

14 August 2013

## Capital & Regional plc Half Year Results to 30 June 2013

### CAPITAL & REGIONAL RETURNS TO PROFIT AND ANNOUNCES SIGNIFICANT STRATEGIC AND OPERATIONAL PROGRESS

Capital & Regional plc (“Capital & Regional”, the “Group” or the “Company”) today announces its half year results to 30 June 2013.

**John Clare, the Chairman, said** - “We have made significant progress against our strategic objectives in the year to date, most notably the reduction in The Mall’s debt which provides greater options for its refinancing. We enter the second half of 2013 with renewed confidence in our future performance and our ability to drive shareholder value as reflected in the resumption of dividend payments.”

**Hugh Scott-Barrett, Chief Executive commented** - “In the first half of the year we have delivered improved performance, with growth in NAV, and a return to profitability. Following these achievements, and against a backdrop of improving market sentiment, we have a number of exciting and value enhancing asset management opportunities across the business. With the Company now focussed on executing its strategy for growth we are confident that the affordability and quality of the space at our assets will continue to attract tenants to our centres, and that we will leverage the ability of our skilled asset management teams to continue to perform strongly.”

#### HIGHLIGHTS

##### Progress in execution of strategy

- Sale by The Mall of shopping centres at Sutton Coldfield and Uxbridge in July for a total of £152.5 million focusses The Mall around a £676 million core portfolio of dominant community centres with a strong south east bias
- Reduction of The Mall debt to £379.5 million (LTV: 56%) in July enables distributions by The Mall to recommence and increases its refinancing options
- Sale of Hemel Hempstead leisure scheme expected to conditionally exchange imminently with proceeds anticipated to exceed £8.5 million, ahead of year end valuation

##### Financial

- Return to profitability with a pre-tax profit of £3.7 million (June 2012: loss of £9.2 million)
- Increase in net assets per share to 52p (2012 year end: 51p); EPRA net assets remain at 55p
- Proforma see-through net debt<sup>2</sup> to property value fell to 53% compared to 55% at 2012 year end
- €141 million multi portfolio refinancing of German debt for three years agreed
- Resumption of dividend payments with a 0.25p interim dividend

##### Operational

- UK Shopping Centres contracted rent at June 2013 up £0.9 million year on year to £71.5 million
- Attractive and affordable space in UK Shopping Centres driving 27 new lettings and 12 renewals totalling £2.6 million at rents above ERV
- Significant milestones achieved with the start of the £9 million transformational refurbishment at Lincoln and pre-lets signed with Nando’s and Pure Gym in the new leisure hub at Redditch
- Robust German operational performance driving recurring profit of £3.5 million in H1 with asset management initiatives delivering additional income security

##### Future priorities

- Recycle cash from further disposals of non-core assets into the UK Shopping Centre business
- Drive occupancy, income and capital growth through the execution of asset management opportunities which are in progress
- Implementation of refinancing strategy for The Mall

	<b>6m to June 2013</b>	Year to Dec 2012	6m to June 2012
Recurring pre-tax profit <sup>1</sup>	<b>£7.1m</b>	£17.0m	£9.2m
Profit/(loss) after tax	<b>£3.7m</b>	£(16.0)m	£(9.2)m
NAV per share	<b>52p</b>	51p	53p
EPRA NAV per share	<b>55p</b>	55p	60p
Proforma group net debt <sup>2</sup>	<b>14%</b>	13%	35%
Proforma see through net debt <sup>2</sup>	<b>53%</b>	55%	63%

<sup>1</sup> As defined in Note 1 to the financial statements.

<sup>2</sup> Figures are proforma, June 2013 adjusted for £168 million repayment by The Mall in July 2013 and December 2012 adjusted for £30.6 million X-Leisure proceeds received in January 2013.

#### **For further information:**

##### **Capital & Regional:**

Hugh Scott-Barrett, Chief Executive

Tel: 020 7932 8121

Charles Staveley, Group Finance Director

Tel: 020 7932 8000

##### **FTI Consulting:**

Stephanie Highett

Tel: 020 7831 3113

Richard Sunderland

Will Henderson

Aleka Bhutiani

#### **Notes to editors:**

##### **About Capital & Regional plc**

Capital & Regional is a specialist property company with a strong track record of delivering value enhancing retail and leisure asset management opportunities across a £1.3 billion portfolio, primarily in town centre shopping centres.

Capital & Regional founded The Mall in conjunction with Aviva Investors. Capital & Regional acts as Property and Asset Manager for the Mall and holds 20.3% of this fund.

Capital & Regional & Ares Management (formerly known as AREA Property Partners) each hold a 50% interest in a German retail property portfolio which is managed by Garigal Asset Management GmbH, in which Capital & Regional holds a 30% interest.

Capital & Regional has a number of other joint ventures and wholly-owned properties.

For further information, please see [www.capreg.com](http://www.capreg.com).

## Chief Executive's statement

### Operating review

The core strength and expertise of Capital & Regional lies in its ability to deliver asset management improvements across its £1.3 billion retail and leisure portfolio. The Group's principal focus is in managing UK shopping centres which have a dominant market share in the communities they serve and which provide attractive and affordable space for retailers.

The Group also has a 50% joint venture interest in a £350 million German retail and leisure property portfolio and, in the leisure sector, it owns the Great Northern Warehouse, a prominent entertainment destination in Manchester city centre, and Snozone, the largest indoor ski slope operator in the UK.

### UK Shopping Centres

The Group's £835 million UK Shopping Centres business comprises its investment in The Mall, a specialist dominant UK community shopping centre fund and interests in The Waterside Centre, Lincoln and The Kingfisher Centre, Redditch.

The Mall has a portfolio of six properties with a strong south east bias. The schemes are characterised by being dominant within the community they serve, having strong footfall and robust income, whilst offering our occupiers affordable and attractive space. It has a total lettable space of over 3.2 million sq ft within 728 retail units.

The elements which help to differentiate our approach to shopping centre asset management include:

- A unique in-house platform, combining property and asset management, driving market-leading operating standards
- A strong track record of successfully delivering profitable complex asset management initiatives
- Excellent relationships with our retailers. We think like retailers, creating environments appealing to occupiers and their evolving requirements, assisting them in delivering sustained profits and an outstanding shopping experience for the communities which we serve
- We have been at the forefront in capitalising on the opportunities arising from technological change. The Mall was the first branded website in the UK to cover a portfolio of shopping centres. All malls have free Wi-Fi, a click & collect service and smartphone apps
- We drive income from many sources, including advertising, promotional space, retail merchandising units, digital commerce, gifts cards and telecoms
- Through targeted marketing we engage with our shoppers, encouraging repeat visits and higher spend
- A track record of leveraging portfolio scale to improve operational efficiencies and drive down the cost of occupation whilst delivering high quality facilities

Significant highlights at our shopping centres include:

The Mall, Blackburn (600,000 sq ft)

- Debenhams took possession of its extension in January 2013 and now has a 95,000 sq ft store on a lease to 2080. New lettings for a total of 9,500 sq ft have been made to Card Factory, Schuh and Perfect Home on 10 year leases. Shoe Zone has also signed a six year lease

The Mall, Camberley (390,000 sq ft)

- New 3,500 sq ft letting to Treds for a five year term
- The new 20,000 sq ft unit created from the merging of three smaller units has been handed over to TK Maxx with its store opening scheduled for September 2013
- Significant opportunity for a 290,000 sq ft extension to the centre including the creation of a 135,000 sq ft department store. Discussions progressing with the local authority and an anchor tenant to secure the necessary agreements

Waterside, Lincoln (120,000 sq ft)

- Work has started on the £9 million reconfiguration with commencement of construction of the extension to the New Look store to create a 14,000 sq ft store
- Next and H&M have signed leases to take a total of 52,000 sq ft following completion of the reconfiguration of the scheme due in July 2014

The Mall, Luton (906,000 sq ft)

- Game and Wear & Walk have each taken five year leases

- Capitalising on the introduction of the 20,000 sq ft H&M unit last year, agreements have been exchanged with River Island for an upsize to a 10,000 sq ft unit in a reconfiguration which will also involves Deichmann opening a new 5,000 sq ft store and the relocation of Clinton Cards
- Longer term development opportunities exist in three key locations adjacent to the centre

#### The Mall, Maidstone (500,000 sq ft)

- We are in discussions with a number of major occupiers with a view to securing a new anchor for the scheme in the department store unit. In conjunction with this initiative we are appraising a wider refurbishment and re-positioning of the centre
- New letting to Grape Tree for a five year lease has been completed

#### Kingfisher, Redditch (920,000 sq ft)

- Agreement for lease to Pure Gym for a 15,000 sq ft gym
- Since 30 June 2013 we have exchanged an agreement for lease with Nando's to anchor the new 20,000 sq ft restaurant hub; a further dining unit is in solicitors' hands and another is under offer
- We have made progress with the fashion zone on Evesham Walk and have completed the relocation of Poundland from this part of the scheme. This has unlocked the space to facilitate the introduction of leading fashion offers thereby repositioning the scheme and improving the retail mix
- We are exploring opportunities to create a food store offer in the centre and architects have developed plans that are under discussion with a national supermarket operator

#### The Mall, Walthamstow (260,500 sq ft)

- Letting of 7,500 sq ft unit to Peacocks for 10 years has been signed
- We are in continuing discussions with the local authority from both a planning and head lease perspective for a 60,000 sq ft extension. Our aim is to submit a planning application early in 2014
- Terms have been agreed to let a new 26,000 sq ft unit to a new anchor tenant within the existing centre, which would be created in parallel with a refurbishment of the scheme

#### The Mall, Wood Green (500,000 sq ft)

- TK Maxx completed its new lease agreement and took occupation of its extended 34,000 sq ft store on a 15 year term
- Morrisons took over the former HMV lease and a 10 year extension of the term is now has been agreed and is in solicitors' hands

*In the following sections all metrics are on a like for like basis adjusted for the sale of Sutton Coldfield and Uxbridge in July 2013*

### **New lettings, renewals and rent reviews**

There has been good letting activity across the Group's UK shopping centre portfolio, with tenants looking to take space or upsize where they can find well configured space in thriving well managed schemes. This is demonstrated by the new 20,000 sq ft letting to TK Maxx in Camberley, River Island's upsize in Luton and both the Next and H&M lettings in Lincoln.

<b>UK Shopping Centres</b>	<b>6 months to June 2013</b>
<b>Number of new lettings</b>	<b>27</b>
Rent from new lettings (£m)	<b>2.1</b>
Comparison to ERV <sup>1</sup> (%) <sup>1</sup>	<b>4.0</b>
<b>Renewals settled</b>	<b>12</b>
Revised rent (£m)	<b>0.5</b>
Comparison to ERV (%)	<b>(2.9)</b>
<b>Rent reviews settled</b>	<b>34</b>
Revised passing rent (£m)	<b>3.3</b>
Uplift to previous rent (%)	<b>-</b>

<sup>1</sup> For lettings which did not include a turnover rent

We have a strong pipeline of lettings within our UK Shopping Centres which, in conjunction with an improving macroeconomic environment and better sentiment are expected to drive enhanced performance in the near future.

## Rental income

UK Shopping centres (like for like)	30 June 2013 £m	30 December 2012 £m	30 June 2012 £m
Contracted rent	71.5	71.7	70.6
Passing rent	67.9	69.1	68.4

Like for like contracted rent, which includes rent from tenants in a rent free period, was up £0.9 million year on year at £71.5 million at 30 June 2013. There was a like for like reduction in passing rent of £0.5 million year on year owing to the insolvencies that occurred in the year ended 30 June 2013.

As at 30 June 2013 there was £3.6 million of contracted rent in rent free, £1.6 million of which will translate into passing rent by the year end as tenants' rent free periods expire.

We expect contracted and net valued rent to grow further during the remainder of the year as deals currently under negotiation are completed.

## Administrations

The level of administrations has decreased from previous years, despite the administrations involving HMV, Jessops and Republic.

