

Investor Conference

9 March 2007

Francis Salway

Group Chief Executive

Achievements – winning new business for LST



SMIF



DTR



Accor

c. £2bn of potential capital investment

Achievements – leasing progress – Retail developments



Exeter



Livingston



Bristol

Successfully secured / agreed £15.7m of annual income*

*LS share, year to date

Achievements – leasing progress – London developments



Cardinal Place, SW1



New Street Square, EC2



One Wood Street, EC2

Successfully let 650,000 ft² with £14.9m of annual income*

*year to date

Achievements – leasing success – Property outsourcing



222-236 Grays Inn Road, London, WC1

Over 670,000 ft² let, assigned or surrendered from DWP contract

Achievements – a broader perspective



Mixed use



Sustainability



Customer service

Anticipating future trends, future customer needs



Market background





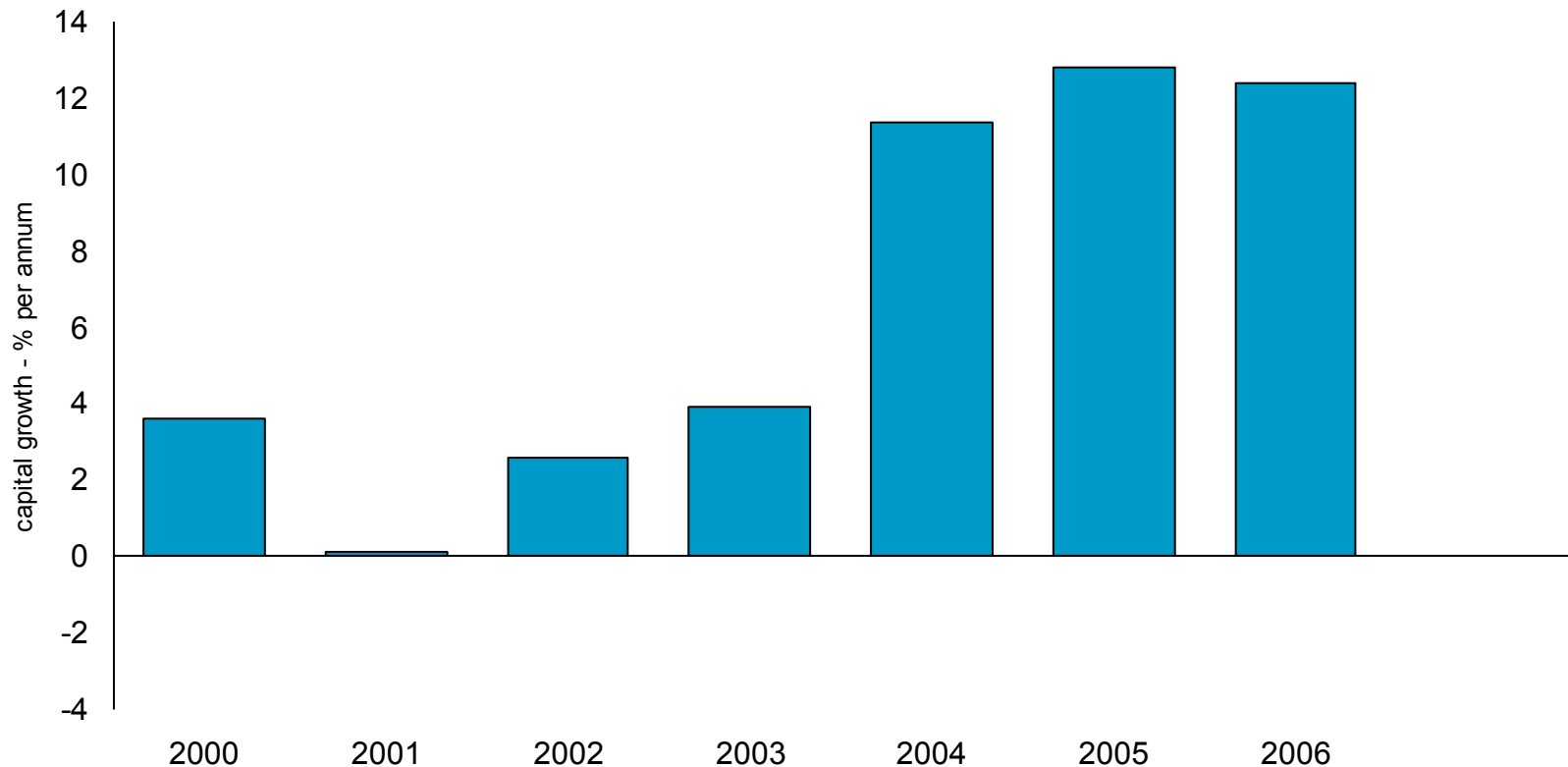
Market outlook and strategic response

| | |
|---------|--|
| 2003/04 | Initiate large London office development programme |
| 2004/05 | Acquire low-rented London office investments |
| 2005 | Increase gearing – net investors by £1bn (Tops Estates & Lxb) |
| 2006 | |
| 2007 | |

Taking action in response to market outlook



Market background – capital growth in the 2000s

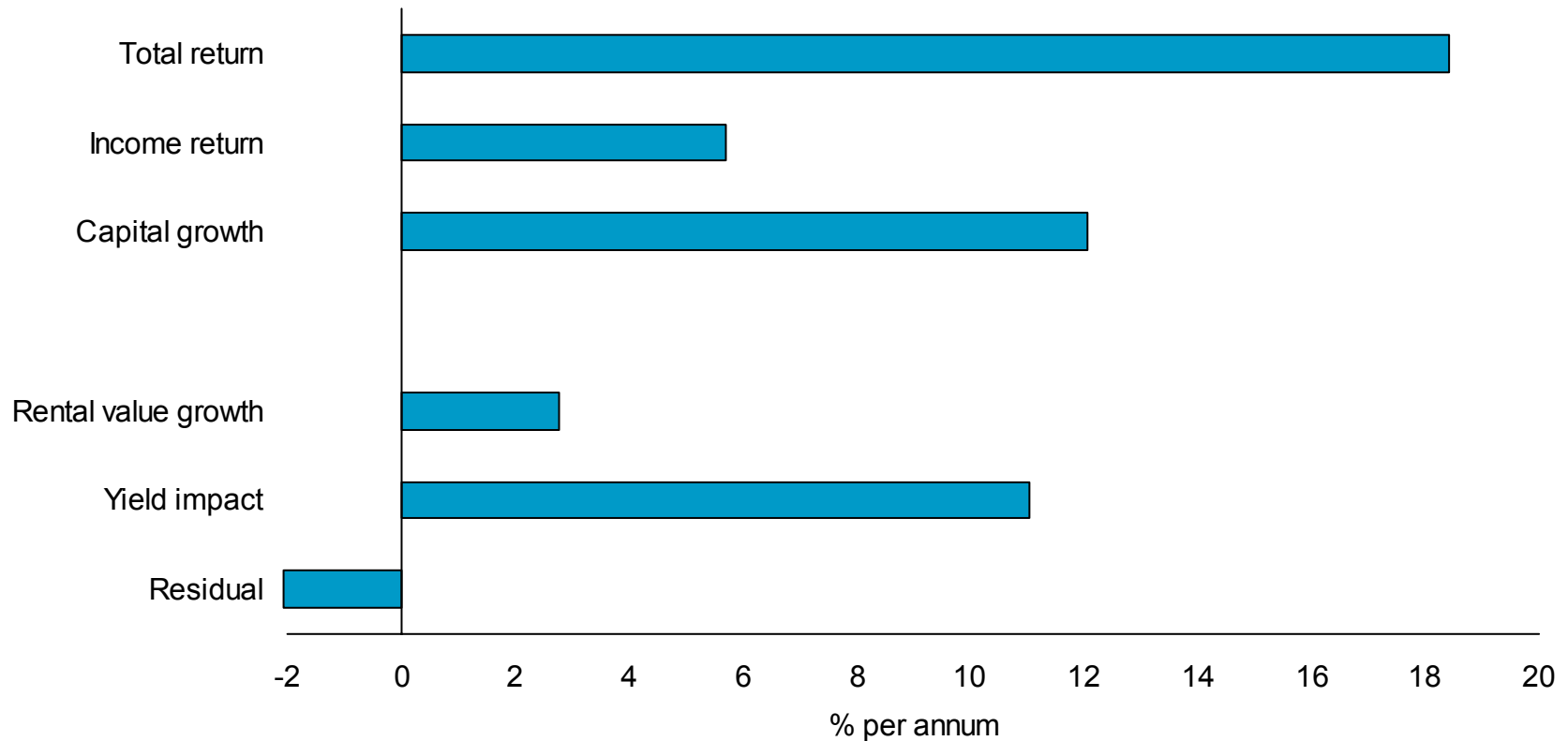


Source: IPD Annual Index 2000-2005, IPD Quarterly Index 2006

A 'feel good' factor for the property sector

Market background – disaggregation of property returns

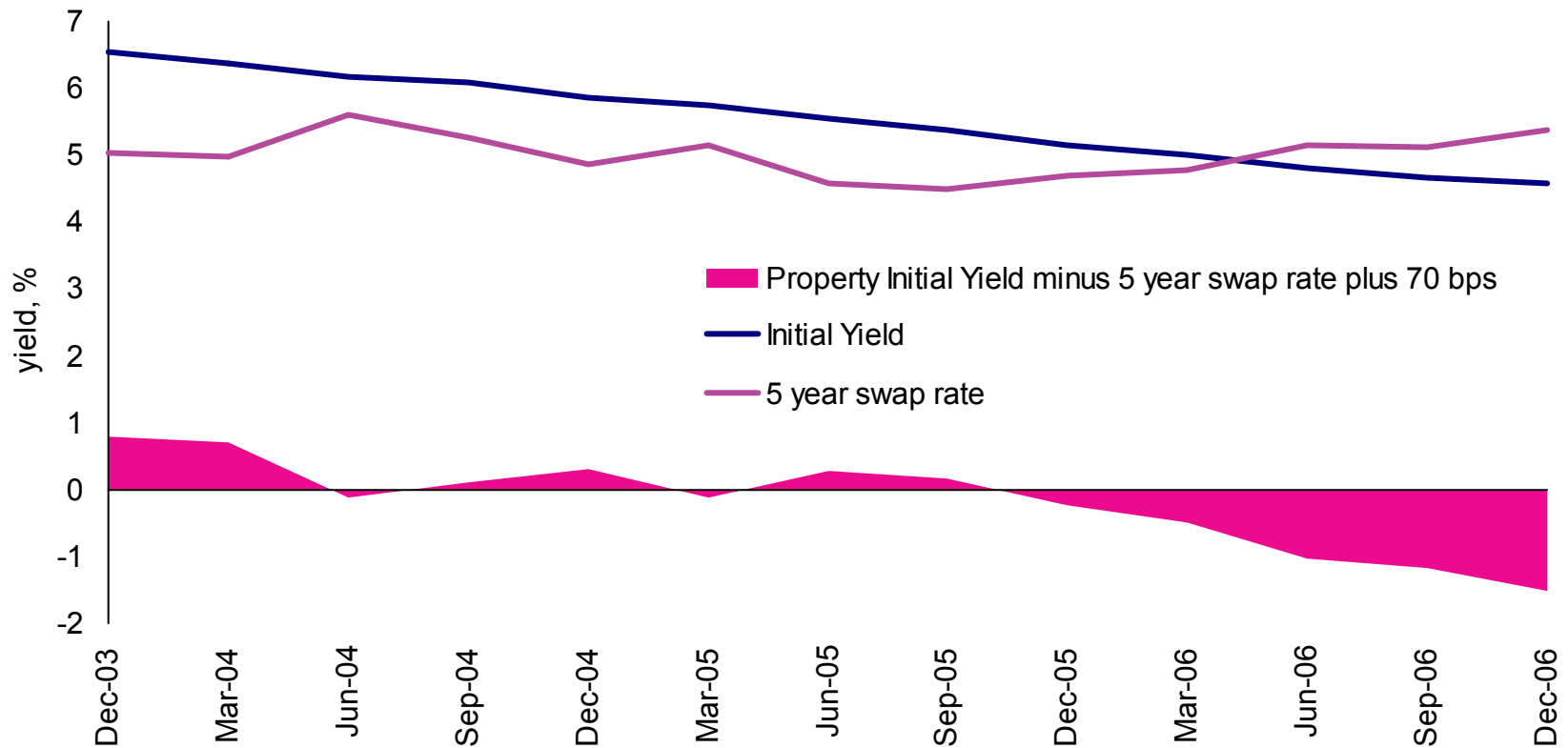
UK property performance – 3 years to December 2006



Source: IPD Quarterly Index – 3 years to 31 December 2006

Yield re-pricing significant driver of direct property returns

Market background – property yields relative to cost of debt



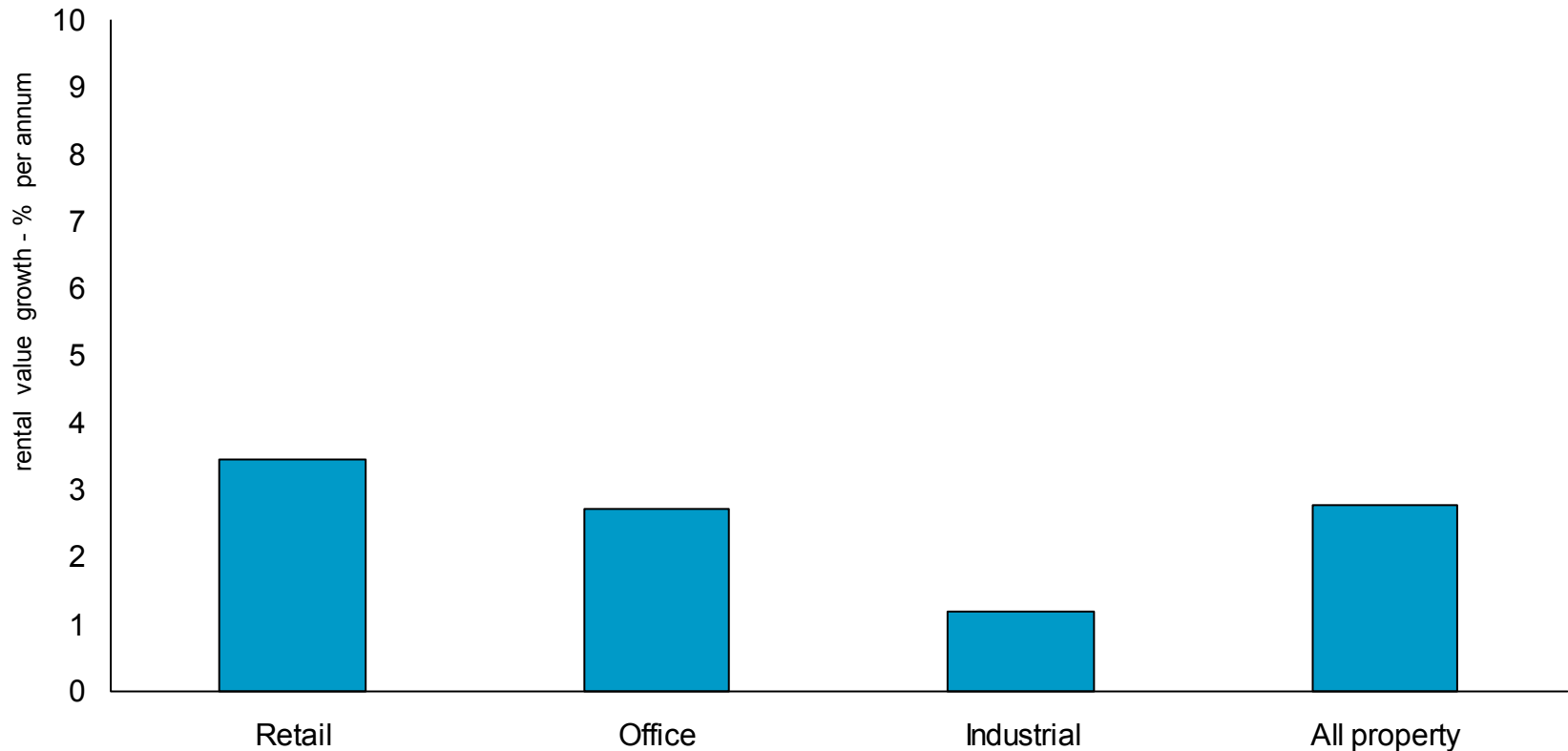
Source: IPD Monthly Index

129 bps relative movement during 2006



Market background – disaggregation by sector

UK rental value growth – 3 years to December 2006



Source: IPD Quarterly Index – 3 years to 31 December 2006

No bubble in rents – stable / good outlook



Land Securities' strategy



£3.7bn pipeline
Development

£2.0bn committed
Property Outsourcing

£0.5bn sold since
01/01/07
Sales

Increase capital invested in higher return activities, more sales

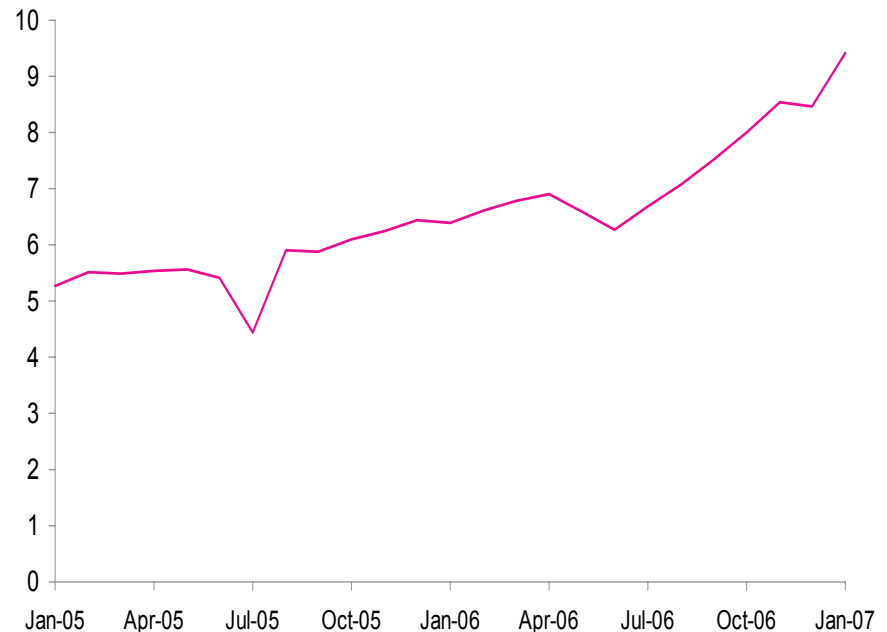
Being a REIT

Martin Greenslade
Group Finance Director

Land Securities as a REIT

| Rank | REIT | Market cap £bn |
|------|-------------------------------------|----------------|
| 1. | Westfield Group | 14.9 |
| 2. | Simon Property Group Inc | 12.0 |
| 3. | Land Securities | 9.5 |
| 4. | Vornado Realty Trust | 9.2 |
| 5. | Public Storage | 8.4 |
| 6. | Prologis | 7.9 |
| 7. | British Land | 7.7 |
| 8. | General Growth Props. | 7.4 |
| 9. | Equity Residential Trust Properties | 7.4 |
| 10. | Boston Properties | 7.0 |

% change in US shareholders base



Source: JPMorgan Cazenove Shareholder Analysis

- Changing shareholder base
- Impact on our operations limited to considerations around qualifying / non-qualifying



Weighted Average Cost of Capital (WACC)

| | REITable environment | Non-REITable environment |
|------------------------------------|--|--|
| Income from property / contract | No tax | Tax incurred – typically 30% |
| Debt | No tax shield; cost of debt = borrowing rate | Tax shield means effective cost of debt = borrowing rate less 30% |
| Cost of equity ⁽¹⁾ | Unchanged | Unchanged |
| WACC - after tax | Higher | Unchanged |
| - pre tax | Lower | Unchanged |

(1) Ignoring changes to company's beta

Pre-tax return requirement in a REIT world c. 2% lower



Land Securities – balance of business tests

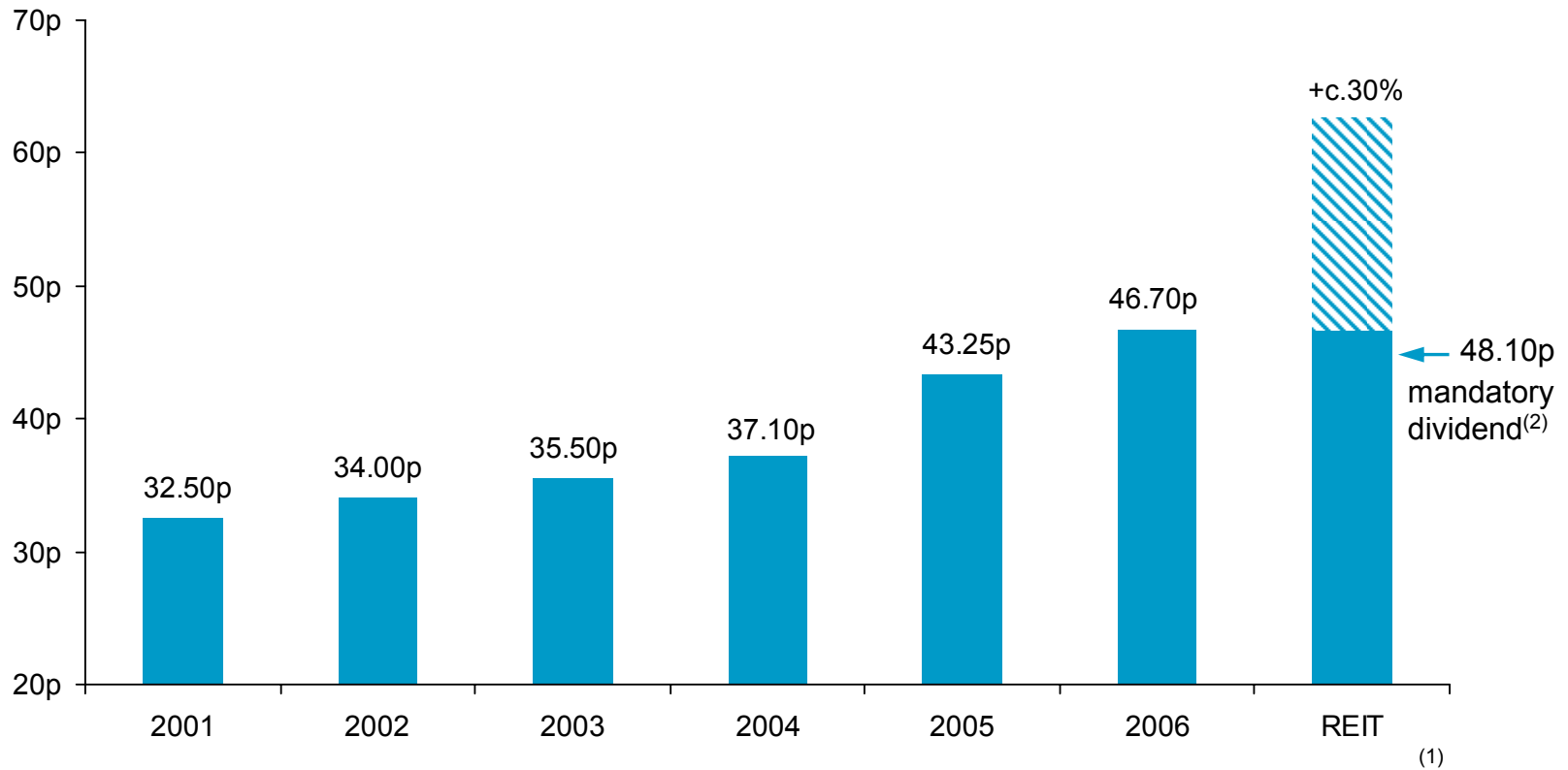
| Balance of business test | 6 months to / as at 30/09/06 | |
|--------------------------|------------------------------|---------|
| | Tax exempt | Taxable |
| 75% profits test: | 88.1% | 11.9% |
| 75% assets test: | 93.4% | 6.6% |
| Interest cover ratio: | > 2.0x | |

| Source of income | REIT-able? | Comment |
|--|------------|--------------------------------------|
| Investment properties | ✓ | |
| Developments | ✓ | |
| Capital gains on investment properties | ✓ | Except developments < 3 years |
| Long-term contracts / trading profits | x | Neither income nor cap gains |
| DWP | ✓ | Some services taxed |
| NU | ✓ | |
| DVLA | x | Not considered rental income |
| Barclays | ✓ / x | Only income from investment property |
| Telereal | x | |
| Accor | ✓ | |
| Royal Mail | ✓ | |
| SMIF | x | |
| IIC | x | |
| DTR | x | Possible; await contract |

