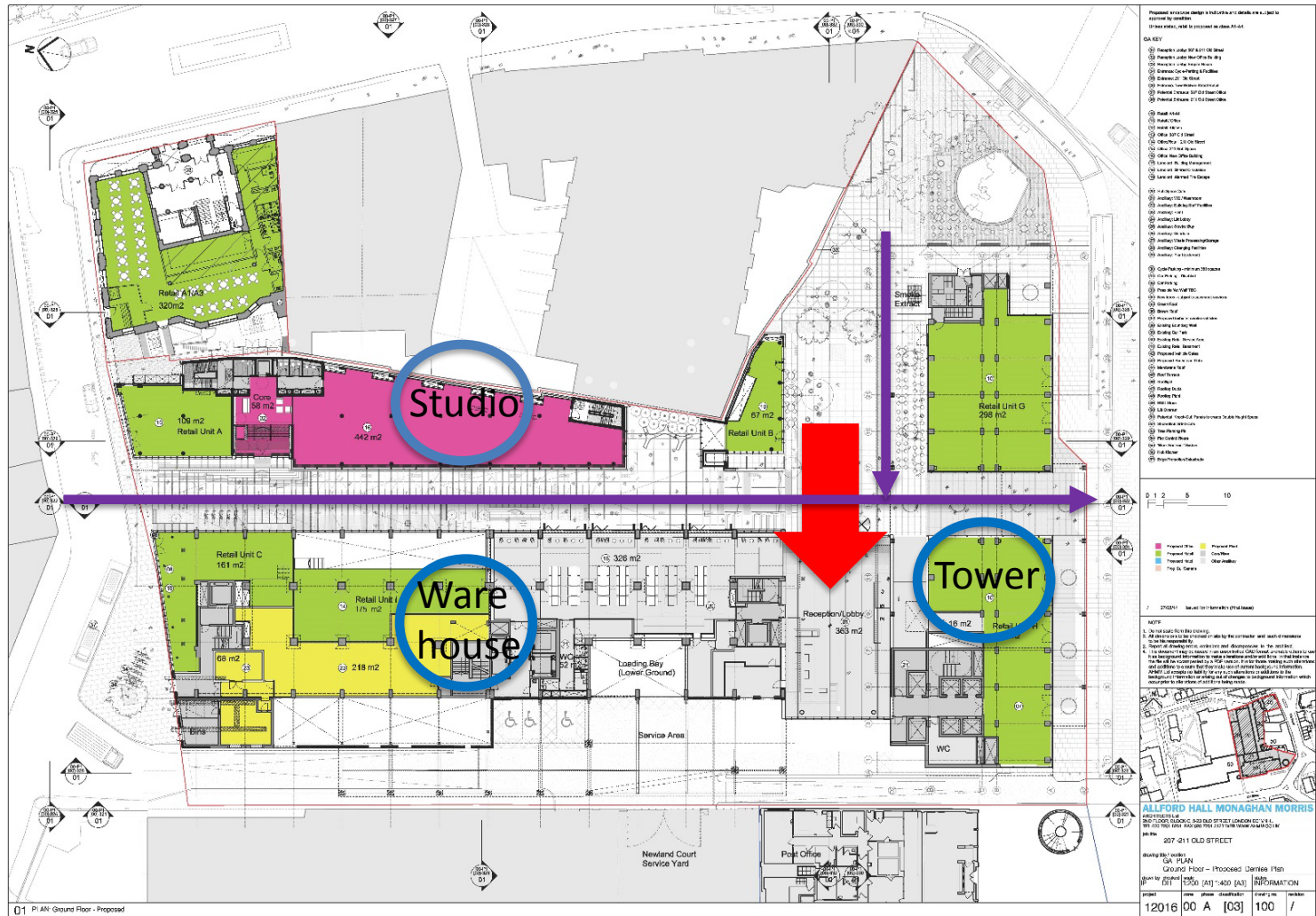
- Continued focus on providing income for the business
- Continue to find good value in certain market sectors
- Sell selectively where fully valued

* Yield exclude Barts and Old Street
All figures Helical Share



DEVELOPMENT

The Bower, 207 Old Street, London EC1



The Bower, Old Street, London EC1

- Phase 1 to be completed June 2015
- Public realm / new street
- Empire House 20,726 sq ft:
 - 17,315 sq ft pre let to Z Hotels @ £650,000 pa
 - 3,411 sq ft pre let to Ceviche @ £140,000 pa
- The Studio Building 18,363 sq ft office pre let to John Brown Media @ £45.00 psf
- The Warehouse 122,000 sq ft office:
 - Level 5 – 12,217 sq ft, under offer
 - Level 4 – 12,217 sq ft, under offer
 - Level 3 – 17,896 sq ft, under offer
- A3 Units
 - Unit A – 1,173 sq ft, under offer
 - Unit B – 2,573 sq ft, under offer
 - Unit C – 1,700 sq ft. under offer
 - The Mews – 3,240 sq ft under offer



The Bower, Old Street, London EC1

- Commence Phase 2 The Tower 170,000 sq ft office and 7,300 sq ft retail June 2015
- Major refurbishment, completion due December 2016
- Asset management opportunities along retail parade. Possible extension of Post Office unit

