

2016 PRELIMINARY RESULTS



A business in terrific shape and raising the dividend

Healthy key performance indicators

Footfall	↑ 3.4%	Voids	↓ at 2.3%
Retailer sales	↑ 1.5%	Rental values	↑ 5.8%

Strong results

Valuation	↑ 7.0%	Adjusted diluted EPS	↑ 10.1%
Surplus on disposals	9.1%	Adjusted diluted NAVPS	↑ 10.9%

Stronger business

WAULT*	↑ at 9.7 years	LTV	↓ at 22.0%
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Confident outlook

Dividend	↑ 9.9%
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*London offices

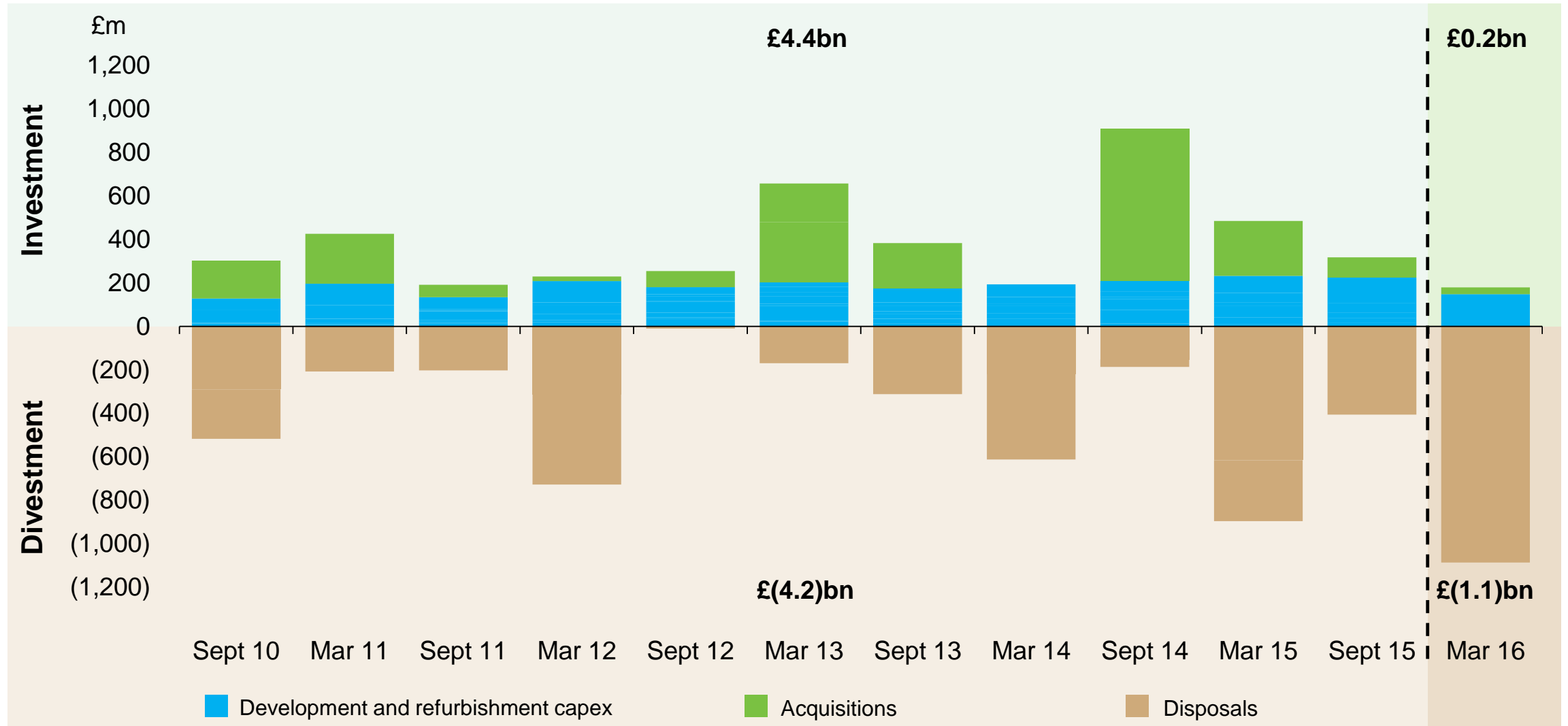
A clear plan since 2010

- Significant speculative London development programme
- Retail transformation
- Capital recycling