Aim to use 25% non-qualifying profits for higher returns



REIT dividend policy



(1) REIT dividend uplift will be split over two financial periods

(2) Assuming the Group had been a REIT for the year ended 31 March 2006

Stepped progression in dividend



Land Securities' strategy



£3.7bn pipeline

Development

£2.0bn committed

Property outsourcing

**£0.5bn sold
since 01/01/07**

Sales

Strategy accommodated by REIT rules

Land Securities Trillium presentation

Trillium management team



Agenda

- Our business and operating model
- Existing contracts performance
- Public Private Partnerships
- Defence Training Review
- Investment Capital Strategy
- Financials

Ian Ellis

David Godden

Barry Williams

Mike Schraer

William Doughty

Martin Greenslade

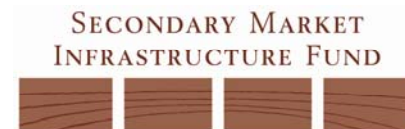


Land Securities Trillium (LST)

- Produced £120m of profit and 19.5% return on capital employed in 12 months ending 30 September 2006
- 51 million ft² under management
- Preferred bidder and provisional preferred bidder on 7 million ft² Defence Training Review
- Accor hotels and Royal Mail added to outsourcing partnerships
- Acquisition of SMIF and IIC secures market leading Public Private Partnership platform

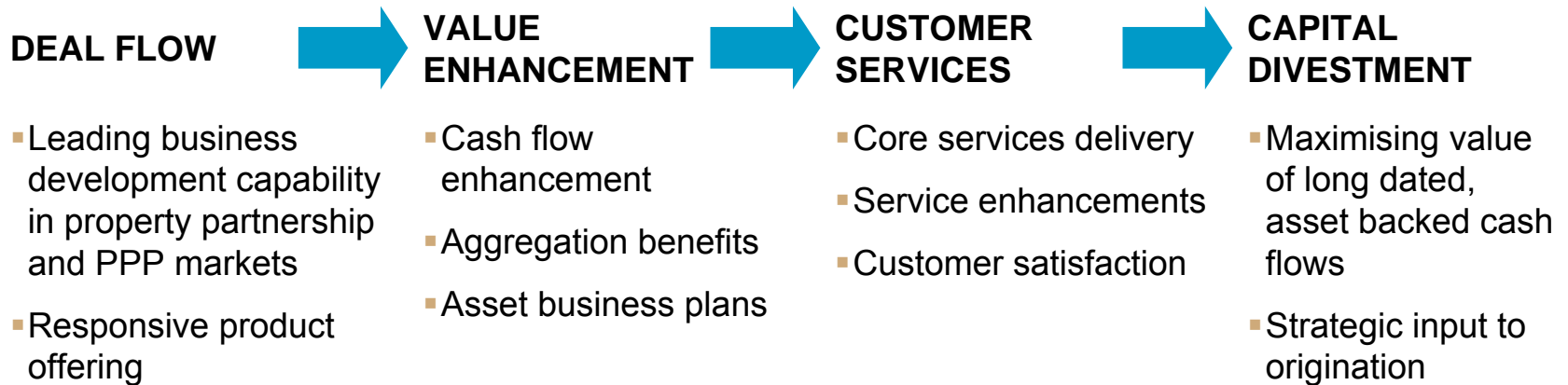
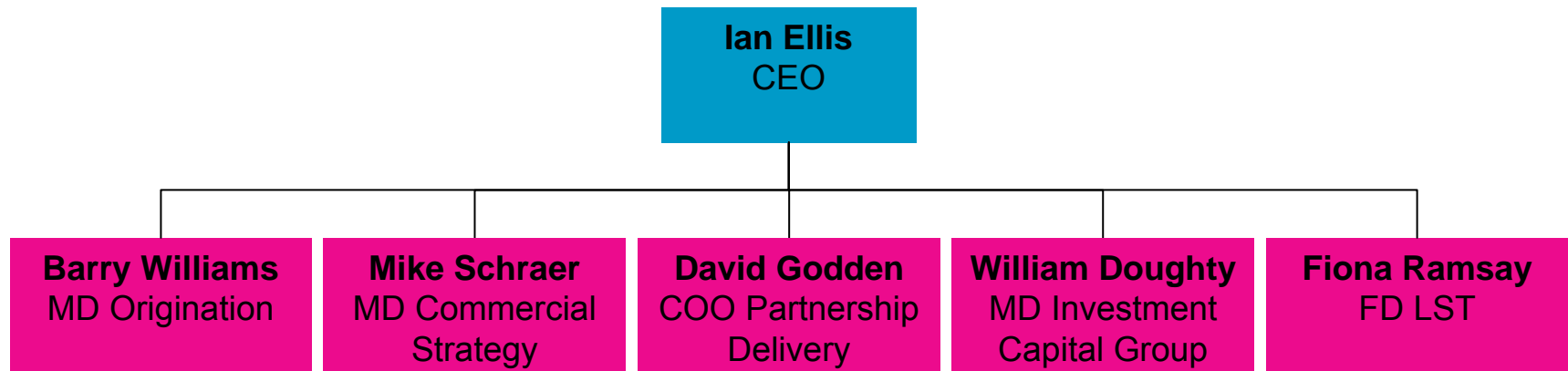
DWP

Department for
Work and Pensions



Strong performance and growth

The LST business model and management team



End to end strength and capability



LST's offer driving shareholder returns

We provide

- Leading partnership culture
- Development expertise
- Value adding asset management
- Customer focused service delivery
- Risk management
- Flexibility
- Price certainty

Our customers get

- Successful long term partner
- Improved working environment
- Capital released
- Better value for money
- Innovation
- Continuous improvement
- Responsive customer service

Our shareholders get

- Long term, secure cash flows
- Attractive risk weighted returns
- Continuing market growth
- New business from existing customers
- Access to new markets

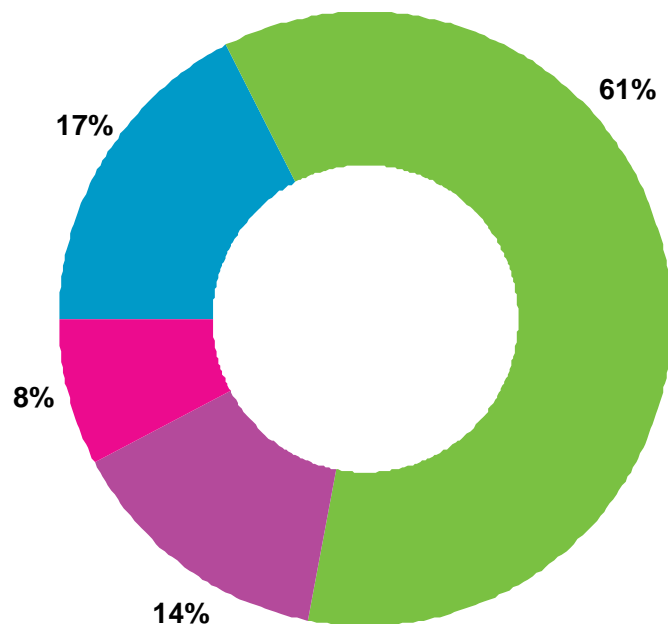
Aligned with our customers' business objectives





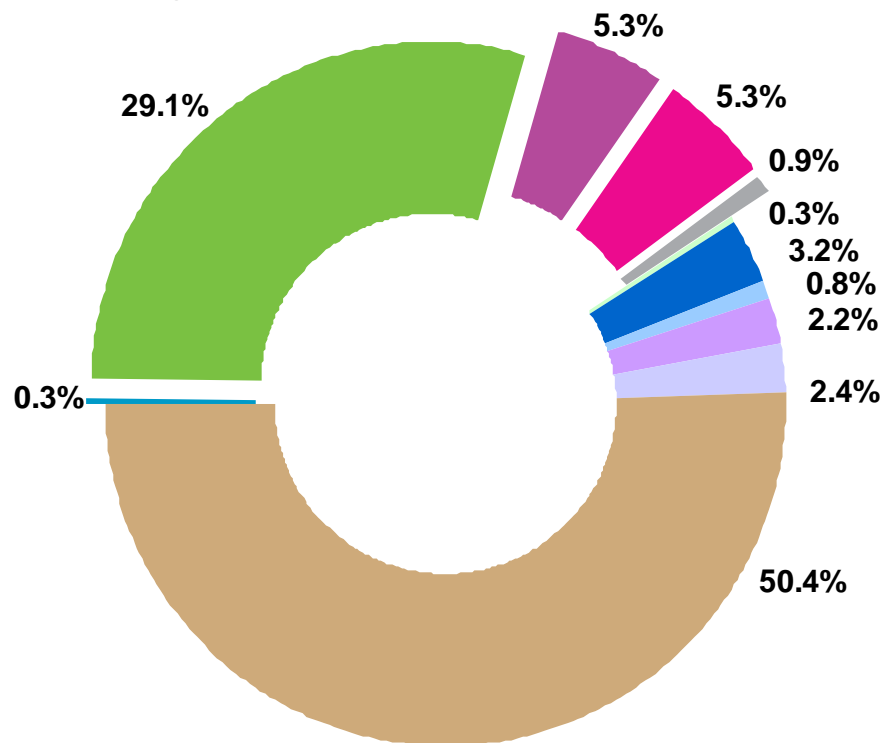
LST: strategic progress

Existing portfolio by use



Education Office
Other Health

Existing portfolio by floor area



SMIF PPP New PPP Barclays DWP
Accor IIC DVLA Leicester Grammar School
Royal Mail Telereal II Norwich Union

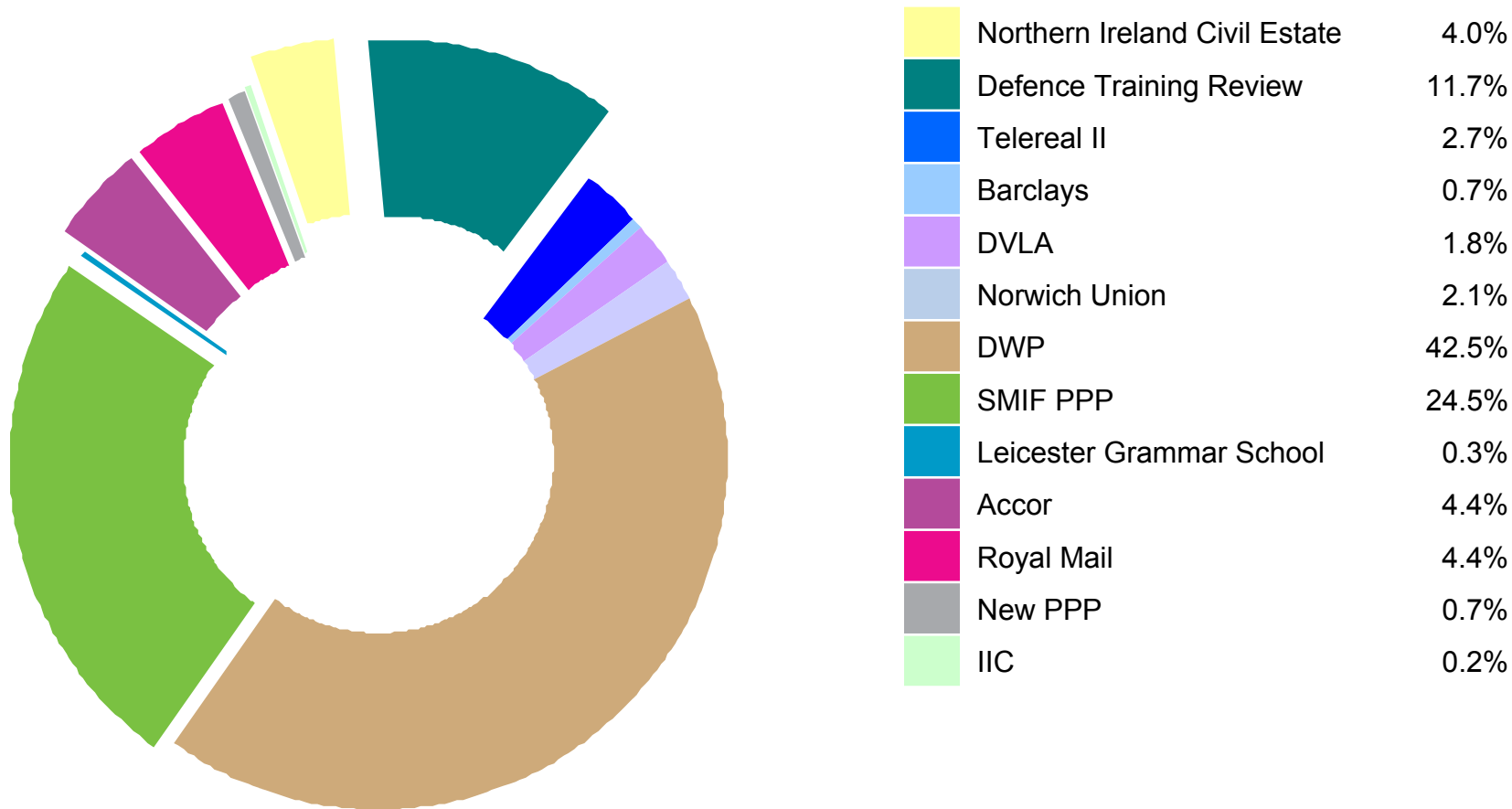
51 million ft² portfolio reflects successful growth strategy





LST: strategic progress

Potential portfolio by floor area



61 million ft² potential portfolio



Existing contracts performance

David Godden

Property partnerships: contract details

Dept. for Work & Pensions

20 year agreement

1,550 properties (25.2 million ft²)

Expanded estate

Full outsourcing



DVLA

20 year agreement

58 properties (1.0 million ft²)

£30m capital investment

Entire estate

Full outsourcing

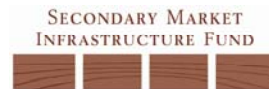


Community Infrastructure

100 PPP projects (15.1 million ft² - equity weighted)

Hospitals, Prisons, Schools,

Community partnerships



Norwich Union

25 year agreement

24 properties (1.2 million ft²)

£120m capital investment

25% of estate

Growth potential



Telereal II

£300m sale of share of Telereal

Leasehold estate management agreement to 2010

50 properties (1.6 million ft²)



Barclays Bank

20 year agreement

31 surplus properties (0.6 million ft²)

1 long leasehold property (0.12 million ft²)

Part of estate

Growth potential



Tailor made solutions

Property partnerships: contract profits (as at 30/09/06)

| £m | 2002* | 2003* | 2004* | 2005* | 2006* | H1 2007** |
|---------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|
| Contract level operating profit | | | | | | |
| DWP | 56.0 | 64.3 | 51.1 | 81.4 | 97.7 | 42.8 |
| Barclays | - | - | - | - | 2.5 | 1.2 |
| DVLA | - | - | - | - | 1.0 | 0.7 |
| Norwich Union | - | - | - | 6.1 | 5.0 | 3.9 |
| Telereal II | - | - | - | - | 6.9 | 7.0 |
| IIC | - | - | - | - | - | (1.1) |
| TOTAL | 56.0 | 64.3 | 51.1 | 87.5 | 113.1 | 54.5 |

* In accordance with UK GAAP

** In accordance with IFRS

Strong growth

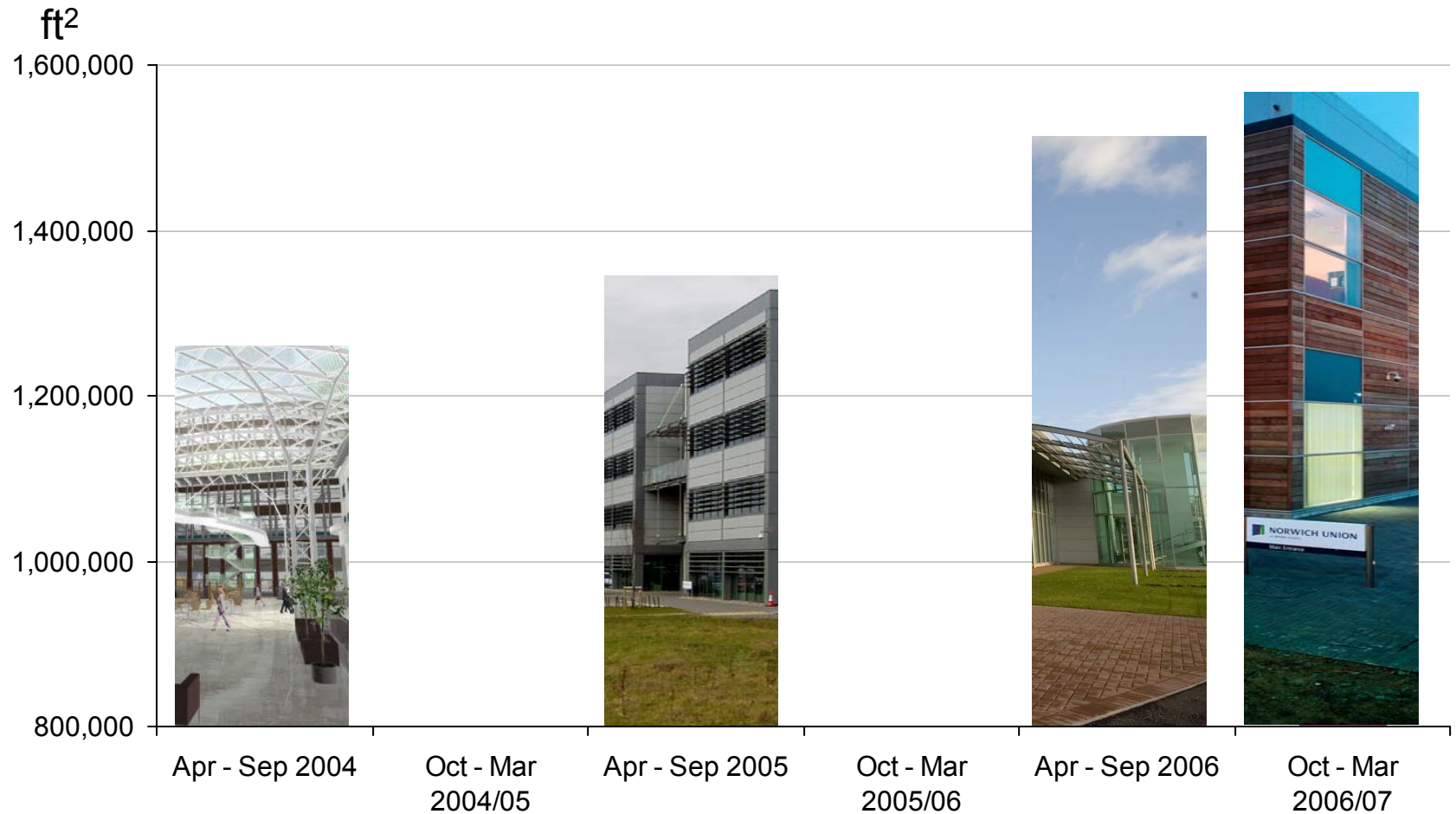


Property partnerships: drivers of profit growth

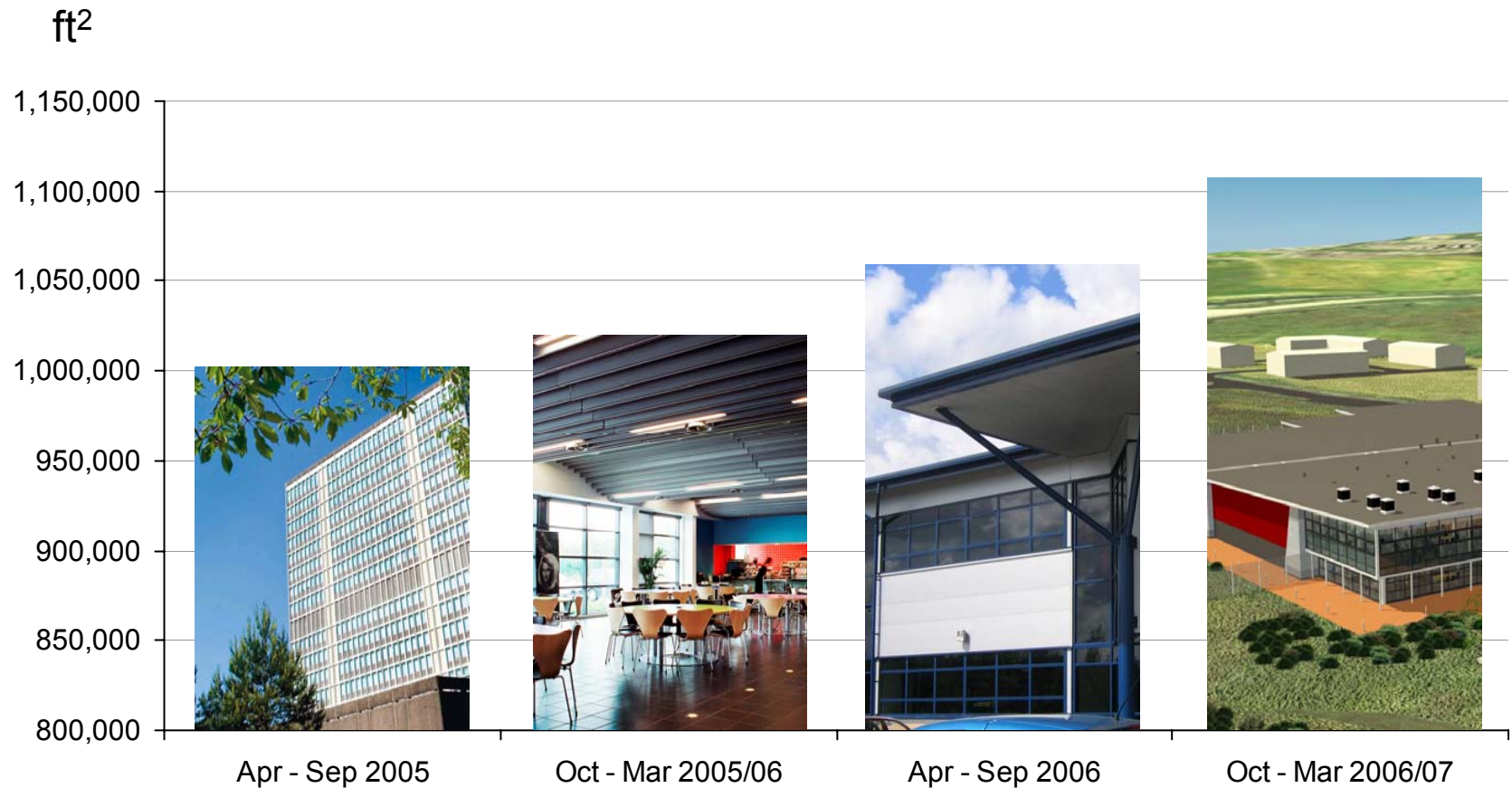
- Implementation
- Risk management
- Strong delivery
- Customer satisfaction
- Relationship management



