

Annual results presentation

15 May 2013

A total return business

- Capital recycler

2012/13
£529m acquisitions
£420m capex



2011/12
£906m disposals

- Early cycle development

£31.7m development lettings
1.5m sq ft development completed 92% sold / let
Surplus from completed schemes £307m or 36%
2.3m sq ft, with more to come

- Rigorous asset manager

£26.4m investment lettings, 3.1% above ERV⁽¹⁾
LFL voids 2.0% (March 2012: 2.8%)

- Balance sheet discipline

Group LTV⁽²⁾ 36.9% (March 2012: 38.0%)
£1.0bn cash and undrawn facilities

Total property return

7.8%⁽³⁾⁽⁴⁾ (IPD: 3.2%)

Total business return

8.0%⁽⁵⁾ (2012: 7.9%)

(1) Excludes lettings at pre-development properties and temporary lettings

(2) On a proportionate basis

(3) Excludes surplus from sales of trading properties

(4) TPR would be 0.1% higher if adjusted for capital and income extracted from Queen Anne's Gate, SW1 through the 2009 bond issue

(5) Growth in adjusted diluted NAV plus dividend per share



Agenda

- Financial results Martin Greenslade
- Retail Portfolio Richard Akers
- London Portfolio and Group outlook Robert Noel



Financial results

Martin Greenslade





Financial summary

Year ended 31.03.12 £m		Year ended 31.03.13 £m	change %
515.7	Profit before tax	533.0	3.4
190.9	Valuation surplus ⁽¹⁾	217.5	2.0 ⁽²⁾
863p	Adjusted diluted NAV per share	903p	4.6
299.4	Revenue profit ⁽¹⁾	290.7	-2.9
38.5p	Adjusted diluted earnings per share	36.8p	-4.4
29.0p	Dividend per share	29.8p	2.8

(1) On a proportionate basis

(2) Represents increase in value over the year



Revenue profit

	Year ended 31.03.13 £m	Year ended 31.03.12 £m	Variance £m
Gross rental income ⁽¹⁾	589.9	606.1	(16.2)
Net service charge expense	(2.2)	(5.3)	3.1
Direct property expenditure (net)	(40.0)	(28.1)	(11.9)
Net rental income	547.7	572.7	(25.0)
Indirect costs	(40.3)	(45.8)	5.5
Segment profit before interest	507.4	526.9	(19.5)
Unallocated expenses (net)	(36.5)	(40.1)	3.6
Net interest – Group	(149.2)	(155.5)	6.3
Net interest – joint ventures	(31.0)	(31.9)	0.9
Revenue profit	290.7	299.4	(8.7)

(1) Includes finance lease interest, net of ground rents



Net rental income analysis

	Year ended 31 March		Variance	
	2013	2012		
	£m	£m	£m	%
Like-for-like investment properties	484.3	476.5	7.8	1.6
Proposed developments	1.6	4.8	(3.2)	
Development programme	8.8	19.6	(10.8)	
Completed developments	29.4	23.5	5.9	
Acquisitions since 1 April 2011	11.5	1.3	10.2	
Sales since 1 April 2011	3.3	38.5	(35.2)	
Non-property related income	8.8	8.5	0.3	
Net rental income	547.7	572.7	(25.0)	-4.4

