



HELICAL

ANNUAL RESULTS
TO 31 MARCH 2016

www.helical.co.uk

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AGENDA

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Gerald Kaye

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Tim Murphy

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Gerald Kaye

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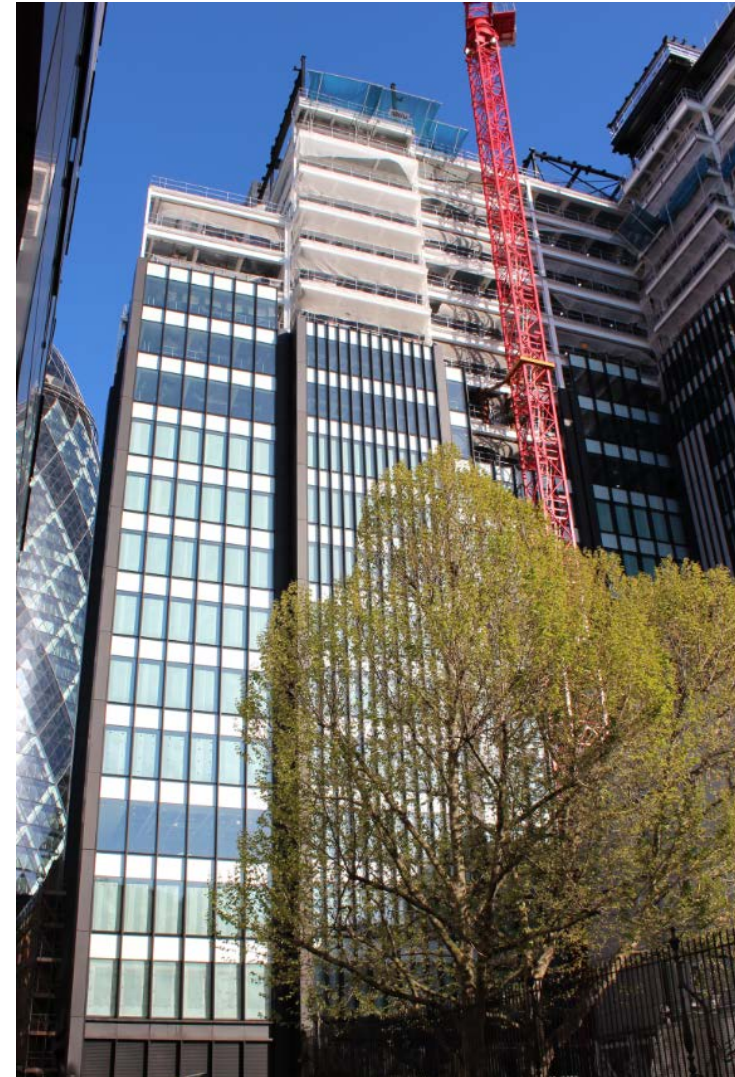
Q & A

Highlights

Gerald Kaye

STRATEGY – CLEARER FOCUS

- Helical has assets in:-
 - London for development profit, income and capital growth
 - the regions for income and capital growth
- “Equity lean” - leveraging the balance sheet to have disproportionate upside development exposure whilst managing downside risk
- Efficient recycling of capital
- Increase proportion of London assets whilst maintaining sufficient cashflow from regional assets
- In regions concentrate on industrials and offices in major cities
- UK only
- Continue to increase size of company which will:-
 - enable larger transactions
 - decrease cost of capital
 - improve liquidity in shares



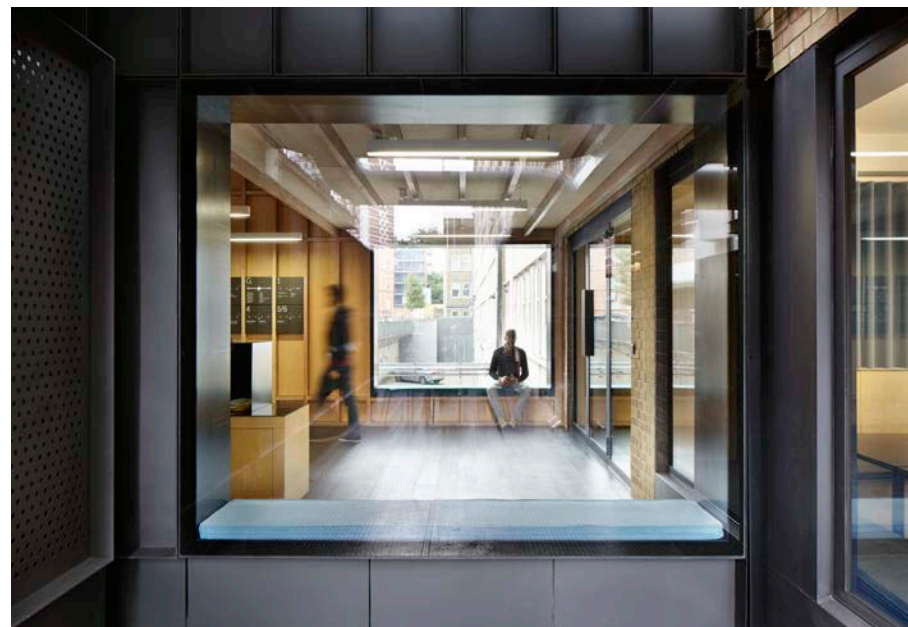
One Creechurch Place

RESULTS HIGHLIGHTS

Profit Before Tax £120m Increased by £33m (38%) from 2015	EPRA NAV Per Share 461p Increase of by 76p (19.7%) from 2015	Dividend Per Share 8.17p Increased by 0.92p (12.7%) from 2015
Rental Income Received £45.5m (18.7%)	Valuation Gain £129.3m (11.1%)	Loan To Value 55%



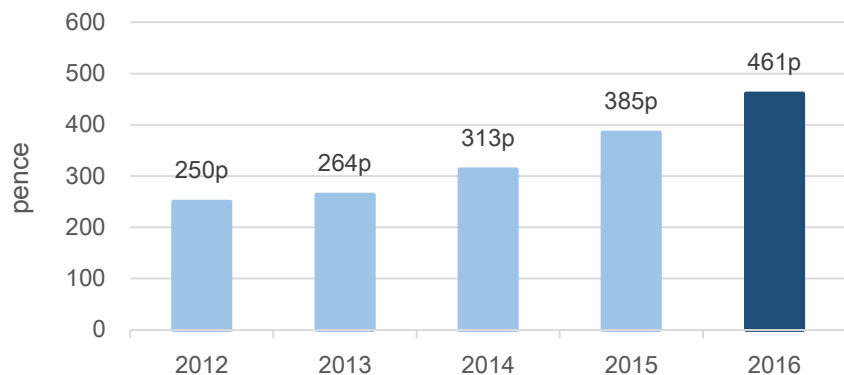
The Bower



The Shepherds Building

STRONG NAV AND DIVIDEND GROWTH OVER 3 YEARS

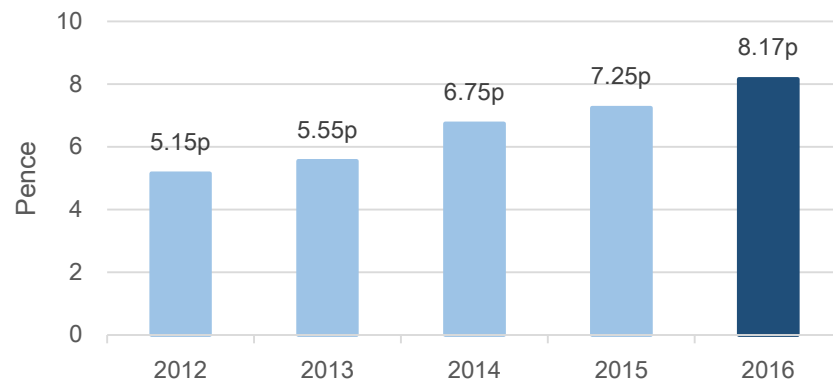
EPRA net assets per share



Growth	5.6%	18.6%	23.0%	19.7%
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CAGR 20.4%

Dividend per ordinary share

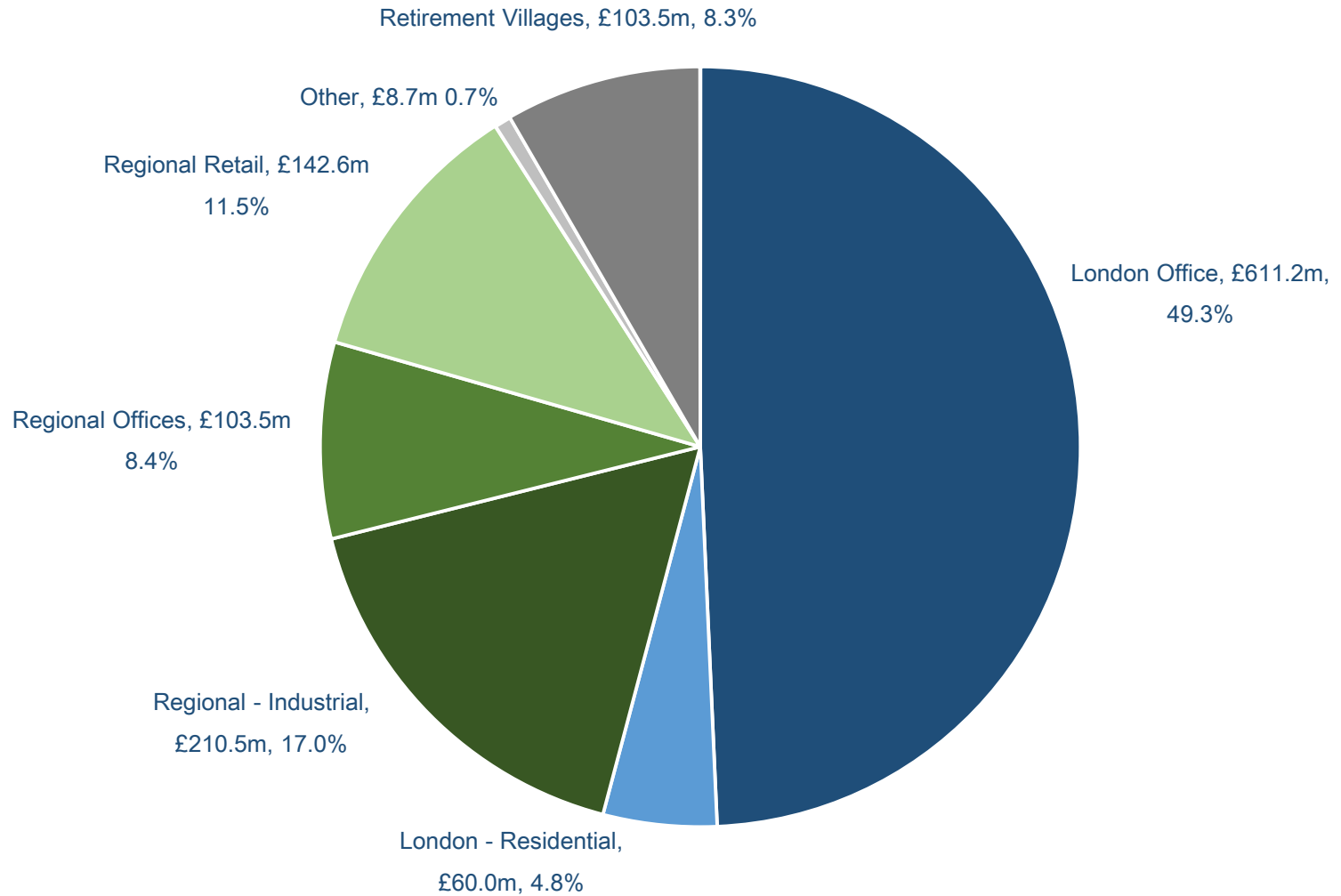


Growth	7.8%	21.6%	7.4%	12.7%
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CAGR 13.8%

