For immediate release 1 June 2016

LXB Retail Properties Plc

INTERIM RESULTS FOR THE PERIOD ENDED 31 MARCH 2016

LXB Retail Properties Plc, a Jersey resident closed-ended real estate investment company focused on edge of town and out of town retail assets, today announces interim results for the period ended 31 March 2016.

Highlights

	31 March 2016	30 September 2015
• Cash deposits:	£11.2m	£5.0m
• NAV per share:	102.18p	103.27p
• EPRA* NAV per share:	102.18p	103.15p
• (Loss) / earnings per share:	(1.62)p	14.06p

- November 2015: obtained a resolution to grant planning permission for 155 homes and associated community facilities under the Group's Living Villages concept at Higher Newham in Truro
- December 2015: exchanged, and subsequently completed, the forward-funded sale of the Group's investment property at Brocklebank, Greenwich to The Charities Property Fund, generating initial cash proceeds of £22.8m
- December 2015 and January 2016: returned surplus funds of £14.7m to Shareholders
- January 2016: obtained confirmation that Greenwich B&Q has planning consent for open A1 non-food use
- February 2016: Board proposals for an orderly realisation of all of the Group's investments by 31 March 2017 accepted by Shareholders
- March 2016: completed the Stafford multi-storey car park and surrendered the lease thereon to Stafford Borough Council, and received from Stafford Borough Council a 250 year lease on the ground floor restaurant units
- March 2016: extended the £5m investment facility with Barclays Bank Plc for a further 12 months

Post period end:

- May 2016: completed the sale of the Rushden Lakes investment to The Crown Estate, generating initial cash proceeds of £65.2m
- May 2016: announced proposals to return surplus funds of £64m to Shareholders in June 2016

* excluding fair values of financial instruments.

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Forward looking statements

This document includes forward looking statements which are subject to risks and uncertainties. You are cautioned that forward looking statements are not guarantees of future performance and that if risks and uncertainties materialise, or if assumptions underlying any of these statements prove incorrect, the actual results of operations and financial condition of the Group may materially differ from those made in, or suggested by, forward looking statements. Other than in accordance with its legal or regulatory obligations, the Company undertakes no obligation to review, update or confirm expectations or estimates or to release publicly any revisions to any forward looking statements to reflect events that occur or circumstances that arise after the date of this document.

Chairman's Statement

Dear Shareholders,

This is my first report since the AGM and EGM on 29 February 2016 and, given the importance of the outcome of those meetings, I will focus primarily on how the Board has responded, and what that means for Shareholders in the period leading up to the next AGM.

The outcome of the Shareholder vote has resulted in a major change in the Group's strategy. You have told us that you do not wish us to invest in new projects and that our whole focus should now be on realising value from the investment portfolio and returning capital as quickly as possible. Therefore, we have revised the Investment Manager's mandate accordingly, and you can expect to see the balance sheet reducing in size over the next 12 months. That process is already underway with the planned return by 9 June 2016 of £63.97m following the sale of Rushden Lakes.

There is an inevitable tension between the twin goals of realising the portfolio for best value and returning cash quickly but the Board is comfortable that the 'window' to the next AGM provides us with enough time for a balanced approach. We have a plan for each of the Group's investments and will not be hurried into sales until the timing is right to optimise value. You will understand why it is not in your best interests for the Group to provide a running commentary on the discussions concerning each individual asset, but we do intend to provide full visibility on progress and will issue updates as and when key achievements occur.

Notwithstanding the need to recognise commercial sensitivities, I will provide an overview of the Board's thinking. In broad terms, the investment portfolio can be categorised as follows:-

- Investments which are ready to market now;
- Investments sold under Forward Funding Agreements with potential for further receipts;
- Investments which are still owned and in construction;
- Longer term projects which will not complete within the Group's revised timeline, and;
- Other investments.

Investments which are ready to market now

These include our B&Q store at Greenwich and Neats Court Retail Park at Sheppey.

Investments sold under Forward Funding Agreements with potential for further receipts

These include the Sainsbury's/M&S retail scheme at Gallions Road in Greenwich, Banbury Gateway, Biggleswade Retail Park, the Sainsbury's foodstore at Sutton, Brocklebank Retail Park, and Rushden Lakes. In general, the outstanding obligations to be satisfied in order to unlock the final monies due under the relevant forward funding agreements relate to overseeing completion of the development and securing lettings of any remaining space. Construction has completed at Gallions Road and Banbury Gateway and practical completion of Biggleswade Retail Park is scheduled for June 2016. The projects at Sutton and Brocklebank Retail Park should both reach practical completion in autumn 2016. Rushden Lakes is a longer term project as discussed below.

The effect of the forward funding agreements is to fix the investment yield so that the Group is not affected by subsequent market movements in investment prices. This significantly de-risks the portfolio and, although the amount of any final receipt will still depend on the outcome of matters such as the final construction costs and letting terms achieved, these are areas where we have greater influence. For Gallions Road, Banbury Gateway and (when practical completion occurs) Biggleswade Retail Park, the principal outstanding commitments are lettings related. The foodstore at Sutton and Brocklebank Retail Park are both fully pre-let and the primary obligations there relate to construction. We are confident that the carrying value of these receivables in the balance sheet reflects an appropriate assessment of the risks to achievement of our obligations on each of these investments.

Rushden Lakes is not quite the same as the other forward funded investments. The parameters for determining future receipts are contractually agreed (as they are for the others) but we have still much more to do at Rushden Lakes, including a significant number of new lettings and securing planning revisions. As noted in previous reports, we will have much better visibility of the full potential value of phases 2 and 3 when these stages are further advanced, and we aim to have achieved all that we need to regarding this before the next AGM.

Investments which are still owned and in construction

These include our three schemes at Stafford and the ground floor retail units at Sutton.

Riverside Retail Park is very well advanced with several tenants already fitting out, and opening is planned for August 2016. That will assist in letting the last 11,000 sq ft of space. The foodstore led investment at Kingsmead, which is already fully pre-let, is also close to completion. The foodstore will be ready to hand over to Morrisons in early July 2016 and the units for B&M and Just for Pets will be completed in August 2016. We expect to start marketing both of these investments in Q3 of 2016.

The leisure offer has a different timetable. Now that we have signed the pre-let with Odeon, we are ready to appoint the building contractor and expect to complete the investment in spring 2017. We are confident that we will secure pre-lets for the last two restaurants in the meantime. We anticipate taking possession of the retail units at Sutton in phases during Q4 2016/Q1 2017 and, as noted in the Investment Manager's Report, we are currently finalising the lettings strategy. Marketing plans for the Stafford leisure and the Sutton retail investments will be developed later this year.

Longer term projects which will not complete within the Group's revised timeline

These are the foodstore led projects at Truro and Ayr. Although we have signed pre-lets with the anchor tenant at each location, the development will take some time and would require further significant capital expenditure, neither of which fits with the Group's revised strategy. The progress we have made to date does, however, have value and we are exploring a number of options to recover that. The valuations in the March 2016 balance sheet reflect our revised thinking on the prospects for these investments whilst in the Group's ownership.