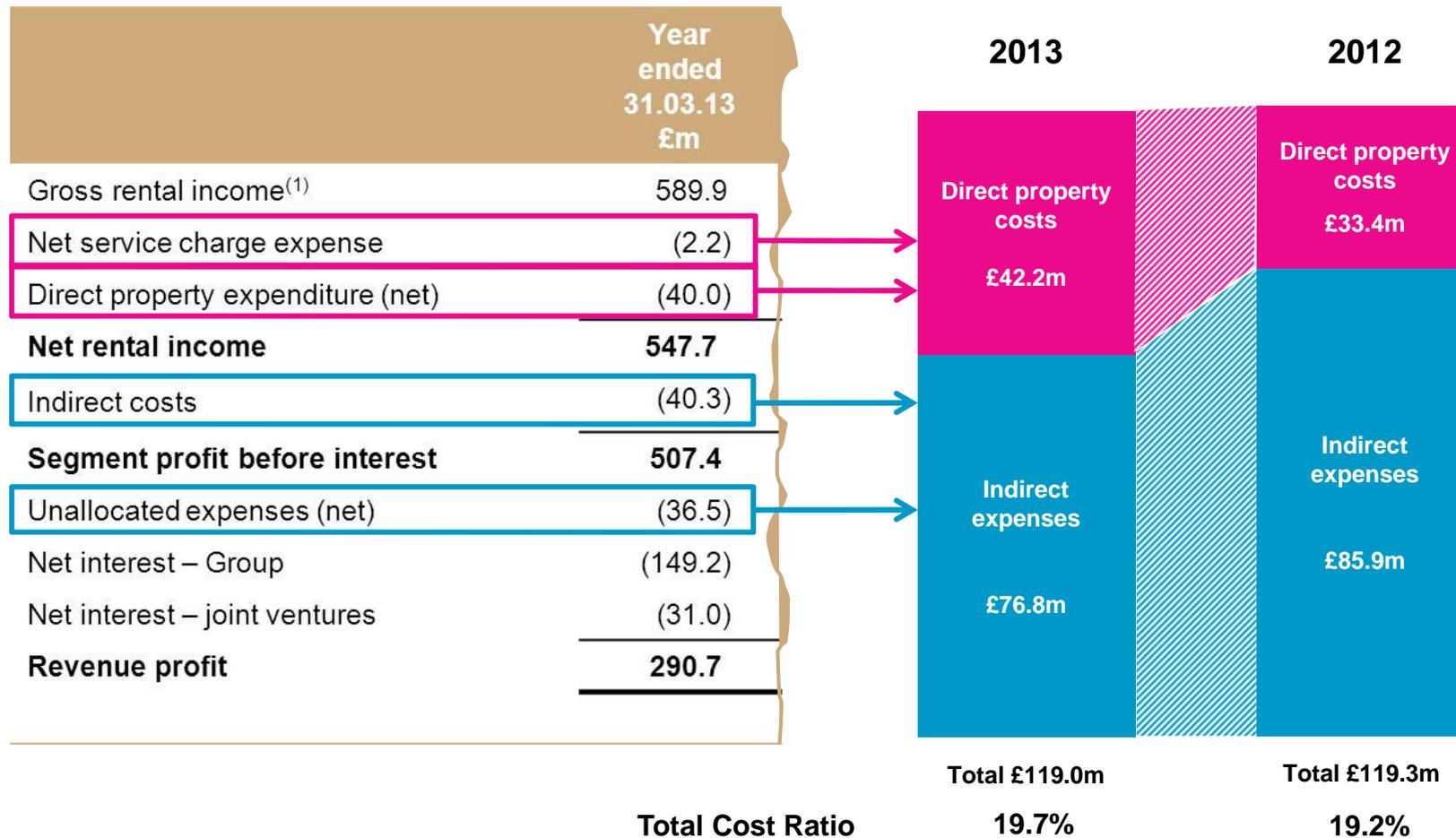


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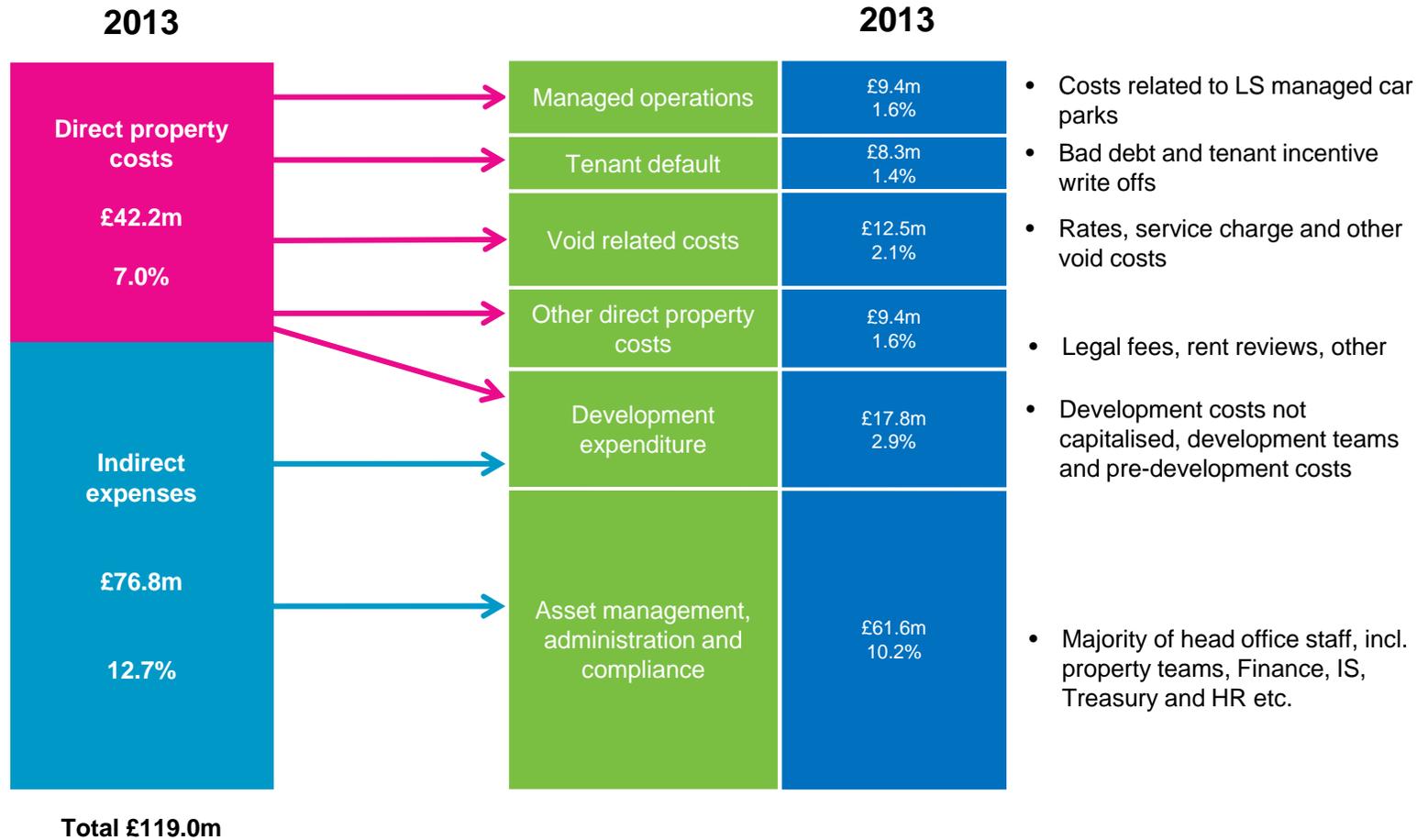
Cost analysis



(1) Includes finance lease interest, net of ground rents

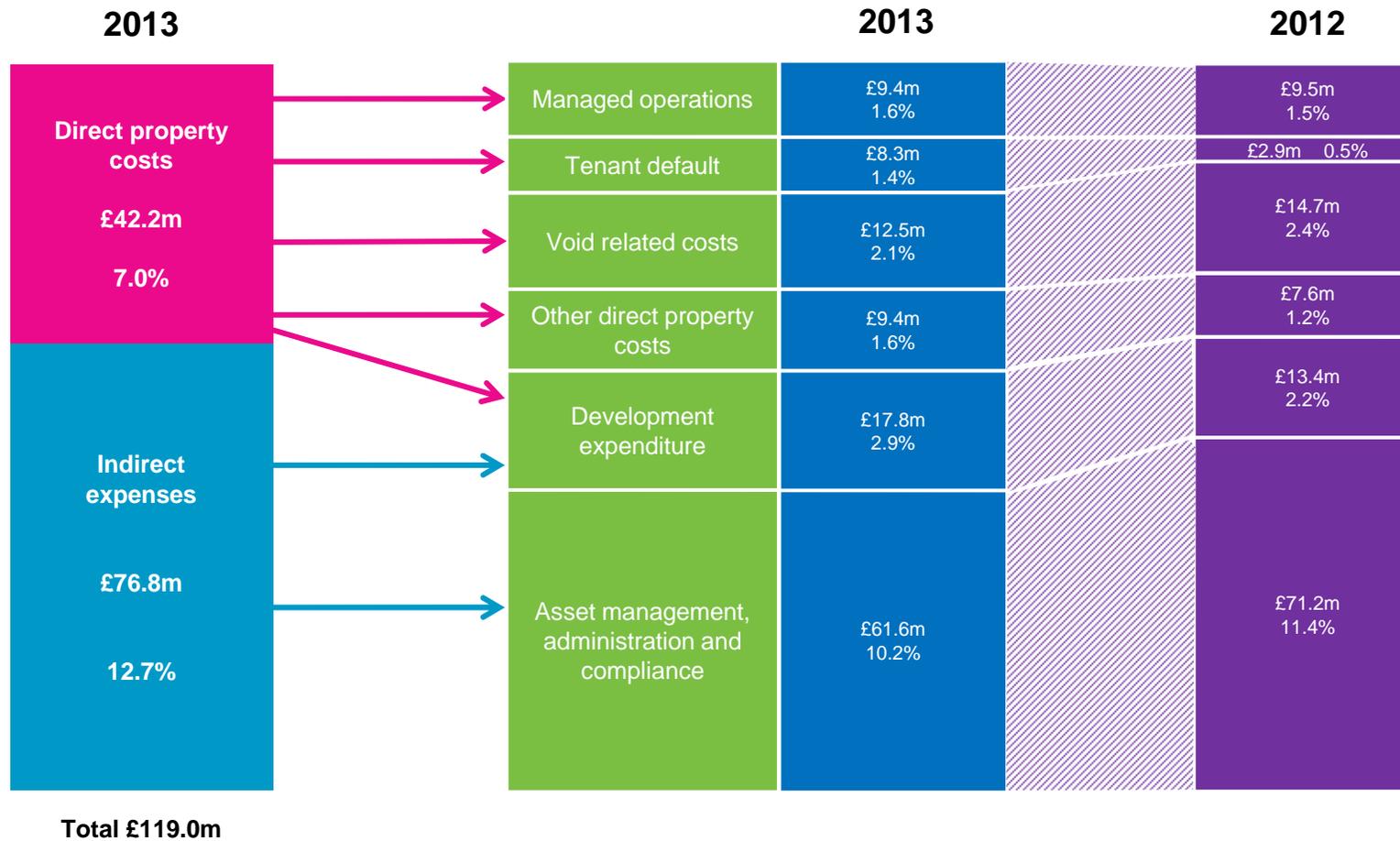
All percentages are calculated as the relevant cost divided by gross rental income including finance leases before ground rents.