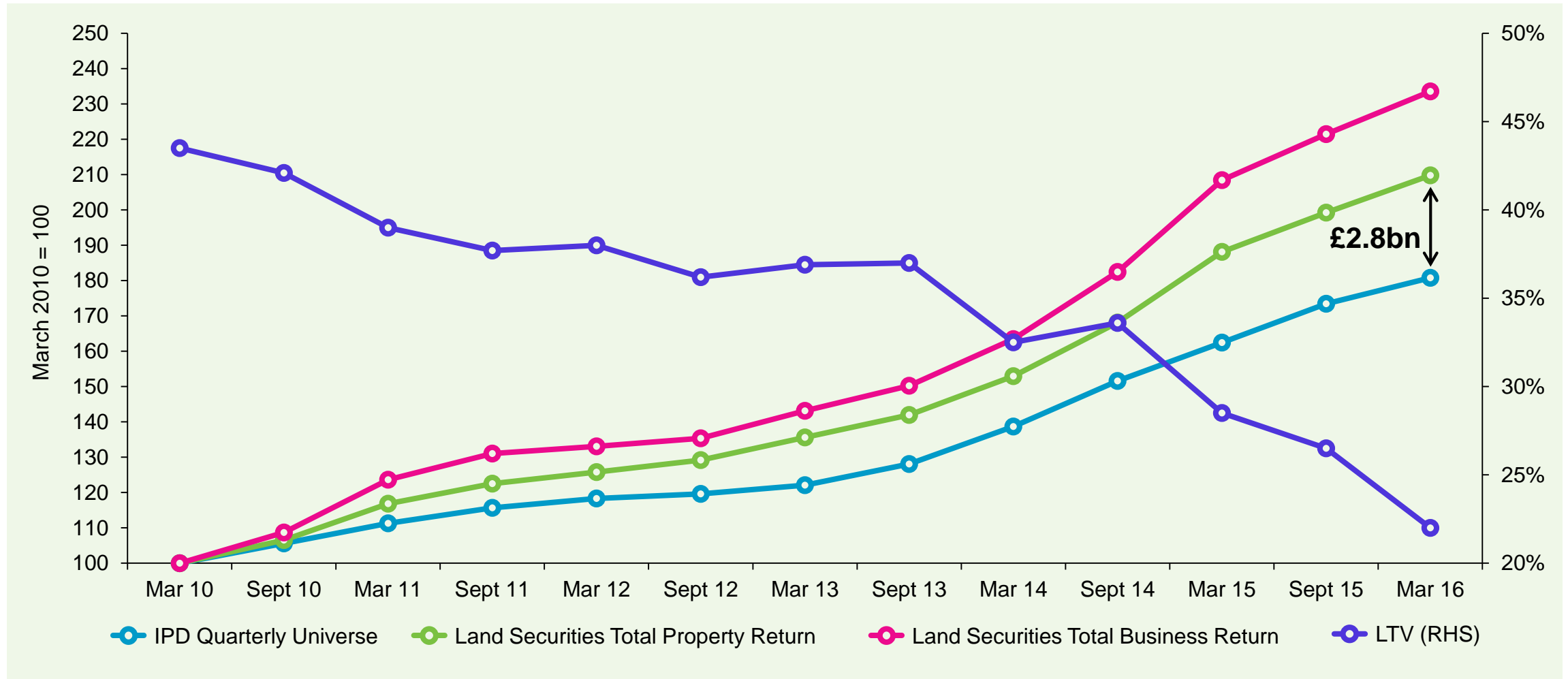


Nova, Victoria , SW1

Funding investment through disposals since 2010



Performance – creating shareholder value while strengthening the balance sheet



Agenda

Martin Greenslade

Colette O'Shea

Scott Parsons

Robert Noel

Q&A



The Zig Zag Building, SW1

Financial results

Martin Greenslade

Chief Financial Officer



Financial summary

Year ended 31.03.15		Year ended 31.03.16		Change
£m		£m		%
2,416.5	Profit before tax	1,335.6		
2,036.9	Valuation surplus ⁽¹⁾	907.4		7.0 ⁽²⁾
1,293p	Adjusted diluted NAV per share	1,434p		10.9
329.1	Revenue profit ⁽¹⁾	362.1		10.0
41.5p	Adjusted diluted earnings per share ⁽¹⁾	45.7p		10.1
31.85p	Dividend per share	35.0p		9.9

