Market Tech Holdings Limited - MKT Interim results
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("Market Tech" or the "Company" or "the Group")

Interim results

Strong financial and operational growth driven by successful asset management initiatives

1 December 2016. Market Tech (LSE: MKT), the main market listed company which owns, manages and is developing a unique 16 acre estate of office, retail, leisure and living spaces centred around the iconic Camden Markets, and supported by digital technologies, announces half year results for the six months ended 30 September 2016.

Financial highlights

- 8.4% increase in property portfolio valuation to £1,070m, including a revaluation gain of 4.5%, driven by asset management and continued leasing success across the Market Tech estate
- 5.9% increase in Net Asset Value to £824.6m, representing a 5.5% increase to 175.4p on a per share basis
    - EPRA NAV* up 6.4% to £771.6m representing a 6.1% increase to 164.2p per share
- Total revenue increased 14.1% to £71.0m (H1 2015: £62.2m)
    - 29.0% increase in Property revenue to £17.8m (H1 2015: £13.8m)
    - 9.9% increase in Digital revenue to £53.2m (H1 2015: £48.4m)
- 24.5% increase in adjusted EBITDA** to £13.2m (H1 2015: £10.6m) of which £8.8m and £4.4m were attributable to the property and digital businesses respectively
- Profit before tax of £43.0m (H1 2015: £10.1m; FY 2016: £12.5m) resulting in basic earnings per share of 8.9p (H1 2015: 1.8p)
- Cash and cash equivalents of £179.1m (31 March 2016: £149.4m)
- Loan-to-value of 28.4% (FY 2016: 25.5%)

Operational highlights

- Strong demand for office and retail space across the estate with 15 new leases, 10 lease renewals and 32 short-term market tenancies, representing £3.7m of annualised rental income agreed during the period
- A further £3.6 million added since the period end comprising 13 short-term market tenancies, 12 renewals and 14 new leases, including a new Dr Martens concept store
- 10.5% increase in passing rent to £35.8m (31 March 2016: £32.4m) and up 3.2% excluding co-working
- 4.9% increase in ERV to £84.0m, with investment portfolio up 11.8% to £38.7m
- Occupancy across the investment portfolio strong at 93.6% with a Weighted Average Unexpired Lease Term ("WAULT") of 5.3 years
- Successful launch of the second phase of co-working with an additional 650 desks and occupancy now at 88%
- Hawley Wharf development on track, new school handed over to Camden, with marketing due to commence in H2
- Planning approval granted, subject to section 106 for a 2,600 sq ft extension of 251-259 Camden High Street
- Completed the £35m (excluding stamp duty) acquisition of a mixed-use development with planning consent at 101 Camley Street, comprising 22,700 sq ft office space as well as 91 private and 30 affordable/shared ownership apartments.

* EPRA NAV is defined as the net assets of the property operating segment adjusted to exclude derivatives and deferred tax liabilities on property revaluations

**Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortisation, adjusted for fair value investment property movements, share based payment charges, exceptional items and foreign currency exchange gain/(loss).

Commenting on the results, Charles Butler, Market Tech's CEO, said: "With over 50 new leases agreed across our retail, food and beverage and office assets, which have helped improved the rental tone on our estate, as well as strong demand and a long waiting list for our market stalls, where despite being short term leases the average stay is now around 3.5 years, we can clearly see that our asset management initiatives and our strategy to improve the appeal of the wider estate are working. This coupled with the growth of our co-working business, has led to a strong set of results for the first half with a 10% improvement in passing rent, a 5.5% increase in NAV per share and an 8.4% uplift in the value of our property portfolio to £1.1 billion.

"This strong performance also underlines the resilience and ongoing appeal of our Camden estate, in spite of a marked increase in political and economic uncertainty, most notably following the result of the EU referendum. While, 28 million people already visit the Camden every year[1] we are committed to expanding its appeal to attract more Londoners and people who want to live, work and play in the area, while maintaining the area's important cultural heritage and integrity. Furthermore, with leasing activity due to commence at our flagship Hawley Wharf mixed use development early next year, we look to the future with increased confidence."

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[1] Source TFL data based on 2013 figures for annual entry and exit for Camden Town and Chalk Farm Road tube stations

About Market Tech

Market Tech combines the iconic Camden Market real estate assets with digital technology to deliver a living, working, retail and leisure environment. The Company owns approximately 16 acres of real estate assets in Camden, including the Stables

Market; Union Street Market, (also known as Buck Street Market); Camden Lock Market; and Hawley Wharf, (formerly known as Camden Lock Village). It also owns separate real estate assets on Camden High Street; Kentish Town Road; properties on Jamestown Road, (including the Camden Wharf Building); The Interchange Building on Oval Road, Utopia Village in Primrose Hill, 1-11 Hawley Crescent and 49 Chalk Farm Road.

The Company owns three e-commerce businesses, referred to as Market Tech Digital. These are Stucco Media, an e-commerce marketing platform, Glispa, a Berlin-based mobile marketing business and Fiver, a B2C online fashion retailer.

www.market-tech.com

Chief Executive's statement

I am pleased to announce a strong set of interim results for the six months ended 30 September 2016 which clearly demonstrate the progress we are making with our asset management activities and underline that our strategy for the wider estate is working.

Furthermore, despite significant political and economic uncertainty during the period, most notably following the result of the EU referendum, we have proved the ongoing resilience and appeal of our assets by delivering a 10.5% increase in passing rent, a net revaluation gain of 4.5% and an increase in Group net asset value to £824.6m or 175.4p per share, an increase of 5.9% and 5.5% respectively.

Our property portfolio valuation has increased by 8.4% during the period to £1,070m with retail and offices performing very strongly leading on from the asset management initiatives started in the second half of the prior year. In line with the wider trend in the London housing market, we have seen a slight fall in residential valuations across our portfolio, however the impact of this on the Group is minimal due to our current relatively small exposure to this asset class.

Passing rent on our investment portfolio at the period end stood at £30.1m with a further £8.6m of reversionary potential. When combined with the potential ERV development uplift this takes our total ERV to £84.0m, an increase of 4.9% since 31 March 16.

We have continued to see strong footfall within the markets and with the refurbishment of the Stables Market listed buildings almost complete we are experiencing strong tenant demand with over 150 tenant applications per month. This is a real endorsement of the strength and attraction of the Camden market brand and was again evidenced this week with the announcement that Dr Martens has signed a 10 year lease for its European head office and are planning a flagship experiential store within Stables Market. This leasing is a superb example of our ability to drive value from our assets whilst attracting tenants which have a natural affinity or connection to Camden's culture and heritage.

We believe the demand for high quality flexible office space, which encourages collaboration and is further supported by business and community focussed events, will continue to increase significantly. This belief is supported by the demand for desks within our Interchange co-working business which continues to bring SMEs, high growth businesses and fantastic new entrepreneurs to Camden and contracted occupancy is now at 88%, taking us further towards our goals of creating a truly world class work, live and play destination and allowing us to achieve higher average rents per square foot than from traditional office space.

Market Tech continues to embrace technology within its real estate business and we now have over 50% of retailers within Stables and Camden Lock Market using the integrated EPOS module we supplied them. We have also developed and launched a new co-working platform to enable us to drive new customers to our spaces and not only control more of the complete customer journey but better understand the demands and needs of prospective customers.

Total revenue from Market Tech digital subsidiary companies has increased 9.9% to £53m with EBITDA increasing 12.8% to £4.4m. We continue to operate and grow these companies while considering the best options to maximise long term shareholder value.

We look forward to the second half of the year where we will continue to drive increased rents and value from our investment portfolio and commence our letting activity on the very exciting landmark Hawley Wharf development.

Valuation Report

We instructed Jones Lang LaSalle to value our property assets at 30 September 2016, in accordance with the RICS Valuation - Professional Standards 2014 (the "Red Book"), on the basis of fair value.

Valuation bridge

	£m
Valuation at 31 March 2016	**987.8**
Revaluation surplus	44.7
Capital expenditure	35.1
Acquisitions	2.8
Valuation at 30 September 2016	**1,070.4**

The table above includes £8.6m (31 March 2016: £8.6m) of group-occupied space categorised as Property, Plant and Equipment

At 30 September 2016, the total value of the property portfolio was £1,070.4m, an increase of 8.4% from £987.8m at 31 March 2016. A revaluation surplus of £44.7m, an increase of 4.5% in portfolio valuation, was generated which compares favourably with the IPD Capital Growth Index (all London - all property), which, for the same period, showed a reduction of 1.2%.