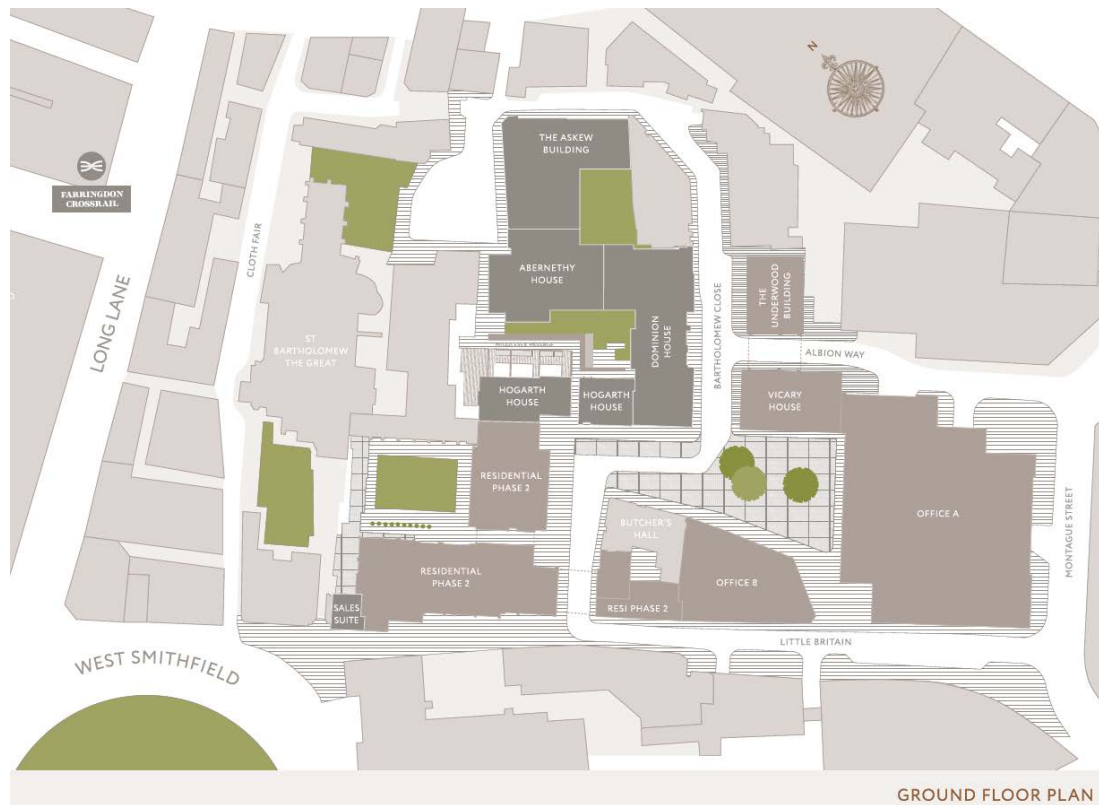


1 Creechurch Place, London EC3

- Construction by Skanska well underway
- Completion due October 2016
- Aldgate public realm improvements
- EC3 market will be short of space



Barts Square, London EC1



- Phase 1 144 residential units. 88 units launched in September 2014. 45 exchanged, further four reserved. Average price £1,570 psf
- Construction of Phase 1 commences January 2015. Carillion appointed as main contractor
- Financing terms agreed with HSBC
- Office B – 26,000 sq ft
- Retail /Restaurant - 12,480 sq ft

Barts Square, London EC1

The Askew Building and Abernethy House



The Square: Offices A and B
Dominion House and Vicary House

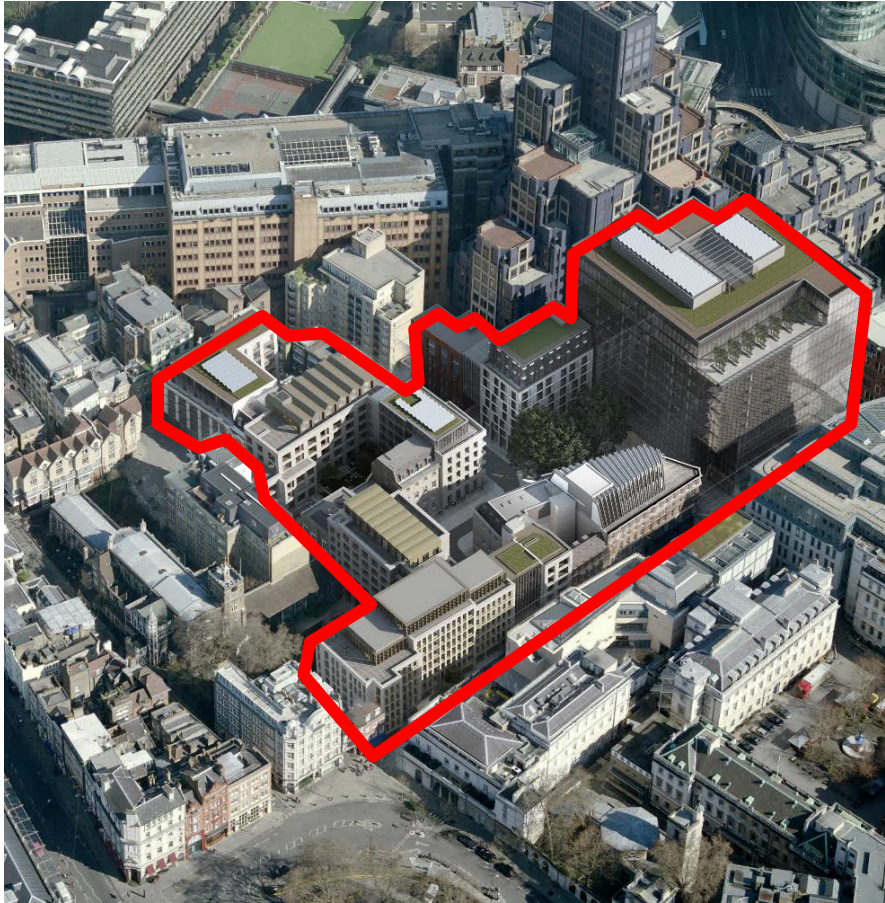


Interior of the Askew Building



Penthouse Terrace

Barts Square, London EC1



- Phase 2 Office A 202,000 sq ft
- Commence February 2016
- Phase 3
 - Residential 92 apartments
 - Retail/Restaurant 11,733 sq ft
- Commence November 2016