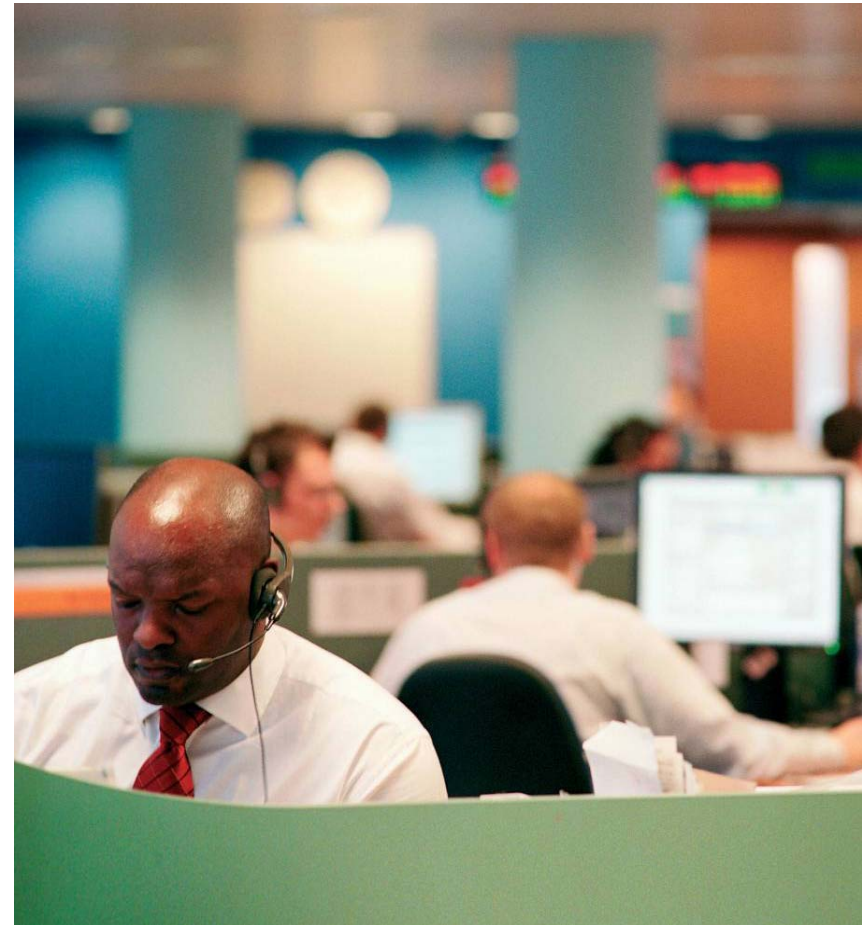
Property partnerships: Norwich Union contract growth



Property partnerships: DVLA contract growth

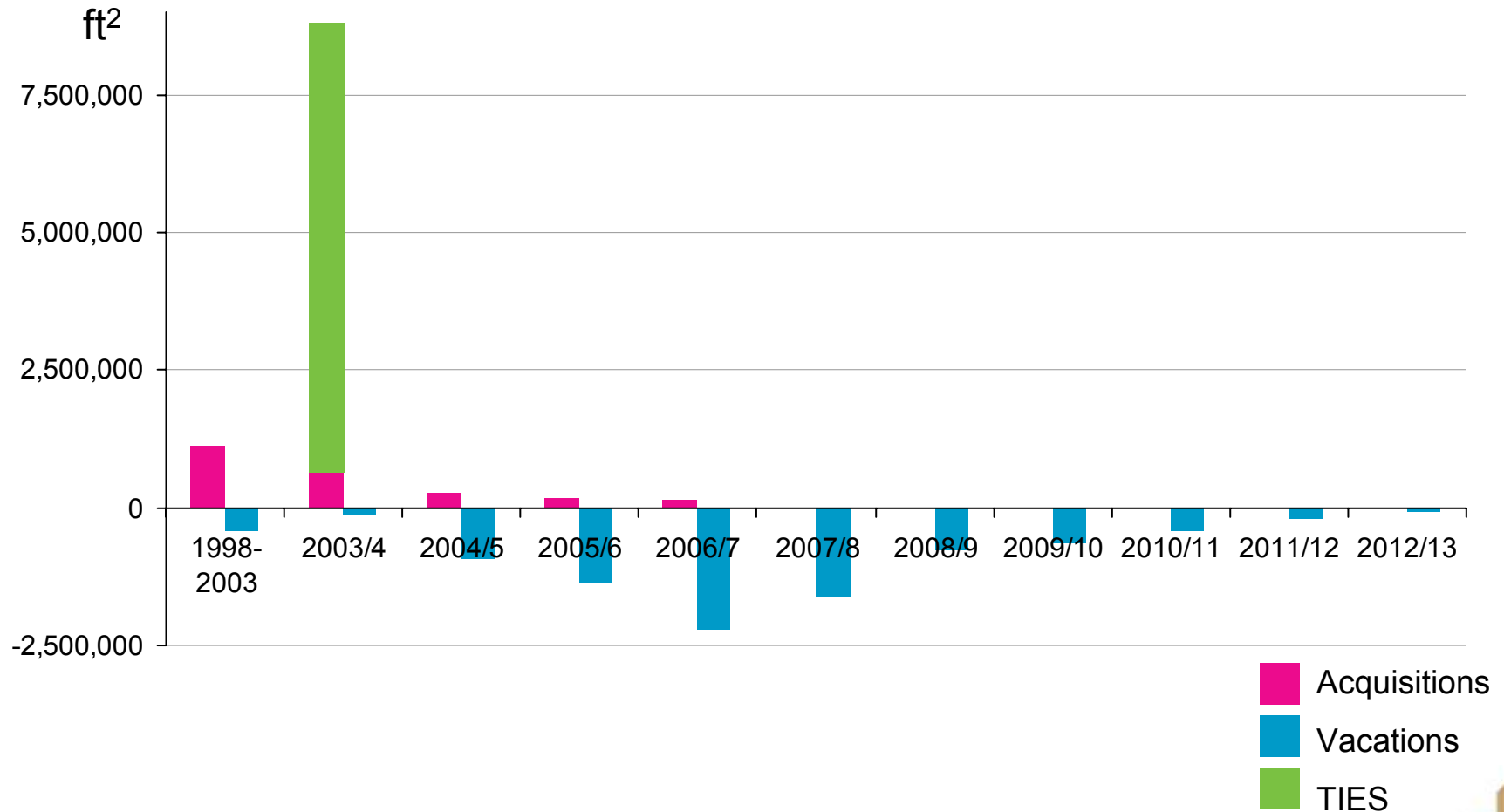


Property partnerships: DWP customer satisfaction

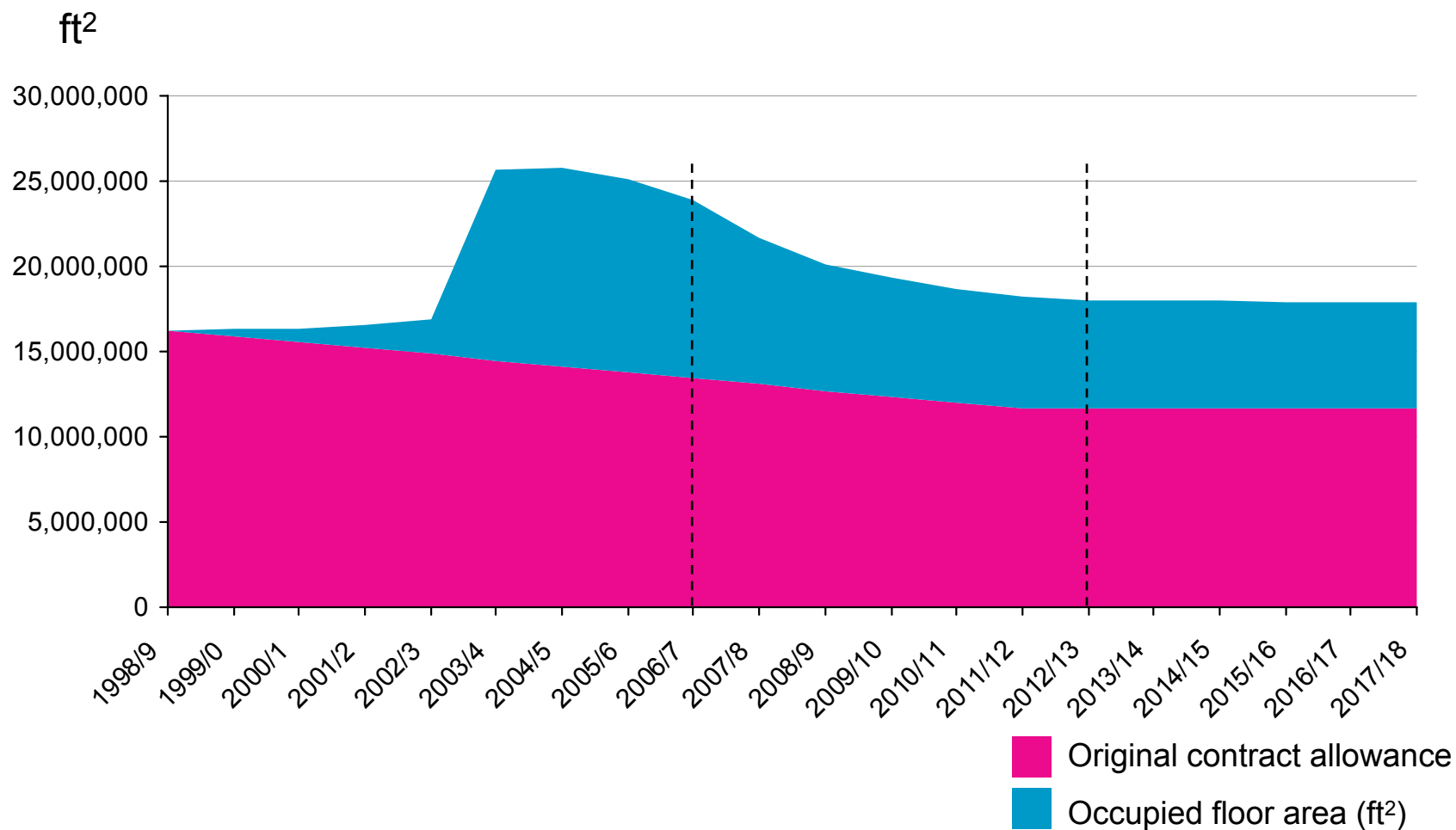


Creating space people value

Property partnerships: DWP contract growth and vacations



Property partnerships: DWP contract growth



Origination Group - securing high prospect
cash flow

Barry Williams

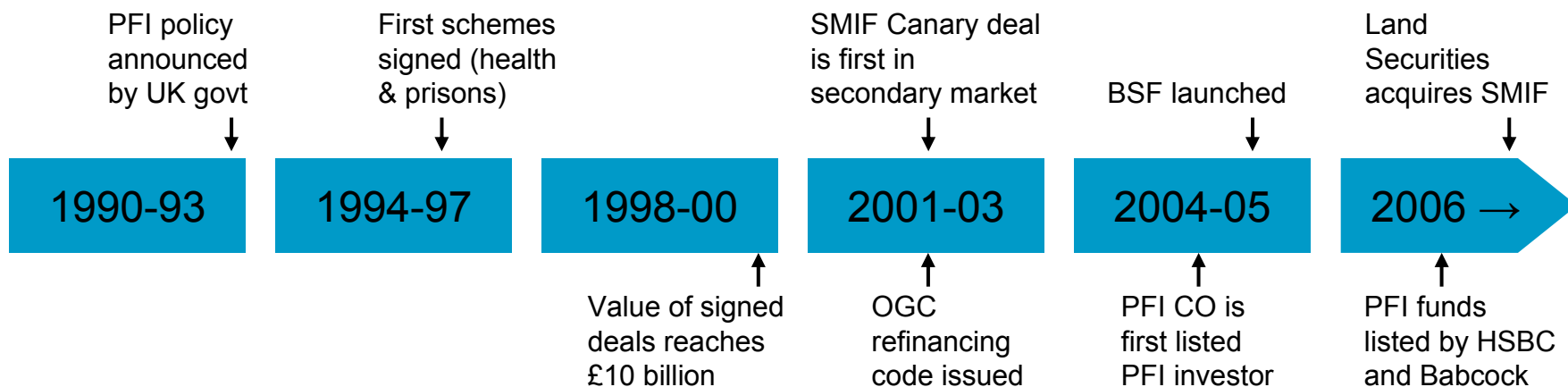
Overview

- Context
- Target markets
- Asset characteristics
- Case study
- Strategy
- LST proposition

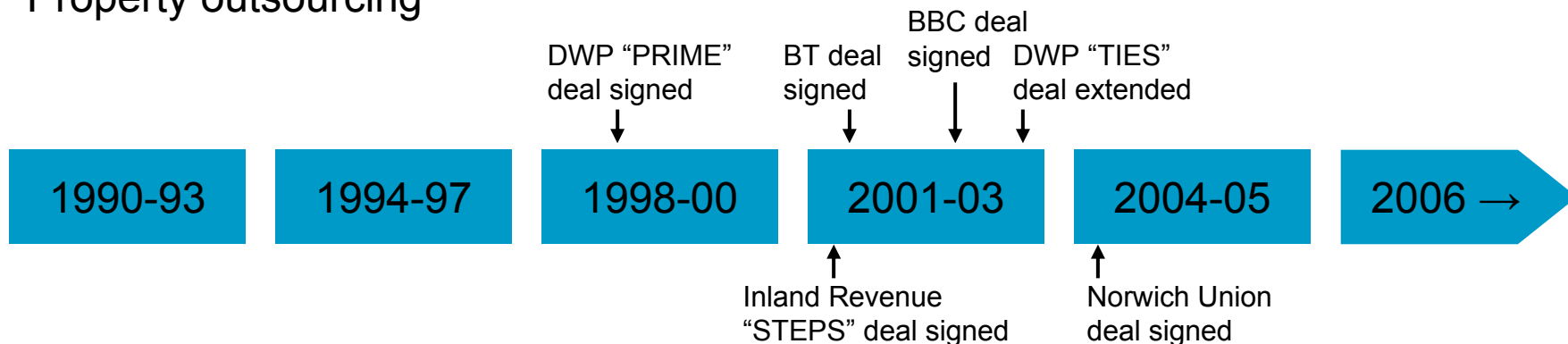


Context

PPP/PFI



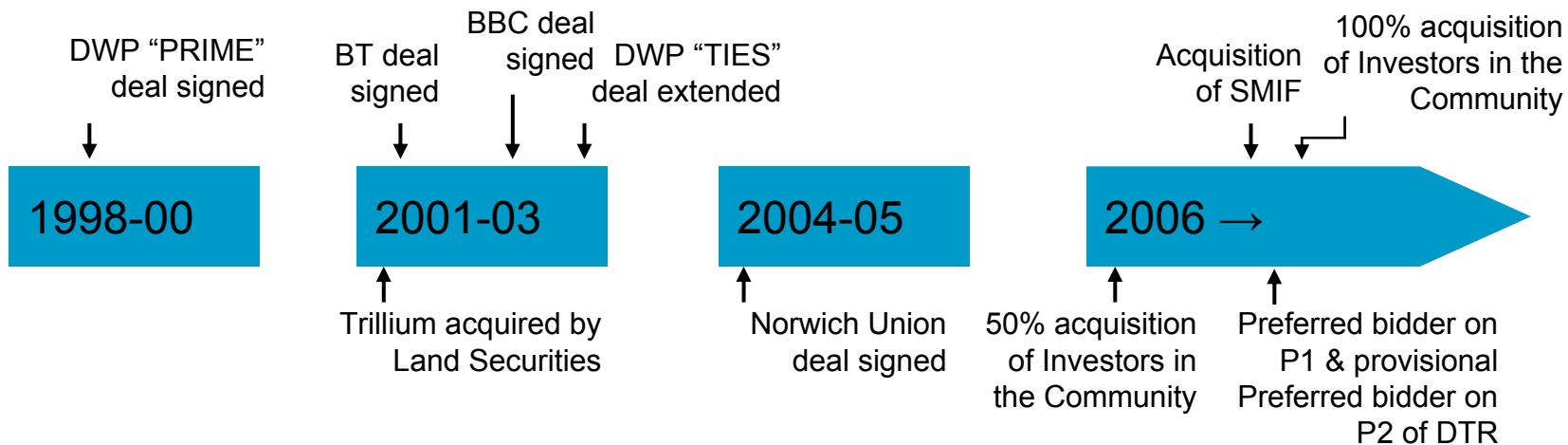
Property outsourcing





Context

History of LST





Context

Current and future market

| £m | Existing capital values | Prospective capital values (5 yrs) |
|--------------|-------------------------|------------------------------------|
| UK PPP | 61,000 | 30,000 |
| European PPP | 34,000 | 67,000 |

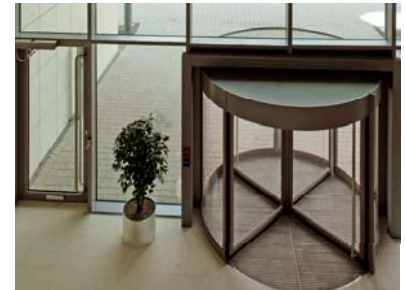
LST expects to secure less than 10% of this market.





