



Helical Bar plc

THURSDAY 23rd MAY 2013
FULL YEAR RESULTS FOR THE YEAR TO 31 MARCH 2013

Helical Bar plc



- We refer to the results as “on the cusp”
- It’s back to Rock ‘n’ Roll
- Stock up 30% since Jan / 80% since May 2012
- Planning Consents
- New schemes starting
- 70 new lettings
- 50 re-gearred leases
- Vacancy down to 5.7%
- Net rents up / non-recoverables down
- Investment portfolio 7.2%-8.1% ERV
- White City / 200 Aldersgate / Liphook & Horsham / Helical Retail all in the money
- New bank facilities



INVESTMENT



- Valuation growth of 1.3%
- 5th percentile in IPD (8.6% vs 3.9%)
- Net increase in rent £376k
- Vacancy reduced from 8.8% to 5.7% during the year
- Retail portfolio vacancy only 3%






	Rent	No. of leases	% of rent roll
Rent lost at break/expiry	-£754,000	47	2.5%
Net rent lost through administration	-£732,000	26	2.5%
New lettings and uplifts at lease renewal	£1,484,000	120	10.3%
Rent reviews and RPI uplifts	£378,000	31	1.2%
Net increase	£376,000		

During the year we retained 69% of our tenants at lease expiry and 86% of our tenants at break. Industry averages are 41% and 48% respectively



LONDON OFFICE PORTFOLIO

Property	Net Rent March '13	ERV March'13	Vacancy Rate	Valuation Increase (including capex)	Key Events in the year
 <p>Battersea Studios</p>	£1.05m (fixed increases to £1.42m)	£2.37m	25.5%	4.4%	<ul style="list-style-type: none"> • 15,584 sq ft let during year at average of £24.40psf • 25,464 sq ft vacant, good interest • Average passing rent £20.90psf
 <p>1 King Street, Hammersmith</p>	£0.80m	£1.41m	16.4% (since recent letting)	4.0%	<ul style="list-style-type: none"> • Refurbishment completed • Floor of 5,764 sq ft let since year end at £32.50psf • £30psf assumed on purchase in Jan '12 • 1 floor vacant, 5,764 sq ft • Planning application imminent for extra floor of c5,000sq ft • NB 55% of building is retail (by ERV), rents / values growing
 <p>Shepherds Building</p>	£3.59m	£4.2m	0.3%	5.1%	<ul style="list-style-type: none"> • Now only 437 sq ft vacant out of 151,000 sq ft • Average passing rent £psf • £1.5m upgrade over next 6 months • Aim to increase rental values to £35psf plus over time
Summary	<ul style="list-style-type: none"> • 36% of portfolio • 4.8% valuation increase • 6.1% Initial Yield going to 8% Reversionary Yield • 5.9% growth in ERV year to March '13 • Excellent prospects for growth in income and values 				



Property	Net Rent March 12	Net Rent March 13	Change	Vacancy	Key Events in the year
 <p>Cardiff</p>	£2.95m	£3.26m	+£0.3m	3.7% (all in Arcades not main Hayes frontage)	<ul style="list-style-type: none"> • Unit let to Jack Wills at £175k Zone A • Rent reviews concluded showing 25% gain '07-'12 (Moss Bros + Giovanni's) • 6 new lettings including Jack Wills
 <p>Corby</p>	£5.18m	£5.20m	+£0.02m	2.0%	<ul style="list-style-type: none"> • 18 new lettings including Greenwoods and Corals • 17 lease renewals including Barclays, NatWest and Santander • Cosmetic works now complete • Blockbuster and Dreams staying • Potential for leisure scheme and residential conversions
 <p>Clydebank</p>	£6.12m	£6.01m (£6.37m on expiry of rent frees)	-£0.11m	3.3%	<ul style="list-style-type: none"> • 12 new lettings including Trespass, Poundworld and Watt Brothers. Many in rent free periods hence slight income fall • Lease exchanged with Pure Gym for a double unit • Asda sold to institutional purchaser
 <p>Newmarket</p>	£1.3m	£1.3m	-	3.9%	<ul style="list-style-type: none"> • Since year end fully let for the first time in c 15 years • Poundland took the Peacocks unit increasing footfall • Dramatically improved food offer

- **Growth in London assets & Cardiff**
- **Cash flow from shopping centres, 12-15% pa cash on cash returns, income proving robust**
- **Growth from falling shopping centre yields, in time**
- **Future Acquisitions**
 - **Focus on multi-let London offices**
 - **'Villages' (Clerkenwell, Southwark, Hammersmith) where rents £20/30 psf**
 - **Repositioning/refurbishing tired buildings to create institutional assets**
 - **And/or benefiting from rental growth in areas that are changing fast, i.e. Old Street/Shoreditch**



Sales

- Milton, Cambridge sold to Bellway Homes for £6.9m
- Part of Exeter sold to Linden Homes for £7.6m

Liphook

- 26 units sold during year, a further 5 since the year end
- 115 units sold (£44.24m), 14 under offer, 22 to sell (151 total)
- £13.34m profit to date
- £3m profit to come, almost entirely in year to 3/14

Model of Durrants Village, Faygate, nr Horsham

RETIREMENT VILLAGE DEVELOPMENTS

	No. Units	Start Construction	Complete Construction	Forecast Profit	Profit Period
Faygate , nr Horsham	171	May '12	2016	£14m	2013-2017
Exeter	164	June '13	2017	£7m	2014-2018
Great Alne, nr Stratford-upon-Avon	132	Sept '13	2017	£17m	2014-2017
Liphook units to sell	36	Jan '08	2012	£3m	2013-2014
Total	503			£41m	

- Profit forecast includes £14.34m of surplus of land value over cost, already part of EPRA NAV
- Limited equity required due to:
 - Advantageous bank finance
 - Phasing of construction meaning sales cover costs



DEVELOPMENT



Aim to be 'Equity Lean' - To use equity aggressively and to maximise returns by:

- **Participate in profit share situations where no equity is required. We will minimise our fee to maximise profit share e.g. Fulham Wharf and 200 Aldersgate**
- **Reduce upfront equity required by entering into conditional contracts or options. e.g. Mitre Square – conditional contracts and Helical Retail**
- **Co-investment with a funding partner e.g. Barts Square and 207 Old Street – “waterfall” above a hurdle which skews super profit towards Helical and White City where our equity contribution entitles Helical to an enhanced profit share**
- **Traditional forward funding – this requires the institution to want the cost overrun risk to be covered by the developer in return for a commensurate profit participation**





- **Development Management Role on behalf of Sainsburys plc**
 - **Profit of £8.75m realised – no equity**

SCHEDULE OF AREAS

	TOTAL SQ FT	TOTAL SQ M	
17			LET TO OXERA
16			LET TO JAMPUR GROUP
15			LET TO AGENCE FRANCE-PRESSE
14			LET TO OXERA
13			LET TO DEXIA PROJECT FINANCE UK
12			LET TO AIA WORLDWIDE - PEOPLE IN BUSINESS
11			LET TO MAPLES AND CALDER
10			LET TO THE JAVELIN GROUP LTD
9			LET TO FTI CONSULTING
8			LET TO VENNER SHIPLEY LLP
7			SOUTH LET TO TALENT 2 NORTH LET TO PHILLIPS 66 LIMITED
6			SOUTH LET TO K LINE (EUROPE) LIMITED NORTH LET TO MSG & PARTNERS LIMITED
5			LET TO FTI CONSULTING
4	NORTH 8,916	828	SOUTH 32,236 SQ FT LET TO FTI CONSULTING
3	NORTH UNDER OFFER		SOUTH LET TO THOMAS COOK GROUP PLC
2			SOUTH LET TO ATOC NORTH LET TO CITY UNIVERSITY, LONDON
1			SOUTH LET TO I2 BUSINESS CENTRE NORTH LET TO ETC VENUES
UG	NORTH 5,762	535	SOUTH LET TO ASSET INTERNATIONAL
G			
LG			SOUTH LET TO GIANT
B			LET TO VIRGIN ACTIVE

- 311, 584 sq ft (90%) offices let, total 347, 728 sq ft
- 21,430 sq ft (6%) under offer
- Helical profit share triggered



200 ALDERSGATE, LONDON EC1





- Resolution to grant outline planning consent obtained March 2013
- 1150 new homes, 200,000 sq ft offices plus 60,000 sq ft retail / leisure / community uses (c 1.5m sq ft)
- J.V. with Aviva Investors