C Space, London EC1

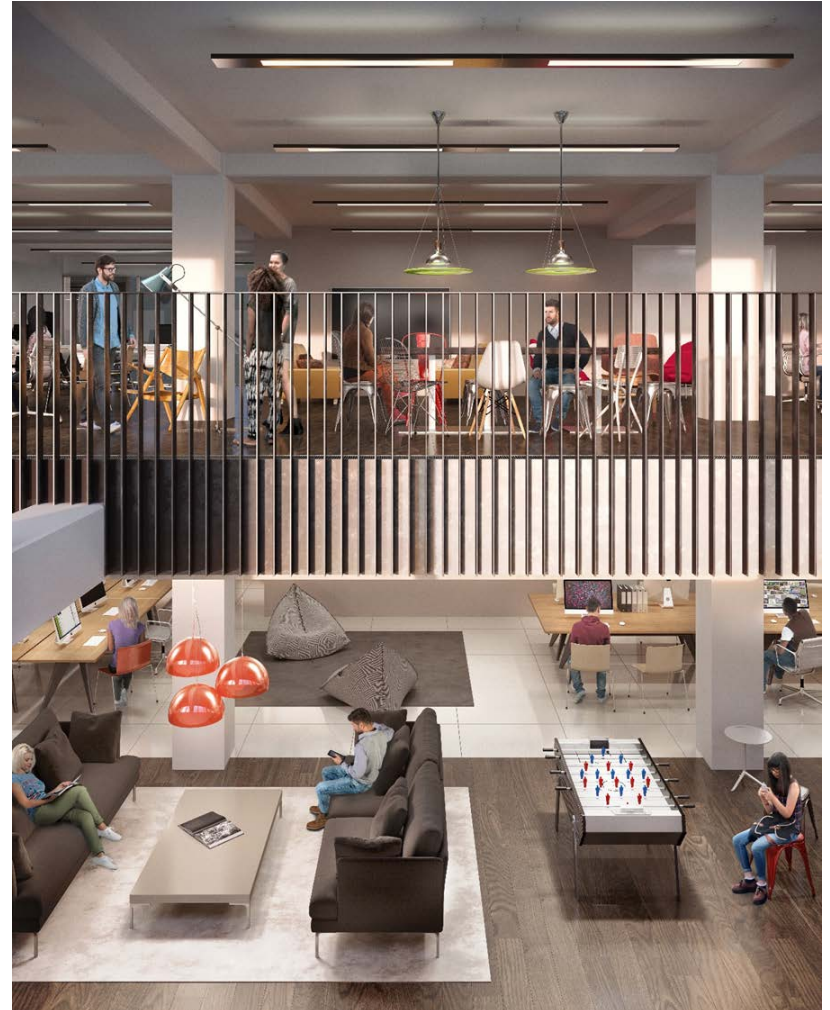


C Space, London EC1

- Contemporary re-invention of a former carpet factory with 62,000 square feet of workspace
- Planning permission granted February 2014 – nine months after purchase
- Started on site May 2014. Completion June 2015
- Fixed price construction contract – Willmott Dixon
- Work with existing façade but increase window sizes and full height glazing to ground floor
- Cut back ground floor to allow light to lower ground floor
- Additional floor with terraces
- New landscaped courtyard and office reception accessed directly from City Road
- Profit to come £5 - 7m (£7.5m taken through valuation surplus this year)



C Space, London EC1



King Street, Hammersmith, London W6



King Street, Hammersmith, London W6

- Development agreement with Hammersmith & Fulham Borough Council and in a joint venture (50/50) with Grainger plc
- Planning permission received 14 April 2014 for 196 homes, 40,000 sq ft council offices, 3 screen cinema together with retail / residential space
- Two phase scheme with completion expected in 2017 and 2019
- New Labour Administration now in power – constructive meeting held with Leader of the Council and discussions underway with respect to the provision of some on site affordable housing
- Intention to proceed to detail design early next year
- Profit potential c £10 - 15m to Helical

King Street, Hammersmith, London W6



Scottish Power, Glasgow

New HQ



- 220,000 sq ft net office
- Helical now appointed to deliver Cat B fit out
- Total fee increased to £7.37m
- Helical share - £5.53m
- Completion December 2015
- Three surplus sites at Cathcart, Yoker and Falkirk we aim to trade and expect a profit of £500k - £1m



Milestones

Property	March 2014	March 2015	Comment
The Bower, Old Street London EC1	Under construction	Completed Phase 1 Further lettings	Completion delayed until June Good letting progress
C-Space City Road, London EC2	Planning obtained Started on site	Construction close to completion	June 2015 completion - on target
Barts Square London EC1	Start Phase 1 Jan 2015	Phase 1 on site Good level of residential pre-sale	Start on site as planned in Jan 2015 Circa 50% exchanged
1 Creechurch Place London EC3	Partner obtained	Construction well underway	On site
Hammersmith, Town Hall London W8	Planning consent obtained	Detailed design underway	Need to resolve negotiations with H&FBC
Scottish Power, Glasgow	Construction ongoing	Construction ongoing	Revised completion date Dec 2015 as now doing Cat B fit out
Europa Centralna	95% let in shopping centre. 77% let in retail park	Exit	Exit being negotiated