Asset characteristics

- Credit quality
- Inflation linked
- Minimal volatility
- High debt capacity

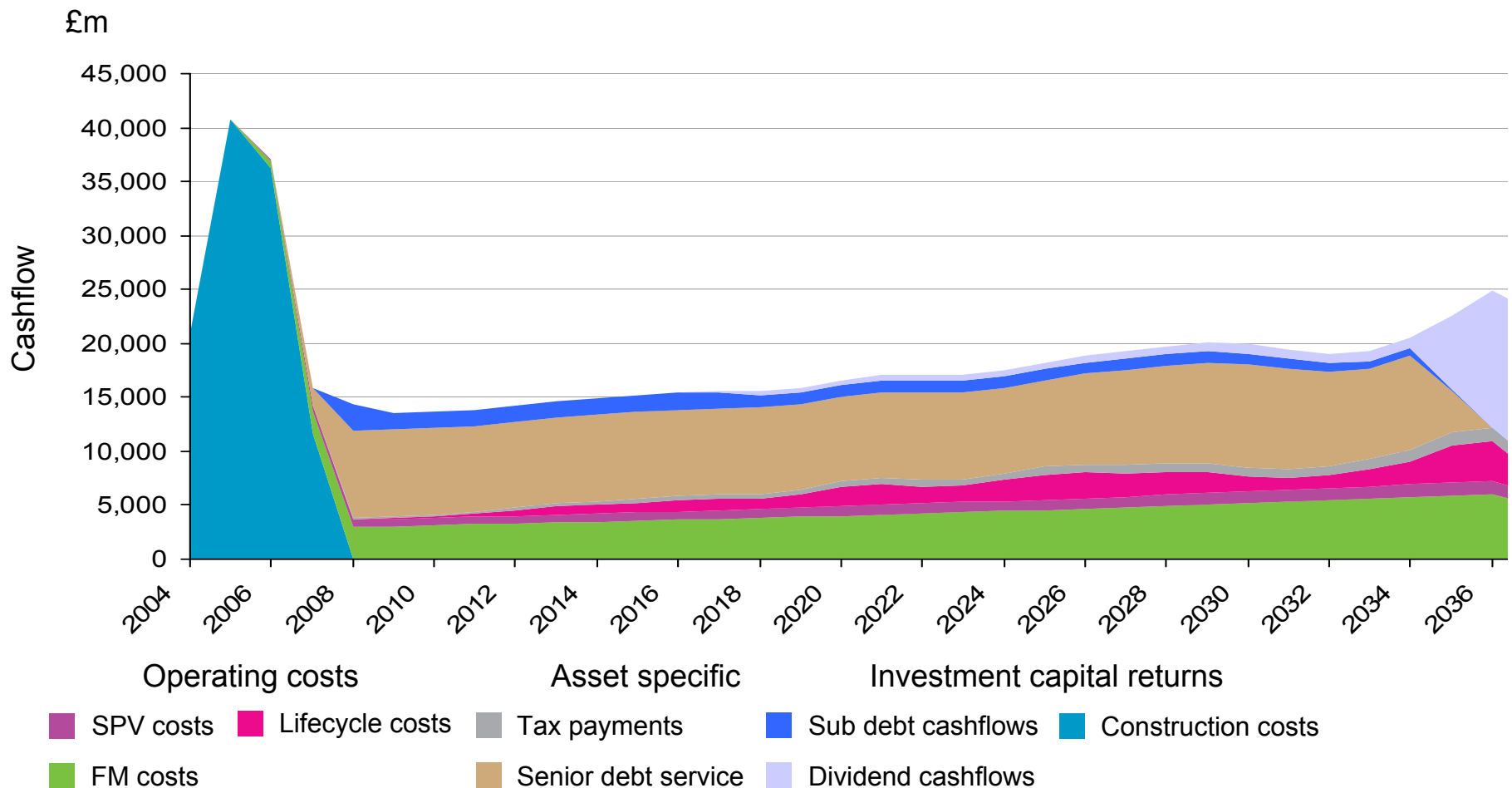


High quality, secure, long dated cashflow





Asset characteristics



High prospective cashflow



Case study

Falkirk schools

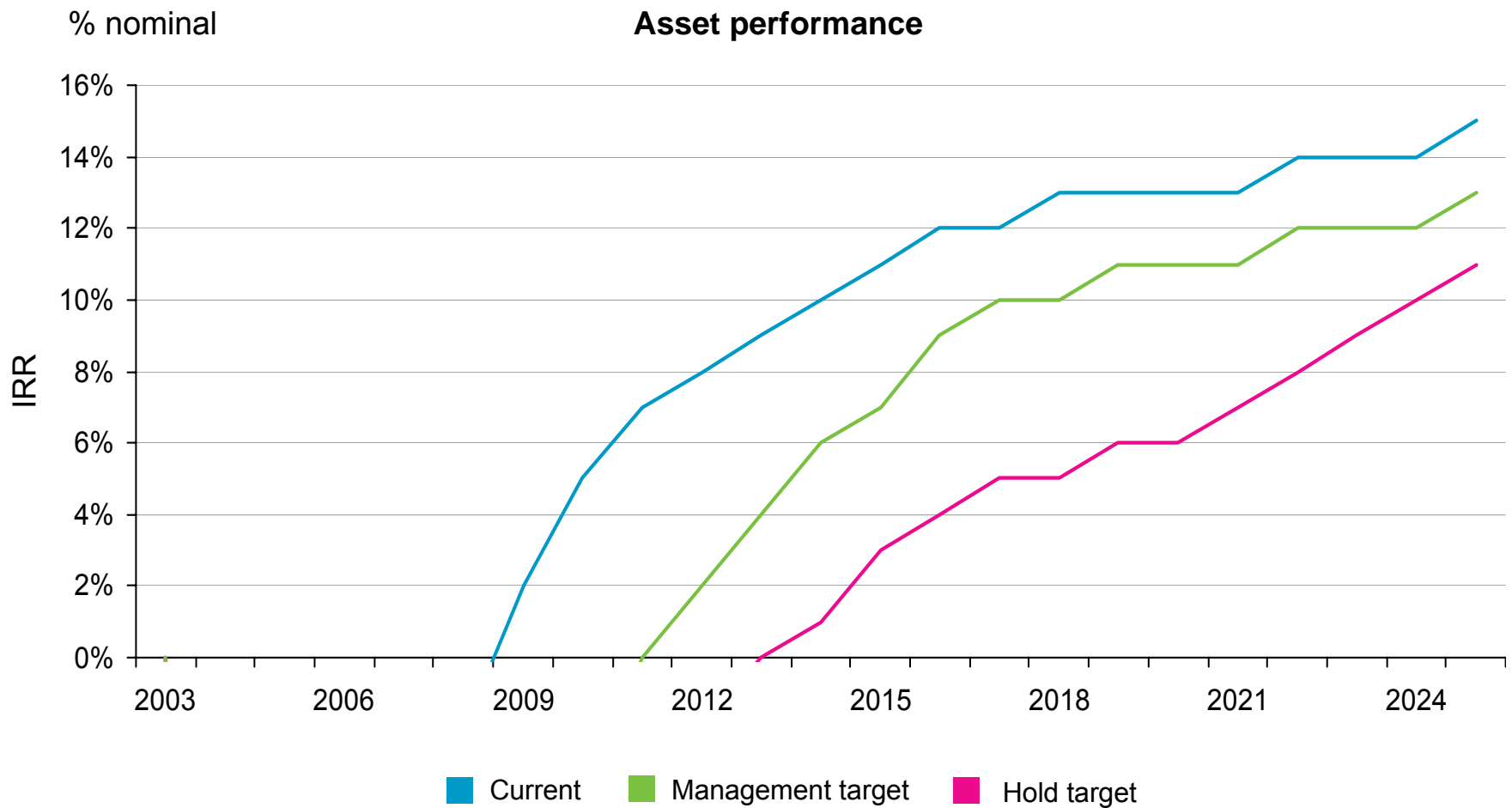
- Background
 - PPP contract
 - Five schools
 - 28 year concession
- Acquisition
 - 86.7% in 2004 from HSBC
 - 13.3% in 2005 from Quayle Munro
- Enhancement
 - Asset Management taken over in 2005
 - Insurance taken into portfolio 2004
 - Refinancing in 2006



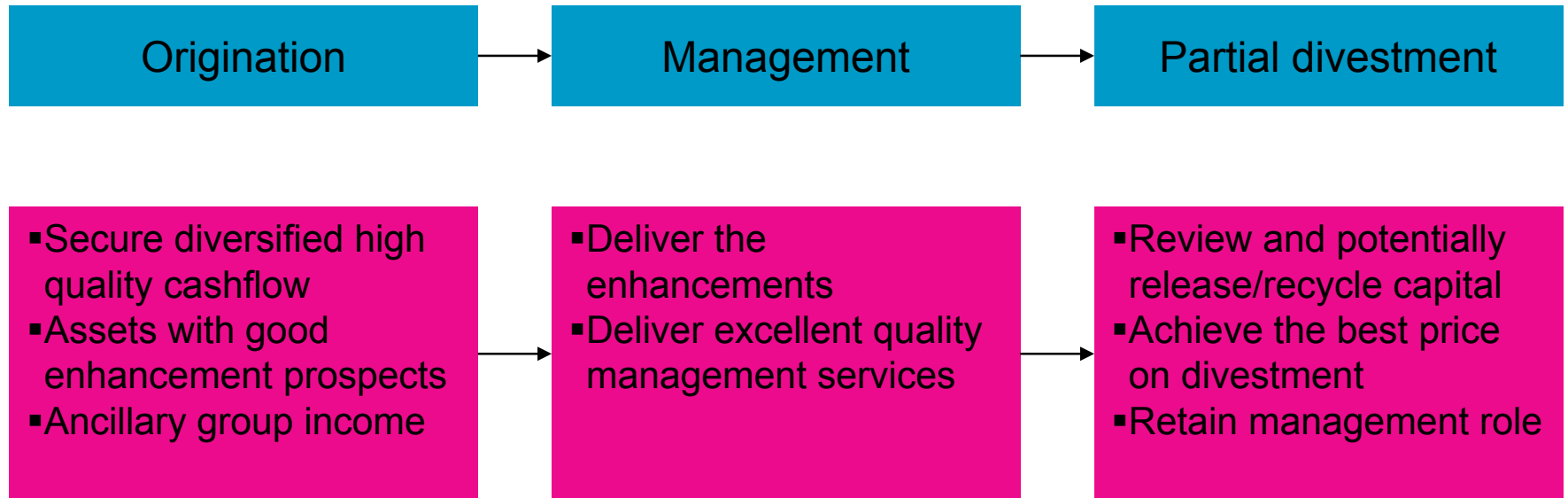


Case study

Falkirk schools (continued)



Strategy



Strategy

Origination

- Primary
 - eg BSF
- Secondary
 - eg Grosvenor
- Investment partnerships
 - eg Kier project investments





Strategy

Returns

| | Bidding | Acquisition | Partnership |
|--------------------|---------|-------------|-------------|
| At close | 11-12% | 5-8% | 9-11% |
| Enhanced | 13-15% | 9-12% | 10-13% |
| Partially divested | 20% + | 20% + | 20% + |





The LST proposition

Resources

- LST
- SMIF
- IIC

Skills

- Origination
- Value management
- Portfolio enhancement
- Financing

Culture

- Active partnership
- Success driven
- Service excellence



Land Securities Trillium presentation part 2

Trillium management team

Defence Training Review

Mike Schraer



The defence estate

Future opportunities for LST

- Immense pressure on armed forces' operational and equipment budgets means asset management is key
- £1.5bn pa cost of its estate
- 240,000 hectares (ha) with over 4,000 sites; an area equivalent to about one per cent of the UK landmass
- 45,000 buildings and some 49,000 houses
- 21 major armed forces training areas
- “MoDEL” structure may be a platform for future opportunities



The Defence Training Review

- Tri-service training solution
- 25 year PFI worth around £15bn
- £1bn capital investment in construction of new Defence Academy
- Around 7million ft²
- 11,000 trainees and 4,000 staff on site
- Full service contracts and full risk transfer
- Flexible demand within pre-set ranges





50:50 shareholders



Principle sub-contractors

Land Securities Trillium

QinetiQ

Propco

Trainco



LAING O'ROURKE



Backed by world class training and property suppliers



Timetable

- | | |
|---|-----------------|
| ■ Announcement of P1 preferred bidder and P2 provisional preferred bidder | 17 January 2007 |
| ■ P2 preferred bidder | Autumn 2007 |
| ■ Financial close | December 2008 |





A massive construction and refurbishment project

| million ft ² | New Build | Refurb | Retain | Total |
|-------------------------|-----------|--------|--------|-------|
| P1 | 2.85 | 1.47 | 0.13 | 4.45 |
| P2 | 1.87 | 0.18 | 0.49 | 2.54 |
| Joint | 4.72 | 1.65 | 0.61 | 6.99 |



Package 1

COSFORD
Existing RAF AE & CIS

DIGBY
RAF CIS

CRANWELL
RAF AE

St ATHAN

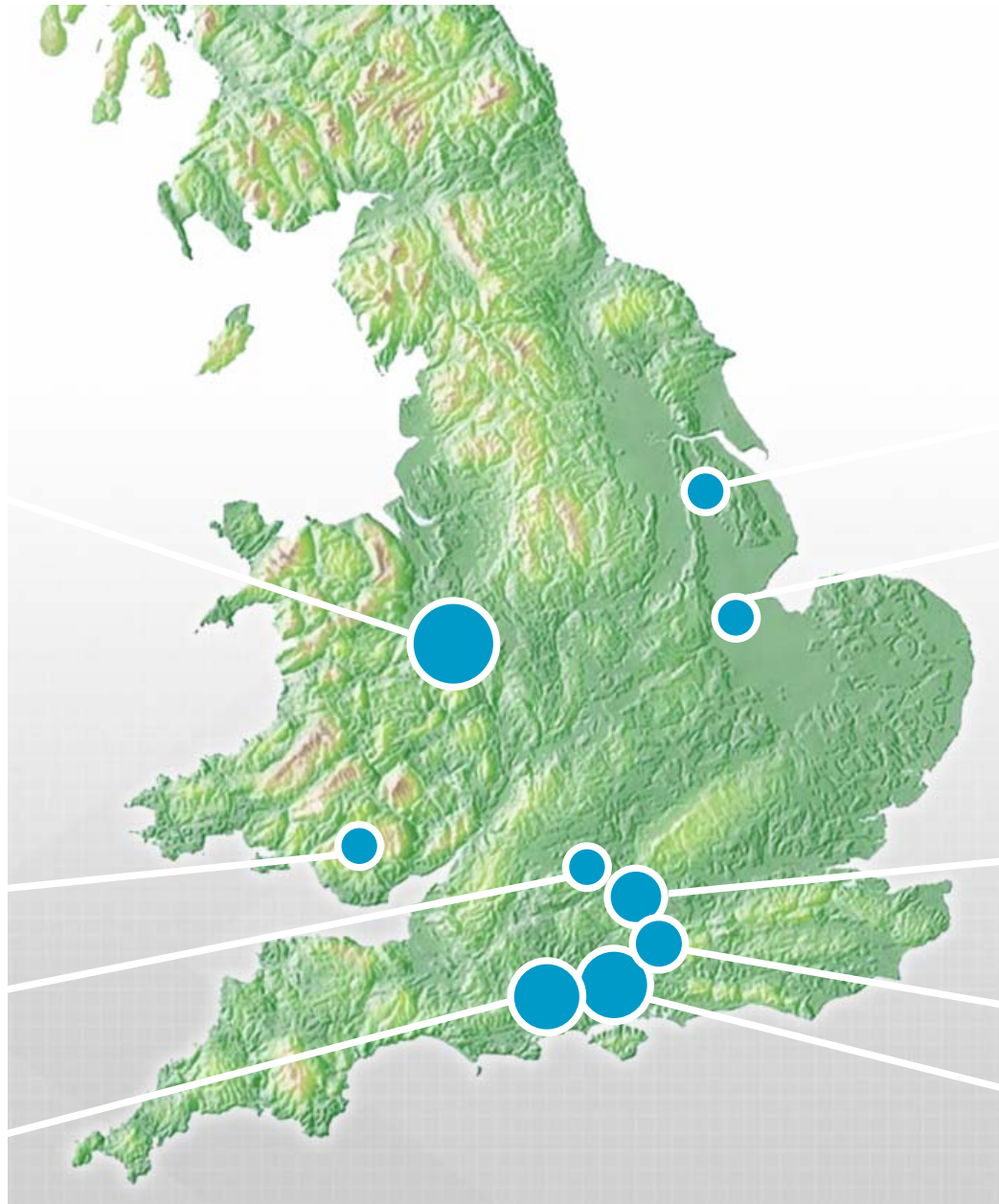
ARBORFIELD
REME AE

SHRIVENHAM
CIS

BORDON
REME AE

BLANDFORD
RSS CIS

SULTAN
RN AE and EM





Package 1

Technical

COSFORD
Existing RAF AE & CIS

St ATHAN

SHRIVENHAM
CIS

BLANDFORD
RSS CIS

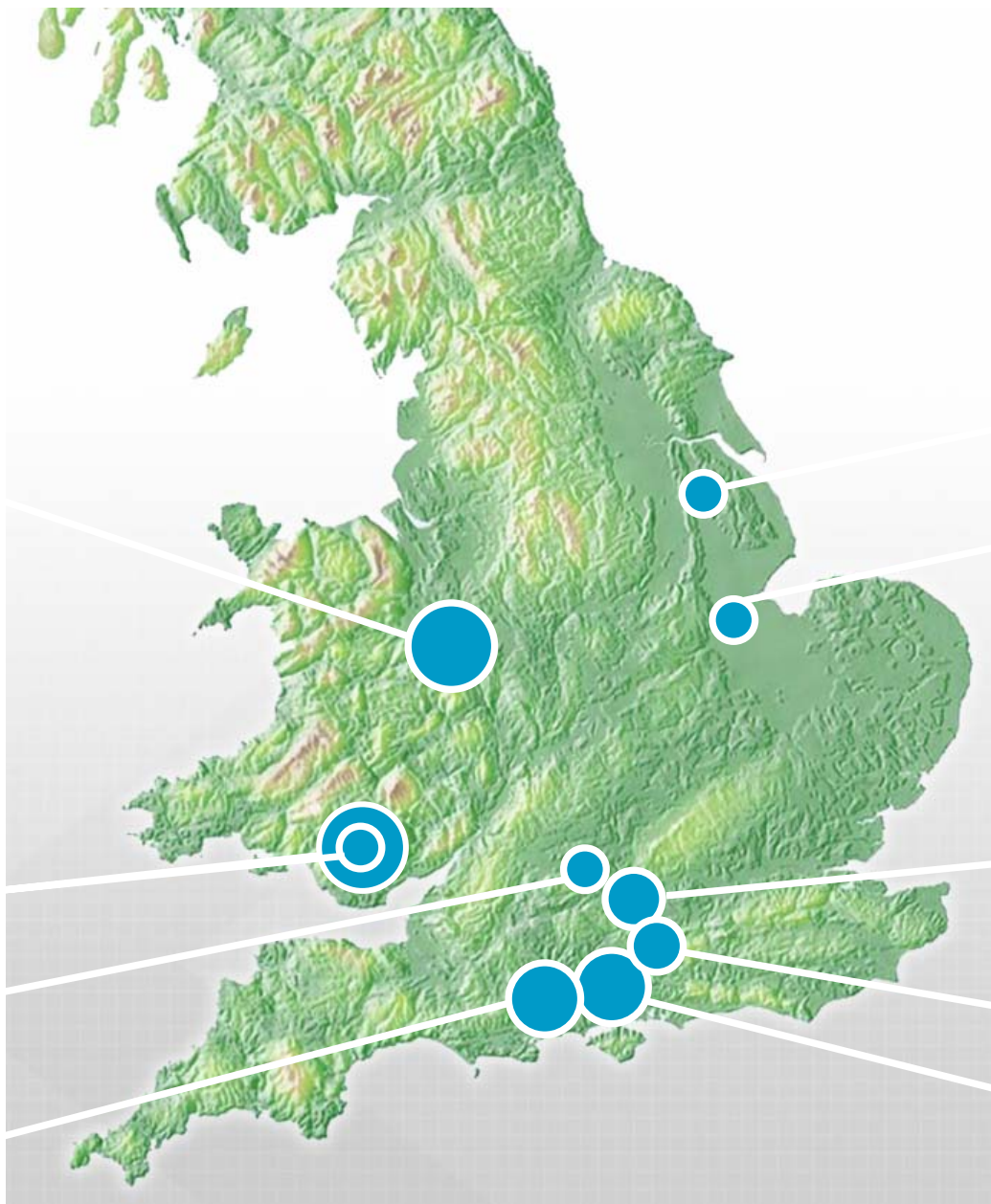
DIGBY
RAF CIS

CRANWELL
RAF AE

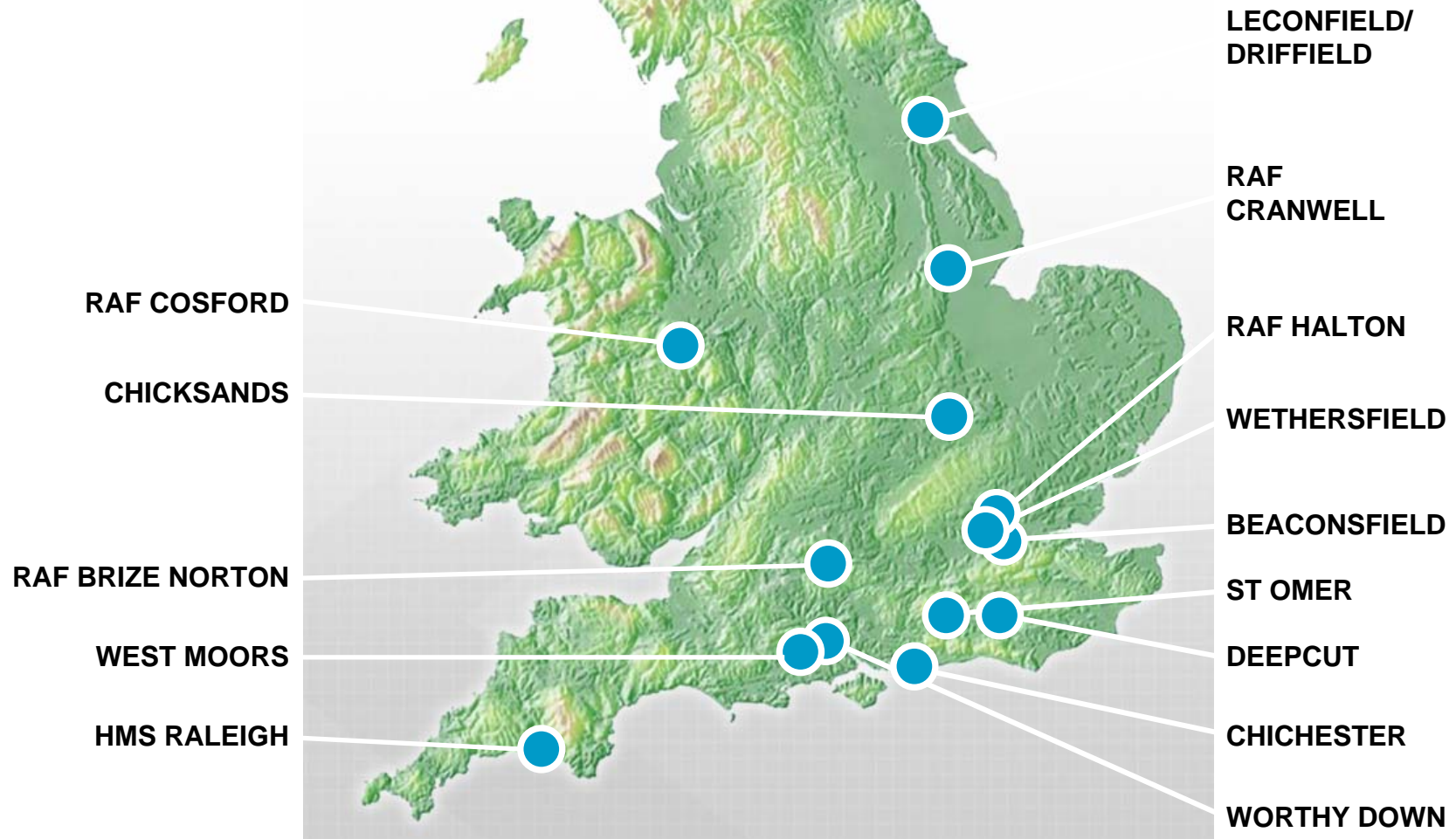
ARBORFIELD
REME AE

BORDON
REME AE

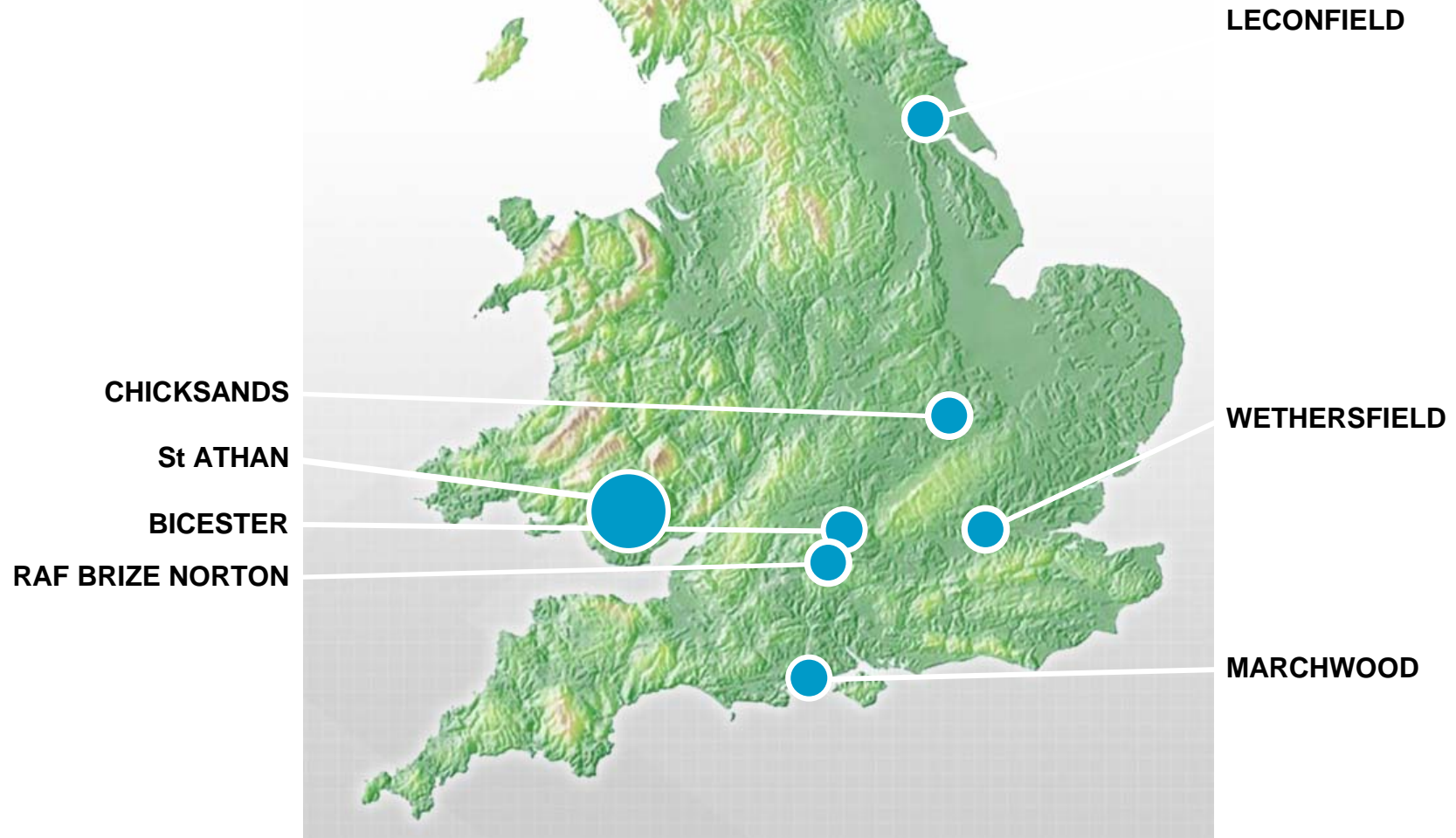
SULTAN
RN AE and EM



Package 2



Package 2





Strong underlying cash flows

- Profitable in three years
- Return on equity investment in Metrix – a highly leveraged PPP-style SPV
- Margins on construction management
- Margins on lifecycle, risk transfer and facilities management services
- Backed by long term MoD commitment and future training needs
- Modelled demand flex



