

Arbuthnot Property Conference
15 September 2009

Land Securities

Francis Salway

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Land Securities – key facts



Piccadilly Lights, W1

- £9.4bn portfolio
- Focus on London offices and retail
- Retail – 25 shopping centres and 21 retail parks
- London offices – 9.7 million sq ft
- Strong development capabilities
- Efficient debt structure not linked to specific assets , but benefiting from asset security

A leading multi-focus company: liquidity for shareholders, market presence for occupiers

Q1 Interim Management Statement

- Trends in property values in line with our February Rights Issue expectations
- Investment property sales in the quarter £357.4m at 2.7% below March 2009 valuation
- Positioned to take advantage of opportunities that will arise as the market turns



Portman House, Oxford Street, W1

Substantive progress, improved sentiment

Recent newsflow



Queen Anne's Mansions
£360m CMBS



St David's 2, Cardiff
£290 club bank facility



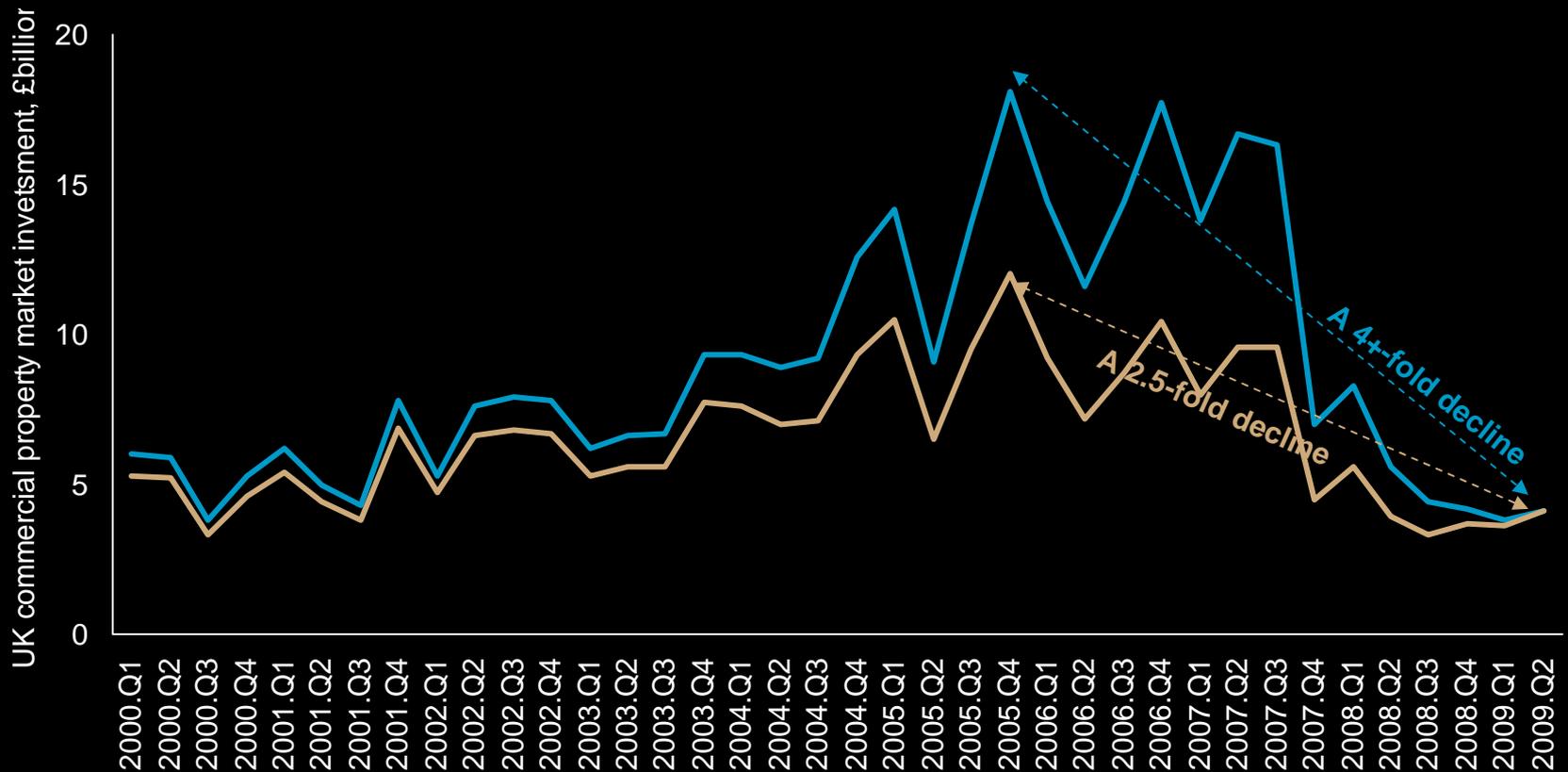
Thomas More Square, E1
Largest letting of second hand space
in London – 192,000 sq ft



