

Annual Results Presentation

7 March 2012

**Capital &
Regional**

Agenda

2011 Highlights

Our Strategy

Asset Management

2011 Results

Outlook

Questions & Answers

2011 Highlights

2011 Highlights

- Growth in net assets per share of 12% to £0.56 – driven principally by recurring pre-tax profit of £16.4m
- De-gearing through disposals and repayment of debt:
 - Six properties sold for £370m in The Mall and The Junction, at or above valuation
 - See-through net debt to property value of 54% for the three main UK funds
 - Group net debt to equity ratio of 24%
- Strong underlying operating metrics for occupancy, footfall and environmental impact achieved through successful asset management performance with 101 new lettings at 2.2% above ERV and 57 renewals slightly above ERV
- Positive momentum in delivering the asset management and development pipeline
- Distributions from funds and joint ventures of £15.7m which has been recycled into new assets and an increased investment in The Mall

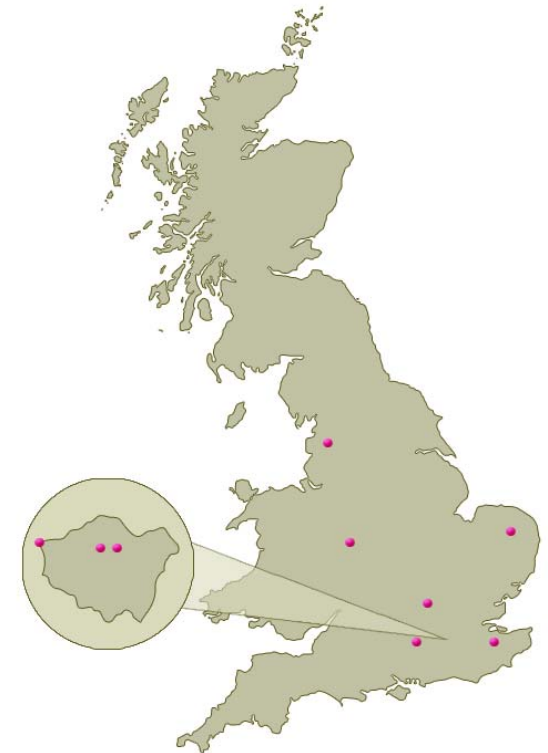
Our Strategy

Our Strategy

- A specialist retail property company with a unique management platform that gives us the ability not only to invest in, but operate and asset manage large and complex properties
- Strategic agenda based around taking significant stakes in retail property investments and leverage of our in-house property and asset management skills
- Emphasis on delivering asset management and development pipeline to realise value in the existing portfolios
- Strategic focus on realising the maximum value from non-core investments and looking to reinvest the proceeds into retail property investments

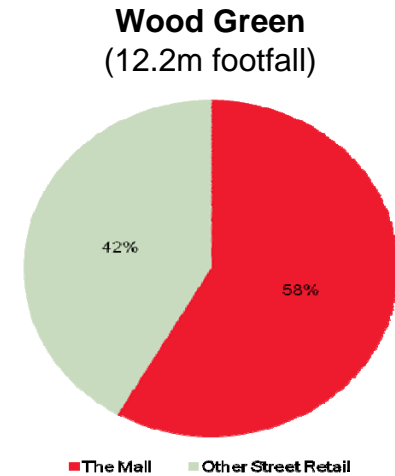
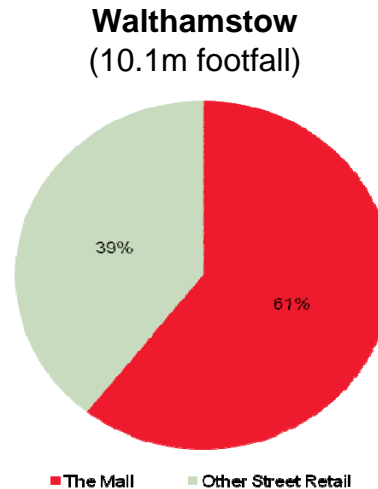
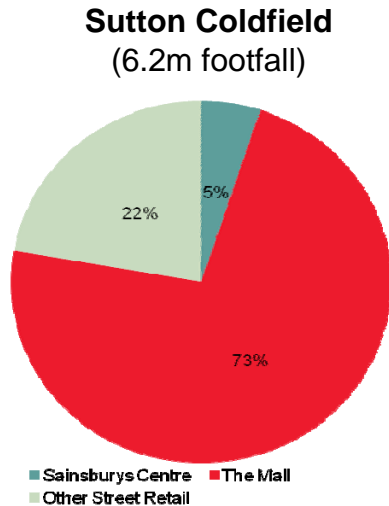
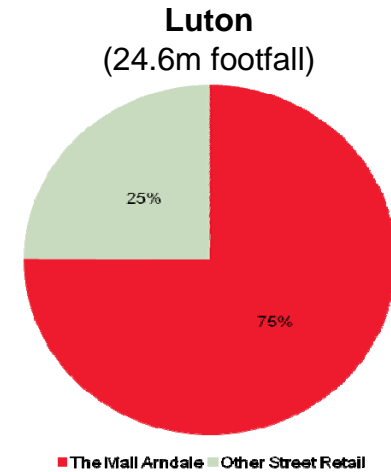
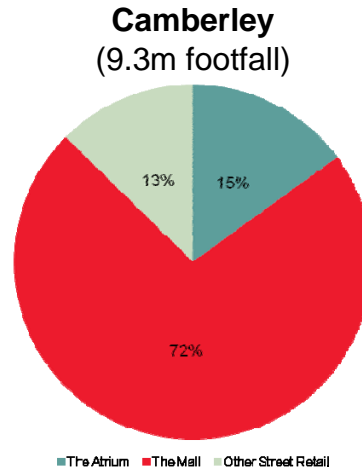
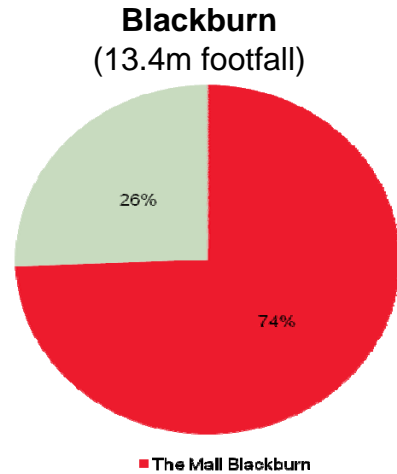
Focus on The Mall – Key Characteristics

