

Appendix



Top 10 assets by value

Name	Principal occupiers	Ownership interest (%)	Floor area (000 sq ft)	Annualised net rent* (£m)	Let by income (%)	Weighted average unexpired lease term (yrs)
Cardinal Place, SW1	Microsoft, Wellington Management	100	Retail: 83 Office: 563	37.5	97	7.0
New Street Square, EC4	Deloitte, Taylor Wessing	100	Retail: 19 Office: 674	31.8	100	12.3
One New Change, EC4	K&L Gates, CME, H&M, M&S, Topshop	100	Retail: 222 Office: 342	2.4	81	12.8
Queen Anne's Gate, SW1	Government	100	Office: 354	27.3	100	15.5
White Rose Centre, Leeds	Sainsbury's, Debenhams, M&S, Primark	100	Retail: 699	21.0	98	8.1
Gunwharf Quays, Portsmouth	Vue Cinema, M&S, Nike, Gap	100	Retail: 336 Office: 30 Other: 261	19.2	99	7.3
Cabot Circus, Bristol	House of Fraser, Harvey Nichols, H&M	50	Retail: 1,228 Other: 95	19.4	97	10.4
Bankside 2&3, SE1	RBS	100	Retail: 38 Office: 379	16.1	100	16.2
Piccadilly Circus, W1	Boots, Barclays	100	Retail: 56 Office: 16 Other: 5	12.2	95	3.7
St David's, Cardiff	John Lewis, New Look, H&M	50	Retail: 1,400	14.8	84	9.0

Aggregate value of top 10 assets: £3.9bn

* Land Securities' share

Retailer affordability – shopping centres

Footfall and sales

(12 months to 31.3.2011 vs 12 months to 31.3.2010)

Footfall	↑ 4.3%	(Benchmark ⁽¹⁾ ↓ 0.5%)
Same store sales ⁽²⁾	↓ 1.1%	(Benchmark ⁽³⁾ ↑ 0.1%)

Quarterly figures

(quarter to 31.3.2011 vs quarter to 31.3.2010)

Same store sales ⁽²⁾	↓ 3.0%
Same centre sales ⁽⁴⁾	↑ 3.0%

- Footfall strong overall but lower levels of average spend on a same store basis
- Same centre sales driven by replacing weaker retailers and reducing voids
- Rent to sales ratios indicate rents are affordable

Occupancy cost trends

	Rent to sales ratio ⁽⁵⁾	Occupancy cost to sales ⁽⁶⁾	Rent/sq ft
	%	%	£
Overall	10.4	17.4	25
Excluding anchor stores	12.6	20.9	33
Excluding anchor stores & MSUs	13.4	22.4	41

Source: Land Securities, unless specified below; data is exclusive of VAT and, for the 12 month figures above, based on c.750 retailers that provide Land Securities with turnover data (approximately half of shopping centre units).

(1) UK Experian footfall

(2) Land Securities' shopping centres same store / same retailer like-for-like sales (VAT exclusive)

(3) BRC – KPMG RSM statistics (VAT inclusive)

(4) Based on all store sales (i.e. including those retailers open in the quarter to 31.3.2011 but not in the quarter to 31.3.2010)

(5) Rent as a percentage of total annual sales

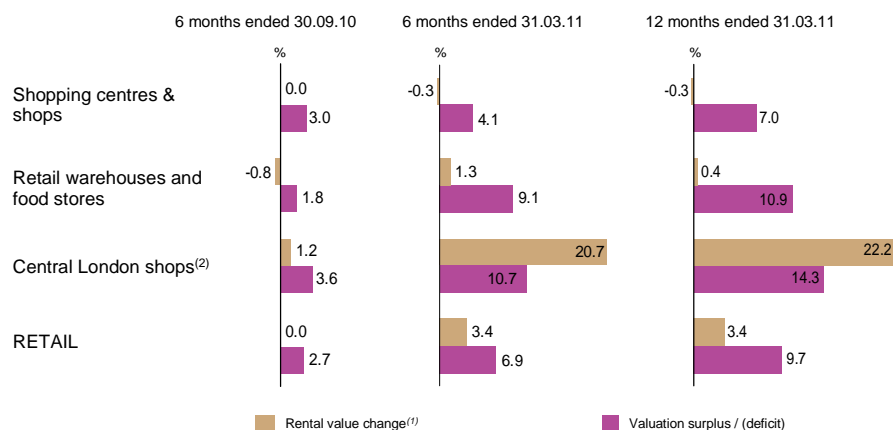
(6) Total occupancy cost (rent, rates, insurance and service charge) as a percentage of total annual sales