UK Shopping Centres (like for like)	6 months to June 2013	12 months to December 2012	6 months to June 2012
Administrations (units)	20	48	34
Passing rent of administrations(£m)	1.5	4.3	3.4

There was a year on year decline in administrations with 20 units impacted by insolvencies arising in the six months to 30 June 2013. Seven of these have already been re-let at a new rent of £0.6 million, three continue to trade and 10 have closed. Of the closed units, one is to revert to a previous assignor with no loss of income, three form part of active asset management initiatives, two further units are currently under negotiation and the remaining four, with pre-administration rent of less than £0.2 million, are being marketed.

At 30 June 2013 there were four units, including the three referred to above, with a passing rent of £0.1 million which were in administration and still trading.

Since 30 June 2013 there have been four administrations with a passing rent of £0.3 million that have affected UK Shopping Centres. Two of these units, representing 52% of the £0.3 million rent, are still open and trading.

## Occupancy levels

UK Shopping Centres (like for like)	30 June 2013 %	30 December 2012 %	30 June 2012 %
Occupancy	94.3	96.5	94.7

Occupancy within the UK shopping centres has decreased by 2.2% compared to 30 December 2012, of which 1.7% is attributable to the seasonal reduction in temporary lettings. We expect occupancy to improve by the end of this year as seasonal lettings are completed and we continue to deliver on the letting opportunities currently in negotiation.

## Footfall

In UK Shopping Centres footfall has outperformed the national index, by 0.6% over the first six months of the year.

## Investment portfolio performance

	Property valuation £m	Total property level return %	Property level capital return %	Gearred return %	Initial yield %	Equivalent yield %
Six months to 30 June 2013						
UK Shopping Centres <sup>1</sup>	989	1.13	(2.20)	(1.46)	7.10	7.56

<sup>1</sup> Weighted average by period end property valuation and includes Sutton Coldfield and Uxbridge.

Across the Group's UK shopping centres, yields have remained broadly constant over the first half of 2013. The 30 June 2013 valuations reflect the prices achieved for the Malls at Sutton Coldfield and Uxbridge which were sold in July 2013.

There has been increased level of interest and transactions in the shopping centre investment market during the first half with double the value of investment transactions completing compared to the same period in 2012 which is expected to support valuations in the second half.

## Leisure

### Hemel Hempstead

We expect to exchange contracts imminently for the conditional sale of our Hemel Hempstead scheme for consideration that is anticipated to exceed £8.5 million, ahead of year end valuation. This transaction reflects the success of our asset management work to develop an attractive leisure asset.

### Great Northern

The boutique ten pin bowling operator, All Star Lanes, opened its first venue outside London at Great Northern in March 2013. This was another important step towards increasing the attraction of this destination and has helped secure lettings to the highly rated Almost Famous Burgers and Lucha Libre, a Mexican bar-restaurant, on 20 and 15 year terms respectively. A further letting to Tokyo Industries, a premier bar-nightclub operator, has also been signed.

We are capitalising on the insolvency of Dwell to seek a change of use on its former unit to meet the demand from bar and restaurant operators that are interested in this locality.

During the summer we introduced a number of pop ups in the square at Great Northern, including a cider garden, which has generated extra vibrancy and footfall.

We are assessing the potential from the introduction of big screen digital advertising at this property which could generate significant additional income as well as increasing its prominence as a premium entertainment destination.

The very visible progress we are making in our asset management programme is attracting increasing investor interest. We have received several approaches. It is still too early to say whether this will lead to a transaction. We therefore remain focussed on the completion of asset management initiatives as this will maximise value for the Company's shareholders.

## German portfolio

The Group's £350 million (€406 million) retail property portfolio in Germany is held through a 50% joint venture with Ares Management (formerly known as AREA Property Partners). The portfolio consists of 25 properties held in five separate portfolios comprising 193 units. The properties are largely anchored by national food retailers with strong covenants which account for around 70% of the rental income. The total portfolio consists of good quality properties which are geographically focussed on western Germany where 93% of the rent arises. It has an average unexpired lease term of nearly eight years, high rates of occupancy with minimal historic impact from insolvencies and is supported by contractual rent indexation.

The German portfolio is managed by Garigal Asset Management, a market leading asset management company based in Frankfurt in which the Group has a 30% stake. Garigal manages around 100 properties in Germany with a value of c. €800 million. It has a specific asset management plan for each property focusing on key lease events such as expiries and tenants' options to extend, along with on-going development opportunities. This ensures all opportunities to refurbish or extend properties or to regear leases are properly considered. The plans focus on protecting income, maintaining occupancy and extending lease lengths thus maximising both the values and the marketability of the assets.

The key portfolio property data at 30 June 2013 is as follows:

<b>Germany<sup>1</sup>(like for like)</b>	<b>6 months to June 2013</b>	<b>12 months to December 2012</b>	<b>6 months to June 2012</b>
Valuation(€m)	<b>406.2</b>	408.4	411.0
Contracted rent (€m)	<b>31.3</b>	31.9	32.3
Passing rent (€m)	<b>30.5</b>	31.2	31.4
Occupancy (%)	<b>98.2</b>	98.0	98.9

<sup>1</sup> Weighted average by period end property valuation.

The German portfolio's contracted rent has reduced by €0.6 million since the year end to €31.3 million. This principally reflects the downsizing by the anchor tenant at Oschersleben, where through creative asset management the remaining space has been let to DIY operator Toom and planning consent is being sought to extend their space to include a garden centre. On receipt of the consent Toom will complete a 12 year lease at a higher rent

Other activities within the German portfolio include:

- At Bruhl, a five year extension with increased rent has been competed with a major food retailer, Real.
- At Heide, which has current occupancy of 61%, lettings are being negotiated with three tenants which would result in the scheme being substantially let generating a further €0.2 million in contracted rent.
- At Herne, following refurbishment works at the hypermarket, Toom has taken a new 15 year lease. A further four new units comprising 3,000 sq ft have also been created, three of these are subject to agreed lettings, scheduled for handover in early September
- Further to a recent lease extension at Balingen negotiations are taking place for an expansion to the DIY store to include a garden centre, which will be funded in conjunction with the tenant.
- At Hameln where a €1.8 million scheme upgrade and creation of a new electronics store are being appraised in detail
- There are active discussions regarding early lease extensions with anchors in three other locations.

Occupancy across the portfolio remains strong at 98.2% having increased 0.2% from 98.0% at December 2012 due to additional lettings in the first half. The weighted average unexpired lease length remains unchanged from December 2012 at 7.8 years.

There have been four lettings during the first half with a combined contracted rent of €0.1 million and nine lease extensions with a total rent of €0.5 million. Administrations during the period to 30 June 2013 were minimal with only one unit being affected by insolvency. There was one unit affected by the administration of Praktiker which expired last month and this had already been re-let to Hammer in advance of the lease expiry.

As part of our strategy to recycle capital over time into our UK Shopping Centre business, the property at Taufkirchen was sold in May 2013 for €6.1 million. We are now seeking to dispose of a much larger asset which will provide a benchmark to help determine our approach to future disposals.

# FINANCIAL REVIEW

## Key performance indicators

The key performance indicators we use to measure our performance against our strategy and objectives are:

	6m to June 2013	Year to Dec 2012	6m to June 2012
<b>Investment returns</b>			
Net assets per share	52p	51p	53p
EPRA net assets per share	55p	55p	60p
Return on equity	1.9%	(8.5)%	(5.0)%
Total shareholder return	14.8%	(9.5)%	(15.9)%
<b>Financing</b>			
Group net debt	£25.6m	£53.3m	£64.5m
Proforma group net debt to equity ratio <sup>2</sup>	14%	13%	35%
Proforma see-through net debt to property value <sup>1,2</sup>	53%	55%	63%
<b>Profitability</b>			
Recurring pre-tax profit	£7.1m	£17.0m	£9.2m
Profit/(loss) for year	£3.7m	£(16.0)m	£(9.2)m
Basic earnings per share – continuing and discontinued operations	1p	(5)p	(3)p
<b>Property under management<sup>2</sup></b>	<b>£1.3 billion</b>	<b>£1.4 billion</b>	<b>£2.5 billion</b>

<sup>1</sup> See-through net debt divided by IFRS property value

<sup>2</sup> June 2013 figures are proforma adjusted for debt repayment in July 2013 following the sale of Sutton Coldfield and Uxbridge. December 2012 figures are proforma, adjusted for £30.6 million X-Leisure proceeds received in January 2013.

To provide a greater understanding of the composition of the business, the Group presents its balance sheet in two separate ways, with the “statutory” balance sheet following the accounting and statutory rules, and the “see-through” balance sheet showing the Group’s proportionate economic exposure to the different property portfolios.

These were:

	See-through			Statutory 30 June 2013	See-through			Statutory December 2012
	Property	Debt	Other		Property	Debt	Other	
	£m	£m	£m		£m	£m	£m	
The Mall <sup>1</sup>	177.7	(111.3)	1.5	67.9	180.8	(115.0)	2.2	68.0
Germany	173.6	(125.6)	(3.4)	44.6	168.9	(124.3)	(2.0)	42.6
Great Northern	70.2	(57.5)	1.9	14.6	70.0	(57.6)	0.4	12.8
Kingfisher Redditch	26.3	(17.2)	1.0	10.1	26.3	(17.2)	0.3	9.4
Waterside Lincoln	14.2	(6.8)	0.4	7.8	13.0	(6.8)	0.9	7.1
Hemel Hempstead	8.4	-	0.2	8.6	8.4	-	(0.2)	8.2
Other net assets <sup>2</sup>	-	-	29.7	29.7	-	(1.0)	32.5	31.5
<b>Net assets</b>	<b>470.4</b>	<b>(318.4)</b>	<b>31.3</b>	<b>183.3</b>	<b>467.4</b>	<b>(321.9)</b>	<b>34.1</b>	<b>179.6</b>

<sup>1</sup> The Group increased the holding in The Mall from 20.15% to 20.33% during the six months to 30 June 2013

<sup>2</sup> At 30 June 2013 this included £29.5 million of cash. At 30 December 2012 X-Leisure was shown at net realisable value of £32.2 million less related costs of £1.6 million.

## Financing

The Group net debt to equity ratio increased marginally from 13% to 14%. A summary of the movements in Group and off balance sheet debt during the period is set out below:

	Group debt £m	Off balance sheet debt £m	See-through debt £m
At 30 December 2012	58.6	263.3	321.9
Increased investment in The Mall	-	0.2	0.2
Other repayments	(1.1)	(8.7)	(9.8)
Foreign exchange	-	6.1	6.1
<b>At 30 June 2013</b>	<b>57.5</b>	<b>260.9</b>	<b>318.4</b>

### Group debt

The breakdown of Group debt and net debt at 30 June 2013 was as follows:

	Debt <sup>1</sup> £m	Loan to Value <sup>2</sup> %	Average interest rate <sup>3</sup> %	Fixed %	Duration to loan expiry Years
<b>30 June 2013</b>					
Core revolving credit facility	-	-	-	-	3.1
Great Northern	57.5	79	7.47	101	1.3
<b>Group debt</b>	<b>57.5</b>		<b>7.47</b>	<b>101</b>	
Cash and cash equivalents	<b>(31.9)</b>				
<b>Group net debt</b>	<b>25.6</b>				

<sup>1</sup> Excluding unamortised issue costs

<sup>2</sup> Debt and net debt divided by investment property at fair value and trading property at the lower of cost and net realisable value

<sup>3</sup> In the case of variable rate loans, based on LIBOR at 30 June 2013 plus the appropriate margin

Group debt decreased by £1.1 million to £57.5 million at 30 June 2013 (30 December 2012: £58.6 million). The decrease was due to the receipt of £30.6 million proceeds from the sale of X-Leisure part of which was used to pay down the outstanding balance of £1.0 million drawn against the Group's revolving credit facility as at 31 December 2012. No further drawings have been made against that facility.