- Town centre locations
- 69% of Malls in London and SE England
- Majority of locations dominant in the local community
- Affordable rents - average rent per sq ft of £20.50 (zone A: £25-£145) and sustainable rent at or exceeding passing rent
 - Walthamstow - rent to net turnover ratio of 6.5%
 - Luton - rent to net turnover ratio of 6.9%
- Commercial income in 2011 of £4.1m (+4%)
- Ownership of car parking and good public transport facilities
- Embracing technology: mobile enabled websites and social networking presence
- Shopping as a social and leisure experience (e.g. free WiFi in our UK shopping centres)

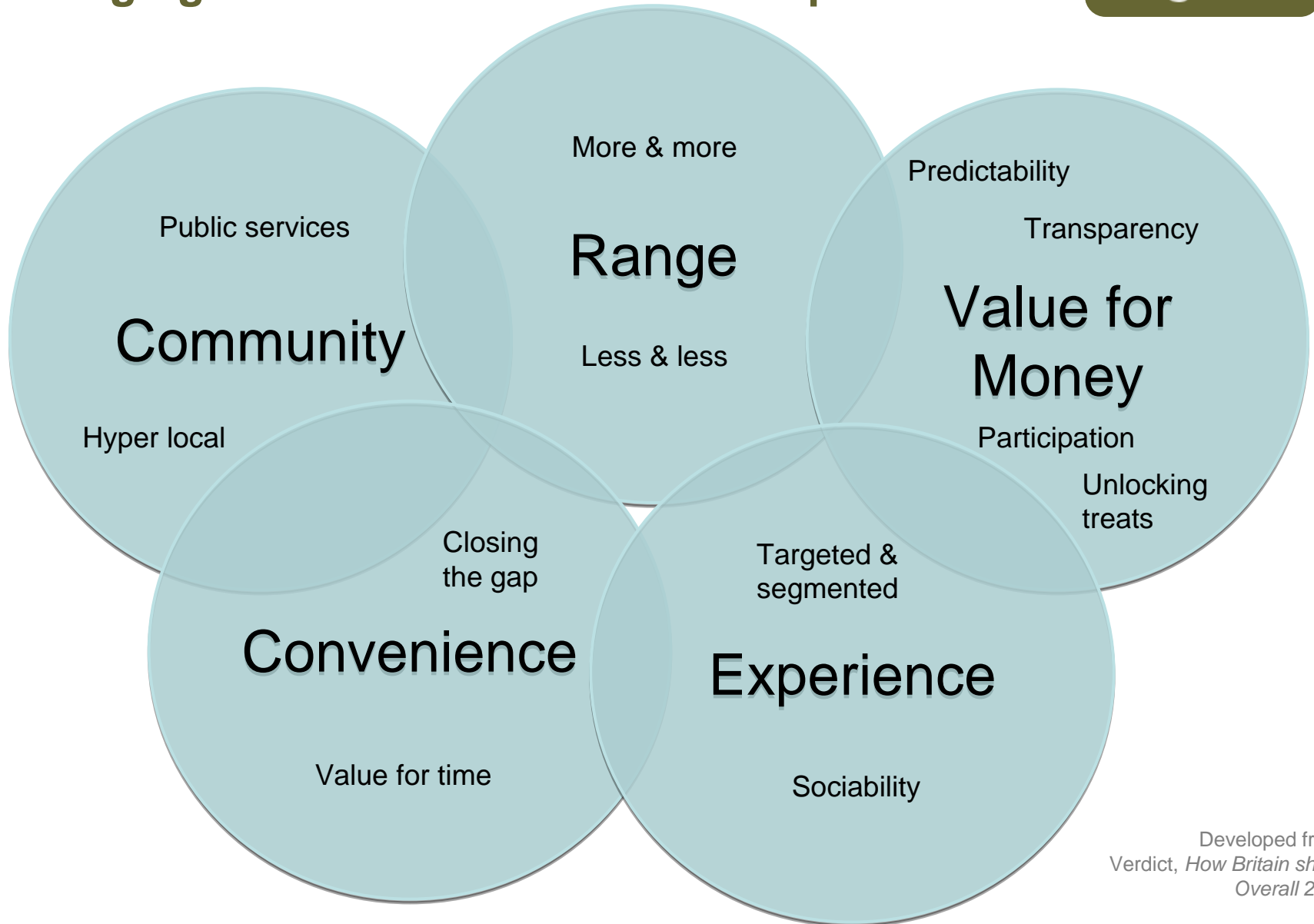


Focus on The Mall – Key Characteristics

- Dominant retail provider in majority of locations



Changing Market Trends and Our Response



Developed from:
Verdict, *How Britain shops*
Overall 2011

Changing Market Trends and Our Response

We continually adapt to meet changing retailer and consumer needs and have:

- Developed the retailer and consumer branding for The Mall shopping centres and The Junction retail parks through individual websites and loyalty based marketing and promotions – e.g. retailer affiliate marketing hosted on themall.co.uk
- Enhanced our marketing and social media feedback through the development of mobile enabled websites, social networking and The Mall smart phone apps
- Invested in shopper facilities to enhance the shopping and leisure experience, including the development of free cloud WiFi across the shopping centre portfolio, improvements to the service levels, staff training and security
- Developed The Mall digital media and Mall TV

Focus on The Mall – 2011 Operating Performance

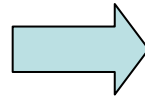
- Growth in footfall of 3.2% compared to a decline of 0.5% in the national index. In the first two months of 2012 footfall increased by 0.4% compared to a decline of 3.2% in the national index
- 75 new lettings, 53 lease renewals and 95 rent reviews completed at or above ERV on average. In 2012, new lettings and renewals for the three UK funds have been at 1.4% below ERV, with The Mall new lettings and renewals being at 2.0% below ERV
- Occupancy 97.2% (2010: 95.8%, 2010 LFL: 96.5%)
- Passing rent up 1.2%
- 62 administrations during 2011; this number has increased in the first two months of 2012, however the majority of units are expected to continue trading

Focus on The Mall – Future Plans

- Maintain and grow the income stream through new lettings, rent reviews, lease renewals and re-gears
- Progress asset management and development initiatives to deliver longer term value out of the portfolio
- On track to meet debt amortisation and LTV covenants
- Re-start distributions to unit holders' and allow the recycling of capital (debt below £600m and LTV below 60%)
- Reduce debt to a level that can be refinanced prior to debt maturity in April 2015
- Access capital to fund development pipeline opportunities (e.g. Walthamstow expansion)