Other investments

The Group has a number of smaller residual interests which will be realised as we bring the portfolio to a close. In addition, we still own Higher Newham Farm at Truro which was to be our initial Living Villages location. As with the foodstores at Ayr and Truro, the Group will not have time to exploit the potential in that opportunity and the Board is examining the options for that land.

In addition to realising the portfolio, our other major task is to address all the legal and administrative aspects of bringing the Group to a close. As with any complex group, there are inevitably 'loose ends', each of which needs to be addressed satisfactorily in order to conclude the Plc's existence in a proper and orderly manner. We have initiated a major review to identify all outstanding contractual obligations and we will formulate plans for each of these. Whilst that exercise is perhaps slightly less 'glamorous' than our efforts on the investments it is an essential part of the process we have embarked upon, and it will influence the nature and detail of the proposals we put to Shareholders at the next AGM.

Since our key focus is now all about winding down the portfolio, I will not dwell overly on the performance in the six months to 31 March 2016. Two significant achievements since the last year end are the Forward Fundings of Brocklebank Retail Park and Rushden Lakes. Those transactions have massively de-risked the portfolio. In terms of financial performance, the small loss of 1.62p per share results, in part, from our re-appraisal of the value of certain of our longer term projects given the Group's revised strategy, as well as from the general valuation consequence of the recent increase in SDLT which impacted all commercial property valuations.

I should also comment here about the basis on which our numbers are presented since we note that we do not report as a Going Concern. There are two circumstances in which reporting standards require this approach to be adopted: one is when a company is unable due to lack of certain resources to continue indefinitely and the other is when a company does not intend to continue indefinitely. I would like to reassure Shareholders that our form of reporting is solely a consequence of the latter situation. We remain very well resourced to satisfy all of our obligations, as evidenced by our clear expectation that we will be able to release further surplus cash as we progress to the AGM.

I would also like to comment particularly on our response to Shareholders' desire for early capital returns and I think it is worth highlighting what we have already achieved on that front. The Group raised 101.28p per share (£257.3m) from the IPO and subsequent share issues (net of issue costs). With a capital return of 45p per share in May 2015 and the imminent distribution of 38p per share, and after adjusting for the effect of share buybacks, the Group retains just 18.28p per share (£30.8m) of that original equity. This compares with NAV at 31 March 2016 (again after adjusting for the imminent capital return) of 64.18p per share. We will adopt a patient approach with realisations in order to extract best value, so I cannot commit to a timetable for future cash returns, but I will say that the Board anticipates being able to make further significant returns over the course of the current calendar year.

I should also comment on ultimate value. It is impossible to provide a forecast of what the end NAV in the portfolio will be as it is dependent on the outcome of a number of incomplete projects, some of which are subject to some material uncertainties which are still to be resolved, and now within a much reduced timescale. Notwithstanding those challenges, we remain confident that the end value for Shareholders will exceed the 64.18p per share referred to above by a comfortable margin.

As I have explained, it is not in Shareholders' best interests for your Board to provide anything more than a high level overview of the status of ongoing negotiations concerning individual investments and in that regard, I can say that certain disposal discussions are in solicitors' hands. If these conclude satisfactorily, we will secure a surplus of approximately £4m over the 31 March 2016 balance sheet value. We will, of course, report the outcome of those discussions, as and when transactions conclude.

I hope Shareholders are assured that the Board has fully embraced the new mandate given by Shareholders at the AGM and EGM. There is real momentum in our plan to deliver on that and I look forward to providing further updates in the coming months.

Phil Wrigley
Chairman
1 June 2016

Report of the Investment Manager, LXB Adviser LLP

LXB Adviser LLP advises LXB Retail Properties Plc ("LXB" or "the Group") and is pleased to report on the operations of the Group during the six months ended 31 March 2016 and up to the date of this report.

Our mandate has changed as a consequence of the AGM and EGM in February 2016 and we are now actively working towards the sale of all completed investments. We provide further information on the individual investments in the Property Details section of this report, however, as mentioned in the Chairman's Statement, in order to protect Shareholders' interests, we do not comment on the status of discussions on potential sales of individual investments. The Group will, of course, report the outcome of those discussions, as and when transactions conclude.

The sales of Brocklebank Retail Park and Rushden Lakes completed during the period under review. Furthermore, following the receipt of the sales proceeds from these transactions, the Group bought back 15.28m shares for £14.7m in late 2015 and early 2016 and recently announced plans to return a further £63.9m to Shareholders in June 2016.

Property details

The Group's most significant investments are discussed in greater detail below.

Ayr

Detailed planning consent for the 100,000 sq ft Sainsbury's foodstore, petrol station and associated infrastructure works was issued in May 2016 following the signing of the S.75 Agreement. In addition to the supermarket and petrol station, the planning consents now in place will enable the delivery of a Business Park, a neighbourhood centre, 560 residential units and a site for a school. Notwithstanding this progress, the time and money this development would require is inconsistent with the Group's revised strategy and we are exploring a number of options around the sale of this investment.

Banbury Gateway

The Group's remaining material involvement with this investment, which was sold to The Crown Estate in October 2014, is to secure a tenant for the final 1,708 sq ft unit. An offer is close to being agreed and is conditional on a planning amendment to permit the retailer's use. Once the final unit is let there will be a small balancing payment due from or to The Crown Estate determined by the final letting terms. This is expected to crystallise within the next few months.

Biggleswade

Phase 2 of this investment completed in May 2016 and all the occupiers in Phases 1 and 2 are now trading, fitting out, or about to take access. Phase 3 (the final phase of the investment) will complete in early June 2016. All the currently committed tenants should be trading by September 2016 which, it is hoped, will assist in the letting of the remaining three units.

The Group is expecting further cash consideration of which approximately £7.0m will be due when Phase 3 completes and all the existing leases have been completed. Further payments, which will be determined by the letting terms achieved, will then be received when the final units are let.

Gloucester

The Group's remaining interests consist of three plots of land largely consented for industrial use. Contracts have been exchanged for the sale of two of these but are conditional on the respective purchasers obtaining satisfactory planning permissions. Detailed planning on one of the plots is expected in June 2016 with the sale then expected to complete in summer 2016. The other purchaser has recently submitted a planning application and a decision on that is expected in late summer 2016. The remaining plot, which comprises approximately 0.75 acres, is being marketed for sale.

Greenwich Brocklebank

The Group announced the sale of its interest in the Brocklebank investment to The Charities Property Fund, managed by Savills Investment Management for initial cash proceeds of £22.8m in December 2015. The sale terms provided that The Charities Property Fund would finance the development costs with the Group retaining responsibility for overseeing the development and letting the final unit. The final unit was pre-let to Mothercare in May 2016 and practical completion of the Retail Park is expected in October 2016.