Valuation by property asset

Valuation	Primary use	September 2016 £m	March 2016 £m	Change
Investment Assets				
Stables Market	Mixed Use - Retail Led	287.4	249.6	15.1%
Union Street Market	Mixed Use - Retail Led	32.5	30.2	7.6%
10 Jamestown Road	Mixed Use - Office Led	29.0	27.2	6.6%
31 Kentish Town Road	Residential	9.8	10.2	(3.9%)
Camden Wharf	Mixed Use - Office Led	58.1	51.2	13.5%
The Interchange Building	Office	60.5	58.1	4.1%
49 Chalk Farm Road	Retail	5.0	5.0	0.0%
Herbrand Street	Office	59.2	56.9	4.0%
1-11 Hawley Crescent	Mixed Use - Office Led	29.1	29.1	0.0%
Utopia Village	Office	45.6	44.0	3.6%
	Mixed Use - Retail Led	8.3	5.5	

Other				50.9%
		624.5	567.0	10.1%
Development Assets				
251-259 Camden High Street	Retail	14.3	14.3	0.0%
Camden Lock Market	Mixed Use - Retail Led	120.8	125.0	(3.4%)
Hawley Wharf	Mixed Use - Retail Led	310.8	281.5	10.4%
		445.9	420.8	6.0%
		1,070.4	**987.8**	**8.4%**

Property Summary - Yielding Assets

The table below shows our yielding assets portfolio, which comprises the whole estate bar Hawley Wharf which is currently under development and not generating any rent.

The passing rent on our yielding property portfolio continued to grow during the period as our focussed asset management strategy begins to bear fruit. Totalling £35.8m at 30 September 2016, this represented an increase of 10.5% from 31 March 2016 and, importantly, growth of 10.2% on a like-for-like basis, with occupancy across the portfolio of 93.6%. %. It is important to note that, the average market trader's occupancy now stands at 3.4 years, which coupled with the fact that we receive over 150 applications per week for market stalls, underlines the highly visible and predictable nature of this portion of our rental income.

Total NLA at Stables Market as at 30 September 2016 was 222,000 sq ft, of which approximately 43,200 sq ft is attributable to the Group's co-working business.

	Passing Rent pa £m	**NLA** k sq ft	**Average rent** £/ sq ft	**Occupancy**
Investment assets				
Stables Market[1]	16.2	222.0	82.0	88.9%
Union Street Market	2.0	6.8	311.7	96.6%
10 Jamestown Road	1.4	28.3	48.1	100.0%
31 Kentish Town Road	0.3	10.1	32.6	100.0%
Camden Wharf	2.2	49.5	43.8	100.0%
The Interchange Building	1.9	65.0	29.0	100.0%
49 Chalk Farm Road	0.2	6.2	37.5	100.0%
Herbrand Street	2.8	66.4	42.2	100.0%
1-11 Hawley Crescent	0.9	25.0	34.5	100.0%
Utopia Village	1.8	45.2	50.4	79.5%
Other	0.4	13.4	28.2	100.0%
Development assets				
251-259 Camden High Street	0.5	4.4	112.9	100.0%
Camden Lock Market	5.2	48.0	118.3	92.9%
	35.8	590.3	64.8	93.6%

(1) Includes co-working

Central London Comparable Rent

As detailed in the tables below, rental levels across the portfolio continue to compare favourably with other central London locations, demonstrating both the appeal in affordability of our space and the potential for future rental growth as evidenced by the £8.6m gap between passing rent and ERV (excluding developments) across the Group's property portfolio. Within the retail sector, Market Tech's average rent stands at £96 per sq ft while comparable prime rents range from £260 to £1,475 per sq ft elsewhere in London. At the same time, prime office rents across London range from £70 to £120 per sq ft, compared to an average prime rent across Market Tech's portfolio of £38 per sq ft. At the same time the average market retail rent remains affordable at £96 per sq ft.

	Retail rent £/sq ft		**Office rent** £/sq ft
Covent Garden - James Street	1,475	West End	120
Oxford Street	925	Kings Cross	80
Carnaby Street	515	City	70
Marylebone	435	Clerkenwell	70
Camden High Street - Market Tech	390	Shoreditch	70
Borough	260		
Zone A - Market Tech	215	Market Tech Prime Camden	60

Retail Rent - Comparable rents are based on prime rental rates achieved. Source: CBRE. Market Tech High St rent based on current prime passing Zone A rate.

Office Rent - Comparable rents are based on prime rental rates achieved. Source CBRE.

Property Summary - ERV Gap & Yield

	Passing rent pa £m	**ERV** £m	**ERV gap** £m	**Equivalent yield**
Investments Assets				
Stables Market	16.2	20.6	4.4	5.3%
Union Street Market	2.0	2.2	0.2	5.1%
10 Jamestown Road	1.4	1.5	0.1	4.8%
31 Kentish Town Road	0.3	0.3	0.0	n/a
Camden Wharf	2.2	3.0	0.8	4.6%
The Interchange Building	1.9	3.3	1.4	4.8%
49 Chalk Farm Road	0.2	0.2	0.0	4.1%
Herbrand Street	2.8	3.5	0.7	4.7%
1-11 Hawley Crescent	0.9	1.1	0.2	4.8%
Utopia Village	1.8	2.6	0.8	5.1%
Other	0.4	0.4	0.0	4.9%-6.0%
	30.1	38.7	8.6	5.0%
Development Assets				
Hawley Wharf	0.0	30.2	30.2	5.5%
Camden Lock Market	5.2	14.2	9.0	5.2%
251-259 Camden High Street	0.5	0.9	0.4	4.0%
	5.7	45.3	39.6	5.4%
As at 30 September 2016	**35.8**	**84.0**	**48.2**	**5.2%**
As at 31 March 2016	32.4	80.1	47.6	5.2%

Property Summary - Weighted Average Unexpired Lease Term - (WAULT)

Property	**WAULT**

	(years)
Stables Market	5.7
Camden Lock Market	5.1
Union Street Market	2.0
10 Jamestown Road	9.2
31 Kentish Town Road	0.6
251-259 Camden High Street	0.1
Camden Wharf	3.6
The Interchange Building	10.2
49 Chalk Farm Road	4.8
Herbrand Street	3.3
1-11 Hawley Crescent	8.9
Utopia Village	3.0
Other	4.4
Total	**5.3**

The above table relates to full repairing and insuring (FRI) and commercial leases and excludes the flexible market occupational licences. Commercial and FRI leases accounted for 58.7% of passing rent at 30 September 2016 compared to 56.5% at 31 March 2016.

Hawley Wharf - Reconciliation of Gross Development Value to Red Book Value

	Hawley Wharf £m
Gross Development Value	**626.9**
Net Realisation	**590.1**
Construction Costs	150.3
Finance Costs	33.6
Professional Fees	20.2
Developers Profit	65.6
Other Costs	9.6
Red Book Value	**310.8**

Operating Review

The following section sets out how each asset has progressed in the period and our plans to create further value. As a result of acquisitions and our asset management and development activities the key statistics relating to our portfolio at the period end were as follows:

	September 2016	Change from March 2016
Value (£m)	1,070.4	8.4%
NLA (k sq ft)	590.3	5.1%
Passing Rent (£m)	35.8	10.5%
ERV (£m)	84.0	4.9%
Equivalent Yield	5.2%	-
Co-working desks	900	260.0%
Units	1,063	

Stables Market

Key statistics

	September 2016	Change from March 2016
Value (£m)	287.4	15.1%
NLA (k sq ft)	222.0	13.8%
Passing Rent (£m)	16.2	8.7%
ERV (£m)	20.6	17.0%
Equivalent Yield	5.3%	(0.1%)
Co-working desks	900	260.0%
Units	496	

Stables Market NLA of 222,000 sq ft includes 43,200 sq ft relating to co-working.