Theobald's Court, WC1
£506m of sales since 1 April –
on plan and on price

Market data - I

Investment volume by quarter



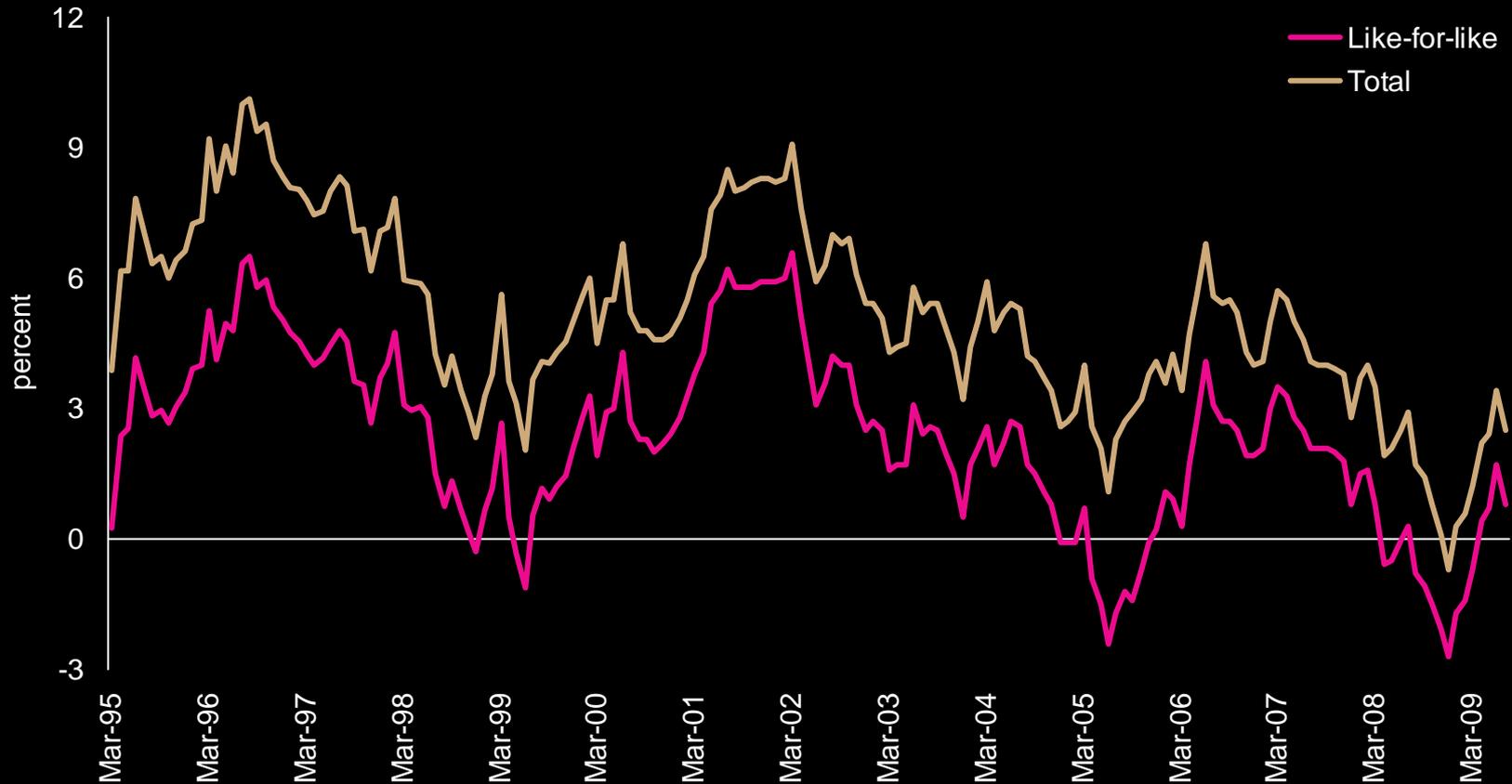
Source: Property Data Limited.

