TEXT FOR CONFERENCE CALL ON Q1 INTERIM MANAGEMENT STATEMENT
16 JULY 2008

Francis Salway – Group Chief Executive

Good morning and welcome to our Interim Management Statement for the quarter to 30 June 2008. Martin Greenslade, our Group Finance Director, is with me and after a few words on our statement we will be happy to take your questions.

During the quarter, we continued to make progress on lettings and sales, but at a slower rate, reflecting wider market conditions. In this climate, we are well positioned with moderate gearing, a well timed development programme and a good track record on asset management, all of which give us confidence in the strength of our three businesses.

Now, 95% or more of our energies across the group go into running the business, but the remaining 5% expended on demerger is more headline grabbing and, on that, I can confirm that we have made good progress on our internal preparations for demerger and we will demerge when market conditions are favourable.

Before talking in more detail about the three separate divisions of our business, I will say a few words generally about transactions across the group.

During the quarter, we completed just under £70 million of sales at prices in line with, or to be precise 0.2% below, our March 2008 valuations.

On developments, last year we completed 2.6 million sq ft of schemes and they were 94% let by the end of the year. This year, we are completing a much smaller 1.1 million sq ft and these developments are already 65% let by income. During the quarter, we leased up 200,000 sq ft from our development programme, but this relatively modest figure reflects the fact that in London we do not have a lot to let. On the one project we completed during the quarter, which was a 65,000 sq ft office refurbishment at 10 Eastbourne Terrace in Paddington, the building had already been fully let prior to completion.

Turning to specifics, and starting with our London Portfolio, we sold £44 million of property, which related to the Aparthotel at Turnstile House in Holborn. The sale was at 5.0% below the March 2008 valuation. Acquisitions during the quarter were just £21 million and related to site assembly for future developments. And the void level on our like-for-like properties in London was 2.7% at 30 June 2008, which was unchanged from 31 March 2008.

In London, our development profile means that we have only a small amount of space to let in the next two years and our energies are focused as much on planning the projects to be delivered in the next decade from 2012. We received a resolution to grant planning consent to redevelop 30 Old Bailey, on the corner of Ludgate Hill; this will provide just over 460,000 sq ft of predominantly office accommodation. We are also in the design development stage on a number of other projects and expect to submit planning applications this autumn for Victoria Transport Interchange and Selborne House in Victoria and Arundel Great Court in mid-town.

In summary, in London we are in a good position with relatively little development space coming into the market while actively planning projects for the next decade.

On our Retail Portfolio, we continued to achieve a range of lettings and voids on the like-for-like properties in our Retail Portfolio were 4.1% at 30 June 2008, up fractionally from 4.0% at 31 March 2008.

On retail development, we continued to make further progress on leasing. We completed leases generating a further £3.7 million p.a. of income and have terms agreed for another £8.3 million p.a.

These lettings have taken Cabot Circus in Bristol, our joint venture with Hammerson, to 82% let or 87% let/in solicitors' hands (if measured by income). At Livingston, we are now 76% let or in solicitors' hands.

The quarter also saw the start of demolition of the Trinity Quarter scheme in Leeds, our partnership with Caddick Developments. We also raised £352 million of external development finance for this project. We have now agreed terms to let 18% (by income) of the new build element. And, including the existing Plaza centre which is to be refurbished, the project is now 31% let or in solicitors' hands overall.

In terms of future retail developments, we obtained planning consent for the refurbishment and extension of our existing St Johns centre in Liverpool where the current floor area of

360,000 sq ft will be increased to 480,000 sq ft. This project does not yet form part of our formal development pipeline, but can be delivered from 2013.

The retail market is a little more challenging and negotiations are more protracted, but we are still seeing demand for space in the right trading locations.

For Trillium, one of the highlights for the quarter related to our largest existing contract with the Department for Work and Pensions. In the quarter, we disposed of around 0.5 million sq ft of surplus leasehold accommodation from this contract through lettings or surrenders. These disposals included Trillium's largest ever single letting of just over 200,000 sq ft at Lytham in Lancashire.

For the PPP part of the business, the Trillium Investment Partners fund is fully up and running, and we expect to transfer the next tranche of contracts into the fund during the second quarter of our financial year.

In terms of new business for Trillium, we submitted our final bid on the Northern Ireland Civil Service outsourcing on 2 June and we expect selection of a preferred bidder in the autumn.

On demerger we continue to have no timetable to follow but our own. We have made good progress with our internal preparations and implementation will be taken forward when market conditions are favourable. The decision on timing will be based on what we think works for shareholders in terms of achieving an efficient transition.

With regard to Trillium, we announced in early spring that we would be exploring whether a sale of a demerged Trillium company might lead to a better outcome for shareholders than a listing. That followed unsolicited expressions of interest from potential buyers. Notwithstanding the weaker debt market, we have received proposals for Trillium and we are currently assessing and evaluating these against our base plan – and this work continues.

Looking ahead, we are realistically cautious. Property occupational markets will not be immune from the weakening economic outlook, and the volume of capital and leasing transactions has thinned and the time taken to close those transactions has got longer. In the occupier markets, we are seeing, on a graduated scale, the weakest levels of interest in the City office market and better levels of interest from occupiers for West End offices and for the right retail warehouse units.

Bhupen Master – Merrill Lynch
How do you define favourable market conditions?