Stables Market is a large mixed-use property with 179,000 sq ft of current net lettable area, which includes, retail, market, restaurant and leisure space, as well as being home to our Triangle and Atrium co-working offices. The Stables Market buildings previously had 43,200 sq ft of vacant and redundant space above the main retail and leisure areas, which has now been developed into office space for the Group's co-working business with the second phase opened during May 2016.

We are currently delivering the initial phases of a tenant mix plan that will focus on driving the sales performance of new and existing occupiers by creating clusters of interest that encourage visitor conversion and attract domestic and local repeat spend. This plan also includes the introduction of renovated areas that will be set aside for new market stalls, helping us to attract the very best small traders across London and further differentiating Camden from more generic shopping destinations. To monitor and ensure the success of this strategy we are using our Minodes analytics system to track changes in customer behaviour.

The effects of this strategy are beginning to manifest as demand and rents increase. The impact of the mixed strategy is further evidenced by our Minodes analytics showing a 23% increase in returning visitors from April to September 2016. Since year end the passing rent on Stables Market has increased by £1.3m from £14.9m to £16.2m. Stables Market ERV has also increased by £3.0m as the build-up of new rental evidence and strong occupier demand take effect.

To enhance the trading performance of our tenants, we continue to focus on ways of increasing the volume of domestic visitors utilising Stables Market as well as the entire estate throughout the day. The expansion of our co-working platform in Stables Market plays an important role in this process.

We are particularly focused on improving our all-day food and beverage offer, to serve our office and domestic shopper community and support our event and evening economy. Since the year end we have signed 16 food and beverage operators within Stables Market as we continue to improve the food offer.

The delivery of our retail strategy has also commenced and we have completed our first flagship letting to Dr Martens with a further 5 units under offer.

The extensive refurbishment of our listed buildings is now complete, save for the high-level terrace onto Chalk Farm Road Building which will be complete by the end of December 2016. These works will help us to improve the shopper experience, increase dwell time and attract high-quality occupiers through the provision of attractive, functional and well-configured units.

To benefit from these upgrades, we are, where appropriate, agreeing base rent and revenue share structures with operators, to ensure we are aligned with their success.

Other asset management planning and market initiatives we have underway are designed to improve permeability and encourage footfall and visitor flow between and through Stables Market and the adjacent Camden Lock Market, thereby improving the trading potential for our tenants.

Camden Lock Market

Key statistics

	September 2016	Change from March 2016
Value (£m)	120.8	(3.4%)
NLA (k sq ft)	48.0	-
Passing Rent (£m)	5.2	8.3%
ERV (£m)	14.2	-
Equivalent Yield	5.2%	-
Units	296	

Camden Lock Market is an existing yielding market asset, with both short term asset management and medium-term development uplift potential.

We recently re-opened our West Yard Food Market under the management of street-food specialists KERB, delivering significant improvements to the customer journey and net revenue. Income since the August launch to 31 October 2016 is up 28% on a like for like basis.

We have also delivered wider tenant mix and layout improvements to Middle Yard and Market Hall, renewing 15 shop leases and introducing 60 new market-stall traders. This has delivered an increase in overall net income of £0.2m and helped improve the trading performance of our traders.

Following the success of KERB at Camden Lock Market we are also finalising designs to reconfigure the stall layout on Camden Lock Place and Middle Yard and expect to drive significant uplift in trading and revenues.

We were granted planning permission in early 2016 for a mixed-use market, retail, office, leisure and flexible spaces, representing an increase from 48,000 sq ft to circa 98,000 sq ft.

Our current plan is to start phase 1 works in 2017, comprising some simple asset management initiatives which primarily involve utilising currently unused space. Phase 2, which comprises the main development project is currently scheduled to commence following delivery of Hawley Wharf so as to ensure that two major sections of our estate, and Camden as a major tourist destination, are not taken off line at the same time. Although we have added some risk cost to the existing model, the professional team are working on improving the scheme and value engineering the project to maximise income and reduce cost. This exercise should be finished during Q2 2017.

Union Street Market

	September 2016	Change from March 2016
Value (£m)	32.5	7.6%
NLA (k sq ft)	6.8	-
Passing Rent (£m)	2.0	-
ERV (£m)	2.2	4.8%
Equivalent Yield	5.1%	-
Units	199	

We see a significant future uplift in the value of this asset and are analysing ways to maximise this through development. We are continuing to work with London Underground to coordinate proposals with the works planned for the tube extension.

In parallel, we are working on a temporary improvement scheme, until such time as London Underground certainty is achieved, which is expected to be delivered during 2017.

The Interchange Building

Key statistics

	September 2016	Change from March 2016
Value (£m)	60.5	4.1%
NLA (k sq ft)	65.0	-
Passing Rent (£m)	1.9	-
ERV (£m)	3.3	6.5%
Equivalent Yield	4.8%	-
Units	1	

The Interchange Building is an iconic warehouse-style office building overlooking the Canal. The building provides 65,000 sq ft of accommodation and is currently let in its entirety to Associated Press, with 10 years remaining on the lease.

We expect to see significant growth on the current passing rent of £29 per sq ft in the approaching December 2016 rent review. To ensure this is achieved, we have been focusing on setting comparable evidence within our portfolio.

Camden Wharf

Key statistics

	September 2016	Change from March 2016
Value(£m)	58.1	13.5%
NLA (k sq ft)	49.5	-
Passing Rent (£m)	2.2	37.5%
ERV (£m)	3.0	11.1%
Equivalent Yield	4.6%	(0.1%)
Units	6	

This investment asset is connected to our building on Jamestown Road. It has retail, restaurant and leisure space on the ground floor, with tenants including All Saints and Wetherspoon and offices on the first to third floors.

During the period, we let the vacant third floor office and following the period end we also agreed the surrender of the first and second floors and simultaneously signed a new 10 year lease to Dr Martens. Both leases were signed at a significant premium to the previous passing rent and ahead of March 16 ERV.

The All Saints November 2015 rent review was agreed following the period a 20% increase on the March 2016 ERV. The evidence set on our pre-lets for 251-259 High Street played a critical role in achieving this settlement.

1-11 Hawley Crescent

Key statistics

	September 2016	Change from March 2016
Value (£m)	29.1	-
NLA (k sq ft)	25.0	-
Passing Rent (£m)	0.9	-
ERV (£m)	1.1	-
Equivalent Yield	4.8%	-
Units	7	

This is a mixed office and residential building in the heart of Camden Town, opposite MTV and behind the planned Camden Town Underground extension. It comprises 19,700 sq ft of office space on the basement, first and second floors, which are let to the Open University, and six residential units on the third and fourth floors.

The current rent passing on the office space equates to £35 per sq ft and we expect to achieve an increase on this level at the approaching April 2017 rent review.

10 Jamestown Road

Key statistics

	September 2016	Change from March 2016
Value (£m)	29.0	6.6%
NLA (k sq ft)	28.3	-
Passing Rent (£m)	1.4	-
ERV (£m)	1.5	15.4%
Equivalent Yield	4.8%	-
Units	6	

This mixed-use asset comprises 28,300 sq ft of retail, office and residential accommodation.

Our asset management strategy is again focused on delivering evidence within our portfolio to increase leisure and office rents at review during 2017. The offices are currently let at £32 per sq ft with significant potential for uplift.

31 Kentish Town Road

Key statistics

	September 2016	Change from March 2016
Value (£m)	9.8	(3.9%)
NLA (k sq ft)	10.1	-
Passing Rent (£m)	0.3	-
ERV (£m)	0.3	-
Equivalent Yield	N/A	N/A
Units	14	

This asset comprises 14 apartments under one corporate lease expiring in 2017. We are currently in discussions with the tenant to renew this lease and expect to achieve an increase in rent, whilst at the same time exploring other options that may allow us to unlock further value from this well located residential asset.

Utopia Village, Chalcot Road

Key statistics

	September 2016	Change from March 2016
Value (£m)	45.6	3.6%
NLA (k sq ft)	45.2	-
Passing Rent (£m)	1.8	125.0%
ERV (£m)	2.6	4.0%
Equivalent Yield	5.1%	-
Units	28	

Utopia Village is a 45,200 sq ft mews-style office complex. It comprises 28 units that are predominantly occupied by technology, music, event and fashion SMEs.

Our strategy is to combine an exciting occupier mix with a great social and events platform to create a desirable community for SMEs that will support short-term rental growth.