A further cash receipt of approximately £5.2m is due when the scheme reaches practical completion and all of the leases have completed.

Greenwich B&Q

The Group has started marketing this investment. In December 2015, a certificate of lawful use was obtained for the property confirming that the unit benefits from an unrestricted A1 Retail Use. Consequently, and given the interesting asset management possibilities this investment presents, the Group is confident that there will be good interest from potential acquirers.

Rushden Lakes

This investment was sold to The Crown Estate for initial cash proceeds of £65.2m in May 2016. The sale terms provide that The Crown Estate will fund the development costs, with the Group retaining responsibility for a number of project related matters as well as for letting the remaining vacant space.

Rushden Lakes will be developed in three phases. Groundworks have been completed and construction of Phase 1, which includes three retail terraces and associated restaurants, is under way. This phase is anchored by M&S, House of Fraser and Primark and is now 67% pre-let. A further nine pre-lets are in solicitors' hands and once these have completed, this phase will be 81% pre-let. Phase 1 is expected to open to the public in spring 2017.

Phase 2 comprises an 11 screen cinema pre-let to Cineworld with further restaurants and a wider leisure offer. It is anticipated that construction will commence prior to March 2017.

A revised planning application will be submitted later this calendar year for Phase 3.

The method for determining future receipts was agreed in the forward funding agreement with The Crown Estate but a substantial amount of work is outstanding before these will crystallise, including signing contracts for a significant number of new lettings and securing a number of planning revisions on Phases 2 and 3. As noted in the Chairman's Statement, there will be much better visibility of the full potential value of Phases 2 and 3 by the time of the next AGM.

Sheppey

Neats Court Retail Park is now fully let and the tenants are either trading or fitting out.

The Group also owns two adjacent plots. One of these has planning permission for 6,000 sq ft of A3 restaurants and a pre-let has been secured with Costa to take 1,200 sq ft. Two other pre-lets are in solicitors' hands for 3,750 sq ft in total, leaving one unit to let. The other plot has planning permission for employment use.

The Group has started marketing this investment.

Stafford

The multi-storey car park adjacent to the Riverside investment was handed over to the local authority in March 2016 and the local authority granted a long leaseback of the restaurant units on the ground and first floor of the car park. Four of these restaurants are already pre-let with another in solicitors' hands and they form part of the leisure scheme which is anchored by the Odeon cinema. Outline terms have been agreed with RBS to support the development of the leisure scheme and construction will start imminently. The Group expects to complete the investment in spring 2017.

The handover of the multi-storey car park allowed the Group to close the existing surface parking facilities at Kingsmead and start work on the foodstore car park. Construction of the foodstore has been completed and under the terms of the agreement for lease, Morrisons will take access when the car park is completed in July 2016. The two adjacent retail units, which are pre-let to B&M and Just for Pets, will complete in August 2016.

Practical completion of the Riverside retail investment is imminent with a number of occupiers already fitting out. The first units of the Riverside scheme will open to the public in August 2016. A further pre-let was agreed in April 2016, leaving five small units still to let and offers have been received on two of these.

Sutton

The Group will receive approximately £4m when construction of the foodstore has completed and Sainsbury's have signed their lease which is expected in September 2016. The residential development, which was sold to Linden Homes in June 2015, is progressing well and further receipts of £3.2m are expected by the end of June 2016.

The Group owns a 999 year lease on the 27,000 sq ft ground floor retail units beneath the residential towers which are expected to be handed over in phases between October 2016 and early 2017. The Group is receiving good interest from potential occupiers. Already, a 1,730 sq ft unit was pre-let to Costa in April 2016 and the Group has recently completed the pre-let of a 2,380 sq ft unit to Magnet. The Group is looking at a number of different configurations for the remaining space to maximise investment value.

Truro Threemilestone

A resolution to grant outline planning permission for the investment was approved in March 2015. The scheme comprises 435 houses (of which 40% will be affordable homes), a 78,000 sq ft foodstore pre-let to ASDA, a pub, community centre, primary school and care home. The scheme cannot be delivered in the Group's new timeframes and options are being explored with a view to maximising the inherent value.

Living Villages - Truro Higher Newham

The Living Villages concept will require substantial investment of time and money and this cannot be delivered within the life of the Plc. With this in mind, the Board is considering all options for this asset, balancing the wish for early realisations, with the need to maximise value without incurring substantial further capital expenditure.

Revaluation surplus

As described in note 8 to the Interim Report, the investment properties held by the Group at 31 March 2016 were valued by the Group's external property valuers, JLL. In their opinion the fair value of these investment properties at that date was £202.6m, resulting in a revaluation deficit for the period of £0.8m. As part of this exercise, there has been a reappraisal of the potential of certain of the Group's investments to reflect the relatively short period before substantially the whole of the Group's value must be returned to Shareholders. In the Chairman's Proposals for an Orderly Realisation letter in February 2016, he identified that if Shareholders were to vote for a realisation of the Group's assets, the Group's NAV would reflect a write down of certain assets where value creation would no longer fit within the realisation period and the anticipated costs of dealing with outstanding commitments.

The recent change in SDLT rates has also had a negative impact on valuations.

Accounting treatment of forward funded construction activities

Under the terms of the sale of a number of the Group's investments, the buyer funds the development with the Group overseeing the works. The Group recharges the costs associated with the relevant forward funding agreement plus a 1% fee on the main contractor's costs. As explained previously, following consultation with the Group's auditors, the appropriate accounting treatment for these arrangements is to include the amounts receivable from the buyer (in respect of each reporting period) in gross revenue and to include the costs incurred by the Group (in respect of each reporting period) in direct costs. The relevant amounts for the period are disclosed in note 4 to the Interim Report.

Cash position and future expenditure

During the six months to 31 March 2016, £18.7m of cash was deployed in the purchase of and capital expenditure on investment properties.

At the balance sheet date the Group had £11.2m of cash which is all allocated to existing projects.

Return of capital

On 6 May 2016, the Company announced proposals to return £63.9m (38p per share) of capital to Shareholders by 9 June 2016.

Tim Walton
On behalf of LXB Adviser LLP
1 June 2016

Auditor's independent review report

to LXB Retail Properties Plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements included within this Interim Report for the six months ended 31 March 2016 which comprises the Group Income Statement, the Group Statement of Changes in Equity, the Group Balance Sheet, the Group Cash Flow Statement and the related notes.

We have read the other information contained in the Interim 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 Interim Report, including the financial information contained therein, is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the Interim Report in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM and the rules for companies trading securities on the Channel Islands Securities Exchange. These rules require that the Interim Report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in note 2, 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 Interim 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 Interim Report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the AIM and the rules for companies trading securities on the Channel Islands Securities Exchange and for no other purpose. No person is entitled to rely on this report unless such a person is entitled to rely on 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 Auditing Practices Board 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 Interim Report for the six months ended 31 March 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, the rules of the London Stock Exchange for companies trading securities on the AIM and the rules for companies trading securities on the Channel Islands Securities Exchange.