- **Acquired jointly with Baupost in March 2011**
- **Baupost two thirds and Helical one third interest**
- **Planning consent granted – S106 signed**
- **226,000 sq ft offices in two buildings**
- **215 residential apartments (202,000 sq ft)**
- **23,000 sq ft retail and restaurants**
- **Phased vacant possession Q4 2014 – Q4 2016 to enable development to commence**
- **Total development value of c. £470m**



BARTS SQUARE, LONDON EC1



Scheme Schedule of Areas

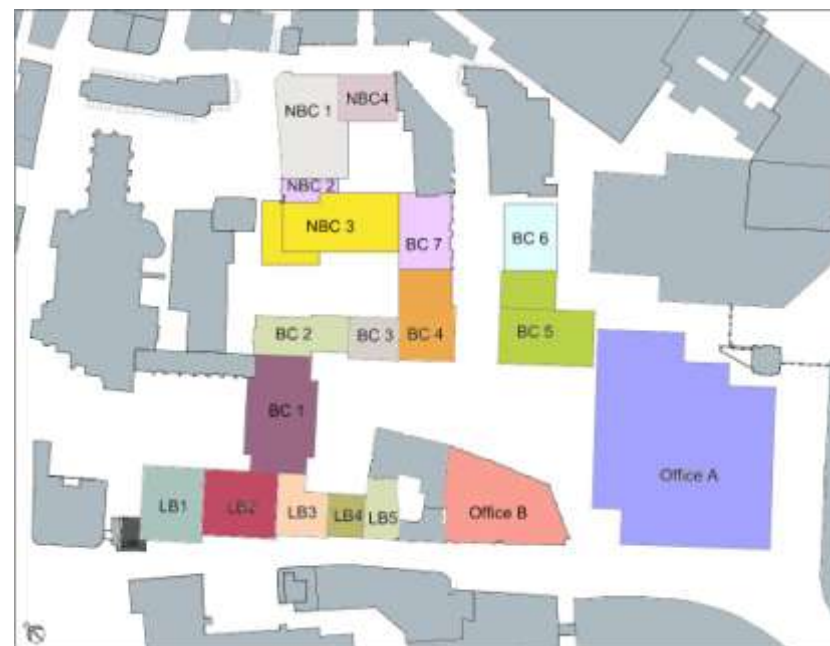
	<i>gross external</i>		<i>gross internal</i>		<i>net internal</i>	
	<i>m²</i>	<i>ft²</i>	<i>m²</i>	<i>ft²</i>	<i>m²</i>	<i>ft²</i>
Office						
Office A	28,366	305,333	27,415	295,097	19,080	202,000
Office B	3,676	39,565	3,396	36,551	2,202	23,698
TOTAL	32,042	344,898	30,811	331,648	21,282	225,698

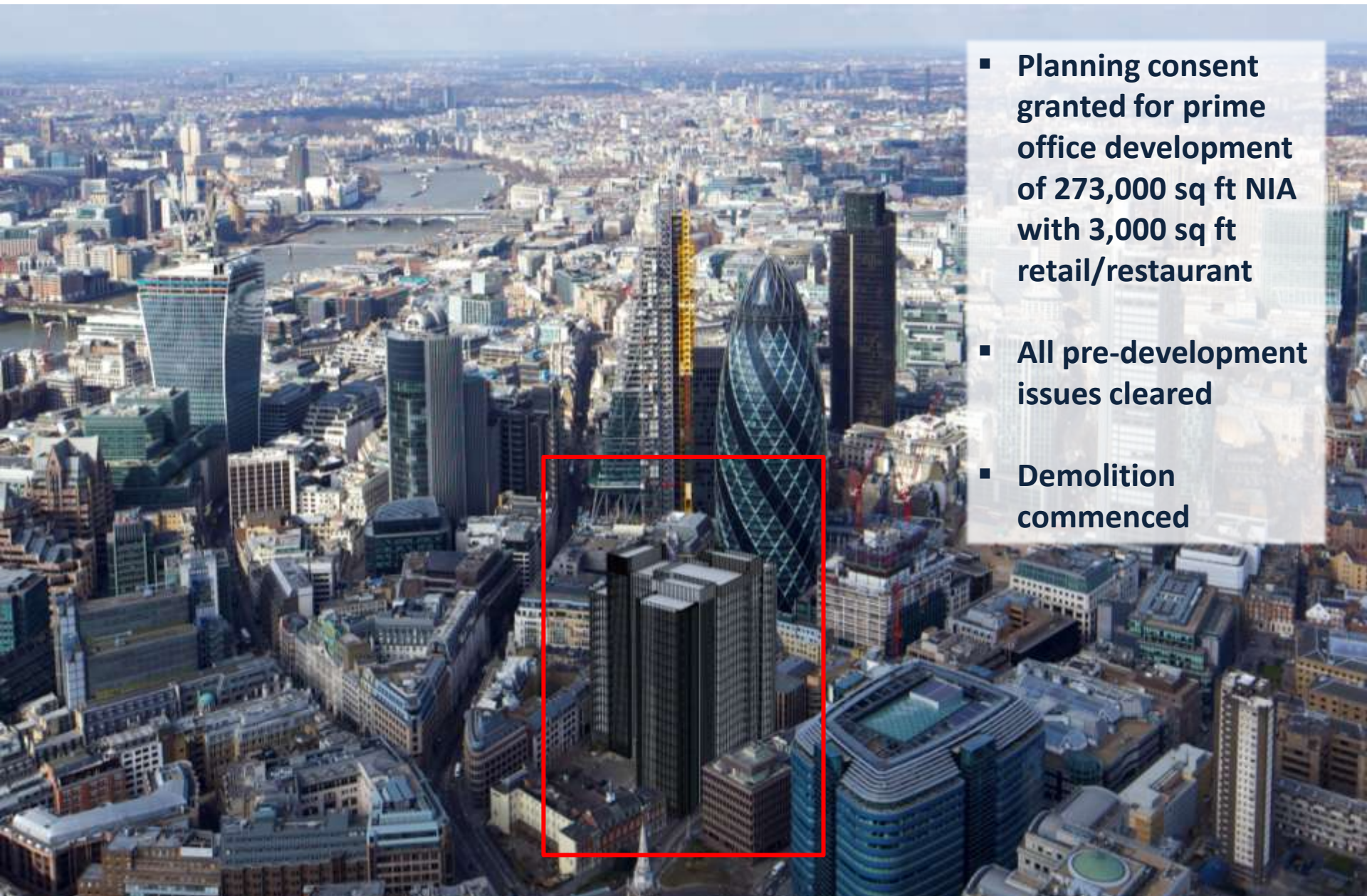
Residential

BC1	3502	37,696	2,763	29,741	2,257	24,294
BC2 & BC3	2001	21,539	1762	18,966	1,290	13,866
BC4 & BC7	4108	44,219	2,737	29,461	2,086	22,454
BC5	4572	49,213	3,157	33,982	2,523	27,158
BC6	1410	15,177	1,228	13,218	911	9,806
LB0	163	1,755	123	1,324	123	1,324
LB1, LB2 & LB3	6408	68,976	4,849	52,195	3,909	42,076
LB4 & LB5	1204	12,960	992	10,678	743	7,998
NBC1 & NBC 4	4572	49,213	3,045	32,776	2,540	27,341
NBC2 & NBC3	4389	47,243	2,967	31,937	2,395	25,780
TOTAL	32329	347991	23623	254278	18777	202097

Retail/Food and Beverage

Office B	708	7,621	682	7,341		
BC1	616	6,631	603	6,491		
BC4	326	3,509	265	2,852		
BC5	192	2,067	162	1,744		
LB1	237	2,551	209	2,250		
LB2 & LB3	273	2,939	240	2,583		
LB5	64	689	51	549		
TOTAL	2416	26007	2212	23810		





- **Planning consent granted for prime office development of 273,000 sq ft NIA with 3,000 sq ft retail/restaurant**
- **All pre-development issues cleared**
- **Demolition commenced**