During the period, we have made significant advances in our leasing and renewal progress, having increased contracted rent from £0.8m to £1.8m and extended the average lease length to 3 years. Much of this success results from a concerted marketing effort combined, encouragingly, with increasing interest from tenants in our co-working facilities that have up scaled their requirements in line with the growth of their businesses. This further endorses our strategy of nurturing talent and being a key facilitator of business growth in the Camden area.

We have introduced a new coffee shop which is being operated by local coffee operator L'Absinthe. Going forward, we plan to undertake a light refurbishment of our final vacant office units and achieve fully let status by year end.

Camden Assembly - 49 Chalk Farm Road

Key statistics

	September 2016	Change from March 2016
Value (£m)	5.0	-
NLA (k sq ft)	6.2	-
Passing Rent (£m)	0.2	-
ERV (£m)	0.2	-
Equivalent Yield	4.1%	-
Units	1	

We bought this famous music venue, which is positioned opposite Stables Market, for £5 million in October 2015. In August 2016, we surrendered the existing lease and signed the music and bar operator, Columbo Group.

Columbo's new concept; the Camden Assembly, has transformed this ailing venue and will play an important part in reinvigorating Camden's music scene and evening economy.

7-11 Herbrand Street

Key statistics

	September 2016	Change from March 2016
Value (£m)	59.2	4.0%
NLA (k sq ft)	66.4	-
Passing Rent (£m)	2.8	-
ERV (£m)	3.5	6.1%
Equivalent Yield	4.7%	-
Units	1	

We acquired this iconic office building for £56.0m (excluding stamp duty of £2.2m) in March 2016. The building provides 66,406 sq ft of office accommodation over well configured floor plates and is leased to McCann, the global advertising agency as its European headquarters, on a lease expiring in 2020. It has strong reversionary potential working off a low passing rent of £42 per sq ft.

251-259 Camden High Street

Key statistics

	September 2016	Change from March 2016
Value (£m)	14.3	-
NLA (k sq ft)	4.4	-
Passing Rent (£m)	0.5	-
ERV (£m)	0.9	-
Equivalent Yield	4.0%	-
Units	5	

This is an existing yielding asset, with five shops. We have submitted a planning application to extend the retail accommodation at ground and basement levels, to which we have received approval subject to finalising the section 106 agreement. Work is expected to commence in Q1 2017.

The development area of circa 7,000 sq ft represents an uplift of circa 2,600 sq ft. We have signed one pre-let at record rents for Camden High Street with a further three units under offer, setting a record zone A rent of £420 per sq ft. The final unit is being held back for later stage marketing to maximise revenues.

101 Camley Street

On 15 November 2016 we completed the £35.0m (excluding stamp duty) acquisition of 101 Camley Street which has planning consent for a mixed-use development, including 22,700 sq ft gross internal area of flexible commercial space and 91 private and 30 affordable/shared ownership apartments.

The consented scheme has now been fully reviewed and we believe the scheme can be improved in order to release the maximum value from site. These changes will:

- create 12,000 sq ft extra lettable commercial space
- increase the sellable residential area
- reconfigure the positioning of the residential and affordable apartments to seek to maximise value

In the meantime, the key programme dates are being achieved, with the project on track for starting demolition in May 2017 for completion by the end of 2019.

Hawley Wharf Development

Key statistics
Gross development value: £626.9m
Red book value: £310.8m (March 16: £281.5m)
ERV: £30.2m
Net lettable area: 383,000 sq ft

Hawley Wharf is Market Tech's flagship development and will transform this prime canal side site into a mixed-use scheme comprising a new market, retail units, restaurants, offices, an art-house cinema, a food market, residential units and a school. In total, it will provide approximately 550,000 sq ft of gross development area, excluding three public piazzas.

In August 2016 we finalised the main construction contract with Mace worth £181.0m. The total budget for the scheme including demolition and professional fees is as follows:

Area	Budget
Mace Contract Sum	**£181.0m**
Demolition	£3.0m
School	£7.5m
Client Fees	£19.0m
TOTAL	**£210.5m**
Risk Allowance	£10.0m

As at 30 September, expected costs to complete the project are £150.3m.

Works are currently progressing on programme with the contract programme dates for completion of each section as follows:

- Building W/X opposite the school (Social, intermediate and market residential) April 2018
- Building A1/A2 the Canal Side building (new market, office and restaurant) May 2018
- Building C on Castlehaven Road (new market square, retail, office and market residential) August 2018
- Building D/E canal side on Kentish Town Road (Premium residential with employment on lower levels) October 2018

Current construction progress at the end of November is as follows:

- Basement excavation is currently at 11 meters below ground at building C (deepest basement), out of a total dig depth of 17.5M
- Currently 290 construction workers onsite - peaking at 650 in Q4 2017
- Number of trucks per day (soil-away) - average 60 trucks per day peaking at 90 in August 2016.
- 40,000 cubic meter of earth has been excavated (approx 65,000 tonnes).
- 5 out of 6 tower cranes on site - 6th crane arrives early January 2017
- First section of cladding commences December 2016
- Residential building opposite the school is constructed up to the 7th floor slab out of a total of 9 stories - 21m high out of total 28m
- Building C double height ground floor slab constructed - 9m out of 27m maximum height
- Canalside market - basement fully excavated
- There has been approximately 15,000 cubic metres of concrete poured (circa 38,000 tonnes of concrete) out of approximately 50,000 cubic metres in total across

the whole site (125,000 tonnes total)

As part of the Hawley Wharf development the new Hawley Primary School was successfully completed within the agreed budget and the School opened for operation on 3 November 2016.

Full marketing of residential, retail and food and beverage due to commence in the second half of the year.

Co-working

During the period, we successfully launched our second building, the Atrium, as part of our co-working Interchange initiative. Co-working, with currently 900 desks has grown to be an essential part of our Camden place-making strategy, attracting growth businesses to our estate and building a professional community in a modern and creative working environment. Co-working has proved to offer the opportunity to generate greater income by maximising utilisation and efficiency of our office space.

Interchange currently offers 43,200 sq ft of flexible co-working space for SMEs, entrepreneurs, creative and tech businesses in the Triangle and Atrium in Stables Market. In addition, Utopia Village with 45,200 sq ft provides 28 larger office spaces for more-established companies that are attracted to the area or those that might have grown out of the more flexible co-working space but wish to retain access to the community. We are exploring potential options to open further spaces, providing a further 250 desks.

The Atrium offers 650 desks and went live on 1 May 2016. The Triangle and Atrium are now 88% let showing the strong demand for co-working in Camden. Tenants include a broad variety of fast-growing businesses such as Eve Mattresses, Parcelly and Osper, as well as major and more established names such as KPMG and Cisco.

Both the Triangle and Atrium offer flexible working spaces, hot-desking and private offices to rent on a monthly rolling contract. We have a strong 93% retention rate with our Interchange members. With stable occupancy we are targeting a return in excess of £80 per sq ft.

Rents are on a per desk basis and include rates, utilities, service and use of common areas as well as free coffee and beverages. Members benefit from a broad variety of community events and service offerings.

Our most recent development is Nomad, a co-working sales and community platform connecting over 150 co-working spaces across London and providing additional sales for our interchange co-working business while it allows to expand our expertise outside of our estate.

Market Tech Digital

During the period, Market Tech Digital continued its previous growth trends with revenue up 9.9% to £53.2m (H1 2016: £48.4m) and EBITDA up 12.8% to £4.4m (H1 2016: £3.9m).

Market Tech Digital is under review to determine the best strategy to maximise value and fit within the Group's core real estate strategy.

Key highlights of Market Tech Digital during the period include:

- Glispa's successful implementation of its native advertising supply side platform as a main driver to strengthen its advertising monetisation business and to enhance its future growth and profitability

- A strategy to re-position Stucco Media and everything5pounds into an integrated e-commerce business has been undertaken by the Group's management. This will require additional capital investment to accelerate growth and we are looking at a number of options that will allow us to unlock this potential

Chief financial officer's review

Financial results

To provide more relevant measures of the recurring underlying performance of the business, we present underlying income measures on an adjusted basis to exclude the impact of exceptional items, share based payments and foreign-exchange movements.