The issue of lower transaction volumes has been overstated, and in real terms volumes have been rising since Q3 2008



Market data - II

Retail sales growth



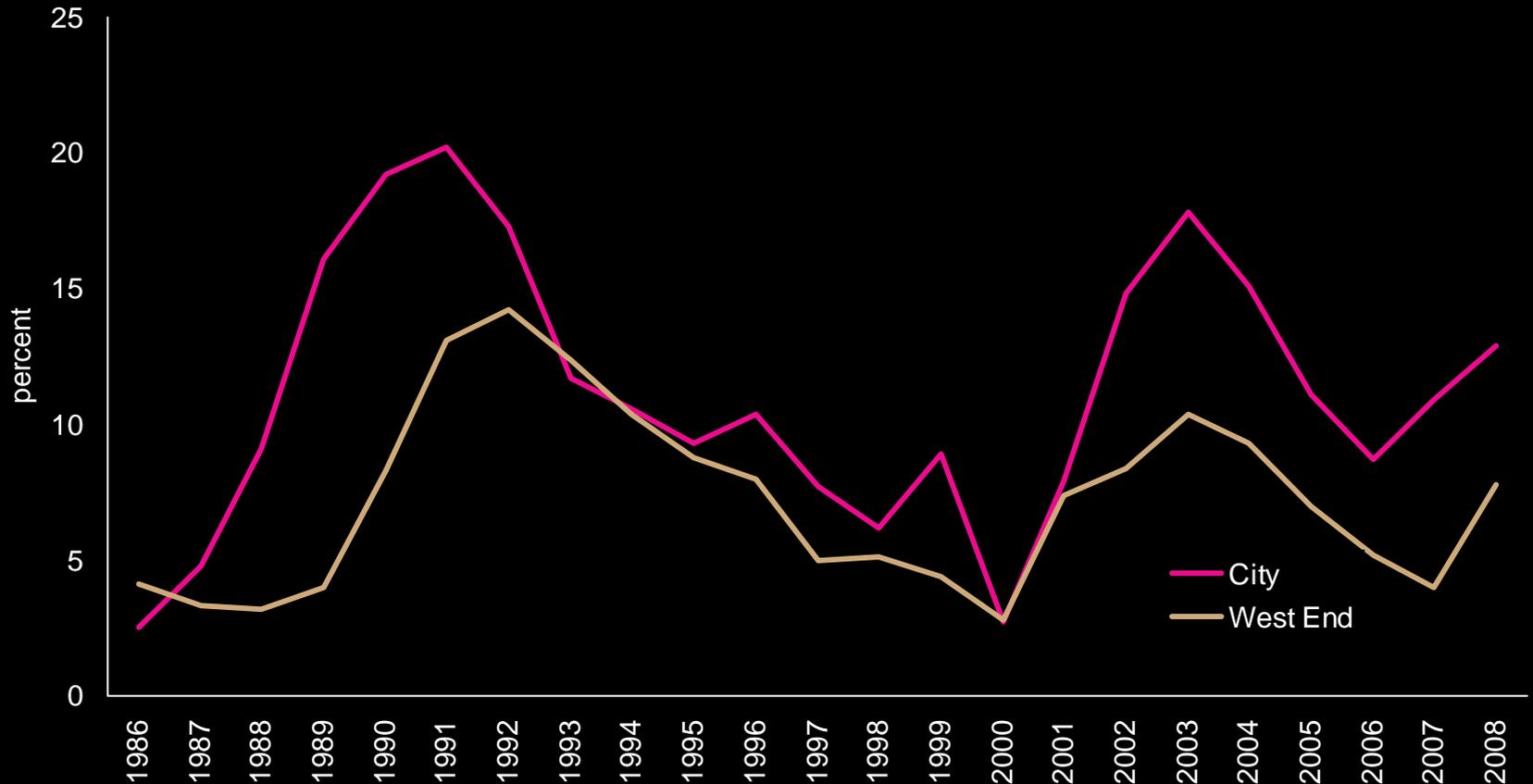
Source: BRC

Retail sales more resilient than expected in downturn



Market data - III