### Off balance sheet debt

Off balance sheet debt, which is non-recourse to the Group, fell by £2.4 million to £260.9 million at 30 June 2013 (30 December 2012: £263.3 million) primarily as a consequence of debt repayments by The Mall from surplus operating cash balances. The breakdown of the Group's share of off balance sheet debt and net debt at 30 June 2013 was as follows:

Group share	Debt <sup>1</sup> £m	Cash <sup>2</sup> £m	Net debt £m	Loan to Value <sup>3</sup> %	Net debt to value <sup>3</sup> %	Average interest rate %	Fixed %	Weighted average duration to loan expiry Years
<b>30 June 2013</b>								
The Mall	111.3	(18.7)	92.6	66	55	4.11	100	1.81
Germany	125.6	(4.4)	121.2	72	70	3.40	90	1.73
Waterside Lincoln	6.8	(0.7)	6.1	48	43	4.70	100	1.65
Kingfisher Redditch	17.2	(1.9)	15.3	65	58	6.17	100	3.84
<b>Off balance sheet</b>	<b>260.9</b>	<b>(25.7)</b>	<b>235.2</b>			<b>3.92</b>	<b>95</b>	<b>1.90</b>

<sup>1</sup> Excluding unamortised issue costs

<sup>2</sup> Excluding cash beneficially owned by tenants

<sup>3</sup> Debt and net debt divided by investment property at fair value

Since 30 June 2013 The Mall has completed the sale of the shopping centres at Sutton Coldfield and Uxbridge. Following these sales The Mall has made a further debt repayment of £168 million (Group share £34.2 million) further reducing the total of the Group's see through debt to £226.7 million. The Mall's debt repayment reduces its debt to £379.5 million which increases the refinancing options and removes the restriction on distributions.

## **Maturity analysis**

The table below shows the maturity profile of the see-through debt and undrawn core credit facility at 30 June 2013:

	2013	2014	2015	2016	2017	Total
	£m	£m	£m	£m	£m	£m
Sterling debt drawn	-	57.5	118.1	-	17.2	<b>192.8</b>
Euro debt drawn	42.0	27.9	28.9	11.3	15.5	<b>125.6</b>
Undrawn core credit facility	-	-	-	25.0	-	<b>25.0</b>
As at 30 June 2013	42.0	85.4	147.0	36.3	32.7	<b>343.4</b>

In Germany, debt of €141.0 million matures around the end of 2013. We have agreed terms to refinance the properties funded by this debt for three years. We are currently working to finalise the legal documentation which we expect to complete shortly.

At Lincoln a six month loan extension has been agreed extending maturity to August 2015 along with a relaxation of covenants during the refurbishment of the scheme. This provides flexibility during the building works and facilitates time to assess our strategic options for this property once they have been completed.

## **Covenants**

The Group and its associates and joint ventures were compliant with their banking and debt covenants at 30 June 2013. The forecast covenant tests for the Group's revolving credit facility indicate that there was sufficient headroom for the full £25.0 million facility to be drawn down at 30 June 2013.

## **Interest rate hedging**

The majority of current borrowing, both at Group level and in The Mall and joint ventures, continues to be covered by interest rate swaps or caps. At 30 June 2013, the see-through valuation of the Group's swaps and caps was a liability of £8.6 million (30 December 2012: £14.4 million) which will not be crystallised unless the underlying contracts are closed out before their expiry date. During the period The Mall terminated swaps at cost of £1.4 million and a further £8.3 million cost was incurred by The Mall as a consequence of the debt repayment of £168.0 million in July 2013.

## **Cash distributions**

The Group received total cash distributions of £0.5 million during the period from Garigal Asset Management.

## **Profitability**

### **Recurring pre-tax profit**

	Six months to 30 June 2013 £m	Year to 30 December 2012 £m	Six months to 30 June 2012 £m
UK Shopping Centres	3.1	5.6	2.6
German property investment	3.5	7.1	3.9
Property management	1.6	3.4	2.2
Snozone	0.9	1.2	0.7
Other including Leisure	(0.1)	1.9	1.4
Group items	(1.8)	(4.6)	(2.3)
<b>Recurring pre-tax profit from continuing operations</b>	<b>7.2</b>	<b>14.6</b>	<b>8.5</b>
Discontinued operations	(0.1)	2.4	0.7
<b>Recurring pre-tax profit</b>	<b>7.1</b>	<b>17.0</b>	<b>9.2</b>

The increase in recurring pre-tax profit to £3.1 million from UK Shopping Centres compared to H1 2012 primarily reflects the acquisition of The Kingfisher Centre, Redditch in May 2012. The fall in recurring profit in Germany principally reflects the loss of income from portfolio 4 which was written off during 2012.

Profits from Property Management have decreased due to the reduction of fee income following the disposal in 2012 of The Junction and Braehead by the Group and the shopping centre in Norwich by The Mall.

The 29% improvement in Snozone recurring profit compared to H1 2012 reflects the continuing positive impact of the new management team since the beginning of 2012. Profits within Leisure have reduced due to the impact of higher interest charges following the refinancing of the debt on Great Northern in September 2012.

## Profit before tax

	Six months to 30 June 2013 £m	Year to 30 December 2012 £m	Six months to 30 June 2012 £m
Recurring pre-tax profit	7.1	17.0	9.2
Property revaluation	(5.4)	(20.8)	(17.0)
Loss on disposal of properties within funds	-	(1.6)	-
Performance fees – net of Group share of cost	-	2.0	-
Impairments in respect of Euro B-Note	(2.3)	(6.5)	(2.6)
Other impairments	-	(3.1)	(1.9)
Financial instruments revaluation	4.6	3.6	1.4
Gain on investment in The Mall	0.2	1.4	1.4
Loss on disposal of JV and Associates	-	(4.0)	-
Other items	(0.1)	(2.9)	(0.4)
Tax	(0.4)	(1.1)	0.7
<b>Profit/ (loss) for the period</b>	<b>3.7</b>	<b>(16.0)</b>	<b>(9.2)</b>

As well as the recurring pre-tax profit discussed above, the other main factors behind the profit in the period were:

- A fall in property valuation of £5.4 million, mainly due to a fall in the value of The Mall of £4.9 million attributable to the loss of income due to the level of administrations in the first half and the sale of Sutton Coldfield and Uxbridge.
- The impairment of the Euro-B-note, reflecting a prudent assessment of the likely realisation from this investment which has deteriorated with the administration of one of the major occupiers of the underlying German property portfolio. As our core German portfolios were not exposed to this tenant, there has been no impact.
- The financial instruments revaluation reflects the movement in the valuation of the Group's share of see through interest rate hedging contracts owing to changes in future interest rate expectations and the reduction in duration as contracts get closer to maturity.

## Tax

The tax charge was £0.4 million for the six months ended 30 June 2013 (30 June 2012: credit of £0.7 million). The tax credit in 2012 was primarily due to the successful conclusion of several UK historic tax matters which resulted in an overall prior year credit.

## Property under management

Property under management fell due to a small decline in property valuations and the disposal of Sutton Coldfield and Uxbridge by The Mall.

	Valuation 30 December 2012 <sup>1</sup> £m	Disposals / additions £m	Other movements £m	Revaluation £m	Proforma Valuation 30 June 2013 <sup>1</sup> £m
<b>100%</b>					
UK Shopping Centres	1,009	(168)	17	(22)	836
Germany	339	(5)	16	(2)	348
Other properties	81	-	-	-	81
<b>Property under management</b>	<b>1,429</b>	<b>(173)</b>	<b>33</b>	<b>(24)</b>	<b>1,265</b>

<sup>1</sup> Valuation excludes adjustments to property valuations for tenant incentives and head leases treated as finance leases and trading properties are included at the lower of cost and net realisable value. 30 June 2013 is proforma, adjusted for the disposal of Sutton Coldfield and Uxbridge in July 2013.

## Property disposals

During May 2013, the German joint venture sold properties at Taufkirchen for €6.1 million.

On 15 July 2013, The Mall completed the sale of The Gracechurch Centre, Sutton Coldfield and The Pavilions, Uxbridge for a combined consideration of £152.5 million at net initial yields of 7.75% and 7.70% respectively.

### **Foreign currency exposure management**

The Group uses a forward foreign exchange contract as a hedge of its net investment in the German joint venture. This is achieved through a contract for €37.6 million at a fixed exchange rate of 1.1617 which hedges 72% of the Group's German investment at 30 June 2013 and matures on 31 December 2013. At 30 June 2013 the carrying value of the contract was an asset of £0.1 million.

### **Going concern**

As stated in note 2 to the condensed financial statements, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

### **Dividend**

The Board has reviewed the positive progress that the Group has made during the first half and, anticipating the resumption of distributions by The Mall, is announcing an interim dividend of 0.25p per share. The Group will operate a progressive dividend policy with dividends normally being covered by operational cashflow.

The key dates in relation to the payment of the dividend are:

4 September 2013	Ex-dividend date
6 September 2013	Record date for the payment of interim dividend
27 September 2013	Dividend payment date

### **Outlook**

We have a number of exciting and value enhancing asset management opportunities across the business. We are confident that the affordability and quality of the space at our assets will continue to attract tenants to our centres, and that we will leverage the ability of our skilled asset management teams to continue to perform strongly with the Company now focussed on executing its strategy for growth

Improving investor sentiment for dominant community shopping centres and a receptive banking market provide a support background to the refinancing of The Mall's CMBS. Following the successful degearing of The Mall, it is expected to make further progress to put in place the appropriate longer term funding structure in the next six to nine months.

### **Hugh Scott-Barrett**

Chief Executive  
13 August 2013

### **Forward looking statements**

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking in nature and are subject to risks and uncertainties. Actual future results may differ materially from those expressed in or implied by these statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of government regulators and other risk factors such as the Group's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Group operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this document. The Group does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document. Information contained in this document relating to the Group should not be relied upon as a guide to future performance.

## Principal risks and uncertainties

There are a number of risks and uncertainties which could have a material impact on the Group's future performance and could cause actual results to differ materially from expected and historical results. References to "the Group" include the funds and joint ventures in which Capital & Regional has an interest. The Group carries out a regular review of the major risks it faces and monitors the controls that have been put in place to mitigate them. Property risks are also monitored at various levels within divisional management.

A detailed explanation of the principal risks and uncertainties was included on pages 24 to 26 of the Group's annual report for the year ended 30 December 2012. Those principal risks and uncertainties, which are summarised below, have not changed significantly in the period to 30 June 2013.

### Property risks:

- *Property investment market risks* - Weak economic conditions and poor sentiment in commercial real estate markets may lead to low investor demand and a market pricing correction. Small changes in property market yields have a significant effect on the value of the properties owned by the Group and the impact of leverage could magnify the effect on the Group's net assets.
- *Impact of the economic environment (tenant risks)* - Tenant insolvency or distress and a prolonged downturn in tenant demand could put pressure on rent levels. Tenant failures and reduced tenant demand could adversely affect rental income revenues, lease incentive costs, void costs, available cash and the value of properties owned by the Group.
- *Threat from the internet* - The trend towards online shopping may adversely impact consumer footfall in shopping centres. A change in consumer shopping habits towards online purchasing and delivery may reduce footfall and therefore potentially reduce tenant demand for space and the levels of rents which can be achieved.
- *Valuation risks* - In the absence of relevant transactional evidence, valuations can be inherently subjective leading to a degree of uncertainty. Stated property valuations may not reflect the price received on sale.
- *Property management income risks* - Fee income, although largely fixed, may still fall based on value of property under management and contracts allow for termination under certain circumstances which are largely outside management's control. Changes in property values, sales of properties or other events not wholly under management's control could result in a reduction in or the loss of property management income.
- *Nature of investments and relationships with key business partners* - The market for the Group's investments can be relatively illiquid and there are restrictions on the ability to exercise full control over underlying investments in joint ventures or fund structures. The inability to sell investments or fully control exit/asset sale strategies could result in investments in associates and joint ventures not being realisable at reported values.

### Funding and treasury risks:

- *Liquidity and funding* - Inability to fund the business or to refinance existing debt on economic terms when needed may result in the inability to meet financial obligations (interest, loan repayments, expenses, dividends) when due and put a limitation on financial and operational flexibility. Cost of financing could be prohibitive in the future.
- *Covenant compliance risks* - Breach of any loan covenants could cause default on debt and possible accelerated maturity. Unremedied breaches can trigger demand for immediate repayment of loans.
- *Foreign exchange exposure risks* - Fluctuations in the exchange rate between sterling and the euro in respect of the Group's German joint venture and uncertainty over the Eurozone and the future of the Euro currency could adversely impact on sterling valuation of investments and income flows, and losses as a result of the Group having not, or not effectively, hedged its risk.
- *Interest rate exposure risks* - Exposure to rising or falling interest rates. If interest rates rise and are unhedged, the cost of debt facilities can rise and ICR covenants could be broken. Hedging transactions used by the Group to minimise interest rate risk may limit gains, result in losses or have other adverse consequences.

