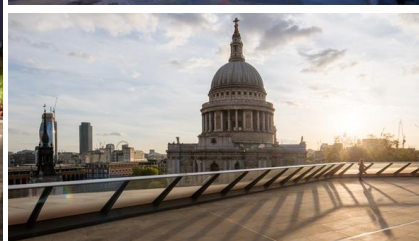
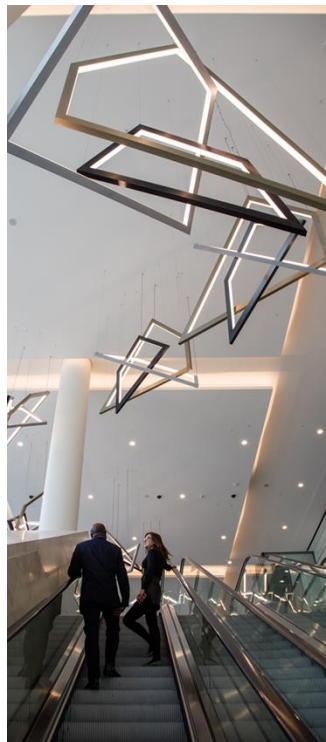


PRELIMINARY RESULTS 2017





Welcome

Robert Noel

Chief Executive



Delivering on a clear plan to strengthen the business

Developments on site	2014		2017	 <p>Westgate Oxford</p>	
London office WAULT	2010	9.0 years	→	2017	10.3 years
Retail transformed		Aberdeen, Bristol, Derby, Dundee, Exeter, Gateshead, Liverpool, Livingston, Sunderland, Worcester	→		Bluewater, Trinity Leeds, Westgate Oxford, X-Leisure portfolio, outlets
LTV		44%	→		22%

Performance – creating shareholder value while strengthening the balance sheet



Agenda

Martin Greenslade

Colette O'Shea

Scott Parsons

Robert Noel

Q&A



Victoria, SW1

Financial Results

Martin Greenslade

Chief Financial Officer

Financial summary

Year ended 31 Mar 16		Year ended 31 Mar 17	Change
			%
£1,336m	Profit before tax	£112m	
£907m	Valuation (deficit)/surplus ⁽¹⁾	£(147)m	-1.0 ⁽²⁾
1,434p	Adjusted diluted net assets per share	1,417p	-1.2
£362m	Revenue profit ⁽¹⁾	£382m	5.5
45.7p	Adjusted diluted earnings per share ⁽¹⁾	48.3p	5.7
35.0p	Dividend per share	38.55p	10.1

(1) On a proportionate basis

(2) The percentage change for the valuation deficit represents the fall in value of the Combined Portfolio over the year, adjusted for net investment



Revenue profit

	Year ended 31 Mar 17	Year ended 31 Mar 16	Change
	£m	£m	£m
Gross rental income ⁽¹⁾	637	648	(11)
Net service charge expense	(5)	(3)	(2)
Net direct property expenditure	(32)	(41)	9
Net rental income	600	604	(4)
Indirect costs	(39)	(44)	5
Segment profit before interest	561	560	1
Net unallocated expenses	(40)	(34)	(6)
Net finance expense – Group and JVs	(139)	(164)	25
Revenue profit	382	362	20

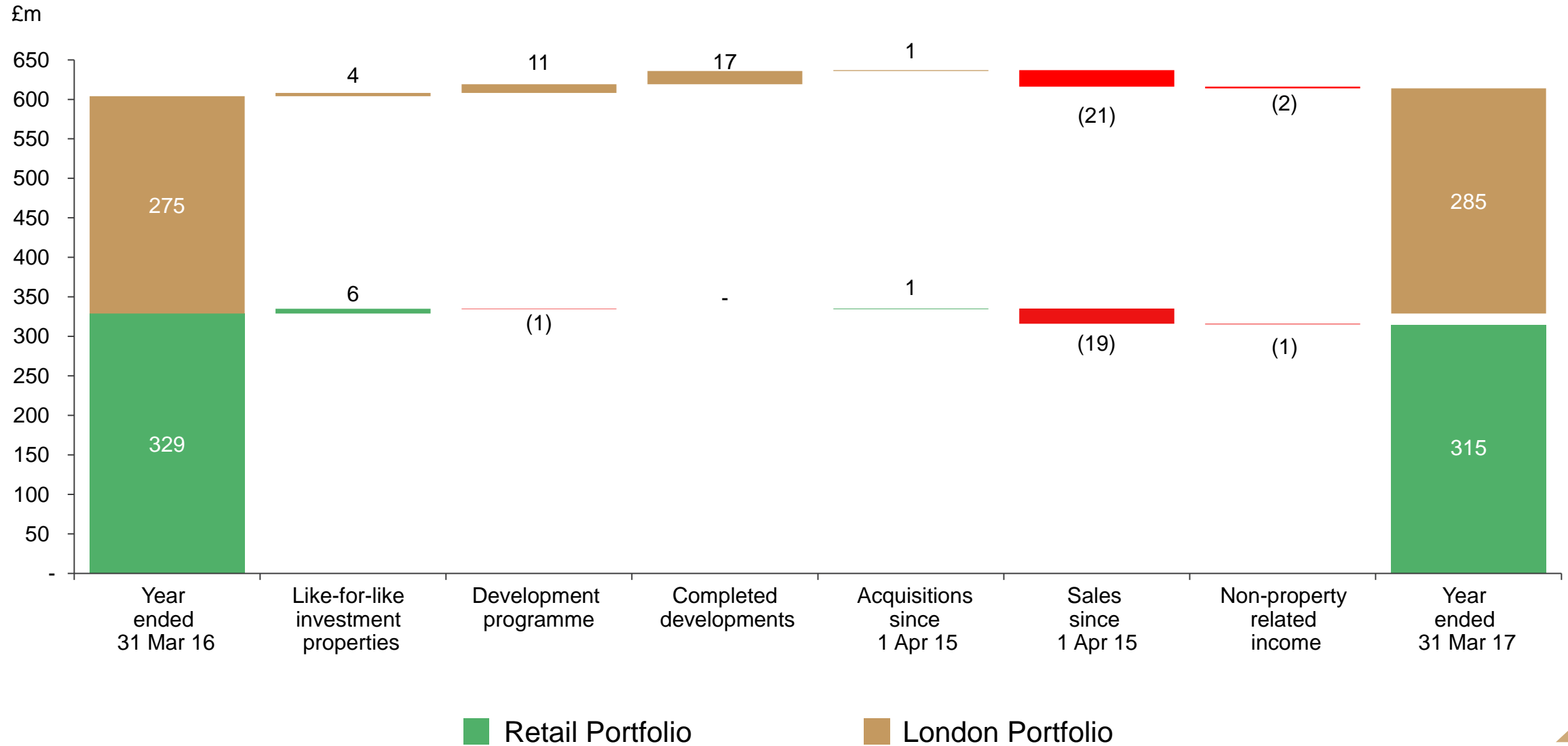
(1) Includes finance lease interest, after rents payable