London office vacancy rates



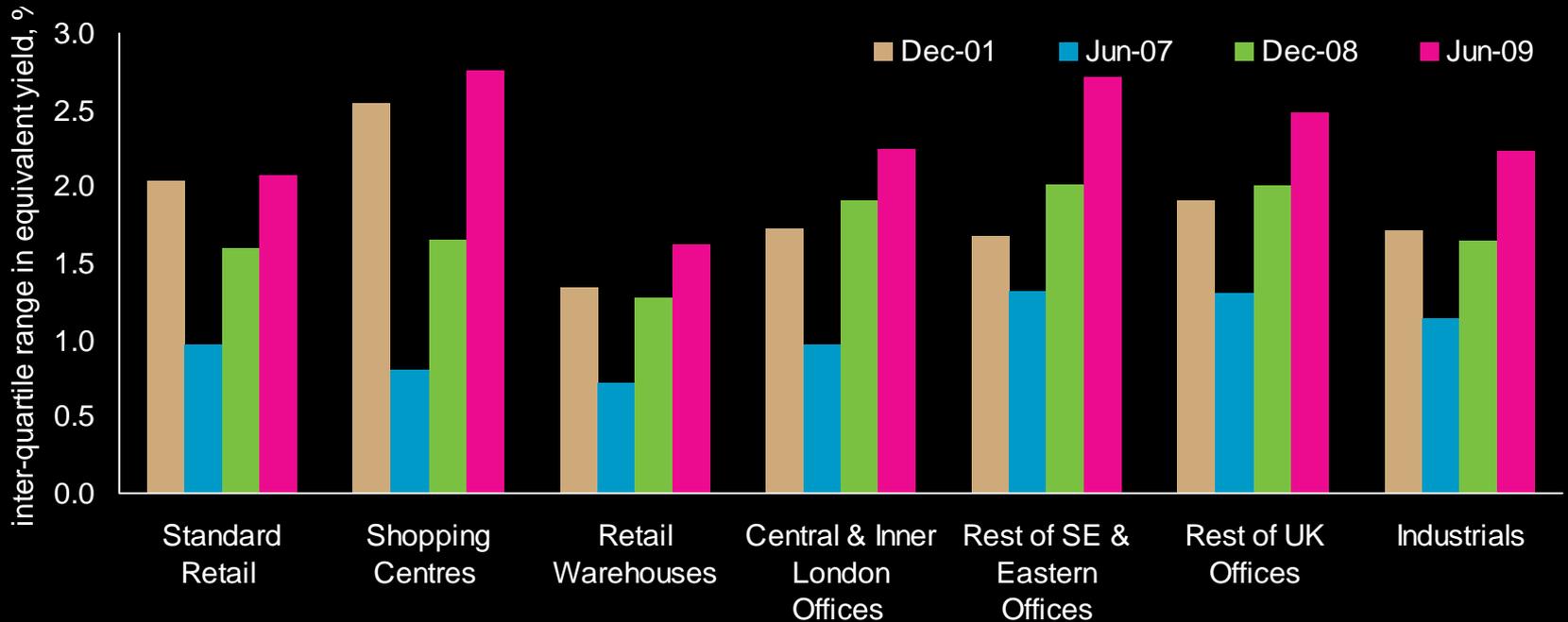
Source: PMA

London office vacancy rates currently below levels in 1991 and 2003



Market data - IV

Lower quartile versus upper quartile yield



Inter-Quartile Range, basis points

Source: IPD Quarterly Index

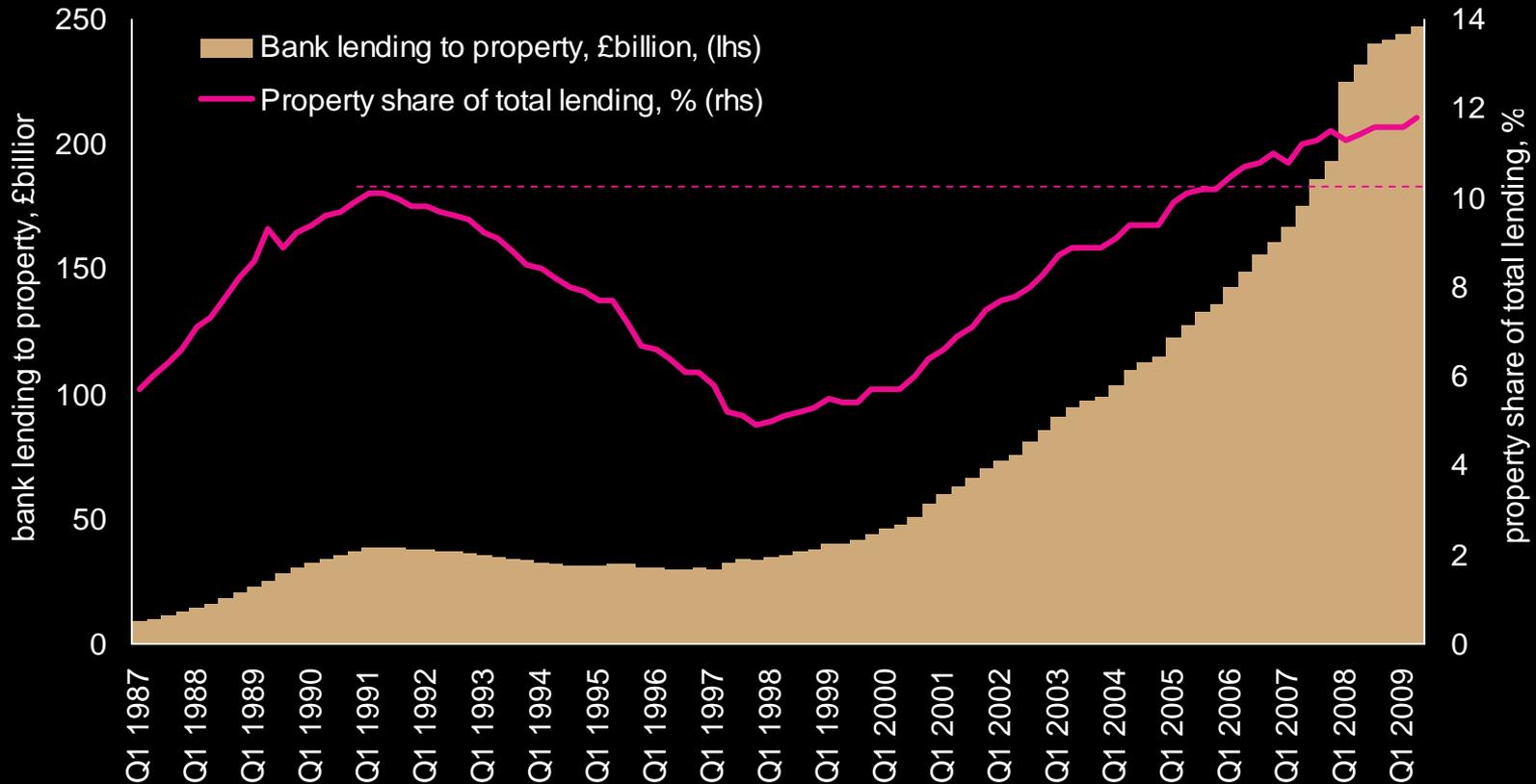
Time Point	Standard Retail	Shopping Centres	Retail Warehouses	Central & Inner London Offices	Rest of SE & Eastern Offices	Rest of UK Offices	Industrials
Dec-01	204	254	135	173	168	191	172
Jun-07	97	80	72	97	132	131	114
Dec-08	160	166	127	191	202	201	164
Jun-09	208	276	162	225	271	248	223

