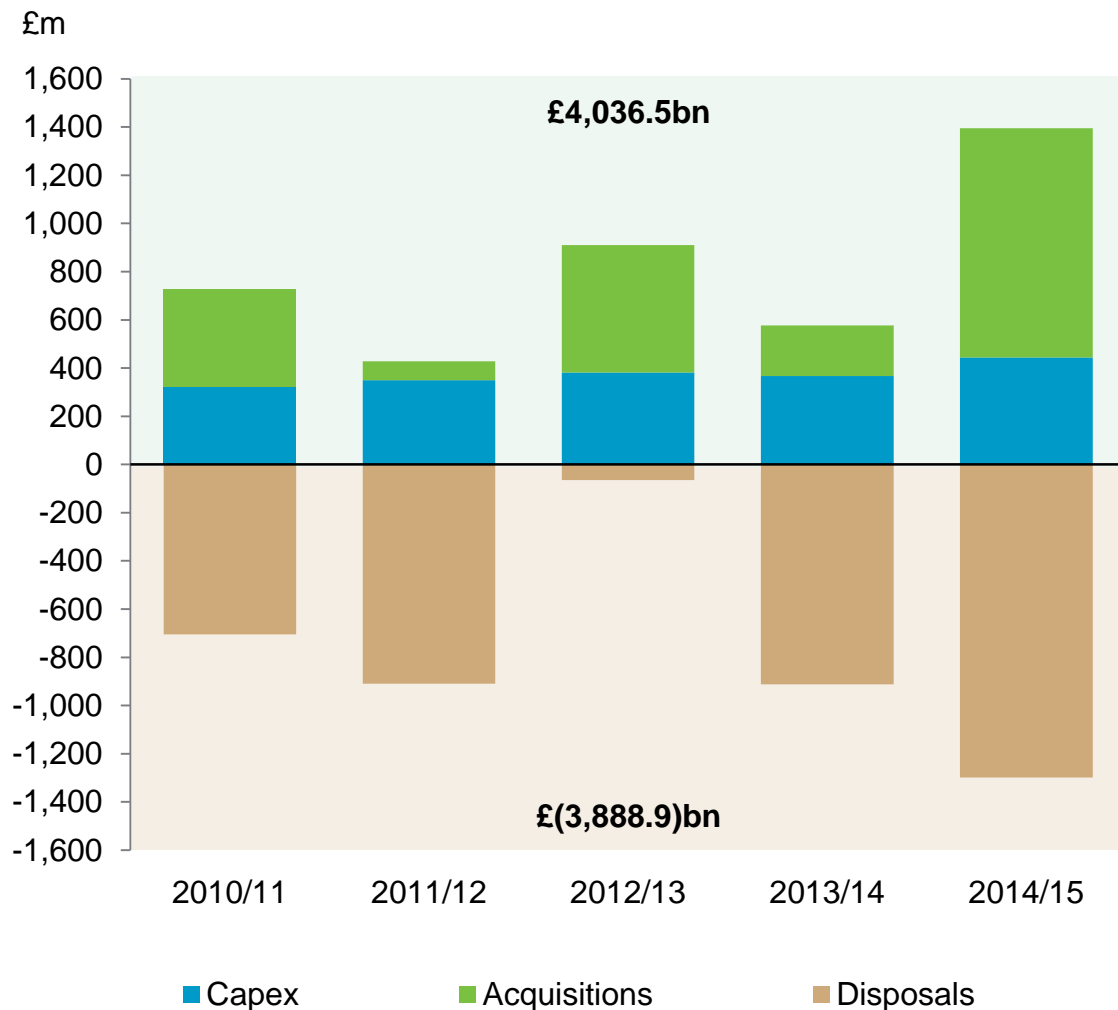


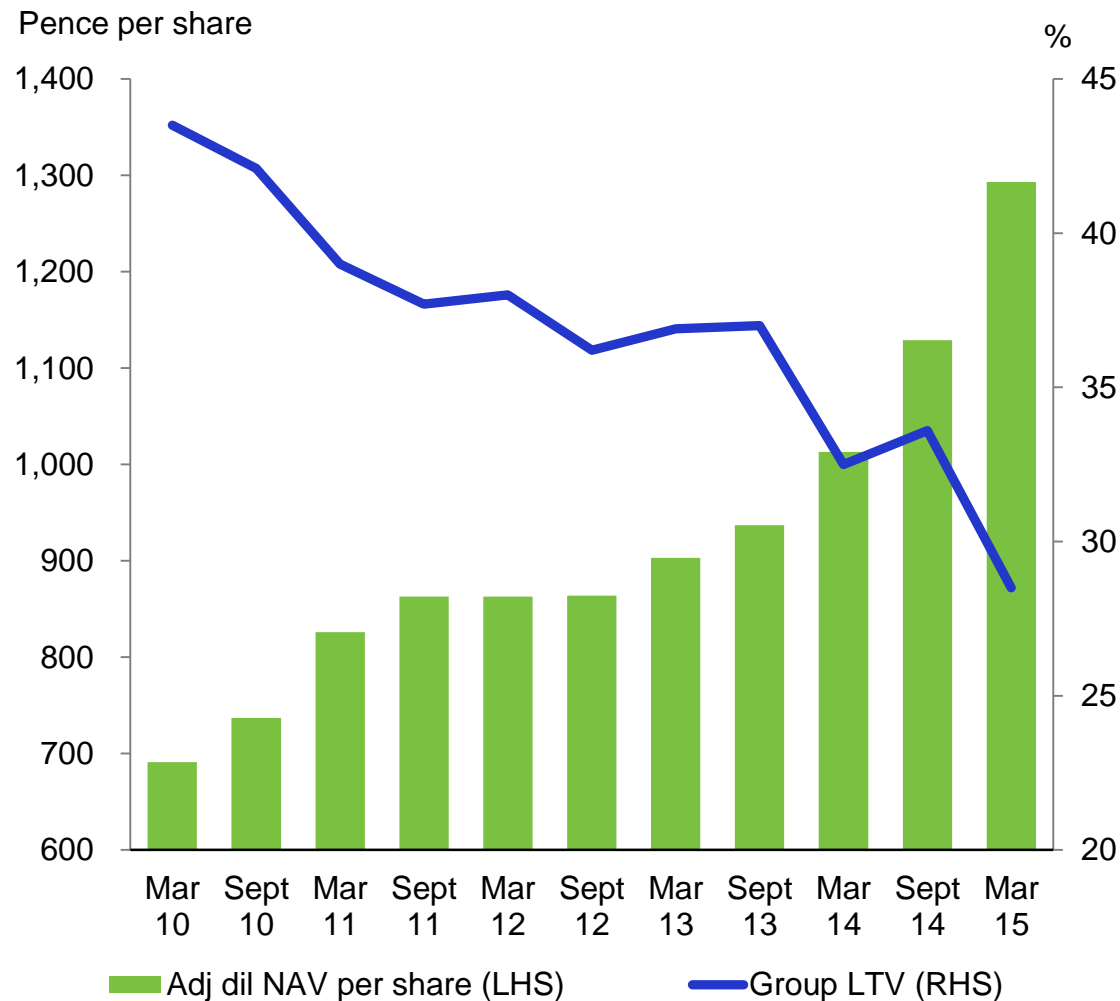
2015 PRELIMINARY RESULTS



Funding investment through disposals since 2010



Strategy strengthening the business – and delivering on our plan



Agenda

Martin Greenslade

Scott Parsons

Colette O'Shea

Robert Noel

Q&A



123 Victoria Street, SW1

Financial results

Martin Greenslade

Chief Financial Officer



Financial summary

Year ended 31.03.14		Year ended 31.03.15		Change
£m		£m		%
1,108.9	Profit before tax	2,416.5		
763.8	Valuation surplus ⁽¹⁾	2,036.9		17.3 ⁽²⁾
1,013p	Adjusted diluted NAV per share	1,293p		27.6
319.6	Revenue profit ⁽¹⁾	329.1		3.0
40.5p	Adjusted diluted earnings per share ⁽¹⁾	41.5p		2.5
30.7p	Dividend per share	31.85p		3.7

(1) On a proportionate basis

(2) Represents increase in value over the year



Revenue profit

	Year ended 31.03.15	Year ended 31.03.14	Variance
	£m	£m	£m
Gross rental income ⁽¹⁾	640.8	631.4	9.4
Net service charge expense	(2.2)	(3.4)	1.2
Direct property expenditure (net)	(39.1)	(34.0)	(5.1)
Net rental income	599.5	594.0	5.5
Indirect costs	(51.3)	(47.2)	(4.1)
Segment profit before interest	548.2	546.8	1.4
Unallocated expenses (net)	(39.4)	(36.5)	(2.9)
Net interest – Group	(155.4)	(168.0)	12.6
Net interest – joint ventures	(24.3)	(22.7)	(1.6)
Revenue profit	329.1	319.6	9.5