**Other risks:**

- *Tax risks* - Changes in tax legislation or the interpretation of tax legislation or previous transactions where the tax authorities disagree with the tax treatment adopted could result in tax related liabilities and other losses arising.
- *Regulation risks* - Exposure to changes in existing or forthcoming property related or corporate regulation could result in financial penalties or loss of business or credibility.
- *Loss of key management* - The Group's business is partially dependent on the skills of a small number of key individuals. Loss of key individuals or an inability to attract new employees with the appropriate expertise could reduce the effectiveness with which the Group conducts its business.

The risks noted above do not comprise all those potentially faced by the Group and are not intended to be presented in any order of priority. Additional risks and uncertainties currently unknown to the Group, or which the Group currently deems immaterial, may also have an adverse effect on the financial condition or business of the Group in the future. These issues are kept under constant review to allow the Group to react in an appropriate and timely manner to help mitigate the impact of such risks.

**Responsibility statement**

The directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union;
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

**Hugh Scott-Barrett**  
Chief Executive  
13 August 2013

**Charles Staveley**  
Group Finance Director  
13 August 2013

## **Independent review report to Capital & Regional plc**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 15. We have read the other information contained in the half-yearly financial report 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 work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

### **Our responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial 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 inquiries, 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 half-yearly financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

### **Deloitte LLP**

Chartered Accountants and Statutory Auditor

London, UK

13 August 2013

## Condensed consolidated income statement

For the six months to 30 June 2013

	Note	Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited year to 30 December 2012 £m
<b>Continuing operations</b>				
Revenue	3a	11.9	13.5	28.8
Cost of sales		(4.6)	(5.0)	(11.1)
<b>Gross profit</b>		<b>7.3</b>	<b>8.5</b>	<b>17.7</b>
Administrative costs		(5.0)	(5.6)	(13.6)
Share of profit/(loss) in associates and joint ventures	7a	1.4	(12.6)	(12.8)
Other gains and losses		1.1	-	-
<b>Profit/(loss) on ordinary activities before financing</b>		<b>4.8</b>	<b>(9.7)</b>	<b>(8.7)</b>
Finance income		2.0	1.4	2.9
Finance costs		(2.7)	(2.6)	(5.4)
<b>Profit/(loss) before tax</b>		<b>4.1</b>	<b>(10.9)</b>	<b>(11.2)</b>
Tax	4	(0.4)	1.0	0.9
<b>Profit/(loss) for the period from continuing operations</b>		<b>3.7</b>	<b>(9.9)</b>	<b>(10.3)</b>
<b>Discontinued operations</b>				
Profit/(loss) from the period from discontinued operations		-	0.7	(5.7)
<b>Profit/(loss) for the period</b>		<b>3.7</b>	<b>(9.2)</b>	<b>(16.0)</b>
<b>Continuing operations</b>				
Basic earnings/(loss) per share	5	1p	(3)p	(3)p
Diluted earnings/(loss) per share	5	1p	(3)p	(3)p
<b>Continuing and discontinued operations</b>				
Basic earnings/(loss) per share	5	1p	(3)p	(5)p
Diluted earnings/(loss) per share	5	1p	(3)p	(5)p

<sup>1</sup> 2012 results have been restated to separate discontinued operations.

The results for the current and preceding periods are fully attributable to equity shareholders.

## Condensed consolidated statement of comprehensive income

For the six months to 30 June 2013

	Unaudited six months to 30 June 2013 £m	Unaudited six months to 30 June 2012 £m	Audited year to 30 December 2012 £m
<b>Profit/(loss) for the period</b>	<b>3.7</b>	<b>(9.2)</b>	<b>(16.0)</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	2.1	(1.8)	(1.3)
(Loss)/gain on a hedge of a net investment taken to equity	(2.3)	1.2	0.7
Other comprehensive income	(0.2)	(0.6)	(0.6)
<b>Total comprehensive income for the period</b>	<b>3.5</b>	<b>(9.8)</b>	<b>(16.6)</b>

The total comprehensive income for the current and preceding periods is fully attributable to equity shareholders.

## Condensed consolidated balance sheet

At 30 June 2013

	Note	Unaudited 30 June 2013 £m	Audited 30 December 2012 £m
<b>Non-current assets</b>			
Investment properties	6	-	8.4
Plant and equipment		0.6	0.8
Receivables		24.4	23.6
Investment in associates	7b	78.8	80.7
Investment in joint ventures	7c	30.3	25.7
<b>Total non-current assets</b>		<b>134.1</b>	139.2
<b>Current assets</b>			
Trading properties	6	70.2	70.0
Receivables		6.0	7.4
Cash and cash equivalents	8	31.9	5.3
Assets classified as held for sale	13	8.4	32.2
<b>Total current assets</b>		<b>116.5</b>	114.9
<b>Total assets</b>		<b>250.6</b>	254.1
<b>Current liabilities</b>			
Bank loans	9	-	-
Trade and other payables		(7.8)	(11.7)
Current tax liabilities		(0.4)	(1.3)
Liabilities directly associated with assets classified as held for sale	13	-	(1.6)
<b>Total current liabilities</b>		<b>(8.2)</b>	(14.6)
<b>Non-current liabilities</b>			
Bank loans	9	(57.1)	(58.3)
Other payables		(0.9)	(0.7)
Deferred tax liabilities		(1.1)	(0.9)
<b>Total non-current liabilities</b>		<b>(59.1)</b>	(59.9)
<b>Total liabilities</b>		<b>(67.3)</b>	(74.5)
<b>Net assets</b>		<b>183.3</b>	179.6
<b>Equity</b>			
Share capital		9.9	9.9
Other reserves		71.8	72.0
Capital redemption reserve		4.4	4.4
Own shares held		(0.7)	(0.7)
Retained earnings		97.9	94.0
<b>Equity shareholders' funds</b>		<b>183.3</b>	179.6
Basic net assets per share	11	£0.52	£0.51
EPRA triple net assets per share	11	£0.53	£0.51
EPRA net assets per share	11	£0.55	£0.55

## Condensed consolidated statement of changes in equity

At 30 June 2013

	Other reserves					Capital redemption reserve	Own shares held	Retained earnings	Total equity
	Share capital	Merger reserve	Acquisition reserve	Foreign currency reserve	Net investment hedging reserve				
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Balance at 30 December 2011</b>	9.9	60.3	9.5	5.6	(2.6)	4.4	(6.8)	115.7	196.0
Loss for period	-	-	-	-	-	-	-	(9.2)	(9.2)
Other comprehensive income for period	-	-	-	(1.8)	1.2	-	-	-	(0.6)
Total comprehensive income for period	-	-	-	(1.8)	1.2	-	-	(9.2)	(9.8)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	-	0.4	0.4
Transfer to income statement for German portfolio 4	-	-	-	(0.7)	-	-	-	-	(0.7)
Other movements	-	-	-	-	-	-	6.1	(6.0)	0.1
<b>Balance at 30 June 2012</b>	9.9	60.3	9.5	3.1	(1.4)	4.4	(0.7)	100.9	186.0
Loss for period	-	-	-	-	-	-	-	(6.8)	(6.8)
Other comprehensive income for period	-	-	-	0.5	(0.5)	-	-	-	-
Total comprehensive income for period	-	-	-	0.5	(0.5)	-	-	(6.8)	(6.8)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	-	0.4	0.4
Other movements	-	-	-	-	0.5	-	-	(0.5)	-
<b>Balance at 30 December 2012</b>	9.9	60.3	9.5	3.6	(1.4)	4.4	(0.7)	94.0	179.6
Profit for period	-	-	-	-	-	-	-	3.7	3.7
Other comprehensive income for period	-	-	-	2.1	(2.3)	-	-	-	(0.2)
Total comprehensive income for period	-	-	-	2.1	(2.3)	-	-	3.7	3.5
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	-	0.4	0.4
Other movements	-	-	-	-	-	-	-	(0.2)	(0.2)
<b>Balance at 30 June 2013</b>	9.9	60.3	9.5	5.7	(3.7)	4.4	(0.7)	97.9	183.3

## Condensed consolidated cash flow statement

For the six months to 30 June 2013

	Note	Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited Year to 30 December 2012 £m
<b>Operating activities</b>				
Net cash from operations	10	0.6	1.2	4.1
Distributions received from associates	7b	0.5	0.8	2.2
Distributions received from joint ventures	7c	-	0.1	0.6
Distributions received from fixed asset investments		-		0.2
Interest paid		(2.6)	(2.5)	(4.9)
Interest received		0.1	-	-
Income taxes paid		(1.1)	(0.9)	(7.2)
<b>Cash flows from operating activities</b>		<b>(2.5)</b>	<b>(1.3)</b>	<b>(5.0)</b>
<b>Investing activities</b>				
Disposal of interests in Joint Ventures and Associates		30.6	-	14.9
Other disposals		1.0	0.3	0.5
Purchase of plant and equipment		-	(0.1)	(0.4)
Investment in associates	7b	(0.4)	(16.2)	(16.2)
Loans repaid by joint ventures		-	-	0.4
<b>Cash flows from investing activities</b>		<b>31.2</b>	<b>(16.0)</b>	<b>(0.8)</b>
<b>Financing activities</b>				
Bank loans drawn down	9	-	4.6	4.6
Bank loans repaid	9	(1.0)	(1.5)	(13.2)
Loan arrangement costs	9	(0.3)	-	(0.3)
Repurchase of own shares		(0.2)	-	-
Settlement of forward foreign exchange contract		(0.6)	-	-
<b>Cash flows from financing activities</b>		<b>(2.1)</b>	<b>3.1</b>	<b>(8.9)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>26.6</b>	<b>(14.2)</b>	<b>(14.7)</b>
Cash and cash equivalents at the beginning of the period		5.3	20.0	20.0
<b>Cash and cash equivalents at the end of the period</b>	8	<b>31.9</b>	<b>5.8</b>	<b>5.3</b>

# Notes to the condensed financial statements

For the six months to 30 June 2013

## 1 General information

The information for the year ended 30 December 2012 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor has reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Group's financial performance does not suffer materially from seasonal fluctuations.

## 2 Accounting policies

### Basis of preparation

The annual financial statements of Capital & Regional plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

### Going concern

The Group prepares cash flow and covenant compliance forecasts to demonstrate that it has adequate resources available to continue in operation for the foreseeable future, being at least 12 months from the date of this report. In these forecasts the directors specifically consider anticipated future market conditions and the Group's principal risks and uncertainties. Further information on the Group's financing position is contained within the Financial Review with additional details of the Group's cash position and borrowing facilities provided in Notes 8 and 9 of the condensed financial statements.

In summary the directors believe that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and accordingly continue to adopt the going concern basis in preparing the annual report and financial statements.

### Change in accounting policies

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

## 3 Business segments

The Group's reportable segments under IFRS 8 are: The Mall, Other UK Shopping Centres (consisting of The Waterside Lincoln Limited Partnership and Kingfisher Limited Partnership (Redditch)), the German joint ventures, Leisure (consisting of Great Northern Warehouse), Property Management (consisting of CRPM and Garigal Asset Management GmbH) and Snozone. Group items include Group overheads incurred by Capital & Regional plc and other subsidiaries and the interest expense on the Group's central borrowing facility.

Following their disposal, the Group's share of results in the prior year from The Junction Fund, Xscape Braehead, X-Leisure Fund and X-Leisure Limited have been reclassified as Discontinued Operations, consistent with the presentation at the December 2012 year end. Similarly as detailed in Note 13 the results of Hemel Hempstead have been reclassified as Discontinued Operations in the current year with the prior year and interim periods restated. In the prior year the results of FIX UK, until the loss of significant influence were included within 'Other'.

The Mall, Other UK Shopping Centres, Germany and Leisure derive their revenue from the rental of investment and trading properties. The Property Management and Snozone segments derive their revenue from the management of property funds or schemes and the operation of indoor ski slopes respectively.