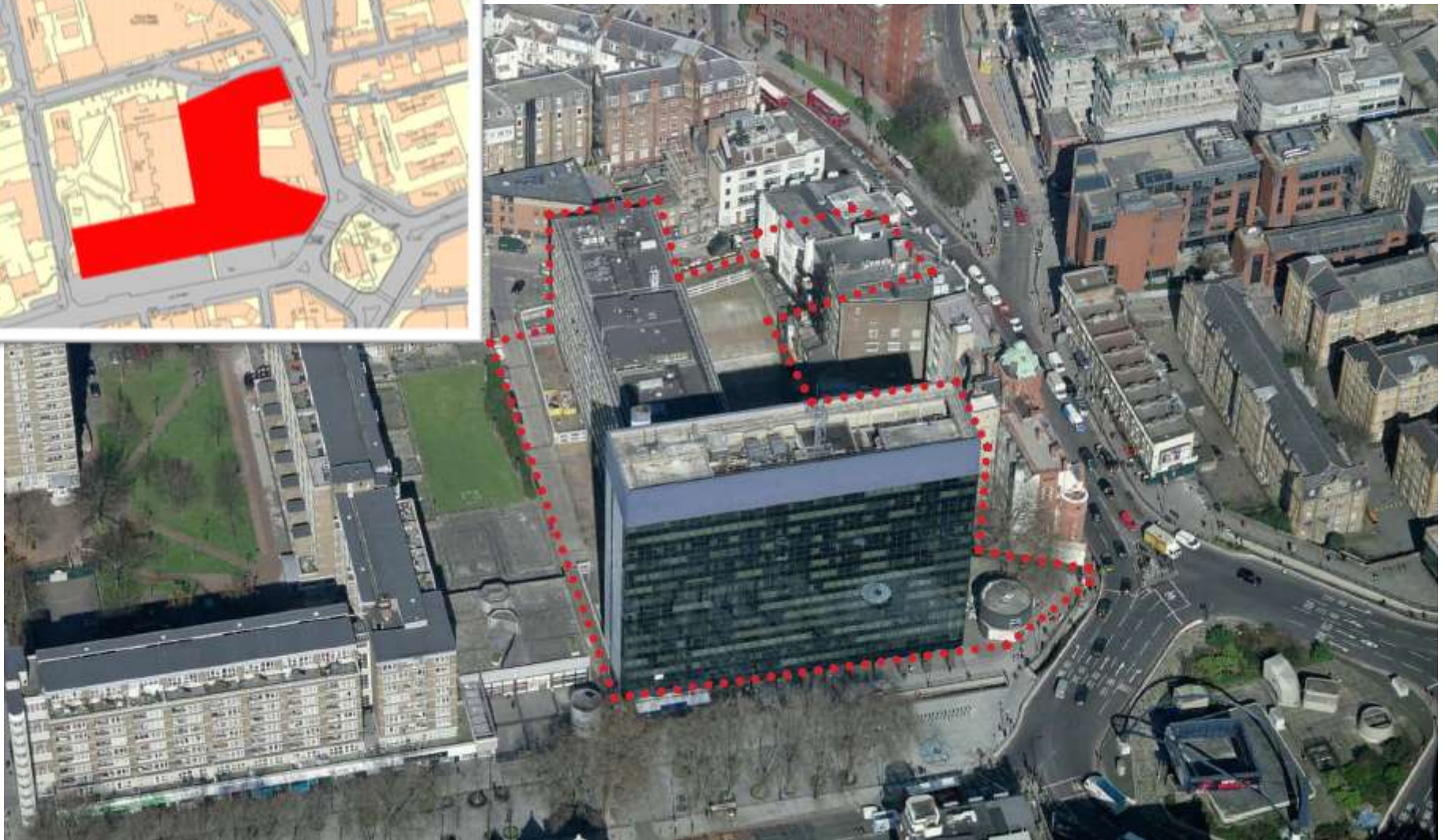
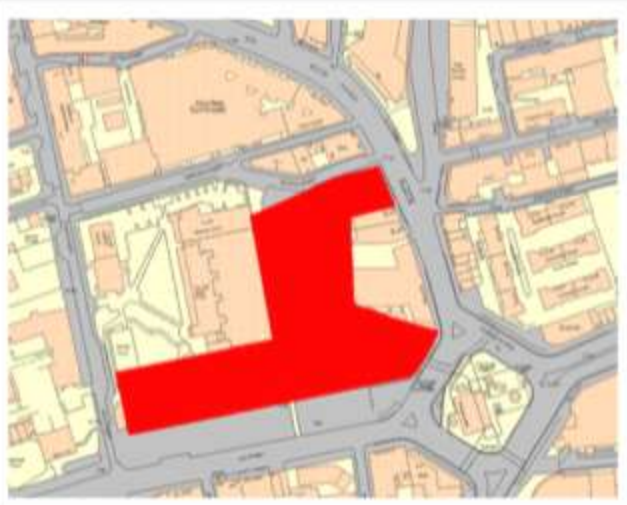


- Acquired in December 2012 jointly with Crosstree Real Estate Partners for £60.75m
- Crosstree Real Estate Partners two thirds and Helical Bar Plc one third. Additional “waterfall” to Helical above IRR parameters
- Existing buildings comprising:

offices	207	114,944 sq ft	@	£1.3m pa
	211	95,929 sq ft	@	£650,000 pa
retail	183-205	53,990 sq ft	@	£713,000 pa
offices	130 City Road	20,544 sq ft		vacant

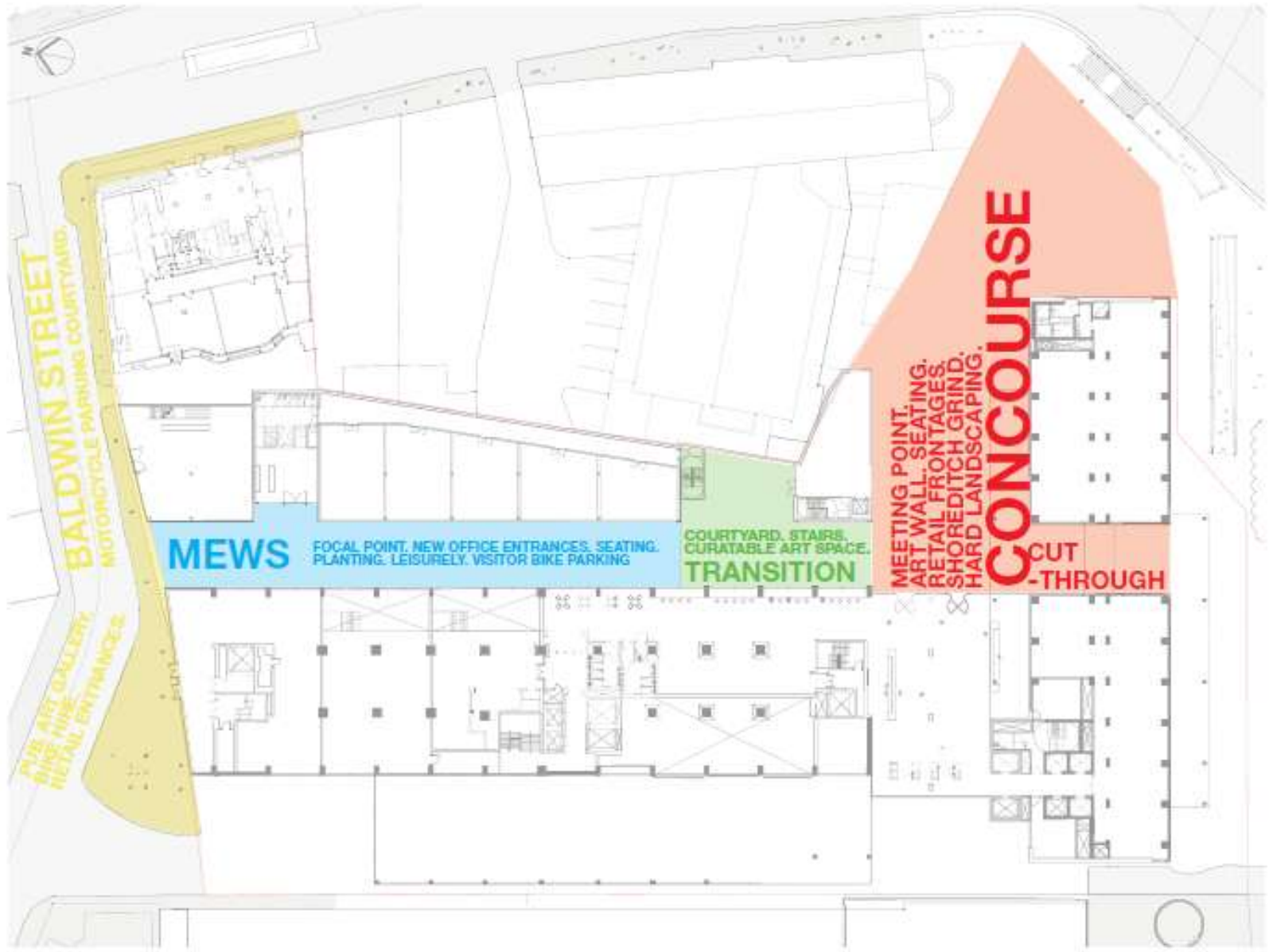
- Major refurbishment and addition of new space on a phase basis
- Planning application submitted May 2013 for circa 334,000 sq ft NIA of offices and retail, an increase of 103,000 sq ft NIA
- Aim to commence Q4/2013 – Q1/2014