(1) Includes finance lease interest, after rents payable

Net rental income analysis

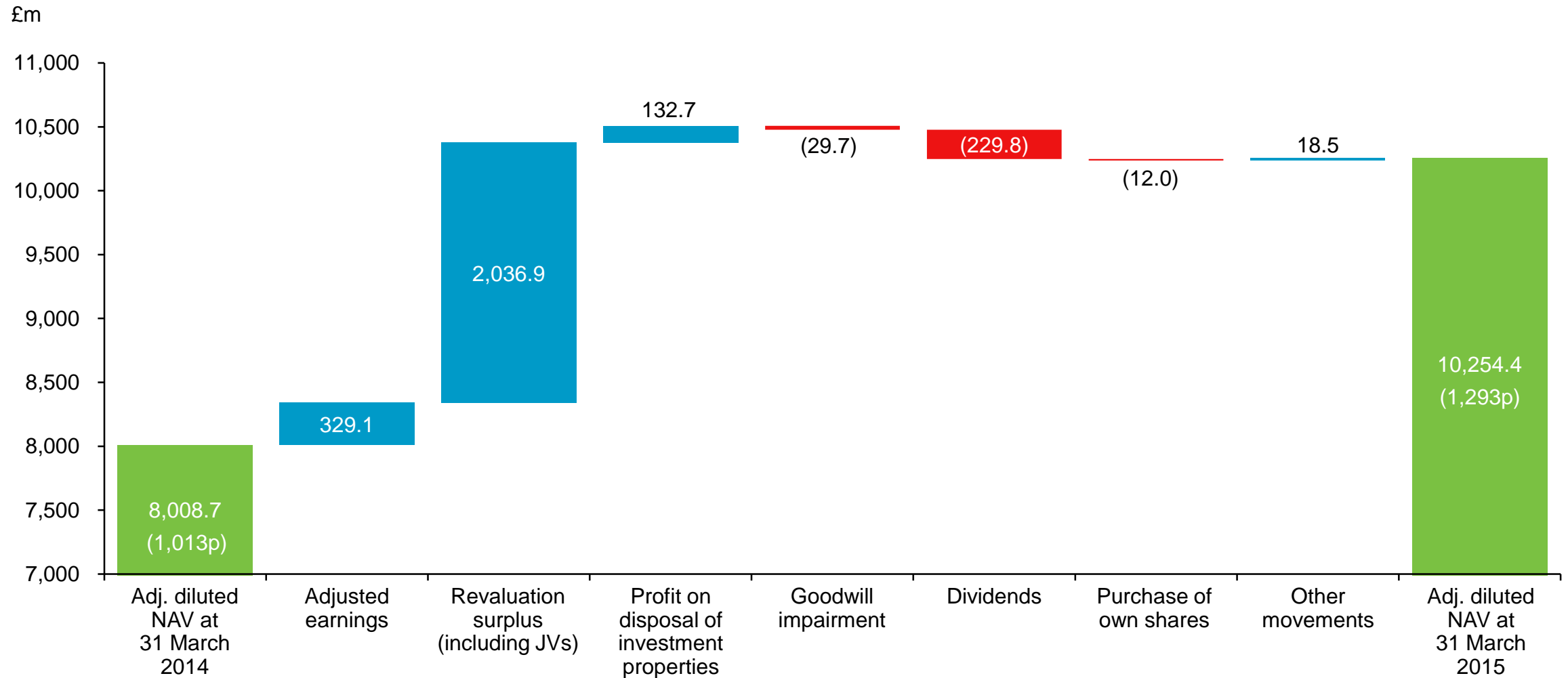
	Year ended 31 March		Variance	
	2015	2014		
	£m	£m	£m	%
Like-for-like investment properties	405.6	406.5	(0.9)	(0.2)
Proposed developments	11.8	7.7	4.1	
Development programme	22.8	1.6	21.2	
Completed developments	37.6	32.2	5.4	
Acquisitions since 1 April 2013	62.0	30.4	31.6	
Disposals since 1 April 2013*	47.6	104.9	(57.3)	
Non-property related income	12.1	10.7	1.4	
Net rental income	599.5	594.0	5.5	0.9