Combined total return over 3 years 20.3%

PORTFOLIO ALLOCATION

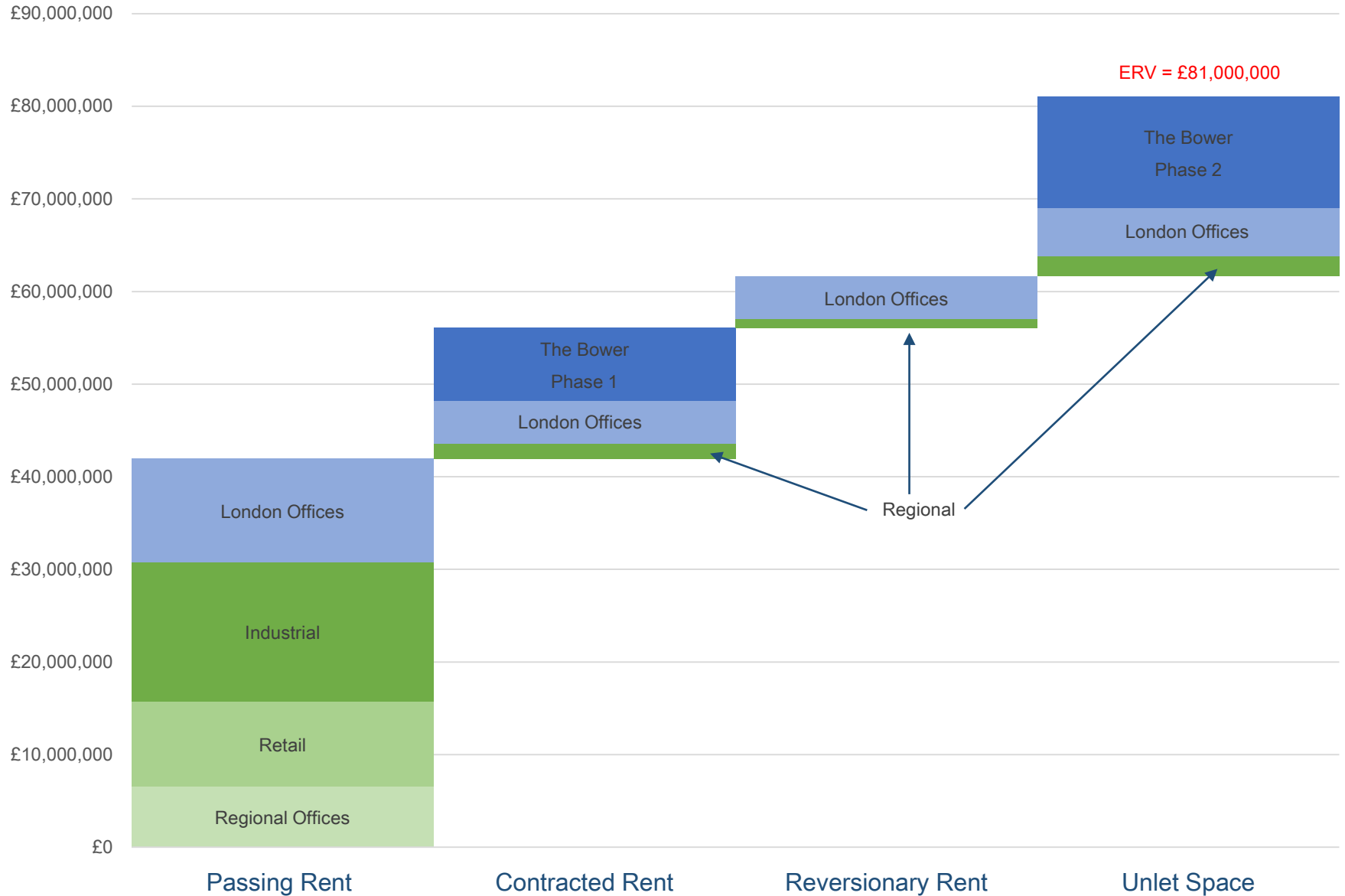


TOTAL VALUE: £1.24bn

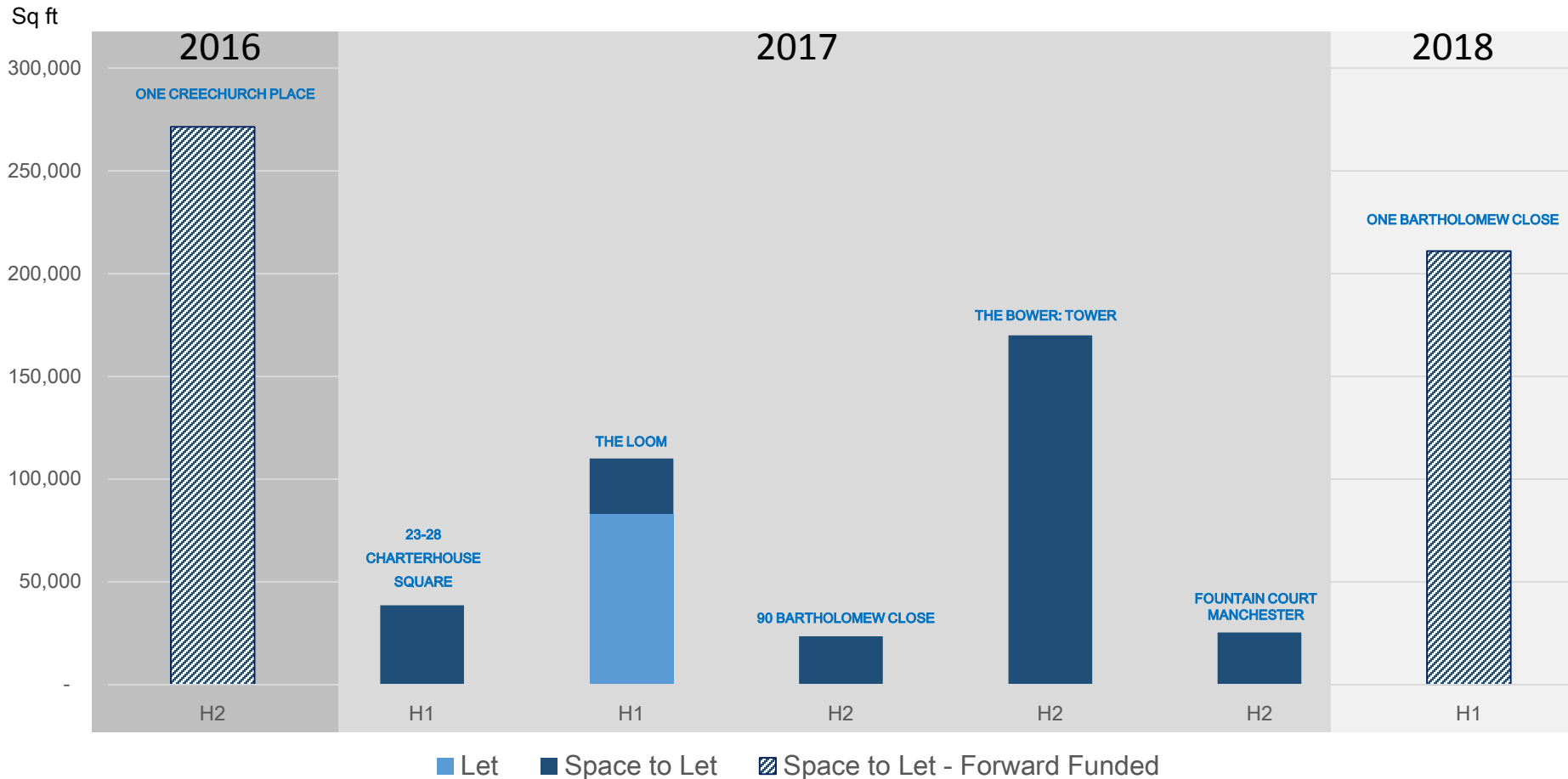
OPERATIONAL HIGHLIGHTS – STRONG ACTIVITY

<p>Sales £279.2m</p> <ul style="list-style-type: none"> • Enterprise House Paddington £43.0m • One Bartholomew Close (our share) £44.9m • Clifton Street £38.3m • Artillery Lane £15.1m • Regional Assets £78.0m • Polish Retail £53.1m 	<p>Purchases £296.9m</p> <ul style="list-style-type: none"> • The Bower – remaining $\frac{2}{3}$ interest £168.0m • Power Road Studios, Chiswick £34.2m • Industrial / Logistics £89.0m
<p>Leasing Activity – Additional Contracted Rent £12.7m</p> <ul style="list-style-type: none"> • The Warehouse and Studio at The Bower £7.9m • C Space – MullenLowe Ltd £2.6m • Shepherds Building £1.9m 	<p>Gross Profit £171.4m</p> <ul style="list-style-type: none"> • The Bower £54.0m • Shepherds Building £24.3m • C Space £18.6m • Barts Square £16.5m • The Loom £12.8m