£m	September 2016 (6 months)	September 2015 (6 months)	Change
Revenue	**71.0**	62.2	14%
Adjusted EBITDA	**13.2**	10.6	25%
Net gain from fair value adjustment of investment property	**44.7**	16.4	173%
Basic adjusted EBITDA per share from continuing operations attributable to the owner of the parent	**2.8p**	2.5p	12%

Total revenue generated was £71.0m, comprising £17.8m from property operations and £53.2m from Digital operations. Adjusted EBITDA grew 24.5% to £13.2m.

Property

£m	September 2016 (6 months)	September 2015 (6 months)	Change
Revenue	**17.8**	13.8	29%
Adjusted EBITDA	**8.8**	6.7	31%
Net gain from fair value adjustment of investment property	**44.7**	16.4	173%

Property revenue benefited from 13% like-for-like growth in passing rent before taking into account a number of assets which were taken off-line in Stables Market. These assets are undergoing refurbishment which removed £0.7m of passing rent, and will allow us to capture increased ERV. The following table breaks out the growth in passing rent, and shows the significant reversionary potential within the estate and the opportunities that the development programme will bring.

£m	£m	Change
Passing rent at 31 March 2016	**32.4**	
Like-for-like growth	**4.0**	
Assets taken off-line	**(0.7)**	
Acquisitions	**0.1**	
Passing rent at 30 September 2016	**35.8**	10.5%
Under-rented	**8.6**	
Development, on-site	**30.2**	
Yielding, proposed development	**9.4**	
ERV at 30 September 2016	**84.0**	4.9%

ERV increased 4.9% and includes the benefit of the developments at Hawley Wharf, Camden Lock Market and Camden High Street, and shows a gap of £48.2m to passing rent.

Costs remain well-controlled and showed a small decline to £9.0m compared to H2 2016 despite an increase in direct operating costs following the opening of our second co-working operation.

Digital

£m	**September 2016** (6 months)	**September 2015** (6 months)	**Change**
Revenue	53.2	48.4	10%
Adjusted EBITDA*	4.4	3.9	13%

The Digital business has performed well, with revenue up 10% and EBITDA growing strongly, up 13%.

Glipsa purchased Avocarrot during the period for a total consideration of £5.1m, and in addition we have invested £2.8m in our digital businesses, which includes the development of Nomad, our co-working sales and community platform.

Reconciliation of Adjusted EBITDA to Reported Earnings

£m	**September 2016** (6 months)			**September 2015** (6 months)		
	Adjusted	**Exceptional**	**Total**	**Adjusted**	**Exceptional**	**Total**
EBITDA	13.2	-	13.2	10.6	0.0	10.6
Property revaluation	-	44.7	44.7	-	16.4	16.4
Exceptionals	-	(1.5)	(1.5)	-	(6.7)	(6.7)
Share-based payments	-	(1.5)	(1.5)	-	(0.1)	(0.1)
Foreign exchange	-	0.5	0.5	-	(0.4)	(0.4)
Depreciation & amortisation	(1.1)	(2.8)	(3.9)	(0.6)	(2.0)	(2.6)
Operating profit	12.1	39.4	51.5	10.0	7.2	17.2
Net finance costs	(8.2)	(0.2)	(8.4)	(6.2)	(0.9)	(7.1)
Share of loss from associates	(0.1)	-	(0.1)	-	-	-
Profit before tax	3.8	39.2	43.0	3.8	6.3	10.1
Tax	(0.9)	0.2	(0.7)	(2.1)	-	(2.1)
Non-controlling interest	(0.5)	-	(0.5)	(0.4)	-	(0.4)
Earnings	2.4	39.4	41.8	1.3	6.3	7.6

The income statement gain on revaluation of the Group's property portfolio was £44.7m.

Exceptional items have reduced significantly in comparison with 2015, and totalled £1.5m. £0.9m of costs related to the reorganisation and restructuring undertaken during the year. Other legal and professional expenses of £0.5m relate to certain costs related to acquisitions.

Finance costs for the period totalled £8.4m, which includes £5.4m debt interest and amortised fees expense (net of £2.4m capitalised to the Hawley Wharf development) on the existing AIG facility and £2.7m interest expense on the convertible loan notes. Finance costs includes £3.8m of non-cash items.

Tax on the business' adjusted profits was £0.7m which related to the Digital segment.

Profit after tax for the period ended 30 September 2016, after deducting the minority interest attributable to the non-controlling shareholder's interest in Glispa, was £41.8m. On an adjusted basis, underlying earnings were £2.4m (September 2015: £1.3m).

Balance Sheet

£m	September 2016	March 2016	September 2015
Property portfolio	**1,070.4**	987.8	866.7
Net debt	**(303.5)**	(252.1)	(122.9)
Other assets and liabilities	**57.7**	43.2	33.2
Net assets	**824.6**	778.9	770.1
NAV per share	**175.4p**	166.3p	164.4p
EPRA NAV*	**771.6**	724.9	727.8
EPRA NAV* per share	**164.2p**	154.7p	155.3p

* EPRA NAV is defined as the net assets of the property operating segment adjusted to exclude derivatives and deferred tax liabilities on property revaluations (September 2016: £5.3m, March 2016: £5.2m, September 2015: £3.6m).

EPRA NAV closed at £771.6m or 164.2p per share, up 6.4% and 6.1% on March 2016 respectively.

Net Asset Value grew to £824.6m, with the underlying driver being a 4.5% revaluation gain, £35.1m of capital expenditure and £2.8m property acquisition.

Net Asset Value	£m	p/share
At 31 March 2016	778.9	166.3p
Adjusted EBITDA	13.2	2.8p
Interest	(8.2)	(1.7)p
Tax	(0.9)	(0.2)p
Revaluation gain	44.7	9.5p
At 30 September 2016 before exceptional and non-cash items	827.6	176.7p
Exceptional items	(1.5)	(0.3)p
Other (including amortisation and shares)	(1.5)	(1.0)p
At 30 September 2016	824.6	175.4p

Net Asset Value grew to £824.6m or 175.4p per share, up 5.9% and 5.5% on March 2016 respectively. The underlying driver being the 4.5% revaluation gain.

Cash flows and net debt

The following table summarises the movements in net debt. The key features are:

- Total capital expenditure of £46.9m includes £35.1m of property investment, mostly related to the continuing development of Hawley Wharf, £2.8m for a minor property acquisition and £7.9m of capex in our digital businesses
- Increase in net debt of £51.4m to £303.5m, primarily due to the capital expenditure
- Cash reserves were supplemented by drawing £100m on the AIG facility, and now stand at £179.1m

£m	September 2016	September 2015
Adjusted EBITDA	**13.2**	**10.6**
Working capital	(3.0)	(1.1)
Net finance cost	(7.5)	(5.8)
Tax paid	(3.0)	(0.9)
Capital expenditure	(46.9)	(102.0)
Share issues	-	196.9

Exceptional items	(1.5)	(6.7)
Other	(2.7)	(3.4)
Change in net debt	**(51.4)**	**87.6**

Debt and gearing

£m	**September 2016**	**March 2016**	**September 2016**
Loan to value (net debt)	28.4%	25.5%	14.3%
Weighted average debt maturity	8.12 years	8.43 years	2.47 years
Effective interest rate*	4.4%	5.2%	5.6%
Cash interest rate*	2.7%	2.7%	3.6%
Proportion of gross debt with interest rate protection	100.0%	100.0%	96.4%

* Effective interest rate is the total interest charge (including amounts capitalised) on total borrowings. Cash interest rate is calculated on year end balances

The Group has aimed to match the long-term and predictable property rental flows with long-term and predictable financing costs. As such the Group has extended the maturity of its financing to a weighted average of over eight years, and has substantially eliminated the medium and long-term risk arising from interest rate volatility. At the period end, 100% of the Group's gross debt position was subject to fixed rate interest (March 2016: 100%, September 2015: 96.5%).

The gearing measure most widely used in the property industry is loan-to-value ('LTV'). LTV is calculated as net debt divided by the value of the Group's property portfolio, reflecting a conservative LTV of 28.4%.

The Group is conservatively financed with a core 10-year secured facility provided by AIG, and a shorter term convertible bond. The AIG facility is £400m drawn and not repayable until December 2025.