* Includes Non-current assets held for sale

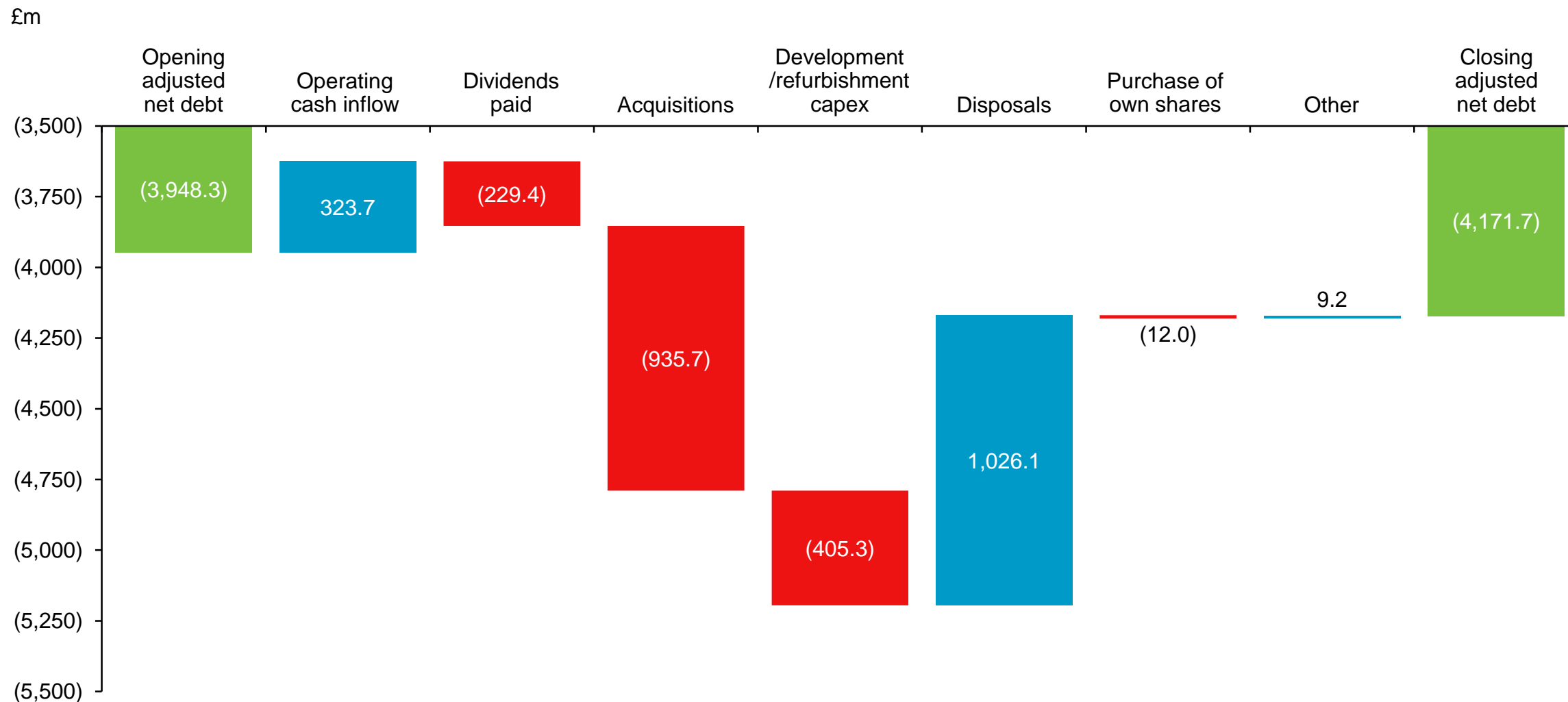
Combined Portfolio valuation

	Market value at 31.03.15	Combined Portfolio by value	Valuation surplus Year ended 31.03.15	
	£m	%	%	£m
Like-for-like	9,202.7	65.6	 16.0	1,213.1
Acquisitions	1,425.1	10.2	 6.2	81.2
Completed developments	962.1	6.9	 14.2	114.5
Proposed developments	290.0	2.0	 1.0	2.9
Development programme	2,151.5	15.3	 38.7	594.4
Non-current assets held for sale	n/a	n/a	 12.2	30.8
Total Combined Portfolio	14,031.4	100.0	 17.3	2,036.9

Movement in adjusted diluted NAV



Cash flow and adjusted net debt⁽¹⁾



(1) On a proportionate basis



Financing

- Group LTV at 28.5%
(on a proportionate basis),
down from 32.5% at 31 March 2014
- Weighted average maturity
of debt: 8.3 years
- Weighted average cost
of debt: 4.5%
- New £1.255bn revolving credit facility
- £1.4bn cash and undrawn facilities

Gearing	31 March 2015	31 March 2014
	%	%
Group LTV ⁽¹⁾	28.5	32.5
Security Group LTV	31.5	35.5

(1) On a proportionate basis



Financial summary

- Strong set of results
- Higher quality assets
- Robust balance sheet



Retail Portfolio

Scott Parsons

Managing Director, Retail Portfolio



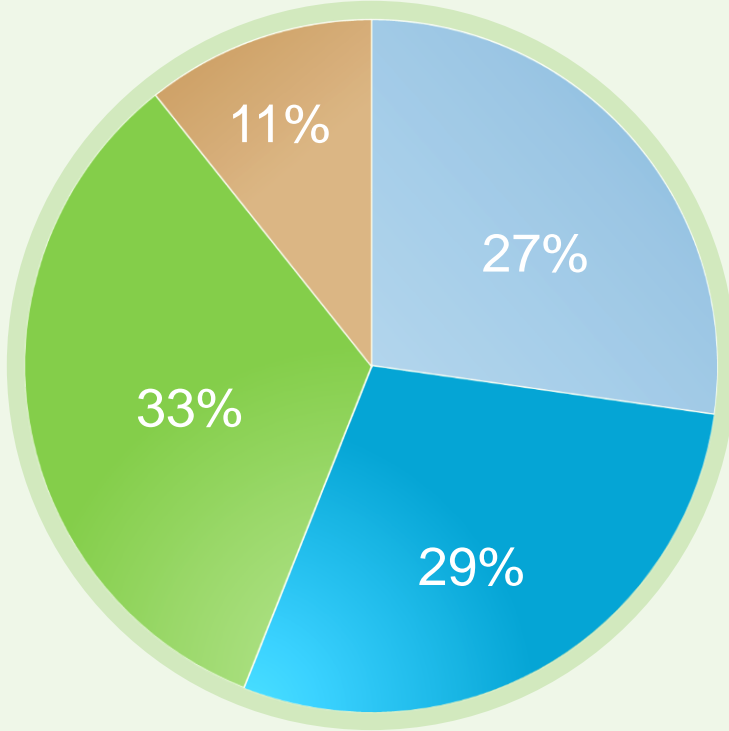
Retail Portfolio – a transformational year

- Portfolio valuation £6.3bn, up 11.1%
- Outperforming benchmarks
 - 17.7% return (IPD: 14.7%)
 - Same store sales up 3.3% (BRC up 2.3%)
 - Same centre sales up 6.3%
 - Footfall up 1.5% (Experian down 1.0%)
- Voids 2.7%
- Administrations 1.0%
- Total occupancy 97.1%