Emphasis of Matter

Without modifying our conclusion, we draw your attention to note 2 in the condensed set of financial statements concerning the Board's intention to bring the Group's activities to a close through either a voluntary liquidation or other reconstruction or reorganisation following the return of surplus cash to Shareholders. Accordingly, the condensed set of financial statements have not been prepared on a going concern basis.

BDO LLP
Chartered Accountants
London
United Kingdom

1 June 2016

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

Group income statement

for the period ended 31 March 2016

	Note	Unaudited six months to 31 March 2016 £	Unaudited six months to 31 March 2015 £	Audited year to 30 September 2015 £
Gross revenue	4	**22,049,045**	**16,155,272**	**46,101,649**
Direct costs	4	(21,026,429)	(15,294,089)	(44,991,831)
Net revenue and gross profit		**1,022,616**	**861,183**	**1,109,818**
Administrative expenses:				
Corporate administrative expenses		(5,287,136)	(2,756,536)	(5,758,846)
Cost of property activities		-	(83,668)	(818,856)
Total administrative expenses		(5,287,136)	(2,840,204)	(6,577,702)
Investment property revaluation (deficit) / surplus	8	(835,877)	12,143,396	18,181,385
Profit on sale of investment properties		2,971,275	6,190	13,367,325
Other income		152,466	91,508	380,156
Operating (loss) / profit		**(1,976,656)**	**10,262,073**	**26,460,982**
Finance income	5	16,591	283,800	625,679
Finance costs	5	(769,912)	(315,443)	(1,171,040)
(Loss) / profit before tax		**(2,729,977)**	**10,230,430**	**25,915,621**
Taxation charge	6	(125,391)	-	(104,344)
(Loss) / profit for the period		**(2,855,368)**	**10,230,430**	**25,811,277**

(Loss) / earnings per share		**Pence per share**	**Pence per share**	**Pence per share**
Basic and diluted	7	**(1.62)**	**5.57**	**14.06**

All amounts relate to continuing activities.

There were no items of other comprehensive income in the current period or prior year.

Group statement of changes in equity
for the period ended 31 March 2016

Period ended 31 March 2016 (unaudited)	**Stated capital**	**Retained earnings**	**Total**
	£	**£**	**£**
At 1 October 2015 (audited)	132,288,457	57,355,270	189,643,727
Loss for the period	-	(2,855,368)	(2,855,368)
Transactions with owners:			
Own shares purchased for cancellation inclusive of costs	(14,760,502)	-	(14,760,502)
At 31 March 2016 (unaudited)	**117,527,955**	**54,499,902**	**172,027,857**

Period ended 31 March 2015 (unaudited)	**Stated capital**	**Retained earnings**	**Total**
	£	**£**	**£**
At 1 October 2014 (audited)	183,606,213	63,004,961	246,611,174
Profit for the period	-	10,230,430	10,230,430
At 31 March 2015 (unaudited)	**183,606,213**	**73,235,391**	**256,841,604**

Group balance sheet

at 31 March 2016

	Note	Unaudited as at 31 March 2016 £	Unaudited as at 31 March 2015 £	Audited as at 30 September 2015 £
Non-current assets				
Investment properties	8	202,123,800	249,305,000	208,370,000
Derivative financial assets	14	4,003	-	227,800
		202,127,803	**249,305,000**	**208,597,800**
Current assets				
Business and other receivables	9	38,250,017	18,917,843	48,737,363
Cash and cash equivalents	10	11,156,542	17,181,903	5,033,414
		49,406,559	**36,099,746**	**53,770,777**
Total assets		**251,534,362**	**285,404,746**	**262,368,577**
Current liabilities				
Business and other payables	11	(14,666,813)	(14,902,718)	(19,548,249)
Income tax creditor		(101,715)	-	-
Borrowings	12	(42,059,903)	(4,856,134)	(4,928,109)
Derivative financial liabilities	14	-	(269,723)	-
		(56,828,431)	**(20,028,575)**	**(24,476,358)**
Non-current liabilities				
Borrowings	13	(22,678,074)	(8,534,567)	(48,248,492)
		(22,678,074)	**(8,534,567)**	**(48,248,492)**
Total liabilities		**(79,506,505)**	**(28,563,142)**	**(72,724,850)**
Net assets		**172,027,857**	**256,841,604**	**189,643,727**
Equity				
Stated capital	15	117,527,955	183,606,213	132,288,457
Retained earnings		54,499,902	73,235,391	57,355,270
Total equity		**172,027,857**	**256,841,604**	**189,643,727**

Net asset value per share		**Pence per share**	**Pence per share**	**Pence per share**
Basic and diluted	16	**102.18**	**139.87**	**103.27**
Adjusted (EPRA)	16	**102.18**	**140.02**	**103.15**

Group cash flow statement

for the period ended 31 March 2016

	Unaudited six months to 31 March 2016	Unaudited six months to 31 March 2015	Audited year to 30 September 2015
	£	£	£
Cash flows from operating activities			
Profit before tax	(2,729,977)	10,230,430	25,915,621
Adjustments for non-cash items:			
Investment property revaluation deficit / (surplus)	835,877	(12,143,396)	(18,181,385)
Profit on sale of investment properties	(2,971,275)	(6,190)	(13,367,325)
Net finance costs	753,321	31,643	545,361
Cash flows from operating activities before changes in working capital	**(4,112,054)**	**(1,887,513)**	**(5,087,728)**
Change in business and other receivables	2,826,940	(7,243,146)	(5,695,854)
Change in business and other payables	(5,685,474)	373,060	6,887,532
Taxation paid	(23,888)	(27,742)	(52,129)
Cash flows from operating activities	**(6,994,476)**	**(8,785,341)**	**(3,948,179)**
Investing activities:			
Interest received	16,591	103,368	175,524
Purchase of and capital expenditure on investment properties	(18,723,399)	(43,541,179)	(147,923,596)
Proceeds on disposal of investment properties	35,484,390	53,152,267	184,517,906
Cash flows from investing activities	**16,777,582**	**9,714,456**	**36,769,834**
Financing activities:			
Own shares purchased for cancellation	(14,716,350)	-	-
Costs associated with own shares purchased	(44,152)	-	-
Redemption of “B” shares	-	-	(51,172,700)
Costs associated with redeemed “B” shares	-	-	(145,056)
Dividends paid	-	-	(31,460,968)
Bank borrowings drawn	11,214,993	14,509,193	54,303,495
Loan issue costs paid	-	(1,302,432)	(1,644,448)
Bank borrowings repaid	-	(4,500,000)	(4,500,000)
Premium paid on purchase of derivative financial instruments	-	-	(647,500)
Collateral repaid from hedging counterparty	-	-	457,283
Finance costs paid	(114,469)	(156,551)	(680,925)
Cash flows from financing activities	**(3,659,978)**	**8,550,210**	**(35,490,819)**
Net increase/(decrease) in cash and cash equivalents	**6,123,128**	**9,479,325**	**(2,669,164)**
Cash and cash equivalents at the beginning of the period	5,033,414	7,702,578	7,702,578
Cash and cash equivalents at the end of the period	**11,156,542**	**17,181,903**	**5,033,414**

Notes to the interim report

1. General information about the Group

LXB Retail Properties Plc was listed on the AIM and CISE markets on 23 October 2009. It is a closed-ended real estate investment company that was incorporated in Jersey on 27 August 2009.