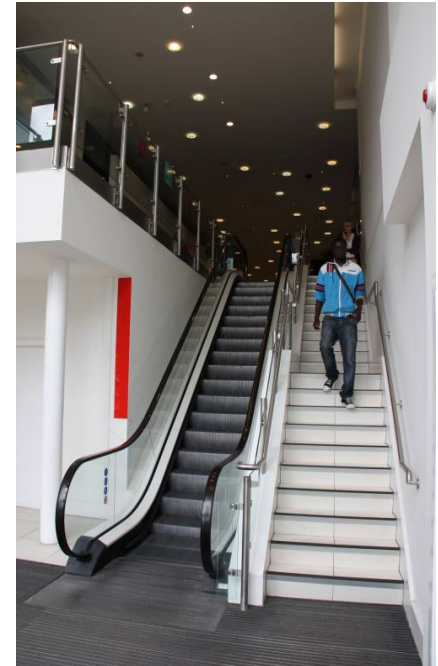
Asset Management

Asset Management – Blackburn Development



BCSC award demonstrates our core skill set

Value enhancing development with footfall up 12% during 2011



Asset Management - Great Northern

- New ground floor letting to All Star Lanes (premium ten pin bowling operator) - March 2012
 - 19,500 sq ft, 25 year lease (conditional on two items which are expected to be received shortly)
 - First location outside London
 - Enhances tenant mix, raising the scheme's profile within Central Manchester
- Negotiations progressing with a number of other leisure operators
- Reconfiguration opportunities:
 - Lease re-gears to re-let up to 75,000 sq ft of space
 - Strong tenant demand
 - Potential to create the leading aspirational leisure scheme in Manchester
- Asset management initiatives continue to improve the visibility and profile of existing tenants



Asset Management - Hemel Hempstead

- Planning application in progress, local authority positive, outcome expected in next few weeks:
 - Redevelopment and re-branding of the 160,000 sq ft scheme
 - Replacement of swimming complex and nightclubs with family dining, children's play area and gym with the ten pin bowling and ice rink to be retained
 - Construction costs in the region of £4.4m



Junction Lakeside Extra

- Redevelopment of former cinema to create an additional 30,000 sq ft of Open A1 non-food retail
- Planning permission granted
- Start on site in Q2 2012, with access for fit out expected end of 2012
- Unconditional contract exchanged on 15,000 sq ft and conditional contract exchanged on 7,500 sq ft
- Heads of terms agreed on final 7,500 sq ft
- Car park and road relocation
- Construction costs in the region of £3.5m