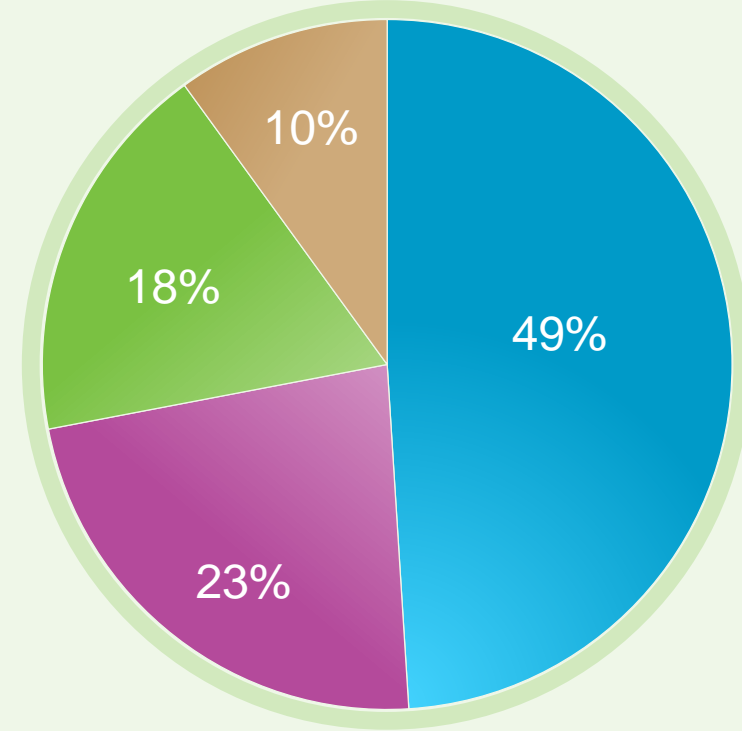


Portfolio focused on dominance, experience and convenience

March 2007...



March 2015



■ Secondary centres

■ Retail warehouses and foodstores

■ Dominant shopping centres

■ London suburban centres

■ Leisure and hotels

Retail parks – affordable rents and convenient locations



- Focus on convenience
- Furnishings, homeware, discounters and catering driving demand
- Affordable rents
- Low voids



Lakeside Retail Park, West Thurrock

Retail park development – exploring opportunities



- Bishop Centre, Taplow – fully let
- Worcester Woods
 - Planning submitted
 - 69% pre-let
- Selly Oak – site preparation ongoing



Bishop Centre, Taplow

Leisure and hotels – increasingly strong performance

Leisure

- Income and ERVs up
- Low voids
- Footfall up
- Letting activity driven by catering

Accor portfolio

- Income and occupancy up
- Values underpinned by VP values ahead of investment value
- 69% of value in Greater London



Cambridge Leisure Park, Cambridge

Leisure development – in a great Crossrail location



- Reserved Matters planning approval achieved
- 161 residential units
- 8 screen Picture House Cinema
- 50,000 sq ft of retail and catering



Ealing Filmworks

Greater London shopping centres – 20% capital growth



- Affluent, growing catchments
- Strong underlying land values
- Diverse and expanding catering demand
- Southside – 82,000 sq ft Debenhams opening this year



Southside, Wandsworth SW18

Dominant shopping centres – beating the benchmarks



white rose
shopping centre

Gunwharf
Quays

PREMIUM RETAIL OUTLET



BUCHANAN
GALLERIES



Dominant shopping centres – enhancing the experience



St David's, Cardiff



Gunwharf Quays, Portsmouth

Bluewater – a key destination for retailers



- Lettings totalling £6.8m
- Record sales £884m
- Tenant upsizing, Next upsize underway
- Progressing plans for Glow space
- Vacancy down to 4.9% from 5.3% at acquisition



Bluewater, Kent

All figures at 100%

Westgate – a new destination for Oxford



- On-site; PC October 2017
- 800,000 sq ft
 - 29% pre-let to John Lewis, Next, Primark, H&M and numerous lifestyle brands plus Curzon Cinema



Westgate, Oxford

Buchanan Galleries – investing in dominance



- Detailed planning achieved
- CPO unchallenged
- Earliest PC March 2018
- Development 36% pre-let, anchored by John Lewis, M&S and Showcase Cinema de Lux



Buchanan Galleries, Glasgow

Retail Portfolio summary – quality and resilience



- Strong results
- Outperforming benchmarks
- Better quality = future resilience and performance

London Portfolio

Colette O'Shea

Managing Director, London Portfolio

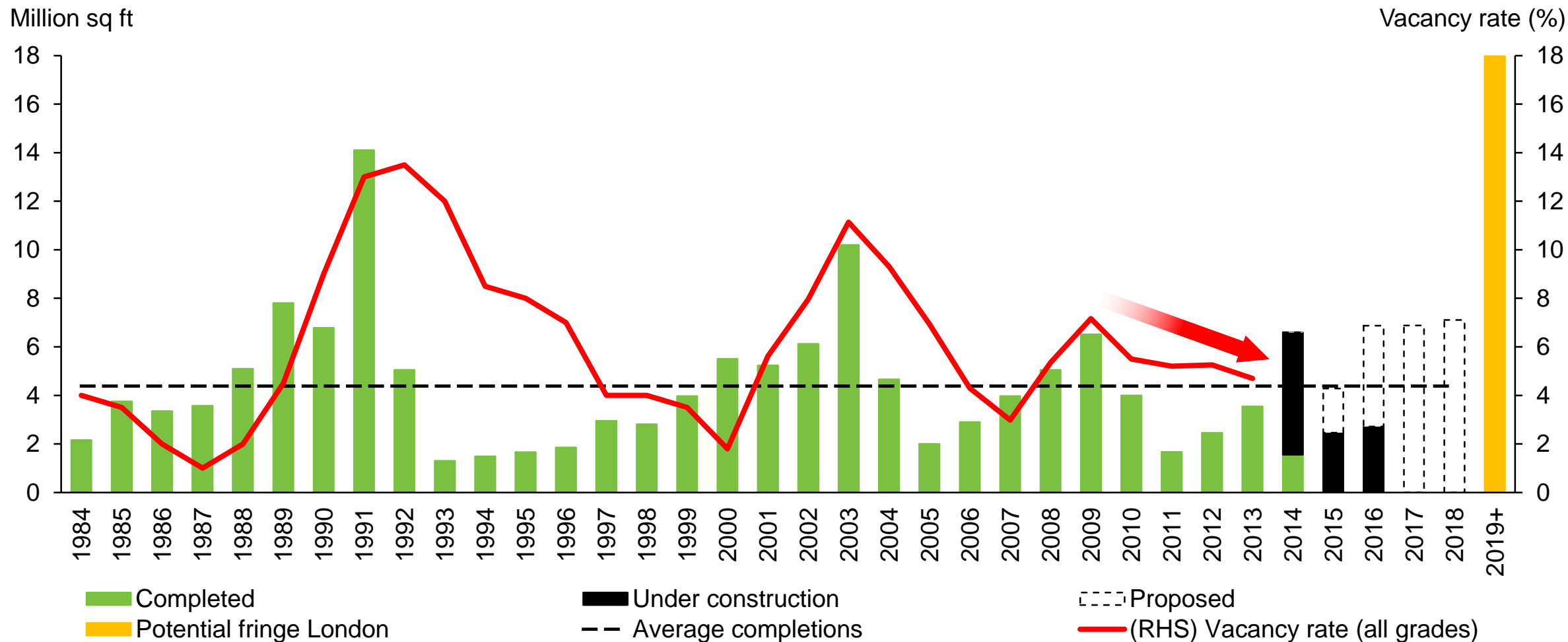
London Portfolio – business is firing on all cylinders