(1) On a proportionate basis

(2) Represents increase in value over the year





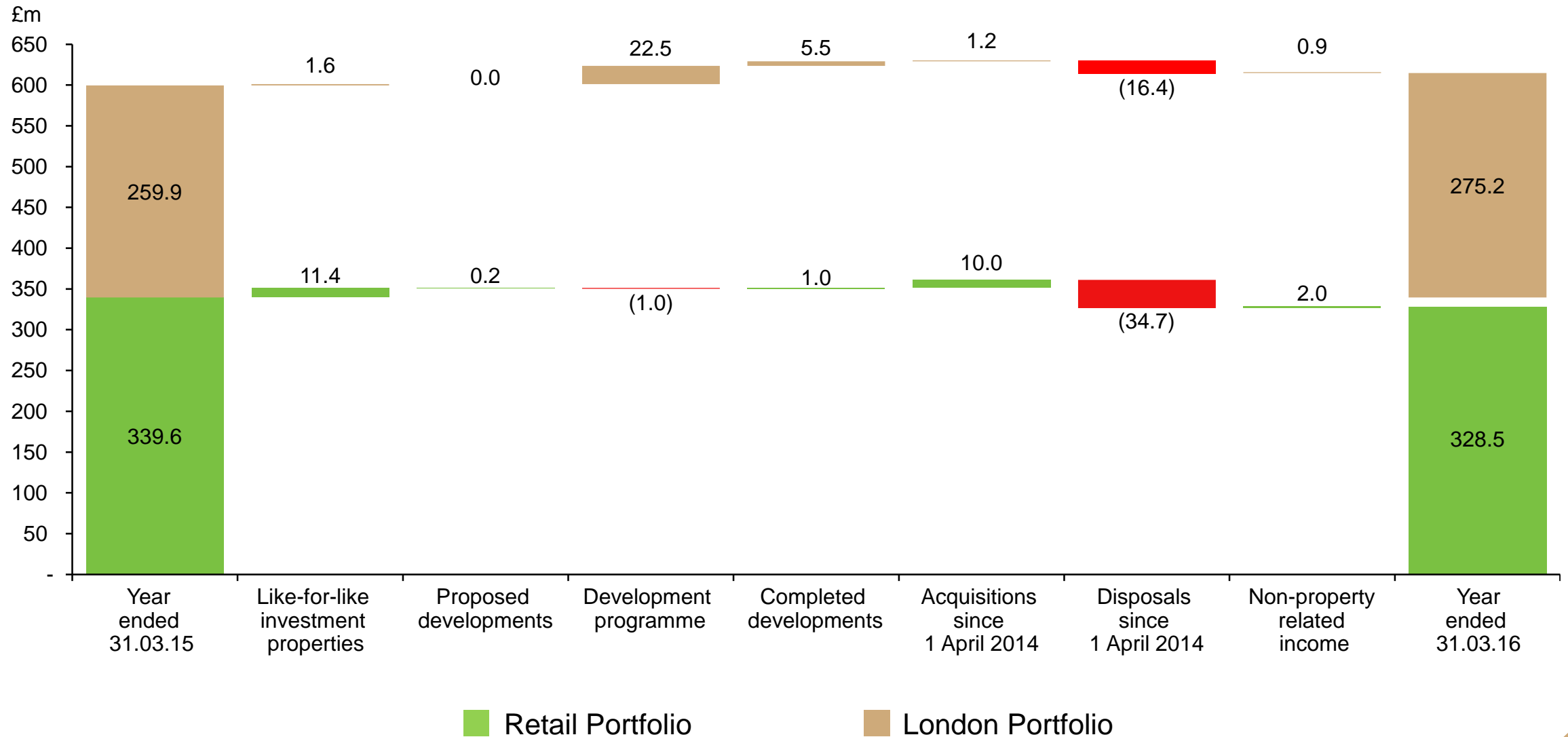
Revenue profit

	Year ended 31.03.16	Year ended 31.03.15	Variance
	£m	£m	£m
Gross rental income ⁽¹⁾	648.7	640.8	7.9
Net service charge expense	(3.7)	(2.2)	(1.5)
Direct property expenditure (net)	(41.3)	(39.1)	(2.2)
Net rental income	603.7	599.5	4.2
Indirect costs	(44.3)	(51.3)	7.0
Segment profit before interest	559.4	548.2	11.2
Unallocated expenses (net)	(34.0)	(39.4)	5.4
Net interest – Group and JVs	(163.3)	(179.7)	16.4
Revenue profit	362.1	329.1	33.0