£90m of the Group's convertible bond remains outstanding (September 2015: £109m) and is due for repayment in March 2020. In the six months to 30 September 2016, the Group continued its bond repurchase programme, buying back £23m of the original principal amount.

The Group has £179m of cash. In addition, the AIG facility has two future drawdown pools of £50m and £450m respectively, subject to lender consent, and the Group has unsecured assets that could support further borrowing.

We have sufficient resources available to complete our pipeline of committed developments, which includes £150.3m for Hawley Wharf, and remain flexible in our approach to funding the Group's strategy for growth.

Consolidated income statement

	Notes	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Revenue	2	**71.0**	62.2
Cost of sales		**(35.6)**	(34.4)
Gross profit		**35.4**	27.8
Administrative expenses		**(28.6)**	(27.0)
Net gain from fair value adjustment of investment property	7	**44.7**	16.4
Adjusted EBITDA*		**13.2**	10.6

Net gain from fair value adjustment of investment property	7	**44.7**	16.4
Exceptional items	3	**(1.5)**	(6.7)
Depreciation & amortisation		**(3.9)**	(2.6)
Foreign exchange gain/ (loss)		**0.5**	(0.4)
Share based payment expense		**(1.5)**	(0.1)
Operating profit		**51.5**	17.2
Finance income		**0.2**	-
Finance costs	4	**(8.6)**	(7.1)
Share of loss from associate		**(0.1)**	-
Profit before taxation		**43.0**	10.1
Tax		**(0.7)**	(2.1)
Profit for the period		**42.3**	8.0
Attributable to:			
Non-controlling interest		**(0.5)**	(0.4)
Owners of the parent		**41.8**	7.6
Earnings per share			
Basic	6	**8.90p**	1.81p
Diluted	6	**8.79p**	1.80p
Basic adjusted EBITDA*		**2.81p**	2.53p
Diluted adjusted EBITDA*		**2.60p**	2.51p

* Adjusted EBITDA is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation and adjusted for fair value investment property movements, share based payment charges, exceptional items and foreign currency exchange gains and losses.

Consolidated statement of comprehensive income

	Notes	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Profit for the period		**42.3**	8.0
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Gains on property revaluation	7	**0.1**	0.9
Items that may be reclassified to profit or loss			
- Currency translation difference		**1.8**	0.3
Other comprehensive income for the period		**1.9**	1.2
Total comprehensive income for the period		**44.2**	9.2
Attributable to:			
Owners of the parent		**43.3**	8.8
Non-controlling interests		**0.9**	0.4

Consolidated statement of financial position

	Notes	As at 30 September 2016 £m	As at 30 September 2015 £m	As at 31 March 2016 £m

Non-current assets				
Goodwill		**25.4**	20.8	22.7
Intangible assets	12	**44.6**	35.1	37.3
Property, plant and equipment		**17.0**	11.6	14.9
Investment property	7	**1,061.8**	859.8	979.2
Investment in equity accounted associate		**2.6**	-	2.8
Investments		**2.7**	1.8	2.7
Other receivables		**-**	0.1	-
Deferred tax asset		**-**	0.1	-
		1,154.1	929.3	1,059.6
Current assets				
Inventories		**3.7**	3.2	3.3
Trade and other receivables		**33.1**	25.2	31.8
Derivative financial instruments		**-**	1.2	-
Cash and cash equivalents		**179.1**	175.3	149.4
		215.9	204.9	184.5
Total assets		**1,370.0**	1,134.2	1,244.1
Current liabilities				
Trade and other payables		**(30.7)**	(35.9)	(31.3)
Taxes payable		**(5.5)**	(1.8)	(7.8)
Obligations under finance leases		**(0.1)**	(0.1)	(0.1)
Borrowings	8	**-**	(6.3)	-
Provisions		**(0.2)**	(0.2)	(0.2)
		(36.5)	(44.3)	(39.4)
Net current assets		**179.4**	160.6	145.0
Non-current liabilities				
Other payables		**(12.6)**	(10.2)	(11.1)
Obligations under finance leases		**(3.3)**	(3.4)	(3.4)
Borrowings	8	**(392.6)**	(182.5)	(290.5)
Convertible loan notes	9	**(90.0)**	(109.3)	(111.1)
Deferred tax liabilities		**(10.0)**	(13.9)	(9.4)
Provisions		**(0.4)**	(0.6)	(0.4)
		(508.9)	(319.8)	(425.8)
Total liabilities		**(545.4)**	(364.1)	(465.2)
Net assets		**824.6**	770.1	778.9
Equity				
Called up share capital		**47.0**	46.8	46.9
Share premium		**445.3**	445.3	445.3
Revaluation reserve		**15.1**	13.2	15.0
Retained earnings		**310.8**	260.7	266.3
Total equity attributable to owners of the parent		**818.2**	766.0	773.5
Non-controlling interests		**6.4**	4.1	5.4
Total equity		**824.6**	770.1	778.9

Consolidated statement of changes in equity

	Attributable to the equity holders of the parent						
	Share capital £m	Share premium £m	Revaluation reserve £m	Retained earnings £m	**Total** **£m**	Non-controlling interests £m	**Total equity £m**
1 April 2016	**46.8**	**445.3**	**15.0**	**266.3**	**773.4**	**5.5**	**778.9**
Comprehensive income	-	-	-	-	-	-	-
Profit for the period	-	-	-	41.8	41.8	0.5	42.3
Other comprehensive income							
Currency translation differences	-	-	-	1.4	1.4	0.4	1.8
Property revaluation	-	-	0.1	-	0.1	-	0.1
Total comprehensive income	**-**	**-**	**0.1**	**43.2**	**43.3**	**0.9**	**44.2**
Ordinary Shares issued	0.2	-	-	(0.2)	-	-	-
Share based payment	-	-	-	1.5	1.5	-	1.5
Transactions with owners	**0.2**	**-**	**-**	**1.3**	**1.5**	**-**	**1.5**
30 September 2016	**47.0**	**445.3**	**15.1**	**310.8**	**818.2**	**6.4**	**824.6**
1 April 2015	**37.5**	**249.2**	**12.4**	**252.7**	**551.8**	**3.7**	**555.5**
Comprehensive income							
Profit for the period	-	-	-	7.6	7.6	0.4	8.0
Other comprehensive income							
Currency translation differences	-	-	-	0.3	0.3	0.1	0.4
Property revaluation	-	-	0.9	-	0.9	-	0.9
Total comprehensive income	**-**	**-**	**0.9**	**7.9**	**8.8**	**0.5**	**9.2**
Ordinary shares issued	9.3	199.9	-	-	209.2	-	209.2
Costs of share issues	-	(3.9)	-	-	(3.9)	-	(3.9)
Share based payment	-	-	-	0.1	0.1	-	0.1
Adjustment to non-controlling interests	-	-	-	-	-	(0.1)	(0.1)
30 September 2015	**46.8**	**445.2**	**13.3**	**260.7**	**766.0**	**4.1**	**770.1**

Consolidated cash flow statement

	Notes	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Cash generated from operations	11	**8.5**	2.5
Finance costs paid		**(7.6)**	(5.8)
Finance income received		**0.2**	-
Tax paid		**(3.0)**	(0.9)
Net cash outflow from operating activities		**(1.9)**	(4.2)
Investing activities			
Purchase of intangible assets		**(3.9)**	(0.9)
Purchase of property, plant and equipment		**(2.8)**	(3.3)

Purchase of subsidiaries (net of cash acquired)	**(4.8)**	(6.9)
Purchase of investment property	**(35.0)**	(88.8)
Net cash used in investing activities	**(46.5)**	(99.9)
Financing activities		
Proceeds from issue of shares	**-**	200.7
Costs of share issues	**-**	(3.8)
Repayment of convertible bond	**(22.7)**	-
Repayment of borrowings	**-**	(0.5)
Purchase of derivative	**-**	(2.0)
Drawdown of borrowings	**100.0**	-
Payment of obligations under finance leases	**(0.1)**	(0.1)
Payment of pre-acquisition dividend by a subsidiary	**-**	(0.8)
Net cash generated from financing activities	**77.2**	193.5
Net increase in cash and cash equivalents	**28.8**	89.4
Cash and cash equivalents at beginning of period	**149.4**	85.9
Exchange gain on cash and cash equivalents	**0.8**	-
Cash and cash equivalents at end of period	**179.1**	175.3

Notes to the consolidated historical financial information

1. Basis of preparation

The condensed consolidated financial statements for the six months ended 30 September 2016 and six months ended 30 September 2015 set out in this interim financial information are unaudited and have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. They do not contain all the information and disclosures presented in the Financial Statements and should be read in conjunction with the Financial Statements for the year ended 31 March 2016. The Auditor's report on those accounts was unmodified, did not draw attention to any matters by way of an emphasis of matter and did not contain any statement under Section 263 of the Companies (Guernsey) Law 2008.

