Half-yearly Report
for the six months ended 30 September 2009

Wednesday 18 November 2009

Forward-looking statements

This document may contain certain "forward-looking statements" with respect to Land Securities Group PLC's financial condition, results of operations and business, and certain of Land Securities Group PLC's plans and objectives with respect to these items.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "anticipates", "aims", "due", "could", "may", "should", "expects", "believes", "intends", "plans", "targets", "goal" or "estimates". By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Group operates; changes in the regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; and changes in interest and exchange rates.

Any written or verbal forward-looking statements, made in this document or made subsequently, which are attributable to Land Securities Group PLC or any other member of the Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. Land Securities Group PLC does not intend to update any forward-looking statements.

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.”

Chief Executive's Statement

"We enter the recovery phase of the cycle with our balance sheet positioned as we planned in terms of gearing ratios. We have the capacity and confidence in our expertise to invest in the right acquisitions and new developments to create outperformance."

Francis Salway
Chief Executive

- Balance sheet well positioned
- High level of lettings secured across the portfolio
- Development opportunities progressed ready for a start on key sites in 2010
- Outperformance against IPD Quarterly Universe

Overview

A deteriorating UK commercial property market found its floor during the first six months of our financial year. The market's peak to trough fall in values was in line with our expectations at the time of the 2009 Rights Issue, and this reinforces our confidence in the actions we have taken. The timing of the turning point was slightly earlier than generally expected – in July 2009 – and by the end of our Half Year we had seen the first signs of recovery.

We are now entering a key phase for commercial property companies, with the decisions taken today likely to prove instrumental in terms of value creation tomorrow. As the market makes the transition from rapid deterioration to nascent recovery, it will be the combination of decisiveness, patience and flexibility that determines the long-term winners in our sector.

Since March 2009, we have placed particular emphasis on three key areas of activity. First, we have increased our financial flexibility by completing a programme of sales to position our balance sheet appropriately. Second, we have implemented a flexible lettings strategy to secure income, but not to the detriment of the quality of key assets. Third, we have continued planning for the medium term by preparing sites for redevelopment, whether through obtaining and improving planning consents or seeking construction tender returns.

Our combined portfolio showed a small valuation deficit of 1.4% or £117.8m, which contributed to our reported pre-tax loss of £4.6m. Our adjusted diluted net assets per share stood at 565p at 30 September 2009, down 4.7% over the period. The change was largely attributable to the valuation deficit and also to a £74.5m cash payment to terminate interest-rate swaps. As expected, our property sales in the period impacted underlying revenue profit, which was £128.4m, down 15.4% compared with the first six months of the previous financial year. Our adjusted diluted earnings per share decreased to a greater degree, down 42.8%, as a result of the dilutive effect on earnings of our Rights Issue. We have confirmed the second quarter's dividend at the same level as the first quarter's at 7.0p per share.

In terms of the relative performance of our property assets, our combined portfolio delivered an ungeared total property return of 2.1%, outperforming the IPD Quarterly Universe which delivered a 1.0% total return.

Financial flexibility

In accordance with the plans we outlined at the time of our Rights Issue announcement in February 2009, we have continued with our programme of investment property disposals and sold £765.5m across the London and Retail portfolios in the six months. Asset sale values were, on average, 0.3% below their March 2009 valuations, while values in the market as a whole fell by 2.5% over this period. This provides a helpful validation of the pricing of the assets in our portfolio. In managing our sales programme, we have been careful to ensure that the sales have not materially impacted the quality or appeal of our portfolio from the perspective of our major customers.

Our balance sheet gearing is attractively positioned at the turning point in the cycle with a Group Loan to Value (LTV) ratio of 50.8%. This ensures an attractive multiplier on the conversion of future increases in property value into growth in shareholders' net assets.

In September 2009, we paid down drawn debt facilities of £1.8bn to restore our debt structure to a normal operating environment. The result is a strong balance sheet that will serve to protect the company's credit rating, while the proceeds of asset sales and our Rights Issue give us the financial firepower needed to start speculative developments and take advantage of acquisition opportunities. Managing our balance sheet to maintain an AA rating will help lower the cost of finance in the medium term, giving us a competitive advantage as we move into the next cycle.

We have continued to develop and implement effective approaches to funding outside the Security Group, our principal debt structure. For example, in July 2009, we closed a £360.3m bond linked to our commercial lease with the UK Government over Queen Anne's Gate, London SW1. This is the first bond of its type issued by a property company for some time. In September 2009, the St David's Limited Partnership – a 50:50 joint venture with Capital Shopping Centres PLC – agreed a facility of £290.0m against the St David's shopping centre development in Cardiff. The cash raised from these two transactions further increases our financial flexibility.

Leasing activity

The leasing markets remain difficult, but our pragmatic approach to leasing is proving effective. With some assets we are taking a tactical approach, securing short-term lettings that reflect current market dynamics. With others, particularly higher quality assets, our priority is to secure maximum value through long-term agreements with occupiers who enhance the tenant mix, as at our mixed office and retail development at One New Change, London EC4.

We are particularly pleased that News International made the decision to move into 3 Thomas More Square, London E1. This is the largest letting of second-hand office space in London since 2003, and it sees News International take on 17,820 sq m of office accommodation.

Our people and capability

In June 2009, Mike Hussey left the company by mutual agreement, and I would like to thank Mike for his substantial contribution to the company over the past seven years, which included five years as a member of the Board.

In September 2009, we announced the appointment of Robert Noel to the Board and to the executive position of Managing Director of the London Portfolio. This appointment will take effect from 1 January 2010. As Property Director of Great Portland Estates PLC, Robert has created an outstanding track record on transactions and investment performance in the London property market. His experience and expertise will be a great addition to the strength and depth of the current London team.

In August 2009, Chris Bartram joined the Board as a non-executive director. Chris has had a successful and broad-ranging career in the property industry. He is currently Chairman of Orchard Street Investment Management LLP, a leading UK commercial property investment management firm, and he is a non-executive director of The Crown Estate.

These Board-level appointments add significant weight to what is already a very experienced and effective Board and senior management team. It is critical that our capability is in tune with a changing market, and I am delighted that our people continue to devise and implement truly innovative industry initiatives. For example, in April 2009, we helped lead the development of a 'Ten Point Plan' for service charge cost management for retailers. We are also making good progress on our Brand Empire initiative to help bring new international retailers into the UK.

Planning and development opportunities

In keeping with our belief that rental growth will return first in London's West End, we have obtained construction tender prices for three proposed development projects: Park House, London W1 (offices, retail and residential); Selborne House, London SW1 (predominantly offices); and, Wellington House, London SW1 (residential being delivered in conjunction with the offices at Selborne House), with the aim of commencing construction in 2010. Completions are scheduled for late 2012 and early 2013, when we expect to see stronger occupational demand and rising rents.

We are also making good progress towards securing an appropriate level of pre-lettings to enable us to start the 92,900 sq m Trinity Quarter shopping centre scheme in Leeds.

Outlook and priorities

Looking ahead, 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 the financial markets play out.

Our priority is to maintain a clear view on the strategies that will define success in this market, and to act decisively on these. 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.