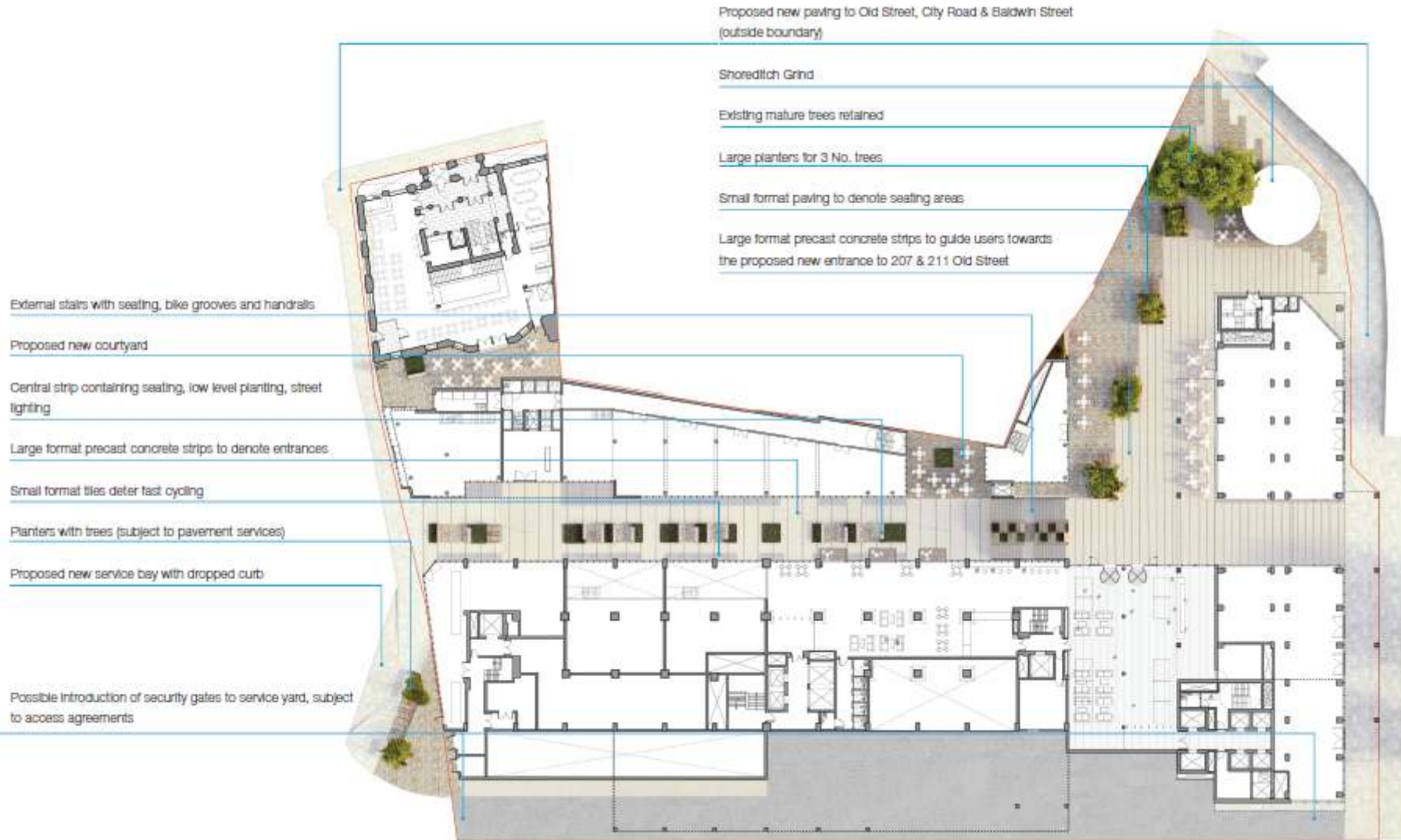














- Regeneration project in partnership with London Borough of Hammersmith & Fulham
- JV with Grainger plc
- 40,000 sq ft office building for the Council
- c 200 residential units
- Cinema / Restaurant / Retail
- Planning application to be submitted July this year with start on site 2014. Two phases. Complete 2018



- **Development Management Role on behalf of Scottish Power / Iberdrola**
- **New 220,000 sq ft (net) office HQ**
- **Planning Consent obtained**
- **25 year lease to Scottish Power being forward funded with an institution**
- **Fee based on % of construction cost / design fees**
- **Underwriting the sale of 3 existing assets (Cathcart, Yoker, Falkirk)**
- **Working with local development partners**



Parkgate, Shirley

- 50% interest
- 80,000 sq ft foodstore pre sold to Asda
- 78,000 sq ft retail and leisure (50% u/o)
- Open April 2014
- Residential u/o to major housebuilder

Four Pools, Evesham

- 7 acre site
- Conditional contract
- Planning application shortly for foodstore
- Discussion with operators

Truro City Football Club

- 6 acre site
- Conditional contract
- Planning application in Q4 for major foodstore
- Plus 60,000 sq ft retail park adjoining

Hucknall, Nottinghamshire

- Development partner with Nottinghamshire County Council
- Planning application shortly for foodstore

Ross-on-Wye

- 30,000 sq ft unit – change of use sought from DIY to foodstore

Kingswinford

- 16 acre site
- Working with landowner
- Planning application in Q4 for foodstore and residential

Leicester

- 70,000 sq ft foodstore and PFS being progressed

Birmingham

Tyeseley

- Reconfiguring foodstore and non food scheme

Stechford

- Planning application for foodstore in Q4



EUROPA CENTRALNA, POLAND

- Opened March 2013
- 66,300 sq m total retail space
- 80% let
- Anchor tenants Tesco, Castorama, Media Saturn
- Most recent letting to Sports Direct
- Helical 50:50 with clients of Standard Life
- Exit in two years





MILESTONES: TARGETS TO MARCH 2013 - UPDATE

Property	Milestone	Progress at March 2013
Fulham Wharf	Sale of the site	Sold. Profit taken
200 Aldersgate	Lettings	90% let 6% under offer
White City	Planning consent	Planning consent granted (site sale exchanged)
Barts Square	Planning consent	Planning consent granted
Mitre Square	Start demolition	Demolition started
Glasgow	Achieve planning/funding	Planning consent granted. Funding partner selected
Hammersmith Town Hall	Revise scheme and amend development agreement	Agreement finalised On target for July planning submission
Helical Retail	Conditional purchases	Ongoing
Europa Centralna	Lettings	80% let



Property	Milestone
200 Aldersgate	Secure profit share
White City	Secure profit share
Barts Square	Progress pre-development activity
Mitre Square	Pre-let or Fund
207 Old Street	Obtain planning consent Start on site
Glasgow	Start construction
Hammersmith Town Hall	Obtain planning consent
Helical Retail	Conditional purchases
Europa Centralna	Let remaining 20%