The accounting policies used and presentation of these consolidated interim financial statements are consistent with those applied in the Group's financial statements for the year ended 31 March 2016 with the exception of other reserves which have been combined with retained earnings in the current period.

The consolidated financial information has been prepared on a going concern basis. The directors of the Group have a reasonable expectation that the Group has sufficient resources to meet its commitments and obligations for the next 12 months from the date of this report.

The consolidated financial information covers Market Tech Holdings Limited and its subsidiaries (collectively the "Group"). Market Tech Holdings Limited (the "Company") is a limited company incorporated and domiciled in Guernsey and whose shares are publicly traded. The registered office is located at Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG. The Group is principally engaged in property investment, including management and market operation services and Digital services.

The Directors approved the interim financial information for the six months ended 30 September 2016 on
1 December 2016. The interim financial information has been reviewed, not audited.

2. Operating segments

Unaudited six months ended 30 September 2016

	Property	Digital	Total
	£m	£m	£m
Total segment revenue from external customers	17.8	53.2	71.0

Adjusted EBITDA*	8.8	4.4	13.2
Other items included in operating profit:			
Net gain from fair value adjustment of investment property	44.7	-	44.7
Exceptional items	(0.6)	(0.9)	(1.5)
Depreciation & amortisation	(0.6)	(3.3)	(3.9)
Foreign exchange gain	-	0.5	0.5
Share-based payment expense	(0.4)	(1.1)	(1.5)
Not included in operating profit:			
Finance income	0.2	-	0.2
Interest payable and similar charges	(8.2)	(0.4)	(8.6)
Share of loss from associate	(0.1)	-	(0.1)
Profit/(loss) before tax	**43.8**	**(0.8)**	**43.0**
Profit/(loss) for the period	**43.8**	**(1.5)**	**42.3**
Total assets	1,273.3	96.7	1,370.0
Total liabilities	(507.0)	(38.4)	(545.4)
Net assets	**766.3**	**58.3**	**824.6**
Included within total assets are:			
Non-current asset additions	37.4	4.2	41.6

2. Operating segments

Unaudited six months ended 30 September 2015

	Property	Digital	Total
	£m	£m	£m
Total segment revenue from external customers	13.8	48.4	62.2
Adjusted EBITDA*	6.7	3.9	10.6
Other items included in operating profit:			
Net gain from fair value adjustment of investment property	16.4	-	16.4
Exceptional items	(2.1)	(4.6)	(6.7)
Depreciation & amortisation	(0.1)	(2.4)	(2.5)
Foreign exchange loss	-	(0.5)	(0.5)
Share-based payment expense	(0.1)	-	(0.1)
Not included in operating profit:			
Interest income	-	-	-
Interest payable and similar charges	(5.8)	(0.4)	(6.2)
Fair value adjustment of interest rate derivatives	(0.9)	-	(0.9)
Profit/(loss) before tax	14.1	(4.0)	10.1
Profit/(loss) for the period	14.5	(6.5)	8.0
Total assets	1,045.8	88.4	1,134.2
Total liabilities	(321.6)	(42.5)	(364.1)
Net assets	**724.2**	**45.9**	**770.1**
Included within total assets are:			
Non-current asset additions	22.5	1.5	24.0

* Adjusted EBITDA is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation and adjusted for fair value investment property movements, share based payment charges, exceptional items and foreign currency exchange gains and losses.

3. Exceptional items

	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Included within administrative expenses:		
Reorganisation and restructuring costs	0.9	-
Legal, professional and other	0.5	1.6
Contingent remuneration payable	0.1	3.7
Onerous contract provision	-	0.6
Listing fees	-	0.8
	1.5	**6.7**

Reorganisation and restructuring costs primarily relate to one-off staff costs arising from the rationalisation of business operations.

Legal and professional costs largely relate to professional costs in connection with M&A activity and legal fees.

Contingent remuneration payable is in respect of certain acquisitions made by the Group. Consequently, a charge is being recognised over the period the employees are required to remain employed.

4. Finance costs

	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Underlying finance costs		
Bank facility interest	5.8	4.5
Amortisation of fees	2.0	1.1
Early repayment charge	-	-
Convertible loan note interest	2.7	2.7
Bank loans, overdrafts and fees	0.3	-
	10.8	**8.3**
Exceptional finance costs		
Unwinding of discount on present value of put option	-	0.1
Put option	0.2	-
Unwinding of discount to present value on deferred consideration	-	0.2
Fair value movement of financial derivatives	-	0.9
	0.2	1.2
Gross finance costs	**11.0**	**9.5**
Less: capitalised senior debt	(2.4)	(2.4)
Finance costs recognised in profit or loss	8.6	7.1

5. Income tax charge

The rate of corporate tax on our UK operations will reduce from 20 per cent to 19 per cent from 1 April 2017 and then to 17 per cent from 1 April 2020. Deferred tax in relation to our UK operations is calculated based on the 20 per cent substantively enacted at the balance sheet date. The effect of these further rate reductions will be included in the accounts for the year ending 31 March 2017.

6. Earnings per share

Number of shares	6 months ended 30 September 2016 Number	6 months ended 30 September 2015 Number
Weighted average number of ordinary shares for basic earnings per share	469,443,165	419,078,451
Effects of dilution from:		
Share options	66,535	98,921
Convertible loan	35,598,960	-
Deferred consideration	1,337,161	1,905,252
Weighted average number of ordinary shares adjusted for the effect of dilution	506,445,821	421,082,624

Earnings	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Earnings for basic earnings per share being net profit from continuing operations attributable to owners of the parent	41.8	7.6
Interest on convertible loan	2.7	-
Earnings for diluted earnings per share	44.5	7.6

Earnings per share attributable to the owners of the parent		
Basic earnings per share (pence)	8.90	1.81
Diluted earnings per share (pence)	8.79	1.80

Adjusted EBITDA per share

Adjusted EBITDA used to calculate adjusted EBITDA per share is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation and adjusted for fair value investment property movements, share based payment charges, exceptional items and foreign currency exchange gains and losses.

	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Adjusted EBITDA for the period from continuing operations attributable to the owner of the parent	13.2	10.6
Adjusted EBITDA per share from continuing operations attributable to the owner of the parent - basic (pence)	2.81	2.44
Adjusted EBITDA per share from continuing operations attributable to the owner of the parent - diluted (pence)	2.60	2.42

7. Investment properties

	£m
At 1 April 2015	753.7
Additions	19.8
Acquisition - business combinations and asset acquisitions	75.9
Transfer to property, plant and equipment	(6.1)

Revaluation movements	16.4
At 30 September 2015	**859.7**
Additions	27.4
Acquisition -asset acquisitions	74.2
Revaluation movements	17.9
At 31 March 2016	**979.2**
Additions	35.1
Acquisition - asset acquisitions	2.8
Revaluation movements	44.7
At 30 September 2016	**1,061.8**

Investment properties are stated at fair value as at the financial period end based on external valuations performed by professionally qualified valuers. The Group's property portfolio is valued at 30 September 2016 by Jones Lang LaSalle Limited on the basis of fair value in accordance with The RICS Valuation - Professional Standards.

Interest on debt has been capitalised since construction commenced, resulting in £2.4m interest being capitalised in the period (period ended 30 September 2015: £2.4m, year ended 31 March 2016: £4.6m).