(1) Includes finance lease interest, after rents payable









Net rental income analysis





Combined Portfolio valuation

	Market value at 31.03.16	Combined Portfolio by value	Valuation surplus Year ended 31.03.16	
	£m	%	%	£m
Like-for-like	10,663.1	73.7	 5.5	533.4
Acquisitions	967.9	6.7	 1.2	11.9
Completed developments	1,038.5	7.2	 12.4	109.3
Proposed developments	3.5	-	- 4.2 	(0.2)
Development programme	1,797.5	12.4	 16.6	253.0
Total Combined Portfolio	14,470.5	100.0	 7.0	907.4





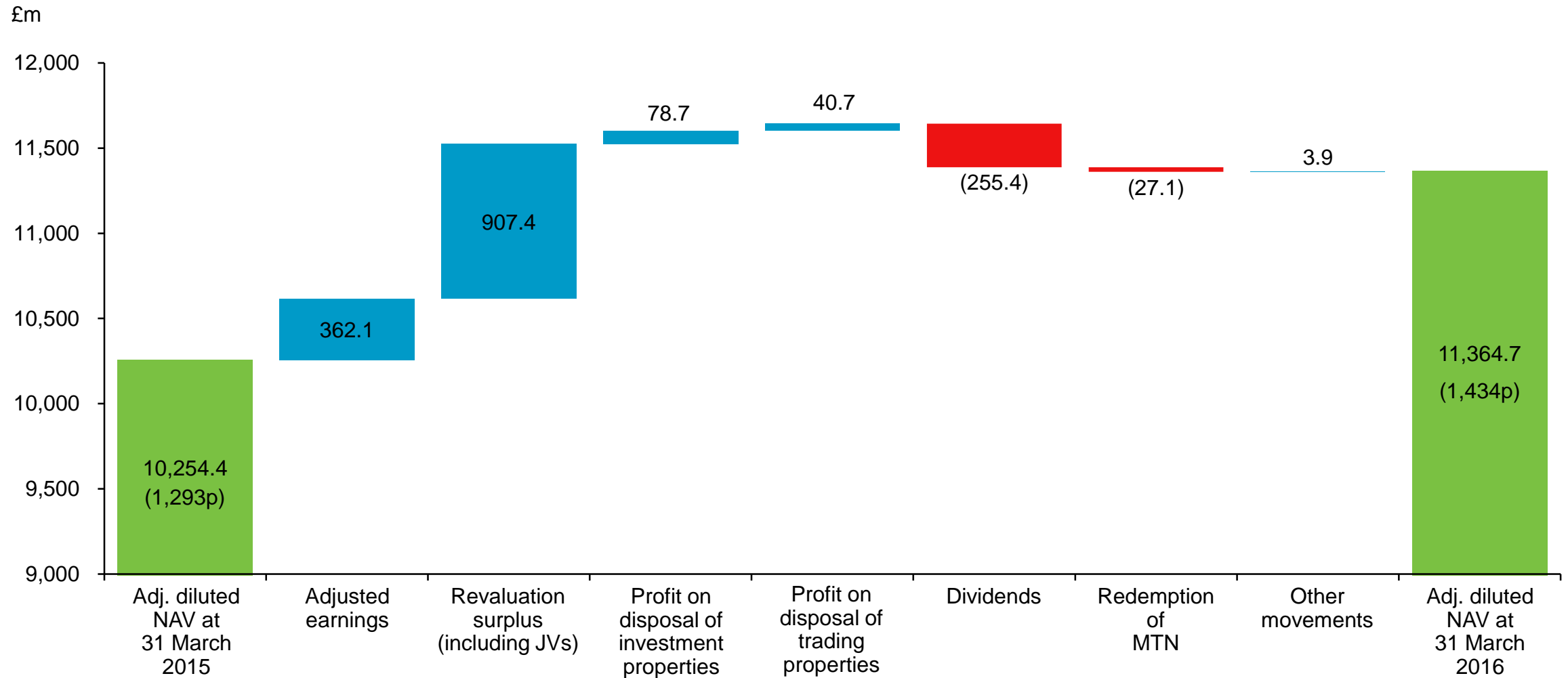
Like-for-like valuation

	Market value at 31.03.16		Valuation surplus Year ended 31.03.16		Equivalent Yield shift	Rental value change ⁽¹⁾
	£m		%	£m	bps	%
Shopping centres and shops	2,871.3		4.3	117.1	-7	2.3