Cost analysis



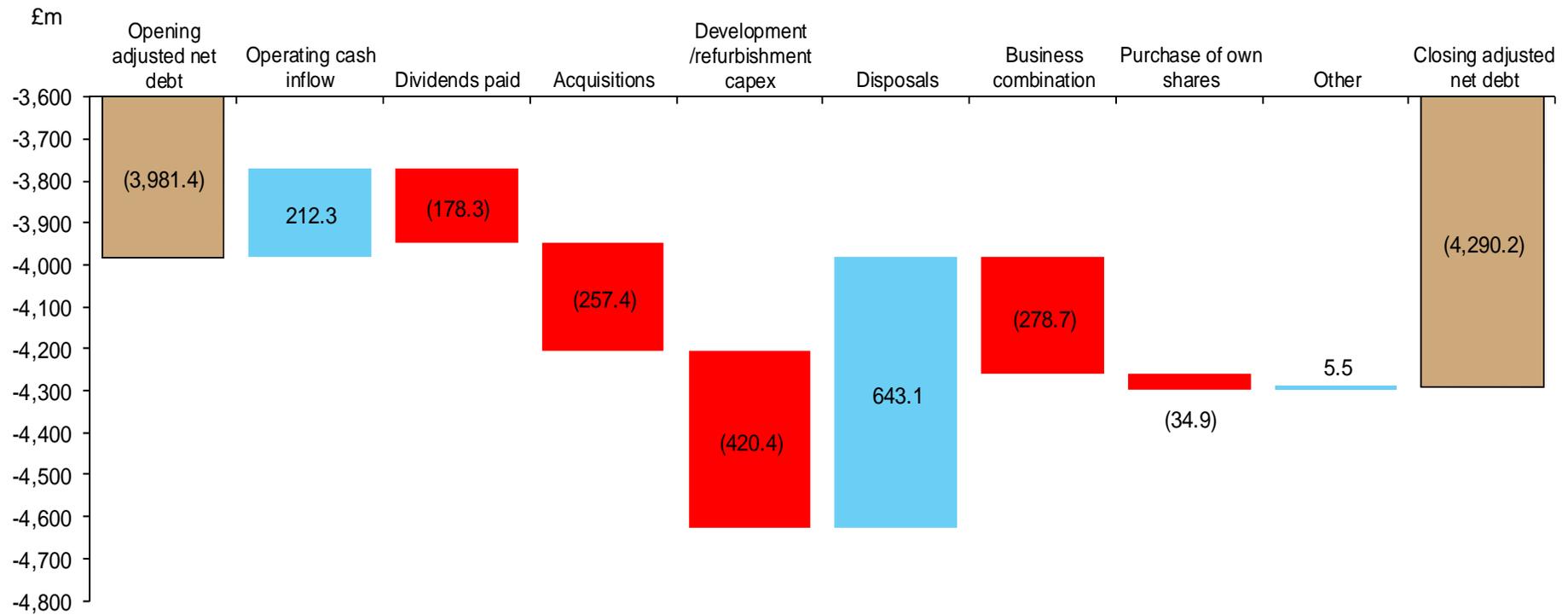
All percentages are calculated as the relevant cost divided by gross rental income including finance leases before ground rents. £2.8m of staff costs were capitalised in the development programme.

Cost analysis



All percentages are calculated as the relevant cost divided by gross rental income including finance leases before ground rents.

Cash flow and adjusted net debt*



* On a proportionate basis

Financing

- Group LTV at 36.9% (on a proportionate basis), down from 38.0% at 31 March 2012
- Weighted average maturity of debt: 9.7 years
- Weighted average cost of debt: 4.9%
- £1.0bn cash and undrawn facilities

Gearing		
	31 March 2013 (%)	31 March 2012 (%)
Group LTV	40.2	40.4
Group LTV – on a proportionate basis	36.9	38.0
Security Group LTV	37.7	37.6



Summary

- Earnings ahead of expectations
- Strong operational performance and cost control
- Robust, flexible balance sheet





Retail Portfolio

Richard Akers





Trinity Leeds





Activity

Sainsbury's

(Wandsworth)

John Lewis

(Exeter)

TESCO

(Taplow)

PRIMARK®

(Sunderland, Thanet, Trinity Leeds, Cardiff)

ASDA

(Chadwell Heath)

DEBENHAMS

(Chesterfield, Wandsworth)

**MARKS &
SPENCER**

(Bexhill)

M
MORRISONS

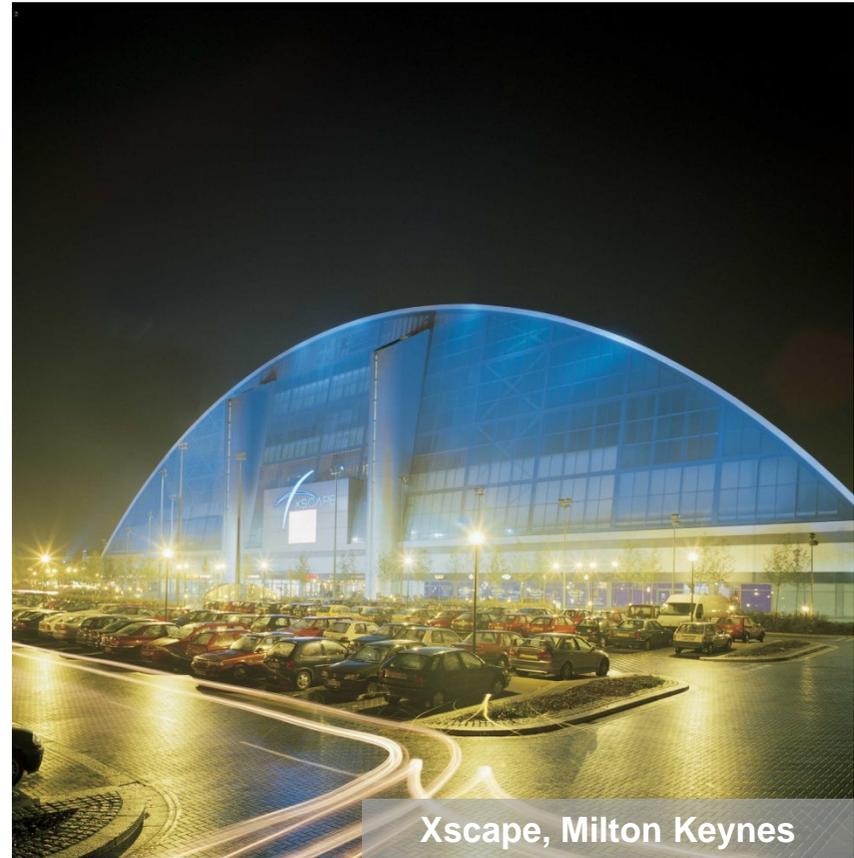
(Crawley)