Francis Salway
Chief Executive

London Portfolio

Performance overview

The demand for commercial property investments in London has gathered momentum over the Half Year, fuelled by strong buying interest from overseas investors. A combination of the substantial fall in values from the peak, currency movements and the transparency of the market have made London one of the preferred locations for global investors. Occupier markets have encountered continued downward pressure on rental values, although we have seen an encouraging improvement in levels of take up of offices in the City market since the middle of the summer.

The revaluation of our London Portfolio resulted in a positive valuation surplus of 0.5% for the six-month period overall, with West End offices up 2.3%, City offices down 2.0% and Central London retail down 1.7%. Over the same period, rental values in our like-for-like portfolio increased by 2.0% for Central London retail, but decreased by 9.5% for City offices and 7.7% for West End offices.

As expected, pre-development sites continued to show greater volatility in valuation movements than investment properties, but overall the valuation change on our pre-development sites at Park House, W1, Selborne House, SW1, Wellington House, SW1, Arundel Great Court, WC2, and 20 Fenchurch Street, EC3, was positive over the six-month period at 6.5%.

On the basis of ungeared total property returns, our London Portfolio outperformed the IPD Quarterly Universe by 3.3%, with London offices ahead by 4.1% over the six months and our London retail underperforming by 2.9%.

Voids across our London Portfolio decreased from 7.2% in March 2009 to 5.1% in September 2009, with the decrease primarily attributable to properties being prepared for development. It continues to be the case that the high quality of our tenant base in London has ensured that units in administration are at an extremely low level at 0.3% (31 March 2009: 1.1%).

Rental income

Gross rental income of the London Portfolio declined by £12.0m as set out in the table below.

Table 1: Gross rental income – London Portfolio

	30 September 2009 £m	30 September 2008 £m	Change £m
Like-for-like investment properties	127.4	130.5	(3.1)
Proposed development properties	3.4	5.3	(1.9)
Completed developments	23.7	19.7	4.0
Purchases since 1 April 2008	4.4	1.0	3.4
Sales since 1 April 2008	6.5	20.7	(14.2)
Ongoing developments	0.3	0.5	(0.2)
Gross rental income[(1)]	**165.7**	**177.7**	**(12.0)**

(1) Includes properties treated as finance leases. The income of these properties for the six months to 30 September 2009 was £1.9m (30 September 2008: £2.9m)

The decline in gross rental income compared to the same period last year is mainly attributable to our sales programme, which resulted in a decline in rental income of £14.2m. In addition, our gross rental income on like-for-like properties reduced by £3.1m mainly due to voids following lease expiries at Eastbourne Terrace, W2, and Portland House, SW1. These reductions were partially offset by acquisitions, and by a £4.0m increase in rental income as a result of completed developments, in particular New Street Square, EC4, and Queen Anne's Gate, SW1.

Sales

During the Half Year, we successfully completed our planned programme of asset sales. Sales totalled £296.3m and, on average, were at 2.1% below the 31 March 2009 valuation (before disposal costs) and showed an average income yield of 8.1%.

All of the properties were acquired by overseas investors, with the largest transaction being Portman House in Oxford Street, W1, which was sold for £155.0m. Portman House provides approximately 4,200 sq m of retail and just under 9,500 sq m of offices, with the offices being let on leases with between three and seven years to expiry and with passing rents in the range of £533 to £861 per sq m (£49 to £80 per sq ft). Other asset disposals were 22 Kingsway, WC2, 98 Theobald's Road, WC1, 40/50 Eastbourne Terrace, W2 and Sardinia House, WC2.

Lettings

In line with the long-term planning of our development programme, we have had very little completed space coming onto the market during the period. During the Half Year, development completions totalled just 4,470 sq m and related entirely to our development at 30 Eastbourne Terrace in Paddington, which was completed in May 2009.

Successful leasing activity during the period included:

- Dashwood House, EC2
  This 14,820 sq m office refurbishment was completed in October 2008. We have made good progress on leasing and the building is now 52% let or in solicitors hands (31 March 2009: 9%)

- 30 Eastbourne Terrace, W2
  This 4,470 sq m office refurbishment was completed in May 2009, and we have agreed terms to let 27% of the space in two separate transactions.

- New Street Square, EC4
  In the Half Year we completed 2,780 sq m of new lettings, which takes the retail element of this scheme near to full occupancy and leaves just 2,170 sq m of offices still to let.

As we have relatively little development floorspace available to let, it is an investment property which generated our largest letting over the period. In August 2009, together with The Cadillac Fairview Corporation Limited, co-owners of Thomas More Square, E1, we completed a letting of 17,820 sq m of office and supporting space to News International for a term of a minimum of five years and at a rent of £4.2m per annum. This is the largest letting of second-hand space secured in the London office market since 2003.

Development and planning

Our next major development completion is One New Change, EC4, which lies adjacent to St Paul's Cathedral in the City. Here we pre-let approximately one third of the offices in September 2007 and have now let or agreed terms on 52% of the retail space. Confirmed tenants include H&M, Hobbs, Links of London, Marks & Spencer, Reiss, Topshop and Wasabi. In July of this year we made a decision to push forward quickly with retail lettings while taking a more measured approach on office lettings. We believe the exceptional quality and unique location of this development will attract strong interest from office occupiers as we near completion and as the momentum of the London offices market rebuilds.

Looking to the future, we expect positive rental growth to emerge first in the West End office market, and we plan to be one of the first to start large-scale development in this market. We have obtained construction tender prices for three West End developments, where we are likely to commence construction in 2010:

- Park House, Oxford Street, W1
  This site covers an entire city block of almost half a hectare on a prime Oxford Street location near Marble Arch. It will provide exceptional retail, office and residential space.

- Selborne House, Victoria Street, SW1
  The current Selborne House is an outdated 1960s office building. This will be replaced by a high-quality building that will create premium office accommodation, together with street-level shops and restaurants.

- Wellington House, Buckingham Gate, SW1
  The new Wellington House will be a residential development providing 59 flats, and is intended to complement the traditional London red-brick mansion blocks of Victoria.

Our expected completion date for these developments is late 2012 or early 2013.

We have continued to identify opportunities to create value through our planning expertise, and one example of this is City Forum, N1. Here, Islington Council has granted planning consent for a residential-led scheme of 100,000 sq m, which will establish a mixed-use development on a 1.9 hectare site in Islington.

We have also obtained planning consent on appeal for our mixed office, hotel and residential development of 61,890 sq m at Arundel Great Court, Aldwych, WC2. We have secured income from the existing buildings on the site until late 2012 so that this is a potential medium-term development opportunity.

At Ebbsfleet Valley in Kent, we have very little residential development currently under way. All 104 completed units have now been sold and, on the small phase of 58 units currently under construction, we have already exchanged contracts for sale on 67% of the units. Further phases of flats and houses to be delivered in the short term at Springhead Park will likewise be sized to meet levels of demand.

Looking ahead

As a leading global financial centre, London continues to be a magnet for international businesses, and this is reflected in the number of major office lettings concluded in recent months. We do not expect further material increases in vacancy rates in the short term and, with limited new developments being started, vacancy levels will begin to reduce as the economy recovers. Against this backdrop, a high proportion of the new capital we invest in London is likely to be allocated to development projects; these can be commenced now for delivery, in some three years' time, into improved occupier markets with the prospect of rising rents.