GROWING RENTAL STREAM INTO THE FUTURE



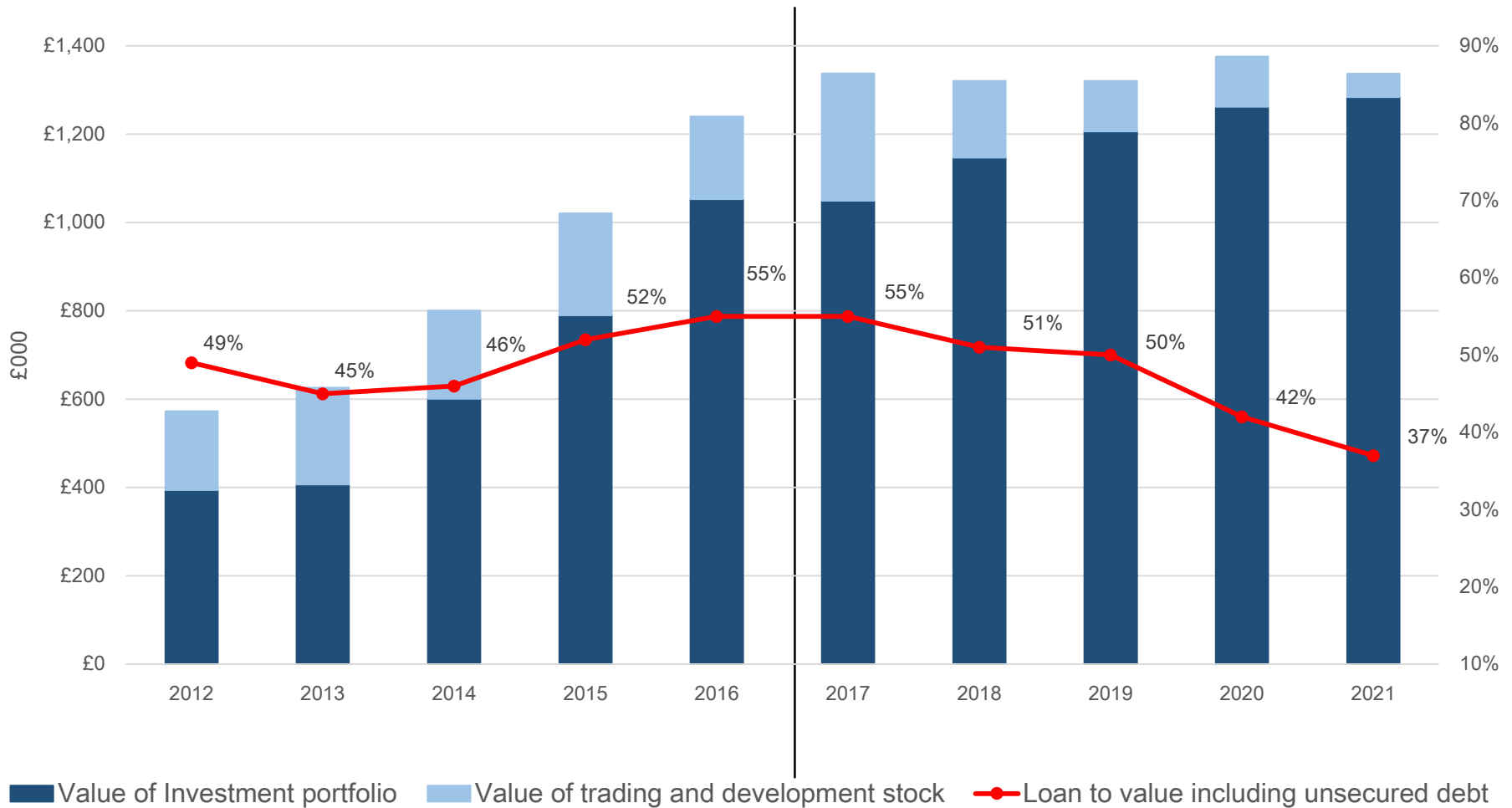
UPSIDE OPPORTUNITIES



- Good upside potential to growing areas of London
- 800,000 sq ft offices to be completed in 3 years
- In addition; Barts Square, Hammersmith and Drury Lane residential
- Two thirds of development portfolio derisked

LOAN TO VALUE

- Current LTV 55%
- Clear trajectory to LTV of 37% by 2021



MARKET COMMENT

- UK economy slowing – forecast downgraded from 2.4% at 1st January to 2.1% now
- London dynamics still strong:-
 - 14% of UK population produces 23% GDP
 - Population anticipated to grow from 8.6m in 2015 to 9.7m in 2025¹
 - Office employment growth 35,000 pa average over next 5 years² - this equates to 17.5m sq ft of **new** office space
 - Q1 2016 take up in central London 3.1m sq ft. Vacancy 2.6%³
 - 14.2 million sq ft under construction, up 28% over 6 months, 42% pre-let⁴

^{1,2} Oxford Economics/Moody's Analytics

³ CBRE

⁴ Deloitte

OCCUPIER COMMENT

- Re-urbanisation
- Migration from west to east
- War for talent
- Demand for quality public realm and amenities
- Clusters around transport links

“And with EC1 the fastest growing postcode in Europe with 30,000 plus business growing there in the past two years, it just makes sense to be there. We need to be where the conversation is happening so this is not about saving a heap of money. This is about talent.”

Jamie Elliott, CEO of MullenLowe Ltd
Evening Standard

Tenant at C Space



C Space

SUMMARY

- Yield compression slowing but ongoing rental growth
- Execution of business plan for individual asset to drive surpluses
- Strong collection of London buildings for ongoing growth
- Upside with 800,000 sq ft of development and refurbishment space to let
- Industrials, Manchester offices and Cardiff Retail will all benefit from rising rents



Dale House, Manchester



Barts Square

Financials

Tim Murphy

HEADLINE NUMBERS

INCOME STATEMENT	Mar 2014	Mar 2015	Mar 2016	
Net rental income	£29.8m	£38.6m	£43.4m	+12%
Development profits	£65.0m	£17.6m	£27.5m	+56%
Gain on sale and revaluation of investment properties	£45.0m	£96.6m	£99.7m	+3%
IFRS profit before tax	£101.7m	£87.4m	£120.1m	+37%
EPRA profit before tax	£38.9m	£2.8m	£19.6m	+699%
EPRA earnings per share	33.3p	2.4p	17.1p	+613%
Total dividend per share	6.75p	7.25p	8.17p	+12.7%

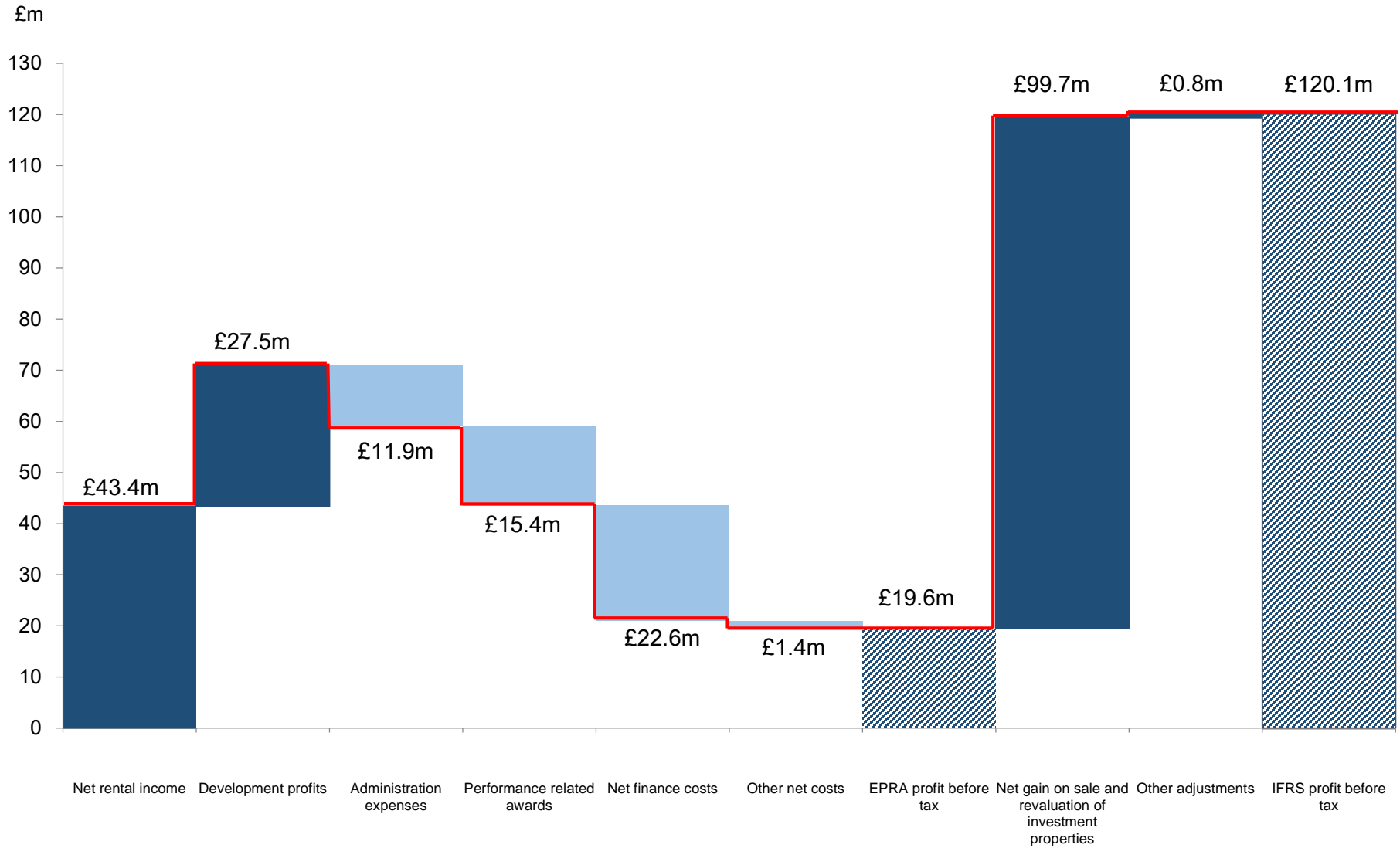
BALANCE SHEET		Mar 2014	Mar 2015	Mar 2016
Total portfolio at fair value		£802m	£1,021m	£1,240m
EPRA net asset value per share		313p	385p	461p Up 20%
Net Debt		£365m	£532m	£682m
Loan to value ratio	- Secured ²	36%	34%	40%
	- Overall	46%	52%	55%

Notes:

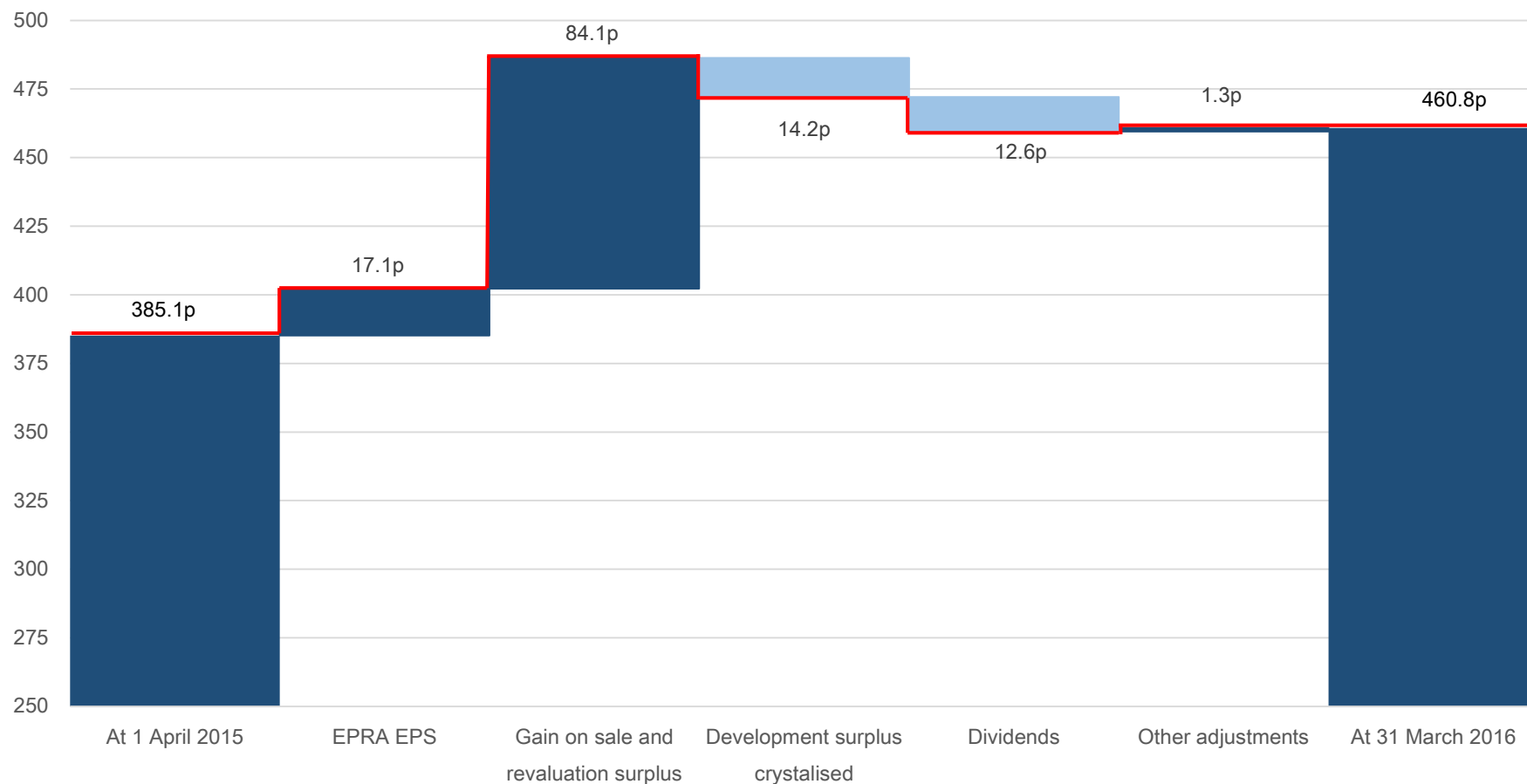
1 All figures include share of joint ventures

