

Press Release

Page 1 of 3
Tuesday 20 February 2007

Land Securities Group PLC (“Land Securities”/ “Group”)

LAND SECURITIES REPORTS RESULTS OF VALUATION FOR REIT CONVERSION PURPOSES

Land Securities today reports the results of the valuation of its REIT qualifying property assets. This has been carried out in order to assess the Group’s conversion charge as a result of its election to REIT status on 1 January 2007. The valuation was undertaken as at 31 December 2006 and relates to the Group’s investment portfolio and also to the relevant assets of its property outsourcing business, Land Securities Trillium. Based on the revaluation, Land Securities estimates that its conversion charge will be approximately £315m, which it will pay in full in July 2007. This charge represents 2% of the 31 December 2006 value of the REIT qualifying assets.

Valuation results

The investment portfolio assets were revalued at £14.8bn to show a 1.6% surplus since the interim results for the six months ended 30 September 2006, and an 8.7% surplus since the last financial year end date of 31 March 2006.

The qualifying property assets of its outsourcing business, Land Securities Trillium (“LST”), were valued at £931.9m. These properties are generally not classified as investment properties for accounting purposes and so are held in the Group’s balance sheet at book value (cost less depreciation). The valuation surplus of these assets over their book value of £564.5m at 31 December 2006 amounted to £367.4m or 78 pence per share.

The valuation of LST’s qualifying assets does not represent a whole business valuation. For example, liabilities on short leasehold properties cannot be ascribed a negative value for the purposes of assessing the REIT conversion charge. This is particularly relevant to LST’s largest contract, where the Department for Work and Pensions is entitled to vacate 7.75 million sq ft of accommodation over the life of the contract and where 65% of the contract accommodation is short leasehold.

Contd.../

Effect on net asset value per share

If the Group's last reported net asset value as at 30 September 2006 is adjusted to reflect the increase in value of the investment portfolio assets between 30 September and 31 December 2006, the Group's adjusted diluted net asset value increased by 2.2% from 2121 pence per share as at 30 September 2006 to 2168 pence per share as at 31 December 2006. On the same basis, but after adjusting for the REIT conversion charge (equivalent to 67 pence per share), the Group's adjusted diluted net asset value as at 31 December 2006 stood at 2101 pence per share. These net asset figures do not include the revaluation of LST's qualifying property assets which continue to be held in the balance sheet at book value. These figures also exclude other movements in shareholders' equity during the period including any profit or loss.

Francis Salway, Group Chief Executive, commented: "We are delighted to have successfully converted to REIT status, a change which triggers a revaluation of our qualifying property assets outside our normal reporting timetable. As we predicted, growth has slowed across the traditional property investment markets, supporting our decision to focus on expanding our property outsourcing business.

"We have had notable success in securing new property outsourcing business in the past three months, including the acquisition of Secondary Market Infrastructure Fund, the Accor hotels transaction and our appointment as preferred bidder on the Defence Training Rationalisation programme. As a result we will be deploying in excess of £2bn of capital to this area of the business. The one-off valuation of LST's property assets provides an indication to shareholders of the value inherent in this business and, taken together with our new business success, we believe that we have provided clear differentiation in terms of our ability to generate future value for shareholders."

Highlights

- Combined investment portfolio including share of joint ventures valued at £14.8bn
- Investment portfolio valuation surplus of 1.6%
- Strong contribution from development with a 2.9% uplift in value
- Pro-forma adjusted diluted net assets* per share up 2.2% to 2168p; after REIT conversion charge at 2101p
- Land Securities Trillium qualifying properties valued at £931.9m – representing a 78p per share increase above book value at 31 December 2006
- Land Securities Trillium entering a new phase of growth with £0.9bn invested in acquisitions with the potential to invest a further £1.4bn into contracts where it has reached preferred bidder status.

*Based on investment portfolio valuation growth added to 30 September 2006 net assets.

Page 3 of 3

For further info, please contact:

Francis Salway/Emma Denne

Land Securities Group PLC

T +44 (0)20 7413 9000 / (0)20 7024 5460

Stephanie Highett

Financial Dynamics

T +44 (0)20 7831 3113

The company will be holding a conference call for investors and analysts at 11:00am today, Tuesday 20 February 2007. Please note the **new** details of the call are as follows:

Dial in numbers: +44 (0) 1452 542 300 (international) or 0845 245 3471 (UK local call)

Conference ID: 9718352

Password: Land Securities

Notes to editors:

Land Securities is the UK's leading real estate investment trust. Our national portfolio of commercial property, worth many billions of pounds, includes some of Britain's best-known shopping centres, such as the Birmingham Bullring and Gunwharf Quays in Portsmouth, as well as London landmarks such as the Piccadilly Lights and Westminster City Hall. We are leading urban renaissance through our billion pound development programme, transforming Exeter, Bristol and Cardiff city centres as well as key sites in Central London. We are also one of the leading names in property outsourcing and through urban community development are involved in long-term, large-scale regeneration projects in the south-east.