The yield gap between prime and secondary has been re-established



Market data - V

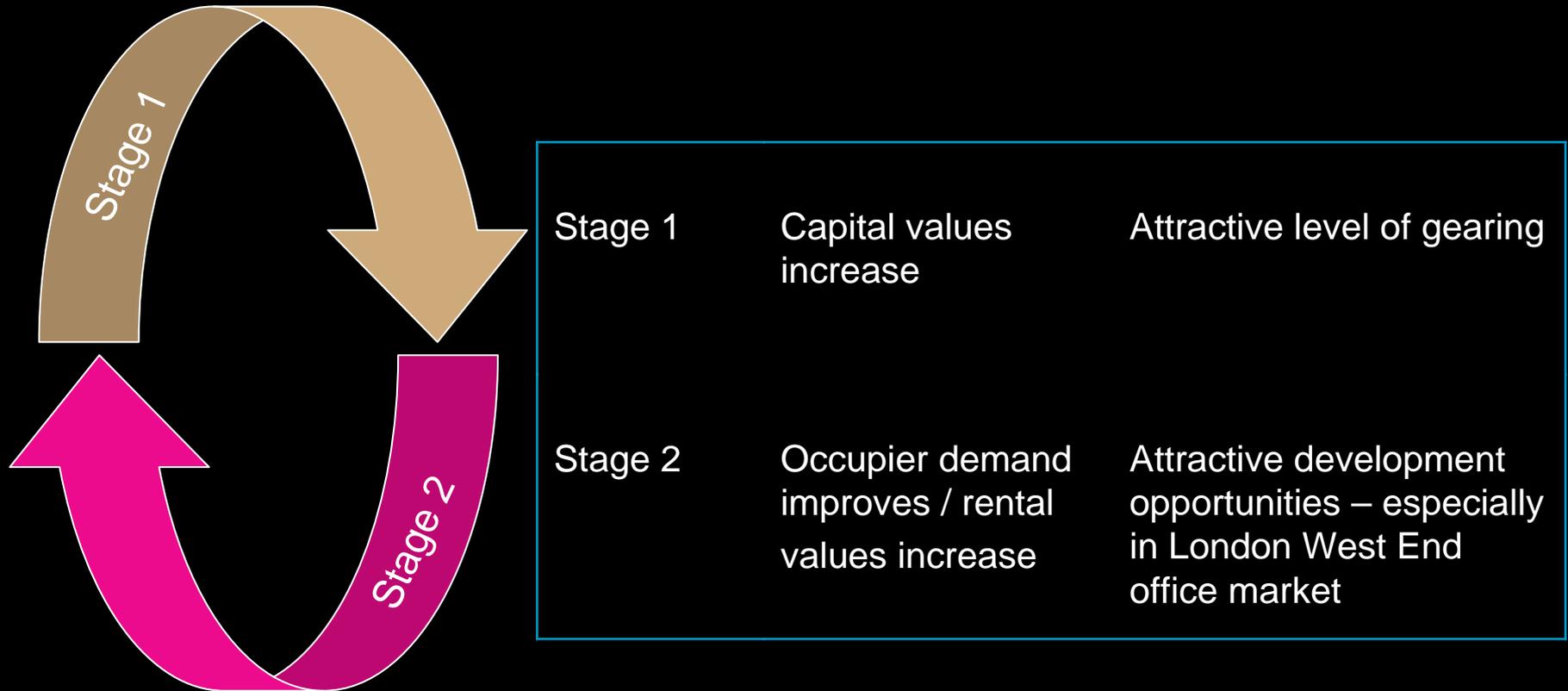
UK bank lending to commercial property



Source: Bank of England

Lending to commercial property significantly above levels seen in early 1990s: a risk factor ... and an opportunity