FINANCIAL



HEADLINE NUMBERS

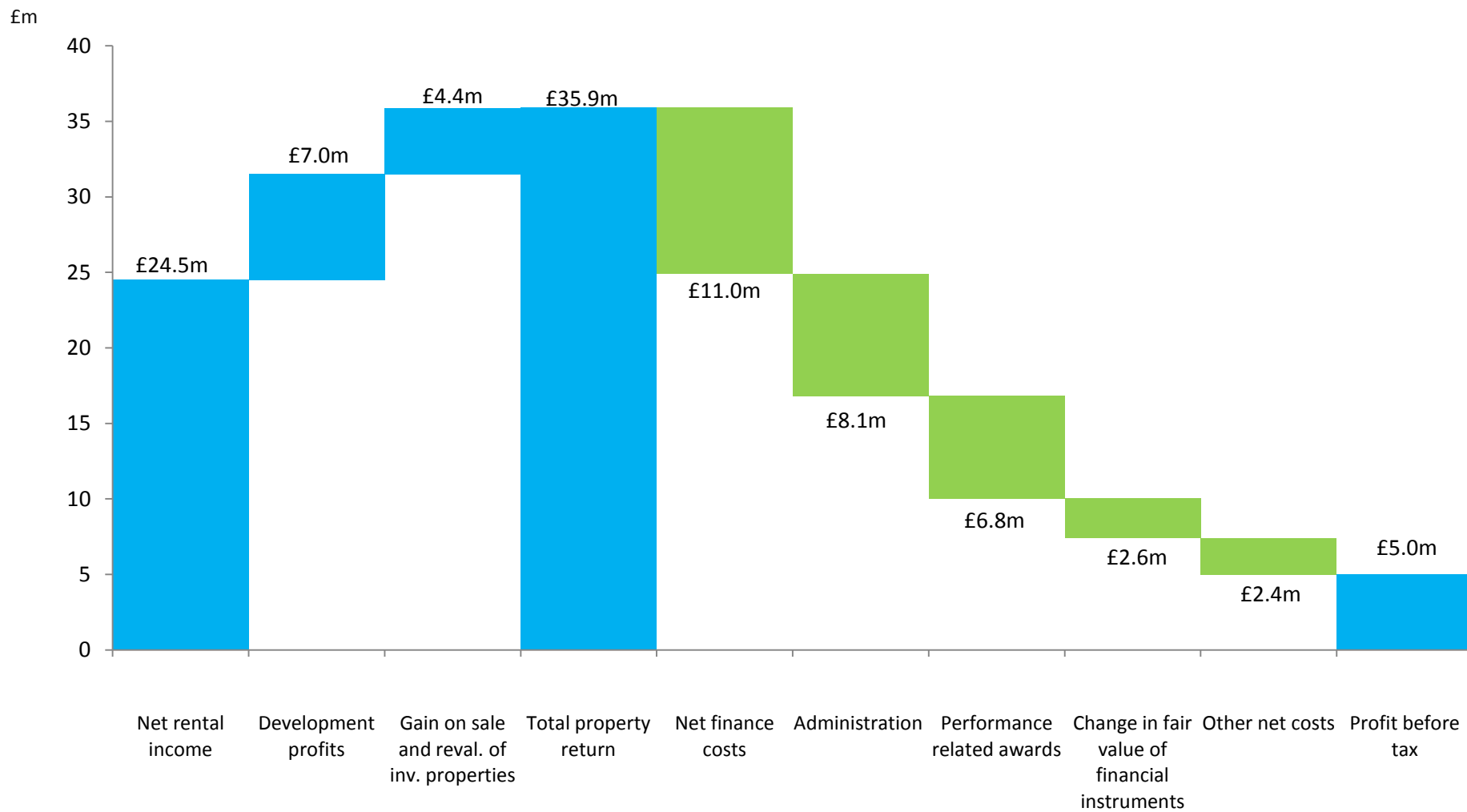
INCOME STATEMENT	Mar 2012	Mar 2013	% change
Total property return ^{1, 2}	£27.5m	£35.9m	+31%
Net finance costs ²	£10.0m	£10.9m	+9%
Profit before tax	£7.4m	£5.0m	-32%
Adjusted EPRA earnings per share	3.8p	8.2p	116%
Final dividend per share	3.40p	3.70p	+9%
BALANCE SHEET	Mar 2012	Mar 2013	% change
Group's share of property portfolio at fair value ¹	£573m	£626m	+9%
Group's share of net debt	£280m	£286m	+3%
EPRA net asset value per share	250p	264p	+6%

¹: Group's share of net rental income, development profits and gain on sale and revaluation of investment properties

²: Including share of joint ventures



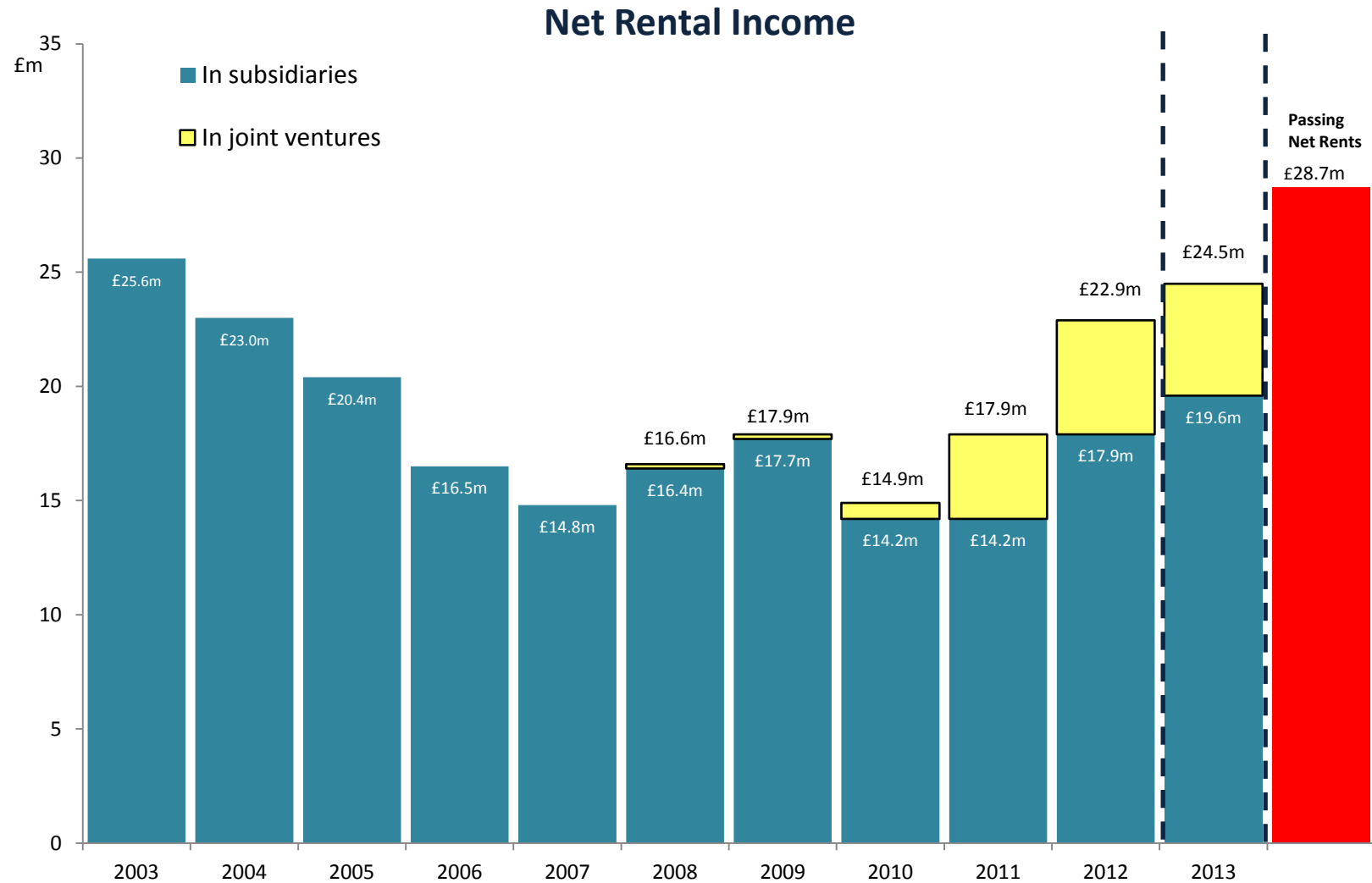
INCOME STATEMENT



Note: All figures include Helical's share of income and expenses of joint ventures



HELICAL – A LONG TERM PROFIT GENERATOR (NET RENTAL INCOME)