Retail parks	834.3	-1.0		(8.6)	4	-
Leisure and hotels	1,510.9		6.2	87.3	-34	5.1
London offices	4,193.1		6.3	227.1	6	10.6
Central London shops	1,187.4		10.3	111.0	-38	8.1
Other	66.1	-0.8		(0.5)	1	-
Total like-for-like portfolio	10,663.1		5.5	533.4	-8	5.8

(1) Rental value growth figures exclude units materially altered during the year and also Queen Anne's Gate, SW1

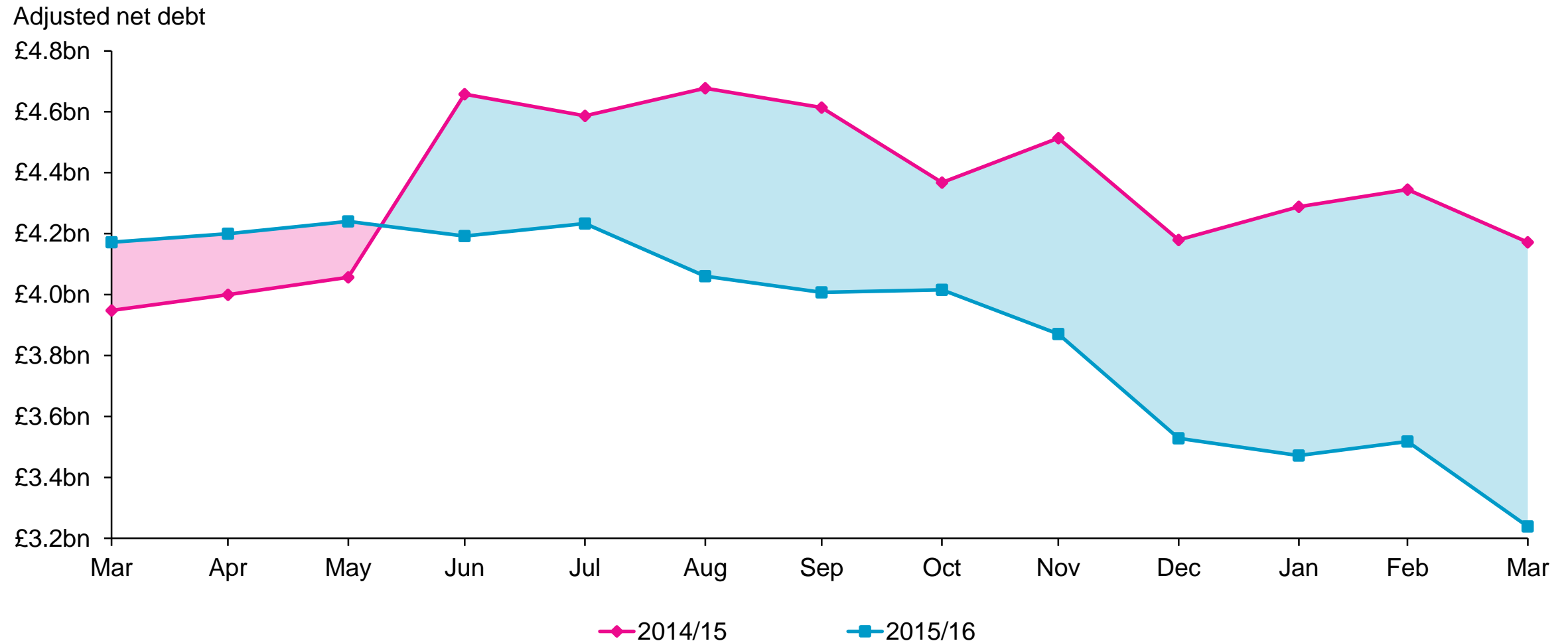


Movement in adjusted diluted NAV



Adjusted net debt⁽¹⁾

Year-on-year comparison by month



(1) On a proportionate basis



Financing

- Group LTV⁽¹⁾ at 22.0% down from 28.5% at 31 March 2015
- Weighted average maturity of debt: 9.6 years
- Weighted average cost of debt: 4.9%
- £1.5bn cash and undrawn facilities