We outline our development pipeline in Table 2.

Table 2: London development pipeline at 30 September 2009

Property	Description of use	Ownership interest %	Size sq m	Planning status	Letting status %	Net income/ ERV £m	Estimated/ actual completion date	Total development costs to date £m	Forecast total development cost £m
Developments, let and transferred or sold									
New Street Square, EC4	Office	100	62,340		96	32	May 2008	378	378
	Retail		2,980		86				
Developments completed									
Dashwood House, EC2	Office	100	14,110		25	7	Oct 2008	113	113
	Retail		710		100				
30 Eastbourne Terrace, W2	Office	100	4,470		-	2	May 2009	30	33
Developments approved and in progress									
One New Change, EC4	Office	100	30,840		41	27	Sept 2010	336	541
	Retail		19,900		27				
Proposed developments									
Park House, W1	Office	100	15,430	PR	n/a	n/a	2012	n/a	n/a
	Retail		8,140						
	Residential		5,380						
Wellington House, SW1	Retail	100	250	PR	n/a	n/a	2013	n/a	n/a
	Residential		5,650						
Selborne House, SW1	Office	100	23,950	PR	n/a	n/a	2013	n/a	n/a
	Retail		1,540						
20 Fenchurch Street, EC3	Office	100	61,660	PR	n/a	n/a	2014	n/a	n/a
	Retail		2,130						
Arundel Great Court & Howard Hotel, WC2	Office	100	36,750	PA*	n/a	n/a	2016	n/a	n/a
	Retail		2,470						
	Residential		22,670						

Floor areas shown above represent the full scheme whereas the cost represents our share of costs. Letting % is measured by ERV and shows letting status at 30 September 2009. Trading property development schemes are excluded from the development pipeline. Cost figures for proposed schemes are not given as these could still be subject to material change prior to final approval.

Planning status for proposed developments
PR – Planning Received
PA – Planning Appeal
Total development cost (£m)
Total development cost refers to the book value of the land at the commencement of the project, the estimated capital expenditure required to develop the scheme from the start of the financial year in which the property is added to our development programme, together with finance charges less residential costs (£nil across all categories of development).
Net income/ERV
Net income/ERV represents headline annual rent payable on let units plus ERV at 30 September 2009 on unlet units.

*Planning consent granted on appeal since 30 September 2009

Retail Portfolio

Performance overview

During the first few months of our Half Year, retail property values continued to weaken before we then began to see an improvement in investor demand for shopping centres and, particularly, for retail warehouses. Although retail leasing conditions continue to reflect pressures in the wider economic environment, we have benefited from a clear strategy on leasing and from our deep relationships with retailers. As a result, our response to these conditions has proved effective in securing new lettings.

The revaluation of our Retail Portfolio resulted in a valuation deficit for the six-month period of 3.6% overall, with shopping centres and shops down 5.9% and retail warehouses and food stores down 0.1%. Decreases in rental values on our like-for-like portfolio over the six months were 6.0% for our shopping centres and shops and 4.5% for our retail warehouses and food stores.

On the basis of ungeared total property returns, our Retail Portfolio outperformed the IPD Quarterly Universe by 1.7%, with shopping centres ahead by 2.3% over the six months and our retail warehouses underperforming slightly by 0.5%.

Voids across our like-for-like Retail Portfolio remained static at September 2009 at 4.8% compared to March 2009 despite units previously in administration being transferred to void status. Within the 4.8% of void space, 1.3% is subject to temporary lettings, and on a further 1.0% terms have been agreed for re-letting. We have reduced the proportion of units in administration from 5.6% in March 2009 to 3.7% in September 2009, as a result of good leasing progress which we attribute to our excellent relationships with a wide range of retailers. Our response to the MFI insolvency illustrates the benefits of our scale together with the quality of our relationships with retailers. We were left with eight MFI stores but by the end of the Half Year we had let or agreed to let four, one has been sold, and we are planning to develop another. That leaves just two stores outstanding.

Rental income

Gross rental income of the Retail Portfolio declined by £12.6m as set out in the table below.

Table 3: Gross rental income – Retail Portfolio

	30 September 2009 £m	30 September 2008 £m	Change £m
Like-for-like investment properties	141.7	152.9	(11.2)
Proposed development properties	3.5	3.6	(0.1)
Purchases since 1 April 2008	1.1	0.6	0.5
Sales since 1 April 2008	13.1	25.2	(12.1)
Ongoing developments	11.2	0.9	10.3
Gross rental income[1]	**170.6**	**183.2**	**(12.6)**

(1) Includes properties treated as finance leases. The income of these properties for the six months to 30 September 2009 was £1.4m (30 September 2008: £1.6m)

The decline in gross rental income from like-for-like investment properties, compared to the same period last year, is attributable to the failure of a number of retailers in the second half of our last financial year. In addition, our sales programme resulted in a decline in gross rental income of £12.1m compared to the prior period, although this was substantially offset by increased income from our developments in Bristol and Livingston, which opened in September and October 2008 respectively.

Asset sales

In line with our plans, we continued to make asset disposals. The assets we chose to sell were those that provided us with fewer opportunities to create value through development and active management, whereas the funds generated have increased our flexibility to exploit future opportunities. Asset sales from the Retail Portfolio totalled £469.2m. On average, the sales were at 0.9% above the 31 March 2009 valuation (before disposal costs) and showed an average income yield of 8.0%.

The largest disposal related to our one third ownership in the Bullring, Birmingham, which was sold to the Future Fund of Australia for £209.8m in September 2009. The sale price reflected a net yield of 6.9% after settlement of outstanding rent reviews. The centre has performed well for us but it was an unusual asset within our portfolio because of our lack of management control and the constraints on raising debt against the asset as a result of the partnership structure. Other asset disposals were retail warehouse parks and foodstores in Bury, Melton Mowbray, Plymouth, Liverpool, Edmonton, Swansea and Chester together with a shopping centre in Maidstone.

Development and asset management initiatives

On 22 October 2009, we opened the St David's Shopping Centre in Cardiff with our partners, Capital Shopping Centres PLC. The centre is anchored by a new John Lewis department store, the first in Wales and the largest outside London. The centre also benefits from linking into the existing Debenhams and Marks & Spencer stores, which have been refitted to coincide with the opening of the new scheme. The centre is now 63% let or in solicitors' hands by income, and has brought 25 new retailers to Wales.

In May 2009, John Lewis confirmed that our Commerce Centre in Poole, Dorset, would be the first location for its new 'John Lewis at home' format. In trusting us to deliver this new format, John Lewis has underlined the strength of our relationship. The new unit sells the retailer's home and electrical goods along with additional features, including customer collection, a gift-list service and a customer café, providing a total floor area of 5,110 sq m.