8. Borrowings

	As at 30 September 2016 £m	As at 30 September 2015 £m	As at 31 March 2016 £m
Unsecured borrowings at amortised cost			
Convertible loan note	90.0	109.3	111.1
Secured borrowings at amortised cost			
Bank loans			
Current	-	6.4	-
Non-current	392.6	182.5	290.4
	392.6	188.9	290.4

£100m of the AIG Facility was drawn down in May 2016. Further details of the Group's borrowings facility can be found in note 31 of the 2016 Annual Report and Accounts.

Net debt

	As at 30 September 2016 £m	As at 30 September 2015 £m	As at 31 March 2016 £m
Total borrowings	482.6	298.2	401.5
Less: cash and cash equivalents	(179.1)	(175.3)	(149.4)
Net debt	303.5	122.9	252.1
Total equity	824.6	770.1	778.9
Total capital	1,128.1	893.0	1,030.0
Gearing ratio	28%	14%	24%

9. Convertible loans

On 31 March 2015 the Company issued 2% senior unsecured convertible bonds denominated in pounds sterling with a nominal value of £112.5m. The bonds are due for repayment after three years, but no more than five years from the issue date at their nominal value of £112.5m or conversion into shares of the company at the holder's option at the rate of one Ordinary Share per £2.94 nominal value of the bonds. During the period the Group has repurchased £22.8m (equating to 20.27%) of the original principal amount of the bonds with £89.7m of the bonds remaining outstanding.

The carrying amount of the liability component of the convertible loan notes at the balance sheet date is derived as follows:

	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Liability component at 1 April	111.1	108.0	108.0
Repurchased during period	(22.8)	-	-
Transaction costs	-	(0.3)	(0.3)
Interest expense	2.7	2.7	5.6
Interest paid	(1.0)	(1.1)	(2.3)
Liability component at 31 March	**90.0**	**109.3**	**111.0**

The effective rate of interest is 5.23%.

The equity component of the convertible loan notes has been credited to retained earnings.

10. EPRA Net Asset Value per share

EPRA net assets are defined as the net assets of the property operating segment adjusted to exclude derivatives and deferred tax liabilities on property revaluations. EPRA NAV per share has been calculated with reference to the above, divided by the number of shares in issue as at the financial period end.

	As at 30 September 2016	As at 30 September 2015
EPRA NAV per share	**164.16p**	155.35p
EPRA NAV	**£771.6m**	£727.8m
Number of ordinary shares in issue	**470,009,617**	468,468,196

11. Cash generated from operations

	6 months ended 30 September 2016 £m	6 months ended 30 September 2015 £m
Profit for the year	**42.3**	8.0
Adjustments for:		
Income tax expense	**0.7**	2.1
Finance expense	**8.6**	6.1
Investment income	**(0.2)**	-
Share based payment expense	**1.4**	0.1
Fair value adjustments to derivatives	**-**	1.1
Loss on disposal intangible	**-**	0.1
Movement on provisions	**-**	(0.2)
Depreciation and impairment of property, plant and equipment	**0.8**	0.4
Amortisation intangibles	**3.1**	2.3
Net gain from fair value adjustment of investment property	**(44.7)**	(16.4)
Movements in working capital:		
(Increase)/ decrease in inventories	**(0.4)**	0.1
Increase in trade and other receivables	**(2.3)**	(6.9)
Increase in trade and other payables	**(0.8)**	5.7

Cash generated from operations	**8.5**	2.5

12. Intangible Assets

Cost	Goodwill	Other Intangibles	**Total**
	£m	£m	**£m**
At 1 April 2015	20.1	18.6	38.7
Additions	-	1.5	1.5
Acquisition - business combinations	3.7	20.2	23.9
Disposals	-	(0.1)	(0.1)
Adjustment to consideration	(2.6)	-	(2.6)
Foreign exchange	1.5	2.3	3.8
At 1 April 2016	22.7	42.5	65.2
Additions	-	2.8	2.8
Disposals	-	-	-
Acquisition - business combinations	2.7	4.0	6.7
Foreign exchange	-	4.0	4.0
At 30 September 2016	**25.4**	**53.3**	**78.7**
Amortisation			
At 1 April 2015	-	0.2	0.2
Amortisation	-	4.7	4.7
Foreign exchange	-	0.3	0.3
At 1 April 2016	-	5.2	5.2
Amortisation	-	3.0	3.0
Foreign exchange	-	0.5	0.5
At 30 September 2016	**-**	**8.7**	**8.7**
Net book value			
At 1 April 2015	20.1	18.4	38.5
At 1 April 2016	22.7	37.3	60.0
At 30 September 2016	**25.4**	**44.6**	**70.0**

13. Capital commitments

The Group's material capital commitments related to construction of the Hawley Wharf scheme. This amounted to £43.3m as at 30 September 2016 (30 September 2015: £22.2m).

14. Events after the reporting period

On 15 November 2016 the Group completed its purchase of 101 Camley Street for a total consideration of £35m, of which a £3.5m deposit had been paid in the period.

The Company has issued 192,678 Ordinary Shares of 10p each as deferred consideration pursuant to the acquisition of Stucco Media Limited announced on 7 May 2015. Over the next 6 months, a maximum of a further 674,370 Ordinary Shares are expected to be issued as deferred consideration pursuant to the Stucco Media Limited acquisition. The Ordinary Shares will be issued fully paid and will, upon issue, rank pari passu in all respects with the Company's existing issued shares.

Accordingly, the total number of Ordinary Shares in Market Tech with voting rights will be 470,105,956. This figure may be used by Market Tech shareholders as the denominator for calculations to determine if they have a notifiable interest in Market Tech under the Disclosure and Transparency Rules, or if such interest has changed.

Directors' Responsibility Statement

The Directors confirm that to the best of their knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union and that the operating and financial review herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency rules of the United Kingdom's Financial Conduct Authority, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and any material changes in the related party transactions disclosed in the 2016 Annual Report.

Shareholder information is as disclosed on the Market Tech Holdings Limited website.

Principal risks and uncertainties

The principal risks and uncertainties the Group faces are described in detail on pages 46 and 47 of the 2016 Annual Report, and are summarised below.

The Audit Committee, which assists the Board with its responsibilities for managing risk, considers that the principal risks and uncertainties as presented in our 2016 Annual Report were unchanged during the period.

Economic

Reduced spending in the markets and/or e-commerce operations arising from any or a combination of:

- Changes in consumer preferences and/or the market offering not meeting consumer appetite
- Macro-economic factors including changes in interest or exchange rates which affect consumer confidence and depress spending
- Transport/security/economic issues in London or wider UK affecting tourist confidence
- Specific issues affecting Camden as a destination, where the Group's real estate is located
- Impact arising from the vote to leave the European Union in June 2016 is difficult to predict with exit negotiations ongoing
- Loss of key customer contracts in mobile and e-marketing businesses
- Retaining key senior staff and attracting and retaining talented staff to fulfil Group's growth potential
- Failure to integrate business acquisitions/failure to leverage business opportunity from existing market operations/increased cost of integration/undisclosed liabilities

Development

Development and construction risk including:

- Construction issues including defects, site constraints, third party issues, shortage of materials, price rises, failure of contractors/sub-contractors
- Delays in obtaining consents, permits, planning permissions, vacant possession
- Reduced rentals/sales

Financing

- Adverse interest rate movements
- Shortage of refinancing at acceptable cost
- Financial counter-party credit risk
- Falling property values
- Reduced cash flow arising from other risk categories

Legal and regulatory

Risk of accidents or visitor incidents including:

- Visitor accident or crowd issue
- Failure to comply with health, safety or environmental requirements

Tax risk:

- Changes in tax laws
- Changes in stamp duty
- Non-compliance with requirements in a particular jurisdiction or due to overall complexity

Listed buildings ownership:

- Failure to comply with planning regulations

IT - Technology and data

The consequences of:

- Delays in integration of acquired technology businesses and/or fully developing and gaining acceptance for e-commerce platform
- Failure of ad tracking technology and e-commerce platforms
- Widespread mains failure
- Cyber fraud and denial of service
- Corruption or theft of data or IP

Independent review report To Market Tech Holdings Limited

Introduction

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 30th September 2016 which comprises consolidated income statement, statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes.

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.

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 Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (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 International Accounting Standard 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.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 30th September 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO LLP
Chartered Accountants
London
United Kingdom
1 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

This information is provided by RNS
The company news service from the London Stock Exchange

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Interim results - RNS