The defence estate

Future opportunities for LST

- Future MoD opportunities more likely to follow the “MoDEL” model than major PPPs such as DTR
- Massive MoD estate remains to be tapped
- Successful DTR close would position us well in this large new market



Investment Capital Group – creating value through strategic divestment

William Doughty



Core objectives



- Land Securities Trillium created the Investment Capital Group to manage and recycle investment capital utilised within its community infrastructure activities

- Key drivers:
 - LST's powerful origination capability needs new capital
 - Attractiveness of asset class to investors particularly PPP
 - Acceleration of investment earnings through partial divestment
 - Potential for ongoing management income





Investment capital group

World Bank states US \$17 trillion to be invested in infrastructure by 2010

Pensions and international superannuation funds around the world funds seeking low risk liability match



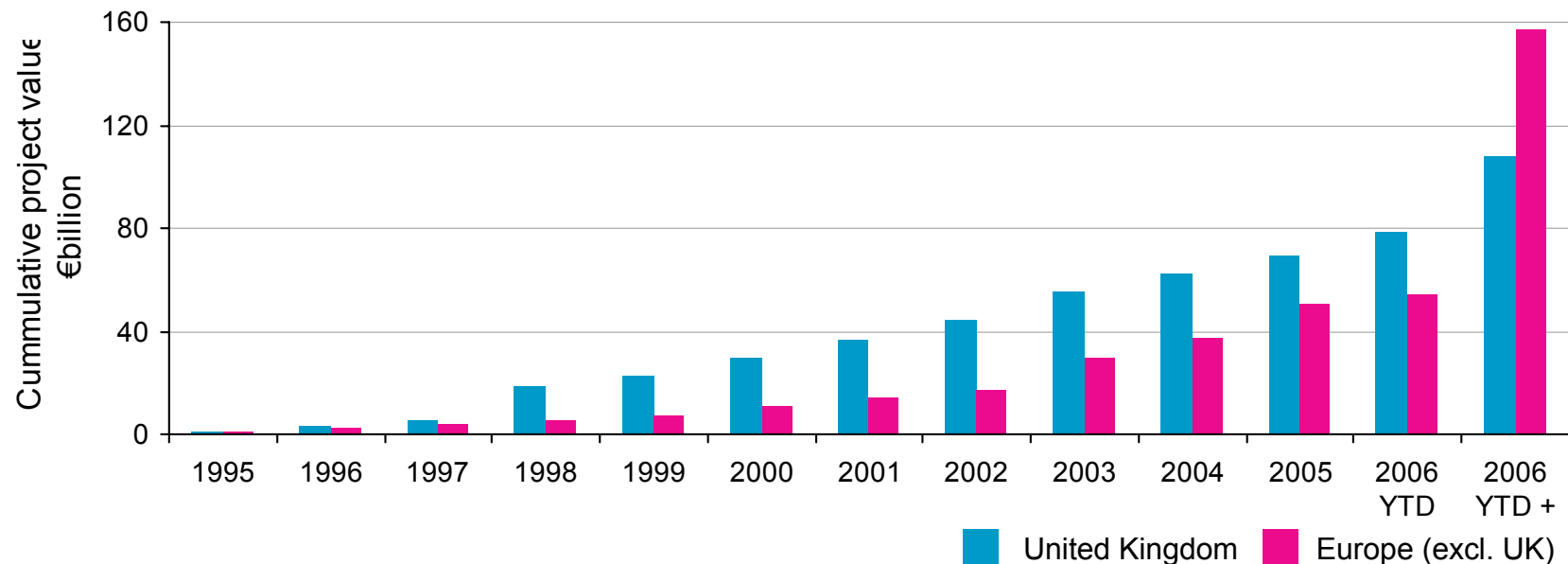
UK PPP most developed market and remains core focus – increasing opportunity in Europe

Most developed economies must look to PPP as means to fund new infrastructure investment

Global opportunity, global demand for investment product



Investment opportunity



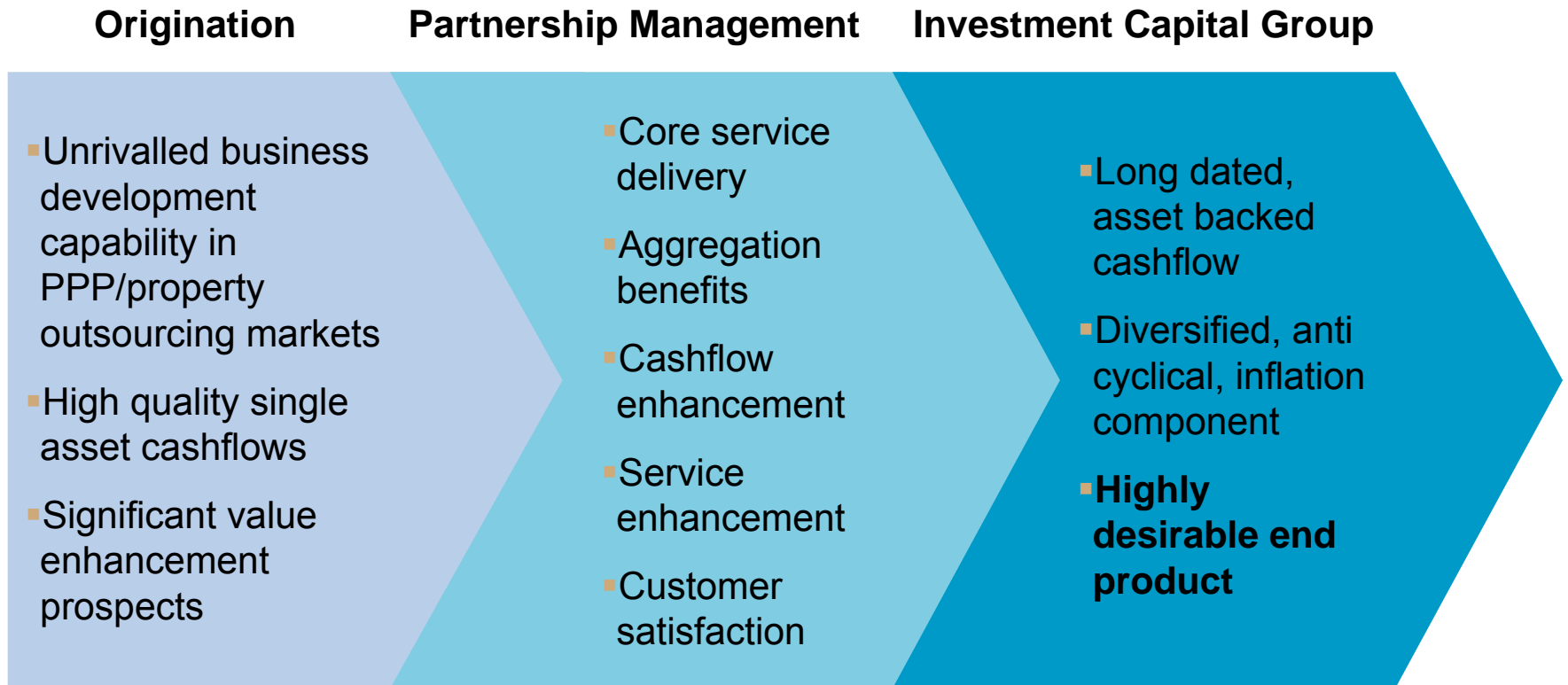
- 3 listed funds, c. £650m
- 6 active unlisted funds, c. £2bn
- Additional c. £3bn equity (at par) required by 2010 for new deals
- Most equity still held within UK / European contractor groups
- Substantial secondary market available





Investment capital group

The LST property partnership model



Investment capital group

Comparables

| Manager | HSBC infrastructure team | Babcock & Brown (PPP) | Quayle Munro (PFI Infrastructure) |
|------------------|---|---|--|
| Listing Date | 29 March 2006 | 9 November 2006 | 1 July 2004 |
| IPO value | £250m | £300m | £47m |
| Portfolio size | £208.9m | £187m | £65.7m |
| Market value | Price: 113.5p MV: £283.75m | Price: 103p MV: £309m | Price: 227.5p MV: £115.4m |
| Returns | Yield target of 5.75% (year 1). Long term IRR target of 7-8%. Implied current yield is 5.3% | Yield target of 5.25% (year 1). Long term IRR target of 8-9%. | Long term IRR target of 12% (at IPO price). Implied current yield is 3.7% |
| Assets | 16 PPP projects, all except one are operational in accommodation and transport sectors, all in the UK except Dutch High Speed Rail Link | 23 PPP projects in UK and Australia with 24% in construction. Invested in 6 NHS LIFT, 13 PFI and 4 Australian projects (transport and hospitals). | 22 UK PFI projects of which 9 in health and 12 in education. 35% in construction. Call option on six schools investments |
| Fees | 1.1% pa (operational), 1.5% pa (construction); Transaction fee of 1.0% of new investments | 1.2% pa management fee (ex-cash); performance fee of 20% above 15 year Gilt rate +2.5% | 1.5% pa management fee (1% on cash); performance fee of 20% above 12% IRR post 2009 |
| Gearing | 50% permitted | 50% permitted | 100% permitted |
| Origination | External | External | External |
| Asset Management | External | External | External |

Investment capital group



- Why does LST's model produce better quality cashflows than those assembled by other funds and contractors?
 - Underlying investments are serviced by one of the leading service management groups in the UK – LST
 - Other qualities of scale, diversity and maturity
- LST v market comparators
 - More available product than rivals – significant seeding at launch
 - Visible growth prospects through highly productive origination engine
 - Management track record and skill set pre-eminent within market
 - LST is a trusted brand and a proven service deliverer
 - Earnings enhancement through strong relations in debt and capital markets

Investment capital group

Strategic development



Intentions

- Establish divestment targets
- Recycle substantial capital from SMIF acquisition and new deal flow by year end 2007

Evaluate options

- Internalise versus Externalise fund management
- Joint venture and obtain rewards for core LST asset management skills
- Clean break
- IRR analysis and shareholder value central to strategy

Financials

Martin Greenslade,
Group Finance Director

31 December 2006 valuation – LS Trillium

| | As at 31 December 2006 | |
|--------------------------------|---------------------------------|--------------------|
| | Book value ⁽¹⁾ £m | KF Valuation £m |
| DWP⁽²⁾ | | |
| DWP occupied | | 797.7 |
| Let to 3 rd parties | | 6.2 |
| Vacant | | 48.9 |
| | 493.8 | 852.8 |
| Barclays Bank | 27.4 | 27.4 |
| Norwich Union | 43.3 | 51.7 |
| | 564.5 | 931.9 |
| Surplus | | 367.4 |

(1) Excludes finance leases: Norwich Union £61.8m, DVLA £12.7m

(2) Vacant possession values: DWP occupied £524.8m, vacant £48.9m

- One off exercise conducted for the purpose of calculating the conversion charge

Conversion charge of £315m payable in full by 14 July 2007

Adjusted diluted NAV per share

| | £m | Per share (p) |
|---|--------|---------------|
| Adjusted diluted NAV – 30 Sept 2006 | 9,983 | 2121 |
| Investment portfolio – valuation surplus | 224 | 47 |
| Pro forma adjusted diluted NAV – 31 Dec 2006 | 10,206 | 2168 |
| Less: REIT conversion charge | (315) | (67) |
| Pro forma adjusted diluted NAV – 31 Dec 2006 after allowing for conversion charge | 9,891 | 2101 |
| Valuation surplus of Trillium properties (not included above) | 367 | 78 |

LST operating profit by contract

| | 2005 | 2006 | H1 2007 |
|-----------------------------|-------------|-------------|-------------|
| DWP | 81.4 | 97.7 | 42.8 |
| BBC | 20.6 | 0.5 | 3.3 |
| Barclays | - | 2.5 | 1.2 |
| Norwich Union | 6.1 | 5.0 | 3.9 |
| DVLA | - | 1.0 | 0.7 |
| Telereal II | - | 6.9 | 7.0 |
| Bid costs | (2.6) | (7.4) | (1.4) |
| Central costs | (7.8) | (9.6) | (5.7) |
| Underlying operating profit | 97.7 | 96.6 | 51.8 |



The DWP contract and Knight Frank's valuation

Contract

- Runs to 2018
- Covers freehold, long and short leaseholds
- Gain share with DWP
- Unitary charge covers all properties – no individual leases

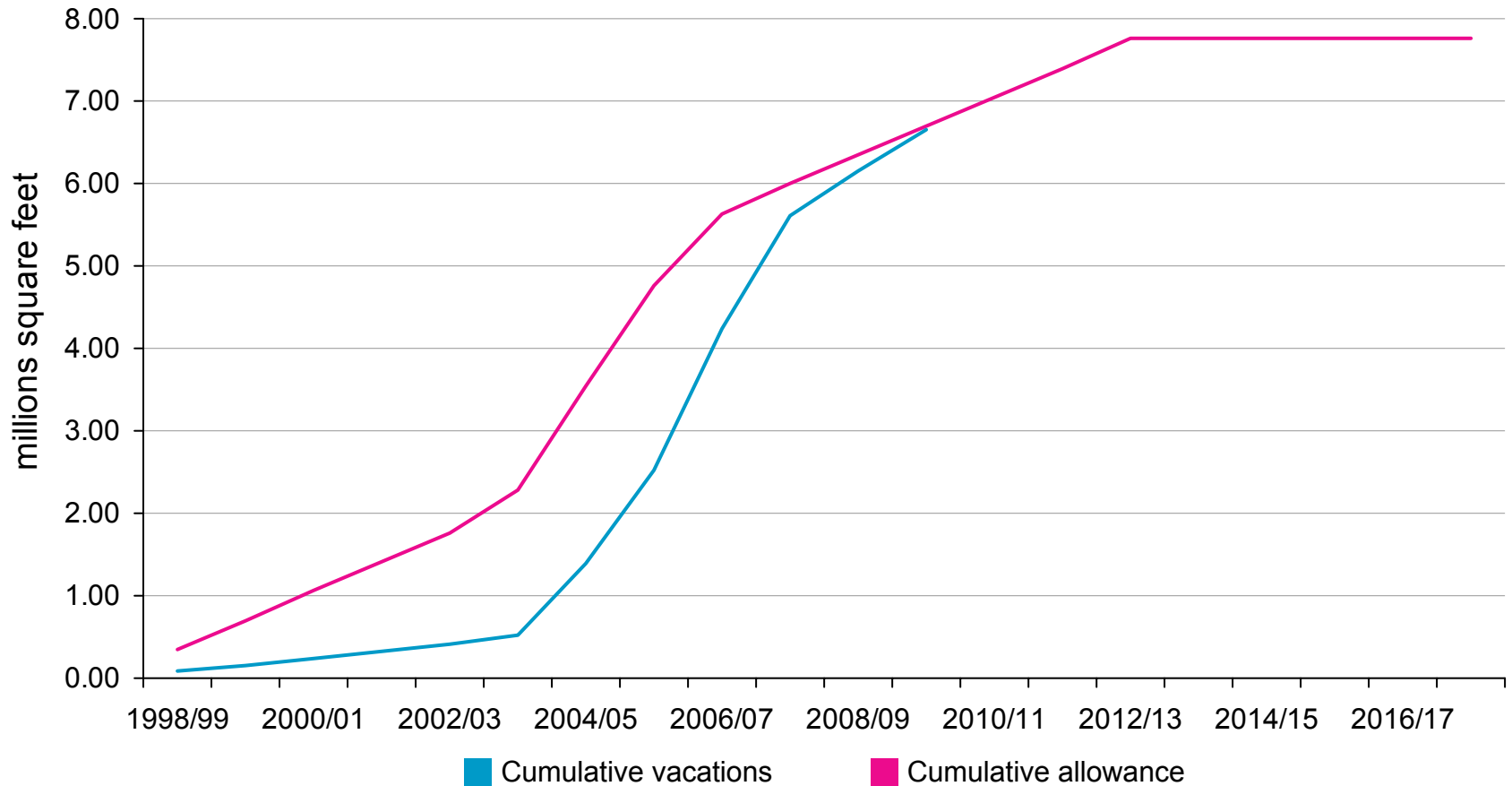
Knight Frank assumptions

- DWP assumed to stay in 70% of properties
- KF only valued freeholds and valuable leaseholds
- KF used LST assumption on what properties would be vacated and by when
- Gain share assumed on all sales including 30% of properties not occupied by DWP after contract end
- Element of unitary charge “broken out” to cover only freeholds / valuable leaseholds





DWP vacation allowance versus vacations





DWP: Shape of future operating profits?





Accounting for SMIF

- Variety of income streams and related expenditure
- Number of different accounting treatments applicable

Balance Sheet

| | |
|------------------------|-------|
| Goodwill | x |
| Assets held for resale | x |
| | <hr/> |
| | x |

Income statement

Ongoing

| | |
|------------------------------------|-------|
| Asset management fee | x |
| Fund management fee | x |
| Overheads (incl. bid costs) | (x) |
| Interest on purchase consideration | (x) |
| | <hr/> |
| | x |

Irregular

| | |
|-------------------------------------|---|
| Profit / loss on disposal of assets | x |
|-------------------------------------|---|

Not consolidated

| | |
|-------------------------|---|
| Share of PPP's earnings | x |
|-------------------------|---|

SMIF's existing PPP projects not consolidated





New business



Welcome to Retail

Richard Akers, Managing Director,
Retail Portfolio



Retail Portfolio

- £7.3bn portfolio
- 30 shopping centres and 29 retail parks
- Over 20 million ft² of retail accommodation
- c. 55% of total investment portfolio
- £1.1bn (3 million ft²) retail development pipeline
- Over 300 million consumer visits per year



Strong relative performance record





Tops Estates

- Portfolio total return
(15 months to 30 September 2006) 19.5%
- IPD Shopping centre benchmark 15.9%



Shepherd's Bush, W12



Willow Place, Corby



Victoria Centre, Harrogate

Investment performance and development opportunity





Development pipeline

| Retail Portfolio | Total dev. cost | Capital exp. outstanding ⁽¹⁾ | Total dev. cost outstanding | Prospective cash net rental income ⁽²⁾ | Prospective SIC 15 adj. net rental income | % let ⁽³⁾ | Cumulative valuation surplus to 30/09/06 |
|-----------------------|-----------------|---|-----------------------------|---|---|----------------------|--|
| | £m | £m | £m | £m | £m | | £m |
| Development programme | 1094 | 704 | 695 | 71 | 64 | 32 | 42 |
| Proposed development | 10 | 4 | 4 | 1 | 1 | - | n/a |

(1) Total development cost outstanding comprises capital expenditure, capitalised interest less future residential proceeds

(2) Rents secured on lettings and ERV of vacant space – net of ground rents

(3) % let based on cash net rental income



Christ's Lane, Cambridge



The Elements, Livingston



St David's 2, Cardiff

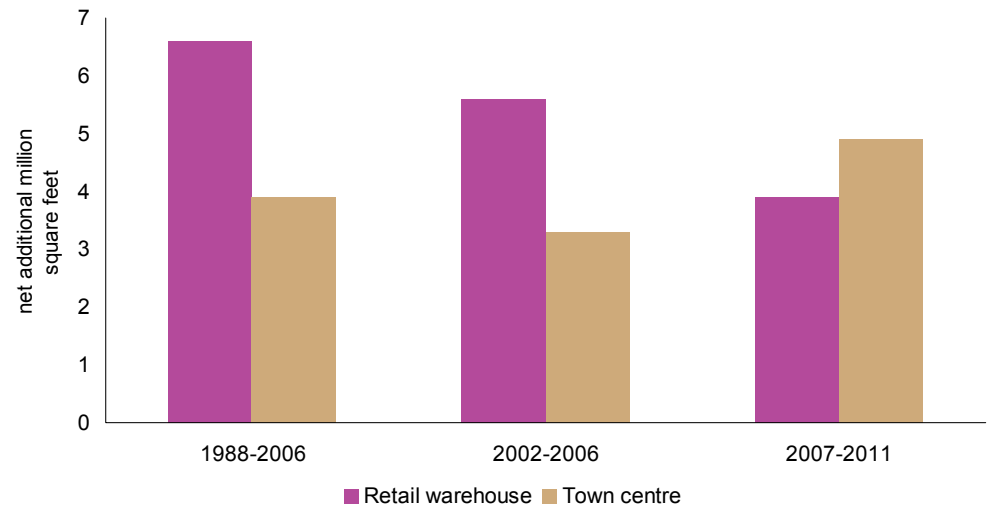
Commencement of four development projects