During the six months we also confirmed a series of new lettings for our Livingston and Dundee retail parks, achieving rental levels of between £215 and £248 per sq m (£20 and £23 per sq ft). At Almondvale retail park in Livingston, Currys will open a 1,860 sq m PCWorld/Currys concept store, double the size of its current unit and the first of its kind in Scotland. Dreams, the leading national bed specialist, has signed two lettings, one for the existing 930 sq m Currys unit at Almondvale and another for a 930 sq m store at Kingsway West retail park in Dundee. Meanwhile, at the Bon Accord shopping centre in Aberdeen, Next has opened a new 5,010 sq m store and we have seen new openings from Topshop Topman, River Island, Kurt Geiger, Phase 8, Coast and other fashion retailers.

Early in 2009 we worked with others in our industry to develop a 'Ten Point Plan', an initiative to help landlords and occupiers develop new ways to reduce service charges and other costs. We created a combined task force of both our own and retailers' employees to look at potential savings within our own portfolio, which visited a number of our shopping centres during the Half Year. Retailers have seen material benefits as a result of this initiative.

We continue to have constructive discussions with retailers around other key issues such as monthly rents and the structure of leases. We have developed our new 'Clearlet' leases in conjunction with retailers, and we intend to introduce more of these on new lettings to help speed up and simplify the leasing process. Clearlet leases are straightforward contracts offering monthly rents and deemed approvals for assignment, sub-letting and alterations if responses are not provided within fixed timescales. This is part of a wider set of initiatives to become more aligned with our retailers and includes the sharing of turnover information, which will help us to manage shopping centres to their maximum potential.

During the Half Year, we also developed our innovative Brand Empire initiative, which sets out to attract overseas retailers to our UK shopping centres. This is an example of our teams engaging with brands and retailers at all levels to find new ways to enhance the vibrancy of retail environments despite tough market conditions. We are in active discussions with several potential entrants to the UK market.

Development and planning

In December 2008, we obtained planning consent to provide 54,000 sq m of new retail space at our Trinity Leeds shopping centre development; this will be integrated into our existing shopping centre of 38,900 sq m, which will also undergo refurbishment. We have made good progress in discussions with retailers to take us towards our target for pre-lettings before starting the development.

We have obtained consent for a 8,360 sq m Sainsbury's store at Almondvale South retail park, Livingston. The proposed Sainsbury's store would take over the units currently occupied by Homebase and Argos, with Argos relocating to new premises at Almondvale retail park previously occupied by Land of Leather.

During the year we also achieved planning permission for a food store at the Greyhound retail park, Chester, and a 6,500 sq m application was recently submitted for a food store at our Northampton retail park. We have submitted further applications for food stores in our retail warehouse portfolio and related to our Harvest Limited Partnership joint venture with J Sainsbury. These applications reflect the relative buoyancy of the food sector and underline our ability to identify sites with excellent development potential despite an adverse economic environment.

Looking ahead

We expect to see a continued strengthening of buying interest for retail investment property despite the backdrop of some further downward pressure on rents. It is also realistic to assume that there will be more insolvencies in the sector, but we expect the level of units in administration in our portfolio to remain stable or to reduce slightly as new lettings offset further insolvencies. Over the next 24 months, the outlook for rental recovery will become polarised across UK towns and cities according to the level of vacancies and the attraction of individual assets.

In response, we intend to deploy our capital to acquire retail assets requiring intensive management. We will also invest, selectively, in the development of shopping centres in the strongest regional cities. And, we will look to deploy capital in smaller out-of-town developments where we can capitalise on our strong relationship with retailers to secure key pre-lettings.

We outline our development pipeline in Table 4.

Table 4: Retail development pipeline at 30 September 2009

Property	Description of use	Ownership interest %	Size sq m	Planning status	Letting status %	Net income/ ERV £m	Estimated/ actual completion date	Total development costs to date £m	Forecast total development cost £m
SHOPPING CENTRES AND SHOPS									
Developments completed									
Willow Place, Corby	Retail	100	16,260		83	2	Oct 2007	42	42
Cabot Circus, Bristol - The Bristol Alliance - a limited partnership with Hammerson PLC	Retail	50	83,610		90	17	Sept 2008	257	257
	Leisure		9,000						
	Residential		18,740						
The Elements, Livingston	Retail	100	32,000		78	8	Oct 2008	166	166
	Leisure		5,670						
Developments approved and those in progress									
St David's, Cardiff – St David's Partnership - a limited partnership with Capital Shopping Centres PLC	Retail/leisure	50	89,900		50	15	Oct 2009	292	337
	Residential		16,500						
Proposed developments									
Trinity Quarter, Leeds	Retail	75	92,900	PR	n/a	n/a	2012	n/a	n/a

Floor areas shown above represent the full scheme whereas the cost represents our share of costs. Letting % is measured by ERV and shows letting status at 30 September 2009. Trading property development schemes are excluded from the development pipeline. Cost figures for proposed schemes are not given as these could still be subject to material change prior to final approval.

Planning status for proposed developments
PR – Planning Received
Total development cost (£m)
Total development cost refers to the book value of the land at the commencement of the project, the estimated capital expenditure required to develop the scheme from the start of the financial year in which the property is added to our development programme, together with finance charges, less residential costs (totalling £32m across all categories of development).
Net income/ERV
Net income/ERV represents headline annual rent payable on let units plus ERV at 30 September 2009 on unlet units.

Financial review

Headline results

The Group's loss before tax was £4.6m, compared to a loss of £1,621.2m for the six months ended 30 September 2008. Revenue profit, our measure of underlying profit before tax, reduced by 15.4% from £151.8m to £128.4m, mainly as a result of lower rental income due to the sale of properties.

Basic earnings per share was 1.58p compared to a loss per share of 314.39p last year, restated for the Rights Issue and the reclassification of Trillium to discontinued operations. Adjusted diluted earnings per share was 16.89p (2008: 29.51p), down 42.8% on the comparable period.

The combined investment portfolio (including joint ventures) decreased in value from £9,407.0m to £8,700.8m on the back of sales of £765.5m and a valuation deficit of £117.8m or 1.4%. Net assets per share decreased by 17p from 639p at the end of March 2009 to 622p in September 2009, with adjusted diluted net assets per share decreasing by 4.7% over the same period from 593p to 565p.

Valuation deficit

The main reason behind the reduction in the Group's loss before tax to £4.6m (six months ended 30 September 2008: loss of £1,621.2m) was a significantly lower valuation deficit on the investment portfolio. The valuation deficit of £117.8m represented a 1.4% reduction in market values over the six months, compared with a 12.5% reduction for the comparable period last year.

Revenue profit

Revenue profit is our measure of the underlying pre-tax profit of the Group, which we use internally to assess our performance. It includes the pre-tax results of our joint ventures but excludes capital and other one-off items. Table 5 shows the composition of our revenue profit including the contributions from London and Retail.

Table 5: Revenue profit

	Retail Portfolio £m	London Portfolio £m	30 September 2009 £m	Retail Portfolio £m	London Portfolio £m	30 September 2008 £m
Gross rental income[1]	170.6	165.7	336.3	183.2	177.7	360.9
Direct property related income	4.6	10.9	15.5	4.5	12.0	16.5
Rents payable	(7.0)	(3.7)	(10.7)	(6.1)	(2.3)	(8.4)
Rental income	168.2	172.9	341.1	181.6	187.4	369.0
Net service charge expense	(2.7)	(3.0)	(5.7)	(3.2)	(0.5)	(3.7)
Direct property expenditure	(16.5)	(24.3)	(40.8)	(16.8)	(20.5)	(37.3)
Indirect costs	(18.7)	(17.7)	(36.4)	(20.4)	(20.2)	(40.6)
Underlying segment operating profit	**130.3**	**127.9**	**258.2**	**141.2**	**146.2**	**287.4**
Unallocated expenses			(6.1)			(8.0)
Net interest – Group			(107.7)			(116.2)
– joint ventures			(16.0)			(11.4)
Revenue profit			**128.4**			**151.8**

[1] Includes finance lease interest.