Revenue profit

	Net finance expense saving	Year ended 31 Mar 17	ended 16	Change
		£m		£m
	Net finance expense movement – Group and JVs	25		
Gross rental income ⁽¹⁾	Exclude impact of lower capitalised interest	6)	(11)
Net service charge expense	Net finance expense saving	31)	(2)
Net direct property expense)	9
Net rental income				(4)
Indirect costs	Attributable to:)	5
Segment profit before	£400m bond redemption (March 2016)	16)	1
Net unallocated expense	Lower average net debt	7)	(6)
Net finance expense – C	Sundry debt repurchases	5)	25
Revenue profit	Other	3)	20
		31		

(1) Includes finance lease interest, after rents payable

Net rental income analysis



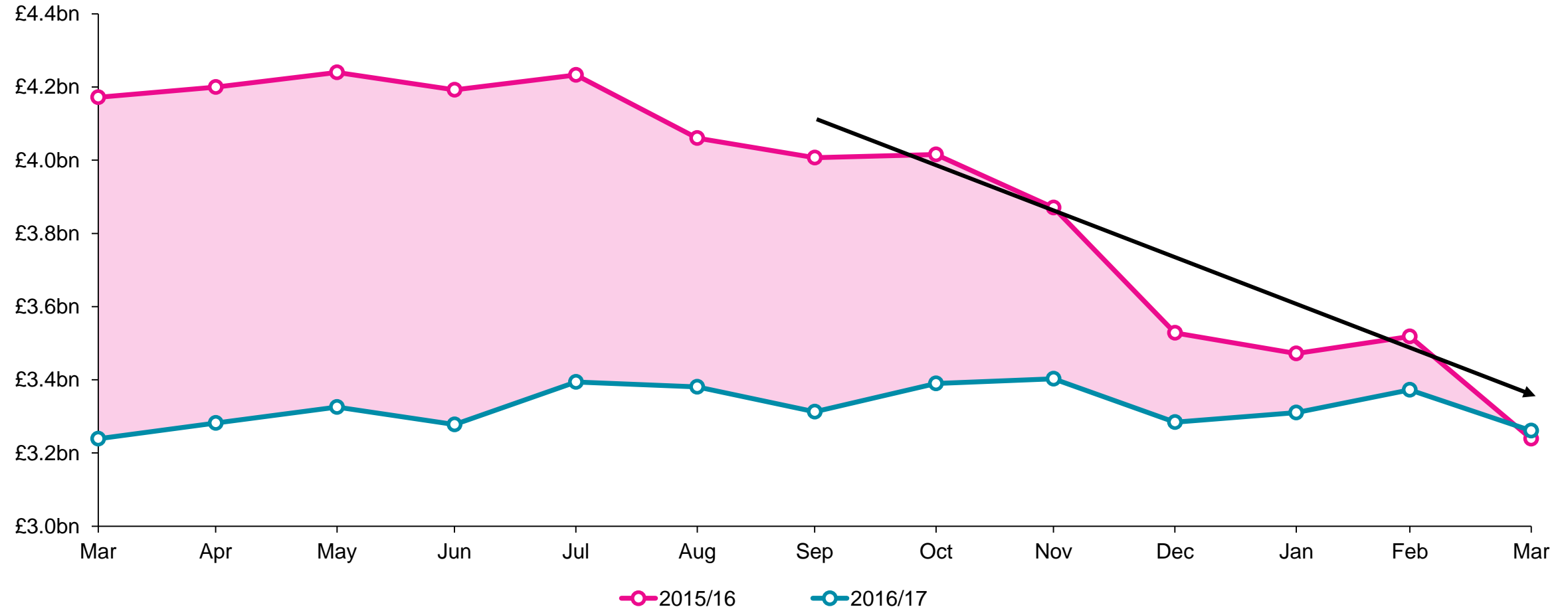
Combined Portfolio valuation

	Market value at 31 Mar 17	Combined Portfolio by value	Valuation deficit year to 31 Mar 17	
	£m	%	%	£m
Like-for-like	11,360	78.7	-1.4	(151)
Proposed developments	6	-	-33.2	(3)
Development programme	1,138	7.9	1.3	14
Completed developments	1,841	12.8	-0.4	(7)
Acquisitions	94	0.6	0.4	-
Total Combined Portfolio	14,439	100.0	-1.0	(147)

Adjusted net debt⁽¹⁾

Year-on-year comparison by month

Adjusted net debt



(1) On a proportionate basis

Financing

- Activity
 - Redeemed £400m bond in March 2016
 - Purchased £690m bonds – £635m tender exercise in February 2017
 - Issued £400m 7 year bond, £300m 12 year bond
 - Redeemed £273m Queen Anne's Gate bond in May 2017
- Group LTV⁽¹⁾ at 22.2% up from 22.0% at 31 March 2016
- Weighted average maturity of debt: 9.4 years
- Weighted average cost of debt: at 4.2%, down from 4.9% at 31 March 2016
- £1.6bn cash and available facilities

Gearing	31 Mar 17	31 Mar 16
	%	%
Group LTV ⁽¹⁾	22.2	22.0
Security Group LTV ⁽²⁾	28.3	23.4