### 3 Operating segments

	Note	UK Shopping Centres						Group items	Total Continuing Operations	Discontinued Operations	Total
		The Mall	Other UK Shopping Centres	Germany	Leisure	Property management	Snozone				
Six months to 30 June 2013		£m	£m	£m	£m	£m	£m	£m	£m	£m	
Rental income from external sources		7.3	1.8	6.8	3.0	-	-	-	18.9	-	18.9
Property and void costs		(2.0)	(0.5)	(1.0)	(0.4)	-	-	-	(3.9)	(0.1)	(4.0)
Net rental income		5.3	1.3	5.8	2.6	-	-	-	15.0	(0.1)	14.9
Interest income		-	-	0.3	-	-	-	-	0.3	-	0.3
Interest expense		(2.8)	(0.7)	(2.6)	(2.7)	-	-	-	(8.8)	-	(8.8)
<b>Contribution</b>		2.5	0.6	3.5	(0.1)	-	-	-	6.5	(0.1)	6.4
Management fees/income		-	-	-	-	4.7	5.0	-	9.7	-	9.7
Management expenses		-	-	-	-	(3.0)	(3.2)	(1.8)	(8.0)	-	(8.0)
Depreciation		-	-	-	-	(0.1)	(0.9)	-	(1.0)	-	(1.0)
Inter-segment eliminations		-	-	-	-	-	-	-	-	-	-
Interest expense on central facility		-	-	-	-	-	-	-	-	-	-
<b>Recurring pre-tax profit/(loss)</b>		2.5	0.6	3.5	(0.1)	1.6	0.9	(1.8)	7.2	(0.1)	7.1
Variable overhead		-	-	-	-	(0.3)	-	(0.3)	(0.6)	-	(0.6)
Revaluation of properties		(4.9)	0.5	(1.1)	-	-	-	-	(5.5)	0.1	(5.4)
Profit on disposal of FIX UK		-	-	-	-	-	-	0.5	0.5	-	0.5
Profit on sale of land		-	-	-	-	-	-	0.5	0.5	-	0.5
Impairment of Euro B-Note		-	-	(2.3)	-	-	-	-	(2.3)	-	(2.3)
Gain on financial instruments		1.7	0.4	1.4	1.1	-	-	-	4.6	-	4.6
Other items		0.2	-	(0.5)	-	-	-	-	(0.3)	-	(0.3)
Profit/(loss) before tax		(0.5)	1.5	1.0	1.0	1.3	0.9	(1.1)	4.1	-	4.1
Tax charge	4								(0.4)	-	(0.4)
<b>Profit after tax</b>									<b>3.7</b>	-	<b>3.7</b>
Total assets		204.7	50.3	196.2	76.1	4.6	1.9	29.8	563.6	8.6	572.2
Total liabilities		(136.8)	(32.4)	(151.6)	(61.5)	(3.5)	(0.9)	(2.2)	(388.9)	-	(388.9)
<b>Net assets</b>		<b>67.9</b>	<b>17.9</b>	<b>44.6</b>	<b>14.6</b>	<b>1.1</b>	<b>1.0</b>	<b>27.6</b>	<b>174.7</b>	<b>8.6</b>	<b>183.3</b>

### 3 Operating segments (continued)

		UK Shopping Centres								Total	Discontinued	Total
		The Mall	Other UK Shopping Centres	Germany	Leisure	Other	Property management	Snozone	Group items	Continuing Operations	Operations	Total
<b>Six months to 30 June 2012</b>	Note	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Rental income from external sources		7.9	1.1	9.5	3.6	1.1	-	-	-	23.2	4.8	28.0
Property and void costs		(2.0)	(0.3)	(2.0)	(0.5)	(0.1)	-	-	-	(4.9)	(1.2)	(6.1)
Net rental income		5.9	0.8	7.5	3.1	1.0	-	-	-	18.3	3.6	21.9
Interest income		-	-	0.3	-	-	-	-	-	0.3	-	0.3
Interest expense		(3.7)	(0.4)	(3.9)	(1.9)	(0.7)	-	-	-	(10.6)	(3.0)	(13.6)
<b>Contribution</b>		<b>2.2</b>	<b>0.4</b>	<b>3.9</b>	<b>1.2</b>	<b>0.3</b>	-	-	-	<b>8.0</b>	0.6	<b>8.6</b>
Management fees/income		-	-	-	-	-	5.4	5.2	-	10.6	1.1	11.7
Management expenses		-	-	-	-	-	(3.2)	(4.4)	(1.9)	(9.5)	(1.0)	(10.5)
Depreciation		-	-	-	-	-	(0.1)	(0.1)	-	(0.2)	-	(0.2)
Inter-segment eliminations		-	-	-	(0.1)	-	0.1	-	-	-	-	-
Interest expense on central facility		-	-	-	-	-	-	-	(0.4)	(0.4)	-	(0.4)
<b>Recurring pre-tax profit/(loss)</b>		<b>2.2</b>	<b>0.4</b>	<b>3.9</b>	<b>1.1</b>	<b>0.3</b>	<b>2.2</b>	<b>0.7</b>	<b>(2.3)</b>	<b>8.5</b>	0.7	<b>9.2</b>
Variable overhead		-	-	-	-	-	(0.1)	-	(0.3)	(0.4)	-	(0.4)
Revaluation of properties		(7.1)	(1.1)	(8.9)	(0.2)	(0.1)	-	-	-	(17.4)	0.4	(17.0)
Profit/(loss) on disposals		-	-	0.1	-	-	-	-	-	0.1	(0.1)	-
Impairment of goodwill		-	-	-	-	-	-	-	-	-	(0.6)	(0.6)
Impairment of FIX UK		-	-	-	-	(1.3)	-	-	-	(1.3)	-	(1.3)
Impairment of German Portfolio 4		-	-	(3.3)	-	-	-	-	-	(3.3)	-	(3.3)
Transfer from foreign currency reserve for German Portfolio 4		-	-	0.7	-	-	-	-	-	0.7	-	0.7
Gain/(loss) on financial instruments		0.8	(0.5)	(0.2)	0.6	0.1	-	-	-	0.8	0.6	1.4
Other items		1.4	-	0.5	-	-	(0.1)	(0.2)	(0.2)	1.4	-	1.4
Profit/(loss) before tax		(2.7)	(1.2)	(7.2)	1.5	(1.0)	2.0	0.5	(2.8)	(10.9)	1.0	(9.9)
Tax charge/(credit)	4									1.0	(0.3)	0.7
<b>(Loss)/profit after tax</b>										<b>(9.9)</b>	0.7	<b>(9.2)</b>
Total assets		227.8	48.5	193.9	75.8	0.2	6.4	1.9	4.1	558.6	162.3	720.9
Total liabilities		(160.1)	(32.6)	(150.0)	(66.4)	-	(3.0)	(1.5)	(16.5)	(430.1)	(104.8)	(534.9)
<b>Net assets</b>		<b>67.7</b>	<b>15.9</b>	<b>43.9</b>	<b>9.4</b>	<b>0.2</b>	<b>3.4</b>	<b>0.4</b>	<b>(12.4)</b>	<b>128.5</b>	<b>57.5</b>	<b>186.0</b>

### 3 Operating segments (continued)

	Note	UK Shopping Centres					Property management	Snozone	Group items	Total Continuing Operations	Discontinued Operations	Total
		The Mall	Other UK Shopping Centres	Germany	Leisure	Other						
Year to 30 December 2012		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Rental income from external sources		15.4	3.0	15.9	6.8	1.1	-	-	-	42.2	8.8	51.0
Property and void costs		(4.3)	(0.8)	(3.0)	(0.6)	(0.1)	-	-	-	(8.8)	(3.7)	(12.5)
Net rental income		11.1	2.2	12.9	6.2	1.0	-	-	-	33.4	5.1	38.5
Interest income		-	-	0.7	-	-	-	-	-	0.7	-	0.7
Interest expense		(6.6)	(1.1)	(6.5)	(4.8)	(0.4)	-	-	-	(19.4)	(3.3)	(22.7)
<b>Contribution</b>		4.5	1.1	7.1	1.4	0.6	-	-	-	14.7	1.8	16.5
Management fees		-	-	-	-	-	10.4	-	-	10.4	2.3	12.7
Management expenses		-	-	-	-	-	(7.0)	-	(3.9)	(10.9)	(1.7)	(12.6)
Snozone income		-	-	-	-	-	-	10.1	-	10.1	-	10.1
Snozone expenses		-	-	-	-	-	-	(8.7)	-	(8.7)	-	(8.7)
Depreciation		-	-	-	-	-	(0.1)	(0.2)	-	(0.3)	-	(0.3)
Inter-segment eliminations		-	-	-	(0.1)	-	0.1	-	-	-	-	-
Interest expense on central facility		-	-	-	-	-	-	-	(0.7)	(0.7)	-	(0.7)
<b>Recurring pre-tax profit/(loss)</b>		4.5	1.1	7.1	1.3	0.6	3.4	1.2	(4.6)	14.6	2.4	17.0
Performance fees		-	-	-	-	-	2.6	-	-	2.6	(0.6)	2.0
Variable overhead		-	-	-	-	-	(0.9)	(0.1)	(1.7)	(2.7)	-	(2.7)
Revaluation of properties		(7.6)	(1.3)	(10.0)	(1.5)	(0.1)	-	-	-	(20.5)	(0.3)	(20.8)
(Loss)/profit on disposal of properties		(1.6)	-	0.1	-	0.1	-	-	-	(1.4)	(0.2)	(1.6)
Impairment of goodwill		-	-	-	-	-	-	-	-	-	(1.8)	(1.8)
Impairment of FIX UK		-	-	-	-	(1.3)	-	-	-	(1.3)	-	(1.3)
Impairment of German Portfolio 4		-	-	(3.3)	-	-	-	-	-	(3.3)	-	(3.3)
Transfer from foreign currency reserve for German Portfolio 4		-	-	0.7	-	-	-	-	-	0.7	-	0.7
Impairment of Euro B-Note		-	-	(3.2)	-	-	-	-	-	(3.2)	-	(3.2)
Gain/(loss) on financial instruments		1.6	(0.6)	(0.1)	1.7	(0.1)	-	-	-	2.5	1.1	3.6
Other items		1.4	-	0.2	-	-	(0.2)	(0.2)	(0.4)	0.8	(0.3)	0.5
Loss on disposal of JV's and Associates		-	-	-	-	-	-	-	-	-	(4.0)	(4.0)
Profit/(loss) before tax		(1.7)	(0.8)	(8.5)	1.5	(0.8)	4.9	0.9	(6.7)	(11.2)	(3.7)	(14.9)
Tax credit/(charge)	4									0.9	(2.0)	(1.1)
<b>(Loss)/profit after tax</b>										<b>(10.3)</b>	<b>(5.7)</b>	<b>(16.0)</b>
Total assets		210.5	49.2	191.9	75.6	0.2	4.8	2.5	4.0	538.7	40.8	579.5
Total liabilities		(142.5)	(32.9)	(149.8)	(62.3)	-	(4.2)	(2.0)	(4.6)	(398.3)	(1.6)	(399.9)
<b>Net assets</b>		<b>68.0</b>	<b>16.3</b>	<b>42.1</b>	<b>13.3</b>	<b>0.2</b>	<b>0.6</b>	<b>0.5</b>	<b>(0.6)</b>	<b>140.4</b>	<b>39.2</b>	<b>179.6</b>