Retail markets

- Diversion to online and supermarkets
- Floor space supply
- Cost pressures and deflation vs. growth and competition



| | 1988 to 2006 | 2002 to 2006 | 2007 to 2011 |
|------------------|--------------|--------------|--------------|
| Retail warehouse | 6.6 | 5.6 | 3.9 |
| Shopping centre | 3.9 | 3.3 | 4.9 |
| Total | 10.5 | 8.9 | 8.8 |

Source: PMA

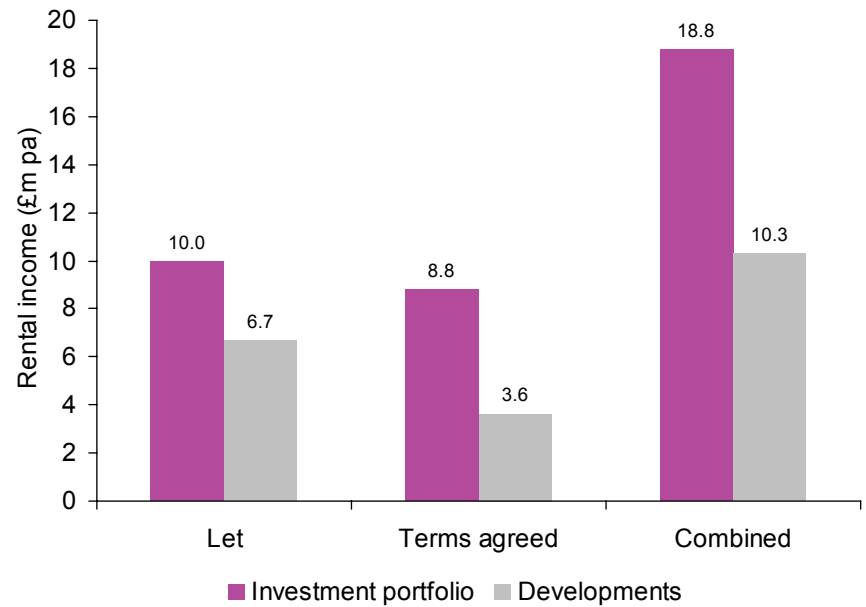
Out of town tapers off ... town centre supply increasing





Leasing

Letting progress – six months ended 30 September 2006



NOTE: Excludes London retail and includes joint ventures, on basis of Land Securities' share of income

Substantial volume of lettings across the retail portfolio





Retail strategy

We continue to strengthen our position as a leading provider of retail accommodation through:

- Investment in dominant retail assets
- Provision of market leading levels of customer service and property management
- Regeneration and renewal of the portfolio



Long-term investment in dominant retail assets





Creating destinations

More than just retail

| | Gunwharf Quays | Bullring | Livingston | Land Securities shopping centres | IPD Benchmark |
|-----------------------------|----------------|----------|------------|----------------------------------|---------------|
| Returns 3 years to 31/03/06 | 18.5% pa | 19.8% pa | 18.5% pa | 17.9% pa | 16.5% pa |



Gunwharf Quays, Portsmouth



Bullring, Birmingham



Designer Outlet, Livingston

Outperformance over three years versus IPD





Customer service

East Kilbride

- Consumer satisfaction 98% (2005 – 85%)
- Occupier satisfaction overall 3.79/5 (2005 3.4/5)
- Footfall +3.3% (Scottish national benchmark -5.6%)



Market leading levels of customer service





Developments on site



Exeter



Corby



Cambridge



Bristol



Livingston



Cardiff

£1.1bn programme to 2009



Princesshay, Exeter

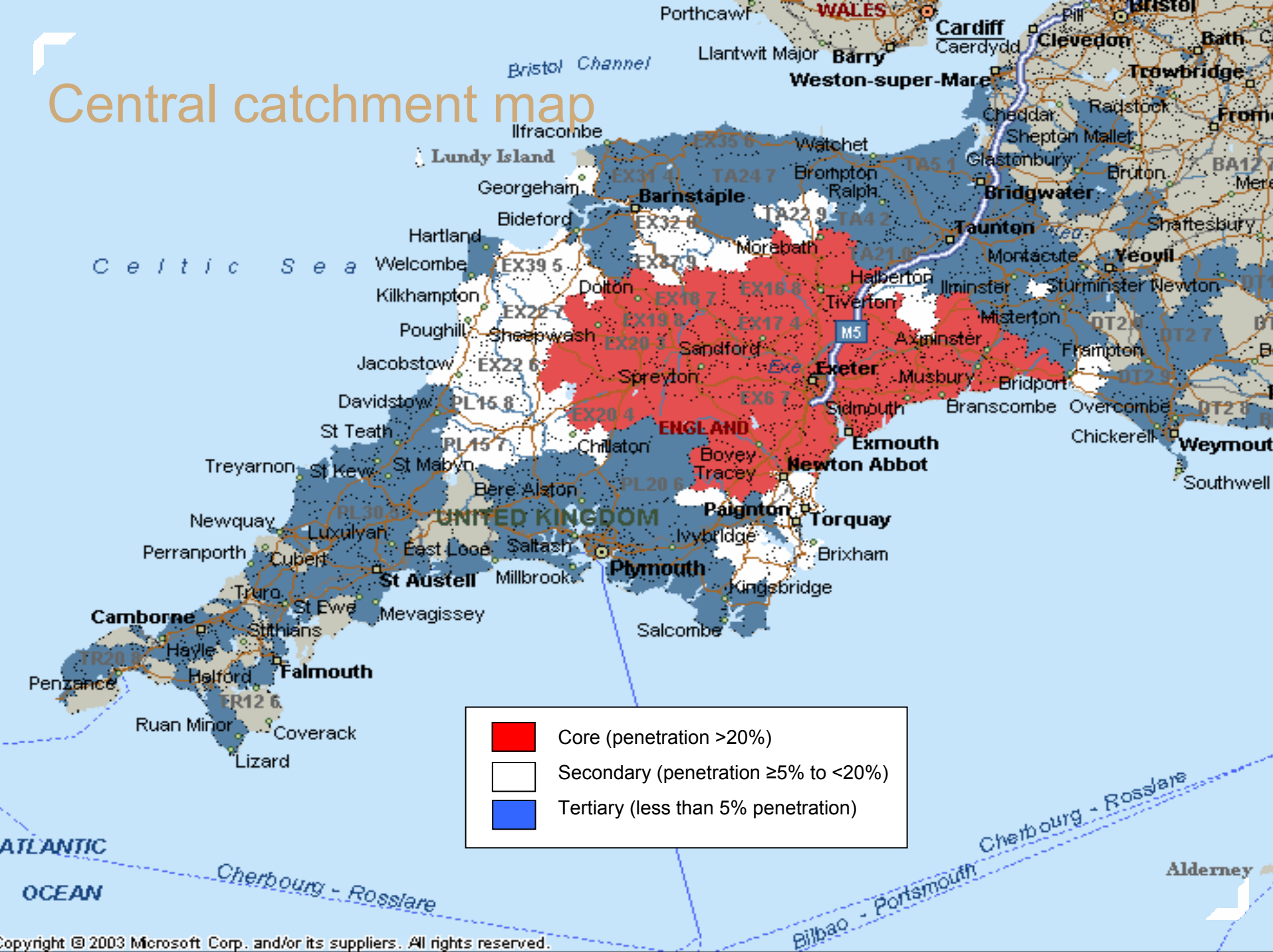
Mixed-use scheme of 530,000 ft² including:

- 130,000 ft² Debenhams 2010 anchor store
- Six MSU's - 107,000 ft²
- 60 new shops - 200,000 ft²
- 122 city centre apartments
- Restaurants and cafes
- Extensive public realm/landscape improvements
- Bedford Street opens March 2007
- Completion September 2007



Total development cost of £225m

Central catchment map



Princesshay, Exeter

Mid Market Fashion

Young Fashion

Fashion Leaders

Independents / Flexible Terms

Household Lifestyle Restaurants & Local

Indicative Plans - Not to Scale



Princesshay, Exeter

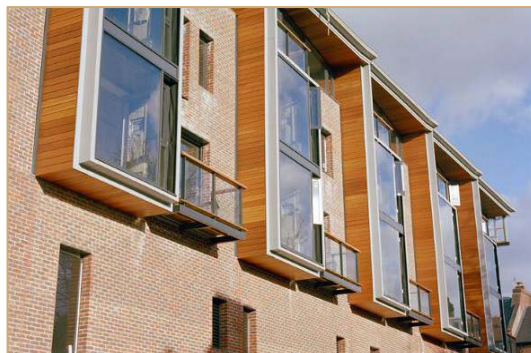
“The now genuine mixed use approach to the assembling of the project emphasises a truly sustainable and regenerative quality...commends the adoption in Exeter of best practice principles for the regeneration of historic cities”

Source: English Heritage





Princesshay, Exeter





Future development pipeline



Aberdeen



Leeds



Liverpool



Glasgow

Value creation from 2009 and beyond



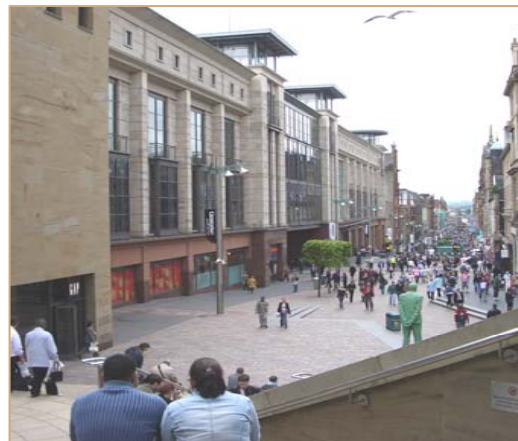
Buchanan Galleries, Glasgow

Existing

- 600,000 ft²
- 2,500 parking spaces
- John Lewis anchor
- Prime position
- Rents 80% prime

Proposed

- 1,200,000 ft²
- 3,000 parking spaces
- Additional anchor store
- Improved design
- Rents 100% prime





Existing
Buchanan
Galleries

Royal
Concert
Hall

Queen
Street
Station

New
Extension

Bridge
Link

Transport
hub and
car park

Cathedral Street

North Hanover Street

Killermont Street



Retail warehousing

| | LS Retail warehousing | IPD Retail warehousing benchmark |
|-----------------------------|-----------------------|----------------------------------|
| Returns 3 years to 31/03/06 | 20.7% pa | 20.3% pa |



Westwood Cross, Thanet

IN



Erdington, West Midlands

OUT

Returns three years – tax constraints lifted – recycling of capital

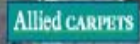




Westwood Cross Retail and Leisure



Westwood Cross Retail and Leisure



Edmonton



Practical Completion Oct 08



Edmonton





Peterborough

- 140,000 ft² complete and open for trade in November 2007



Total site area for future development 3.5ha (8.04 acres)





Conclusion



- **Quality portfolio**
 - LS shopping centre footfall
Footfall National Index +1.9%
-3.6%
 - Portfolio net reversionary potential 12.9% ⁽¹⁾
 - Low vacancy levels 4.1% ⁽¹⁾
- **Selective sales**
 - The sale of The Gate, Newcastle adds £1.2m to revenue profits in 2008
- **Development**
 - £71m pa cash rents to be generated in existing programme

⁽¹⁾ Like-for-like portfolio

Focused strategy generating income growth



London Portfolio presentation

Mike Hussey, Managing Director
London Portfolio

Our London Portfolio



- £7.4bn portfolio
- 50% of total investment portfolio
- 10 million ft² office accommodation
- 0.9 million ft² retail floor space
- £32 per ft² (£346 per m²) average office passing rent
- Over 600 occupiers
- £2.6bn development pipeline

Low rented investment portfolio and large development pipeline

London strategy



- Enhance returns through development
- Active asset management
- Focus on geographic areas of activity – clustering
- Enhance value through mixed-use
- Exploit strong relationships with occupiers

A leading supplier of accommodation for major occupiers

Active asset management 2004/05



Red Lion Court

- Bought: January 2005
- Purchase price: £67m
- Size / price psf: 138,324 ft² / £485 psf
- Initial yield: 6.05%
- Total return to Sept 2006: 28.6% (16.3% pa)

Acquiring for capital growth in emerging area

Active asset management 2005/06



Ashdown House, Victoria Street

- Bought: January 2006
- Purchase price: £164m
- Size / price psf: 197,150 ft² (office), 29,708 ft² (retail) / £586 psf offices
- Initial yield: 5.86%
- Total return to Sept 2006: 15.8% (24.6% pa)

Another piece of the Victoria Masterplan

Active asset management 2006/07



55 Gracechurch Street

- Sold: March 2007
- Sale price: £53.6m
- Size / price psf: 72,667 ft² / £738 psf
- Initial yield: 4.14%
- Total return from March 2005 to March 2007: 61.2% (29.6% pa)

Exploiting strong market conditions



Development



One Wood Street, EC2

- Size: 181,000 ft²
- No of buildings: 1
- Retail: 9%
- Offices: 91%
- Lettings progress: all 165,000 ft² of office space let to Eversheds LLP
- Key tenant: Eversheds LLP

Transforming the Cheapside area





Development



Cardinal Place, SW1

- Size: 651,518 ft²
- No of buildings: 3
- Retail: 16%
- Offices: 84%
- Lettings progress:
 - Retail: 100% let
 - Offices: 93% let
- Key tenants: Microsoft, 3i, Kazakhmys plc, Wellington Mgmt Int., Experian, AT&T, EDF Trading

Changing places and enhancing performance





Development



Bankside 1, 2, 3

- Size: 912,414 ft²
- No of buildings: 3
- Retail: 9%
- Offices: 91%
- Lettings progress: Bankside 1 pre-sold to IPC Media, Bankside 2&3 letting to commence shortly

A brand new start for Bankside





Development



New Street Square, EC4

- Size: 692,476 ft²
- No of buildings: 5
- Retail: 4%
- Offices: 96%
- Lettings progress: c.60% of scheme let
- Key tenants: Deloitte, Taylor Wessing

Changing places and delivering performance





Development



One New Change, EC4

- Size: 570,000 ft²
- No of buildings: 1
- Retail: 39%
- Offices: 61%

A new heart for the City





Planning consents

20 Fenchurch Street, EC3

- Size: 600,000 ft²
- Estimated completion: 2012



Growing the portfolio through planning consents





Planning consents

Park House, W1

- Size:
 - 165,000 ft² office space
 - 100,000 ft² retail space
 - 39 high quality apartments
- Estimated completion: 2011



Prime mixed use on London's Oxford Street





Planning consents

Dashwood House, EC2

- Size: 187,321 ft²
- Estimated completion: late 2008

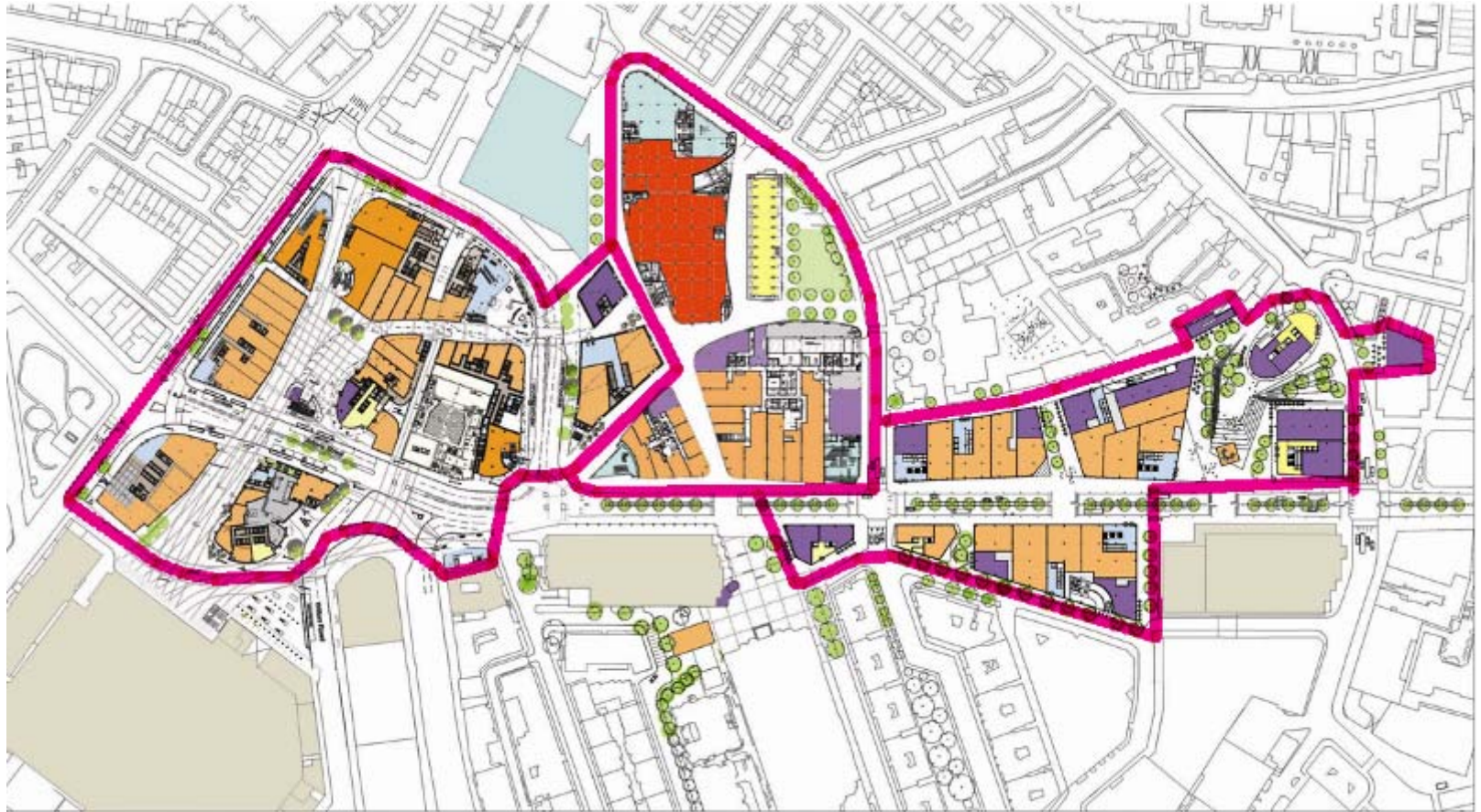


Catching the city cycle





Victoria master plan



- | | | |
|---|---|---|
| ■ Anchor Store | ■ Food & Beverage | ■ Residential |
| ■ Retail | ■ Office | |

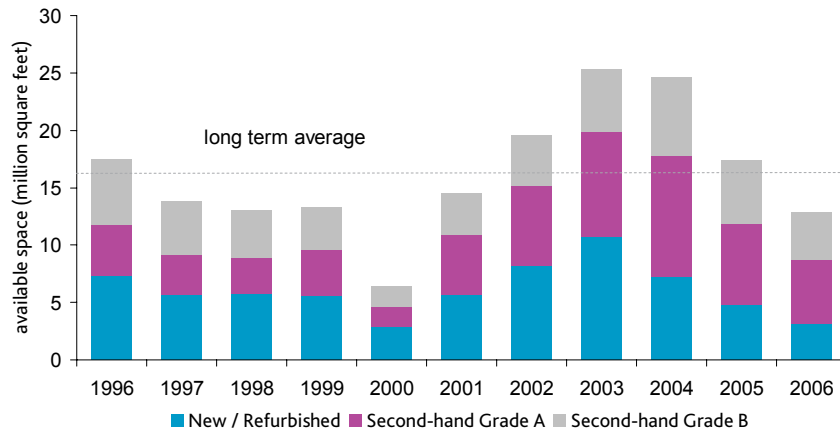




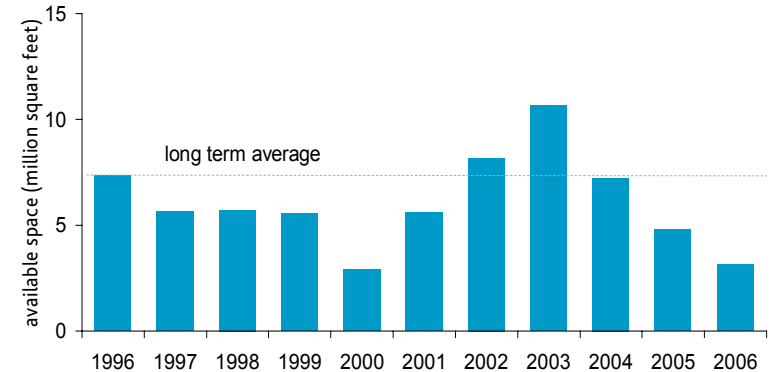


London office outlook

London office availability



London office new / refurbished space availability



Source: Knight Frank



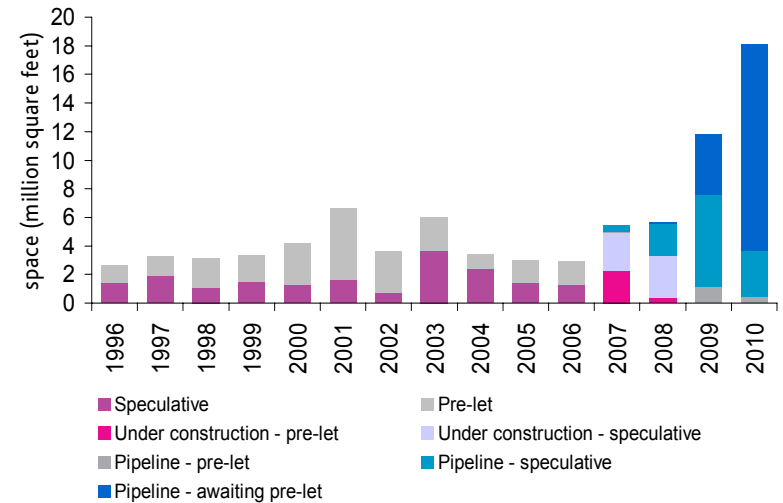
Low availability levels for new office space