- Speculative developments of 3.5m sq ft since 2010
 - Total development cost of £2.4bn
 - Delivering 1.5m sq ft of space in the next 18 months
- 1.1m sq ft space available to let
- Delivering into a supply constrained market



Central London supply – March 2014 – well timed lettings

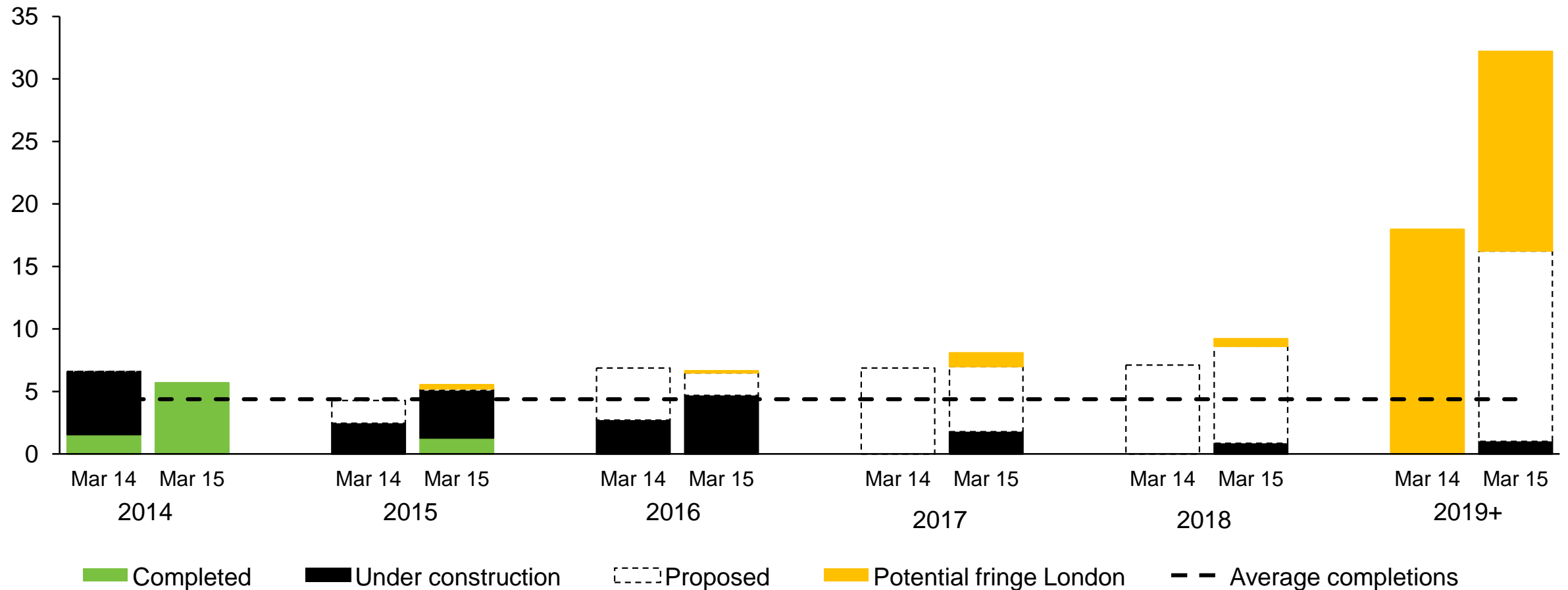
Development completions and vacancy



Central London Supply – 2014 and 2015 forecasts

Well timed lettings

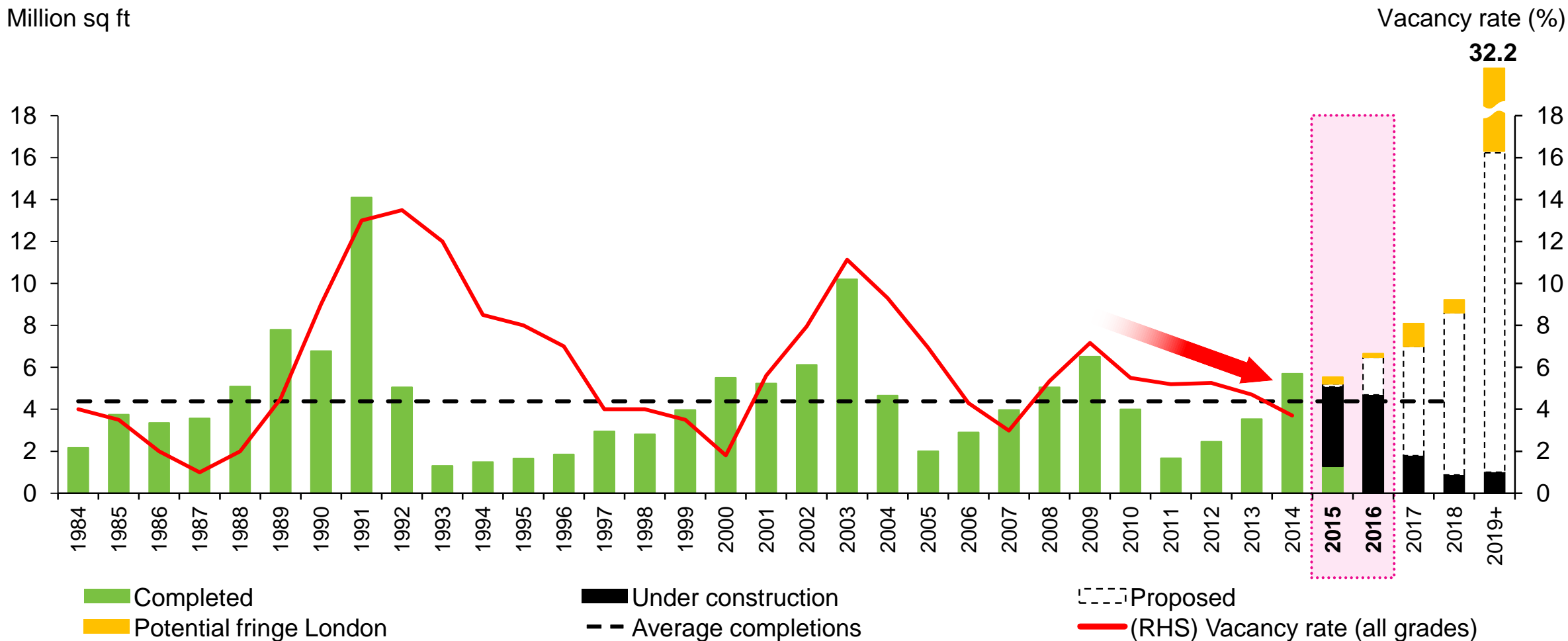
Million sq ft



Central London supply – March 2015 – well timed lettings

Development completions and vacancy

Million sq ft



Development – maintaining letting momentum



- 671,000 sq ft let this year
- Weighted average lease term of offices 19 years
- Longer leases building portfolio resilience
- 1.1m sq ft to let in the next 18 months



1 New Street Square, EC4

Development – City and mid-town – building portfolio resilience



20 Fenchurch Street, EC3

- 688,000 sq ft
- 92% let
- Average office rent £64 psf
- Average office lease term of 17 years
- Completed December 2014