(1) On a proportionate basis

(2) 22.9% including our own bonds held in treasury



Financial summary

- Resilient assets
- Robust financial position
- Good earnings growth



Nova, SW1

London Portfolio

Colette O'Shea

Managing Director

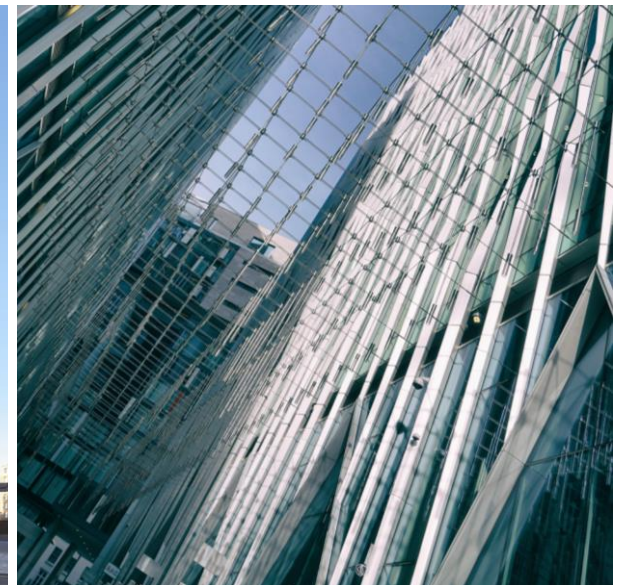
Quality portfolio

- Speculative development programme complete
- Average office lease length 10.3 years our longest ever
- Diverse customer base from a range of sectors

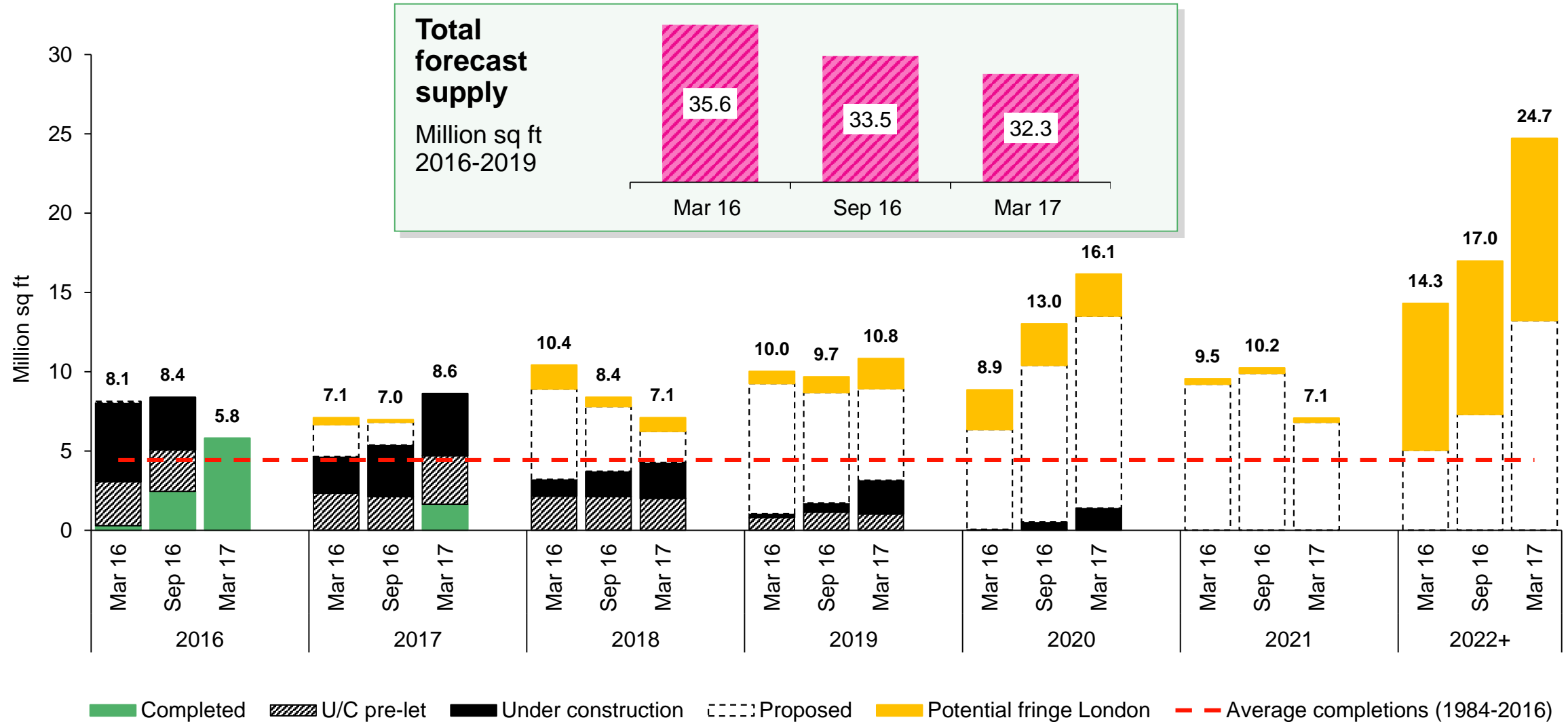


Our focus

- Letting the remaining space in the development programme
- Extracting reversion from the portfolio
- Anticipating our customers' changing needs
- Advancing our new pipeline of developments and restocking the portfolio with new product