London office outlook

London office supply – development completions



Source: Knight Frank



Low current completions, rising at end of decade



Ebbfleet Valley

Mike Hussey, Managing Director,
London Portfolio

Ebbfleet Valley

Robyn Pyle,

Head of Urban Community Development

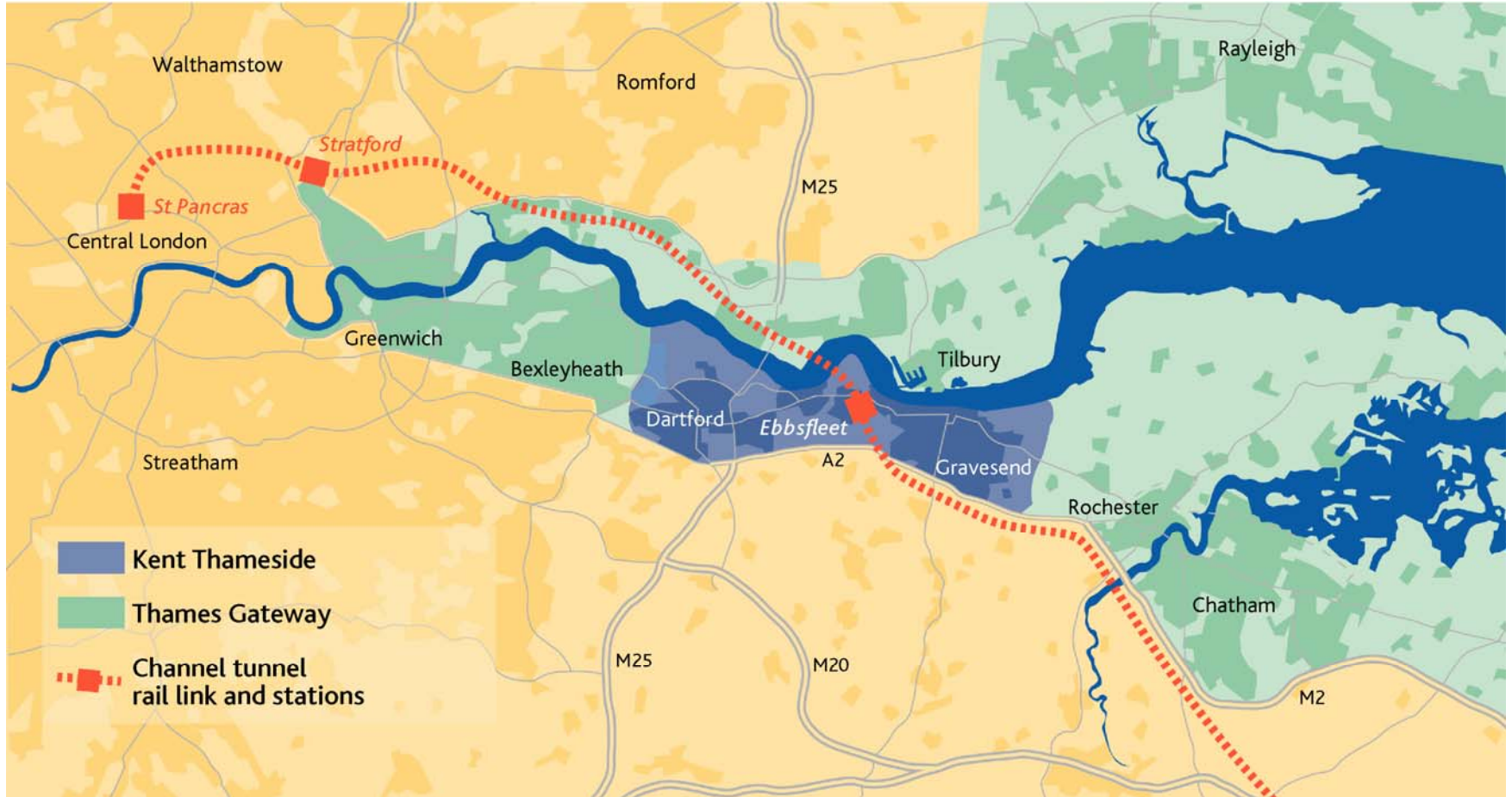


Urban Community Development

- Represents long-term investment in large scale residential lead mixed-use development
- Delivers above average returns
- Outside of core central London and Retail business units
- Complimentary to Land Securities Trillium activities eg MoD
- LS strength of balance sheet enables UCD to compete effectively for new opportunities



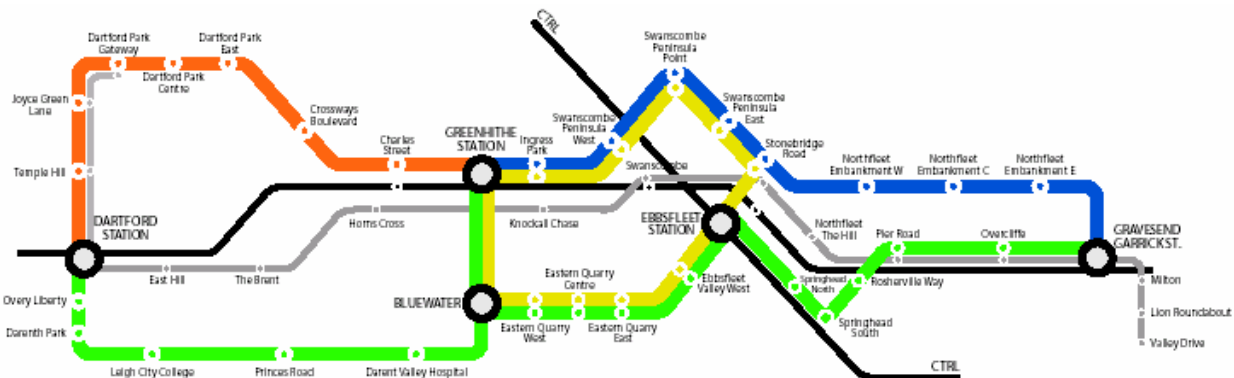
Location



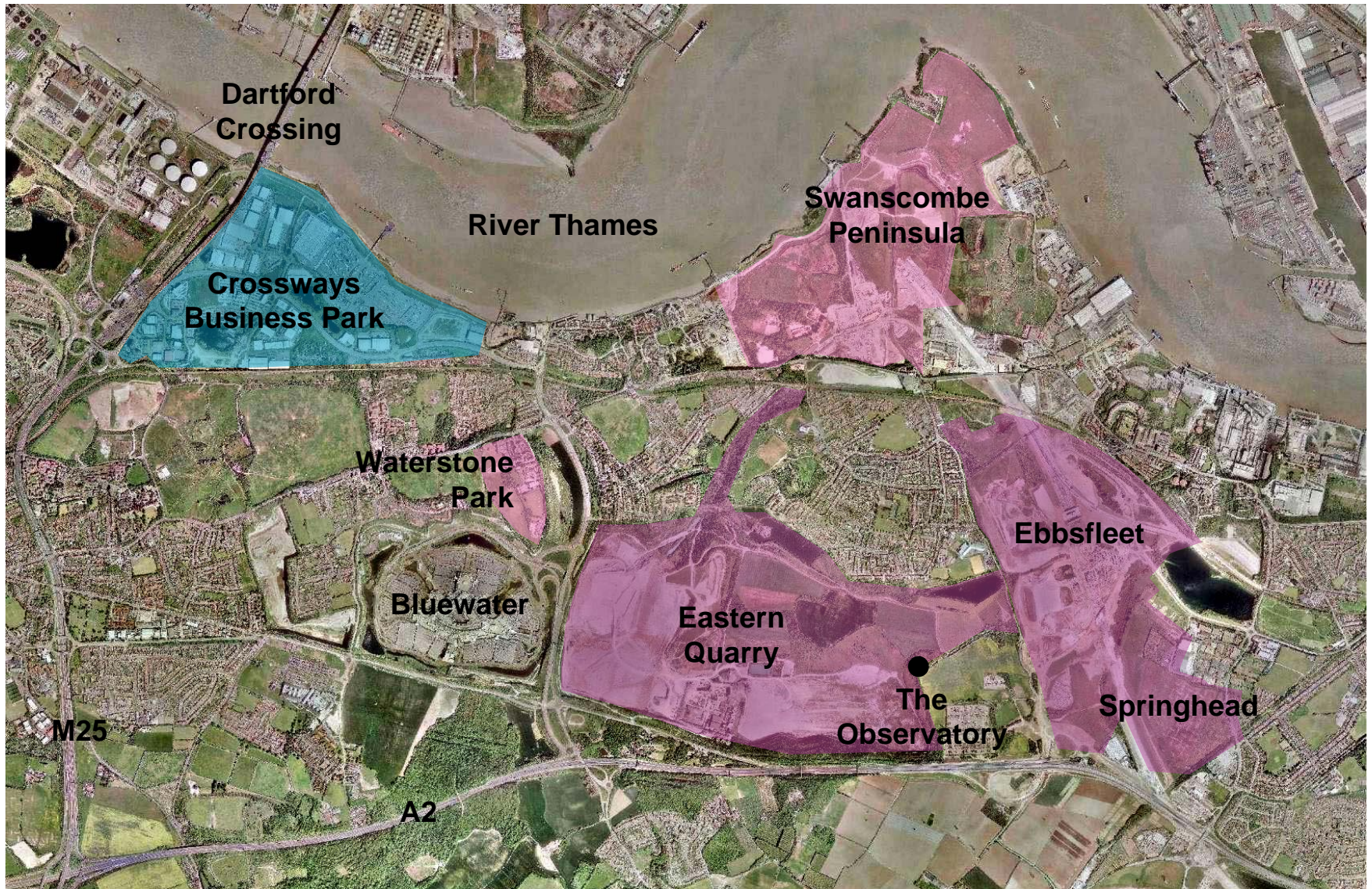
Infrastructure investment

CTRL – international and domestic services





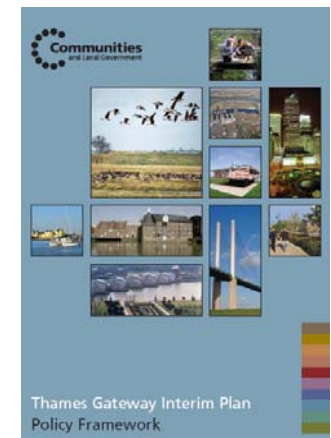
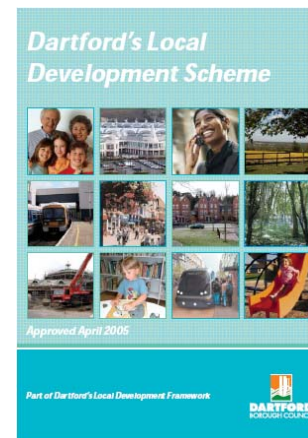
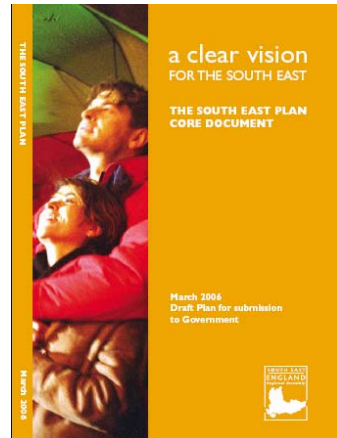
Kent Thameside



Planning context

Kent Thameside and Ebbsfleet Valley

- Kent Thameside Association formed in 1993
- Recognised in South-East Plan and Regional Economic Strategy
- Allocated in Dartford's draft Local Development Framework
- Identified as one of four key economic drivers in the Government's recently published Thames Gateway Interim Plan





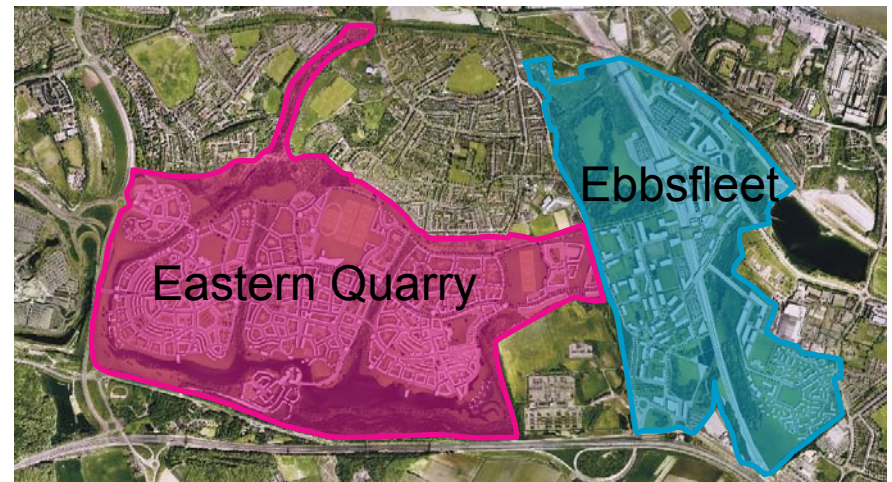
Ebbfleet Valley today



Development areas and site ownership details

| Site | Total site area acres | Gross dev. area ⁽¹⁾ acres | LS ownership % of dev. area | LS share of development returns |
|----------------|--------------------------|---|-----------------------------------|--|
| Ebbsfleet | 383 | 168 | 48.5% | Prior return on developments with profits shared 50/50 with Lafarge. Land equalization deal with minor land owner. Payments to Secretary of State based on profitability |
| Eastern Quarry | 658 | 319 | 96.2% | Land equalization deal with minor land owner |

(1) Area available for development excluding major roads and parks, lakes and ecological areas





Planning status

- Ebbsfleet
 - Outline planning permission granted November 2002
 - Total 8.5 million ft²
 - Up to 4.5 million ft² offices
 - Up to 3,384 residential units
 - Up to 1.8 million ft² other commercial uses
 - Springhead QMP approved September 2003 (1.1 million ft²)
 - Station Quarter South QMP submitted May 2006 (2.7 million ft²)
 - Springhead first phase reserved matters approved September 2006 (350 residential units)





Planning status

- Eastern Quarry
 - Outline planning application submitted January 2003
 - Total 9.4 million ft²
 - 6,250 residential units
 - Up to 1.3 million ft² offices
 - Up to 1.2 million ft² other commercial uses
 - Resolution to grant permission achieved July 2005





Progress

- Achievements

- Nov 2005: Multi-utility agreement announced
- Dec 2005: Springhead JV with Countryside Properties
- Jan 2006: The Observatory opened
- Mar 2006: Fastrack launched
- May 2006: Eastern Quarry earthworks began
- Sept 2006: CTRL station completed
- Dec 2006: BT Fibre to the Home agreement

- Barriers

- Inertia in planning system
- Lack of central Government co-ordination on Department for Communities and Local Government strategic objectives
- Highways Agency KTS capacity concerns



Ebbfleet Valley

Adam Cunningham, Development
Director

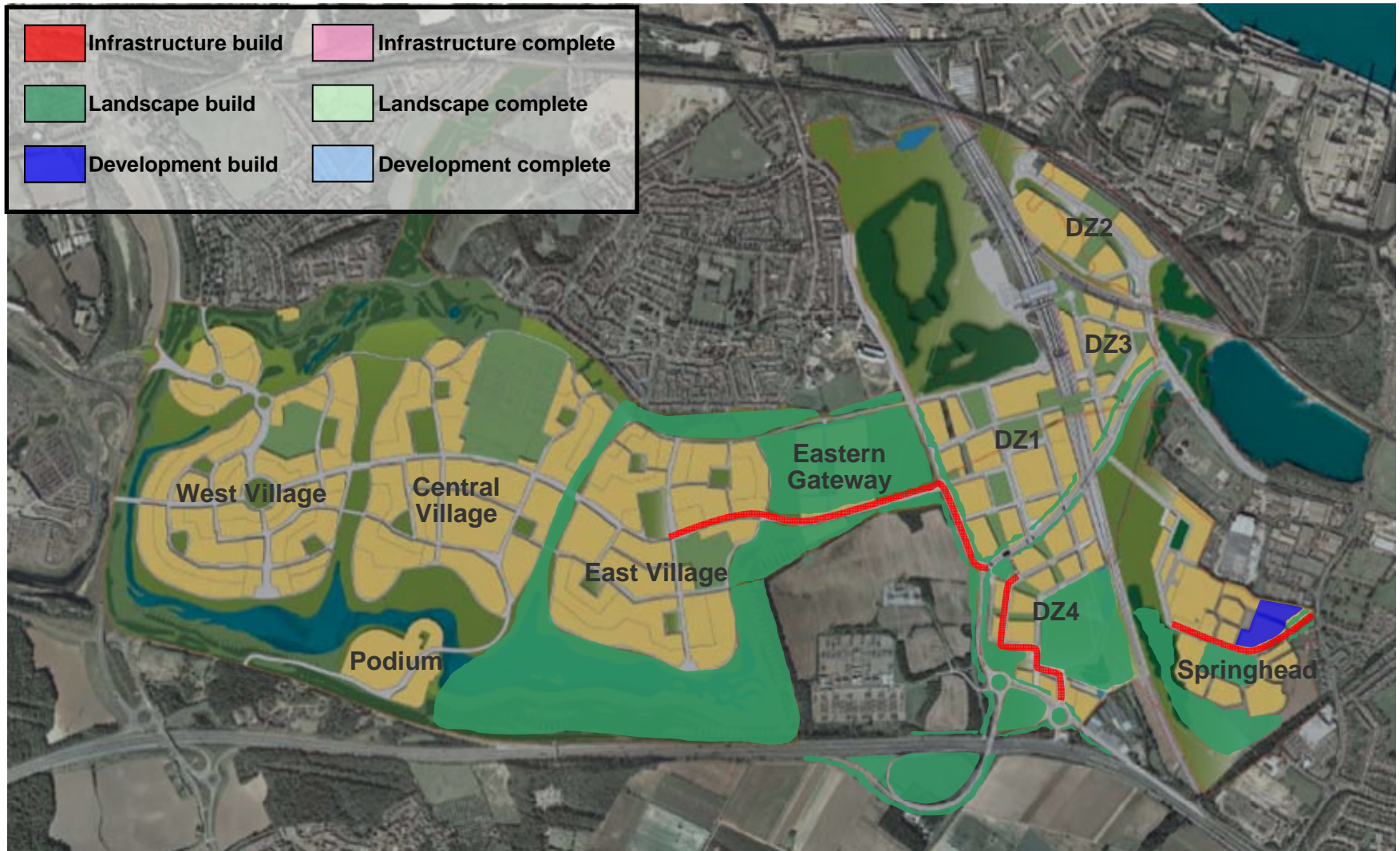


Ebbfleet Valley masterplan



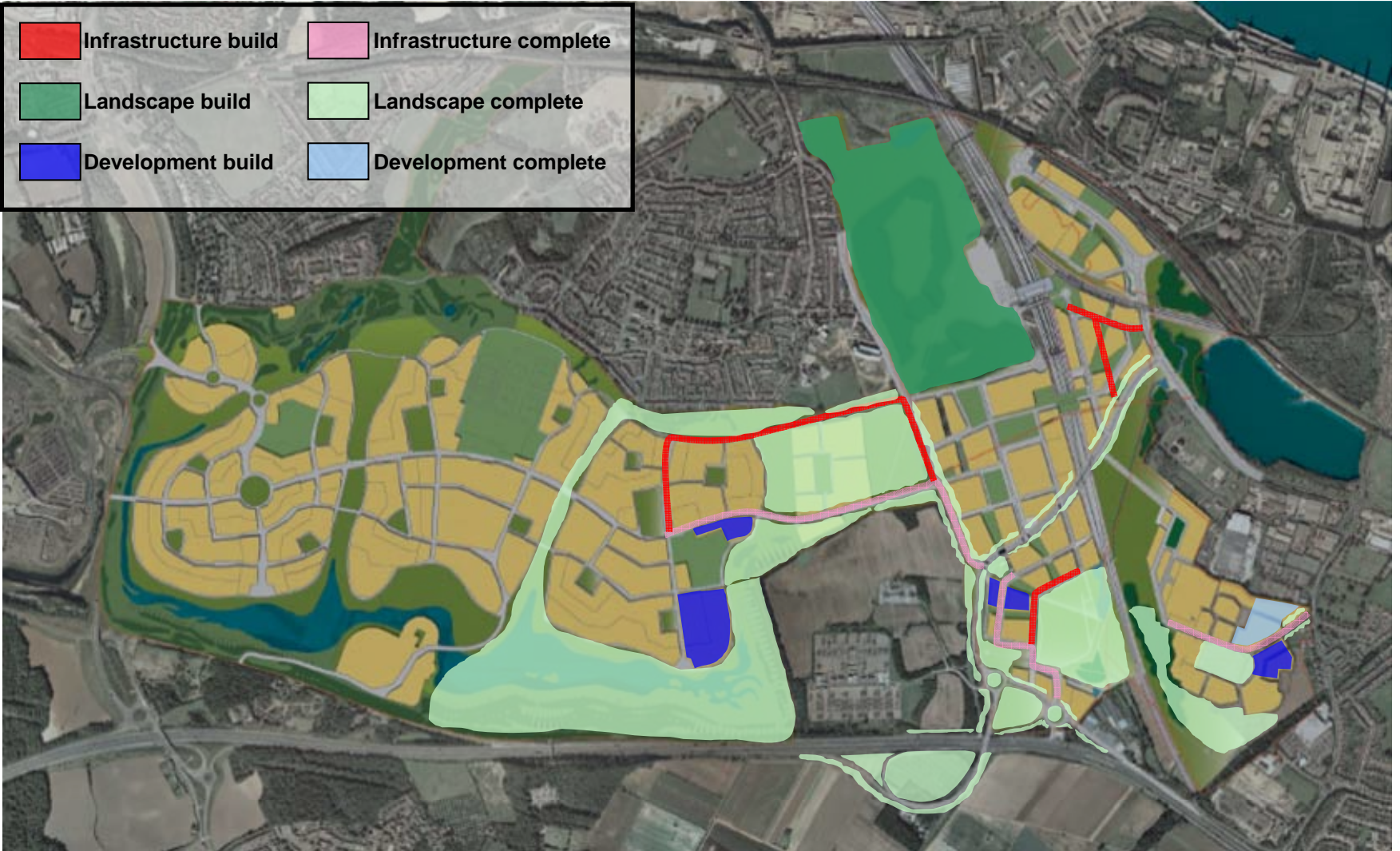
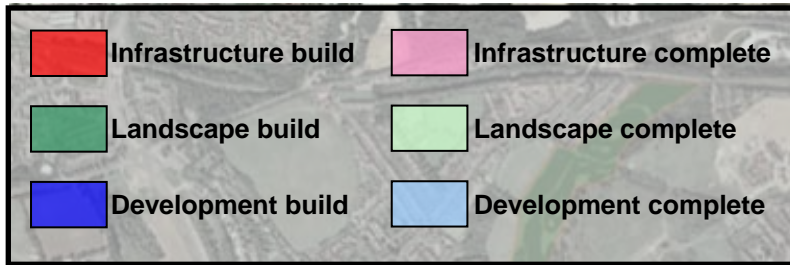