Development Scheme Review

Property	Partner	HB Share	Status	Start	Area Sq Ft NIA	Total Cost	Completion	Potential Helical Profit to come
The Bower, Old Street London EC1	Crosstree	33.3%	Phase 1 Under construction	Phase 1 – Jan 2014	Empire House 20,726 sq ft hotel/retail	£180m	Phase 1 – Jun 2015	£20m+
					The Studio 18,363 sq ft office 3,746 sq ft retail			
					The Warehouse 122,000 sq ft office 5,360 sq ft office			
				Phase 2 – June 2015	The Tower 170,000 sq ft office 7,300 sq ft retail		Phase 2 – Dec 2016	
C-Space City Road London EC2	None	100%	On site	Commenced main start – May 2014	62,000 sq ft net office	£38m	June 2015	£5-7m
Barts Square London EC1	Baupost	33.3%	Planning consent	Phase 1 – Jan 2015	144 apartments 23,400 sq ft office 12,480 sq ft retail	£410m	Phase 1 – Q2 2017	£30m +
				Phase 2 – Feb 2016	202,000 sq ft office		Phase 2 – Q2 2018	
				Phase 3 – Nov 2016	92 apartments 11,733 sq ft retail		Phase 3 – Q2 2019	
1 Creechurch Place London EC3	HOOPP	10% + profit share	On site	2014	271,000 sq ft NIA office 2,227 sq ft A3	£160m	October 2016	£10m +
Hammersmith, Town Hall London W8	Grainger	50%	Resolution to grant planning obtained	Late 2015/ Late 2017	500,000 sq ft residential , office, leisure	£140m	Late 2017 Late 2019	£10m -£15m
Scottish Power, Glasgow	Dawn Developments	75%	On site	Oct 2013	220,000 sq ft net office		December 2015	£6m
TOTAL							SAY	£90m

Development - Conclusion

- Heavily geared to ongoing growth of London
- Current schemes were acquired before market 'took off'
- Anticipate steady growth
- Threats
 - Lack of infrastructure
 - Overheated construction market
 - Political uncertainty – mansion tax
- Opportunities
 - London remains dominant as a World City
 - Growing population and economy
 - 'Safe Haven' status
- **Strategy**
 - **Seek additional opportunities mainly in London**
 - **Optimistic about ongoing demand**

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CONCLUSION

Conclusion

- Helical model is working. We have no need to rely on yield compression nor rental growth in order to outperform
- Development portfolio still hugely exciting and looking very profitable
- Investment portfolio performing on all fronts
- We still see value and believe the market is set fair for the next three years if not more. Politics will slow activity down up to and around election time – this may well provide a buying opportunity. Continued occupational demand set against limited supply is the key