Delivering for our major customers

Leisure



The Printworks, Manchester



Xscape, Milton Keynes

Voids and insolvencies

hmv

JESSOPS
Advice for life

Clinton
CARDS

comet

Dreams

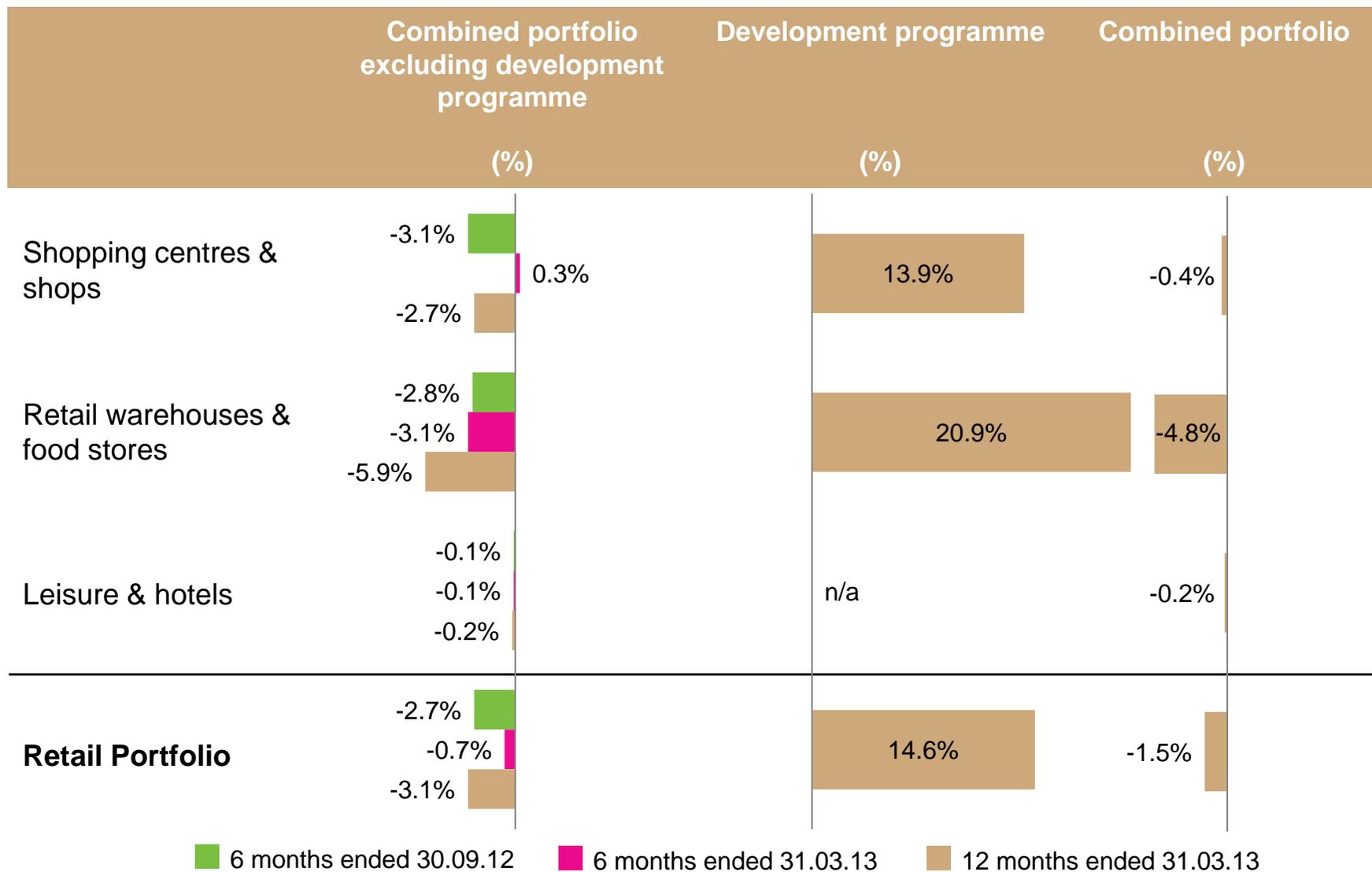
REPUBLIC™

Like-for-like Retail Portfolio

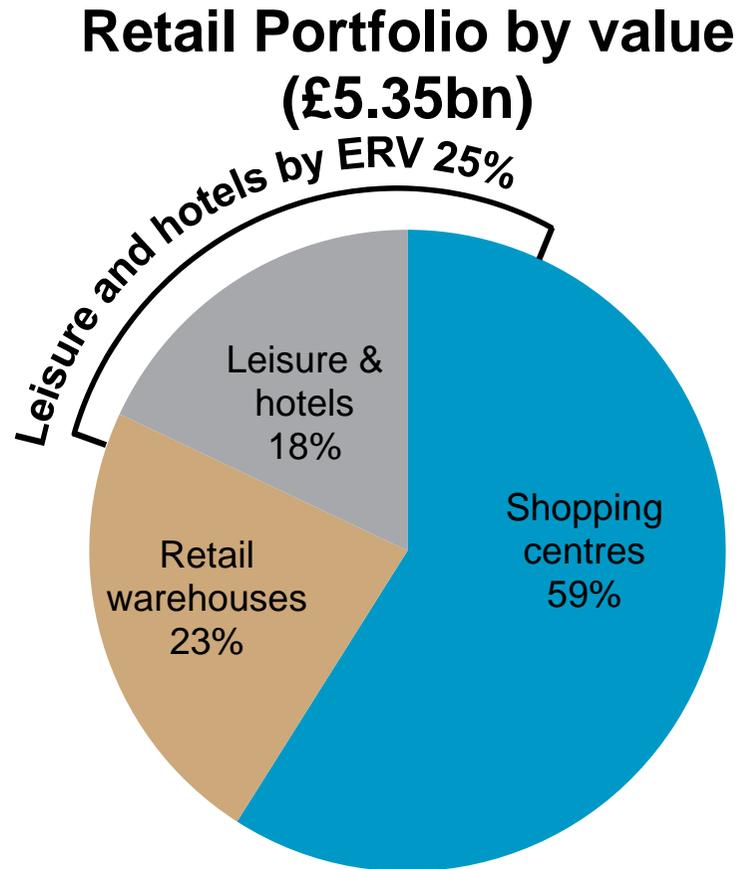
	Voids	Units in administration	Total	Occupancy
At 31 March 2012	3.3%	2.3%	5.6%	96.3%
At 31 March 2013	2.9%	2.3%	5.2%	97.3%