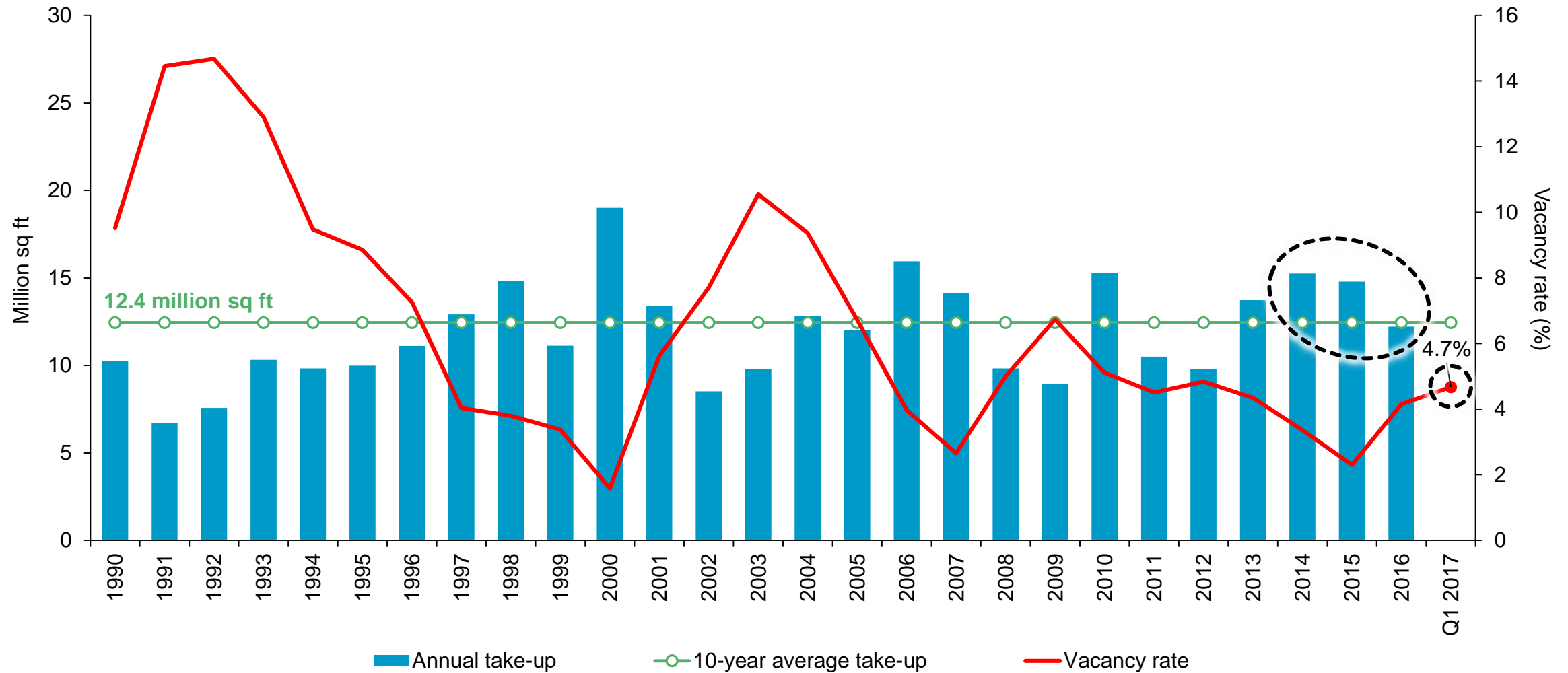


Central London supply – Mar 2016, Sept 2016, Mar 2017



Analysis includes potential fringe London
 Source: CBRE, Knight Frank, Land Securities

Central London annual take-up and vacancy



Investment market held up well

- Investment volumes are down 17% over the last 12 months
- Assets that have traded are high quality buildings in core locations with longer income streams
- Anticipating a different outlook for short-let more risky assets



Nova, SW1

Development lettings virtually complete

- 17% of the 3.1 million sq ft development programme, equating to 540,000 sq ft left to let at start of year
- 259,000 sq ft now let or in solicitors' hands
- City lettings now complete
- 242,000 sq ft let or in solicitors' hands in the West End
 - Achieved an average office rent of £76 per sq ft with an average lease term of 14 years and an average rent free of 9 months for every 5 years



Nova, SW1

Nova – exceptional office space

- Focus remains on Nova, which completed in April
- Nova Food now open
- Scheme now 54% let
- Average office lease term 15 years
- Confident about letting the remaining 283,000 sq ft in the year, which equates to 9% of our development programme



Nova Food Quarter, SW1

Residential – steady progress

- Sold 18 units in the year at an average of £1,846 per sq ft
- Equates to £51m, £41m our share
- 5 units left to sell at Kings Gate
- Sold 148 out of 170 units at Nova to date and completions progressing well
- Our remaining exposure of £77m across London represents 0.9% of the portfolio



Kings Gate, SW1



The Nova Building, SW1

Asset management – meeting all our targets

- Office WAULT has increased to 10.3 years
- Voids have risen from 2.9% to 7.0%
- Voids are 3.3% excluding Piccadilly Lights, primarily made up of Cardinal Place, 10 Eastbourne Terrace and Portland House
- Completed £13m of investment lettings at 40% above passing rents – average lease term of 7 years
 - Excluding Portland House average lease term of 10 years
- £15m of regears at 14% above passing rents extending leases by average of 4 years
- Reviewed over £40m of rental income, increasing passing rent by 12%



Asset management – working efficiently and effectively

Cardinal Place

- Second rent review cycle with £15.5m (67%) subject to review as at 1 April 2016 over a 20 month period
- Created good evidence through a regear
- Reviewed £11.1m (48%) increased office passing rent by 14% and retail passing rent by 23%
- 113,000 sq ft (70%) of available space in the year has been re-let



Cardinal Place, SW1

Asset management – working efficiently and effectively

One New Change

- £26.9m (92%) of rent subject to review as at 1 April 2016 over a 24 month period
- Reviewed £18.8m (65%), increased the office passing rent by 3% and retail passing rent by 18%

140 Aldersgate Street

- Reviewed £1.5m (44%) of passing rent
- Increased passing rent by 33%
- 25,000 sq ft has been re-let