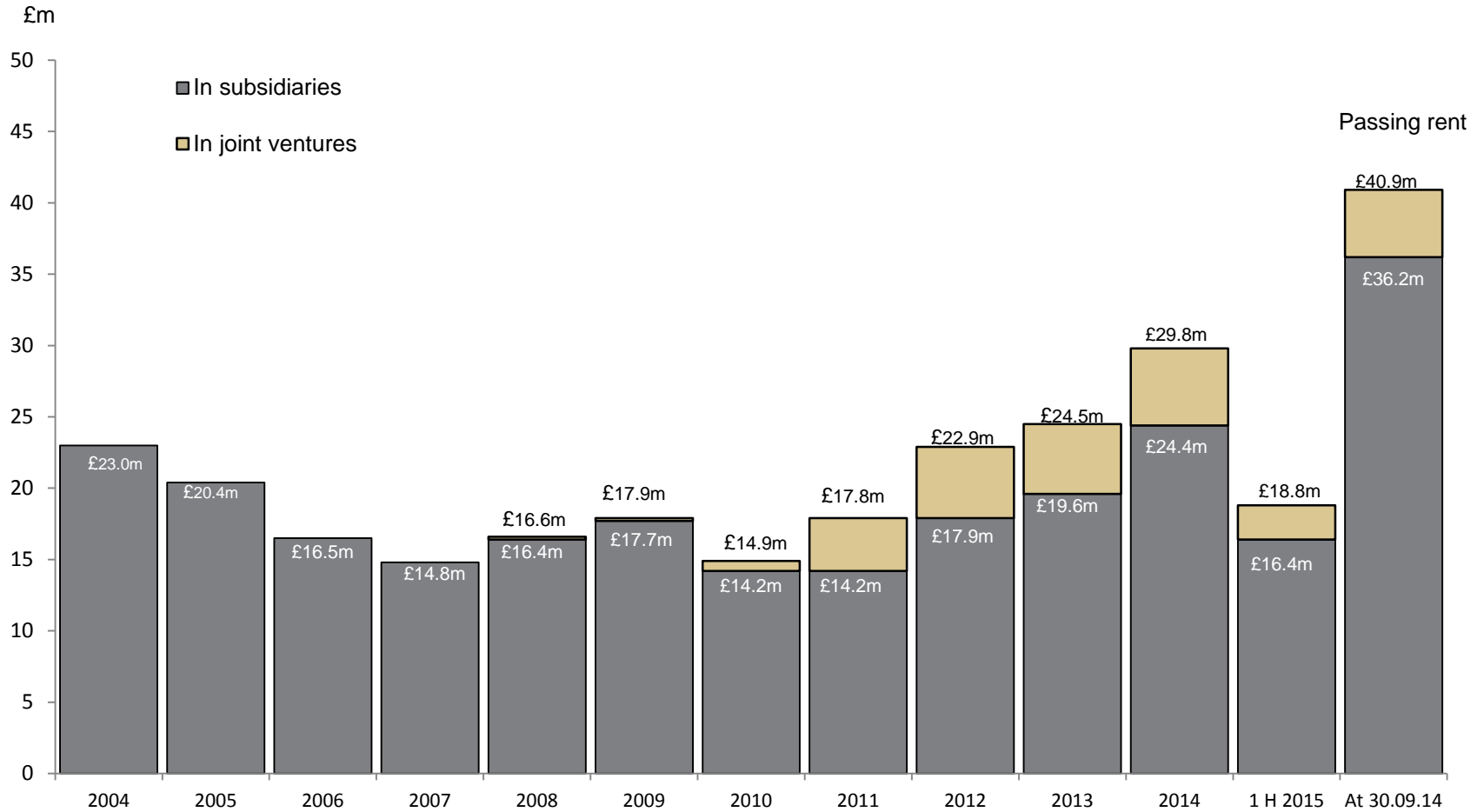
Notes

APPENDICES

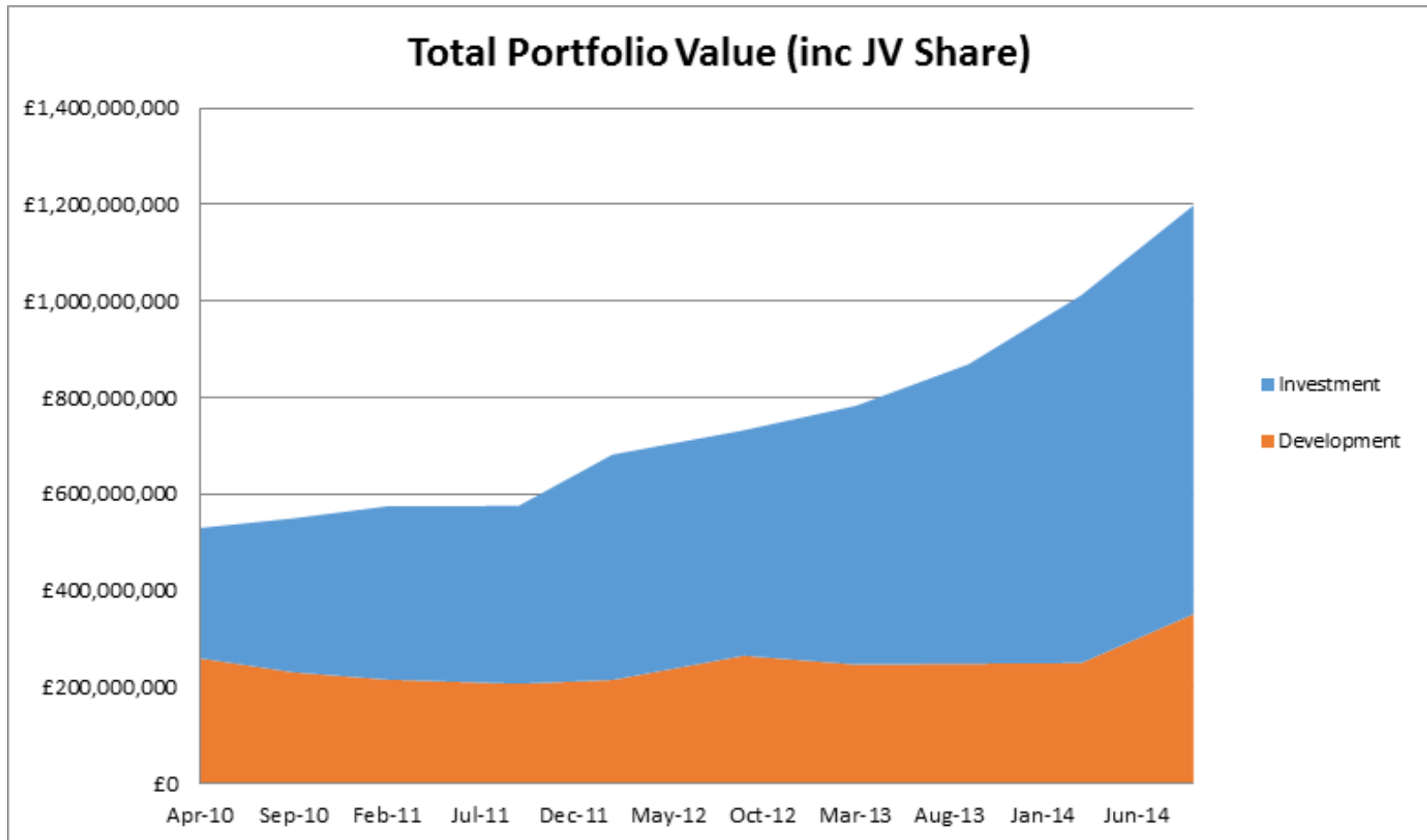
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Helical – A Long Term Profit Generator