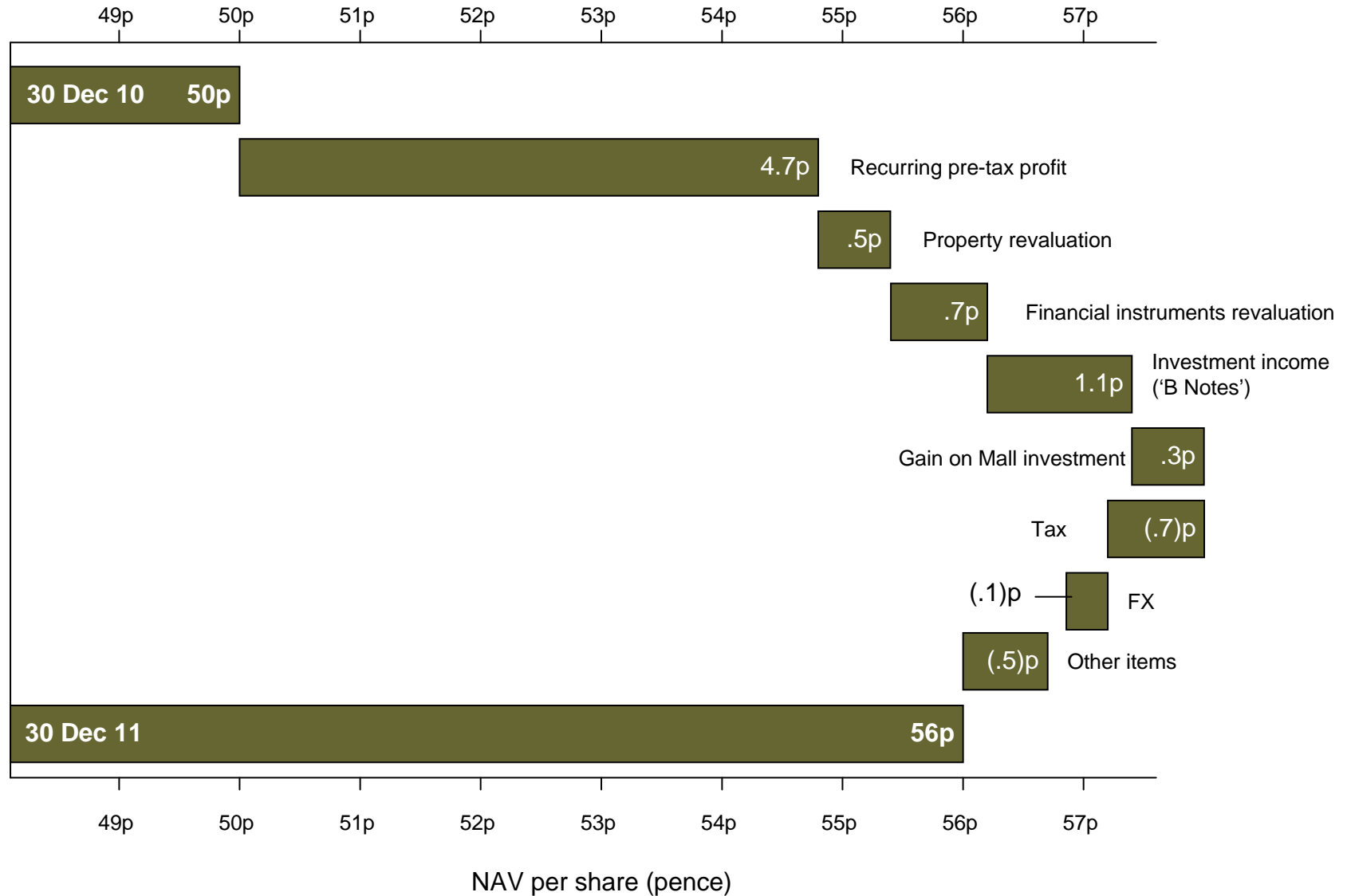


2011 Results

Financial Results

<u>Investment returns</u>	<u>2011</u>	<u>2010</u>
Net assets per share	£0.56	£0.50
EPRA net assets per share	£0.63	£0.57
Return on equity	11.9%	33.9%
<u>Financing</u>		
Group net debt	£47.2m	£49.8m
Net debt to equity ratio	24%	29%
See-through net debt to property value	64%	66%
<u>Profitability</u>		
Recurring pre-tax profit	£16.4m	£14.9m
Profit before tax	£23.4m	£46.4m
Basic earnings per share	£0.06	£0.13
<u>Property under management</u>	£2.5bn	£2.8bn

Net Assets Per Share Bridge



Recurring Pre-Tax Profit

	2011	Change v. 2010
	£m	£m
Asset management fees	8.4	-
Service charge & other fees	4.3	(0.6)
Fixed management expenses	(8.2)	(0.7)
	<hr/>	<hr/>
Property management	4.5	(1.3)
UK property investment	8.0	0.3
Germany property investment	7.9	2.3
SNO!zone	0.7	-
Non-segment items	(4.7)	0.2
	<hr/>	<hr/>
Recurring pre-tax profit	16.4	1.5

Group Net Debt

	Debt	Loan to value	Net debt to value	Average interest rate	Fixed	Duration to loan expiry
	£m	%	%	%	%	(years)
Core revolving credit facility	-	-	-	-	-	1.7
Great Northern	61.9	86	82	6.30	96	1.8
Hemel Hempstead	5.3	64	59	3.49	-	0.8
Group debt	67.2			6.08	89	1.7
Cash and cash equivalents	(20.0)					
Group net debt	47.2					

We are in negotiations to extend our core revolving credit facility and the Great Northern debt facility. Although there are no immediate refinancing issues, we aim to reach agreement well in advance of the maturity of these facilities.

Off Balance Sheet Debt