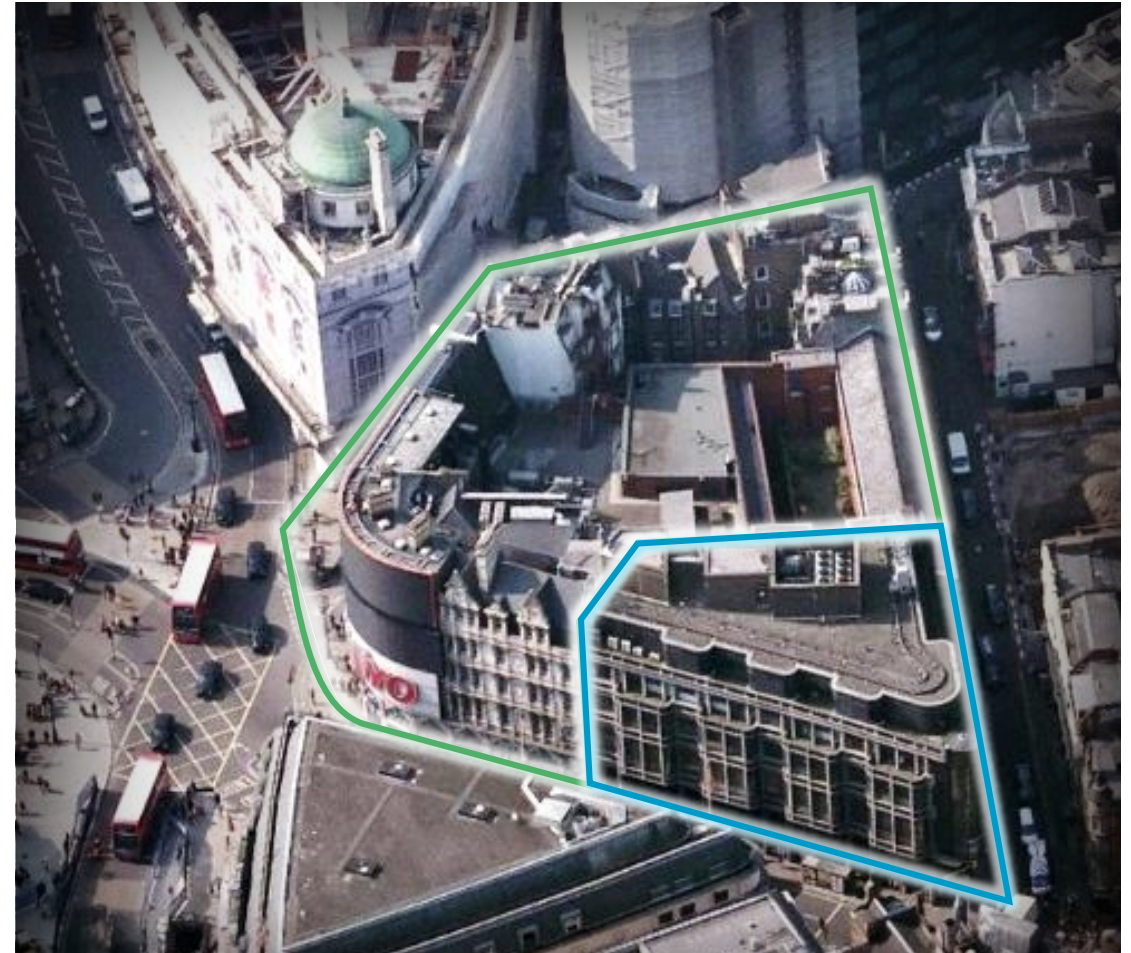
One New Change, EC4



140 Aldersgate Street, EC1

Piccadilly Lights – implementing a plan to create value

- Completed freehold ownership of island site in October 2012
- Unlocking series of accretive deals