Gearing	31 March 2016	31 March 2015
	%	%
Group LTV ⁽¹⁾	22.0	28.5
Security Group LTV	23.4	31.5
(1) On a proportionate basis		



Financial summary

- Strong earnings growth
- Dividend rebased
- Robust balance sheet – low gearing, resilient assets



62 Buckingham Gate, SW1



London Portfolio

Colette O'Shea

Managing Director, London Portfolio

Another very good year in London

- Strong year of lettings
- Rigorous asset management
- Sales crystallised value



Tracking the market forensically

- 2015 - 2017 supply as predicted
- Supply increasing beyond 2017 at a faster rate than expected
- Vacancy rate started to rise



Nova North, SW1

Development – strong year of lettings

- 549,000 let of the 1.1m sq ft available at start of year
- Average lease term 14 years
- 519,000 sq ft remaining to let
 - 101,000 sq ft or 20% already in solicitors' hands

City

- 20 Fenchurch Street 100% let
- 1 & 2 New Ludgate 94% let, 2% in solicitors' hands
- 1 New Street Square 100% let, due to complete July 2016

West End

- The Zig Zag Building 88% let
- 20 Eastbourne Terrace 62% let and 15% in solicitors' hands, completed May 2016



Development – Nova – continuing Victoria's transformation



Nova North & Nova South, SW1



London's newest food quarter

- 481,100 sq ft offices
- 79,500 sq ft restaurant and retail space
- 38% of office, restaurants and retail pre-let or in solicitors' hands
- Average office lease term 15 years
- Scheme completion September 2016

**RICKER
RESTAURANTS**



JASON *a* THERTON

BARBECOA

SHAKE  SHACK

EgonZehnder


bhpbilliton

Advent International
GLOBAL PRIVATE EQUITY

Development – Victoria residential – great product and location



Kings Gate, SW1

- 109,000 sq ft of residential
- 86 of 100 apartments sold including 2 penthouses
- £146m completed sales
- Completed October 2015



The Nova Building, SW1

- 166,800 sq ft residential
- 138 of 170 apartments pre-sold
- Holding 20% deposits



Asset management – rigorous approach is strengthening the portfolio

- Offices weighted average unexpired lease term increased from 7.8 years in 2010 to 9.2 years today
 - Increasing to 9.7 years with completed developments
- £17.6m of investment lettings in the year
- £25.1m of rent reviews in the year
- LFL voids remain low at 2.9%



Asset management – creating opportunities to lengthen income

Cardinal Place

- 3 buildings 662,000 sq ft
- 72% of income subject to break or expiry March 2012 of which 48% re-gearred to 2026 and beyond
- EDF Trading re-gearred 50,000 sq ft from 2021 to 2026, pre-agreed December 2016 rent review, increasing passing rent by 10%
- Microsoft vacated 94,000 sq ft; 75% of available space already pre-let or in solicitors' hands



Cardinal Place, SW1

Asset management – value creation through capturing rental value growth

New Street Square

- 5 buildings 694,000 sq ft
- Office WAULT 8.6 years
- Taylor Wessing lease re-gearred from 2018 to 2025
- Letting of 23,200 sq ft at £63.50 psf in November
- Two rent reviews settled 12% ahead of passing rent
- 58% of office income subject to rent review in the next 24 months



New Street Square, EC4

Asset management – seizing opportunities to strengthen income



Dashwood House, EC2

- 86% of income subject to review by March 2016
- Now reviewed 71% of this income
- Increase in passing rent of 23%



Moorgate Hall, EC2

- 56% of retail income is subject to review and renewal
- HMV unit split and re-let, moving Zone A rents from £250 to £288 psf



One New Change, EC4

- 12 of the 53 retailers subject to tenant break or expiry
- 2 breaks exercised and units re-let at 61% above passing rent with no void
- 31% increase in passing rent over last 24 months
- YoY sales up 4.9%
- 100% let

Asset management – increasing value, crystallised through disposal

Thomas More Square

- Purchased our partners' 50% share for £85m in November 2014 when estate 21% vacant
- £36m refurbishment of vacant offices, improvement of public realm and retail
- Net effective rental value growth of 33%
- Sold £284m generating 36% surplus to purchase price