	Debt	Cash	Net debt	Loan to value	Net debt to value	Average interest rate	Fixed	Weighted average duration to expiry
Group share	£m		£m	%		%	%	(years)
The Mall	120.3	(21.2)	99.1	69	56	5.32	100	3.3
Germany	197.5	(6.1)	191.4	80	77	3.62	59	2.8
X-Leisure	35.4	(2.6)	32.8	53	49	6.34	99	2.1
The Junction	21.8	(2.6)	19.2	60	50	6.76	99	2.3
Waterside Lincoln	6.8	(0.6)	6.2	52	47	4.70	100	3.1
Xscape Braehead	22.8	(1.8)	21.0	85	78	4.87	75	2.7
FIX	25.2	(0.5)	24.7	95	93	6.67	80	1.2
Other	n/a	(1.4)	(1.4)	-	-	-	-	-
Off balance sheet	429.8	(36.8)	393.0			4.77	79	2.8
German debt adjustment	(7.5)	-	(7.5)					
Adjusted off balance sheet	422.3	(36.8)	385.5					

Outlook

Outlook

- Challenging operating environment for retailers will focus demand for affordable and attractive space
- Income resilience in core schemes and opportunities to deliver valuation uplift from completed asset management initiatives
- Expectation of values for the South East and London (majority of the shopping centre portfolio) to hold up and help mitigate any fall in capital values across the broader retail sector
- Further sales will be geared to recycling capital from the funds, accelerating distributions and the realisation of value on completion of development initiatives
- Further progress expected on the sale of our non-core interests and reinvestment into our core UK retail activities
- Committed to resuming dividends when prudent to do so. Dividend policy to be reviewed during the course of 2012 by which time progress in creating liquidity within the Group's investments in the funds and joint ventures should be further advanced