Protecting income in our assets

Retail Portfolio valuation movements

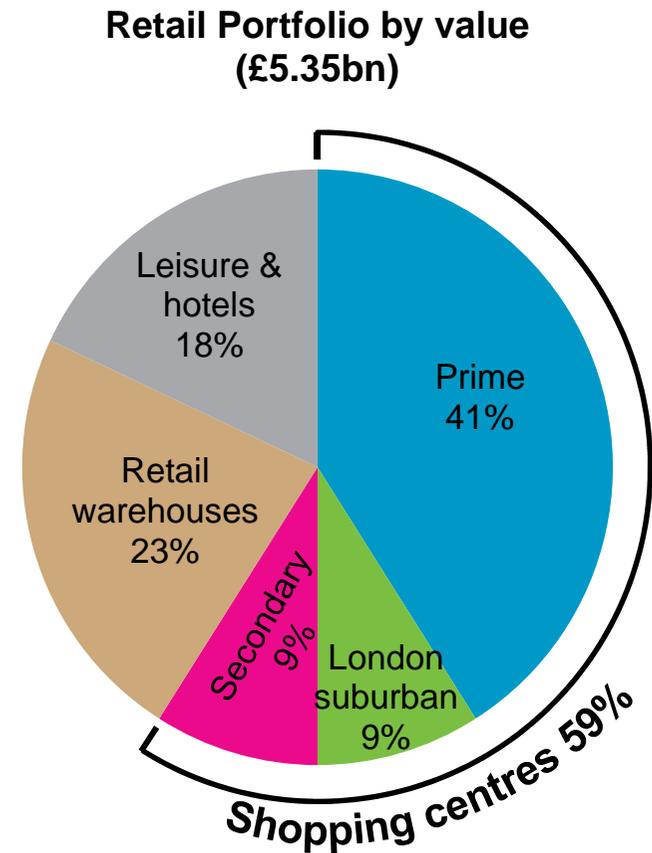


Our changing portfolio



Shopping centres

- A focus on prime
- Opportunities in London
- Selling secondary



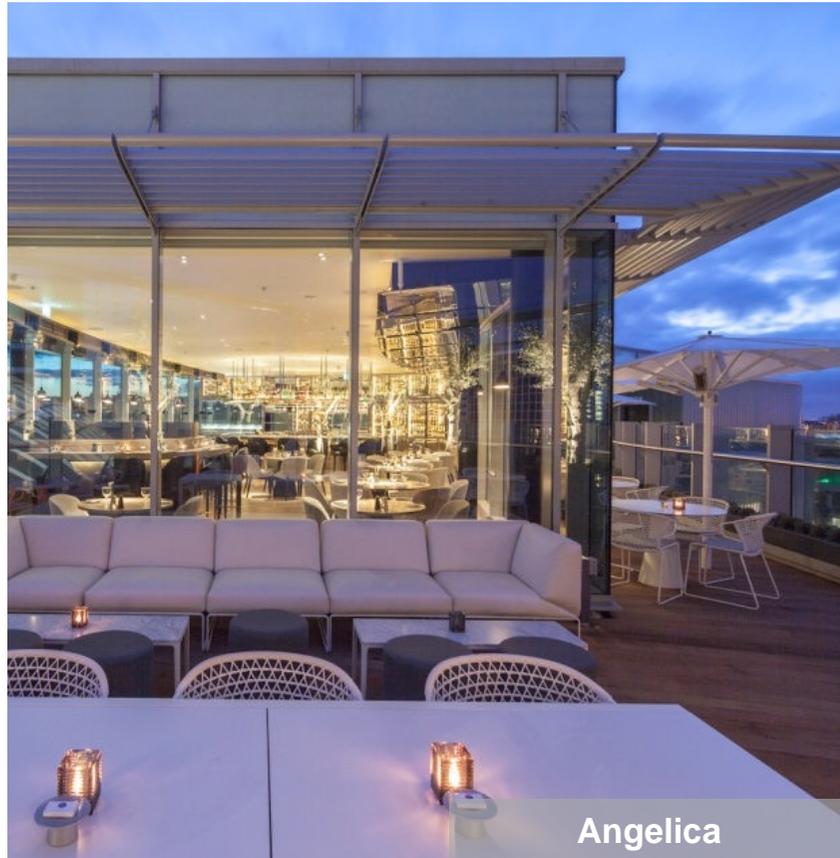
Shopping centres

Trinity Leeds



£93m development profit

Leisure and food & beverage Trinity Leeds



Angelica

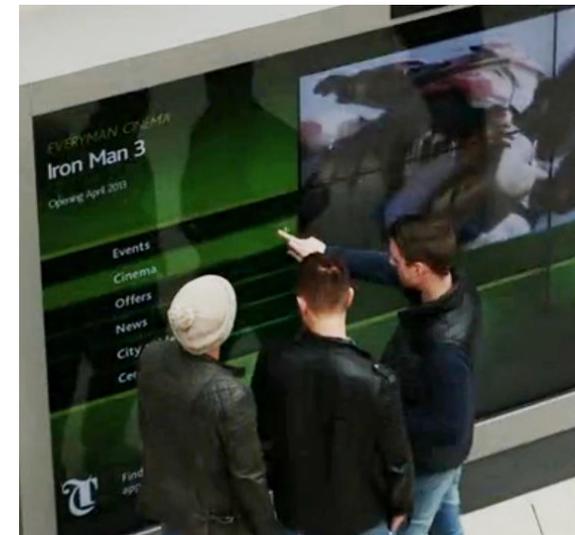
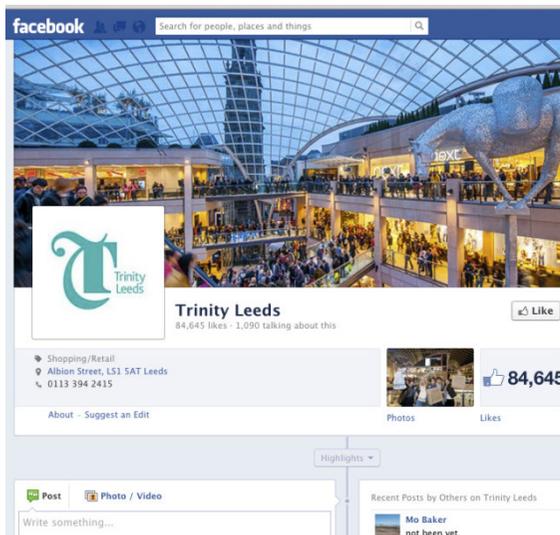


Trinity Kitchen

24% leisure and food & beverage by number of units

Digital enabling Trinity Leeds

- Provide the right environment for shoppers
- Enable our retailers to connect with customers



The key objectives driving our wider digital strategy

Development

185-221 Buchanan Street, Glasgow

- 49 apartments
- 11 retail units – fully let
- £4.7m rental income
- TDC £60m*

* Includes expenditure of £12.9m on the residential element

£35m development profit



Development – future pipeline Buchanan Galleries, Glasgow

- Secured tax increment finance
- M&S secured as anchor store
- Progressing pre-letting programme



Creating 1m sq ft in the biggest retail destination outside London

Development – future pipeline

Westgate, Oxford

- Development agreement signed
- John Lewis signed
- Progressing planning application