Revenue profit declined to £128.4m for the six months to 30 September 2009 compared to £151.8m for the prior period, mainly due to a £24.6m reduction in gross rental income. Sales of investment properties accounted for £26.3m of this decline in income, partly offset by increased income of £14.1m from developments. Gross rental income was also affected by the failure of a number of retailers in late 2008 and early 2009, which led to a decline in income on our like-for-like investment portfolio of £14.3m.

Net service charge expense and direct property expenditure increased by £2.0m and £3.5m respectively, driven by increased levels of voids compared with the same period last year. These increases were partly offset by lower indirect costs because of reduced headcount and lower professional fees.

Net interest was £3.9m lower than last year, reflecting lower interest rates, partly offset by a reduction in capitalised interest, following the completion of our schemes in Bristol and Livingston.

Earnings per share

Basic earnings per share was 1.58p compared to a loss per share from continuing operations of 314.39p in the prior period. The improvement was predominantly due to the significantly lower valuation deficit on the investment property portfolio together with an income tax credit of £17.8m this period, compared to a £2.7m credit in the first six months last year.

In the same way that we adjust profit before tax to remove capital and one-off items to give revenue profit, we also report an adjusted earnings per share figure. Adjusted diluted earnings per share from continuing operations reduced from 29.51p per share for the six months ended 30 September 2008 to 16.89p per share for the current period. This reduction was attributable to lower revenue profit for the reasons described above as well as an increase in the average number of issued shares following our Rights Issue in March 2009.

During the period under review, the Rights Issue proceeds of £756m were held as cash while we waited for property markets to stabilise. As a result of very low prevailing interest rates, on average 0.8%, the interest received on the Rights Issue proceeds was low, leading to a dilution in earnings per share.

Total dividend

We will be paying a second quarterly dividend of 7.0p per share on 15 January 2010 to shareholders on the Register at 11 December 2009. Taken together with the first quarterly dividend of 7.0p, paid on 23 October 2009, this makes a first half dividend of 14.0p per share (2008: 29.8p). This is in line with guidance given at the time of our Rights Issue and in our 2009 Annual Report. For our second interim dividend of 7.0p, it is our intention to offer shareholders the opportunity to receive this in the form of Land Securities shares as opposed to cash (a scrip dividend alternative). Further information relating to the scrip dividend will be sent to shareholders shortly. If the scrip dividend alternative is approved by shareholders, we will suspend the current Dividend Re-investment Plan (DRIP).

Net assets

At 30 September 2009, net assets per share were 622p, a decrease of 17p or 2.7% compared with the year ended 31 March 2009. This reduction was primarily due to the valuation deficit.

In common with other property companies, we calculate an adjusted measure of net assets, which we believe better reflects the underlying net assets attributable to shareholders. Our adjusted net assets are lower than our reported net assets primarily due to an adjustment to our debt. Under IFRS we do not show our debt at its nominal value, although we believe it would be more appropriate to do so, and we therefore adjust our net assets accordingly. At 30 September 2009, adjusted diluted net assets per share were 565p per share, a decrease of 28p or 4.7% from 31 March 2009.

This decline was greater than the reduction in our net assets over the period due to the termination of interest-rate swaps. Adjusted net assets ignores the fair value movement on interest-rate swaps, only recognising the impact of realised gains or losses on these instruments. As explained in more detail below, during the period we terminated a number of interest-rate swaps, resulting in a cash payment of £74.5m. This realised loss is reflected in the reduction in adjusted net assets during the period.

Table 6 summarises the main differences between net assets and our adjusted measure together with the key movements over the period.

Table 6: Net assets attributable to owners of the Parent

	Six months ended 30 September 2009 £m	Year ended 31 March 2009 £m
Net assets at the beginning of the period	4,823.5	9,582.9
Adjusted earnings	127.6	325.0
Valuation deficits on investment properties	(117.8)	(4,743.7)
Impairment of development land and infrastructure	(12.2)	(104.3)
Losses on disposals of investment properties	(10.3)	(127.9)
Other	24.6	(119.5)
Profit/(loss) after tax attributable to owners of the Parent	11.9	(4,770.4)
Loss on discontinued operations	-	(420.9)
Dividends paid	(129.8)	(302.4)
Rights Issue	-	755.7
Other reserve movements	(3.2)	(21.4)
Net assets at the end of the period	4,702.4	4,823.5
Mark-to-market on interest-rate swaps	60.9	150.2
Debt adjusted to nominal value	(493.4)	(499.8)
Adjusted net assets at the end of the period	4,269.9	4,473.9

Net pension deficit

The Group operates a defined benefit pension scheme which is closed to new members. At 30 September 2009 the scheme was in a net deficit position of £7.5m compared to a net surplus of £3.0m at 31 March 2009. Although the scheme's assets performed strongly over the period, a significant reduction in corporate bond yields reduced the discount rate from 7.0% to 5.5%, which in turn increased the scheme's liabilities and resulted in the £10.5m change in the position since the beginning of the financial year.

Cash flow, net debt and gearing

Our net debt at 30 September 2009 was £3,428.6m, £495.0m lower than the position at 31 March 2009. This reduction was primarily due to proceeds received from the disposal of investment properties (£511.6m) and the sale of our joint venture interest in the Bullring, Birmingham (£209.8m). Capital expenditure during the period totalled £112.1m, of which £45.3m was spent on our development at One New Change, London EC4. We also invested a net £38.1m in our joint ventures, consisting mainly of capital expenditure of £66.6m on our major developments in Cardiff and Bristol, offset by drawings of £30.5m on a new stand-alone facility within our Cardiff joint venture.

Our interest cover, excluding our share of joint ventures, is virtually unchanged from 1.89 times for the year ended 31 March 2009 to 1.88 times for the six months ended 30 September 2009. Under the rules of the REIT regime, we need to maintain an interest cover in the exempt business of at least 1.25 times to avoid paying tax. As calculated under the REIT regulations, our interest cover of the exempt business for the six months ended 30 September 2009 was 1.82 times.