Page A 3

Retail like-for-like portfolio

Rental and capital value trends

Like-for-like portfolio value at 31 March 2011: £3,823.8m



(1) Rental value figures exclude units materially altered during the year

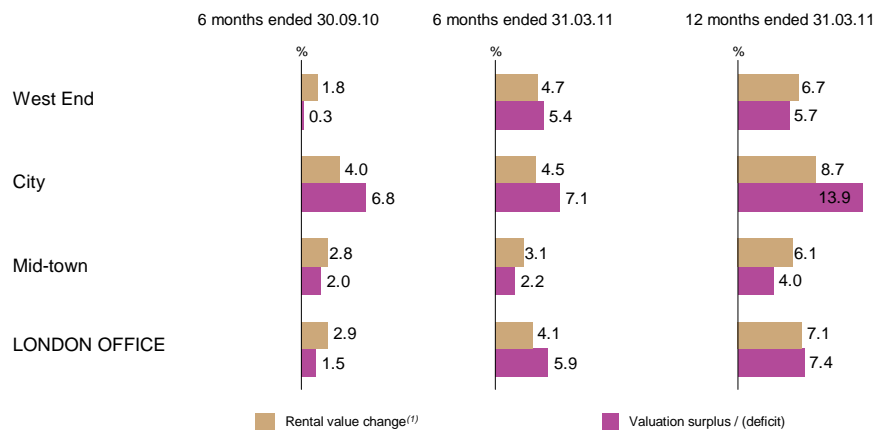
(2) Central London shops performance driven predominantly by Piccadilly Circus

Page A 4

London office like-for-like portfolio

Rental and capital value trends

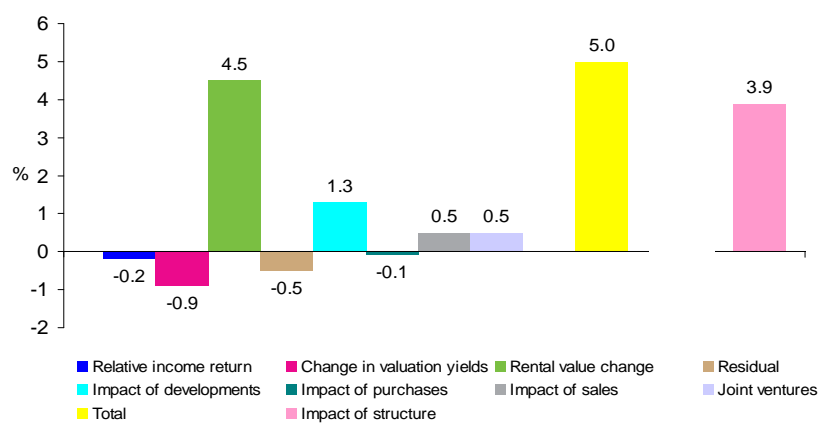
Like-for-like portfolio value at 31 March 2011: £3,138.8m



Page A 5

Analysis of performance relative to IPD

Attribution analysis, ungeared total return, 12 months to 31 March 2011, relative to IPD Quarterly Universe



Source: IPD

Page A 6

Like-for-like portfolio

	Market value 31.03.11 £m	Valuation surplus %	Rental value change ⁽¹⁾ %	Net initial yield %	Equivalent yield %	Movement in equivalent yield bps
Shopping centres and shops	1,833.4	7.0	-0.3	6.2	6.5	48
Central London shops	787.7	14.3	22.2	4.2	5.2	23
Retail warehouses and food stores	1,202.7	10.9	0.4	5.2	5.7	57
London offices	3,138.8	7.4	7.1	5.8	5.9	36
Other (incl. rest of UK)	786.3	6.5	3.7	6.4	6.6	51
Total like-for-like portfolio	7,748.9	8.4	4.7	5.7	6.0	43