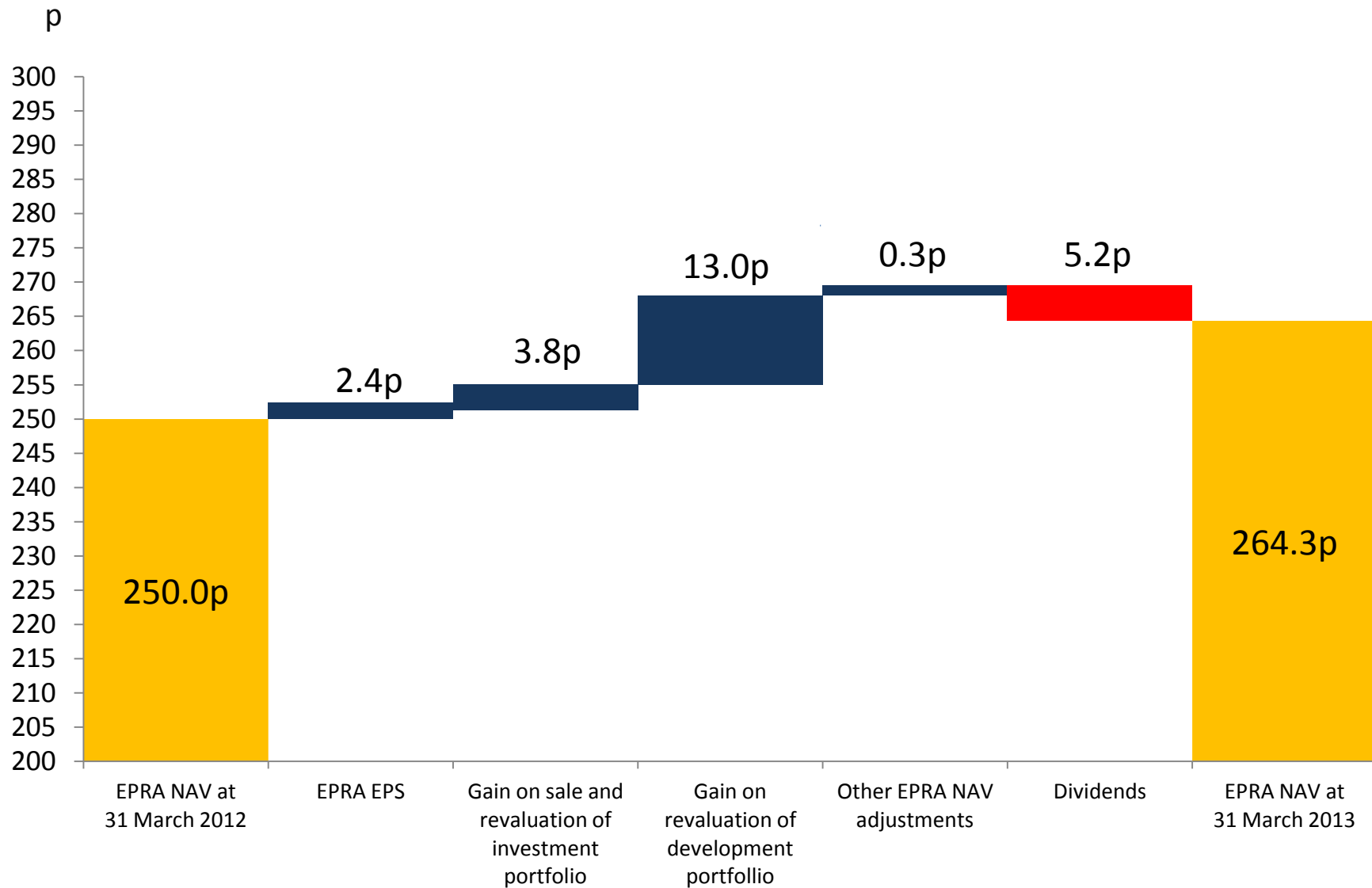


		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
See-through net debt and LTV						
See-through assets at fair value	£m	510.8	495.1	532.2	572.7	626.4
See-through property net debt	£m	(228.2)	(228.7)	(242.1)	(280.0)	(286.3)
See-through loan-to-value		45%	46%	45%	49%	46%
See-through net gearing		96%	94%	94%	110%	113%

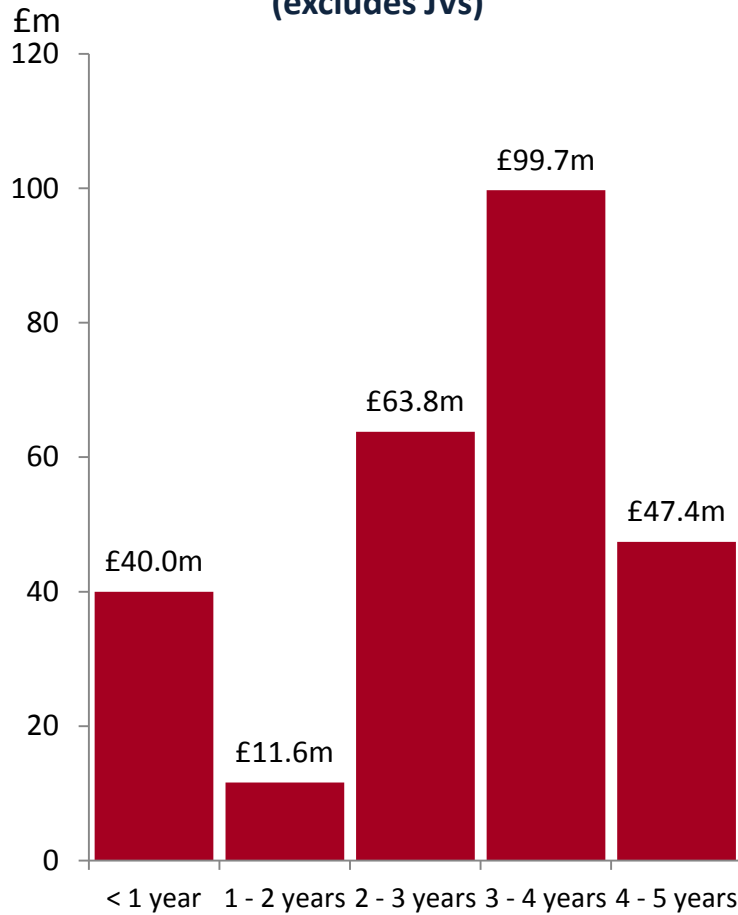
See-through assets and liabilities – The assets on liabilities consolidated in the Group’s financial statement together with the Group’s share of assets or liabilities held in joint ventures.



EPRA NET ASSETS



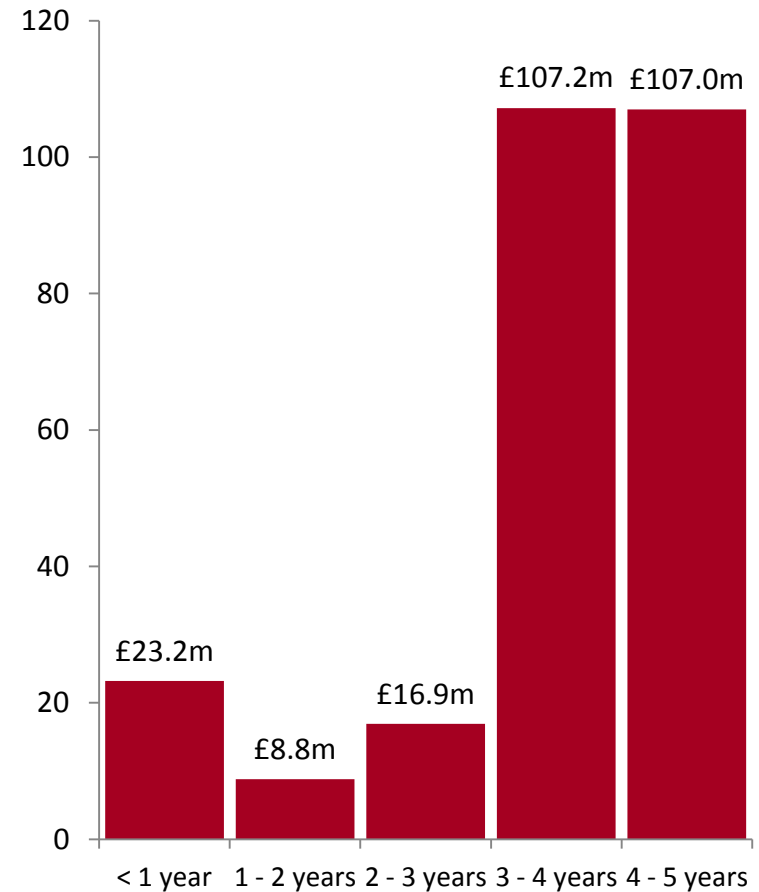
Loan expiry analysis at 31 March 2013
(excludes JVs)



Average maturity date of 3.1 years.
Average weighted rate of interest of 4.1%.