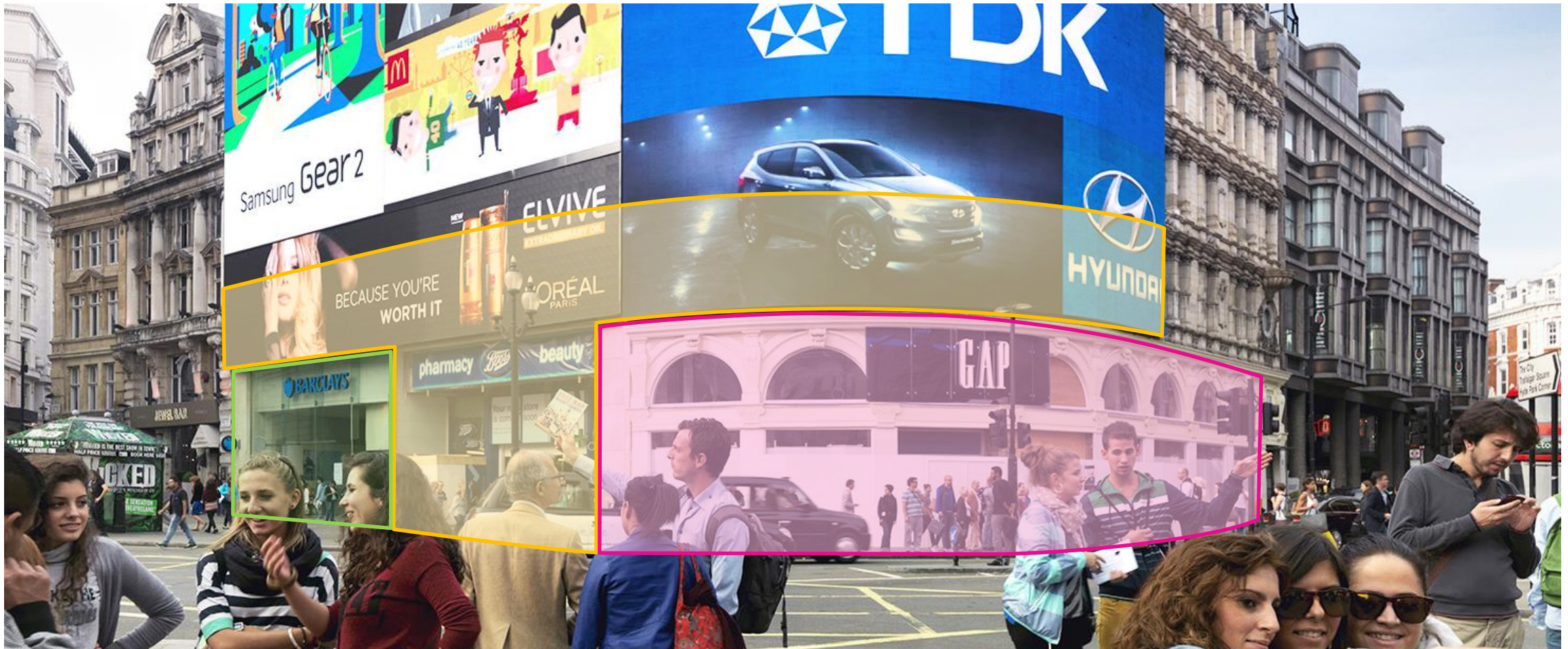
Piccadilly Lights, W1

Piccadilly Lights – moved souvenir shop



Piccadilly Lights, W1

Piccadilly Lights – created 3 new retail units and additional screen



Piccadilly Lights, W1

Piccadilly Lights – created 3 new retail units and additional screen



Piccadilly Lights, W1

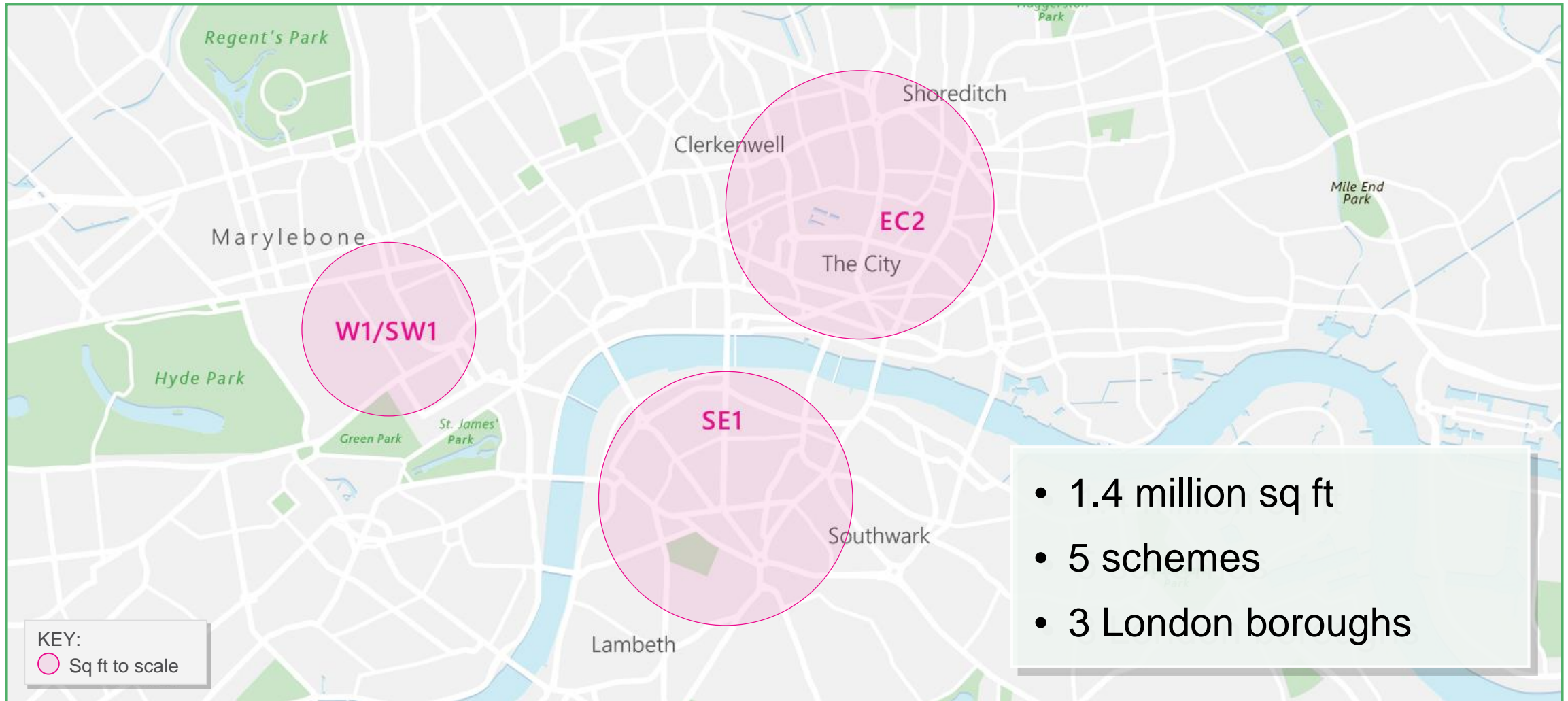
Piccadilly Lights – cutting edge technology

- Negotiated a block vacant possession date of December 2016
- Secured planning consent for digital screen which uses cutting edge technology but retains historic image
- Pre-let 50% of the space to Coca Cola, Samsung and Hyundai at 17% above the passing rent
- We flick the switch in November 2017