### 3a Business segment reconciliations

		<b>Unaudited Six months to 30 June 2013</b>	Unaudited Six months to 30 June 2012	Audited Year to 30 December 2012
<b>Revenue</b>	Note	<b>£m</b>	£m	£m
Rental income from external sources	3	<b>18.9</b>	23.2	42.2
Inter-segment revenue	3	-	0.1	0.1
Management fees	3	<b>4.7</b>	5.4	10.4
Performance fees		-	-	2.6
Snozone income	3	<b>5.0</b>	5.2	10.1
Revenue for reportable segments		<b>28.6</b>	33.9	65.4
Elimination of inter-segment revenue	3	-	(0.1)	(0.1)
Rental income earned by associates and joint ventures		<b>(15.9)</b>	(19.6)	(35.3)
Management fees earned by associates and joint ventures		<b>(0.8)</b>	(0.7)	(1.2)
<b>Revenue per consolidated income statement</b>		<b>11.9</b>	13.5	28.8
UK		<b>21.0</b>	23.7	48.3
Germany		<b>7.6</b>	10.2	17.1
<b>Revenue for reportable segments by country</b>		<b>28.6</b>	33.9	65.4
		<b>Unaudited 30 June 2013</b>	Unaudited 30 June 2012	Audited 30 December 2012
<b>Balance sheet</b>	Note	<b>£m</b>	£m	£m
Total assets of reportable segments	3	<b>542.4</b>	716.8	575.5
Adjustment for associates and joint ventures		<b>(321.6)</b>	(443.1)	(325.4)
Non-segment assets	3	<b>29.8</b>	4.1	4.0
<b>Group assets</b>		<b>250.6</b>	277.8	254.1
Total liabilities of reportable segments	3	<b>(386.7)</b>	(518.4)	(395.3)
Adjustment for associates and joint ventures		<b>321.6</b>	443.1	325.4
Non-segment liabilities	3	<b>(2.2)</b>	(16.5)	(4.6)
<b>Group liabilities</b>		<b>(67.3)</b>	(91.8)	(74.5)
UK		<b>137.9</b>	140.7	136.5
Germany		<b>45.4</b>	45.3	43.1
<b>Nets assets by country</b>		<b>183.3</b>	186.0	179.6

## 4 Tax

	Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited Year to 30 December 2012 £m
<b>Tax charge</b>			
UK corporation tax – continuing operations	-	1.2	1.0
UK corporation tax – discontinued operations	-	0.1	2.0
Adjustments in respect of prior years – continuing operations	-	(2.2)	(2.6)
Foreign tax – continuing operations	<b>0.2</b>	-	0.2
<b>Total current tax charge/(credit)</b>	<b>0.2</b>	<b>(0.9)</b>	<b>0.6</b>
Origination and reversal of temporary timing differences	<b>0.2</b>	-	0.5
Deferred tax charge/(credit) – discontinued operations	-	0.2	(3.5)
<b>Total deferred tax /charge/(credit)</b>	<b>0.2</b>	<b>0.2</b>	<b>(3.0)</b>
<b>Total tax charge/(credit)</b>	<b>0.4</b>	<b>(0.7)</b>	<b>(2.4)</b>
<b>Total tax charge/(credit) – continuing operations</b>	<b>0.4</b>	<b>(1.0)</b>	<b>(0.9)</b>
<b>Total tax charge/(credit) – discontinued operations</b>	<b>-</b>	<b>0.3</b>	<b>(1.5)</b>

	Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited Year to 30 December 2012 £m
<b>Tax charge/(credit) reconciliation</b>			
Profit/(loss) before tax on continuing operations	<b>4.1</b>	(11.8)	(11.7)
Profit multiplied by the UK corporation tax rate of 23.5% (2012: 24.5%)	<b>1.0</b>	(2.9)	(2.9)
Non-allowable expenses and non-taxable items	<b>(0.9)</b>	(1.5)	(1.0)
Utilisation of tax losses	<b>(0.2)</b>	(0.6)	(1.3)
Tax on realised gains/(losses)	<b>(0.3)</b>	-	0.5
Unrealised losses on investment properties not taxable	<b>1.3</b>	4.2	4.7
Temporary timing and controlled foreign companies income <sup>1</sup>	<b>(0.5)</b>	2.0	1.7
Adjustments in respect of prior years	-	(2.2)	(2.6)
<b>Total tax charge/(credit)</b>	<b>0.4</b>	<b>(1.0)</b>	<b>(0.9)</b>

<sup>1</sup> Controlled foreign companies income is relevant only to prior periods

The Budget on 20 March 2013 revised the previously announced phased reduction in the UK main corporation tax rate. The rate is now proposed to reduce to 20% (previously 21%) by 1 April 2015 (previously 1 April 2014). The reduction in the UK corporation tax rate at 1 April 2013 to 23% was substantively enacted on 3 July 2012. The changes will not have a significant impact on the Group.

The Group has £41.4 million (30 December 2012: £46.0 million) of unused revenue tax losses, all of which are in the UK. A deferred tax asset of £0.5 million (30 December 2012: £0.5 million) has been recognised in respect of £2 million (30 December 2012: £2.0 million) of these losses, based on future profit forecasts. No deferred tax asset has been recognised in respect of the remainder of these losses owing to the unpredictability of future profit streams and other reasons which may restrict the utilisation of the losses. The Group has unused capital losses of £26.7 million (30 December 2012: £20.6 million) that are available for offset against future gains but, similarly, no deferred tax asset has been recognised in respect of these losses owing to the unpredictability of future capital gains and other reasons which may restrict the utilisation of the losses. The losses do not have an expiry date.

## 5 Earnings per share

The European Public Real Estate Association ("EPRA") has issued recommendations for the calculation of earnings per share information as shown in the following table:

	Basic £m	Diluted £m	EPRA diluted £m
<b>Earnings</b>			
<b>Profit for the period</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>
Revaluation of investment properties	-	-	5.5
Profit on disposal of investment properties (net of tax)	-	-	(0.8)
Movement in fair value of financial instruments (net of tax)	-	-	(4.4)
Deferred tax charge on capital allowances	-	-	-
<b>Profit from continuing operations</b>	<b>3.7</b>	<b>3.7</b>	<b>4.0</b>
Discontinued operations	-	-	(0.1)
<b>Profit</b>	<b>3.7</b>	<b>3.7</b>	<b>3.9</b>

<b>Number of shares</b>	million	million	million
Ordinary shares in issue	349.7	349.7	349.7
Own shares held	(1.3)	(1.3)	(1.3)
Dilutive contingently issuable shares and share options	-	-	-
<b>Weighted average number of shares for the purpose of earnings per share</b>	<b>348.4</b>	<b>348.4</b>	<b>348.4</b>

<b>Earnings/(losses) per share – continuing operations</b>	pence	pence	pence
<b>Six months to 30 June 2013 (unaudited)</b>	<b>1</b>	<b>1</b>	<b>1</b>
Six months to 30 June 2012 (unaudited)	(3)	(3)	2
Year to 30 December 2012 (audited)	(3)	(3)	2

<b>Earnings/(losses) per share – continuing and discontinued operations</b>	pence	pence	pence
<b>Six months to 30 June 2013 (unaudited)</b>	<b>1</b>	<b>1</b>	<b>1</b>
Six months to 30 June 2012 (unaudited)	(3)	(3)	2
Year to 30 December 2012 (audited)	(5)	(5)	1

At the end of the period, the Group had 0.5 million (30 December 2012: 14.0 million) share options and contingently issuable shares granted under share-based payment schemes that could potentially have diluted basic earnings per share in the future but which have not been included in the calculation because they are not dilutive or the conditions for vesting have not been met.

## 6 Property assets

	Leasehold investment properties £m	Sub-total investment properties £m	Freehold trading properties £m	<b>Total property assets £m</b>
<b>Cost or valuation</b>				
At 30 December 2012	8.4	8.4	70.0	<b>78.4</b>
Impairment reversal of trading properties	-	-	0.2	<b>0.2</b>
Transfer to held for sale (Note 13)	(8.4)	(8.4)	-	<b>(8.4)</b>
<b>At 30 June 2013</b>	<b>-</b>	<b>-</b>	<b>70.2</b>	<b>70.2</b>

### Valuations

In addition to the wholly-owned properties shown above, the Group's property assets include its share in the investment properties held by its associates and joint ventures. External valuations at 30 June 2013 were carried out on £1.3 billion (30 December 2012: £1.4 billion) of the property assets held by the Group and its associates and joint ventures, of which the Group's share was £429.5 million (30 December 2012: £461.3 million).

The valuations were carried out by independent qualified professional valuers from CB Richard Ellis Limited, Cushman & Wakefield LLP, DTZ Debenham Tie Leung Limited and Jones Lang LaSalle Limited. These valuers are not connected with the Group and their fees are charged on a fixed basis that is not dependent on the outcome of the valuations. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar properties.

As at 30 June 2013, directors' valuations were carried out on £140.2 million (30 December 2012: £nil) of the property assets held by the Group and its associates and joint ventures, of which the Group's share was £34.8 million (30 December 2012: £nil). The valuations were carried out by Kenneth Ford BSc FRICS and were arrived at by reference to market evidence of transaction prices for similar properties.

## 7 Investment in associates and joint ventures

### 7a Share of results

		Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited Year to 30 December 2012 £m
	Note			
Share of results of associates	7b	(1.9)	(3.7)	(5.6)
Impairment of Fix UK	7b	-	(1.3)	(1.3)
Share of results of joint ventures	7c	3.3	(5.0)	(3.3)
Impairment of German portfolio 4	7c	-	(3.3)	(3.3)
Transfer from foreign currency reserve for German portfolio 4	7c	-	0.7	0.7
		<b>1.4</b>	<b>(12.6)</b>	<b>(12.8)</b>

### 7b Investment in associates

		Unaudited Six months to 30 June 2013 £m	Audited Year to 30 December 2012 £m
	Note		
At the start of the period		<b>80.7</b>	120.2
Investment in associates		<b>0.4</b>	16.2
Share of results of associates	7a,7d	<b>(1.9)</b>	(5.6)
Share of results of associates within discontinued operations	7d	-	0.5
Dividends and capital distributions received		<b>(0.5)</b>	(2.2)
Reclassified as held for sale (X-Leisure Fund)		-	(33.9)
Foreign exchange differences		<b>0.1</b>	-
Impairment of Fix UK	7a	-	(1.3)
Disposal of The Junction Fund		-	(13.2)
At the end of the period	7d	<b>78.8</b>	80.7

The Group's associates are:

	At 30 December 2012	Average during the period/until disposal	At 30 June 2013
<b>Group interest</b>	%	%	%
The Mall Limited Partnership	20.15	20.32	<b>20.32</b>
Kingfisher Limited Partnership	20.00	20.00	<b>20.00</b>
X-Leisure Limited Partnership	11.93	11.93	-
The FIX UK Limited Partnership	20.00	20.00	-
Garigal Asset Management GmbH ("Garigal")	30.06	30.06	<b>30.06</b>
Euro B-Note Holding Limited	49.90	49.90	<b>49.90</b>

The Group holds 20% or more of The Mall Limited Partnership, Kingfisher Limited Partnership and Garigal Asset Management GmbH and exercises significant influence through its representation on the General Partner boards or on the advisory board. The Group holds an effective 49.90% of Euro B-Note Holding Limited and exercises significant influence through its ownership interest.

#### **The Mall Limited Partnership**

On 4 January 2013, the Group purchased 1.6 million units in The Mall Fund at £0.25 per unit for a total consideration of £0.4 million. This increased the holding in The Mall Fund from 20.15% to 20.33%.

#### **X-Leisure Limited Partnership**

The Group's proposed disposal of its 11.9% stake in the X-Leisure Fund and its 50% interest in X-Leisure Limited completed on 16 January 2013 with gross cash consideration of £32.2 million being received.

#### **The FIX UK Limited Partnership**

On 8 February 2013 Legal & General Property acquired the FIX UK Portfolio. The Group received £0.5 million of consideration in respect of their 20% interest which had previously been impaired to £nil.

#### **Euro B-Note Holding Limited**

At 30 June 2013 management performed an impairment review over the loan receivable due from German Portfolio 4 that was held at 30 December 2012 at a carrying value of £2.3 million. This impairment assessment resulted in the Group's share of the loan receivable being written down to £nil carrying value reflecting adverse developments in the six months most prominently the insolvency of one of the most significant tenants in the portfolio.

#### **Cash distributions**

During the period Garigal Asset Management made a distribution to the Group of £0.5 million.