Timetable – 2007/08



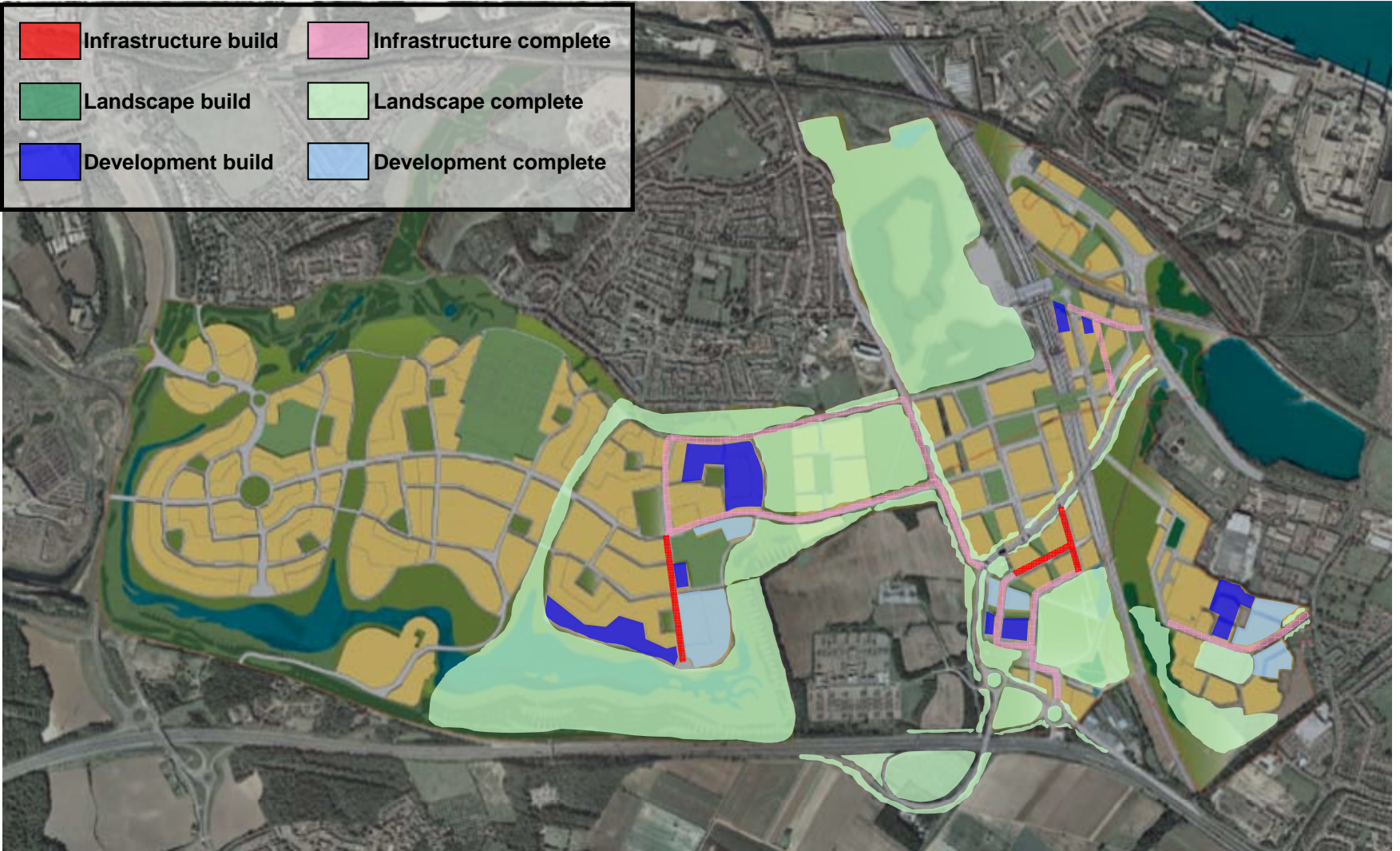
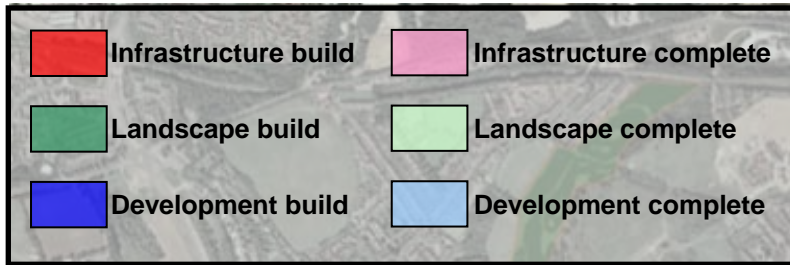


Timetable – 2008/09



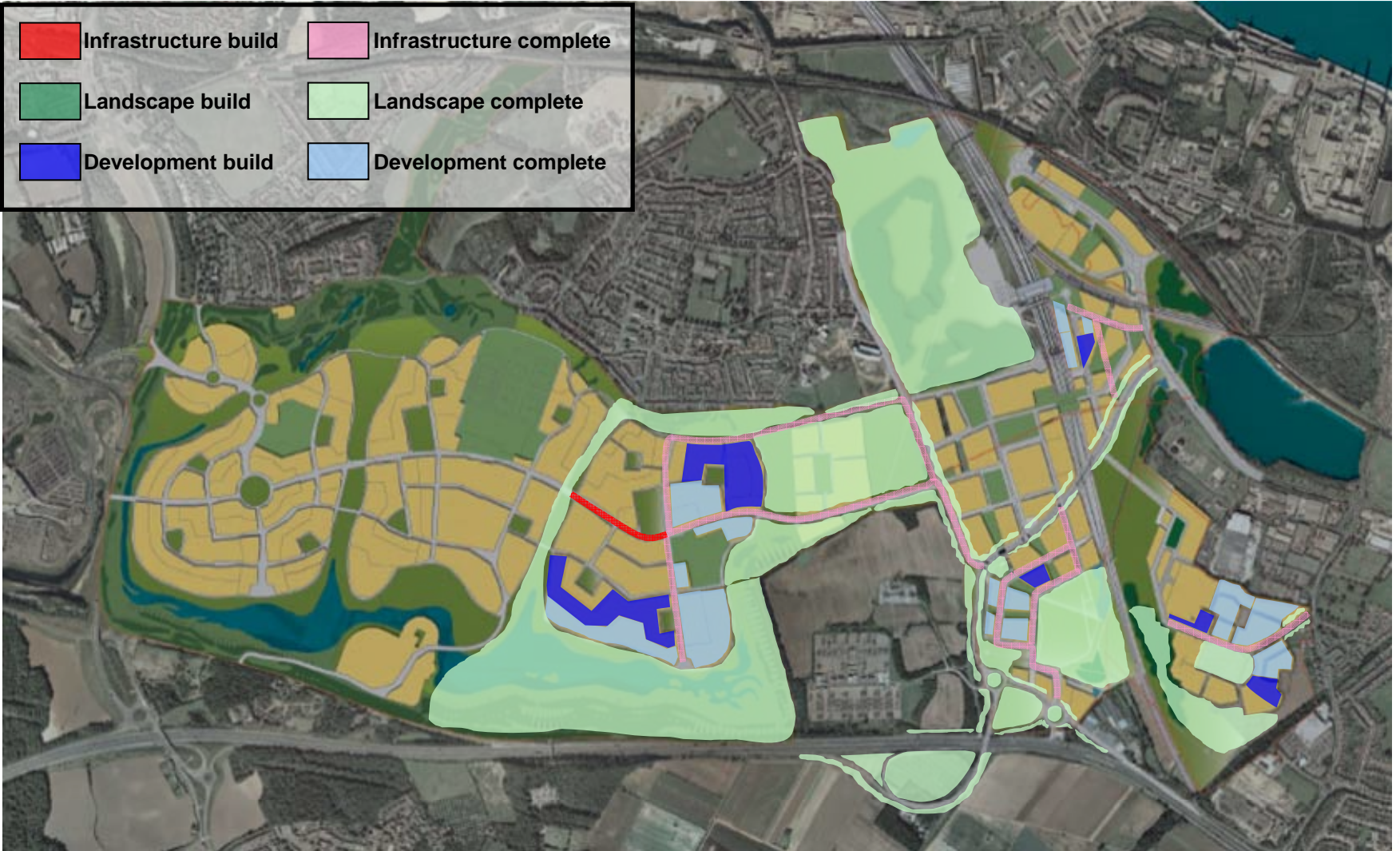
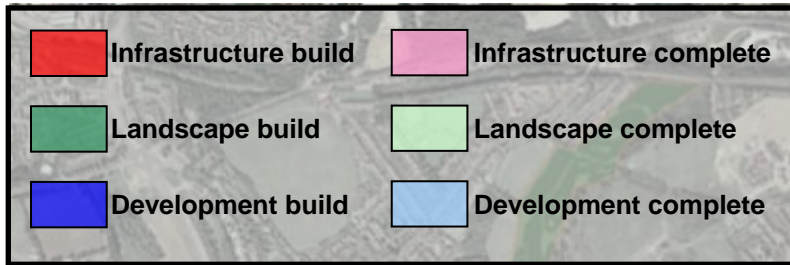


Timetable – 2009/10





Timetable – 2010/11





Delivery timetable

| Site | Up to 2006 | 2007 - 2010 | 2011 - 2014 | 2015 - 2018 | 2019 - 2022 | 2023 + | Total |
|-------------------------------------|---------------|----------------|----------------|----------------|----------------|--------------|--------------|
| Residential Ebbsfleet | - | 250 | 1,158 | 1,230 | 616 | 130 | 3,384 |
| Residential E Quarry | - | 501 | 1,470 | 1,736 | 1,541 | 999 | 6,247 |
| Total (unit no's) | - | 751 | 2,628 | 2,966 | 2,157 | 1,129 | 9,631 |
| Employment Ebbsfleet | - | 71 | 1,043 | 1,980 | 1,316 | 217 | 4,627 |
| Employment E Quarry | - | - | 3 | 43 | 623 | 820 | 1,489 |
| Total (000's ft²) | - | 71 | 1,046 | 2,023 | 1,939 | 1,037 | 6,116 |



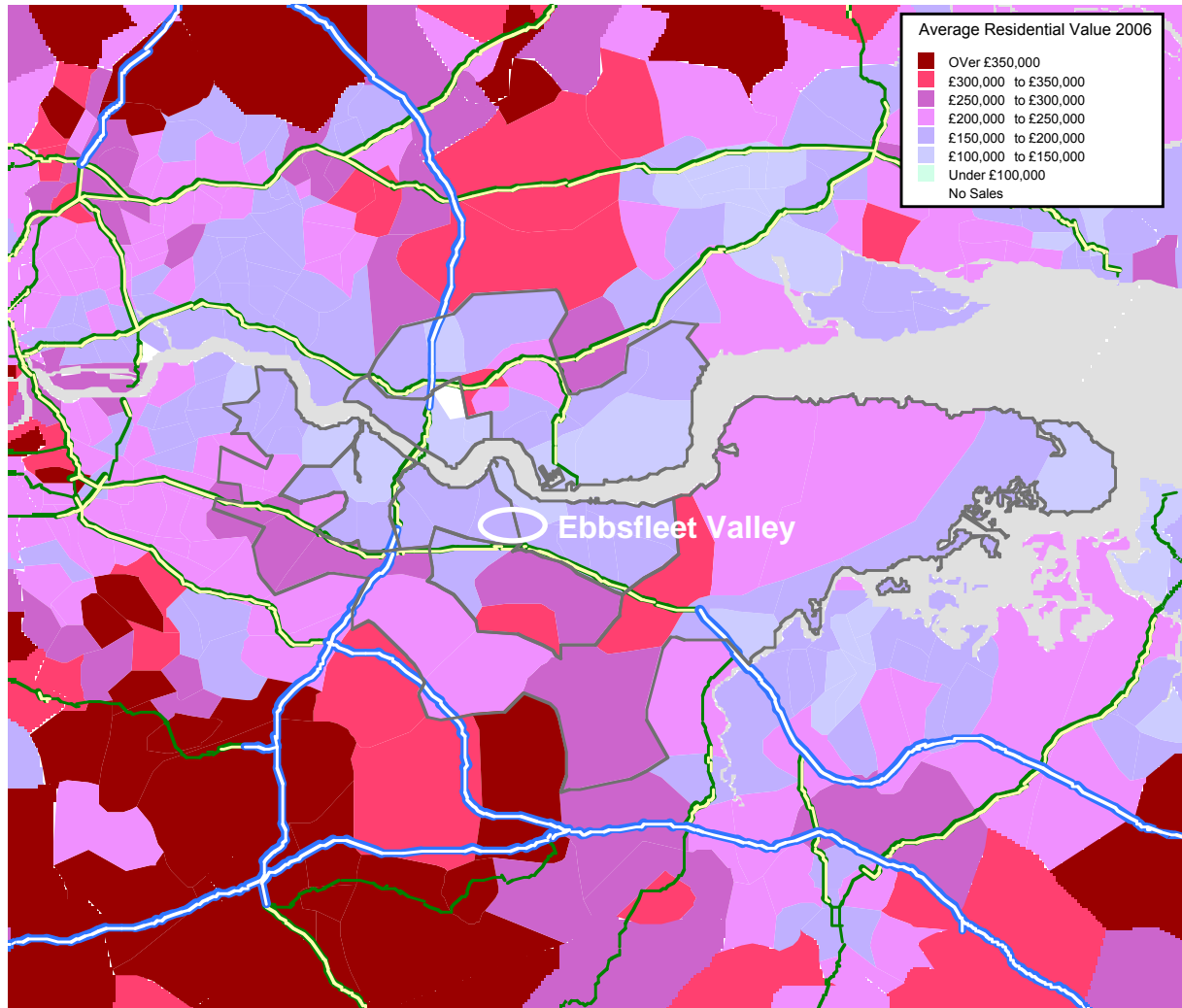


USP's (establishing a premium value)

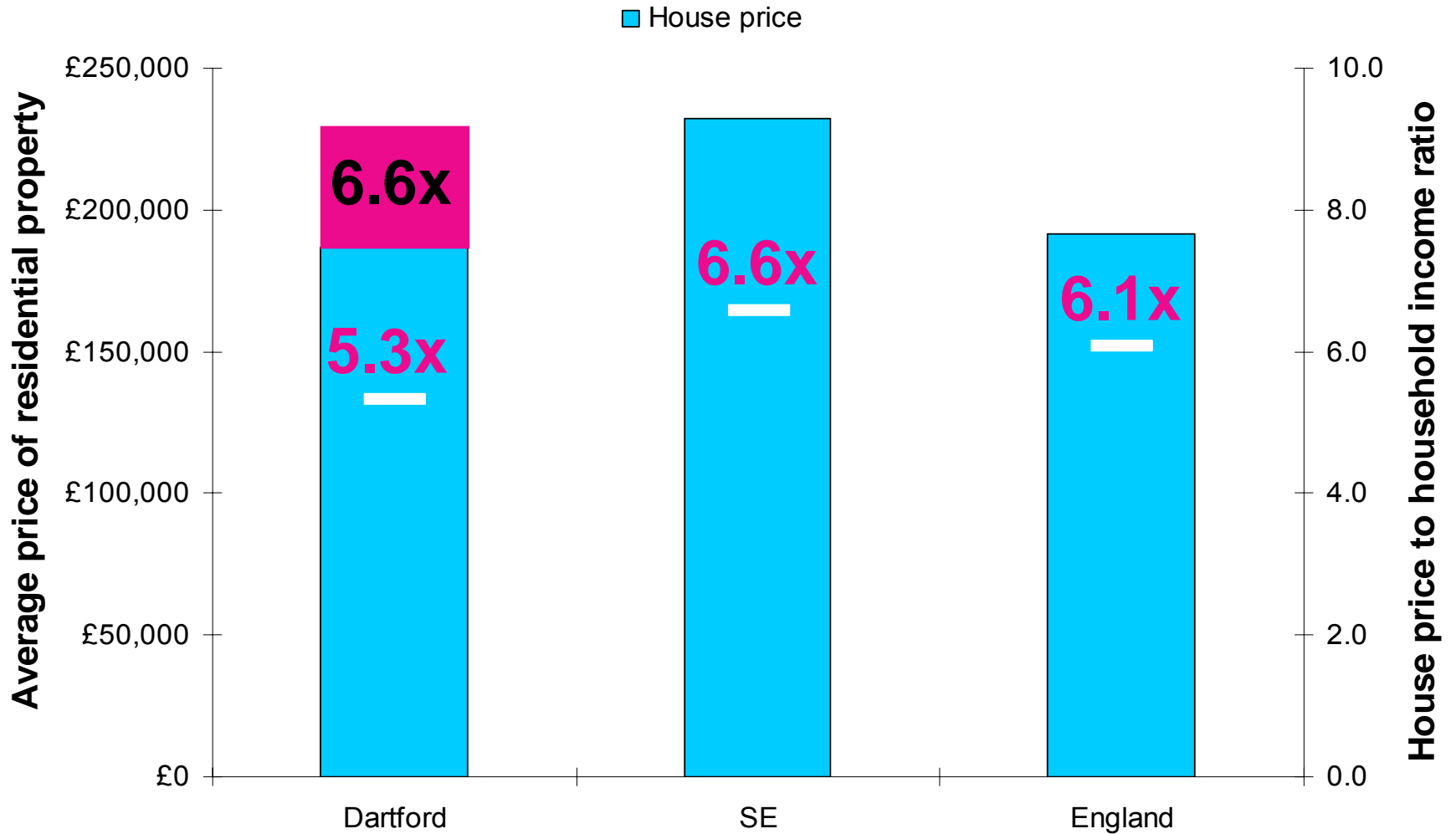
- Residential
 - Good transport connections
 - High quality environment (buildings, landscaping, parks, streets)
 - Strong lifestyle offer with good amenities (schools, nurseries, health care facilities, shops, bars, restaurants, leisure offer, community halls)
 - Ability to move from local to regional catchment area
 - Sustainability credentials
- Commercial
 - Good transport connections (17 minutes to St Pancras International)
 - Clear market positioning (lower occupational costs than London, quality product, strong employee base)
 - Corporate Responsibility compliant – construction and occupation
 - Mix of tenure offers
 - Occupier targeting



Residential value profile



Residential value profile



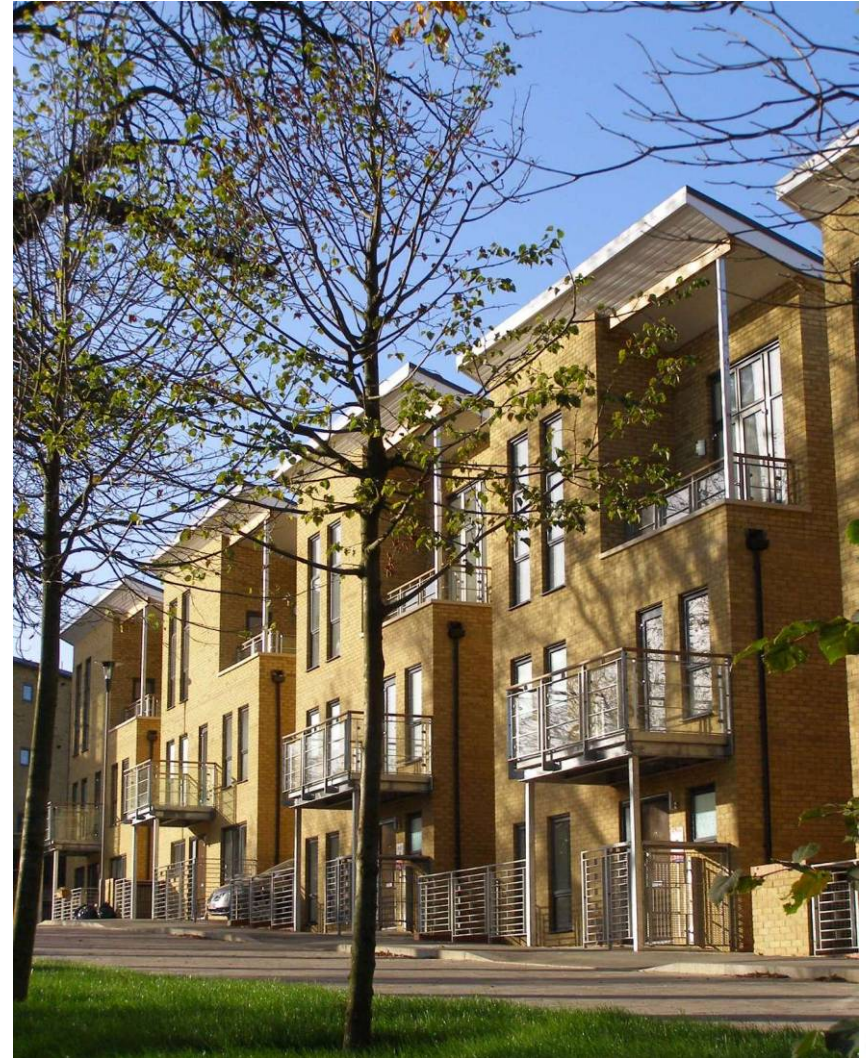
Potential residential value shift

Relationship of sales value to land value

| Sales Value per ft ² | Additional value | |
|------------------------------------|------------------|------------|
| | £k per acre | £ per unit |
| £275 | | |
| £300 | 600 | 26,087 |
| £325 | 1,200 | 52,174 |
| £350 | 1,800 | 78,261 |

(1) Based on 24,000 ft² per acre

(2) Density 23 units per acre



Capital expenditure alternatives

| Site | Up to 2006 | 2007 - 2010 | 2011 - 2014 | 2015 - 2018 | 2019 - 2022 | 2023 + | Total |
|-------------------|---------------|----------------|----------------|----------------|----------------|------------|--------------|
| High Ebbsfleet | 13 | 195 | 493 | 547 | 388 | 37 | 1,673 |
| High E Quarry | 10 | 95 | 259 | 371 | 280 | 301 | 1,316 |
| Total high | 23 | 290 | 752 | 918 | 668 | 338 | 2,989 |
| Low Ebbsfleet | 13 | 94 | 250 | 273 | 194 | 18 | 842 |
| Low E Quarry | 10 | 48 | 133 | 193 | 147 | 161 | 692 |
| Total low | 23 | 142 | 383 | 466 | 341 | 179 | 1,534 |

(1) Note - Excludes overheads and finance. All figures current day prices

(2) High - Full spend of all development costs (inc residential build).

(3) Low - JV partners to contribute 50% of all build and infrastructure costs. Costs include JV partner management fee

Breakdown of Ebbsfleet Valley costs

| Site | Ebbsfleet | Eastern Quarry |
|----------------|-----------|----------------|
| Offices | 51% | 20% |
| Residential | 40% | 76% |
| Retail/Leisure | 9% | 4% |
| Total | 100% | 100% |

(1) Infrastructure apportioned across all uses

(2) Ebbsfleet includes Springhead



Ebbfleet Valley infrastructure

| | Ebbfleet £m | Eastern Quarry £m |
|-------------------------|----------------|-------------------------|
| CTRL interface/station | 10.4 | n/a |
| Remediation | 0.5 | 1.9 |
| Infrastructure roads | 72.1 | 57.9 |
| Incoming services | 17.7 | 24.8 |
| Development platforms | 16.4 | 57.9 |
| Hard & soft landscaping | 36.1 | 29.8 |
| Streams & lakes | 5.5 | 23.3 |
| Public art | 2.6 | 5.0 |
| Ecology | 0.9 | 4.6 |
| Archaeology | 5.9 | 3.2 |
| Section 106 | 38.5 | To be determined |
| CTRL & car parking | 89.5 | n/a |
| Temporary works | 13.4 | n/a |
| Total | 309.5 | 208.4 |





Ebbfleet Valley