New Ludgate, EC4

- 382,000 sq ft
- 68% let, 16% in solicitors' hands
- Average office rent £59 psf (£63 min uplift 1st review)
- Average office lease term of 19 years
- Retail brands including Charles Tyrwhitt, Coco di Mama and Association Coffee
- Completed April 2015



1 New Street Square, EC4

- 275,000 sq ft
- 100% let
- Average office rent £64 psf (£68 min uplift 1st review)
- 20 year lease
- PC June 2016

Development – Victoria – great product – value creation



62 Buckingham Gate, SW1

- 275,000 sq ft
- 69% let
- 18% in solicitor's hands
- Average office lease term of 10 years



The Zig Zag Building, SW1

- 233,000 sq ft
- 34% let
- 3% in solicitor's hands
- Average office lease term of 20 years
- 3 of the 6 retail units let: Mango Jamie's Italian and Iberica
- PC July 2015



Kings Gate, SW1

- 109,000 sq ft of residential
- 85 of 100 apartments pre-sold
- Holding 20% deposits
- Sold £141m approximately 70% by value
- PC July 2015

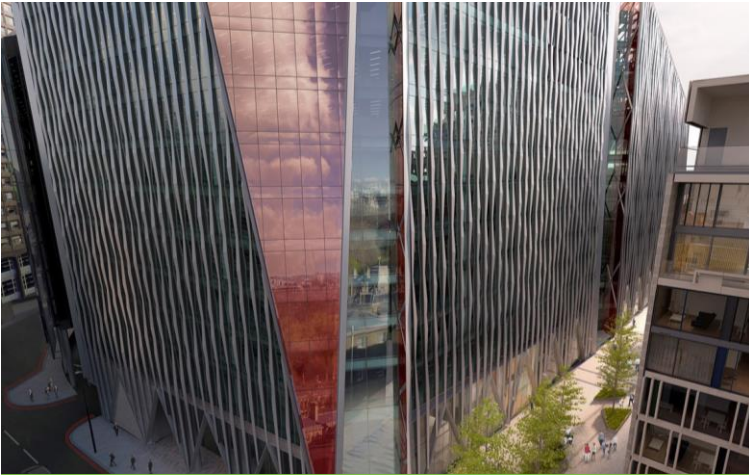
Development - Nova residential - great product - great location