Questions & Answers

Appendix

Trading Snapshot – UK Funds

	Mall		Junction		X-Leisure		Total UK	
	2011	2010	2011	2010	2011	2010	2011	2010
Occupancy (%)	97.2	96.5	96.4	96.9	96.1	95.3	96.8	96.2
Passing rent (£m)	78.0	77.1	17.4	17.1	40.8	40.7	136.2	134.9
Contracted rent (£m)	81.9	81.5	18.6	17.8	41.7	41.3	142.2	140.6

	Mall	Junction	X-Leisure	Total UK
New lettings	75	7	19	101
- Rent (£m)	6.1	1.4	1.3	8.8
- +/- ERV (%)	0.0	7.2	7.2	2.2
Renewals	53	1	3	57
- Rent (£m)	1.4	0.3	0.1	1.8
- +/- ERV (%)	0.9	(3.6)	0.8	0.2
Rent reviews	95	11	50	156
- Rent (£m)	11.7	2.3	6.5	20.5
- Rent uplift (%)	2.8	3.0	8.7	4.7
- +/- ERV (%)	8.6	(6.0)	6.0	6.1

Administrations

- 73 administrations in the three UK funds during 2011; passing rent of £4.1 million (3.0% of the UK funds passing rent) of which 33 units have been re-let for rent of £1.3 million and a further £0.6 million is still being received.
- Significant administrations during 2011 include T J Hughes, Hawkins Bazaar, Jane Norman, Officers Club, Barratts Shoes and World of Sofas.
- In January 2012, the Best Buy unit at Thurrock in The Junction was closed, however the lease has been assigned at the same rent to Kiddicare, part of Morrisons:
 - Stronger covenant
 - Large unit remains open and trading
 - Vibrancy of scheme retained
- During 2012 to date 20 units, representing 2.0% of the three UK funds' passing rent, have gone into administration.
- The most significant administration related to Peacocks in January 2012.
 - Business sold to Edinburgh Woollen Mill in February 2012.
 - Eight units affected in The Mall and The Junction with passing rent of £1.6 million.
 - Alternative demand has been identified for two units and six units are expected to remain open and trading.
- Eight of the other 12 units that have gone into administration since year end have remained open and trading; the four units that have closed resulted in a loss of passing rent of £0.2 million
- Four administrations in the German portfolio in the year with passing rent of €0.1 million.

UK Asset Management Highlights

- Mall Luton – new lettings to Costa, Toby Inns and Jimmy Spices to successfully complete the food element of the redevelopment. Lettings elsewhere in the scheme to Jessops and Tiger and lease renewals with Arcadia, WHSmiths and C & J Clark
- Mall Wood Green – two additional units (4,700 sq ft) taken by Primark in excess of ERV and further lettings to Select, Phones 4U, Card Factory and Moss Bros
- Mall Maidstone – new lettings to Sports Direct, Costa, Select, Vision Express and Internacionale
- Mall Camberley – new lettings to 3G and Rush Hair and lease renewals with Monsoon, Jessops and Game
- Mall Uxbridge – new lettings to Metrobank and Blue Inc and a significant lease renewal with Iceland
- Waterside Shopping Centre, Lincoln – new letting to Apple franchise
- Mall Blackburn - new lettings to Specsavers, JD Sports, Bank, Harvey and Thompson and Select



Luton



Maidstone



Camberley



Uxbridge

UK Asset Management Highlights

- Mall Norwich – new letting to the British Heart Foundation plus renewals with F Hinds and Post Office
- Mall Sutton Coldfield - new lettings to Sports Direct who took 14,000 sq ft of formerly unused first floor space for a new upsized store and Jones The Bootmaker have taken a new 4,000 sq ft store. The former H&M unit (who upsized in 2010) was let to Barclays Bank
- Mall Walthamstow - New lettings to Choice and West Coast
- Across the Mall several group commercialisation deals were agreed with Sky TV, Coca Cola, PhotoMe International, Clear Channel and Ride on! Entertainment
- Junction Bristol - New lettings to The Range and Subway
- Junction Telford - New letting to Petstop
- Junction Thurrock - New lettings to Boots and Go Outdoors and a re-gear with Furniture Village