Providing a shopping destination for this great city

Asset management



St David's, Cardiff

- BHS lease surrendered
- Unit acquired by Primark



Gunwharf Quays, Portsmouth

- 10% growth in annualised net rent
- 14 new lettings



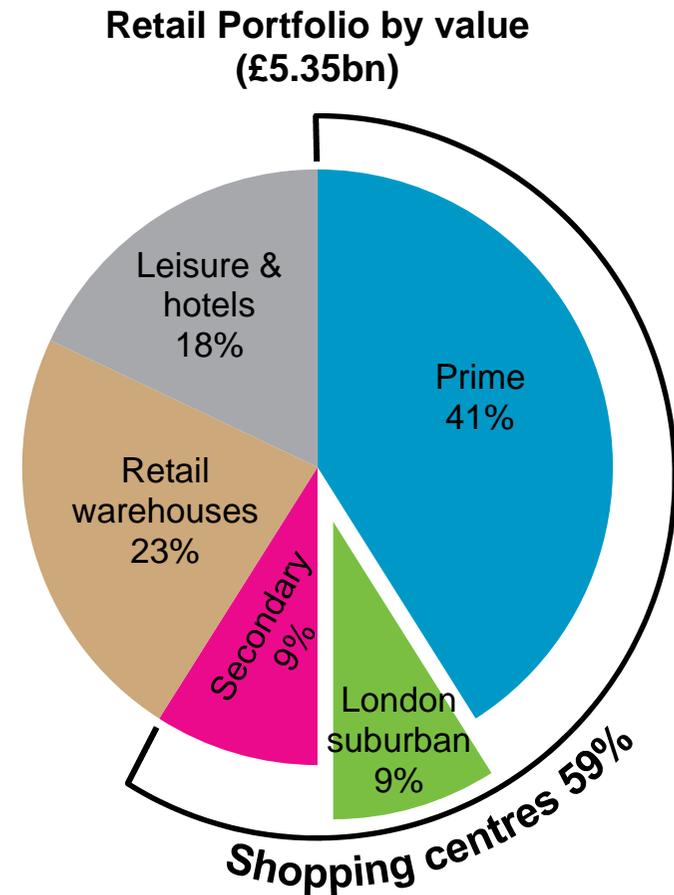
White Rose, Leeds

- Planning application submitted
- Cinema, restaurants and store extension

A plan for each asset

London suburban schemes

- Stronger economic backdrop
- Growing population
- Opportunities for alternative uses



Asset management



The O2 Centre, Finchley Road

- Acquisition of freehold
- Development potential



West12, Shepherd's Bush

- Supermarket expansion
- Hotels



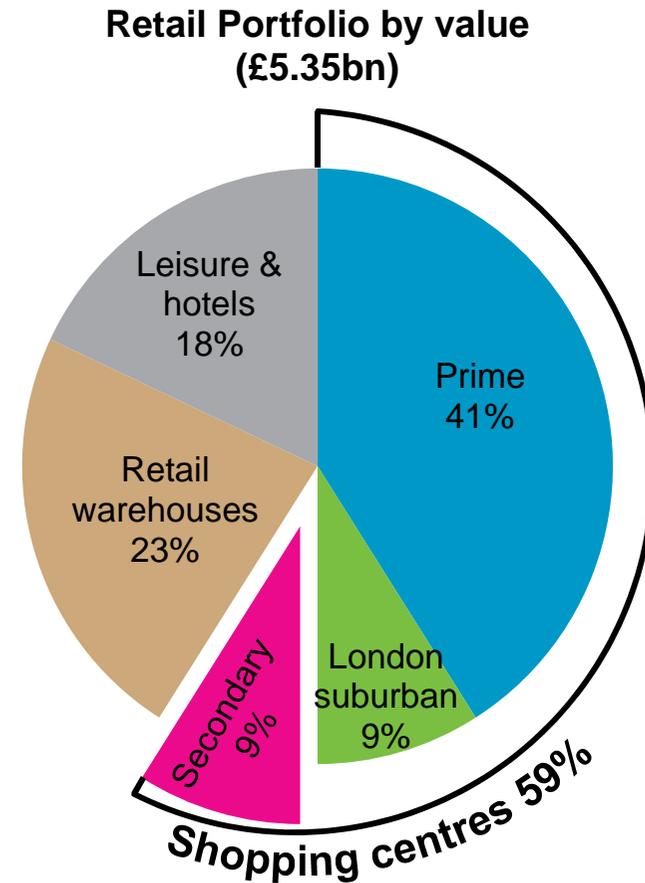
Southside, Wandsworth

- Restaurant developments
- Extension including Debenhams

Mixed uses in vibrant London locations

Secondary centres

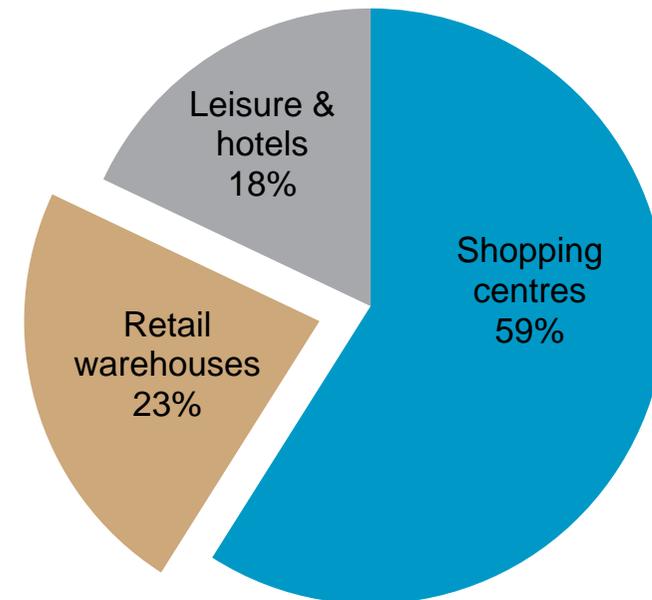
- Sold in year:
 - Cathedral Plaza, Worcester
- Sold since year end:
 - Clayton Square, Liverpool
- Retained:
 - The Bridges, Sunderland – dominant centre in the city
 - Overgate, Dundee – geographically isolated catchment
 - The Centre, Livingston – accessible alternative to Edinburgh



Retail warehouses

- Institutional sector
- Asset management potential
- Major assets include:
 - Retail World Team Valley, Gateshead
 - Lakeside Retail Park, West Thurrock
 - Westwood Cross, Thanet

Retail Portfolio by value
(£5.35bn)



Returns have to be driven by asset management...