Thomas More Square, E1

Asset management – increasing value, crystallised through disposal

Holborn Gate

- Refurbishment of vacant offices, reception and public realm
- Capitalising on supply constrained mid-town conditions
- Net effective rental value growth of 14%
- Sold £134m generating 6% surplus versus book value

Total disposals contracted in the year of £661m, 14% surplus to book value



Holborn Gate, WC1

Future pipeline – progressing 1.2m sq ft of potential



Nova East, SW1

- 196,000 sq ft
- Secured revised planning consent March 2016



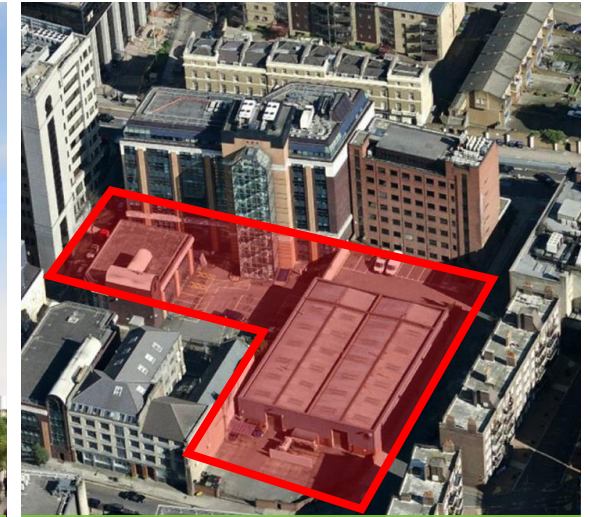
1 Sherwood Street, W1

- 142,000 sq ft behind Piccadilly Lights
- Secured planning consent April 2016



21 Moorfields, EC2

- 515,000 sq ft
- Secured planning consent November 2015
- Progressing demolition and enabling works
- Pre-letting opportunity



Southwark Street, SE1

- Early design stage for 140,000 sq ft office scheme
- Earliest VP date October 2019

London portfolio – high quality, well let and resilient

The year ahead

- Let remaining 519,000 sq ft in development programme
- Capture reversion in the portfolio
- Progress the future pipeline
- Look for new opportunities



Retail Portfolio

Scott Parsons

Managing Director, Retail Portfolio

Delivering on a clear strategy

Right space,
right place

Growing
sales

Leasing
momentum

Rental
tension

Active
management



St David's, Cardiff

Achieving strong results

Right space,
right place

Growing
sales

Leasing
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Rental
tension

Active
management

- Portfolio value £6.2bn, up 3.7% (£7.7bn, up 4.6% including central London shops)
- Outperformed IPD Retail Benchmark by 150bps
- Sales of £385m – Gateshead, Dundee, Derby and Maidstone
- Acquisitions of £66m including Castle Quarter, Oxford



185-221 Buchanan Street, Glasgow

Achieving strong results

Right space,
right place

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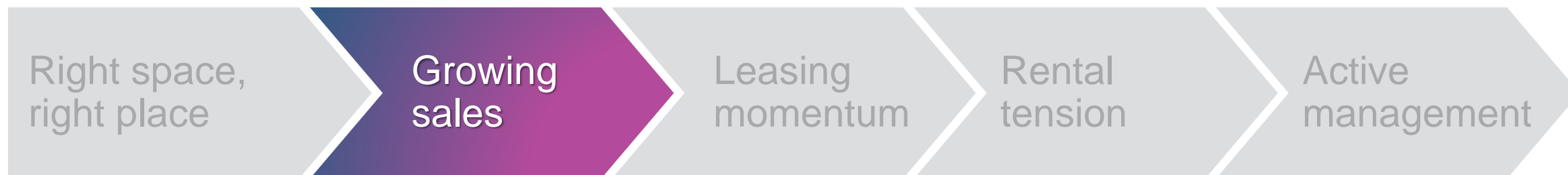


Castle Quarter, Oxford





Outperforming the market



(1) TYCO Footfall

(2) BRC – KPMG Retail Sales Monitor (RSM) – physical store sales only

(3) Coffey Peach Business Tracker

■ Land Securities

■ National benchmark



Outperforming the market

Right space,
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management



Gunwharf Quays, Portsmouth

Capturing occupier demand

Right space,
right place

Growing
sales

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Rental
tension

Active
management

- £20.0m investment lettings
- £2.1m development lettings
- Good retailer support for new space
- Westgate Oxford 45.5% let, 5.7% ISH