## 7c Investment in joint ventures

	Note	Unaudited Six months to 30 June 2013 £m	Audited Year to 30 December 2012 £m
At the start of the period		25.7	27.2
Share of results of joint ventures	7a,7e	3.3	(3.3)
Share of results of joint ventures within discontinued operations		-	2.0
Dividends and capital distributions received		-	(0.6)
Reclassified as held for sale (X-Leisure Limited)		-	(0.8)
Impairment of German portfolio 4	7a	-	(3.3)
Disposal of interest in Xscape Braehead		-	5.4
Foreign exchange differences		1.3	(0.9)
At the end of the period	7e	30.3	25.7

The Group's significant joint ventures are:

	At 30 December 2012	Average during the period/until disposal	At 30 June 2013
Group interest	%	%	%
German portfolio	50.00	50.00	50.00
X-Leisure Limited	50.00	50.00	-
Waterside Lincoln Limited Partnership	50.00	50.00	50.00

The Group's investments in joint ventures include its share of the German portfolio (49.6%) and its investments in The Waterside Lincoln Limited Partnership (50%). The Group's share in the German portfolio is accounted for at 50% as the minority interests are included as a liability on the joint venture balance sheet.

## 7d Analysis of investment in associates

		Other UK Shopping Centres	Others	Unaudited Six months to 30 June 2013 Total £m	Unaudited Six months to 30 June 2012 <sup>1</sup> Total £m	Audited Year to 30 December 2012 <sup>1</sup> Total £m
	Note	The Mall £m	£m	£m	£m	£m
<b>Income statement (100%)</b>						
Revenue – gross rent		36.2	6.4	-	42.6	78.3
Property and management expenses		(7.6)	(1.4)	-	(9.0)	(31.1)
Void costs		(2.2)	(0.1)	-	(2.3)	(6.5)
Net rent		26.4	4.9	-	31.3	60.6
Net interest payable		(13.7)	(2.8)	(0.2)	(16.7)	(39.6)
Contribution		12.7	2.1	(0.2)	14.6	21.0
Revenue - management fees		-	-	2.6	2.6	4.1
Management expenses		-	-	(1.3)	(1.3)	(12.8)
Revaluation of investment properties		(24.4)	(0.3)	-	(24.7)	(49.4)
Loss on sale of investment properties		-	-	-	-	(9.3)
Fair value of interest rate swaps		8.6	1.4	-	10.0	13.8
Impairment of Euro B-Note		-	-	(4.7)	(4.7)	(6.3)
(Loss)/profit before tax		(3.1)	3.2	(3.6)	(3.5)	(16.8)
Tax		-	0.1	(0.4)	(0.3)	(0.3)
(Loss)/profit after tax (100%)		(3.1)	3.3	(4.0)	(3.8)	(17.1)
<b>Balance sheet (100%)</b>						
Investment properties		722.1	131.4	-	853.5	1,878.1
Investment properties held for sale		152.5	-	-	152.5	-
Other assets		132.8	12.3	5.1	150.2	167.7
Current liabilities		(34.9)	(6.6)	(2.5)	(44.0)	(45.2)
Non-current liabilities		(638.3)	(86.6)	-	(724.9)	(1,295.1)
Net assets (100%)		334.2	50.5	2.6	387.3	392.4
<b>Income statement (Group share)</b>						
Revenue – gross rent		7.3	1.3	-	8.6	13.2
Property and management expenses		(1.5)	(0.3)	-	(1.8)	(5.5)
Void costs		(0.4)	-	-	(0.4)	(1.1)
Net rent		5.4	1.0	-	6.4	10.2
Net interest payable		(2.8)	(0.6)	(0.1)	(3.5)	(6.7)
Contribution		2.6	0.4	(0.1)	2.9	3.5
Revenue - management fees		-	-	0.8	0.8	1.2
Management expenses		-	-	(0.4)	(0.4)	(2.1)
Revaluation of investment properties		(4.9)	(0.1)	-	(5.0)	(9.8)
Loss on sale of investment properties		-	-	-	-	(1.8)
Fair value of interest rate swaps		1.7	0.3	-	2.0	2.0
Impairment of Euro B-Note		-	-	(2.3)	(2.3)	(3.2)
Gain recognised on investment in Mall		0.2	-	-	0.2	1.4
(Loss)/profit before tax		(0.4)	0.6	(2.0)	(1.8)	(5.0)
Tax		-	-	(0.1)	(0.1)	(0.1)
(Loss)/profit after tax (Group share)	7b	(0.4)	0.6	(2.1)	(1.9)	(5.1)
<b>Balance sheet (Group share)</b>						
Investment properties		146.7	26.3	-	173.0	312.8
Investment properties held for sale		31.0	-	-	31.0	-
Other assets		27.0	2.4	1.6	31.0	35.6
Current liabilities		(7.1)	(1.3)	(0.8)	(9.2)	(9.2)
Non-current liabilities		(129.7)	(17.3)	-	(147.0)	(152.8)
Net assets (Group share)	7b	67.9	10.1	0.8	78.8	80.7

<sup>1</sup> Includes both continuing and discontinued operations

## 7e Analysis of investment in joint ventures

	Note	German portfolio £m	Other UK Shopping Centres £m	Others £m	Unaudited Six months to 30 June 2013 Total £m	Unaudited Six months to 30 June 2012 <sup>1</sup> Total £m	Audited Year to 30 December 2012 <sup>1</sup> Total £m
<b>Income statement (100%)</b>							
Revenue – gross rent		13.6	1.1	-	14.7	22.1	38.1
Property and management expenses		(2.0)	(0.1)	-	(2.1)	(4.5)	(10.6)
Void costs		(0.1)	(0.2)	-	(0.3)	(0.5)	(0.7)
Net rent		11.5	0.8	-	12.3	17.1	26.8
Net interest payable		(5.0)	(0.3)	-	(5.3)	(9.7)	(13.0)
Contribution		6.5	0.5	-	7.0	7.4	13.8
Revenue - management fees		-	-	-	-	2.3	4.7
Management expenses		-	-	-	-	(2.0)	(2.3)
Revaluation of investment properties		(2.3)	1.2	-	(1.1)	(17.7)	(18.8)
Profit on sale of investment properties		-	-	-	-	0.1	0.1
Fair value of interest rate swaps		1.8	0.1	-	1.9	(0.7)	(0.5)
Profit/(loss) before tax		6.0	1.8	-	7.8	(10.6)	(3.0)
Tax		(1.1)	-	-	(1.1)	1.0	(0.2)
<b>(Profit/ (loss) after tax (100%)</b>		<b>4.9</b>	<b>1.8</b>	<b>-</b>	<b>6.7</b>	<b>(9.6)</b>	<b>(3.2)</b>
<b>Balance sheet (100%)</b>							
Investment properties		347.2	28.3	-	375.5	410.6	363.9
Other assets		13.3	2.0	0.3	15.6	24.4	14.7
Current liabilities		(155.9)	(0.9)	-	(156.8)	(25.0)	(32.0)
Non-current liabilities		(147.2)	(26.6)	-	(173.8)	(374.0)	(295.3)
<b>Net assets (100%)</b>		<b>57.4</b>	<b>2.8</b>	<b>0.3</b>	<b>60.5</b>	<b>36.0</b>	<b>51.3</b>
<b>Income statement (Group share)</b>							
Revenue – gross rent		6.8	0.5	-	7.3	11.1	19.0
Property and management expenses		(1.0)	(0.1)	-	(1.1)	(2.2)	(4.8)
Void costs		(0.1)	(0.1)	-	(0.2)	(0.3)	(0.4)
Net rent		5.7	0.3	-	6.0	8.6	13.8
Net interest payable		(2.5)	(0.2)	-	(2.7)	(4.9)	(6.6)
Contribution		3.2	0.1	-	3.3	3.7	7.2
Revenue - management fees		-	-	-	-	1.2	2.3
Management expenses		-	-	-	-	(1.0)	(1.1)
Revaluation of investment properties		(1.1)	0.6	-	(0.5)	(8.9)	(9.4)
Profit on sale of investment properties		-	-	-	-	0.1	0.1
Fair value of interest rate swaps		0.9	0.1	-	1.0	(0.3)	(0.3)
Profit/(loss) before tax		3.0	0.8	-	3.8	(5.2)	(1.2)
Tax		(0.5)	-	-	(0.5)	0.5	(0.1)
<b>Profit/(loss) after tax (Group share)</b>	7c	<b>2.5</b>	<b>0.8</b>	<b>-</b>	<b>3.3</b>	<b>(4.7)</b>	<b>(1.3)</b>
<b>Balance sheet (Group share)</b>							
Investment properties		173.6	14.2	-	187.8	205.3	181.9
Other assets		6.8	1.0	0.1	7.9	12.3	7.4
Current liabilities		(78.0)	(0.5)	-	(78.5)	(12.6)	(16.0)
Non-current liabilities		(73.6)	(13.3)	-	(86.9)	(187.0)	(147.6)
<b>Net assets (Group share)</b>	7c	<b>28.8</b>	<b>1.4</b>	<b>0.1</b>	<b>30.3</b>	<b>18.0</b>	<b>25.7</b>

<sup>1</sup> Includes both continuing and discontinued operations

## 8 Cash and cash equivalents

	Unaudited 30 June 2013 £m	Audited 30 December 2012 £m
Cash at bank	29.0	2.9
Security deposits held in rent accounts	0.1	0.1
Other restricted balances	2.8	2.3
	<b>31.9</b>	<b>5.3</b>

Other restricted balances include amounts subject to a charge against various borrowings and may therefore not be available for general use by the Group.

## 9 Borrowings

	Unaudited 30 June 2013 £m	Audited 30 December 2012 £m
<b>Borrowings at amortised cost</b>		
<b>Secured</b>		
Fixed and swapped bank loans	57.5	57.6
Variable rate bank loans	-	1.0
Total borrowings before costs	57.5	58.6
Unamortised issue costs	(0.5)	(0.6)
<b>Total borrowings after costs</b>	<b>57.0</b>	<b>58.0</b>
<b>Analysis of total borrowings after costs</b>		
Unamortised issue costs (within prepayments)	(0.1)	(0.3)
Current	-	-
Non-current	57.1	58.3
<b>Total borrowings after costs</b>	<b>57.0</b>	<b>58.0</b>

The core revolving credit facility was drawn by £nil million at 30 June 2013 (30 December 2012: £1.0 million).

## 10 Notes to the cash flow statement

	Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited Year to 30 December 2012 £m
Profit/(loss) on ordinary activities before financing	4.8	(9.7)	(8.7)
Profit/(loss) from discontinued operations	-	0.7	(5.7)
	<b>4.8</b>	<b>(9.0)</b>	<b>(14.4)</b>
Adjustments for:			
Income tax expense – discontinued operations	-	0.3	2.0
Loss on disposal of JV & Associates - discontinued operations	-	-	4.0
Impairment of goodwill – discontinued operations	-	0.6	1.8
Share of (profit)/loss in associates and joint ventures	(1.4)	10.7	10.3
Loss on revaluation of properties	-	0.1	1.7
Loss on disposal of other assets	-	-	0.1
Depreciation of other fixed assets	0.1	0.2	0.3
Increase in receivables	(1.1)	(0.5)	(2.4)
Decrease in payables	(2.2)	(1.6)	(0.1)
Non-cash movement relating to share-based payments	0.4	0.4	0.8
<b>Net cash from operations</b>	<b>0.6</b>	<b>1.2</b>	<b>4.1</b>

## 11 Net assets per share

EPRA has issued recommended bases for the calculation of certain net assets per share information as shown in the following table:

	Unaudited 30 June 2013			Unaudited 30 June 2012	Audited 30 December 2012
	Net assets £m	Number of shares million	Net assets per share £	Net assets per share £	Net assets per share £
<b>Basic net assets</b>	<b>183.3</b>	<b>349.7</b>	<b>0.52</b>	0.53	0.51
Own shares held	-	(1.3)			
Dilutive contingently issuable shares and share options	-	-			
Fair value of fixed rate loans (net of tax)	(0.3)				
<b>EPRA triple net assets</b>	<b>183.0</b>	<b>348.4</b>	<b>0.53</b>	0.53	0.51
Exclude fair value of fixed rate loans (net of tax)	0.3				
Exclude fair value of see-through interest rate derivatives	8.5				
Exclude deferred tax on unrealised gains and capital allowances	1.2				
<b>EPRA net assets</b>	<b>193.0</b>	<b>348.4</b>	<b>0.55</b>	0.60	0.55

During the period the Company purchased and cancelled a total of 923,958 of its own ordinary shares reducing the number of Ordinary shares issued and fully paid from 350,612,754 at 30 December 2012 to 349,688,796 at 30 June 2013.