Positioning a business for the recovery phase



Plan for value creation - I



Phase I of recovery – favourable gearing in phase of yield compression

Plan for value creation - II



J Sainsbury, Wandsworth



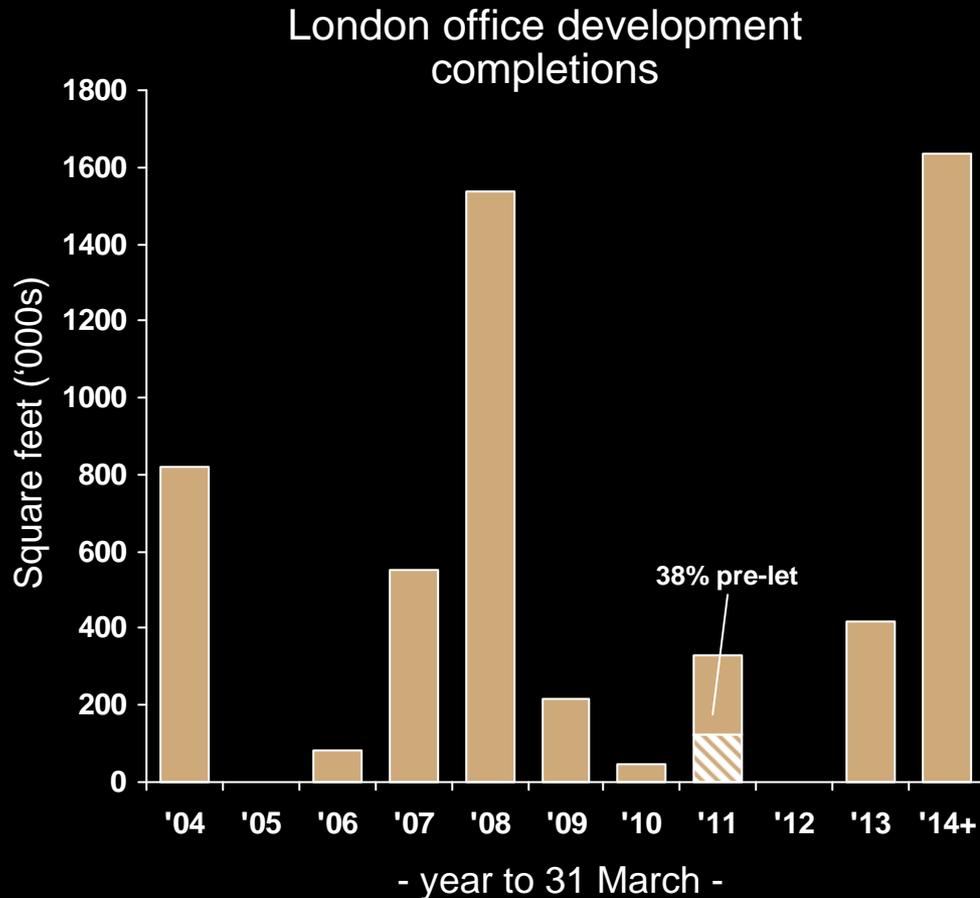
John Lewis Partnership, Poole

Phase I of recovery – occupier led developments



Plan for value creation - III

Adding value through development



Park House, W1



Selborne House, SW1

Phase 2 of recovery – delivering speculative developments into improving occupier markets

Plan for value creation - IV



Greater London House, NW1



The Galleria, Hatfield

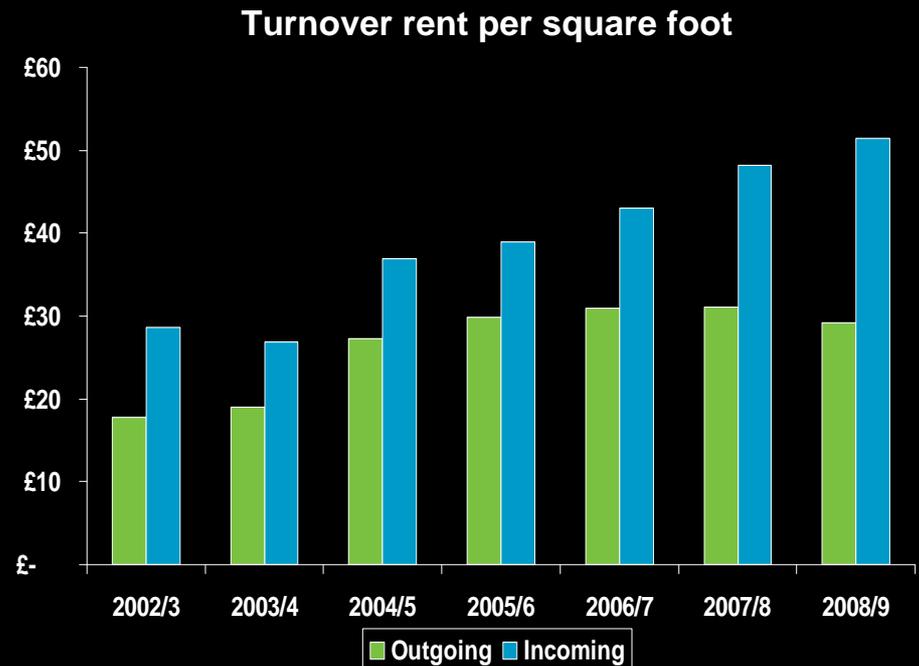
Investment acquisitions – to target low-rented properties

Plans for value creation – V

Adding value through asset management and tenant mix



Gunwharf Quays, Portsmouth



Creating outperformance from £9.4 billion existing portfolio

Plans for value creation – VI

Adding value through asset management and scheme extensions



Corby

- Acquired 2005
- Spring 2006 shopper survey score: 31 points
- Spring 2009 shopper survey score: 82 points
- 2009 footfall: up 5% to 20% year-on-year
- March 2009 valuation – initial yield 8.0%
- March 2009 valuation – equivalent yield 10.2%

Creating outperformance from £9.4 billion existing portfolio



Blank sheet of paper



Creating a property business from a blank sheet of paper



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Land Securities – well positioned for market recovery

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