BCSC Gold Award for Mall Blackburn refurbishment

The Mall - Best Service Charge Provider 2011

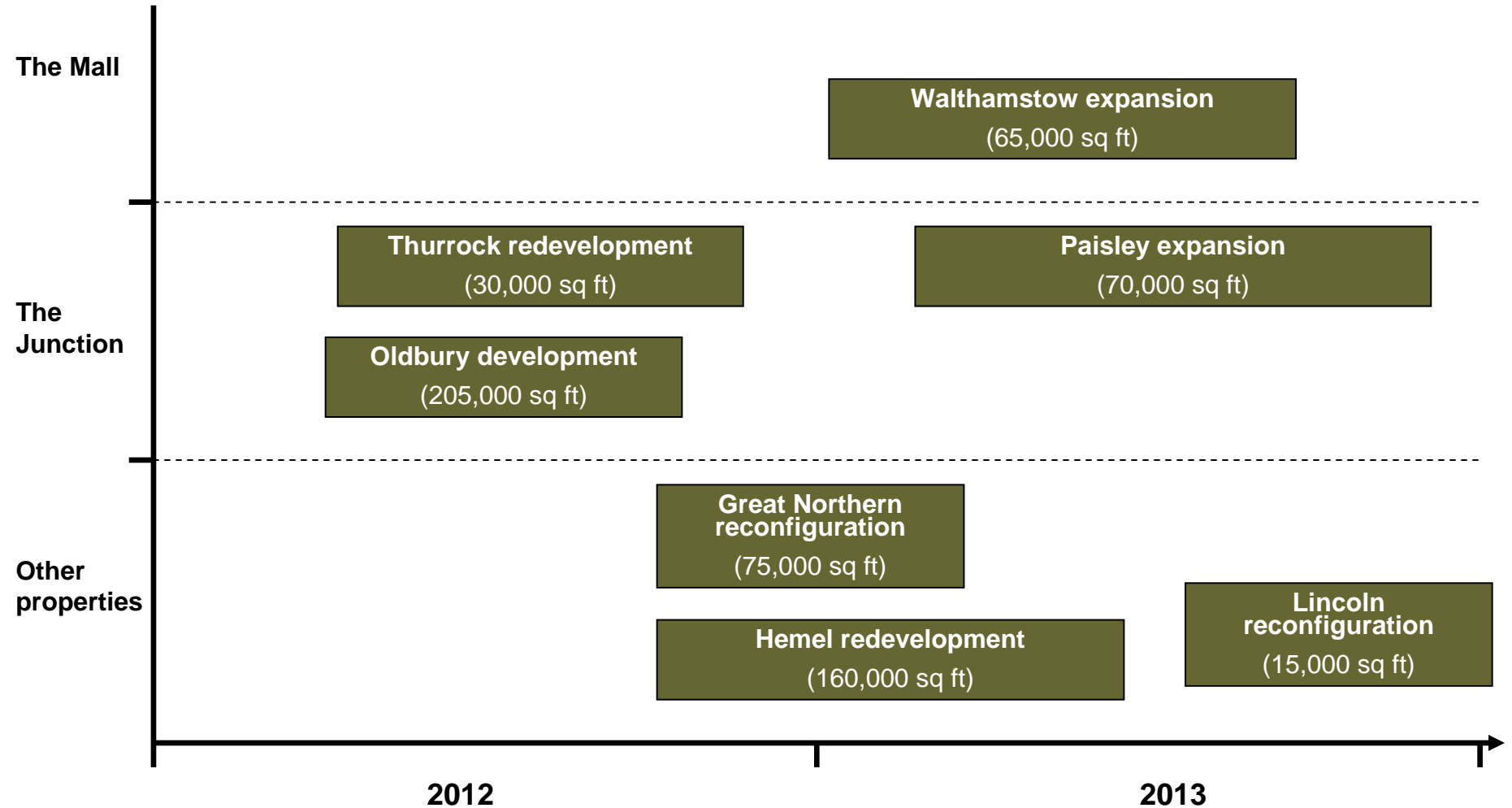


Germany Highlights

- Return on investment of 18% per annum
- Resilient occupancy of 95.1% and stable passing rent of €46.2m at December 2011
- Acquisition of Schwäbisch Hall in December 2011 for €22.6m at a 7.75% NIY
- 10 new lettings with an initial passing rent of €1.0 million, a further 13 lease extensions were completed to secure the long term income of the portfolio
 - Ingelheim – lease extension for 15 years with Real
 - Koln – significant lease extension until 2024 with Real
 - Lauchhammer – new 10 year letting to Toom and 5 year extension to Edeka
 - Balingen – 10 year lease extension with Toom
- Successful extension of €162.3m portfolio debt for three years and recognition of £4.0m on the junior debt acquired at the end of 2010
- Strategic recycling of dry, institutional assets planned to release capital for acquisition of properties with greater asset management potential

Pipeline Timeline

“Our strategy is to add value to our existing portfolio through active asset management and development in response to retailer demand, market conditions and available funding”



Pipeline Details

The Mall - Walthamstow

Progress has been made for a proposed 65,000 sq ft extension and we have agreed heads of terms for a development agreement with the local authority. Negotiations are continuing with them and potential tenants to devise a scheme that meets all of their requirements.