## 12 Return on equity

	Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited Year to 30 December 2012 £m
Total comprehensive income attributable to equity shareholders	3.5	(9.8)	(16.6)
Opening equity shareholders' funds	179.6	196.0	196.0
Return on equity	1.9%	(5.0%)	(8.5%)

## 13 Discontinued Operations

The Group expect to exchange imminently on the conditional disposal of the Leisure World property, Hemel Hempstead for consideration that is expected, subject to guarantees and top up arrangements, to exceed the 30 June 2013 and 30 December 2012 valuation of £8.4 million. On the basis that at 30 June 2013 the sale was highly probable the property was reclassified as an asset held for sale. Given its disposal forms part of the strategic plan to exit the Leisure market, the results for the first half of the year and the comparative period in 2012 have been represented as discontinued operations. Also restated as discontinued operations in 2012, consistent with the treatment in 2012 annual accounts, are the Group's share of results from their investments in The Junction Fund, X-Leisure Limited and the X-Leisure Fund and Xscape Braehead.

The results of these discontinued operations, included in the consolidated income statement, were as follows:

	Unaudited Six months to 30 June 2013 £m	Unaudited Six months to 30 June 2012 £m	Audited Year to 30 December 2012 £m
Share of profit in associates and joint ventures before attributable tax	-	1.3	0.8
Attributable current tax charge	-	(0.3)	(2.0)
Share of loss in associates and joint ventures after attributable tax	-	1.0	(1.2)
Property and void costs	(0.1)	(0.4)	(0.3)
Revaluation of properties	0.1	0.1	(0.2)
Loss on disposal of discontinued operations	-	-	(4.0)
Profit/(loss) from discontinued operations	-	0.7	(5.7)

### 13 Discontinued Operations (continued)

Assets held for sale comprise:

	Note	Unaudited 30 June 2013	Audited 30 December 2012
Investment property – Leisure World, Hemel Hempstead		8.4	-
Investment in associate – X-Leisure Limited Partnership		-	31.7
Investment in joint venture – X-Leisure Limited		-	0.5
		<b>8.4</b>	<b>32.2</b>

£nil of balance sheet liabilities associated with these assets have been recognised at 30 June 2013 (£1.6 million at 30 December 2012).

The Group's disposal of the X-Leisure businesses completed on 16 January 2013 with net cash receipts in line with the net carrying value at 30 December 2012.

### 14 Events after the balance sheet date

#### Property disposals

##### *The Mall*

On 12 July 2013, The Mall completed the sale of The Gracechurch Centre in Sutton Coldfield for £88.0 million at a 7.8% net initial yield and the sale of The Pavilions in Uxbridge for £64.5 million at a 7.7% net initial yield. Both sales were in line with the 30 June 2013 valuation. Following the sales and a further pay down debt in The Mall has reduced to £379.5 million.

##### **German refinancing**

In July 2013 agreement was reached to refinance on a three year duration €141 million of debt within the German joint venture that matures around the end of 2013. The legal process for the refinancing is expected to be completed early in the second half of 2013.

##### **Interim dividend**

The Board has proposed an interim dividend of 0.25p per share to be paid in September 2013 which will result in a total payment of £0.9 million.

### 15 Related party transactions

There have been no material changes to, or material transactions with, related parties as described in note 35 of the annual audited financial statements for the year ended 30 December 2012, except for:

#### ***Distributions received from related parties***

During the period the Group received cash distributions of £0.5 million from related parties as disclosed in note 7b.

#### ***Management fee income from related parties***

During the period the Group received management fee income in the normal course of business of £2.1 million from related parties, primarily from The Mall Limited Partnership.

## Glossary of terms

**CRPM** is Capital & Regional Property Management Limited, a subsidiary of Capital & Regional plc, which earns management and performance fees from The Mall and certain other associates and joint ventures of the Group.

**Contracted rent** is passing rent and the first rent reserved under a lease or unconditional agreement for lease but which is not yet payable by a tenant.

**Contribution** is net rent less net interest, including unhedged foreign exchange movements.

**Capital return** is the change in value during the period for properties held at the balance sheet date, after taking account of capital expenditure and exchange translation movements, calculated on a time weighted basis.

**Debt** is borrowings, excluding unamortised issue costs.

**EPRA earnings per share (EPS)** is the profit / (loss) after tax excluding gains on asset disposals and revaluations, movements in the fair value of financial instruments, intangible asset movements and the capital allowance effects of IAS 12 "Income Taxes" where applicable, less tax arising on these items, divided by the weighted average number of shares in issue during the year excluding own shares held.

**EPRA net assets per share** include the dilutive effect of share-based payments but ignores the fair value of derivatives, any deferred tax provisions on unrealised gains and capital allowances, any adjustment to the fair value of borrowings net of tax and any surplus on the fair value of trading properties.

**EPRA triple net assets per share** include the dilutive effect of share-based payments and adjust all items to market value, including trading properties and fixed rate debt.

**Estimated rental value (ERV)** is the Group's external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a unit or property.

**ERV growth** is the total growth in ERV on properties owned throughout the year including growth due to development.

**Garigal** is Garigal Asset Management GmbH, an associate of the Group, which earns management and performance fees from the German joint venture.

**Gearing** is the Group's debt as a percentage of net assets. See through gearing includes the Group's share of non-recourse debt in associates and joint ventures.

**Interest rate cover (ICR)** is the ratio of either (i) recurring profit (before interest, tax, depreciation and amortisation); or (ii) net rental income to the interest charge.

**IPD** is Independent Property Databank Limited, a company that produces an independent benchmark of property returns.

**Like for like** figures exclude the impact of property purchases and sales on year to year comparatives.

**Loan to value (LTV)** is the ratio of debt excluding fair value adjustments for debt and derivatives, to the fair value of properties (excluding adjustments for tenant incentives and head leases).

**Market value** is an opinion of the best price at which the sale of an interest in a property would complete unconditionally for cash consideration on the date of valuation as determined by the Group's external or internal valuers. In accordance with usual practice, the valuers report valuations net, after the deduction of the prospective purchaser's costs, including stamp duty, agent and legal fees.

**Net assets per share (NAV)** are shareholders' funds divided by the number of shares held by shareholders at the period end, excluding own shares held.

**Net initial yield (NIY)** is the annualised net rent generated by the portfolio expressed as a percentage of the portfolio valuation, excluding development properties, which is in line with EPRA's best practice recommendations.

**Net debt to property value** is debt less cash and cash equivalents divided by the property value (including adjustments for tenant incentives and head leases).

**Net interest** is the Group's share, on a see through basis, of the interest payable less interest receivable of the Group and its associates and joint ventures.

**Net rent** is the Group's share, on a see through basis, of the rental income, less property and management costs (excluding performance fees) of the Group and its associates and joint ventures.

**Nominal equivalent yield** is a weighted average of the net initial yield and reversionary yield and represents the return a property will produce based upon the timing of the income received, assuming rent is received annually in arrears on gross values including the prospective purchaser's costs.

**Passing rent** is gross rent currently payable by tenants including car park profit but excluding income from non-trading administrations and any assumed uplift from outstanding rent reviews.

**Property under management (PUM)** is the valuation of properties for which CRPM or Garigal is the asset manager.

**Recurring pre-tax profit** is the total of Contribution, the Group's share of management fees less fixed management expenses earned by CRPM and Garigal, the profit from Snozone and any central costs and interest adjusted for any significant one off items such as Performance Fees. Recurring pre-tax profit includes results from Discontinued Operations up until the point of disposal or reclassification as held for sale.

**Return on equity** is the total return, including revaluation gains and losses, divided by opening equity plus time weighted additions to and reductions in share capital, excluding share options exercised.

**Reversionary percentage** is the percentage by which the ERV exceeds the passing rent.

**Reversionary yield** is the anticipated yield to which the net initial yield will rise once the rent reaches the ERV.

**See-through balance sheet** is the pro forma proportionately consolidated balance sheet of the Group and its associates and joint ventures.

**See-through income statement** is the pro forma proportionately consolidated income statement of the Group and its associates and joint ventures.

**Temporary lettings** are those lettings for one year or less.

**Topped-up net initial yield** is the net initial yield adjusted for the expiration of rent-free periods or other unexpired lease incentives.

**Total return** is the Group's total recognised income or expense for the year as set out in the consolidated statement of comprehensive income expressed as a percentage of opening equity shareholders' funds.

**Total shareholder return (TSR)** is a performance measure of the Group's share price over time. It is calculated as the share price movement from the beginning of the period to the end of the period plus dividends paid, divided by share price at the beginning of the period.

**Vacancy rate** is the ERV of vacant properties expressed as a percentage of the total ERV of the portfolio, excluding development properties, in line with EPRA's best practice recommendations.

**Variable overhead** includes discretionary bonuses and the costs of awards to directors and employees made under the 2008 LTIP, Matching Share Agreement, COIP and SAYE Scheme, which are spread over the performance period.

## Fund portfolio information (100% figures)

At 30 June 2013

	The Mall <sup>1</sup>	German Portfolio
<b>Physical data</b>		
Number of properties	6	25
Number of lettable units	728	193
Lettable space (sq feet – '000s)	3,251	3,319
<b>Valuation data</b>		
Properties at independent valuation (£m)	676.1	348.2
Adjustments for head leases and tenant incentives (£m)	53.7	(1.0)
<b>Properties as shown in the financial statements (£m)</b>	<b>729.8</b>	<b>347.2</b>
Revaluation in the year (£m)	(9.2)	(1.8)
Initial yield	6.9%	6.8%
Equivalent yield	7.3%	n/a
Property level return	1.0%	1.3%
IPD benchmark return	2.4%	n/a
Reversionary	16.1%	n/a
Loan to value ratio	56%	72%
Net debt to value ratio	46%	70%
<b>Lease length (years)</b>		
Weighted average lease length to break	8.4	7.9
Weighted average lease length to expiry	9.2	7.9
<b>Passing rent (£m) of leases expiring in:</b>		
Six months to 30 December 2013	5.7	0.7
Year to 30 December 2014	3.3	2.1
Three years to 30 December 2017	14.1	6.2
<b>ERV (£m) of leases expiring in:</b>		
Six months to 30 December 2013	6.1	n/a
Year to 30 December 2014	4.5	n/a
Three years to 30 December 2017	13.9	n/a
<b>Passing rent (£m) subject to review in:</b>		
Six months to 30 December 2013	2.1	n/a
Year to 30 December 2014	4.7	n/a
Three years to 30 December 2017	14.7	n/a
<b>ERV (£m) of passing rent subject to review in:</b>		
Six months to 30 December 2013	2.4	n/a
Year to 30 December 2014	5.1	n/a
Three years to 30 December 2017	15.1	n/a
<b>Rental Data</b>		
Contracted rent at period end (£m)	56.9	n/a
Passing rent at period end (£m)	53.9	26.2
ERV at period end (£m per annum)	62.6	n/a
ERV movement (%)	(0.3)	n/a
Vacancy rate (%)	5.2%	1.8%
<b>Like for like net rental income (100%)</b>		
Properties owned throughout 2012/2013 (£m)	21.9	11.5
Disposals (£m)	5.8	0.2
<b>Net rental income for the six months to 30 June 2013</b>	<b>27.7</b>	<b>11.7</b>
Properties owned throughout 2011/2012 (£m)	22.5	11.3
Disposals (£m)	9.0	0.2
<b>Net rental income for the six months to 30 June 2012</b>	<b>31.5</b>	<b>11.5</b>
<b>Other Data</b>		
Unit Price (£1.00 at inception)	£0.37	n/a
Group share	20.32%	49.60%

<sup>1</sup>Proforma excluding Sutton Coldfield and Uxbridge which were sold on 15 July 2013

## Shareholder information

### Registrars

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA  
Telephone: 0871 384 2438

*Calls cost 8p per minute plus network extras. Lines open 8.30am to 5.30pm, Monday to Friday. Overseas shareholders should call +44 121 415 7047.*

### 2012 financial calendar

Payment of Interim dividend	September 2013
Interim management statement	November 2013
2013 annual results	March 2014