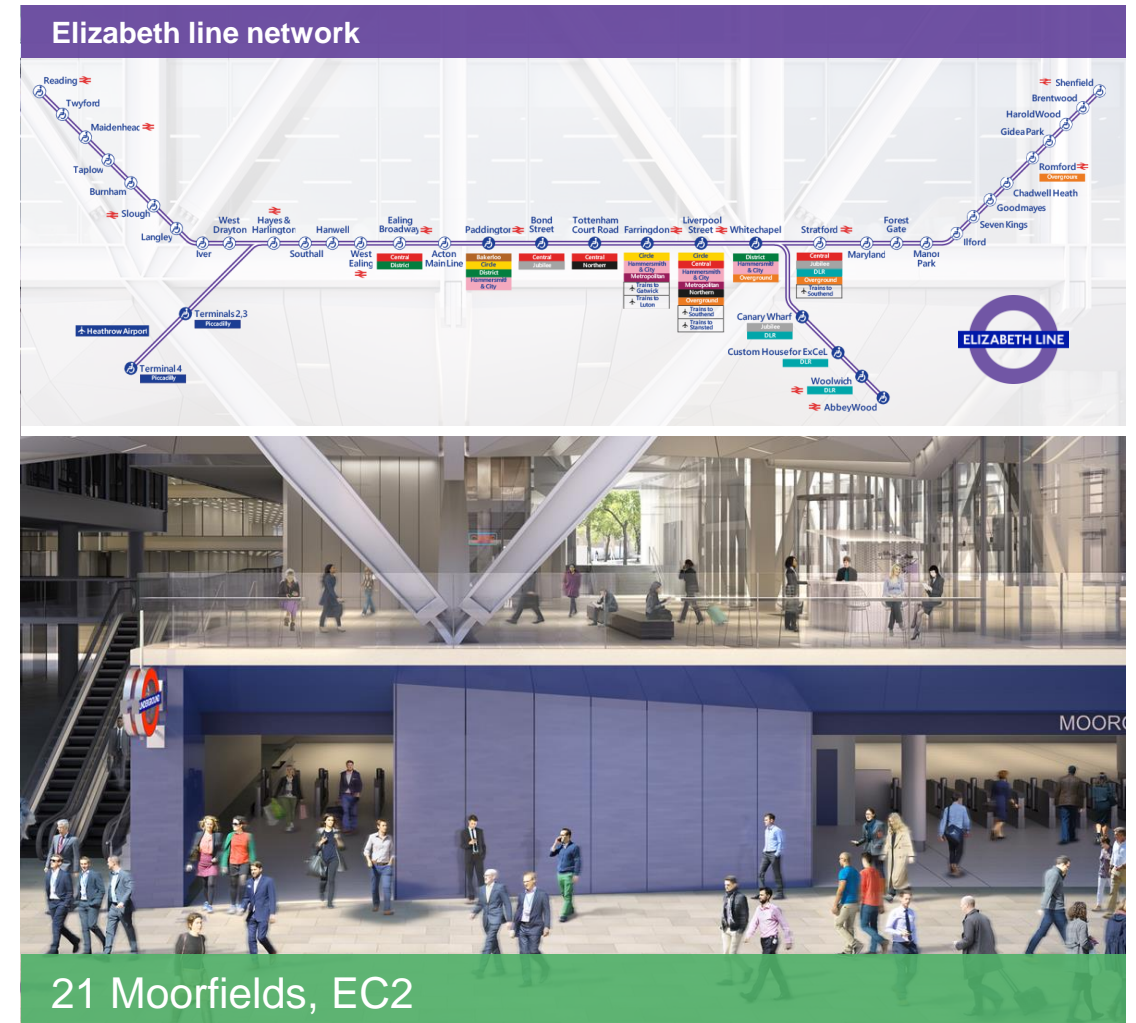
Piccadilly Lights, W1

Future development



Future development – 21 Moorfields

- Secured consent for 522,000 sq ft in two buildings above new Liverpool Street Crossrail station
- Demolition is finished
- Committed to build to grade starting August 2017
- Scheduled to complete below grade works by June 2018 enabling completion of building in 24 months
- Best possible position for pre-let



Future development – Nova East (Phase II of Nova)

- 196,000 sq ft mixed use scheme in two buildings
- Site cleared and ready to start
- Continuing to secure LUL approvals for below ground works



Nova East, SW1

Future development – 1 Sherwood Street

- Secured consent for 142,000 sq ft
- Plan to start detailed design later this year
- Earliest construction start date July 2018



1 Sherwood Street, W1



Future development – Southwark estate

- Resolution to grant planning consent for 134,000 sq ft at Sumner Street. Earliest construction start date October 2019
- Underway with feasibility study for 360,000 sq ft directly overlooking the Thames at Red Lion Court



Southwark estate, SE1

A sustainable business

- Development programme is complete with only 9% of the 3.1 million sq ft left to let equating to 283,000 sq ft
- Transformed the portfolio to one that's well positioned for current market conditions and short-term outlook
- Focused on the future with 1.4 million sq ft in the pipeline
- Evolving our product to reflect the changing needs of our customers
- Tracking £2bn of potential future assets



Retail Portfolio

Scott Parsons

Managing Director

Focus on destination leisure

Sold

- Last remaining wet-led schemes of £171m – c.5% > book value

Focus

- All-day, family-friendly offer
- Dominant cinemas



Accor – crystallising valuation upside

- Sold 7 Accor hotels at vacant possession value – 8.7% above book values
- Remaining income secured until 2031
- c.70% of the portfolio value in London



Active asset managers

- 50% stake in Clapham Junction Shopstop sold to Delancey
- 50/50% JV with Invesco on Southside
- We manage all assets – no third parties



Acquiring experience led assets

£333m acquisition post 31 March of 3 retail outlet centres



Freeport, Braintree

- 200,000 sq ft
- Major brands include:



Junction 32, Castleford

- 250,000 sq ft
- Major brands include:



Clarks Village, Street

- 200,000 sq ft
- Major brands include:



Delivering experience at Westgate

- On time and on budget
- 71% pre-let and 9% in solicitors' hands
- Delivering skills and job outcomes to the local community

WESTGATE

O X F O R D



Westgate Oxford

Everything is experience



White Rose, Leeds

- Cinema plus 6 restaurants
- 100% pre-let



Plaza, Bluewater, Kent

- Cinema extension, 3 restaurants and 2 leisure units
- 80% pre-let or in solicitors' hands



Selly Oak, Birmingham

- 200,000 sq ft retail and student housing
- Retail 91% pre-let or in solicitors' hands