¹ £10.1m non-recourse

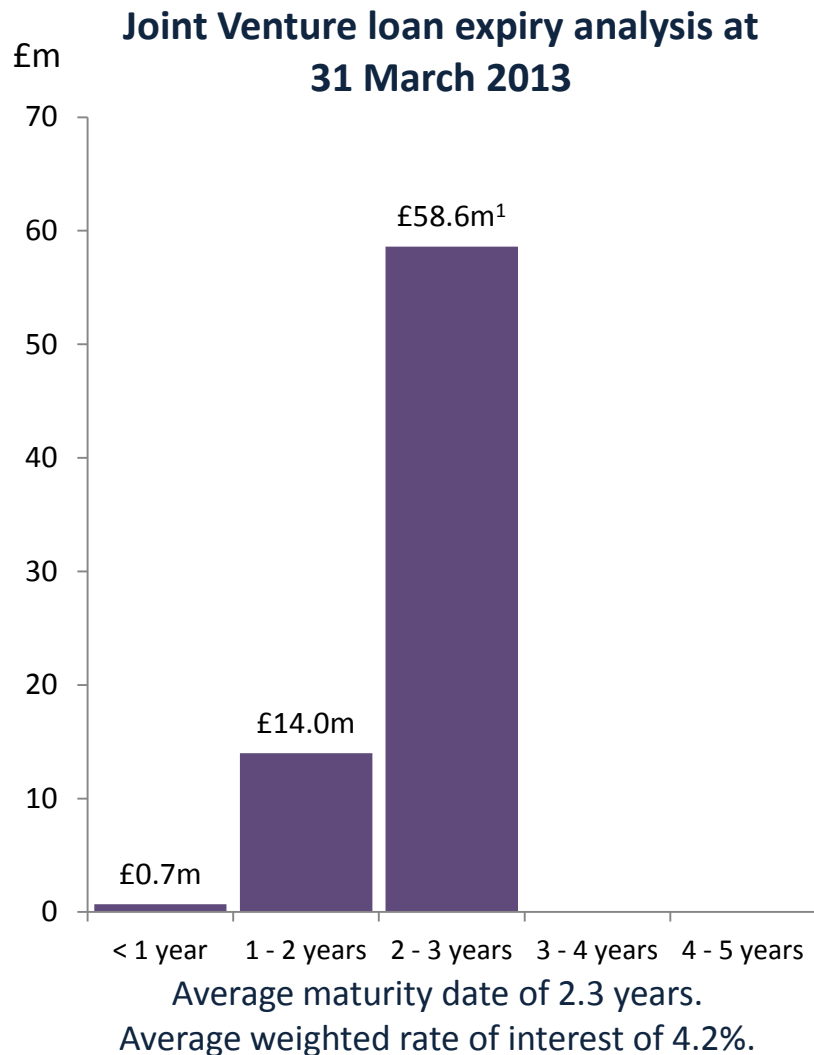
Loan expiry analysis at 22 May 2013
(excludes JVs)



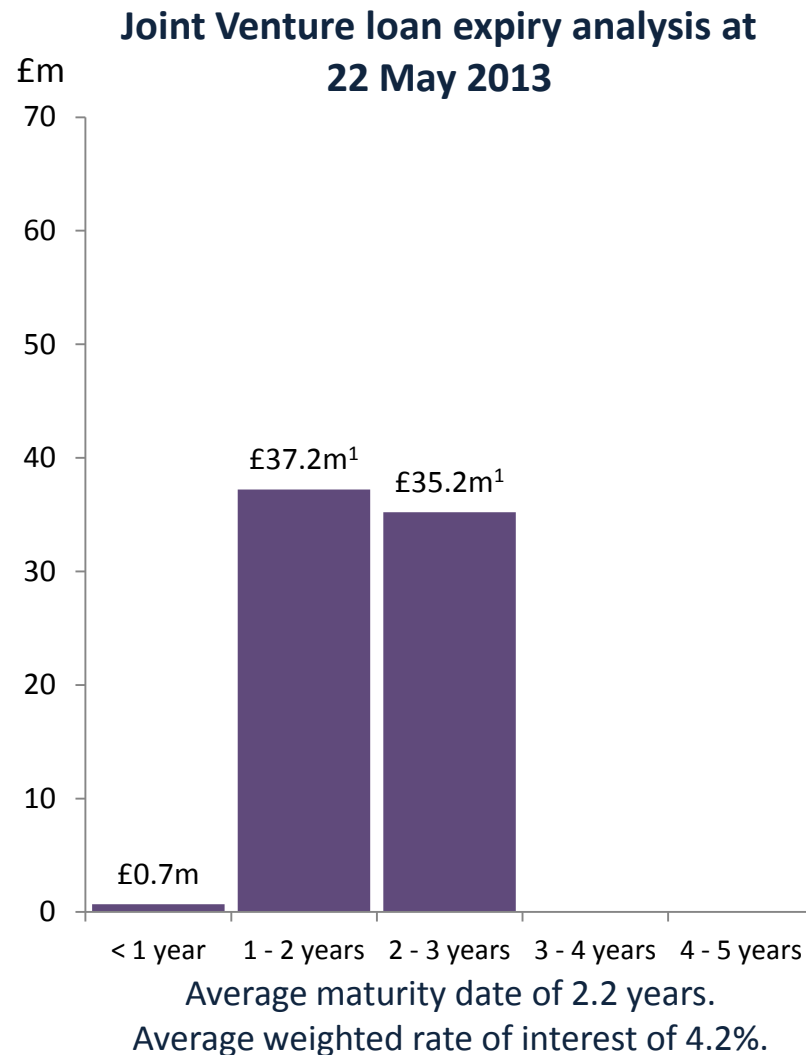
Average maturity date of 3.6 years.
Average weighted rate of interest of 4.2%.

¹ £10.1m non-recourse





¹ £47m non-recourse of which £22m has interest guarantees



¹ £47m non-recourse of which £22m has interest guarantees



- **Growing annualised net rents of £28.7m**
- **Annualised interest cost of c. £13.9m at a current weighted average rate of interest of 4.2%**
- **This allows the company to maintain a progressive dividend policy**
- **We maintain excellent relationships with our banks having agreed c. £290m of facilities since January 2012**
- **Cash and unallocated bank facilities of c. £80m**



- It's taken the time but it will prove worth the wait
- Keep focused on our 'milestones'
- Target a much improved P & L 2014
- More good news to come pre-half year results
- The Helical model still works



APPENDIX



INVESTMENT PORTFOLIO (HELICAL'S SHARE)

	Value (m)	Equity (m)	% by Value
London office	£146.4	£67.9	36.0 %
South East office	£14.7	£5.1	3.6 %
Industrial	£12.3	£3.7	3.0 %
In town retail	£216.0	£78.6	53.0 %
Out of town retail	£11.6	£5.4	2.9 %
Retirement village	£6.0	£6.0	1.5 %
Total	£407.0	£166.7	100 %