Table 7: Cash flow and net debt

	Six months ended 30 September 2009 £m	Year ended 31 March 2009 £m
Operating cash inflow after interest and tax	83.4	367.2
Dividends paid	(129.8)	(302.4)
Non-current assets:		
Acquisitions	(34.2)	(86.1)
Disposals	511.6	823.0
Divestment of joint ventures	209.8	-
Capital expenditure	(112.1)	(429.8)
	575.1	307.1
Trillium disposal:		
Gross proceeds	-	444.0
Net debt divested	-	48.6
	-	492.6
Loans advanced to third parties	-	(50.0)
Receipts from the disposal group (part of Trillium's PPP activities)	-	113.5
Joint ventures and associates	(38.1)	(117.0)
Proceeds from the Rights Issue	-	755.7
Fair value movement on interest-rate swaps	10.9	(105.6)
Other movements	(6.5)	(0.2)
Decrease in net debt	495.0	1,460.9
Net debt at the beginning of the period	(3,923.6)	(5,384.5)
Net debt at the end of the period	(3,428.6)	(3,923.6)

The reduction in net debt has contributed to the fall in gearing from 81.4% at 31 March 2009 to 72.9% at 30 September 2009. Details of the Group's gearing are set out in Table 8, which also shows the impact of joint venture debt, although the lenders to our joint ventures have no recourse to the Group for repayment.

Adjusted gearing, which recognises the nominal value of our debt, reduced from 96.4% at 31 March 2009 to 91.3% at 30 September 2009. Adjusted gearing including our share of joint ventures also reduced, declining from 105.9% to 102.0% over the same period. In common with other property companies, we also show our Group LTV ratio.

Table 8: Gearing

	30 September 2009 %	31 March 2009 %
Gearing	72.9	81.4
Adjusted gearing*	91.3	96.4
Adjusted gearing* – as above plus notional share of joint venture debt	102.0	105.9
Security Group LTV	54.9	76.7
Group LTV – including notional share of joint venture debt	50.8	52.0

* Book value of balance sheet debt increased to recognise nominal value of debt on refinancing in 2004 divided by adjusted net asset value.

Financing and capital

Our financing strategy and the structure of our main funding vehicle, the Security Group, are described in detail on page 22 of our 2009 Annual Report. As a result of our decision in January 2009 to draw down £1.1bn of available credit facilities, the Security Group entered a more restrictive operating environment (Tier 3) following formal submission of our valuation report as at 31 March 2009. The priority for the period under review was to focus on cash flows, extending existing facilities and raising new finance. In this regard, we have had considerable success.

We raised £360.3m of long-term debt against a government lease on Queen Anne's Gate, London SW1 and secured £290.0m of five year joint venture finance for the St David's Centre, Cardiff. Since the end of September 2009, we have extended £650.0m of bank bilateral facilities which were anticipated to be repaid in 2010 to the financial year ending March 2015. We are also well advanced in discussions with other banks about entering into new agreements.

As a result of these achievements and the cash raised from investment property sales, we have repaid £1.8bn of bank facilities and the Security Group has returned to a normal operating environment. In addition, our debt structure has had its AA credit rating reaffirmed allowing us to raise finance at a competitive rate.

The Group still had £637.9m of cash investments (including restricted cash of £119.0m) at the end of September, £360.0m of which has subsequently been used to repay outstanding short-term bank debt.

The weighted average life of the Group’s debt is 11.9 years (31 March 2009: 9.7 years) with a weighted average cost of debt of 5.0% at 30 September 2009, although this has subsequently risen to around 5.3% following the further repayment of £360.0m of short-term borrowings in November 2009.

Hedging

We use derivative products to manage our interest-rate exposure, and have a hedging policy which requires at least 80% of our existing debt plus our net committed capital expenditure to be at fixed interest rates for the coming five years. Specific hedges are also used in geared developments or joint ventures to fix the interest exposure on limited-recourse debt.

At 31 March 2009 the Group was slightly over-hedged at 107% principally due to the Rights Issue proceeds which were received in late March 2009. During the period, this over-hedging increased as a result of our investment property sales and funding initiatives. Corrective action to eliminate the over-hedged position was taken during September 2009 when £2.2bn of interest-rate swaps were closed out resulting in a £74.5m cash payment. As a result, Group debt is now 97.8% fixed.

Taxation

As a consequence of the Group’s conversion to REIT status, income and capital gains from our qualifying property rental business are now exempt from UK corporation tax. The tax credit for the period of £17.8m (2008: £2.7m credit) comprises a prior year corporation tax credit of £20.0m following resolution of a number of prior year issues, and a net deferred tax charge of £2.2m, including the write off of deferred tax assets no longer considered recoverable. The tax credit for the period has not been recognised as part of our adjusted earnings as it is non-recurring and relates to the period before we became a REIT.

Principal risks and uncertainties

The principal risks facing the Group for the remaining months of the financial year are broadly consistent with those outlined on pages 30 to 32 of the 2009 Annual Report. The risks include property investment risks (falling property values, illiquidity of assets and tenant failure) and financial risks (including liquidity risk due to unavailability of credit facilities).

While these risks remain relevant for the rest of this financial year and beyond, our new and extended bank facilities, as well as our return to a normal operating environment under our Security Group debt structure, have helped to mitigate liquidity risk. The financial and property risks, which are closely tied to property values and property market liquidity, have also reduced since 31 March 2009 as the overall trend in property values since 31 March 2009 has stabilised.

Statement of Directors’ responsibilities

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the Half-yearly Report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related-party transactions described in the 2009 Annual Report.

The Directors of Land Securities Group PLC as at the date of this announcement are as set out below:

The Board of Directors

Alison Carnwath*, Chairman
Francis Salway, Chief Executive
David Rough*
Martin Greenslade
Bo Lerenius*
Sir Stuart Rose*
Richard Akers
Sir Christopher Bland*
Kevin O’Byrne*
Chris Bartram*
*Non-executive Directors

By order of the Board

Peter Dudgeon
Secretary
17 November 2009

Independent review report to Land Securities Group PLC

Introduction

We have been engaged by the Company to review the condensed set of consolidated interim financial information in the Half-yearly Report for the six months ended 30 September 2009, which comprises the unaudited consolidated income statement, unaudited consolidated statement of comprehensive income, unaudited consolidated balance sheet, unaudited consolidated statement of changes in equity, unaudited consolidated statement of cash flows and related notes. We have read the other information contained in the Half-yearly Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated interim financial information.

Directors' responsibilities

The Half-yearly Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half-yearly Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of consolidated interim financial information included in the Half-yearly Report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated interim financial information in the Half-yearly Report based on our review. This report, including the conclusion, has been prepared for and only for the Company's members as a Body for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated interim financial information in the Half-yearly Report for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 November 2009

Notes:
1. The maintenance and integrity of the Land Securities Group PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Half-yearly Report since it was initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Financial statements

Unaudited consolidated income statement for the six months ended 30 September 2009