(1) Excludes units materially altered during the year and also Queen Anne's Gate, SW1

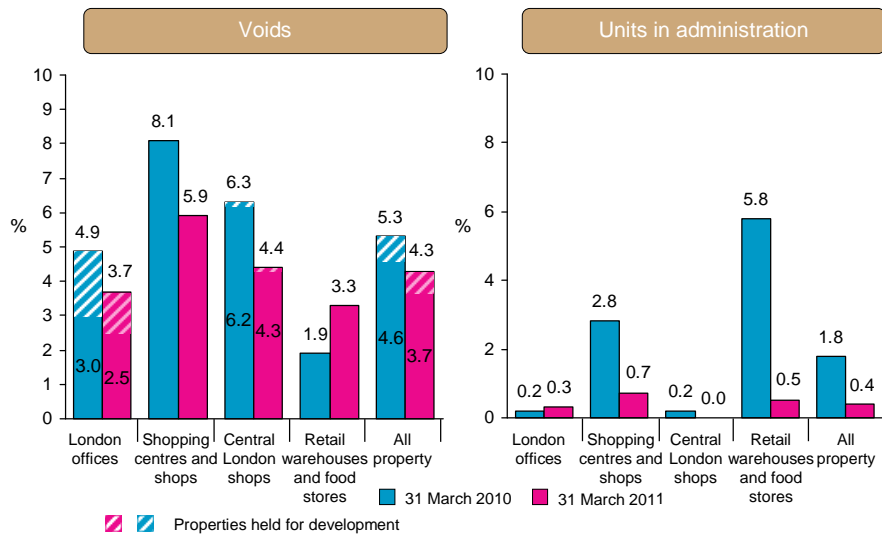
Yield changes Like-for-like portfolio

	31 March 2010		31 March 2011		
	Net initial yield (%)	Equivalent yield (%)	Net initial yield (%)	Topped-up net initial yield ⁽¹⁾ (%)	Equivalent yield (%)
Shopping centres and shops	6.5	7.0	6.2	6.5	6.5
Retail warehouses and food stores	5.8	6.3	5.2	5.4	5.7
Central London shops	4.8	5.4	4.2	4.2	5.2
London office	6.4	6.3	5.8	6.3	5.9
Total portfolio	6.2	6.4	5.7	6.1	6.0

(1) Net initial yield adjusted to reflect the annualised cash rent that will apply at the expiry of current lease incentives