Net Rental Income

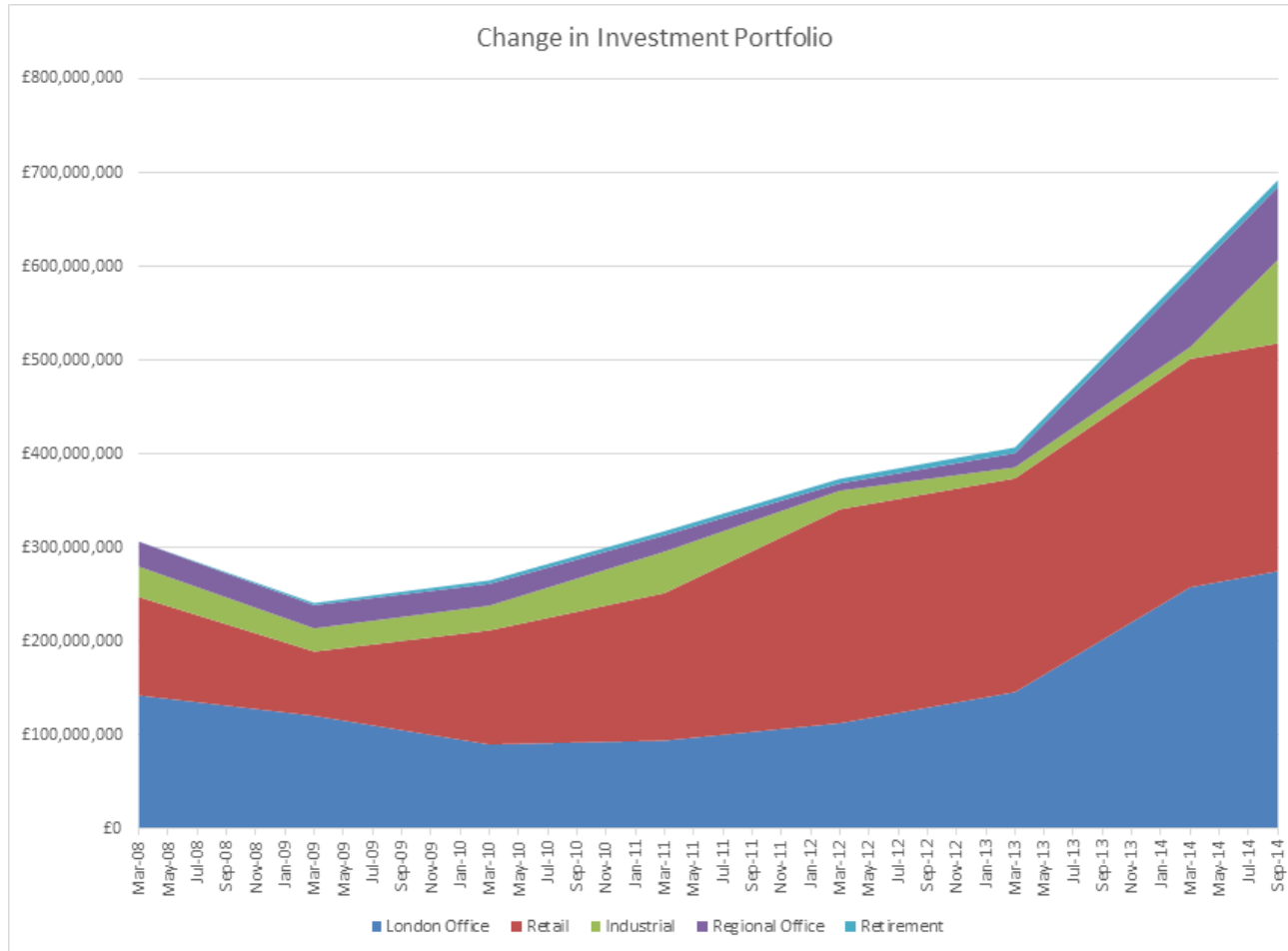


Portfolio Size



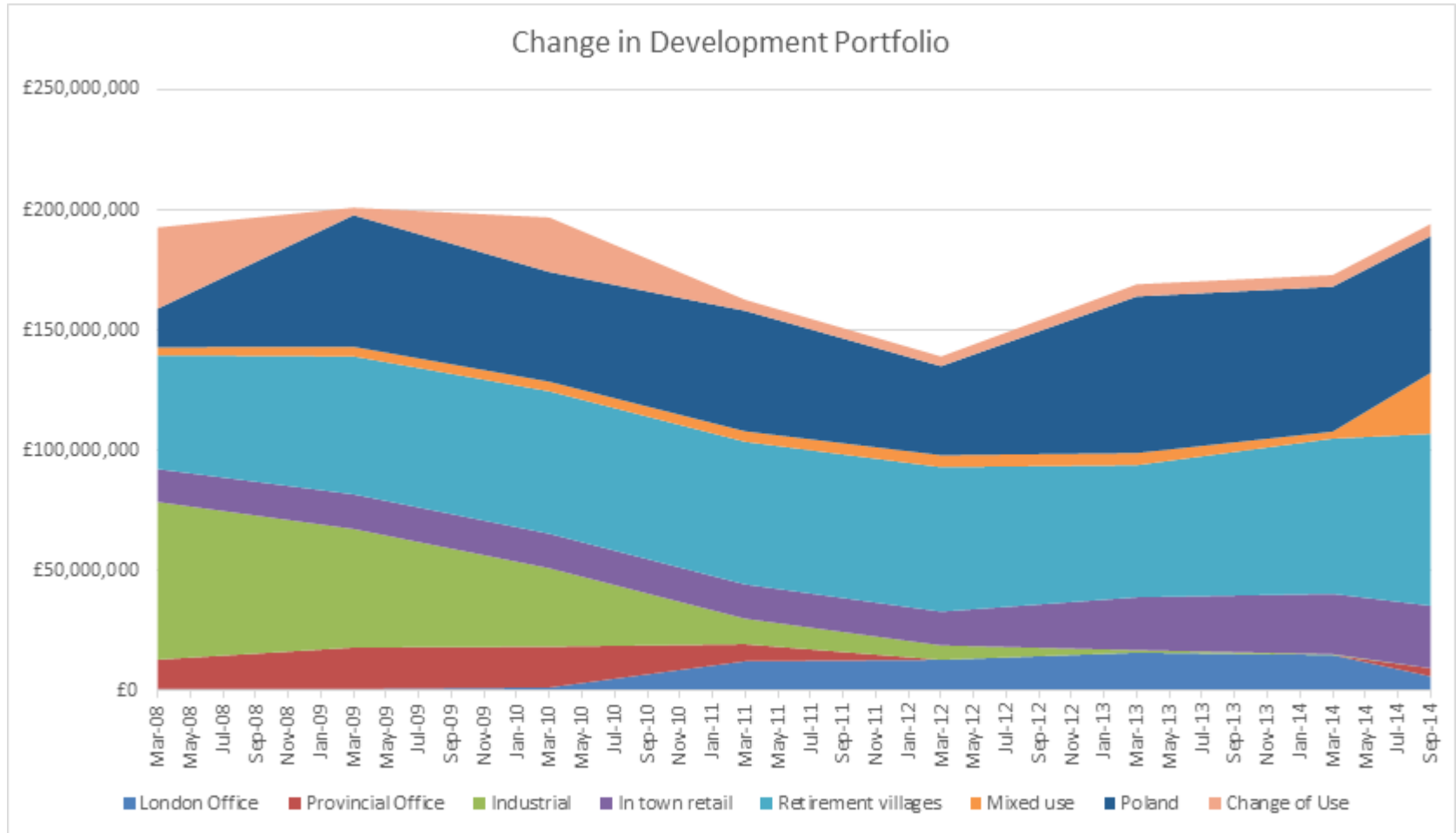
Investment Portfolio Changes

Helical Share of Book Value



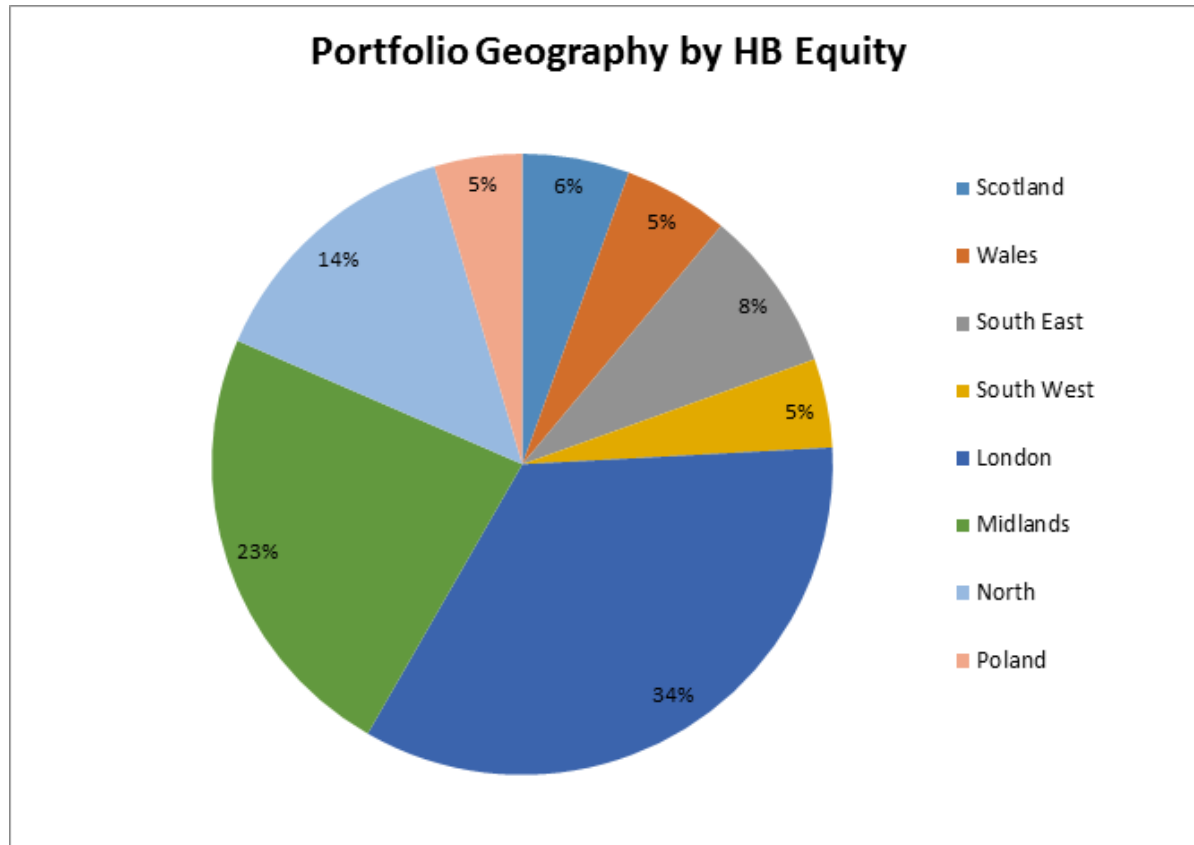
Development Portfolio Changes

Helical Share of Book Value



Geography

By Helical Share



42% of Helical's equity is deployed in London and the South East

Investment Portfolio

Helical Share

	Value (m)	Equity (m)	% by Value
London Offices	£274.7	£139.5	39.7%
Regional Offices	£77.4	£40.1	11.2%
Industrial	£89.1	£80.9	12.9%
In Town Retail	£190.4	£82.0	27.5%
Out of Town Retail	£52.6	£28.9	7.6%
Retirement Village	£7.4	£7.4	1.1%
Total	£691.6	£378.8	100%

Note: Part of Barts and all of Old Street are held as investments

Trading & Development Portfolio

Helical's Share

	Book Value (m)	Fair Value (m)	Surplus Over Book Value (m)	% Value (Fair)
Office	£9.5	£17.3	£7.8	7.6%
Retail	£26.0	£28.0	£2.0	12.3%
Retirement Village	£71.5	£86.8	£15.3	38.2%