	Notes	Six months ended 30 September 2009 £m	Six months ended 30 September 2008 Restated[1] £m	Year to 31 March 2009 £m
Continuing operations				
Group revenue [2]	4	**418.7**	405.4	821.2
Costs		**(200.3)**	(164.6)	(326.4)
		218.4	240.8	494.8
Loss on disposal of investment properties		**(18.6)**	(0.7)	(130.8)
Net deficit on revaluation of investment properties		**(89.8)**	(1,551.3)	(4,113.4)
Impairment of trading properties		**(9.3)**	-	(92.3)
Operating profit/(loss)	3	**100.7**	(1,311.2)	(3,841.7)
Interest expense	5	**(134.2)**	(139.0)	(262.9)
Interest income	5	**19.8**	16.3	32.5
Fair value movement on interest-rate swaps	5	**10.9**	4.7	(102.1)
		(2.8)	(1,429.2)	(4,174.2)
Share of the loss of joint ventures (post-tax)	10	**(1.8)**	(192.0)	(599.0)
Loss before tax		**(4.6)**	(1,621.2)	(4,773.2)
Income tax		**17.8**	2.7	(0.5)
Profit/(loss) for the period from continuing operations		**13.2**	(1,618.5)	(4,773.7)
Discontinued operations		**-**	(106.9)	(420.9)
Profit/(loss) for the period		**13.2**	(1,725.4)	(5,194.6)
Attributable to:				
Owners of the Parent		**11.9**	(1,725.4)	(5,191.3)
Minority interests		**1.3**	-	(3.3)
Profit/(loss) for the period		**13.2**	**(1,725.4)**	**(5,194.6)**
Earnings/(loss) per share attributable to the owners of the Parent (pence)[3] [4]				
Basic earnings/(loss) per share	7	**1.58**	(335.16)	(999.04)
of which from: continuing operations	7	**1.58**	(314.39)	(918.04)
of which from: discontinued operations	7	**-**	(20.77)	(81.00)
Diluted earnings/(loss) per share	7	**1.58**	(335.16)	(999.04)
of which from: continuing operations	7	**1.58**	(314.39)	(918.04)
of which from: discontinued operations	7	**-**	(20.77)	(81.00)

[1] Restated to reclassify the results of Trillium from continuing operations to discontinued operations.
[2] Group revenue excludes the share of joint ventures' income of **£56.0m** (30 September 2008: £39.5m, 31 March 2009: £104.8m).
[3] Adjusted earnings per share from continuing operations is given in note 7.
[4] The earnings per share figures for the six months ended 30 September 2008 have been restated to reflect the bonus element inherent in the Rights Issue that was approved on 9 March 2009.

Unaudited consolidated statement of comprehensive income for the six months ended 30 September 2009

	Six months ended 30 September 2009 £m	Six months ended 30 September 2008 £m	Year to 31 March 2009 £m
Profit/(loss) for the period	**13.2**	(1,725.4)	(5,194.6)
Other comprehensive income			
Actuarial losses on defined benefit pension schemes	**(11.7)**	(10.2)	(11.1)
Deferred tax credit on actuarial losses on defined benefit pension schemes	**1.9**	-	0.6
Fair value movement on cash flow hedges taken to equity – Group	**-**	(1.9)	(0.2)
– joint ventures	**2.7**	1.4	(21.3)
Other comprehensive income for the period	**(7.1)**	(10.7)	(32.0)
Total comprehensive income for the period	**6.1**	(1,736.1)	(5,226.6)
Attributable to:			
Owners of the Parent	**4.8**	(1,736.1)	(5,223.3)
Minority interests	**1.3**	-	(3.3)
Total comprehensive income for the period	**6.1**	**(1,736.1)**	**(5,226.6)**

Unaudited consolidated balance sheet at 30 September 2009

	Notes	30 September 2009 £m	31 March 2009 £m
Non-current assets			
Investment properties	9	**7,380.2**	7,929.4
Other property, plant and equipment		**12.8**	14.3
Net investment in finance leases		**115.8**	116.3
Loans to third parties		**50.0**	50.0
Investments in joint ventures	10	**763.4**	930.8
Pension surplus		**-**	3.0
Deferred tax assets		**-**	1.9
Total non-current assets		**8,322.2**	9,045.7
Current assets			
Trading properties and long-term development contracts	11	**88.8**	94.9
Derivative financial instruments	14	**1.2**	-
Trade and other receivables		**473.2**	392.1
Monies held in restricted accounts and deposits	12	**119.0**	29.9
Cash and cash equivalents	13	**518.9**	1,609.1
Total current assets		**1,201.1**	2,126.0
Total assets		**9,523.3**	11,171.7
Current liabilities			
Short-term borrowings and overdrafts	15	**(7.8)**	(1.1)
Derivative financial instruments	14	**(27.8)**	(112.0)
Trade and other payables		**(629.6)**	(625.8)
Current tax liabilities		**(118.5)**	(161.5)
Total current liabilities		**(783.7)**	(900.4)
Non-current liabilities			
Borrowings	15	**(4,032.1)**	(5,449.5)
Pension deficit		**(7.5)**	-
Deferred tax liabilities		**-**	(1.6)
Total non-current liabilities		**(4,039.6)**	(5,451.1)
Total liabilities		**(4,823.3)**	(6,351.5)
Net assets		**4,700.0**	4,820.2
Equity			
Capital and reserves attributable to the owners of the Parent			
Ordinary shares		**76.2**	76.2
Share premium		**785.2**	785.2
Capital redemption reserve		**30.5**	30.5
Share-based payments		**4.2**	8.1
Retained earnings		**3,814.5**	3,935.9
Own shares		**(8.2)**	(12.4)
Equity attributable to the owners of the Parent		**4,702.4**	4,823.5
Minority interest		**(2.4)**	(3.3)
Total equity		**4,700.0**	4,820.2

Unaudited consolidated statement of changes in equity at 30 September 2009

	Attributable to the owners of the Parent								
	Ordinary shares	Share premium	Capital redemption reserve	Share-based payments	Retained earnings	Own shares	Total	Minority interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2008	47.1	56.6	30.5	11.3	9,459.7	(22.3)	9,582.9	-	9,582.9
Loss for the financial period	-	-	-	-	(1,725.4)	-	(1,725.4)	-	(1,725.4)
Other comprehensive income:									
Actuarial loss on pension scheme	-	-	-	-	(10.2)	-	(10.2)	-	(10.2)
Fair value movement on cash flow hedges taken to equity	-	-	-	-	(0.5)	-	(0.5)	-	(0.5)
Total comprehensive income for the period ended 30 September 2008	-	-	-	-	(1,736.1)	-	(1,736.1)	-	(1,736.1)
Transactions with owners:									
Exercise of options	-	1.7	-	-	-	-	1.7	-	1.7
Fair value of share-based payments	-	-	-	4.4	-	-	4.4	-	4.4
Release on exercise/forfeiture of share options	-	-	-	(4.3)	4.3	-	-	-	-
Dividends paid to owners of the company	-	-	-	-	(148.8)	-	(148.8)	-	(148.8)
Transfer of shares to employees on exercise of share schemes	-	-	-	-	(4.3)	4.3	-	-	-
Total transactions with owners	-	1.7	-	0.1	(148.8)	4.3	(142.7)	-	(142.7)
At 30 September 2008	47.1	58.3	30.5	11.4	7,574.8	(18.0)	7,704.1	-	7,704.1
Loss for the financial period	-	-	-	-	(3,465.9)	-	(3,465.9)	(3.3)	(3,469.2)
Other comprehensive income:									
Actuarial loss on pension scheme	-	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Fair value movement on cash flow hedges taken to equity	-	-	-	-	(21.0)	-	(21.0)	-	(21.0)
Total comprehensive income for the period ended 31 March 2009	-	-	-	-	(3,487.2)	-	(3,487.2)	(3.3)	(3,490.5)
Transactions with owners:									
Rights Issue	29.1	726.6	-	-	-	-	755.7	-	755.7
Exercise of options	-	0.3	-	-	-	-	0.3	-	0.3
Fair value of share-based payments	-	-	-	4.2	-	-	4.2	-	4.2
Release on exercise/forfeiture of share options	-	-	-	(7.5)	7.5	-	-	-	-
Dividends paid to owners of the company	-	-	-	-	(153.6)	-	(153.6)	-	(153.6)
Transfer of shares to employees on exercise of share schemes	-	-	-	-	(5.6)	5.6	-	-	-
Total transactions with owners	29.1	726.9	-	(3.3)	(151.7)	5.6	606.6	-	606.6
At 31 March 2009	**76.2**	**785.2**	**30.5**	**8.1**	**3,935.9**	**(12.4)**	**4,823.5**	**(3.3)**	**4,820.2**
Profit for the financial period	-	-	-	-	11.9	-	11.9	1.3	13.2
Other comprehensive income:									
Actuarial loss on pension scheme	-	-	-	-	(9.8)	-	(9.8)	-	(9.8)
Fair value movement on cash flow hedges taken to equity	-	-	-	-	2.7	-	2.7	-	2.7
Total comprehensive income for the period ended 30 September 2009	-	-	-	-	4.8	-	4.8	1.3	6.1
Transactions with owners:									
Fair value of share-based payments	-	-	-	3.9	-	-	3.9	-	3.9
Release on exercise/forfeiture of share options	-	-	-	(7.8)	7.8	-	-	-	-
Dividends paid to owners of the company	-	-	-	-	(129.8)	-	(129.8)	-	(129.8)
Distributions paid to minority interests	-	-	-	-	-	-	-	(0.4)	(0.4)
Transfer of shares to employees on exercise of share schemes	-	-	-	-	(4.2)	4.2	-	-	-
Total transactions with owners	-	-	-	(3.9)	(126.2)	4.2	(125.9)	(0.4)	(126.3)
At 30 September 2009	**76.2**	**785.2**	**30.5**	**4.2**	**3,814.5**	**(8.2)**	**4,702.4**	**(2.4)**	**4,700.0**