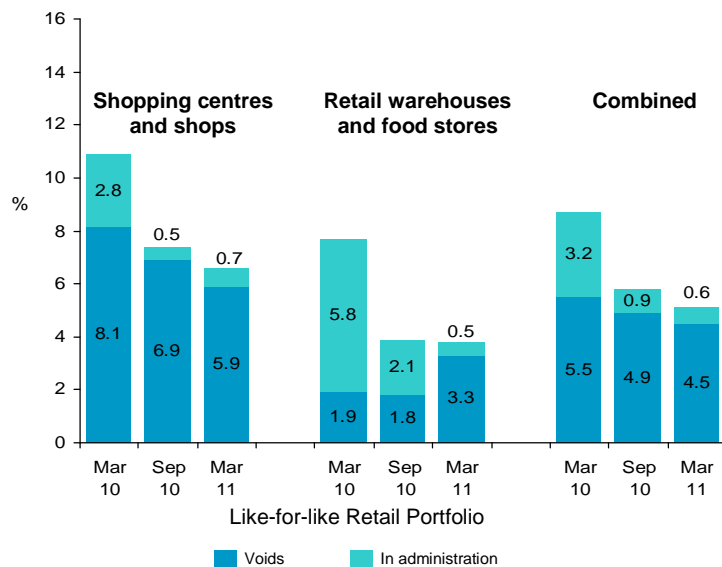
Voids and units in administration

Like-for-like portfolio



Page A 9

Retail Portfolio voids and units in administration



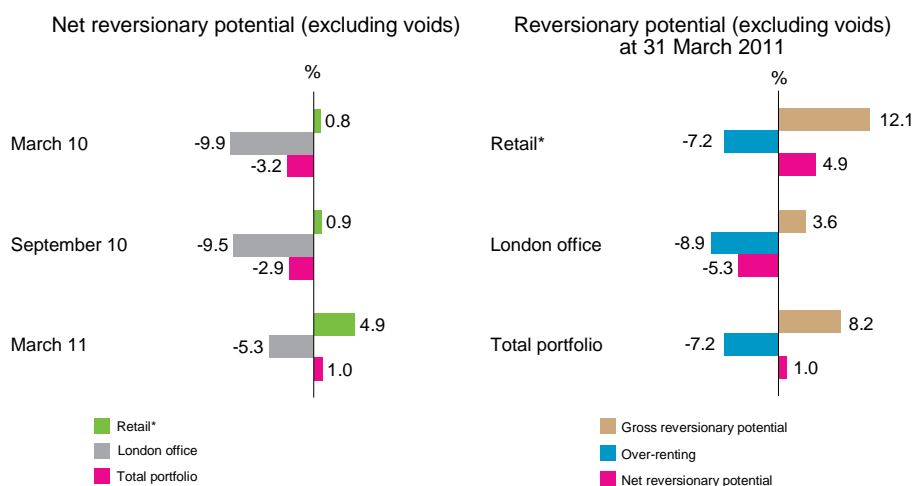
Page A 10

Analysis of voids

	Gross ERV of voids £m	Cumulative total portfolio ERV £m	Void as proportion of cumulative total gross ERV %
Like-for-like:			
Available to let	14.8	518.9	2.8
Subject to temporary lettings	4.5	523.4	0.9
Unavailable to let (includes properties held for redevelopment)	3.2	526.6	0.6
Total like-for-like	22.5		4.3
Non like-for-like items:			
Pre-development voids	7.5	536.2	1.4
Acquisitions	1.5	560.6	0.3
Completed and 95% let developments	1.6	632.5	0.3
Completed developments not yet 95% let	7.4	675.4	1.1
Developments to complete in 2011/12	-	678.7	0.0
Developments to complete in 2012/13 or later	38.2	737.4	5.2
Total portfolio	78.7		10.7

Reversionary potential

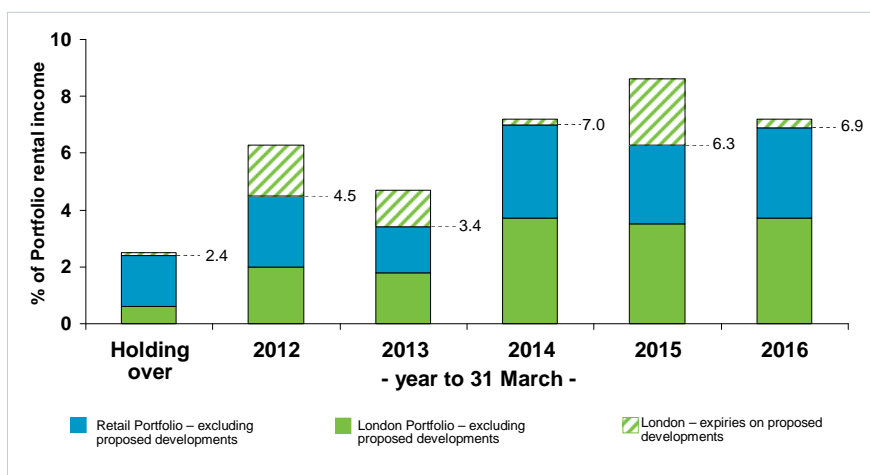
Like-for-like portfolio**





Investment portfolio

Lease maturities (expiries and break clauses)



Unexpired lease term

Investment portfolio

	Like-for-like portfolio		Like-for-like portfolio + acquisitions + completed developments ⁽¹⁾	
	Median years ⁽¹⁾	Mean years ⁽¹⁾	Median years ⁽¹⁾	Mean years ⁽¹⁾
Retail				
Shopping centres and shops	5.9	7.4	6.5	8.0
Central London shops	4.4	8.8	4.4	6.4
Retail warehouses and food stores	9.2	10.4	9.6	10.8
Offices				
West End	5.7	9.0	5.6	8.9
City	3.9	6.0	4.0	5.9
Mid-town	4.0	11.1	12.3	11.9
Inner London	8.1	8.8	8.1	8.8
Rest of UK	2.2	2.9	2.2	2.9
Other	7.5	10.2	7.6	10.2
TOTAL	6.9	8.5	7.2	8.9

(1) Median is the number of years until half the income is subject to lease expiry/break clauses. Mean is the rent-weighted average remaining term on leases subject to lease expiry/break clauses.

