

Press Release

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18 November 2009

LAND SECURITIES GROUP PLC (“Land Securities”)

Half-yearly financial results for the six months to 30 September 2009

“We enter the recovery phase of the cycle with a strong balance sheet and good access to finance. We have the capacity and the confidence in our expertise to invest in the right acquisitions and new developments to create out-performance.”

Results Summary

	30 September 2009	31 March 2009	Change
Valuation deficit ⁽¹⁾	£(117.8)m	N/A	Down 1.4%
Basic NAV per share	622p	639p	Down 2.7%
Adjusted diluted NAV per share ⁽²⁾	565p	593p	Down 4.7%
Adjusted Gearing ⁽¹⁾	102.0%	105.9%	N/A
	Six months ended 30 September 2009	Six months ended 30 September 2008	Change
Loss before tax ⁽³⁾	£(4.6)m	£(1,621.2)m	Up 99.7%
Revenue profit ⁽³⁾	£128.4m	£151.8m	Down 15.4%
Basic EPS ⁽³⁾⁽⁴⁾	1.58p	(314.39)p	N/A
Adjusted diluted EPS ⁽³⁾⁽⁴⁾	16.89p	29.51p	Down 42.8%
Dividend ⁽⁴⁾	14.00p	29.80p	Down 53.0%

⁽¹⁾ Including share of joint venture

⁽²⁾ Our key valuation measure

⁽³⁾ Continuing activities

⁽⁴⁾ 30 September 2008 comparatives restated for the Rights Issue

Financial Highlights:

- Valuation deficit of 1.4% or £117.8m since March 2009
 - London Portfolio valuation increased by 0.5%
 - Retail Portfolio valuation down by 3.6%
- Outperformed IPD Quarterly Universe by 1.1 %
- Voids across the like-for-like portfolio stable at 5.0% (4.8% at 31 March 2009)

- Proportion of units in administration reduced to 2.1% (3.5% at 31 March 2009)
- Achieved £29.9m of income through lettings
- Completed disposals totalling £765.5m at an average of 0.3% below March 2009 valuations, against 2.5% market fall
- Group LTV ratio reduced to 50.8% (52.0% at 31 March 2009)
 - Net debt reduced 12.6% to £3,428.6m (March 2009: £3,923.6m)
 - Average debt maturities extended from 9.7 years in March 2009 to 11.9 years
 - £1.8bn of debt repaid
 - AA credit rating maintained
 - Cash and undrawn credit facilities of £2.7bn

Key Themes:

- **High level of lettings secured across portfolio**

The Group has adopted a flexible approach to lettings to secure income, but not to the detriment of the quality of key assets. This has been effective with £29.9m of income secured across the portfolio in the first half. Highlights have included the successful letting at Thomas More Square, London E1, to News International, which is the largest letting of second-hand space in London since 2003.
- **Balance sheet well positioned**

A focus on asset sales and treasury management has preserved an AA credit rating and leaves the Group well placed with the financial capacity to take advantage of new investment and development opportunities as the market cycle turns. With a Group LTV of 50.8%, the business has the flexibility to make investment acquisitions, but also the current market exposure to allow it to be patient and wait for the right opportunities.
- **Business positioned in short term to exploit medium-term opportunities**

With a belief that West End offices will deliver strong rental growth in the recovery phase, construction tender returns have been sought on 60,000 sq m of office, retail and residential development opportunities in the West End. The schemes at Park House, W1, Selborne House, SW1, and Wellington House, SW1, can be started in 2010 for delivery into improving occupier markets in 2012 and 2013.
- **Well placed for longer-term opportunities**

The Group is confident in its ability to deliver long term outperformance as it shapes itself for the next five years. There will be a focus on exploiting its competitive cost of finance and aligning its strong development capability with a liquid portfolio to allow capital rotation. The strength and appeal of its portfolio and its expertise in both offices and retail will continue to offer organic opportunities for growth as well as new business opportunities.

Commenting, Chief Executive Francis Salway said:

"We are pleased that our portfolio has outperformed the market index, and that we have delivered our plans for balance sheet management through treasury activity and asset disposals.

"We are confident that, from the low point in July 2009, property values will rise over the next five years with the profile characterised by ripples rather than pure straight-line growth as residual risks and imbalances in financial markets play out.

"We are prepared to be patient for the best opportunities and we will not rush our investment programme, as we expect a broader range of opportunities to emerge once banks begin to take action on their property loan portfolios.

"In the short term, we will continue to focus on the key qualities and capabilities that have guided our actions since March 2009: a strong balance sheet and good access to finance; a high quality team showing leadership in planning, development and asset management; and a portfolio with exciting development opportunities. We believe these powerful tools for long-term value creation will become the hallmarks of success in our market."

- Ends -

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Notes to editors

Land Securities will be holding a results presentation today at 9.00am (BST) and a live web-cast will be available at **www.landsecurities.com/interims2009**

Please note that there will be an interactive question & answer facility on the webcast. There will also be an audio conference call line to access the meeting, it is recommended that you dial-in to the call 10-15 minutes before the start of the presentation due to the large volume of callers expected. Dial-in details are as follows:

Dial-in number: +44 (0) 1452 568 405
Call title: Land Securities Half-Yearly Results
Call ID number: 36400596

An interview with Francis Salway, Group Chief Executive, and Martin Greenslade, Group Finance Director, is available at **www.landsecurities.com/interims2009**