2 Ratio of secured debt to total property portfolio

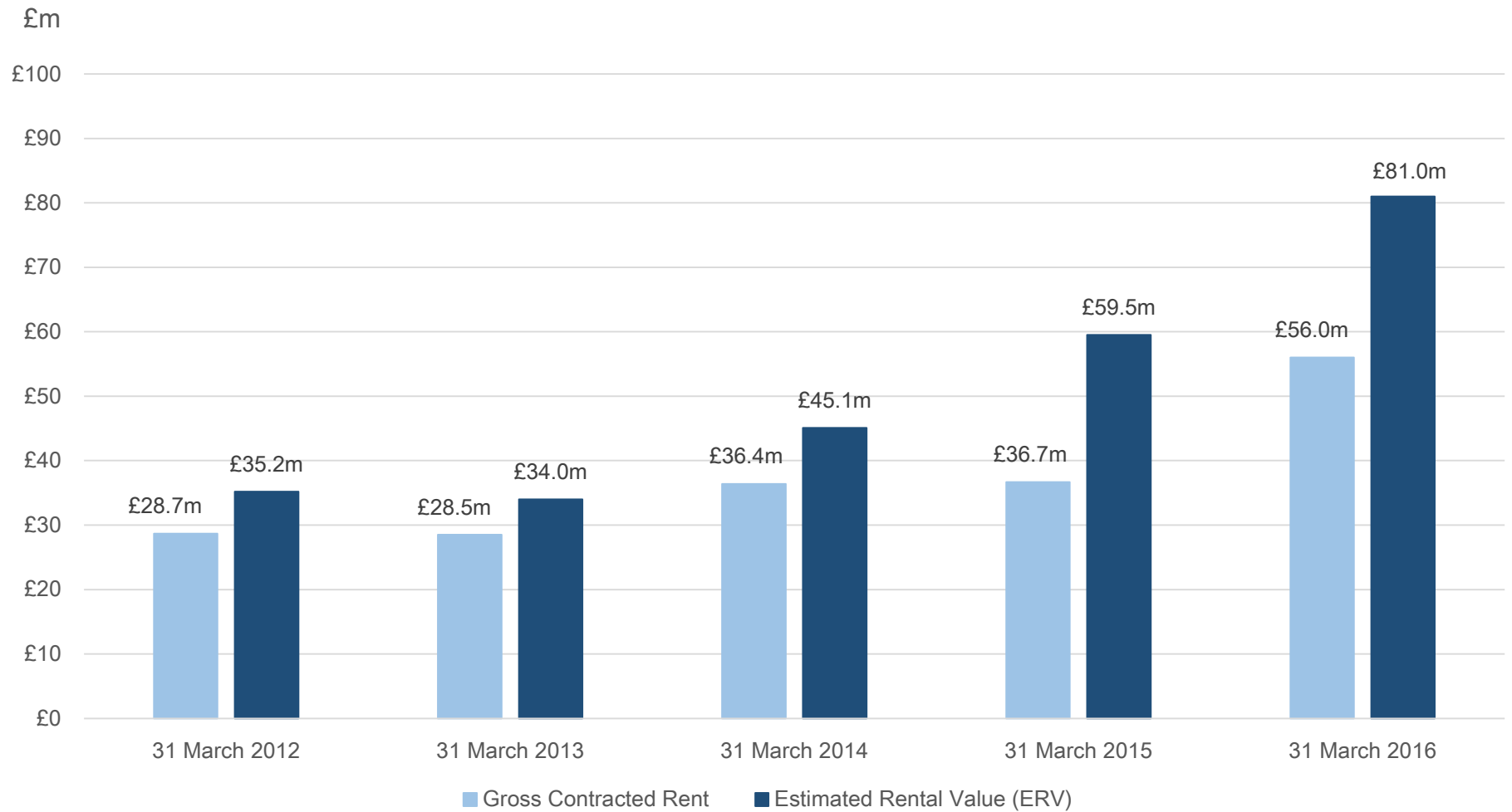
INCOME STATEMENT



EPRA NET ASSETS PER SHARE

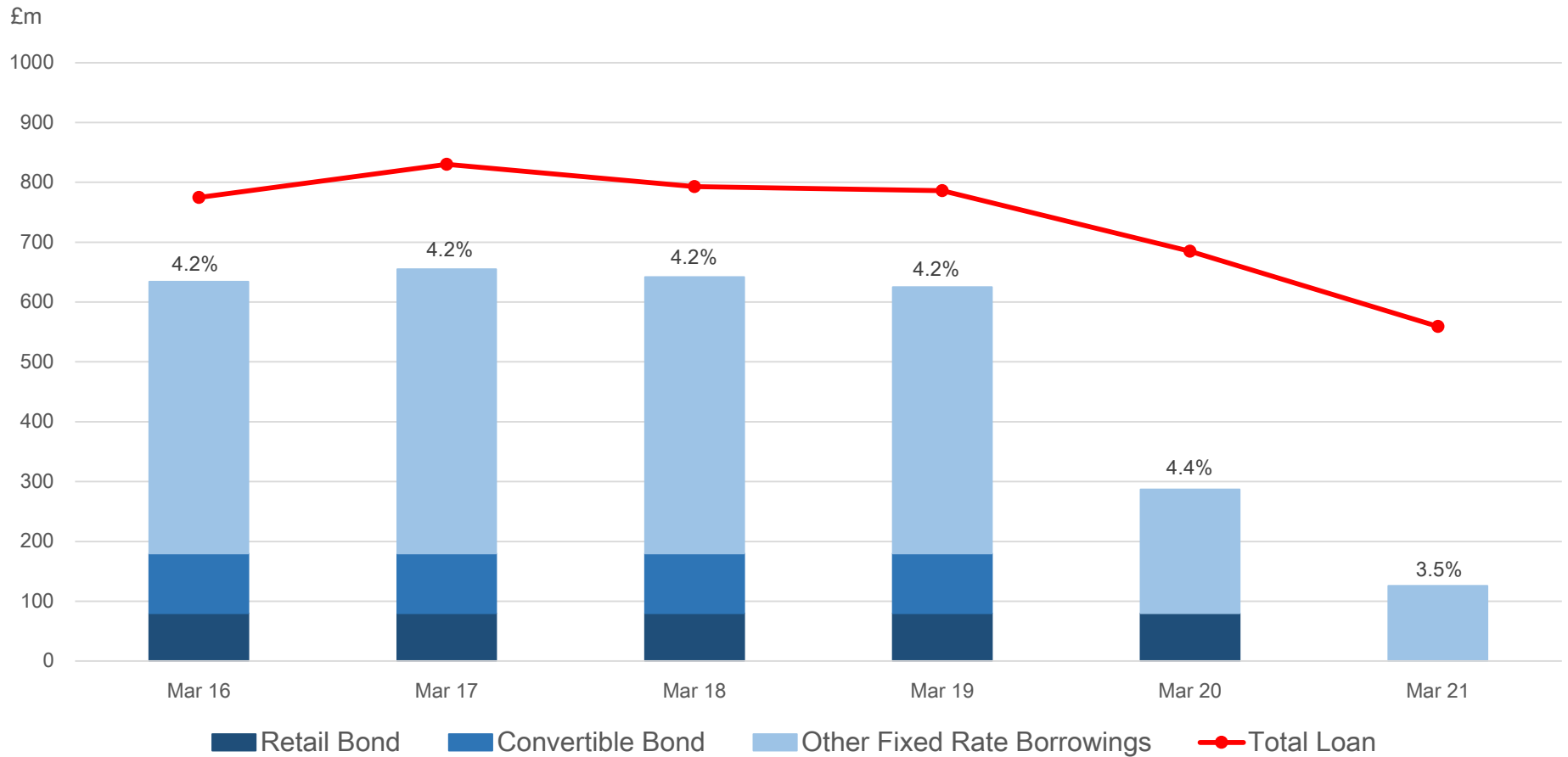


HELICAL – RENTAL INCOME



INTEREST RATE PROTECTION

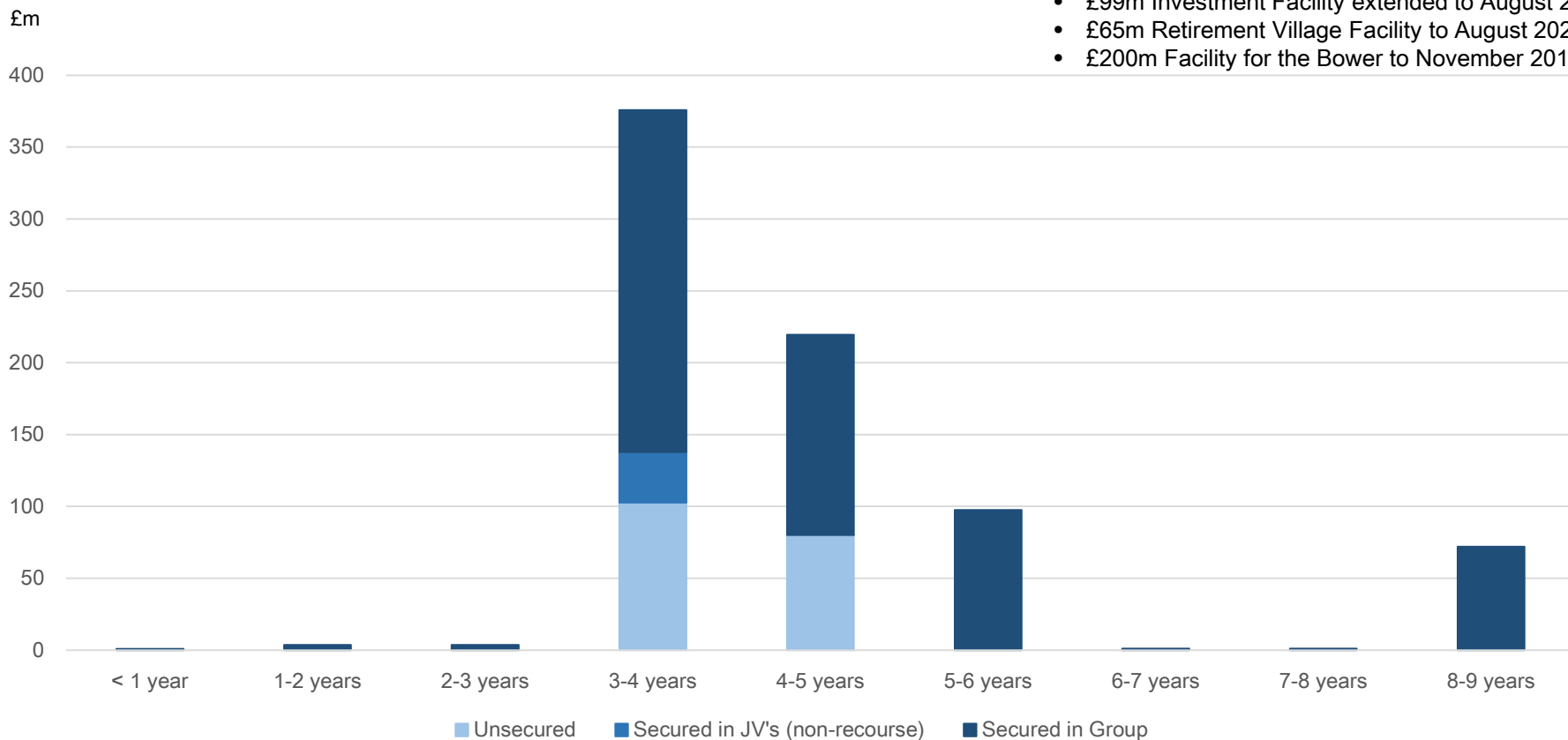
Fixed rate borrowings



LOAN EXPIRY AT 31 MARCH 2016

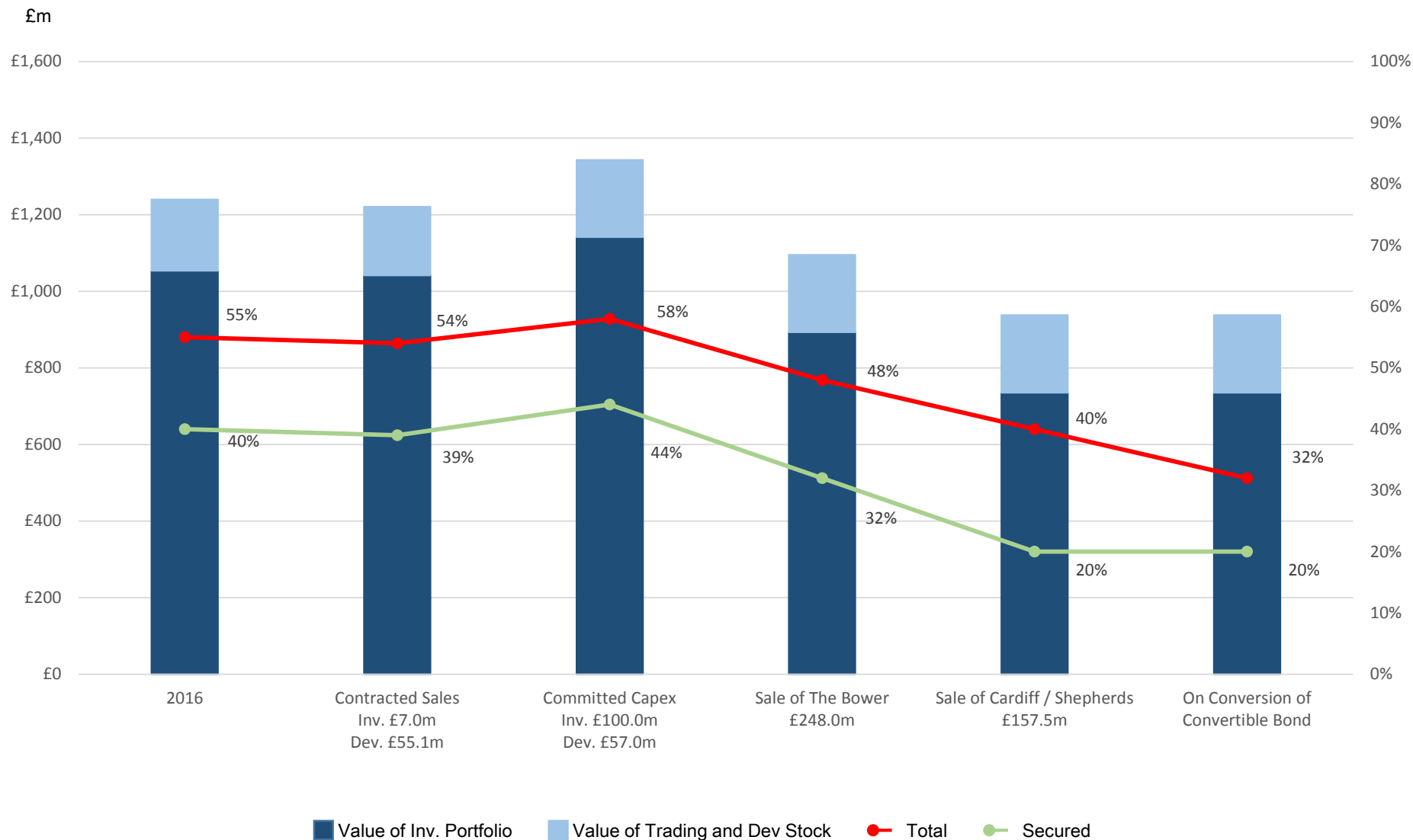
Average maturity 4.5 years
 Average cost of debt 4.2%

- £100m RCF extended to April 2021
- £99m Investment Facility extended to August 2020
- £65m Retirement Village Facility to August 2020
- £200m Facility for the Bower to November 2019



Notes:
 The above excludes the effect of arrangement fees

MANAGING OUR LOAN TO VALUE



SUMMARY OF KEY FINANCIALS

- Growing income stream as the reversion on the investment portfolio is captured
- Finance costs contained with over 80% of debt hedged for over 4 years
- Debt maturity has increased to 4.5 years with no secured loans repayable before November 2019
- As we execute our business plan over the next few years we expect LTV to fall to c. 37% by 2021. However, we remain nimble enough to be able to take action to reduce LTV quickly, should this be deemed necessary



C Space

Portfolio

Mathew Bonning-Snook | Duncan Walker

THE BOWER, OLD STREET, LONDON EC1

Phase 1

- Empire House – (Z Hotel/Ceviche) sold for £20.65m
- The Studio – 18,363 sq ft fully let - £980,000 (one office tenant - £45psf)
- The Warehouse – 121,923 sqft fully let - £8,050,000 (five office tenants £50.25 - £68psf)

Phase 2

- 171,000 sqft speculative office
- 17 floors (9,500 – 11,300 sq ft floors) Two ground floor retail/restaurant units
- Under construction
- Completion due Q1 2018

- Profit recognised to date £76m
- Further profit potential £35m

C SPACE, LONDON EC1

- C Space completed October 2015
- 62,000 sq ft of office space
- 75% pre let to MullenLowe Ltd
- £2.6m pa rent currently + c. £1m on letting remaining space
- Profit recognised £30m

BARTS SQUARE, LONDON EC1

Residential

- Completion Q2 – Q3 2017
- 144 residential units launched:-
 - Total value £195m
 - 102 exchanged, value £129m