Rent reviews and lease expiries and breaks ⁽¹⁾

Retail Portfolio

	Outstanding £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Total 2011-16 £m
Rents passing from leases subject to review	43.7	73.1	26.8	45.0	26.0	14.0	228.6
Current ERV	44.0	72.6	25.4	42.7	25.4	14.1	224.2
Over-renting*	(2.8)	(2.6)	(2.3)	(3.3)	(1.4)	(1.2)	(13.6)
Gross reversion under lease provisions	3.1	2.1	0.9	1.0	0.8	1.3	9.2

* Not crystallised at rent review because of upward only rent review provisions

	Outstanding £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Total 2011-16 £m
Rents passing from leases subject to expiries or breaks	10.2	14.1	8.9	18.7	15.9	18.1	85.9
Current ERV	14.7	15.0	8.4	16.8	16.0	18.7	89.6
Potential rent change	4.5	0.9	(0.5)	(1.9)	0.1	0.6	3.7

(1): This is not a forecast and takes no account of increases or decreases in rental values before the relevant review dates.

Rent reviews and lease expiries and breaks ⁽¹⁾

London Portfolio

	Outstanding £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Total 2011-16 £m
Rents passing from leases subject to review	47.6	29.1	52.8	37.1	19.7	8.1	194.4
Current ERV	45.6	25.3	49.3	36.0	20.9	8.5	185.6
Over-renting*	(4.1)	(4.0)	(4.9)	(1.8)	(0.3)	(0.2)	(15.3)
Gross reversion under lease provisions	2.1	0.2	1.4	0.7	1.5	0.6	6.5

* Not crystallised at rent review because of upward only rent review provisions

	Outstanding £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Total 2011-16 £m
Rents passing from leases subject to expiries or breaks ⁽²⁾	3.7	21.4	17.7	22.1	32.8	22.7	120.4
Current ERV	4.1	20.9	18.5	22.3	33.3	23.2	122.3
Potential rent change	0.4	(0.5)	0.8	0.2	0.5	0.5	1.9

(1): This is not a forecast and takes no account of increases or decreases in rental values before the relevant review dates.

(2): Includes lease expiries/breaks on properties subject to planning proposals for development or refurbishment totalling £0.5m passing rent outstanding; £10.4m in 2011/12; £7.6m in 2012/13; £1.3m in 2013/14; £13.1m in 2014/15; £1.9m in 2015/16

Reconciliation of cash rents and P&L rents to ERV

	Rents and ERVs at 31.03.11		
	Retail Portfolio £m	London Portfolio £m	Total £m
Annualised rental income	324.5	298.8	623.3
SIC15 adjustments and ground rent	(12.0)	(15.7)	(27.7)
Annualised net rent	312.5	283.1	595.6
Add back ground rents payable	12.2	4.2	16.4
Additional cash rent from unexpired rent free periods	9.7	12.5	22.2
Contracted additional income (from development programme)	16.0	23.2	39.2
Net reversion on rent review or break / expiry	(6.3)	(8.5)	(14.8)
ERV from portfolio currently let (or agreed to be let)	344.1	314.5	658.6
Voids including developments	28.2	50.6	78.8
Annual gross ERV	372.3	365.1	737.4