Francis Salway – Group Chief Executive
It is about achieving efficient transition for shareholders. So we don't define that as being the best possible market conditions, but sufficiently favourable to get an efficient transition. And that is a function of equity markets and particularly debt markets. That comment is entirely consistent with the statement we made when we announced our plan to demerge in November 2007. We did refer to that criteria and we made it clear that whilst the preparatory work would normally take about 12 months, we were prepared to move the timeline if that was appropriate, having regard to market conditions.

Remi Antonini – Exane BNP Paribas
Can you come back on the refinancing that you agreed over the first quarter in terms of further conditions that were agreed?

Martin Greenslade – Group Finance Director
We did a number of pieces of financing over the last quarter. We extended the existing facilities which are against our secured pool. That is at a relatively low margin over LIBOR because they are fairly short term. And then the facility on the Leeds joint venture is standalone development finance, which is obviously more expensive. The sort of terms that we are seeing, I would say, if you ignore the secured shorter dated debt, if you're talking about standalone facilities I think they would range from above 100 basis points to around 250 basis points over, but it is a market that is changing on a weekly basis. It is very difficult to say at any point in time exactly what terms you will get.

Remi Antonini – Exane BNP Paribas
The terms of the standalone facility that you have agreed? Were they on 100 bps?

Martin Greenslade – Group Finance Director
No, the one on the Leeds development is towards the higher end, it is not at the 250, but it is not at the 100 end. We haven't been specific on where it is, but it is towards the upper end of that range.

Remi Antonini – Exane BNP Paribas
And is it secured financing?

Martin Greenslade – Group Finance Director
It is secured, it is limited recourse. So it has recourse to the Leeds assets but it does not have recourse into the rest of Land Securities Group.

Remi Antonini – Exane BNP Paribas
Can you explain which banks have taken the financing? Is it U.K. banks, European banks?

Martin Greenslade – Group Finance Director
Yes, it is U.K. banks. The main lenders that we are still seeing lending into the U.K. real estate market are the ones that you would expect, the Lloyds, the RBSs, the Barclays of this world.

Remi Antonini – Exane BNP Paribas
Is it fair to say you do not have any refinancing for the next 12 months?

Martin Greenslade – Group Finance Director
At March 31 2008, we had -- and you can see in our annual report -- we had over £500m worth of facilities that were maturing this year. And we had £525m maturing next year. This is in years to March 2009 and March 2010. We now have £50m of banking facilities maturing between now and March 2010. We have an undrawn facility headroom of some £600m. So that gives you an idea of how little we have in terms of commitments to repay.

Remi Antonini – Exane BNP Paribas
Would you be considering the disposal of Trillium if it is below book value?

Martin Greenslade – Group Finance Director
We don't particularly pay much attention to book value for any of the investments that we hold. I think the key for us will be assessing the value of the bids that we have received versus a listed market versus a retention of our own. I am not sure that the book value has particular relevance to that decision-making.

Nicholas Lyle – HSBC
Could expand a bit on your comments of seeing better demand in the West End. Any weakness in rents or widening of incentives or where you see demand a bit more in the West End?

Francis Salway – Group Chief Executive
I think we would characterize the West End market as having a broad equilibrium, but of very low levels of both availability and quite low levels of demand. We really have had very little leasing activity ourselves in the West End. There has recently been a sub-letting in part of our Cardinal Place development, the building of 16 Palace Street. And I know that that went through very quickly with a number of interested parties. There have been instances of other building owners slightly reducing quoting rents in the West End, but I think it is very particular to different sectors or villages within the West End market. But the overall picture is still low levels of availability, albeit balanced by slightly lower levels of demand.

Quentin Freeman – UBS
Couple of questions, if I may, or three to be precise. On your debt, Martin, you include joint venture. Could you just give me the breakdown between what's on balance sheet and what's off balance sheet?

Martin Greenslade – Group Finance Director
In terms of the number that we've put out there?

Quentin Freeman – UBS
Yes. Your £6bn.

Martin Greenslade – Group Finance Director
Ask your next question, I'll come straight back to you.

Quentin Freeman – UBS
Okay, Francis, on Dashwood House, have you started marketing that property yet?

Francis Salway – Group Chief Executive
We will start marketing in early September. We are targeting floor-by-floor lettings which we always have been targeting. And our experience is that for lettings of that size, the marketing is much more timed around completion of the scheme. Completion of the scheme is just before the end of the calendar year. So we are getting to the stage now where people can get a feel for the estate, which we think is important.

Quentin Freeman – UBS
And can you give me a rough idea what sort of rent you are asking for it?

Francis Salway – Group Chief Executive
We are not quoting rents. We expect a fairly marked divergence between the lower and upper floors of the building which is increasingly a characteristic of the market with buildings.

Quentin Freeman – UBS
And is there an update on Cardiff lettings?

Francis Salway – Group Chief Executive
We are at an earlier stage with quite a bit of time to go. We are working with Liberty International, who are actually leading the process on lettings. And we are about a third committed on that.

Martin Greenslade – Group Finance Director
Of that debt figure, approximately £250m is project or asset specific and £300m or so is in joint ventures.

Francis Salway – Group Chief Executive
I think in conclusion I would characterize the quarter as being one where we continue to make progress on lettings and sales, both of which we see as important in current market conditions. But it was at a slower rate, which is representative of the wider market in which we operate. Thank you very much for joining us.

– ENDS –

Forward Looking Statements

This document may contain certain ‘forward-looking’ statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

Any forward-looking statements made by or on behalf of Land Securities speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Land Securities does not undertake to update forward-looking statements to reflect any changes in Land Securities’ expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this document relating to the Company or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.