The Junction - Thurrock

Planning permission has been granted at Lakeside Extra for the redevelopment of the former cinema to create 30,000 sq ft of Open A1 retail. An unconditional contract has been exchanged on 15,000 sq ft and a conditional contract on 7,500 sq ft and heads of terms on the final 7,500 sq ft have been agreed. We expect to commence work during the second quarter of 2012 and construction costs will be approximately £3.5 million. Additionally, further progress has been made on separate development opportunities at Thurrock with a planning application targeted for submission by the end of 2012.

The Junction - Paisley

Planning permission has been granted for a new 54,000 sq ft terrace extension to our current scheme. We are in discussions with a number of retailers and expect to have contracted 65% of the space by the end of 2012. Additionally a planning application for 16,000 sq ft has been submitted for food retail on the former Menzies unit.

The Junction - Oldbury

A variation to the original planning consent was approved for a 205,000 sq ft development with Open A1, bulky goods, leisure and A3 consent on a brownfield site. The variation included greater Open A1 and mezzanines. We are working up tenant interest and are looking to commence development during 2012.

Pipeline Details

Hemel Hempstead

A planning application is due to be determined shortly by the local authority. Following positive pre-application discussions it has been recommended by the planning officer for approval. This application is for a comprehensive redevelopment and re-branding of the 160,000 sq ft scheme replacing the swimming complex and nightclubs with family dining, children's' play area and gym, with the cinema, ice rink and ten pin bowling retained. Heads of terms have been agreed with a number of restaurant operators and we are in advanced negotiations with a new bowling operator. Construction costs will be approximately £4.4 million.

Great Northern Warehouse

A new letting to the bowling operator, All Star Lanes, in March 2012 to take the ground floor for a ten pin bowling alley will improve the vitality of the property. This new letting is conditional on several items which are expected to be received shortly. A restaurant offer has been received for a unit on the ground floor and negotiations are continuing with regard to the first floor with a number of other potential leisure tenants.

Various other reconfiguration opportunities are being explored, involving re-gearing leases to release and re-let up to 75,000 sq ft of existing space, improving the longer term investment performance of this property and capitalising on it's situation adjacent to the G-Max conference centre

Waterside, Lincoln

During the year we have made solid progress towards our strategic aim of repositioning the scheme and upgrading the tenant mix and income profile in the centre.

A permanent long term letting to an Apple franchise, supported by a full refit of the Top Shop store has lifted the front half of the scheme. We now have flexibility over the Barratts store at the scheme entrance where we have agreed terms with a national fashion footwear operator, which should complete during the first half of 2012. We are in advanced negotiations to upsize an existing fashion retailer by 6,000 sq ft, which will incorporate a number of units that have historically been vacant.

The reconfiguration plans for the rear of the scheme to create large format retail space that would better anchor the scheme continue to progress well. However, with the success of the lettings currently being achieved at the front of the scheme, our strategy has been finessed to focus on completing the strengthening of this part of the centre, which will help strengthen the overall retailer perception of the scheme positioning, and in so doing improve the letting potential for the reconfiguration at the rear. The reconfiguration is not expected to commence until late in 2013.

NAV Constituents

	Property assets (£m)	Debt & other liabilities (£m)	NAV (£m)	% of NAV (%)	NIY (%)	Net debt to property value (%)
The Mall	184.8	(119.9)	64.9	33.1%	7.02%	56%
Germany	247.8	(193.1)	54.7	27.9%	6.61%	77%
X-Leisure	66.5	(36.0)	30.5	15.6%	6.59%	49%
The Junction	36.7	(19.6)	17.1	8.7%	5.68%	50%
Great Northern	71.5	(63.6)	7.9	4.0%	8.07%	82%
Waterside Lincoln	13.0	(6.4)	6.6	3.4%	7.72%	47%
Xscape Braehead	24.1	(19.9)	4.2	2.1%	6.80%	78%
Hemel Hempstead	8.3	(5.3)	3.0	1.5%	-	59%
FIX	26.1	(25.1)	1.0	0.5%	6.85%	93%
Other net assets	0.2	5.9	6.1	3.2%	-	-
Net assets	679.0	(483.0)	196.0	100.0%	-	64%

Movement in NAV Constituents

	NAV 30/12/10 (£m)	NAV 30/06/11 (£m)	NAV 30/12/11 (£m)
The Mall	57.6	62.4	64.9
Germany	48.4	55.5	54.7
X-Leisure	26.0	28.7	30.5
The Junction	23.8	23.0	17.1
Great Northern	4.9	5.5	7.9
Waterside Lincoln	-	6.2	6.6
Xscape Braehead	2.2	2.9	4.2
Hemel Hempstead	3.1	4.5	3.0
FIX	1.0	1.6	1.0
Other net assets	7.5	5.5	6.1
Net assets	174.5	195.8	196.0

Forward Looking Statement

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.