Profile of cash rents / ERV

	Cash Rents and ERVs at 31.03.11		
	Retail Portfolio £m	London Portfolio £m	Total £m
Net rental income subject to market reviews ¹ (excluding development programme)	227.6	238.8	466.4
Net rental income subject to market reviews ¹ - (development programme only)	15.0	6.7	21.7
Net rental income subject to fixed or RPI increases ^{2,4}	3.2	36.0	39.2
Net commercialisation income and managed car park income profit	15.5	0.0	15.5
Turnover rents ³	51.2	1.6	52.8
Rent in payment (net of ground rent)	312.5	283.1	595.6
Add back ground rents payable	12.2	4.2	16.4
Other	1.1	0.0	1.1
Additional cash rent from unexpired rent free periods (non-development)	7.4	6.6	14.0
Additional cash rent from unexpired rent free periods (completed developments)	2.3	5.9	8.2
Contracted additional income (from development programme & reconfigured units)	16.0	23.2	39.2
Reversions on rent review - positive reversion	12.5	12.6	25.1
Reversions on rent review - over-rented	(17.2)	(10.7)	(27.9)
Reversions on lease break / expiry	(2.0)	(0.6)	(2.6)
Turnover adjustment	(0.6)	(0.1)	(0.7)
Theoretical over renting on RPI indexed leases ⁴	(0.1)	(9.7)	(9.8)
ERV from portfolio currently let (or agreed to be let)	344.1	314.5	658.6
Voids including developments	28.2	50.6	78.8
Annual Gross ERV	372.3	365.1	737.4

¹ Includes tenants in administration
² Fixed and RPI increases over next 5 years, assuming future RPI at 3% pa, total £8.2m (£5.7m London Portfolio and £2.5m Retail Portfolio)
³ Includes Accor hotel portfolio
⁴ Includes Queen Anne's Gate: £27.3m of current income and within this there is £12.0m of over-renting

Prospective rental income

From the development programme

Cash income

	London Portfolio £m	Retail Portfolio £m	Total Portfolio £m
2012			
Contracted	7.5	17.9	25.4
Balance	1.1	0.2	1.3
Total prospective rental income	8.6	18.1	26.7
2013			
Contracted	16.0	19.6	35.6
Balance	5.2	0.2	5.4
Total prospective rental income	21.2	19.8	41.0
2014			
Contracted	19.9	24.6	44.5
Balance	7.6	7.8	15.4
Total prospective rental income	27.5	32.4	59.9
2015			
Contracted	26.1	26.0	52.1
Balance	19.8	20.7	40.5
Total prospective rental income	45.9	46.7	92.6
2016			
Contracted	26.0	26.4	52.4
Balance	39.8	22.6	62.4
Total prospective rental income	65.8	49.0	114.8

SIC15 income

	London Portfolio £m	Retail Portfolio £m	Total Portfolio £m
2012			
Contracted	20.7	21.0	41.7
Balance	4.2	0.1	4.3
Total prospective rental income	24.9	21.1	46.0
2013			
Contracted	21.8	23.0	44.8
Balance	8.7	6.2	14.9
Total prospective rental income	30.5	29.2	59.7
2014			
Contracted	22.0	24.4	46.4
Balance	24.3	16.4	40.7
Total prospective rental income	46.3	40.8	87.1
2015			
Contracted	22.3	24.0	46.3
Balance	34.8	17.6	52.4
Total prospective rental income	57.1	41.6	98.7
2016			
Contracted	22.5	24.0	46.5
Balance	36.4	17.6	54.0
Total prospective rental income	58.9	41.6	100.5

Page A 19

Development contribution

Income yield and valuation surplus – development pipeline



	London Portfolio – development programme	London Portfolio – proposed developments	Retail Portfolio – development programme	Retail Portfolio – proposed developments
TDC ⁽¹⁾	£926m	£539m	£788m	£37m
Valuation surplus / (deficit) crystallised to date	£(51)m	n/a	£(94)m	n/a

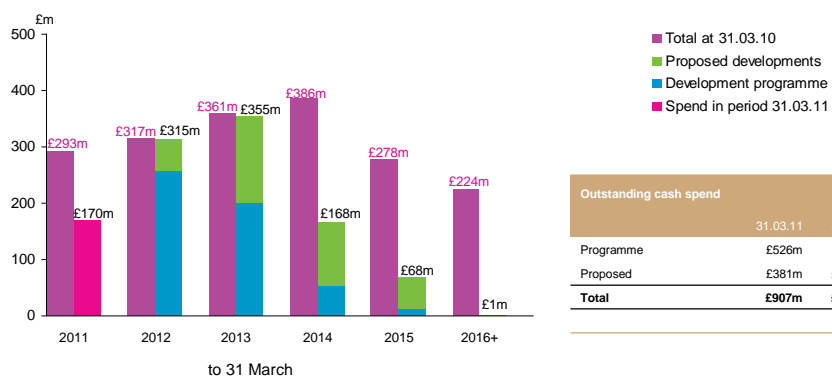
(1) Total development cost (TDC) – includes land and capitalised interest