 - Average sales price to date £1,580 psf

Residential Next Phase

- 92 residential units
- 11,800 sq ft retail
- Commence Q4 2016
- Complete Q1 2019

- Profit recognised to date £23m
- Further profit potential £25m

ONE BARTHOLOMEW CLOSE, LONDON EC1

- 212,858 sq ft speculative office
- On site, due to complete July 2018
- Site sold to clients of Ashby Capital LLP for £102.4m resulting in Helical profit of £26m
- Baupost/Helical to receive further profit share based on fixed yield, variable on rent
- Potential future profit to Helical c.£5-10m

ONE CREECHURCH PLACE, LONDON EC3



- Speculative office scheme 273,000 sqft net (17 floors)
- Under construction, due for completion Sept 2016
- City of London F/H. Funded development with HOOPP. Helical 10% ownership
- Ownership structure, funding structure and profit share explained in Appendices

- Assuming market incentives and letting within 12 months, profit share expectation:-
 - £60 psf overall - £18m
 - £65 psf overall - £23m
 - £70 psf overall - £28m
- EPRA NAV recognised £4m profit/surplus and £1m development management fee

CHARTERHOUSE SQUARE, LONDON EC1



- Speculative office scheme, 38,500 sqft net (plus 5,100 retail/restaurant)
- Under construction, due for completion – Mar 2017
- Profit share – Helical 15% priority return, thereafter 50/50 share with Charterhouse
- Rental expectation - £67.50psf
- Profit expectation - £6m



Farringdon East

KING STREET REGENERATION, HAMMERSMITH W6



- Dev Agreement with H&F BC in a 50/50 JV with Grainger
- Planning consent granted. S.73 amendment submitted, pending decision
- 197 residential units, cinema, restaurants and council office. GDV £215m
- Phase 1 (152 units & office) out to tender with contractors
- Anticipated profit to joint venture £30m (£15m each)

26-35 DRURY LANE & 8-12 DRYDEN STREET, LONDON WC2



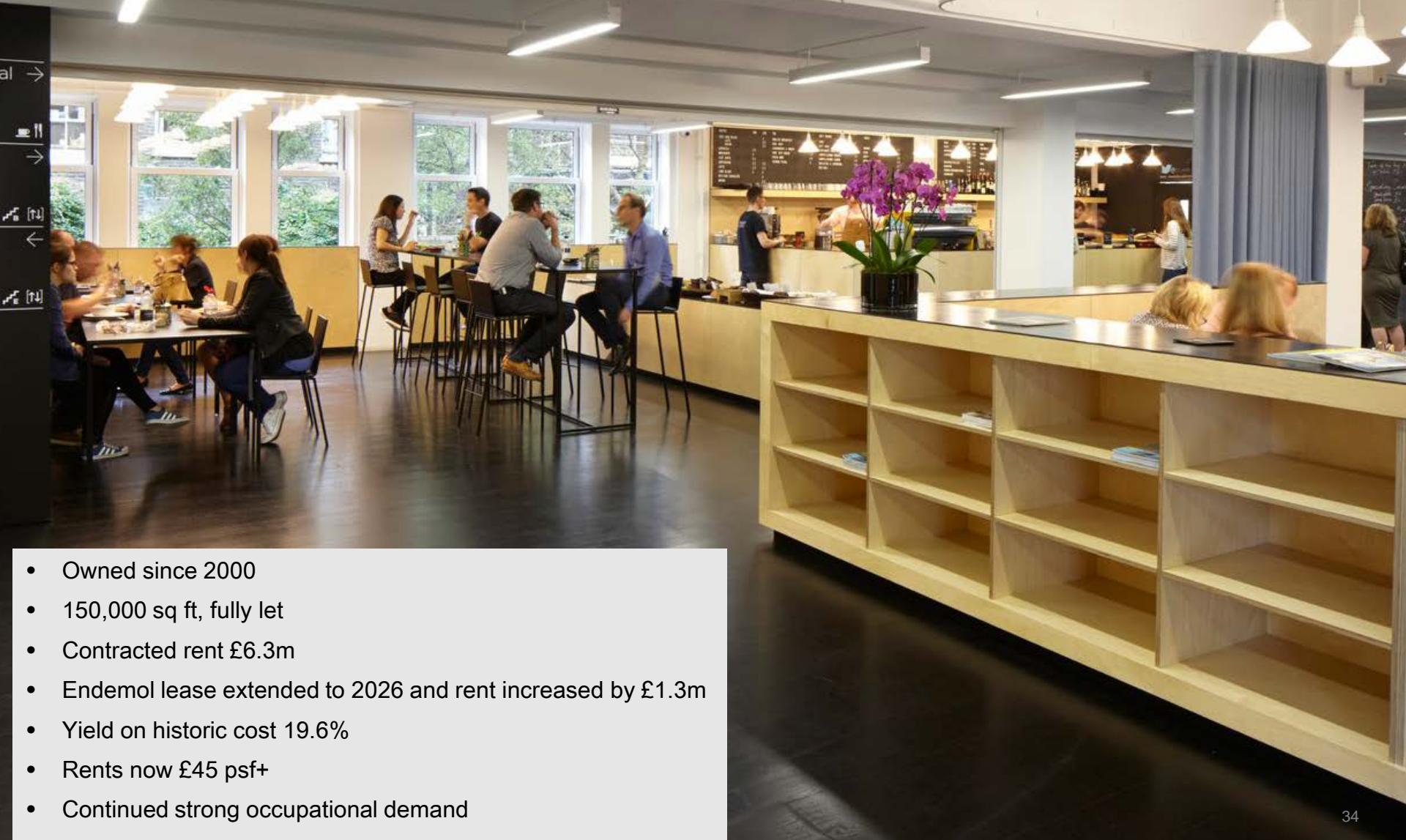
- Conditional purchase contract (subject to planning and viability)
- Resolution to grant planning, pending completion of S.106
- 68 apartments, 16,000 sq ft retail. GDV £157m
- Construction start Q2 2017
- Anticipated profit to Helical £15m - £25m