This Interim Report includes the results and net assets of the Company and its subsidiaries, together referred to as the Group, on a consolidated basis.

Further general information about the Company and the Group can be found on its website:

www.lxbretailproperties.com.

2. Basis of preparation

The financial information contained in this report has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

As described more fully in the Chairman's Statement, following the Shareholders' approval on 29 February 2016, the Directors are proceeding with the plans for an orderly realisation of the Group's investments, with substantially the whole of the value to be returned to Shareholders in cash in the foreseeable future. As a result, the Directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these interim accounts. No material adjustments arose as a result of ceasing to apply the going concern basis.

The condensed set of financial statements for the half year are unaudited and do not constitute statutory accounts for the purposes of the Companies (Jersey) Law 1991. They should be read in conjunction with the Group's statutory financial statements for the year ended 30 September 2015, which were prepared under International Financial Reporting Standards adopted for use in the European Union and upon which an unqualified auditors' report was given.

The accounting policies adopted in this report are consistent with those applied in the Group's Annual Report and financial statements for the year ended 30 September 2015 (the 2015 Annual Report) and are expected to be consistently applied in the year ending 30 September 2016.

The 2015 Annual Report is available from the "Investor relations" page of the Company's website, www.lxbretailproperties.com, or by writing to the Company Secretary at Elian Fund Services, 44 Esplanade, St Helier, Jersey, JE4 9WG.

The Group's financial performance is not subject to material seasonal fluctuations.

3. Segmental information

During the current period and prior periods, the Group operated in and was managed as one business segment, being property investment, with all investment properties located in the United Kingdom.

4. Gross revenue and direct costs

Gross revenue:	**Unaudited six months to 31 March 2016**	**Unaudited six months to 31 March 2015**	**Audited year to 30 September 2015**
	£	**£**	**£**
Gross rental income	1,416,260	989,482	1,492,038
Revenue derived from Forward Funding Agreements	20,632,785	15,165,790	44,609,611

	22,049,045	**16,155,272**	**46,101,649**

Direct costs:	**Unaudited six months to 31 March 2016**	**Unaudited six months to 31 March 2015**	**Audited year to 30 September 2015**
	£	**£**	**£**
Property outgoings	514,671	313,256	733,741
Costs associated with Forward Funding Agreements	20,511,758	14,980,833	44,258,090
	21,026,429	**15,294,089**	**44,991,831**

The Group's revenue and costs in connection with Forward Funding Agreements relate to:

- Sutton foodstore
- London Road Retail Park in Biggleswade
- the retail scheme at Brocklebank Road in Greenwich
- the Gateway Retail Park in Banbury
- the Sainsbury's/M&S development in Greenwich

5. Finance income and costs

Recognised in the income statement:	**Unaudited six months to 31 March 2016**	**Unaudited six months to 31 March 2015**	**Audited year to 30 September 2015**
	£	**£**	**£**
Finance income:			
Interest on cash deposits	16,591	117,983	175,524
Increase in fair value of derivative financial instruments	-	165,817	450,155
Total finance income in the income statement	**16,591**	**283,800**	**625,679**
Finance costs:			
Bank interest	(366,842)	(315,443)	(645,638)
Decrease in fair value of derivative financial instruments	(223,797)	-	(242,408)
Amortisation of capitalised finance costs	(138,822)	-	(252,818)
Other finance costs	(40,451)	-	(30,176)
Total finance costs in the income statement	**(769,912)**	**(315,443)**	**(1,171,040)**
Net finance costs recognised in the income statement	**(753,321)**	**(31,643)**	**(545,361)**

The average interest rate incurred by the Group on its bank borrowings for the period ended 31 March 2016, including the effects of hedging instruments and the lender's margin but excluding amortisation of capitalised finance costs was 2.63% (31 March 2015: 3.5%, 30 September 2015: 2.88%).

Further information about the derivative financial instruments, including details of their valuation at each balance sheet date is included in note 14.

6. Taxation

	Unaudited six months to 31 March 2016	Unaudited six months to 31 March 2015	Audited year to 30 September 2015
	£	£	£
The tax charge for the period recognised in the income statement comprises:			
Current tax on results for the period	**125,391**	**-**	**104,344**

The tax assessed for the period varies from the standard rate of income tax in the UK of 20%. The differences are explained below:

	Unaudited six months to 31 March 2016	Unaudited six months to 31 March 2015	Audited year to 30 September 2015
	£	£	£
(Loss) / profit before tax	**(2,729,977)**	**10,230,430**	**25,915,621**
(Loss) / profit before tax at the standard rate of income tax in the UK of 20%	(545,995)	2,046,086	5,183,124
Items not subject to UK income tax:			
Income	(4,127,242)	(3,065,252)	(9,049,344)
Expenses	5,152,841	3,546,766	10,079,027
Changes in fair value of derivatives	44,759	(33,163)	(6,091)
Investment property revaluation deficit / (surplus)	167,175	(2,428,679)	(3,636,277)
Capital surplus on disposal of investment properties	(594,255)	(1,238)	(2,673,465)
Net financing costs / (income)	1,564	(81,409)	154,245
Other items	13,891	1,258	-
Other amounts:			
Capital allowances claimed	(35,000)	(21,553)	(41,355)
Losses carried forward	47,653	37,184	94,480
Tax charge for the period recognised in the income statement	**125,391**	**-**	**104,344**

The Group has revenue related losses of £3,891,350 (31 March 2015: £3,366,601; 30 September 2015: £3,653,084) available to carry forward to utilise against applicable future revenue profits, for which no deferred tax asset is currently recognised.

Tax status of the Company and its subsidiaries

All group undertakings are either tax resident in Jersey or are tax transparent entities owned by Jersey resident entities. Jersey has a corporate tax rate of zero, so the Company and its subsidiaries have no liability to taxation on their income or gains in Jersey. The Company is not subject to UK Corporation tax on any dividend or interest income it receives.

The Group's investment properties are located in the United Kingdom and therefore the net rental income earned less deductible items is subject to UK income tax, currently at a rate applicable to the relevant group undertakings of 20%.

7. (Loss) / earnings per share

(Loss) / earnings per share is calculated on a weighted average of 176,593,707 (31 March 2015: 183,630,374; 30 September 2015: 183,630,374) ordinary shares in issue for the period and is based on losses attributable to Shareholders for the period of £2,855,368 (31 March 2015: earnings of £10,230,430; 30 September 2015: earnings of £25,811,277).