Strong brand partnerships



Gunwharf Quays
PREMIUM RETAIL OUTLET

BLUEWATER

**WESTGATE
OXFORD**

St David's
Dewi Sant

**Trinity
Leeds**

**Nova
VICTORIA**

**/ONE NEW/
CHANGE/**

VICTORIA

**WESTGATE
OXFORD**

Strong brand partnerships

WESTGATE

OXFORD

BOBBI BROWN

AVEDA

THE ART AND SCIENCE OF PURE FLOWER AND PLANT ESSENCES

MAC

JO MALONE

LONDON

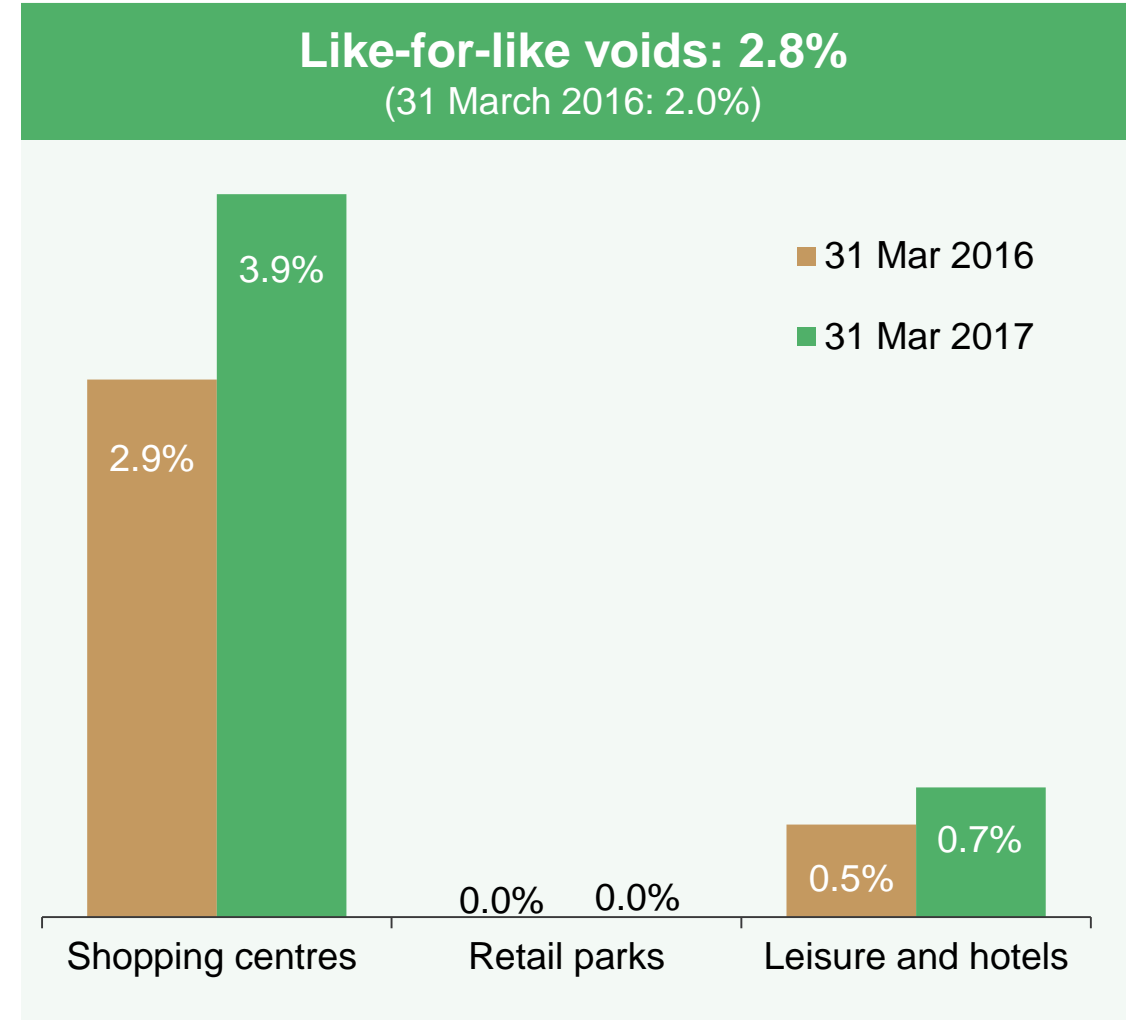
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COSMETICS

Westgate Oxford

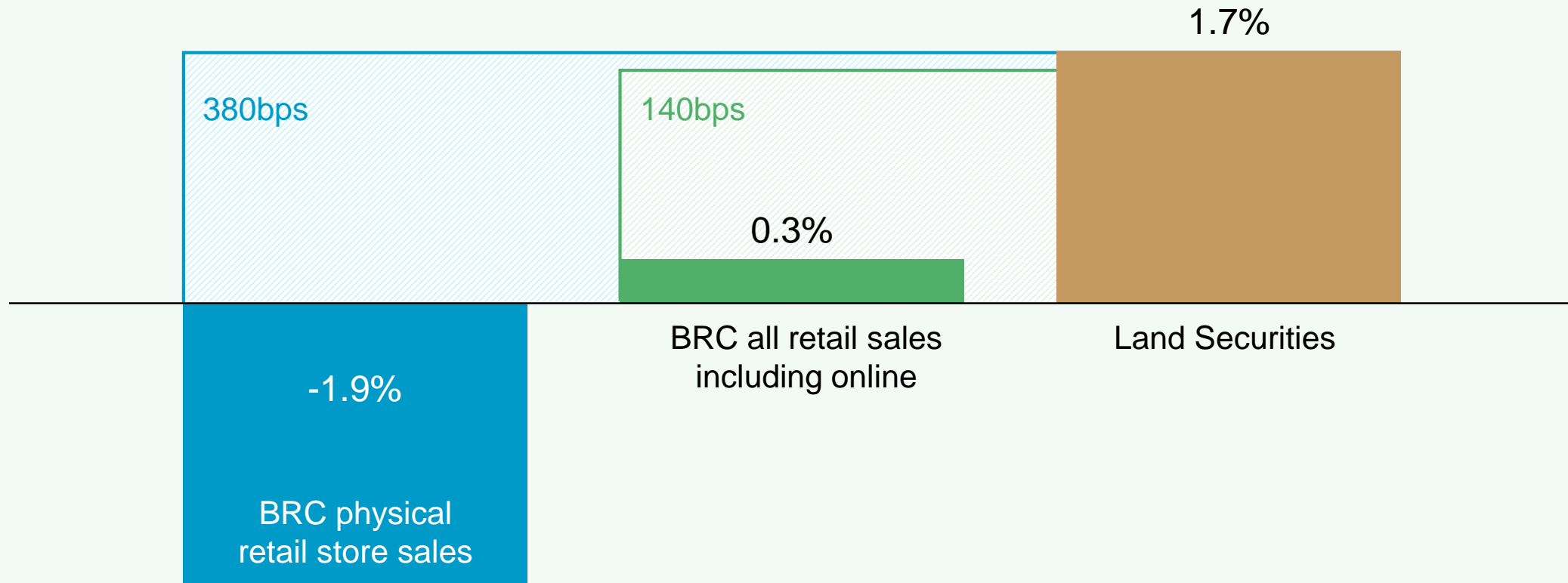
Solid performance

- Over 120 investment lettings > £15m rent per annum
- Units in administration: 0.4% (31 March 2016: 0.5%)
- 2% growth in like-for-like rental income



Outperforming the benchmarks

Same centre retail sales
52 weeks to 2 April 2017



Summary

- Solid performance
- Sold in line with our strategy and business plans
- Acquiring and developing selectively with strong retailer support



Westgate Oxford

Outlook

Robert Noel

Chief Executive

Outlook

London

- Short-term uncertainty during EU negotiations
- Vacancy rate peak key to next development push
- 1.4 million sq ft of developments being prepared

Retail

- Inflation headwinds
- Strong retail destinations will continue to outperform

Land Securities positioned well to buy but will be patient and disciplined



Nova, SW1