THE LOOM E1



- Acquired 2013. £34m. 112,000 sq ft
- Comprehensive refurb underway of all common parts and 25,000 sq ft of offices. Completes Summer 2016.
- Average rent at purchase £18 psf
- New lettings £45+ psf
- Highly reversionary

SHEPHERDS BUILDING W14



- Owned since 2000
- 150,000 sq ft, fully let
- Contracted rent £6.3m
- Endemol lease extended to 2026 and rent increased by £1.3m
- Yield on historic cost 19.6%
- Rents now £45 psf+
- Continued strong occupational demand

POWER ROAD STUDIOS, W4

- Acquired December 2015 for £34.2m. 4.4% NIY
- 62,000 sq ft multi let office on 2 acre site
- Average rents at acquisition £24.50psf
- New lettings at £38 psf. Now 5.25% yield on cost
- Studios ongoing to add space to site; potentially 40-50,000 sq ft
- Optionality when / if to extend



THE REGIONS: INDUSTRIAL / LOGISTICS



- Strong occupational demand
- Strong cash on cash returns; early / mid teens
- Little obsolescence
- Continue to acquire well located, well specified units at yields of 7.0%+
- Provides 35% of the group's rent roll

THE REGIONS: RETAIL



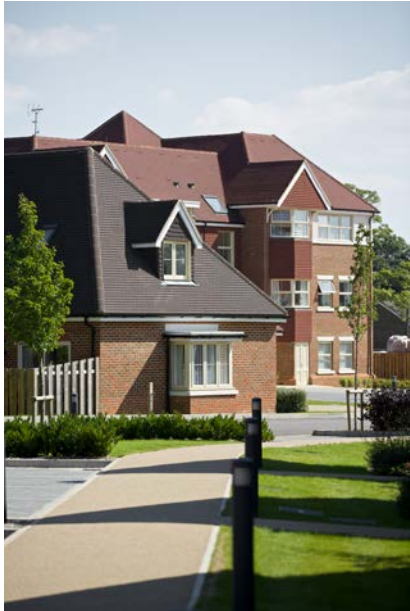
- Continued polarisation of market and dominance of prime
- Occupational demand for prime is strong with rising zone A rents
- 2 rent reviews concluded in Cardiff at £185 ITZA
- Retail warehousing - good cash cow, but likely to continue sales over next 12 months. Focus on industrial / London

THE REGIONS: OFFICES

- Focus on markets with a sufficient depth of occupational demand
- Provide high quality, economic space to a “London” standard
- Same principle as London – good common parts / tenant services
- Letting / refurbishment programme in Manchester progressing well. 30,000 sq ft let at Churchgate since April 2015. 93% let

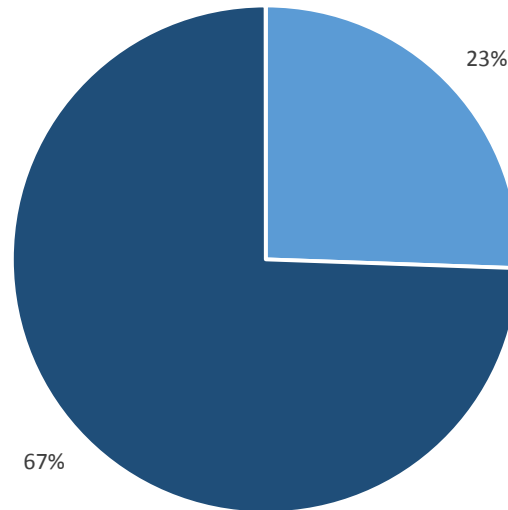


RETIREMENT VILLAGES

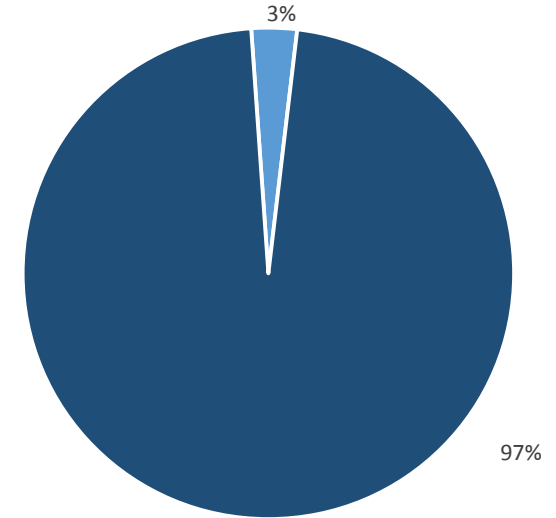


Durrants Village, Faygate

Population Over 60



% Homes designed for over 60's



- Ageing population: 23% over 60 now. 29% by 2036
- Chronic lack of fit for purpose housing
- Desire to downsize and release equity (bank of grandma and grandpa)
- Knight Frank estimate 25% of over 55's want to move into some form of retirement housing at some point
- Renaissance Villages JV now brought in-house. Full management control. Refreshed sales and marketing, interior design, on-site management
- Sales rate;
6 per month at Faygate (up from less than 2 before Christmas)
2 per month at Exeter (up from less than 1). Need more stock to sell!

RETIREMENT VILLAGES

Asset	No. Units	No. Built	No. Sold	No. Reserved	Status	Anticipated Completion	Profit to Come Inc. Clubhouse
Liphook	191	151	151	-	Phases 1-3 complete. Phase 4, 40 cottages underway	2018	£6.3m
Faygate	156	105	54	24	105 built. Remainder commence summer 2016	2019	£8.9m
Exeter	164	43	28	10	Construction ongoing	2018	£6.5m
Great Alne	150	0	0	2	Construction started. Delivery of first units January 2017	2020	£6.2m
TOTAL	661	299	233	36			£27.9m



Outlook

Gerald Kaye

OUTLOOK

- Well positioned for growth
- Development gain from London schemes and retirement villages.
- Over last 12 months we have delivered on our goals:-
 - Sold 6 buildings
 - Reinvested £297m
 - Sold 38 residential units at Barts Square
- Over next 12 months:-
 - Lettings in London
 - Ongoing residential sales
 - Reposition parts of portfolio