(2) For the purposes of calculating yields the total cost of residential has been excluded. This amounts to £ nil for London Portfolio and £10.6m for Retail Portfolio

Page A 20

Development

Estimated future spend



Outstanding cash spend		
	31.03.11	31.03.10
Programme	£526m	£494m
Proposed	£381m	£1,072m
Total	£907m	£1,566m

Estimated future spend includes the cost of residential space but excludes interest

Revenue profit

12 months ended 31.03.10 £m		12 months ended 31.03.11 £m	Change %
1,069.3	Profit before tax	1,227.3	+14.8
	Adjustments:		
(863.8)	Net gains on revaluation of investment properties	(908.8)	
24.5	(Profit) / loss on disposal of investment properties	(79.3)	
15.7	JV net liabilities adjustment	1.6	
(0.8)	Profit on disposal of trading properties	(1.2)	
13.5	Impairment charge / (release) on trading properties	(0.7)	
(6.7)	Profit on long-term development contracts	(5.4)	
(5.6)	Fair value movement on interest-rate swaps	2.2	
5.7	Other items	39.0	
251.8	Revenue profit	274.7	+9.1

Adjusted diluted EPS reconciliation

	12 months ended 31 March 2011			
	Pre-tax profit measure £m	Taxation £m	Earnings measure £m	Adjusted diluted earnings per share (pence)
Reported results excluding minority interests	1,224.8	16.8	1,241.6	162.2
Revaluation surplus - Group	(794.1)	-	(794.1)	(103.7)
- Joint ventures	(114.7)	-	(114.7)	(15.0)
Profit on disposal of investment properties	(79.3)	-	(79.3)	(10.4)
Fair value movement on interest-rate swaps	2.2	-	2.2	0.3
Eliminate effect of bond exchange de-recognition	18.5	-	18.5	2.4
Impairment release on trading properties	(0.7)	-	(0.7)	(0.1)
Joint venture tax adjustment	0.8	(0.8)	-	-
Joint venture net liabilities adjustments	1.6	-	1.6	0.2
Eliminate effect of debt restructuring charges & other	22.0	-	22.0	2.9
Non-tax revenue adjustments	-	(16.8)	(16.8)	(2.2)
Eliminate effect of non-recurring revenue adjustments	(2.3)	-	(2.3)	(0.3)
	278.8	(0.8)	278.0	36.3
Profit on disposal of trading properties	(1.2)			
Profit on long-term development contract	(5.4)			
Non-controlling interest	2.5			
Revenue profit	274.7			

Page A 23

Cashflow and debt

	Period ended:	
	31.03.11 £m	31.03.10 £m
Opening net debt	(3,263.4)	(3,923.6)
Operating cash inflow before tax	214.2	192.8
Dividends paid	(143.0)	(217.9)
Property acquisitions	(371.3)	(46.8)
Development/refurbishment capital expenditure	(221.6)	(217.1)
Other capital expenditure	(4.5)	(2.5)
Total capital expenditure	(597.4)	(266.4)
Disposals – Trillium	-	25.0
Disposals – other	535.0	847.8
Disposals – joint ventures	0.3	209.8
Joint ventures	4.5	(65.2)
Tax paid	(60.7)	(13.5)
Other cash movements and non-cash movements	(3.1)	(52.2)
Closing net debt	(3,313.6)	(3,263.4)
Gearing – on book value of balance sheet debt	48.6%	57.4%
Adjusted gearing ⁽¹⁾	59.5%	72.1%
Adjusted gearing ⁽¹⁾ – including notional share of joint ventures	65.7%	80.2%
Interest cover (excluding joint ventures)	2.22x	1.92x

1) Book value of balance sheet debt increased to recognise nominal value of debt on refinancing in 2004 divided by adjusted net asset value

Page A 24

Investment portfolio activity

12 months to 31 March 2011

	Retail Portfolio £m	London Portfolio £m	Total £m
Investment acquisitions	330.0	70.1	400.1
Investment sales	(263.1)	(350.9)	(614.0)
Net (sales) / acquisitions	66.9	(280.8)	(213.9)
Development programme	31.5	113.1	144.6
Other capital expenditure	53.0	51.6	104.6
Total net investment	151.4	(116.1)	35.3