Change of Use	£5.0	£9.0	£4.0	4.0%
Mixed Use and Residential	£25.5	£27.5	£2.0	12.1%
Poland	£56.7	£58.5	£1.8	25.8%
Total	£194.2	£227.1	£33.0	100%

Investment Portfolio Changes

Investment Portfolio	Mar 12	Mar 13	Mar 14	Sep 14	Change since Mar 14
London Offices	30.2%	35.9%	43.2%	39.7%	-3.5%
Retail	61.0%	56.0%	40.8%	35.1%	-5.7%
Industrial	5.3%	2.9%	2.1%	12.9%	10.8%
Regional Offices	2.1%	3.7%	12.7%	11.2%	-1.5%
Other	1.3%	1.5%	1.2%	1.1%	-0.1%
Total	100% (£374m)	100% (£407m)	100% (£601m)	100% (£692m)	+£91m

Investment Portfolio

Key Statistics

Valuation increase of 4.9% in half year to September, including capex, sales and purchase

	% of Portfolio (HB Share)	Valuation Change	Initial Yield	Reversionary Yield	Equivalent Yield (True QiA)
Industrial	12.9%	0.6%	7.7%	7.4%	7.5%
London Offices	39.7%	9.2%	4.1%	6.5%	6.2%
Regional Offices	11.2%	8.8%	5.9%	8.0%	7.7%
In Town Retail	27.5%	0.2%	7.1%	8.2%	8.0%
Out of Town Retail	7.6%	2.1%	6.5%	6.4%	6.6%
Other	1.1%	6.3%	-	-	-
Total	100%	4.9%	6.0%	7.3%	7.2%