The Powerhouse

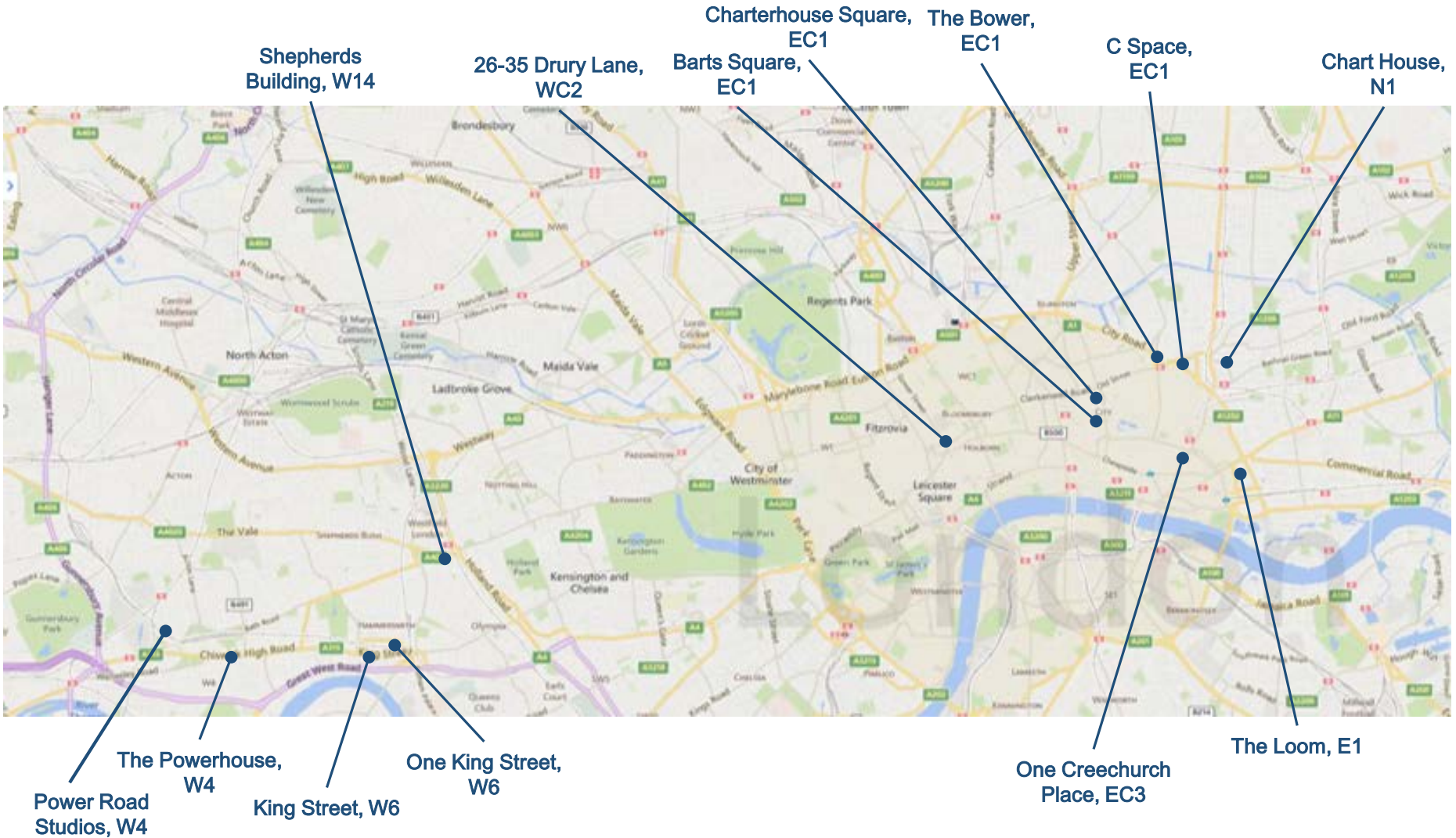


90 Bartholomew Close

Q&A

Appendix

LONDON PROPERTIES



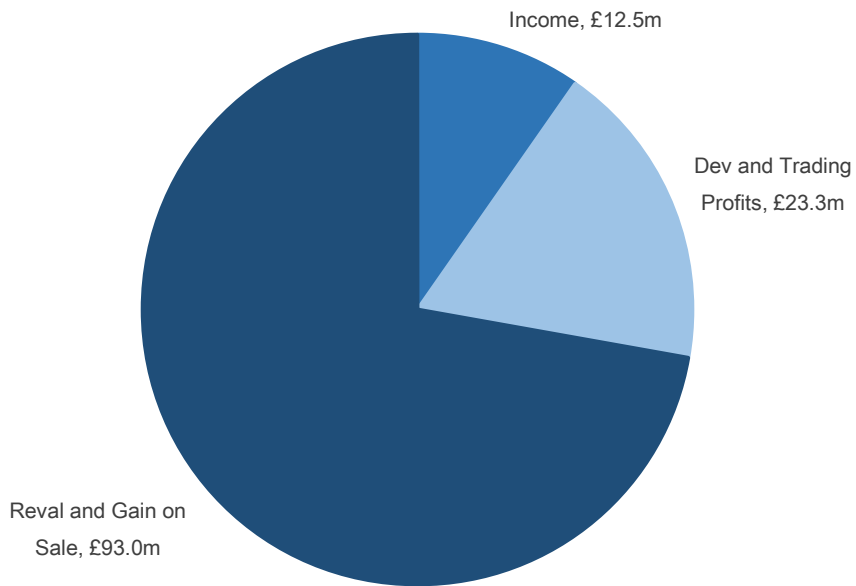
London Development Scheme Review

Property	Partner	HB Share	Status	Start	Area Sq Ft NIA	Total Cost	Completion	Helical Profit to Date	Potential Helical Profit to Come
The Bower, Old Street London EC1		100%	Phase 1 Completed Phase 2 under construction	Phase 1 – Completed	The Studio 18,283 sq ft office 4,894 sq ft retail	£180m	Phase 1 – Nov 2015	£76m	£35m
					The Warehouse 122,858 sq ft office 5,404 sq ft retail				
			Phase 2 – Jan 2016	The Tower 171,000 sq ft office 7,500 sq ft retail	£183m	Phase 2 – Q1 2018			
C-Space City Road London EC2	None	100%	Completed	Commenced main start – May 2014	62,000 sq ft net office	£36m	October 2015	£30m	-
Barts Square London EC1	Baupost	33.3%	Under construction	Phase 1 – Jan 2015	144 apartments 33,200 sq ft office 8,800 sq ft retail	£250m	Phase 1 – Q2 2017	£23.7m	£25m
			Planning consent	Phase 3 – Nov 2016	92 apartments 11,800 sq ft retail		Phase 3 – Q1 2019		
One Bartholomew Close	Ashby	Profit Scheme	Under construction	Jan 2016	212,858 sq ft office	£220m	Q3 2018	£26m	£5m - £10m
One Creechurch Place London EC3	HOOPP	10% + profit share	On site	2014	272,000 sq ft NIA office 2,227 sq ft A3	£160m	Sept 2016	£5m	£20m+
23-28 Charterhouse Square EC1		100%	Under construction	Q4 2015	38,500 sq ft office 5,100 sq ft retail	£38m	Q1 2017	£2m	£6m
King Street, Hammersmith W6	Grainger	50%	Planning consent	Phase 1 – Q1 2017	300,000 sq ft residential, office, leisure	£140m	Phase 1 - Q4 2019	-	£15m
				Phase 2 – Q1 2019			Phase 2 – Q4 2021		
26-35 Drury Lane 2 – 12 Dryden Street WC2	Savills	Conditional Purchase contract	Resolution to grant planning obtained	Q2 2017	68 apartments 16,000 sq ft retail	£125m	Q3 2019	£1m	£15m - £25m

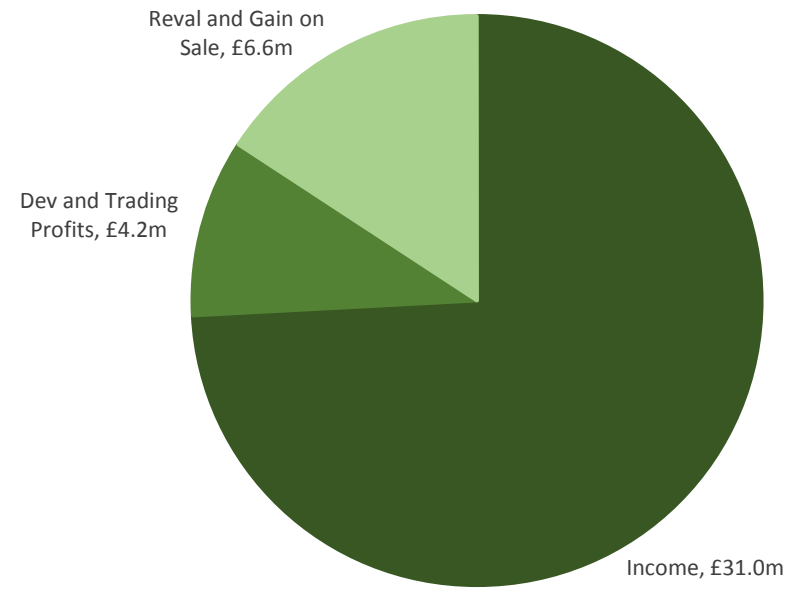
TOTAL RETURNS

- The strategy is working to deliver strong total property returns.

London Total Returns



Regional Total Returns



Total property return of £170.6m

INVESTMENT PORTFOLIO – KEY STATISTICS

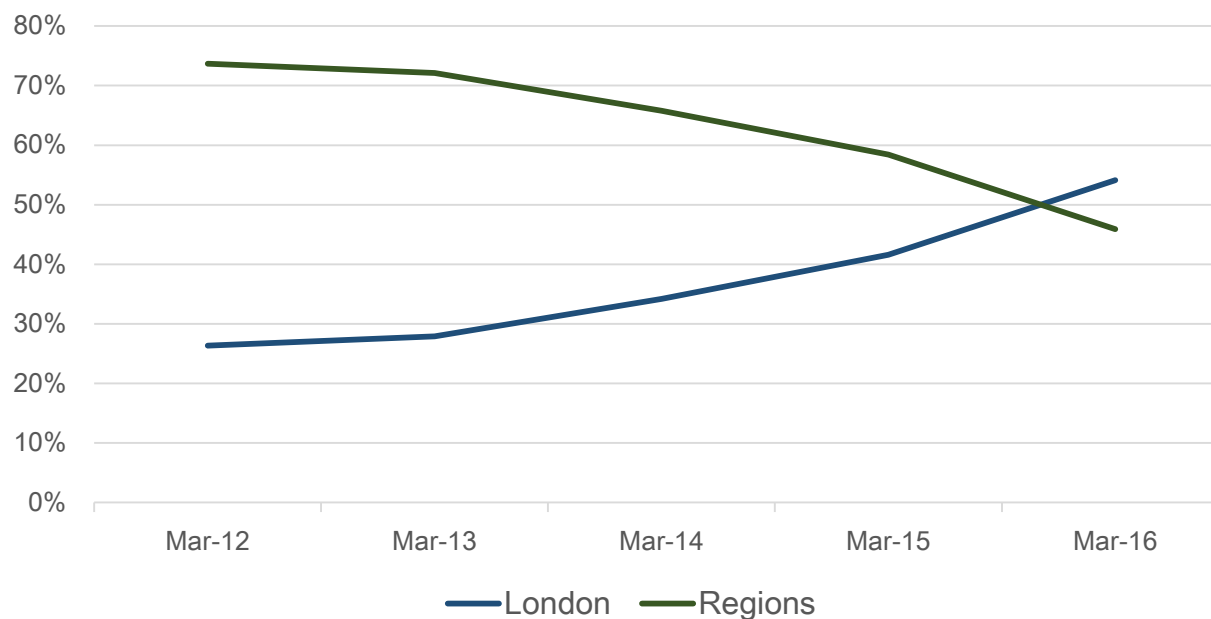
Valuation increase of 11.1% in year to March, including capex, sales and purchase for assets held as investments

	% of Portfolio (HB Share)	Valuation Change	Net Initial Yield	Reversionary Yield
London Offices	56.4%	18.8%	2.5%	6.1%
Retail	12.8%	-0.3%	6.1%	6.5%
Industrial / Logistics	20.0%	1.1%	6.4%	7.2%
Regional Offices	9.7%	3.0%	5.9%	7.5%
Other	1.1%	4.9%	-	-
TOTAL	100%	11.1%	4.0%	6.6%

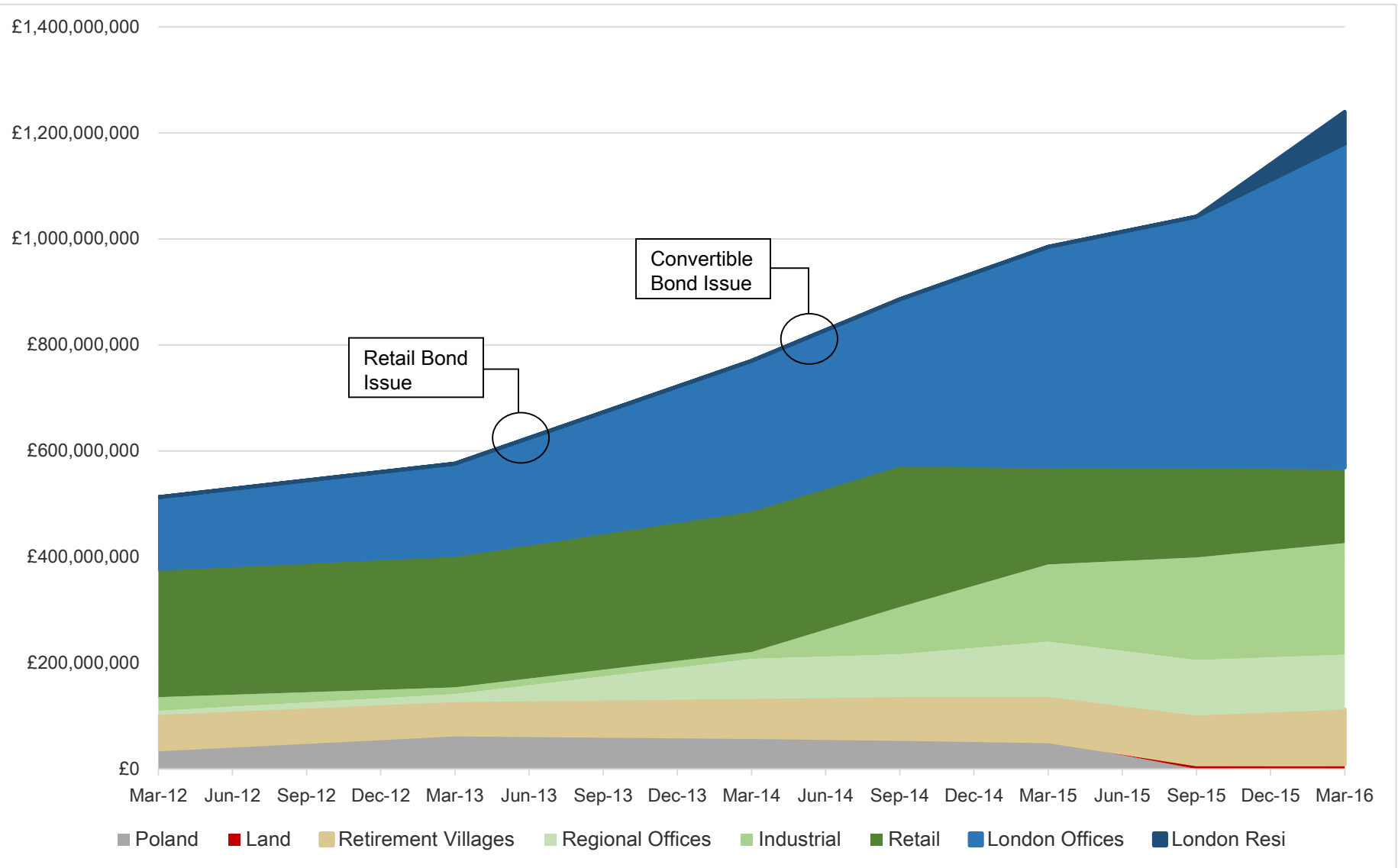
Note: Valuation movements include Barts Sq (investment element) and Old Street