Note: Barts and Old Street are held as investments



- Continued trend of acquisitions in London

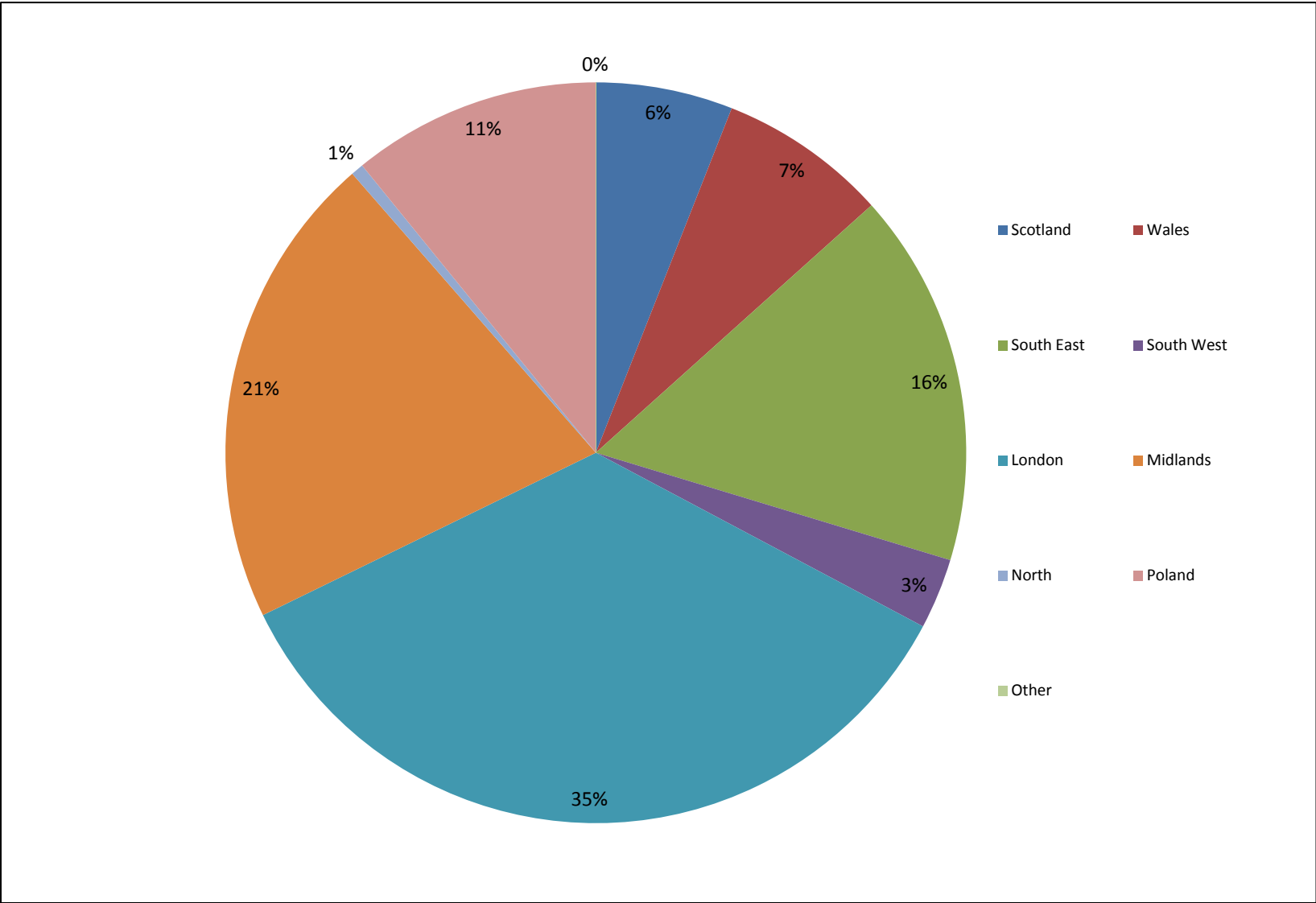
By Value	Mar 2012	Mar 2013	Change
Retail	60.8%	55.9%	-4.9%
Central London Offices	30.3%	36.0%	+5.7%
Other	8.9%	8.1%	-0.8%



TRADING & DEVELOPMENT PORTFOLIO (HELICAL'S SHARE)

	Book Value (m)	Fair Value (m)	Surplus Over Book Value (m)	% Value (Fair)
Office	£15.6	£27.3	£11.7	12.44%
Industrial	£1.4	£1.4	£0	0.64%
Retail	£22.3	£23.6	£1.3	10.75%
Retirement Village	£55.3	£72.6	£17.3	33.07%
Change of Use	£4.6	£6.8	£2.2	3.11%
Mixed Use	£5.0	£22.4	£17.4	10.19%
Poland	£65.4	£65.4	£0	29.8%
Total	£169.6	£219.5	£49.9	100.0%





51% of Helical's equity is deployed in London and the South East



	1 yr	3yrs	5yrs	10yrs	20yrs
Helical	8.6	5.6	3.7	10.8	14.4
IPD	3.9	7.2	1.5	4.4	8.9
Helical's Percentile Rank	5	61	12	1	1



Valuation increase of 1.3% in year to March, including capex, sales and purchase

	% of Portfolio (HB Share)	Valuation Change	Initial Yield	Reversionary Yield	Equivalent Yield (AiA)	Equivalent Yield (True QiA)
Industrial	3.0%	-9.5%	9.4%	9.8%	9.1%	9.6%
London Offices	36.0%	4.8%	6.1%	8.0%	7.5%	7.9%
South East Offices	3.6%	0.5%	8.3%	8.5%	8.5%	9.0%
In Town Retail	53.1%	-0.3%	7.5%	8.1%	7.7%	8.0%
Out of Town Retail	2.9%	0.1%	5.2%	6.4%	6.4%	6.7%
Retirement Villages	1.4%	19.0%	n/a	n/a	n/a	n/a
Total	100.0%	1.3%	7.2%	8.1%	7.7%	8.0%

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



	Capital Value psf	Vacancy Rate (floor area)	Average Unexpired Lease Term (years)
South East Offices	£209	0.0%	16.8
London Offices	£230	12.3%	3.6
Retail	£133	3.0%	7.1
Industrial	£63	12.5%	2.9
Total	£163	5.7%	6.4



INVESTMENT PORTFOLIO – CHANGES TO RENTAL VALUES

	Year to March 13	Year to March 2012
Industrial	-0.4%	-0.9%
London Offices	5.9%	2.8%
South East Offices	0.0%	0.8%
All Offices	5.1%	2.5%
In Town Retail	-1.3%	1.0%
Out of Town Retail	0.0%	-2.0%
All Retail	-1.2%	0.8%
Total	0.4%	1.2%



	Lease expiries and tenant break options in:				
	2013	2014	2015	2016	2017
Percentage of rent roll	11.4%	13.6%	8.9%	12.2%	10.9%
Number of leases	104	107	66	66	68
Average rent per lease	£32,600	£37,800	£40,000	£54,900	£47,600



Excluding administrations 73% of rent “at risk” retained

	Remained in occupation	Vacated	% Retained
Leases renewed	£1.49m	£0.67m	69.0%
Break options not exercised	£0.54m	£0.09m	85.9%
Rent retained	£2.03m	£0.75m	72.9%



TOP TENANTS (HELICAL SHARE OF RENT)

Rank	Tenant	Tenant Industry	Rent (Helical)	% Rent Roll
1	Endemol UK Ltd	Media	£1,526,923	5.3%
2	Barts and The London NHS Trust	Government	£1,174,844	4.1%
3	TK Maxx	Retail	£1,160,000	4.1%
5	Quotient Bioresearch Ltd	Biotech	£907,456	3.2%
4	Asda Stores Ltd	Retail	£637,411	2.2%
6	Argos	Retail	£454,125	1.6%
7	Fox International Channels	Media	£445,053	1.6%
8	AMEC Group Ltd	Engineering	£438,751	1.5%
9	Wickes Building Supplies Ltd	Retail	£430,139	1.5%
10	Metropolis Group	Media	£400,000	1.4%
Total			£7,574,702	26.5%

Top 10 tenants account for 26.5 % of the rent roll



Helical have concluded c. £290m of new banking facilities since February 2013

Group Facilities

Date	Bank	Loan Amount	Term	Type	Hedging Strategy
Feb 2012	RBS	£100m	5 years	Revolving	£50m fixed at 3.95% including margin. Interest rate cap on remaining at 4.00% plus margin
May 2012	Nationwide	£3m	3 years	Investment	No hedging
Nov 2012	Aareal	£52m	5 years	Investment	50% fixed at 4.24% including margin
Nov 2012	HSBC	£10m	3 years	Site holding	No hedging
Dec 2012	RBS	£11m	18 months	Development	No hedging
May 2013	Barclays	£75m	53 months	Revolving	£42m fixed at 4.6%
	Total	£251m			

Joint Venture Facilities

Date	Bank	Loan Amount	Term	Type	Hedging Strategy
Feb 2012	HSBC	£5m	3 years	Investment	No hedging
Dec 2012	HSBC	£31m	3 years	Investment	£28.5m fixed at 4.35% including margin, £2.5m capped at 1.00% plus margin
Jan 2013	RBS	£3m	2 years	Site holding	No hedging
	Total	£39m			



	£m
Directors	
- Share Awards (unvested)	2.4
- Deferred Payments	0.8
- Cash Payments	2.5
Other	0.3
Payroll taxes	0.8
Total charge in the year	<u>£6.8</u>