Group LTV and ICR

31.03.10 £m		31.03.11 £m
3,263.4	Closing net debt	3,313.6
45.5%	Security Group LTV	40.1%
43.5%	Group LTV - including notional share of joint ventures	39.0%
	Interest cover ratio	
1.92x	Group (excl. joint ventures)	2.22x
1.73x	REIT (Finance: Cost ratio)	1.92x

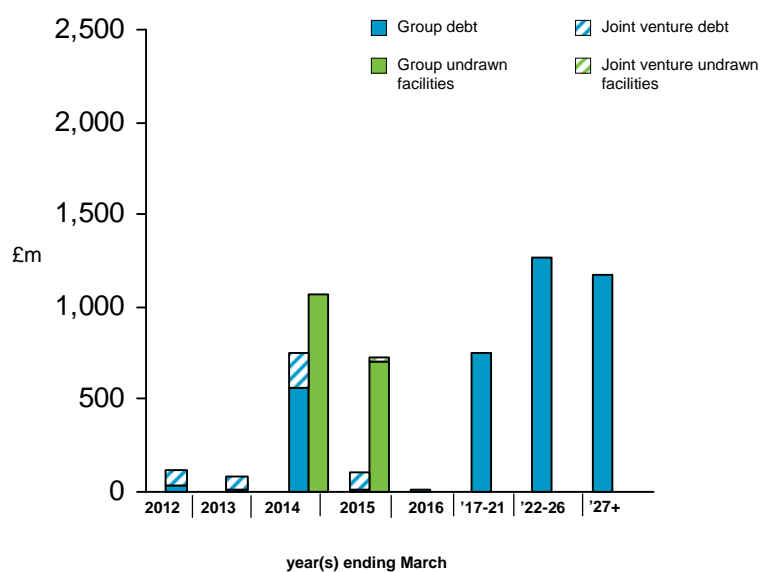
REIT balance of business

	12 months ended 31.03.11			12 months ended 31.03.10		
	exempt £m	residual £m	adjusted results £m	exempt £m	residual £m	adjusted results £m
Income						
Group revenue	747.1	62.3	809.4	763.8	171.3	935.1
Cost	(266.2)	(52.8)	(319.0)	(272.8)	(172.5)	(445.3)
Operating profit	480.9	9.5	490.4	491.0	(1.2)	489.8
Interest expense	(262.1)	-	(262.1)	(258.6)	-	(258.6)
Interest income	-	12.9	12.9	-	13.1	13.1
Profit before tax	218.8	22.4	241.2	232.4	11.9	244.3
Balance of business	90.7% ⁽¹⁾	9.3%		95.1%	4.9%	
Assets						
Adjusted total assets	10,295.1	958.9	11,254.0	9,497.8	826.0	10,323.8
Balance of business – 75% assets test	91.5%	8.5%		92.0%	8.0%	

(1) 91.0% if impairment of trading properties is ignored

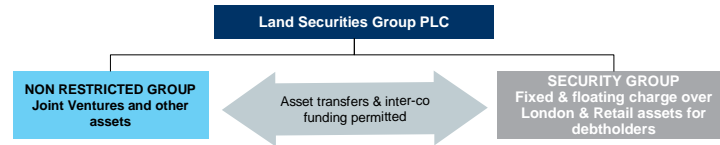
Page A 27

Expected debt maturities (nominal)



Page A 28

Security Group



- Provides shareholders with:-
 - Attractive cost of debt
 - Access to a diverse range of debt
 - Flexibility to accommodate different gearing levels
 - No financial default above 1.0 x ICR or below 100% LTV
- Provides debtholders with strong covenants:-
 - Security over a pool of assets
 - Persuasive regime of financial and operational covenants
 - Bespoke and regular reporting
- The business retains operational and financial flexibility:-
 - Asset management initiatives
 - Undertaking development projects
 - Purchases and sales to rebalance the portfolio
 - Raising suitable forms of finance in either part of the Group

Flexible and efficient debt funding structure