

Headline 31 December 2006 valuation results

Appendices

Investment property business – valuation results

	Open market value	Three month valuation surplus ⁽¹⁾	Open market value	Open market value
	31/12/06 £m	31/12/06 %	30/09/06 £m	31/03/06 £m
Retail				
Shopping centres and shops	4,472.9	0.2	4,474.4	4,174.0
Retail warehouses	2,440.4	0.2	2,421.5	2,314.6
London retail	1,207.5	2.1	1,173.2	1,101.6
London offices				
West end	2,826.3	3.7	2,966.0	2,416.4
City	1,181.9	2.1	1,154.4	1,059.7
Mid-town	1,197.2	2.4	848.2	654.8
Inner London	822.2	1.6	782.2	675.6
Other	645.0	3.1	619.9	496.2
Combined investment portfolio	14,793.4	1.6	14,439.8	12,892.9

Notes

(1) The valuation surplus is stated after adjusting for the effect of spreading of rents and rent free periods over the duration of leases in accordance with IFRS but before restating for finance leases.

On the combined investment portfolio the valuation surplus was 1.6%, with the strongest performance from London offices with a surplus of 2.8%.

In addition, our ongoing extensive development programme, currently valued at £1.9bn, has continued to be a significant differentiator in terms of performance, with a valuation surplus of 2.9% for the three months.

Over the last nine months, the valuation surplus from our combined investment portfolio, including acquisitions and developments, was £1,169.8m or 8.7%.

Land Securities Trillium – valuation results ⁽¹⁾

1. Norwich Union Contract	£m
Purchase cost	44.5
Book value as at 31 December 2006	43.3
Appraised value as at 31 December 2006	51.7
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2. Barclays Bank Contract	
Purchase cost	25.2
Open market value as at 30 September 2006 ⁽²⁾	27.4
Appraised value as at 31 December 2006 ⁽²⁾	27.4
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3. Department for Work and Pensions Contract	
Fair value on acquisition of Trillium/purchase cost ⁽³⁾	404.1
Other acquisitions	52.9
Capital expenditure	152.1
Depreciation	(61.9)
Disposals	(53.4)
Book value as at 31 December 2006	<u>493.8</u>
Appraised value as at 31 December 2006: ^{(4) (5)}	
DWP occupied	797.7
Let to third parties	6.2
Vacant	48.9
	<u><u>852.8</u></u>

Notes:

- (1) The revaluation of Land Securities Trillium's assets excludes finance leases with a book value of £86.7m as at 31 December 2006
- (2) Classified as an investment property
- (3) Properties outsourced under the original PRIME contract are stated in this line at the fair value ascribed to them at the date of Land Securities' acquisition of Trillium in November 2000, whereas properties acquired subsequently and properties outsourced under the TIES contract extension in December 2003 are stated in this line at purchase cost.
- (4) The appraised values as at 31 December 2006 are stated after deduction of estimated gain share payments due to the DWP upon vacation of properties by them.
- (5) The vacant possession values of DWP properties as at 31 December 2006 were:
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|--------------|---------|
| DWP occupied | £524.8m |
| Vacant | £48.9m |