Nova, Victoria, SW1

- 166,000 sq ft
- 133 of 170 apartments pre-sold
- Holding 20% deposits
- Sold £195m approximately 58% by value
- PC April 2016

Development – Nova offices and retail – changing Victoria



Nova North, Victoria, SW1

- 480,000 sq ft offices
- 12% of office space in solicitors' hands
- PC July 2016



Nova South, Victoria, SW1



Nova, Victoria, SW1

- 80,000 sq ft retail
- 18 units, 7 units let including Jason Atherton, Ricker restaurants, Village London (Adam White), D&D, Sourced Market and 6 units in solicitors' hands
- New restaurant quarter
- PC July 2016

J A S O N
A T H E R T O N

RICKERestaurants



The
Juice Well

D&D
LONDON

SOURCED
MARKET

Development – great Crossrail location

- Paddington Crossrail
- 93,000 sq ft of office space being developed
- Marketing commences October 2015
- PC moved from February to April 2016



20 Eastbourne Terrace, W2

Manage – strengthening income – building portfolio resilience



- Completed £19.4m investment lettings
- Office WAULT 9.2 years excluding development programme



5 New Street Square, EC4

Manage – strengthening income – increasing values



Dashwood House, EC2



130 Wood Street, EC2

Dashwood House

- 81% of income subject to rent review by March 2016
- Surrender and re-let at new high of £65 psf
- Created well timed rental evidence

130 Wood Street

- Top floor passing rent £37.50
- Re-let the top floor at £52.50 psf for 10 years
- Lease extensions on 3 other floors
- WAULT increased from 3.3 years to 7.8 years
- ERV increased by 24%
- Crystallised value through recent disposal

Manage – voids – opportunities to capture rental value growth



- LFL voids increased from 1.6% to 4.3%
- Main contributors:
 - Thomas More Square, E1
 - 5 New Street Square, EC4
 - Holborn Gate, WC1
 - Piccadilly Lights, W1
 - Portland House, SW1



Piccadilly Lights, W1

Sell – successfully recycling capital



Oriana, W1

- Sold Phase I for £126.8m (LS share)
- Conditionally exchanged Phase II
- Retained 18 residential apartments
- PC November 2016

Times Square, EC4

- Extended 20% of the income by 8 years
- Exchanged contracts to sell our 95% interest for £268.4m



Oriana, W1



Times Square, EC4

Buy – Thomas More Square, E1 – capturing rental value growth



- Purchased remaining 50% interest for £85.3m
- Refurbishing 175,000 sq ft of the main tower
- Creating new retail space of 10,000 sq ft
- 63% of the refurbished space let or in solicitors' hands
- PC in September 2015



Thomas More Square, E1

21 Moorfields, EC2 – secured 250 year leasehold interest



- Purchase price of £16.5m equates to site value of £33psf
- Overage paid once hurdle rate achieved on completed development



21 Moorfields, EC2

21 Moorfields, EC2 – pre-letting opportunity

- 1.9 acres above Liverpool Street Crossrail station
- Selected as preferred developer by administrator
- 2012 - conditional agreement to purchase 79 year leasehold interest
- 2014 - settled Crossrail CPO claim
- 2015 - entered into an option and development agreement to draw down two new 250 year leases at 5% gearing, and a development agreement
- 2015 - planning resolution for two buildings totalling over 500,000 sq ft



21 Moorfields, EC2

Future pipeline – building in optionality



Portland House, SW1

- Planning consent for 206 apartments
- Lease expiry June 2016
- Popular office building



Nova East, Victoria, SW1 – Phase II

- 171,000 sq ft
- Revising 2009 planning consents
- Plan to build to grade by Q4 2017
- Earliest PC Q2 2019
- Pre-letting opportunity



21 Moorfields, EC2

- 506,000 sq ft
- Plan to build to grade by Q1 2017
- Earliest PC Q1 2019
- Pre-letting opportunity

London Portfolio summary – business is firing on all cylinders



- Maintaining letting momentum
- Strengthening existing income
- Selling more mature assets
- Over £390m still to spend on developments
- Actively re-stocking the pipeline

Summary

Robert Noel

Chief Executive



London and Retail Portfolios – both delivering results



Gunwharf Quays, Portsmouth



New Ludgate, EC4

Retail

- Decisive transformation under our themes of dominance, experience and convenience
- Total Property Return of 17.7%
- Oxford committed

London

- Success of development programme evidenced with 671,000 sq ft of lettings in the year
- Total Property Return of 27.7%
- Well placed with a further 1.1m sq ft to let this year and next

Building quality, strength and resilience in a cyclical market

- A Retail Portfolio of appealing, dominant and convenient environments
- A robust weighted average unexpired lease term on London offices
- A more conservative LTV with plenty of firepower



20 Fenchurch Street, EC3

Q&A