Note: Yield calculations exclude Barts and Old Street. Valuation movements include Barts and Old Street

Investment Portfolio

Key Statistics

	Capital Value psf	Vacancy Rate (floor area)	Average Unexpired Lease Term (years)
Industrial	£60	0.0%	4.9
London Offices	£450	23.0%	6.3
Regional Office	£152	11.8%	6.5
Retail	£137	3.3%	7.5
Total	£146	6.0%	6.3

Note: London includes offices held vacant for refurbishment / redevelopment

Investment: London Office Portfolio

Property	Net Rent Sept 2014	ERV	Key Events in the period
Shepherds Building, W14	£3.6m	£5.3m	<ul style="list-style-type: none"> £1.5m refurbishment completed Open market lettings completed at £37.50 psf (current average rent £24.50 psf)
Enterprise House, Paddington W2	£1.83m	£2.03m	
Artillery Lane, E1	£0.32m	£0.8m	<ul style="list-style-type: none"> Planning granted for change of use to A3 ground floor and basement A3 unit under off to restaurant Works to commence in December
New Loom House, Whitechapel E1	£1.6m	£2.8m	<ul style="list-style-type: none"> Letting continue at £39.50 as average of £19 psf Planning granted for internal refurbishments
One King Street, Hammersmith W6	£1.10m	£1.7m	<ul style="list-style-type: none"> Works to add extra floor started. Complete Easter 2015
Clifton Street, Shoreditch EC2	N/A	N/A	<ul style="list-style-type: none"> Contract to purchase assigned £16.5m profit in Summer 2015
Summary			<ul style="list-style-type: none"> 9.2% valuation increase including sales & purchases 4.1% initial yield going to 6.5% reversionary yield, 6.2% equivalent yield 40% of investment portfolio

Note: Valuation movements include Barts St, Old Street and C-Space. Yield calculations exclude Barts and Old Street but include C-Space. Clifton Street is not included in any of these figures

Investment: Retail Portfolio

Property	Key Events in the period
Cardiff	<ul style="list-style-type: none"> • Phase 1 of Creative Quarter refurbishment completed and fully let. Phase 2 on site • Upcoming rent reviews on The Hayes. Uplifts expected
Corby	<ul style="list-style-type: none"> • Multiple new lettings and re-gears on-going • Unit sold to JD Wetherspoons for £280k
Clydebank	<ul style="list-style-type: none"> • Pure Gym works complete and trading • Multiple new lettings and re-gears concluded
Newmarket	<ul style="list-style-type: none"> • Sold. 2.5% premium to book values
Sutton in Ashfield	<ul style="list-style-type: none"> • Sold (post period end) • 6% premium to March 2014 book value. 2% premium to September 2014 book value
Summary	<ul style="list-style-type: none"> • Increasing occupier demand • Values up 0.6% like for like, increasing investor interest in the sector • 35% of investment portfolio • Strong cash on cash returns

Investment Portfolio

Changes to Rental Values

	Year to March 2014	Half Year to September 2014
Industrial	0.0%	0.0%
London Offices	7.3%	3.6%
Regional Offices	0.0%	0.4%
All Offices	5.0%	2.6%
In Town Retail	-0.5%	0.8%
Out of Town Retail	0.0%	0.0%
All Retail	-0.5%	0.7%
Total	2.1%	1.4%

Investment Portfolio

Lease Expiries

	Lease Expiries and Tenant Break Options in:				
	2015	2016	2017	2018	2019
Percentage of Rent Roll	12.9%	8.7%	14.6%	11.8%	12.2%
Number of Leases	123	108	106	82	62
Average Rent per Lease	£44,700	£34,300	£58,500	£61,200	£83,800

Asset Management Overview

	Rent	% of rent roll
Rent lost at break/expiry	-£1.3m	3.2%
Net rent lost through administration	-£0.04m	0.1%
New lettings and changes at lease renewal	£2.3m	5.5%
Rent reviews and RPI uplifts	£0.03m	0.1%
Net Increase	£1.0m	

Top Tenants

Rank	Tenant	Tenant Industry	Rent (Helical)	% Rent Roll
1	Network Rail Infrastructure Limited	Infrastructure	£2.03m	5.0%
2	Endemol UK Ltd	Media	£1.58m	3.9%
3	Sainsbury's Supermarkets Ltd	Retail	£1.25m	3.0%
4	Homebase Ltd	Retail	£1.01m	2.5%
5	Economic Solutions Ltd	Government	£0.96m	2.4%
6	Nicholl Food Packaging Limited	Manufacturing	£0.77m	1.9%
7	Capita Life & Pensions Regulated Services Ltd	Professional Services	£0.76m	1.8%
8	Curzon Estates Limited	Professional Services	£0.74m	1.8%
9	Polypipe Limited	Manufacturing	£0.68m	1.7%
10	DSG Retail Limited	Retail	£0.68m	1.7%
	TOTAL		£10.46m	25.7%

Top 10 tenants account for 26% of the rent roll

Retirement Villages

May 2014

	No. Units	Phase 1	Sold/ Reserved	Start Construction	Complete Construction	Forecast Profit to come	Profit Period
Liphook	151 (of which 144 sold)	N/A	N/A	Q1 '08	2012	£0.25m	2009-2014
Faygate, Horsham	171 (of which 19 sold)	48	29	Q2 '12	2017	£12.5m	2013-2018
Exeter	164	49	27	Q4 '13	2018	£7m	2014-2018
Great Alne, Stratford-upon-Avon	150	50	4	Q2 '14	2018	£17m	2014-2019
Total	636					£36.75m	

- All sites now financed and under construction
- Liphook 8 units sold during half year (144 now sold out of 151 in total), 7 units remaining of which 2 reserved
- Further 14 sales completed in Faygate during period (£0.9m profit)
- Profit forecast includes £12.8m of surplus of land value over cost, already part of EPRA NAV



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