Development – on site



Bishop Centre, Taplow

- Planning permission achieved
- 131,000 sq ft development
- Pre-let to Tesco, TK Maxx, Nike, Frankie & Benny's,
- 76% pre-let



Crawley

- 75,000 sq ft supermarket pre-let to Morrisons
- 6,000 sq ft of restaurant space
- 110-bed Travelodge hotel
- 94% pre-let



Whalebone Lane, Chadwell Heath

- Refurbishment started on site March 2013
- Store pre-let to Asda
- Let adjacent 13,000 sq ft unit to B&M Stores

...and development profits supplement returns



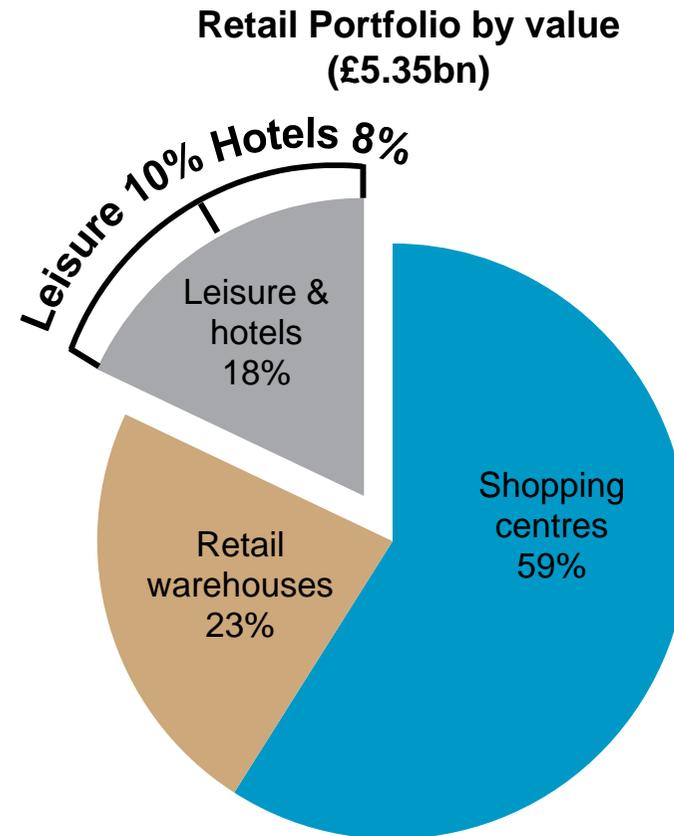
Development – future pipeline

- Selly Oak
 - Planning application submitted
 - Sainsbury's pre-let for 120,000 sq ft store
 - Birmingham City Council approval to acquire 10 acres to build a Life Sciences Campus
- Maidstone
 - Development agreement with land owner signed
 - 42,000 sq ft pre-let to Waitrose
 - 77,000 sq ft under offer
- Further schemes under contract

Building a consistent pipeline at low risk

Leisure and hotels

- Accor hotels
 - Net initial yield 6.7%
 - Lease breaks in 2019
 - 3 year notice period
- Leisure
 - Initial yield 6.3%
 - Plus fixed uplifts
 - Plus rental value growth on food & beverage
 - Plus asset management
 - WAULT 12.1 years
 - Less impacted by structural change



Actively investing in leisure



Summary

- Depth of relationships and skills extended to X-Leisure
- Relevant and appropriate sector specific strategy in line with market trends
- Plan for every asset
- Asset management and development will continue to drive returns



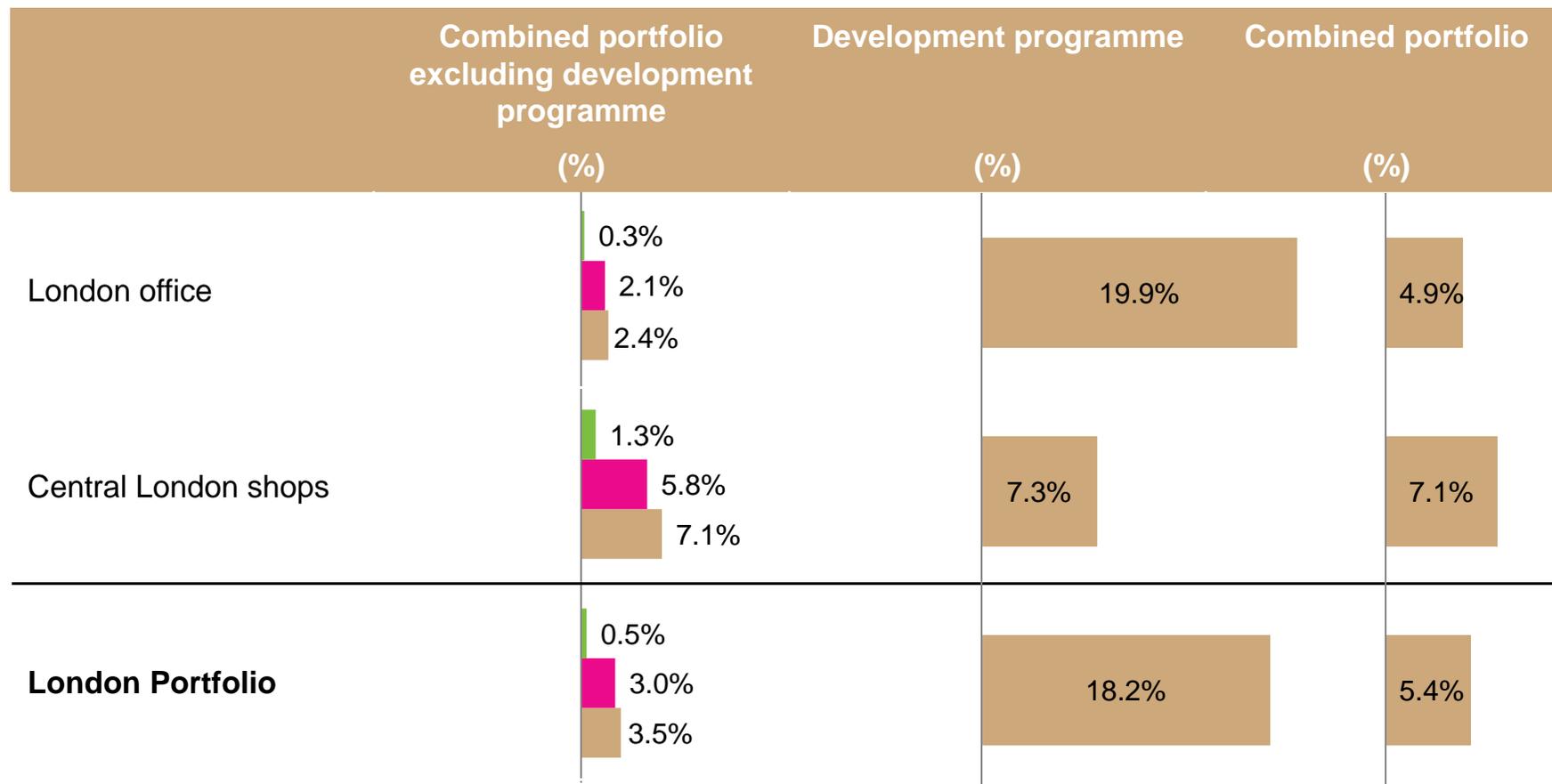


London Portfolio

Robert Noel



London Portfolio valuation movements



■ 6 months ended 30.09.12
 ■ 6 months ended 31.03.13
 ■ 12 months ended 31.03.13

Developments delivering a valuation surplus

Developments – completed in the year

West End



Park House, W1

- 309,000 sq ft
- Completed and sold
- Final payment received
- 34% profit on cost



Wellington House, SW1

- 59 apartments
- Completed and sold
- Cash received
- 47% profit on cost



123 Victoria Street, SW1

- 227,000 sq ft
- Completed August 2012
- 78% let

Right time, right location

Developments – on site

West End



62 Buckingham Gate, SW1

- 276,000 sq ft
- 10% pre-let
- TDC £177m
- Completes May 2013



Kings Gate, SW1

- 100 apartments
- 109,000 sq ft
- 59 apartments pre-sold
- TDC £161m
- Completion January 2015