There are no share options or other equity instruments in issue and therefore no adjustments need to be made for dilutive or potentially dilutive equity arrangements.

The European Public Real Estate Association ("EPRA") issues guidelines aimed at providing a measure of earnings per share designed to present underlying earnings from core operating activities only. The adjusted EPRA earnings per share figure is calculated as follows:

	Unaudited six months to 31 March 2016		**Unaudited six months to 31 March 2015**		**Audited year to 30 September 2015**	
	£	**Pence per share**	**£**	**Pence per share**	**£**	**Pence per share**
Basic (loss) / earnings	**(2,855,368)**	**(1.62)**	**10,230,430**	**5.57**	**25,811,277**	**14.06**
Property adjustments:						
Investment property revaluation movements	835,877	0.47	(12,143,396)	(6.61)	(18,181,385)	(9.90)
Profit on sale of investment properties	(2,971,275)	(1.68)	(6,190)	(0.00)	(13,367,325)	(7.28)
Market value adjustments:						
of interest rate derivatives, net of tax	223,797	0.13	(165,817)	(0.09)	(207,747)	(0.12)
EPRA loss	**(4,766,969)**	**(2.70)**	**(2,084,973)**	**(1.13)**	**(5,945,180)**	**(3.24)**

8. Investment properties

	£
Carrying value as at 30 September 2015 (audited)	208,370,000
Additions	19,474,763
Disposals	(24,885,086)
Revaluation deficit	(835,877)
Carrying value as at 31 March 2016 (unaudited)	**202,123,800**

Movements in the prior year were as follows:

	£
Carrying value as at 30 September 2014 (audited)	245,515,000
Additions	143,867,116
Disposals	(199,193,501)
Revaluation surplus	18,181,385
Carrying value as at 30 September 2015 (audited)	**208,370,000**

At 31 March 2016, the Group's investment properties were valued by JLL, Chartered Surveyors, on a fixed fee basis, in their capacity as independent external valuers. The aggregate fair value of these properties at 31 March 2016 is £202,608,000 (31 March 2015: £249,305,000; 30 September 2015: £208,370,000).

The external valuers' valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards Professional Standards (January 2014) on the basis of fair value. Fair value is defined in IFRS 13 as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The following table reconciles the carrying value of investment properties to their fair values at the balance sheet date:

	£
Carrying value as at 31 March 2016 (unaudited)	202,123,800
Adjustment for rents recognised in advance and lease incentives given to tenants	484,200
Total property portfolio valuation at 31 March 2016 (unaudited)	**202,608,000**

The carrying values of investment properties at 30 September 2015 and 31 March 2015 equated to their independent valuation.

The Board determines the Group's valuation policies and procedures and is responsible for appointing the Group's independent external valuer. The Audit Committee considers the valuation process as part of its overall responsibilities.

The fair value of completed investment properties is determined using the 'investment method' whereby capitalisation yields derived from market transactions involving comparable investment properties are applied to the estimated net current and future cash flows expected to be generated by the investment property, which the valuer calculates using comparable market information, to obtain a market rent. The fair value of an investment property undergoing development is derived using the 'residual method' whereby the costs required to complete the development, including a notional cost of finance and an estimated risk factor or 'profit on cost', are deducted from the net development value arrived at under the 'investment method'.
As part of each half-yearly valuation exercise, the valuations performed by the external valuers are reviewed by appropriately qualified members of the Investment Manager's team. This includes discussion of the assumptions used and judgements made by the external valuers as well as detailed consideration of the resulting valuations. Discussion of the valuation process and results then takes place at a meeting between the external valuers and the auditors at which the key assumptions and estimates are reviewed together with consideration of the valuers' reasons for significant valuation movements on individual properties. The reasons for significant revaluation movements attributable to individual properties are explained in the auditor's report to the Audit Committee.

The key unobservable inputs used in the valuation of the Group's investment properties at 31 March 2016 are as follows:

			ERV per square foot (£)			**Equivalent yield (%)**		
Investment property type	**Fair value**	**Valuation method**	**Min**	**Max**	**Weighted average**	**Min**	**Max**	**Weighted average**
Completed*	109,600,000	Investment	10.0	40.0	21.5	5.0	6.8	5.6
Development	91,208,000	Residual	10.0	51.1	25.5	4.7	6.8	5.0
Other**	1,800,000							
Total	202,608,000							

The key unobservable inputs used in the valuation of the Group's investment properties at 30 September 2015 were as follows:

			ERV per square foot (£)			**Equivalent yield (%)**		
Investment property type	**Fair value**	**Valuation method**	**Min**	**Max**	**Weighted average**	**Min**	**Max**	**Weighted average**
Completed	53,550,000	Investment	10.0	24.0	19.4	5.3	6.5	5.6
Development	153,020,000	Residual	10.0	50.0	25.0	4.5	10.0	5.0
Other**	1,800,000							
Total	208,370,000							

**Includes properties that were substantially completed at the balance sheet date*
***Comprises land assets that are held at their estimated open market value*

All other factors remaining constant, an increase in rental income would increase a valuation whilst increases in nominal equivalent yield and discount rate would result in a fall in value and vice versa. However, there are interrelationships between unobservable inputs as they are determined by market conditions. Corresponding movements in more than one unobservable input may have a complementary effect on a valuation whereas unobservable inputs moving in opposite directions may compensate each other. For example, where market rents and nominal equivalent yields increase simultaneously, the overall impact on a valuation may be minimal.

For investment properties undergoing development, a reduction in the cost and time to complete a scheme will have a positive impact on value, assuming all other factors remain constant. Conversely, if the anticipated cost or time to complete a scheme increased then this would negatively impact value, assuming all other factors remain constant.

All of the Group's investment properties are considered to be 'Level 3' in the fair value hierarchy described by IFRS 13. There have been no transfers of property between hierarchical levels in the year.

The historic cost of the Group's investment properties as at 31 March 2016 was £163,745,071 (31 March 2015: £198,917,133; 30 September 2015: £169,139,608).

9. Business and other receivables

	Unaudited as at 31 March 2016	Unaudited as at 31 March 2015	Audited as at 30 September 2015
	£	£	£
Business receivables	2,068,698	1,826,191	3,542,809
Property sales receivables	21,664,886	-	29,292,920
Amounts receivable under Forward Funding Agreements	6,282,929	5,928,576	4,582,638
Prepayments and accrued income	2,981,285	3,888,032	2,671,461
Other receivables	5,252,219	7,275,044	8,647,535
	38,250,017	**18,917,843**	**48,737,363**

Property sales receivables comprised amounts receivable in respect of investment property sales that had unconditionally exchanged prior to the relevant balance sheet date.

All of the above amounts are either receivable within one year or will be released to the income statement within one year except for £442,936 (31 March 2015: £nil; 30 September 2015: £nil) of lease incentives, included above within business receivables, which are due to be released to the income statement in more than one year.

