

Press Release

11 November 2014

Half-yearly results for the six months ended 30 September 2014

“During a busy six months, we have made significant progress executing our strategy to transform our Retail Portfolio and deliver our 2.9m sq ft London development programme into a supply constrained market.” said Chief Executive Robert Noel. “And our strategy is generating good results. We delivered a valuation surplus of £880.2m across the portfolio with adjusted diluted NAV up 11.5%. Revenue profit is up 8.6% with adjusted diluted earnings per share up 7.5% on the same period last year.

“We have continued to transform our shopping centre portfolio – selling in Bristol, Exeter and Sunderland and buying Bluewater, Kent and Buchanan Galleries, Glasgow. The acquisition of the Bluewater stake exemplifies the scale and pace of change and together with major assets in Glasgow, Cardiff, Oxford, Leeds, Greater London and Portsmouth, we now own a higher quality shopping centre portfolio. We believe this focus on dominance, experience and convenience will serve customers and shareholders well. At the operational level, we have continued to drive performance - actively managing our tenant mix and keeping voids low.

“In London, we are in the construction and delivery phase of our sizeable speculative development programme. During the period we secured £21.6m of development lettings with an average lease length of 19 years. 20 Fenchurch Street, EC3 is 90% let, while 1 & 2 New Ludgate, EC4 is 61% pre-let, six months ahead of practical completion. In Victoria, SW1, 123 Victoria Street is now fully let, 62 Buckingham Gate is 69% let and The Zig Zag Building is 35% pre-let, nine months before completion. Nova, the largest piece in the Victoria masterplan, is progressing well with practical completion expected in July 2016.

“Our focus remains on the continued reshaping of the Retail Portfolio along with completion of our London development programme, and funding this activity by recycling capital. Simply put, this ensures we have better assets, let on longer leases, with lower gearing, as we move through the cycle.”

Results summary

	30 September 2014	31 March 2014	Change
Valuation surplus ⁽¹⁾	£880.2m	n/a	Up 7.5% ⁽²⁾
Basic NAV per share	1,183p	1,069p	Up 10.7%
Adjusted diluted NAV per share ⁽³⁾	1,129p	1,013p	Up 11.5%
Group LTV ratio ⁽¹⁾	33.6%	32.5%	

	6 months ended 30 September 2014	6 months ended 30 September 2013	Change
Profit before tax	£1,031.1m	£397.9m	
Revenue profit ⁽¹⁾	£170.0m	£156.5m	Up 8.6%
Basic EPS	130.6p	50.8p	
Adjusted diluted EPS	21.4p	19.9p	Up 7.5%
Dividend	15.8p	15.2p	Up 3.9%

1. Including our proportionate share of subsidiaries and joint ventures.

2. The % change represents the valuation movement as a percentage of the net book value of the combined portfolio at the beginning of the period.

3. Our key valuation measure.

High levels of activity

- Sales of £185.8m during the period and £468.9m since 30 September
- Acquisitions of £697.0m during the period and £137.5m since 30 September
- 3.0m sq ft development programme
- Development and refurbishment expenditure of £220.4m ⁽¹⁾
- £21.8m of development lettings
- £10.3m of investment lettings
- Completed a sustainability strategic review

Delivering results

- Ungeared total property return 9.9%, outperforming the IPD Quarterly Universe at 9.3%
- Total business return (dividends and adjusted diluted NAV growth) of 13.0%
- Combined portfolio valued at £13.2bn, with a valuation surplus of 7.5%
- Valuation surplus on properties in the development programme of 14.0%
- Profit before tax £1,031.1m, up from £397.9m
- Revenue profit £170.0m, up 8.6%
- Voids in the like-for-like portfolio remain low at 2.6% (31 March 1.9%)
- Improved our performance against Environmental, Social and Governance (ESG) benchmarks
- Progressed 85 disadvantaged people into jobs through our London Employment Strategy

With a strong financial structure

- Group LTV ratio at 33.6%, based on adjusted net debt of £4.6bn
- Weighted average maturity of debt at 8.2 years
- Weighted average cost of debt at 4.5%
- Cash and available facilities of £0.8bn

Page 3 of 3

- First half dividend of 15.8p per share, up 3.9%

1. Includes trading properties.

All measures above are presented on a proportionate basis.

-Ends-

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Notes to editors

A live video webcast of the presentation will be available on www.landsecurities.com/interims2014 at 09.00am GMT. Please also note that there will be an interactive Q&A facility on the webcast. A downloadable copy of the webcast will then be available at the same address from 3pm.

We will also offer an audio conference call. We recommend that you dial in to the call 10-15 minutes before the start of the presentation due to the large volume of callers expected. Dial-in details are as follows:

Dial-in number: +44 (0)1452 580 952
Passcode: 94841008
Call title: Land Securities' half-yearly results

There will be a replay facility available for 7 days following the results:

Replay dial-in number: +44 (0)1452 550 000
Call ID number: 15187349

A short video of Robert Noel, Chief Executive, Martin Greenslade, Chief Financial Officer, Scott Parsons, Managing Director, Retail, and Colette O'Shea, Managing Director, London discussing the results is available at <http://www.landsecurities.com/investors/results>