White Rose, Leeds - leisure extension

Capturing occupier demand

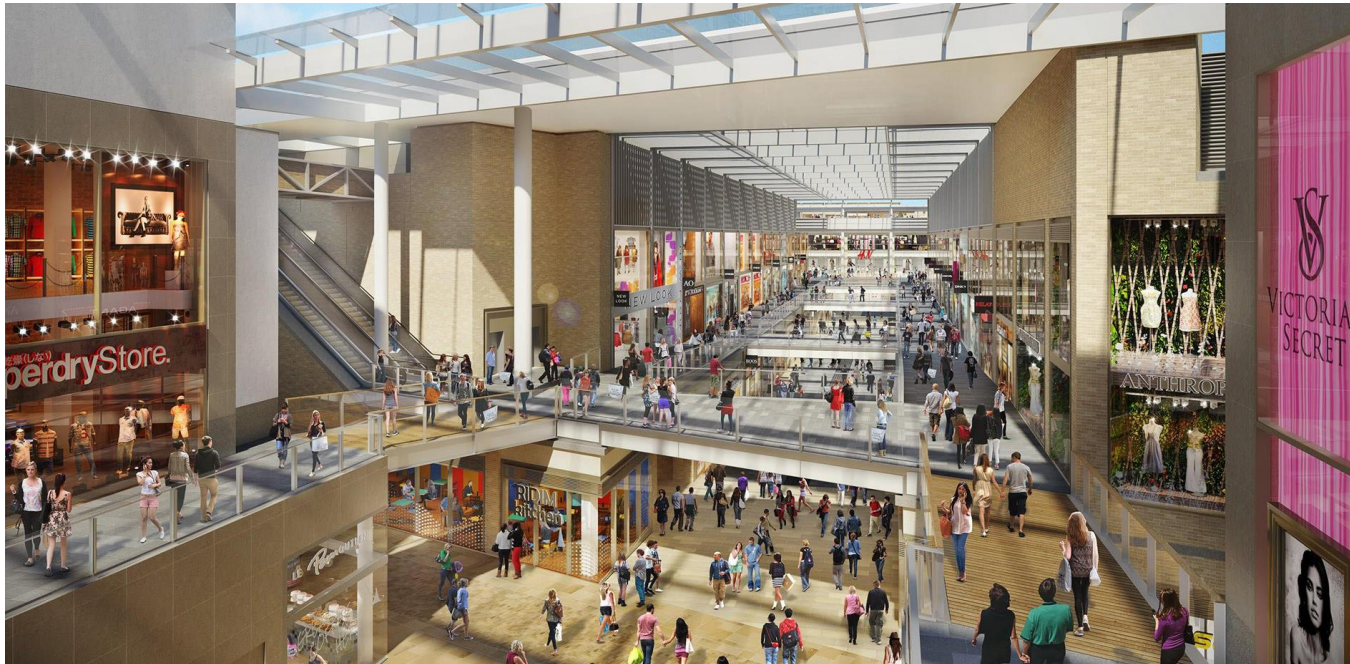
Right space,
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Westgate Oxford



Securing record occupancy levels

Right space,
right place

Growing
sales

Leasing
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Rental
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Active
management

- Total LFL voids 1.8%
(2.4% March 2015)
 - Retail parks 0% (1.4% March 2015)
 - Leisure and hotels 0.7% (0.9% March 2015)
 - Shopping centres and shops 2.8% (3.2% March 2015)
- Units in administration 0.6%
(1.1% March 2015)



Bishop Centre, Taplow

Securing record occupancy levels

Right space,
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Growing
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Leasing
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White Rose, Leeds

Driving growth in net rental income

Right space,
right place

Growing
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LFL net rental income up 4.5%

- Shopping centres and shops up 2.0%
- Retail parks up 4.4%
- Leisure and hotels up 8.5%



Trinity Leeds

Driving growth in net rental income

Right space,
right place

Growing
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FATFACE
UNITED KINGDOM

H&M

next

AVEDA™

ANTHROPOLOGIE

MK

MICHAEL KORS

TESLA

MINT VELVET

Bluewater, Kent

Outlook

Robert Noel

Chief Executive



Outlook

- Rental value growth expected to remain positive for our assets
- Occupational demand in London likely to be impacted in event of Brexit
- Portfolio well positioned in current climate



1 & 2 New Ludgate, EC4

Q&A