No business receivables were overdue or impaired at the end of any of the above periods.

10. Cash and cash equivalents

Included within the Group's cash and cash equivalents balance as at 31 March 2016 is £1,471,918 (31 March 2015: £620,339; 30 September 2015: £277,013) in bank accounts held as security by the providers of the Group's secured bank debt and hedging facilities.

11. Business and other payables

	Unaudited as at 31 March	Unaudited as at 31 March	Audited as at 30 September

	2016	2015	2015
	£	£	£
Business payables	2,850,735	4,610,053	5,233,537
Rents received in advance	550,160	247,049	553,247
Other creditors	4,033,261	1,672,383	3,172,783
Accruals and other amounts payable	7,232,657	8,373,233	10,588,682
	14,666,813	**14,902,718**	**19,548,249**

All of the above amounts are due within one year and none incur interest.

12. Borrowings: amounts repayable within one year

	Unaudited as at 31 March 2016	Unaudited as at 31 March 2015	Audited as at 30 September 2015
	£	£	£
Bank loans (secured):			
Investment facility	5,000,000	4,856,134	4,928,109
Development facilities	37,059,903	-	-
	42,059,903	**4,856,134**	**4,928,109**

Investment facility:
On 30 March 2015, a group entity entered into an agreement with Barclays Bank Plc for a one year £5,000,000 debt facility. The facility was extended to 31 March 2017 during the current period. The comparative balances above are shown net of unamortised loan issue costs, which were fully amortised at the balance sheet date.

The loan is secured against an investment property held within a ring-fenced sub-group, beyond which the loan is non-recourse.

Development facilities:
In 2014, two group entities entered into agreements with the Royal Bank of Scotland Plc for development finance facilities. The loans shown above (net of unamortised loan issue costs) were drawn during the current period and prior year in tranches as the development progressed. The amounts are secured against certain of the Group's investment properties held within ring-fenced sub-groups beyond which the loans are non-recourse.

There were no defaults or other breaches of financial covenants under the terms of any of the loan agreements referred to above during the current or prior periods, or in the period since the balance sheet date.

13. Borrowings: amounts repayable in more than one year

	Unaudited as at 31 March 2016	Unaudited as at 31 March 2015	Audited as at 30 September 2015
	£	£	£
Bank loans (secured):			
Investment facility	22,678,074	-	22,661,669
Development facilities	-	8,534,567	25,586,823
	22,678,074	**8,534,567**	**48,248,492**

Investment facility:
In September 2015 a group entity entered into an agreement with Royal Bank of Scotland Plc for a three year debt facility. A loan amounting to £23,000,000 (shown above net of unamortised loan issue costs) was drawn in September 2015 and is secured against an investment property held within a ring-fenced sub-group beyond which the loan is non-recourse.

Development facilities:
The comparative balances above relate to the development facilities described in note 12.

There were no defaults or other breaches of financial covenants under the terms of any of the loan agreements referred to above during the current or prior periods, or in the period since the balance sheet date.

14. Derivative financial instruments

The Group enters into hedging arrangements to provide protection against interest rate fluctuations in respect of its bank borrowings.

i) Derivative financial assets:

On 15 May 2015, in anticipation of future hedging needs, the Group entered into a cash-settled swaption with the Royal Bank of Scotland Plc. The instrument references a theoretical derivative which is effective for three years from 30 September 2016 on a notional amount of £50m at a fixed rate of 1.64%. Under the terms of the cash-settled swaption contract, if at the effective date the equivalent market swap rate is in excess of the effective rate, the Group receives a cash payment of the difference. If at the effective date the equivalent market swap rate is below the effective rate nothing is payable by either party. Under the terms of the cash-settled swaption contract, there is no obligation on the Group to enter into an actual derivative instrument on the effective date. The premium paid was £647,500 and the fair value at the balance sheet date was £4,003 (31 March 2015: n/a; 30 September 2015: £227,800).

In December 2014, the Group also entered into two 1.6675% interest rate caps in order to protect itself against interest rate increases on the development facilities referred to in note 12. The caps expire on 31 December 2016 and mirror the projected borrowings under the facilities up to a maximum total of £51.85m. The fair value of these instruments at 31 March 2016, and at previous balance sheet dates, was insignificant.

ii) Derivative financial liabilities:

In October 2011, the Group entered into an interest rate swap facility with the Royal Bank of Scotland Plc which became effective on 25 March 2013 in anticipation of hedging needs for future investments. The instrument, which had a notional value of £50m and a protected interest rate of 1.6675%, expired on 25 September 2015. The fair value of the liability attributable to this instrument at the previous interim balance sheet date was £269,723. Movements in the value of the swap in earlier periods were recognised in the income statement.

All interest rate derivative financial instruments have been valued in accordance with IFRS 13 by reference to interbank bid market rates as at the close of business on 31 March 2016 by J.C. Rathbone Associates Limited and include the relevant LIBOR basis spread.

All derivative financial instruments are classed as 'level 2' as defined in IFRS 13 as their fair value measurements derive from inputs that are observable either directly or indirectly, rather than from quoted prices in active markets for identical assets and liabilities.

The market values of hedging instruments change constantly with interest rate fluctuations, but the cash flow exposure of the Group to movements in interest rates is partially protected by way of the hedging products referred to above. These valuations do not necessarily reflect the cost or gain to the Group of cancelling its interest rate protection, which is generally a marginally higher cost or smaller gain than a market valuation.

15. Stated capital

	Unaudited as at 31 March 2016 Number	Unaudited as at 31 March 2015 Number	Audited as at 30 September 2015 Number
Authorised			
Ordinary shares of no par value - number	Unlimited	Unlimited	Unlimited
Issued and fully paid			
Ordinary shares of no par value - number	168,350,374	183,630,374	183,630,374

	£	£	£
Ordinary shares of no par value			
- total paid on issues to date	266,359,124	266,359,124	266,359,124
- purchased for cancellation:			
- in prior years	(84,593,108)	(84,593,108)	(84,593,108)
- during the period	(14,716,350)	-	-
- reclassification of the attributed retained earnings element of share buybacks undertaken in prior years	10,951,754	10,951,754	10,951,754
Redeemable "B" shares of no par value (see below)			
- total paid on issue	-	-	-
- redemption for cancellation in the prior year	(51,172,700)	-	(51,172,700)
Total issue and purchase costs deducted to date	(9,300,765)	(9,111,557)	(9,256,613)
Stated capital per the balance sheet	**117,527,955**	**183,606,213**	**132,288,457**

Transactions with Shareholders in in the current period – ordinary shares:

In December 2015 and January 2016, the Company purchased a total of 15,280,000 of its own shares for cancellation for cash at an average price of 96.6p per share, including costs.