HELICAL LONDON EXPOSURE – CHANGES OVER TIME (FAIR VALUE)

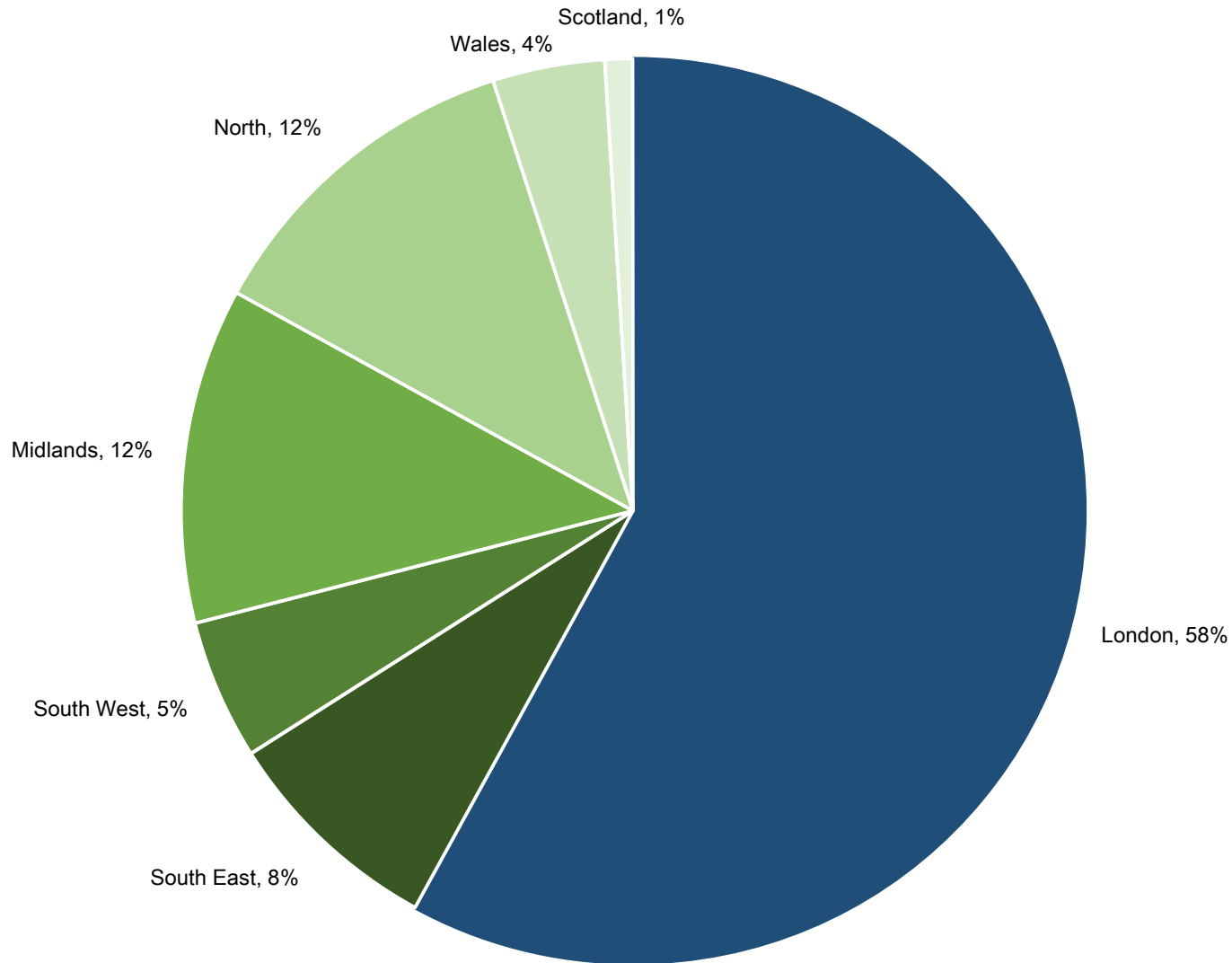
Total Portfolio	Mar 12	Mar 13	Mar 14	Mar 15	Mar 16	Change since Mar 15
London	26.3%	27.9%	34.2%	41.6%	54.1%	12.5%
Regions	73.7%	72.1%	65.8%	58.4%	45.9%	-12.5%
TOTAL	100% (£572.7m)	100% (£626.4m)	100% (£801.7m)	100% (£1.02bn)	100% (£1.24bn)	



HELICAL'S PORTFOLIO – CHANGES TO FAIR VALUE



PORTFOLIO GEOGRAPHY BY HELICAL EQUITY



INVESTMENT PORTFOLIO – HELICAL’S SHARE

	Fair Value	% Value	Book Value	Surplus
London Offices	£611.2m	49.3%	£607.2m	£4.0m
London Residential	£60.0m	4.8%	£56.0m	£4.0m
Regional Offices	£103.5m	8.4%	£102.7m	£0.8m
Industrial / Logistics	£210.5m	17.0%	£210.5m	-
Retail	£142.6m	11.5%	£142.6m	-
Retirement Village	£103.5m	8.3%	£95.5m	£8.0m
Land	£8.7m	0.7%	£6.0m	£2.7m
TOTAL	£1.24bn	100%	£1.22bn	£19.5m

INVESTMENT PORTFOLIO

	Capital Value psf	Vacancy Rate (floor area)	Average Unexpired Lease Term (years)	Change to ERV in Year
London Offices	£656	19.3%	7.1	7.6%
Retail	£183	0.2%	6.1	3.5%
Industrial / Logistics	£56	5.9%	5.3	1.1%
Regional Office	£197	6.5%	5.6	2.8%
TOTAL	£180	7.1%	6.3	4.4%

Note: London vacancy rates include offices held vacant for refurbishment / redevelopment

INVESTMENT PORTFOLIO: LEASE EXPIRIES

	Lease Expiries and Tenant Break Options				
	2017	2018	2019	2020	2021
Percentage of Rent Roll	5.4%	11.1%	11.3%	9.3%	3.9%
Number of Leases	88	95	79	32	22
Average Rent per Lease	£31,600	£59,700	£73,500	£149,300	£90,800

ASSET MANAGEMENT OVERVIEW

APRIL 2015 TO MARCH 2016

	Rent
Rent lost at break/expiry	-£2.5m
Net rent lost through administration	-£0.2m
New lettings and uplifts at lease renewal	£15.3m
Rent reviews	£0.1m
Net Increase	£12.7m

TOP TENANTS

Rank	Tenant	Tenant Industry	Rent (Helical)	% Rent Roll
1	Endemol UK Ltd	Media	£4.0m	7.1%
2	MullenLowe Ltd	Marketing Communications	£2.6m	4.6%
3	Gopivotal (UK) Limited	Technology	£2.0m	3.6%
4	Farfetch UK Ltd	Online Retail	£1.9m	3.4%
5	DSG Retail Limited	Retail	£1.3m	2.3%
6	Sainsbury's Supermarkets Ltd	Food Retail	£1.2m	2.2%
7	CBS Interactive Limited	Media	£1.0m	1.9%
8	B&M Retail Limited	Retail	£1.0m	1.8%
9	Allegis Group Limited	Recruitment	£1.0m	1.8%
10	Economic Solutions Ltd	Employment and skills training	£1.0m	1.7%
	TOTAL		£17.0m	30.4%

Top 10 tenants account for 30.4% of the rent roll

IPD

	1 yr % pa	3 yr % pa	5 yr % pa	10 yr % pa	20 yr % pa
Helical	21.7	22.0	15.8	10.0	15.0
IPD	11.4	14.1	10.4	5.5	9.2
Helical's Percentile Rank	4	4	5	4	1

Source: Investment Property Databank

Case Studies

C SPACE - BEFORE



C SPACE - AFTER



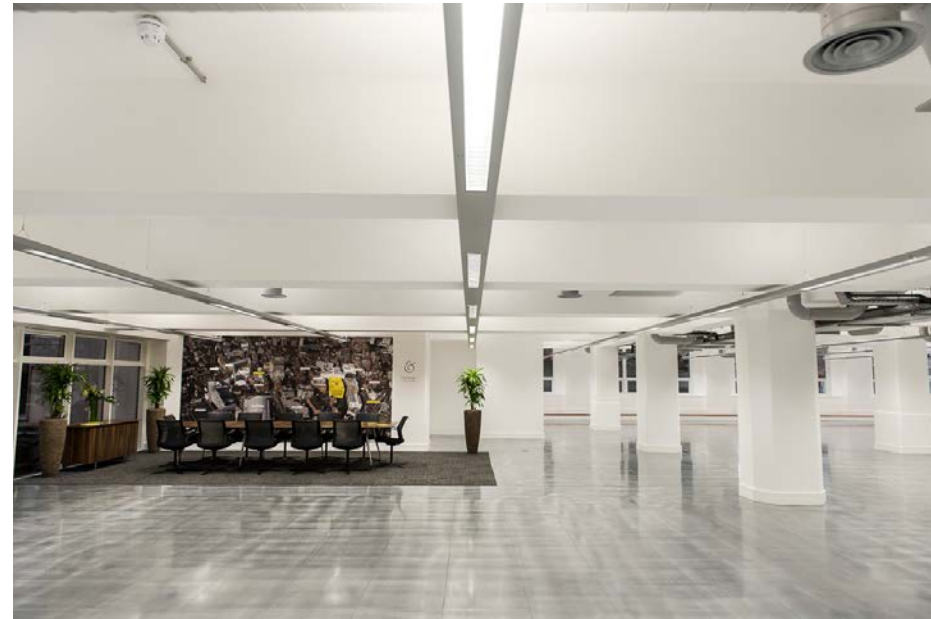


CHURCHGATE & LEE HOUSE - BEFORE

- Acquired March 2014, £34m (£140 psf)
- 250,000 sq ft
- 36% vacant by floor area
- NOI - £1,800,000 – NIY 5%
- Rationale:
 - Multi let
 - Strong occupational demand
 - Rental growth
 - Potential to refurb and reposition

CHURCHGATE AND LEE HOUSE - PRESENT

- Capital expenditure to date £6.1m
- Major refurbishment of reception / café and multiple floors
- Current NOI £2.6m (6.1% yield on cost)
- Contracted rent £3.4m (8.0% yield on cost)
- 93% let by floor area (232,500 sq ft)
- March 2016 valuation £51.5m



ONE CREECHURCH LANE, LONDON EC3

OWNERSHIP AND PROFIT SHARE DESCRIPTION

The Corporation of London (CoL) own the freehold. Ground rent of £50,000 rising to 5% of rent received. At PC and letting Helical's 10% interest is bought by HOOPP at a yield of 5.5%. In addition Helical as development manager receive a profit share based on a 5.5% yield. The share is as follows:-

	HOOPP/Helical	Helical as DM
	90%/10%	
First - 12.5%	100%	0%
12.5% - 17.5%	0%	100%
17.5% - 22.5%	50%	50%
22.5% - 25.00%	60%	40%
25.00% - 27.5%	65%	35%
27.5% - 30%	70%	30%
30% +	75%	25%

In addition the CoL have the right to take 20% of Helical's 10% (having paid 20% of Helical's costs) and 20% of the DM share

- Assuming market incentives and letting within 12 months, profit share expectations: -
 - £60 psf overall £18m
 - £65 psf overall - £23m
 - £70 psf overall - £28m
- EPRA NAV recognised £4m and £1m development management fee

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