The Zig Zag Building, SW1

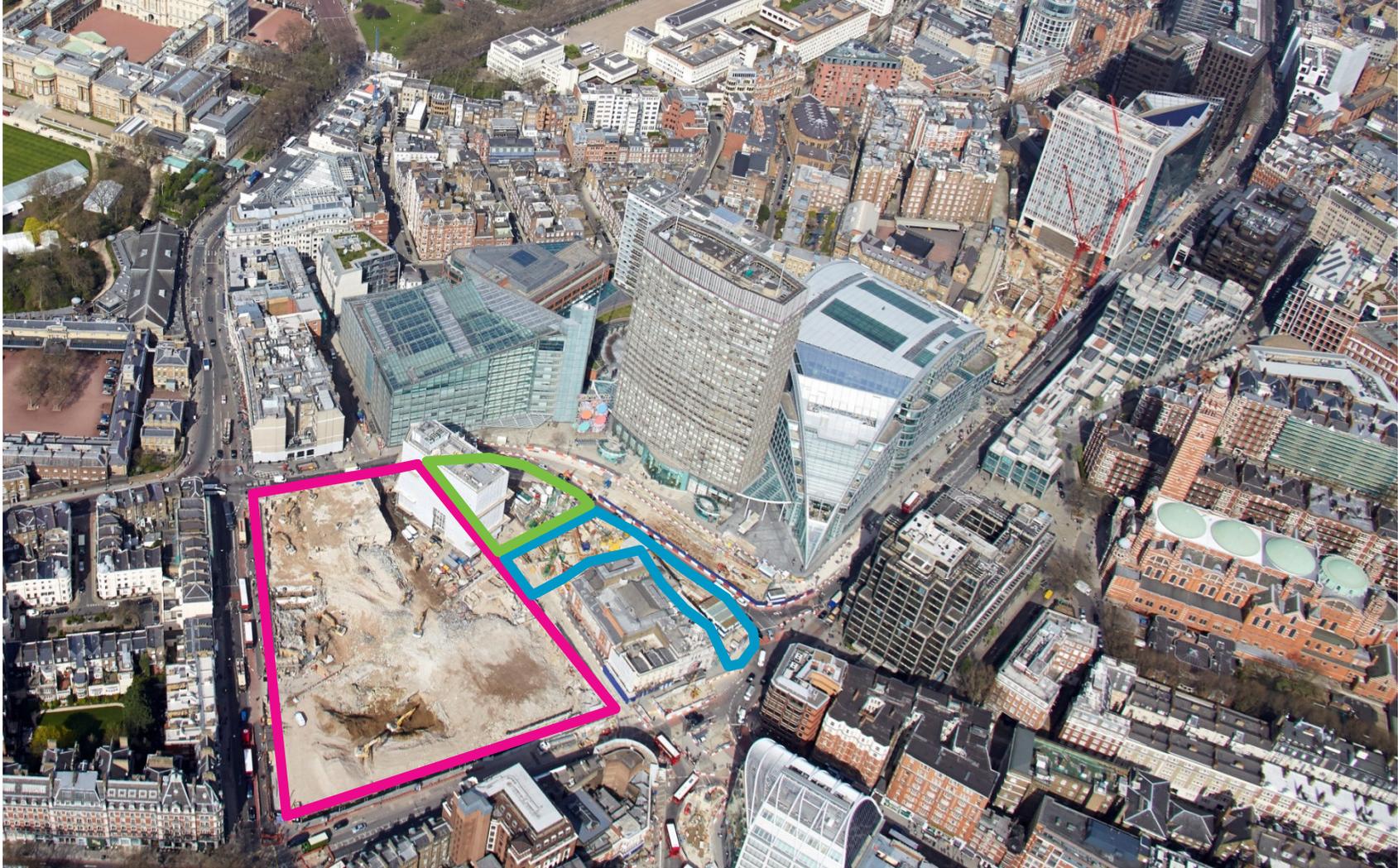
- 233,000 sq ft*
- 188,000 sq ft offices
- 45,000 sq ft retail*
- TDC £181m*
- Completion January 2015

* Includes retail within Kings Gate, SW1

A transformation of Victoria

Developments – on site

Victoria Circle



Transforming Victoria



Developments – on site

Victoria Circle Phase 1 – residential

- 170 apartments
- 167,000 sq ft
- Completion April 2016



Developments – on site

Victoria Circle Phase 1 – offices

- 2 buildings
- 184,000 sq ft 11 storeys
- 296,000 sq ft 16 storeys
- 480,000 sq ft total
- Floorplates 10,000 sq ft to 30,000 sq ft
- Occupation 1:8 sq m
- Completion April 2016



Developments – on site

Victoria Circle Phase 1 – retail

- New retail and restaurant destination on two streets
- 80,000 sq ft
- 17 units



Developments – on site 20 Fenchurch Street, EC3

- 690,000 sq ft
- 51% pre-let
 - £61.40 psf average rent
 - 16 years average lease term
 - 8 months incentives / 5 years
- 5% in solicitors' hands
- On time, on budget



Right time, right location

Developments – proposed

1 & 2 New Ludgate, EC4 and 1 New Street Square, EC4



1 & 2 New Ludgate, EC4

- 379,000 sq ft
- Site prepared
- 23 month programme
- Earliest completion April 2015



1 New Street Square, EC4

- 269,000 sq ft
- Head lease agreed
- Demolition underway
- Earliest completion July 2016

Right time, right location

Developments – future pipeline



Oxford House, W1

- 83,000 sq ft residential
- 30,000 sq ft retail
- Planning application submitted



Portland House, SW1

- 363,000 sq ft residential
- 26,000 sq ft retail
- Planning application submitted



20 Eastbourne Terrace, W2

- 91,000 sq ft
- Scheme alterations in design

Asset management



One New Change, EC4

- Fully let
- Retail rental value growth



Cardinal Place, SW1

- Rental value uplift proven
- WAULT strengthened



Oriana, W1

- Land swap completed
- Phase II consented



Piccadilly Lights, W1

- Retail to be reconfigured
- New advertising screen



38-48 Southwark Bridge Road, SE1

- Lease restructured
- Surplus crystallised by sale



Red Lion Court, SE1

- Lease restructured
- Long term development potential



London snapshot

- 537,000 sq ft of developments let during the year
- 1,069,000 sq ft, £726m TDC added to the development programme
- 2,035,000 sq ft, £1,142m TDC on site
- Contracts secured at the right time
- Valuation surplus 5.4%
- Total property return 10.5%*

* Excludes surplus from trading properties. Total property return would be 0.4% higher if adjusted for capital extracted from Queen Anne's Gate, SW1 through the 2009 bond issue

Delivering on our plan for London



Group outlook





Driving the business in changing and cyclical markets

- Continued emphasis on development
 - Window for development remains open in London
 - Retail development based on substantial pre-lettings
- Responding to change in customer and consumer requirements
 - Right environment, right space, right place, right time
 - Systematic positioning of portfolio to tomorrow's occupiers
- Disciplined balance sheet management
 - Balance sheet strength and flexibility
 - Cyclical markets in London, changing markets in Retail

Total return business, maximising returns for shareholders



Important notice

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