Transactions with Shareholders in the prior year – "B" shares and dividends:

In June 2015, a return of cash of 45p per ordinary share was made to Shareholders (the Return of Cash). The total Return of Cash of £82.6 million comprised the following two elements:

- £51.2m paid to Shareholders holding 113,717,111 of the Company's ordinary shares at that date. This was paid through the redemption of an identical amount of redeemable "B" shares which had been allotted and issued to the holders of these shares at nil pence per share earlier in June as one of the options available to Shareholders under the mechanism of the Return of Cash.
- An interim dividend amounting in total to £31.5m. This was paid to Shareholders holding the remaining 69,913,263 of the Company's ordinary shares in issue at that date who elected to receive the Return of Cash by way of a cash dividend. The cash dividend was debited to retained earnings.

Issue and purchase costs of £145,056 in respect of the redeemable "B" shares were incurred in relation to the Return of Cash.

16. Net asset value per share

Net asset value per share is calculated as the net assets of the Group attributable to Shareholders at each balance sheet date, divided by the number of shares in issue at that date (see note 15).

There are no share options or other equity instruments in issue and therefore no adjustments need to be made for dilutive or potentially dilutive equity arrangements.

The European Public Real Estate Association ("EPRA") has issued guidelines aimed at providing a measure of net asset value ("NAV") on the basis of long term fair values. The EPRA measure excludes items that are considered to have no impact in the long term, such as the fair value of derivative financial instruments and deferred tax balances.

The Group's EPRA NAV is calculated as follows:

		Unaudited as at 31 March 2016		**Unaudited as at 31 March 2015**		**Audited as at 30 September 2015**
	£	**Pence per share**	**£**	**Pence per share**	**£**	**Pence per share**
Basic NAV	172,027,857	102.18	256,841,604	139.87	189,643,727	103.27
Adjustments:						
Fair value of derivative financial instruments	(4,003)	0.00	269,723	0.15	(227,800)	(0.12)
EPRA NAV	**172,023,854**	**102.18**	**257,111,327**	**140.02**	**189,415,927**	**103.15**

17. Related party transactions and balances

Interests in shares

The interests of the Directors and their families in the share capital of the Company are as follows:

	Ordinary shares		
	Unaudited as at 31 March 2016	**Unaudited as at 31 March 2015**	**Audited as at 30 September 2015**
	Number	**Number**	**Number**
Phil Wrigley	447,748	447,448	447,748
Steve Webb	243,385	243,385	243,385
Danny Kitchen	467,927	467,927	467,927
Alastair Irvine	3,777,569	2,500,000	3,777,569

The interests disclosed above include both direct and indirect interests in shares. The Return of Cash to Shareholders in the prior year resulted in the Directors receiving an aggregate amount of £1,646,577 on the same terms as the other Shareholders of the Company.

The group headed by LXB[3] Partners LLP, which includes LXB Adviser LLP and its wholly owned subsidiaries, is a related party of the Company. LXB Adviser LLP is the Investment Manager to the Group. At 31 March 2016, the members of LXB[3] Partners LLP (and their spouses) held an aggregate total of 13,341,440 (31 March 2015: 12,495,348; 30 September 2015: 15,679,847) shares in the Company. The Return of Cash to Shareholders in the prior year resulted in the members of LXB[3] Partners LLP (and their spouses) receiving an aggregate amount of £5,622,907 on the same terms as the other Shareholders of the Company.

There have been no changes to any of the above shareholdings between 31 March 2016 and the date of this report.

Fees

Directors' fees payable during the period to 31 March 2016 were £152,500 (period to 31 March 2015: £152,500; year ended 30 September 2015: £305,000). As at 31 March 2016, £76,250 (31 March 2015: £76,250; 30 September 2015: £76,250) of fees remained outstanding and are included within business and other payables (note 11).

Management fees during the period to 31 March 2016 of £2,384,290 (period to 31 March 2015: £2,147,246; year ended 30 September 2015: £4,394,995) were payable to the group headed by LXB^3 Partners LLP. No amounts were outstanding at the respective balance sheet dates.

LXB Adviser LLP is permitted, under the terms of the Investment Advisory Agreement, to recharge certain costs and expenses incurred in the discharge of its duties. During the period to 31 March 2016, it has recharged costs totalling £89,949 (period to 31 March 2015: £41,261; year ended 30 September 2015: £84,937) to the Group.

Incentives - carried interest arrangements with LXB^3 Partners LLP

At a future date, when a cumulative hurdle amount has been returned to Shareholders, the carried incentive arrangements with LXB^3 Partners LLP are activated. The carried interest arrangements with LXB^3 Partners LLP were varied in the period.

The cumulative hurdle amount is calculated by reference to the net proceeds base amount, which is now defined as the NAV of the Group at 1 January 2016, being £177.1m, and a 12% per annum preferred return thereon (as adjusted for any ordinary shares cancelled as a consequence of any share buyback programmes undertaken since that date). Previously, the net proceeds base amount was defined as the net funds raised from the issue of all ordinary shares (as adjusted for the ordinary shares cancelled as a consequence of any share buyback programmes undertaken) and a 12% per annum preferred return thereon.

Cash returns over and above the cumulative hurdle amount are shared between Shareholders (50%) and LXB3 Partners LLP (50%) until amounts returned to Shareholders are 80% of the total amount returned. Returns above this level are shared between Shareholders (80%) and LXB3 Partners LLP (20%).

As at 31 March 2016, the net proceeds base amount, to which the 12% per annum preferred return is applied, is £168.4m (31 March 2015: £186.0m, under the former definition described above; 30 September 2015: £186.0m, under the former definition described above).

The cumulative hurdle amount as at 31 March 2016 is £175.0m (31 March 2015: £315.1m; 30 September 2015: £297.8m).

As the net assets of the Group are less than the cumulative hurdle amount as at 31 March 2016, no provision for future incentive payments has been recognised.

18. Post balance sheet events

On 4 May 2016, the Group completed the sale of its investment at Rushden to The Crown Estate and received initial cash proceeds of £65.2m.

On 6 May 2016, the Group announced a further return of cash to Shareholders equal to 38p per ordinary share, utilising surplus funds available from the proceeds of the Rushden disposal. This return of cash is expected to complete in June 2016.

Glossary

AIM	A sub-market of the London Stock Exchange.
CISE	The Channel Islands Securities Exchange.

EPRA	European Public Real Estate Association.
EPRA EPS	An adjusted measure of earnings per share designed by EPRA to present underlying earnings from core operating activities only.
EPRA NAV	An adjusted measure of net asset value designed by EPRA to present net asset value excluding the effects of changes in value of financial instruments held for long term benefit and the deferred tax effects of those changes.
EPS	Earnings per share, calculated as earnings after tax divided by the weighted average number of shares in issue in the period or year.
Investment Manager	LXB Adviser LLP.
Investment Advisory Agreement	The agreement between LXBRP GP Limited, the General Partner of LXB Retail Properties Fund LP, and LXB Adviser LLP under which LXB Adviser LLP provides investment advice to the Group.
LIBOR	The London Interbank Offered Rate, being the interest rate charged by one bank to another for lending money.
NAV	Net asset value.