Unaudited consolidated statement of cash flows for the six months ended 30 September 2009

Statement of cash flows	Notes	Six months ended 30 September 2009 £m	Six months ended 30 September 2008 [2] £m	Year to 31 March 2009 [2] £m
Net cash generated from operations				
Cash generated from operations	16	**217.2**	247.8	651.3
Interest paid		**(131.7)**	(150.3)	(283.6)
Interest received		**11.2**	4.8	10.4
Employer contributions to pension scheme		**(2.0)**	(3.0)	(4.2)
Corporation tax paid		**(11.3)**	(3.3)	(6.7)
Net cash inflow from operations		**83.4**	96.0	367.2
Cash flows from investing activities				
Investment property development expenditure		**(111.3)**	(126.9)	(208.6)
Acquisition of investment properties		**(34.2)**	(32.4)	(85.3)
Other investment property related expenditure		**-**	(67.4)	(174.1)
Acquisition of properties by Trillium		**-**	(0.8)	(0.8)
Capital expenditure by Trillium		**-**	(17.9)	(46.5)
Capital expenditure on properties		**(145.5)**	(245.4)	(515.3)
Disposal of investment properties		**511.6**	212.5	792.7
Disposal of operating properties		**-**	30.5	30.3
Net proceeds/(expenditure) on properties		**366.1**	(2.4)	307.7
Net expenditure on other fixed assets		**(0.8)**	(4.7)	(0.6)
Net cash inflow/(outflow) from capital expenditure		**365.3**	(7.1)	307.1
Receivable finance leases acquired		**-**	(20.7)	-
Receipts in respect of receivable finance leases		**3.5**	1.2	11.7
Receipts from the disposal of discontinued operations		**-**	103.0	-
Loans advanced to third parties		**-**	-	(50.0)
Investment in joint ventures		**(1.9)**	-	(21.1)
Divestment of joint ventures		**209.8**	-	-
Net loans (to)/from joint ventures and cash contributed		**(39.1)**	149.5	(117.5)
Distributions from joint ventures		**2.9**	13.7	21.6
Net cash received from disposal group		**-**	1.4	113.5
Cash proceeds from disposal of Trillium (net of cash divested)		**-**	-	392.7
Net cash received from investing activities		**540.5**	241.0	658.0
Cash flows from financing activities				
Proceeds from Rights Issue		**-**	-	755.7
Issue of shares arising from exercise of share options		**-**	1.7	2.0
Proceeds from new loans (net of finance fees)		**363.0**	403.4	1,732.6
Repayment of loans		**(1,780.1)**	(603.8)	(1,612.0)
Termination of interest-rate swaps		**(74.5)**	-	-
Increase in monies held in restricted accounts and deposits		**(89.1)**	-	(29.9)
Decrease in finance leases payable		**(2.9)**	(1.1)	(9.4)
Dividends paid to owners of the company		**(129.8)**	(148.8)	(302.4)
Distributions paid to minority interests		**(0.4)**	-	-
Net cash (outflow)/inflow from financing activities		**(1,713.8)**	(348.6)	536.6
(Decrease)/increase in cash and cash equivalents for the period[1]		**(1,089.9)**	(11.6)	1,561.8
Cash and cash equivalents at the beginning of the period[1]		**1,608.8**	47.0	47.0
Cash and cash equivalents at the end of the period[1]		**518.9**	35.4	1,608.8

(1) Cash and cash equivalents for the purposes of the cash flow statement includes overdrafts.
(2) The Group cash flow statements for the six months ended 30 September 2008 and the year ended 31 March 2009 include the cash flows relating to the Trillium discontinued operations.

	Notes	Six months ended 30 September 2009 £m	Six months ended 30 September 2008 £m	Year to 31 March 2009 £m
Cash and cash equivalents (cash flow statement)		**518.9**	35.4	1,608.8
Overdrafts	15	**-**	-	0.3
Cash and cash equivalents (balance sheet)		**518.9**	35.4	1,609.1

Notes to the financial statements

1. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2009 has been prepared on a going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union.

The condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2009 were approved by the Board of Directors on 12 May 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The condensed consolidated interim financial information has been reviewed, not audited.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2009, which have been prepared in accordance with IFRSs as adopted by the European Union.

As a result of the disposal of Trillium on 12 January 2009, and in compliance with IFRS 5 'Non-current assets held for sale and discontinued operations', the 2008 comparatives, where relevant, have been restated to classify the disposed Trillium operations as 'Discontinued Operations'. In addition, the Accor hotel portfolio, which was previously reported as part of the Trillium business segment and has been retained by the Group, has been classified as 'Retail Portfolio' and the 2008 segmental comparatives have been restated to reflect this classification.

This condensed consolidated interim financial information was approved for issue on 17 November 2009.

2. Accounting policies

Except as described below, the condensed consolidated interim financial information has been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out in notes 2 and 3 of the Group's Annual Report for the year ended 31 March 2009.

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

- The following amendment is mandatory for the first time for the financial year beginning 1 April 2009:

  - IAS 1 (revised) 'Presentation of financial statements'. The revised standard requires 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in a performance statement.

  - Entities can choose whether to present one performance statement (the statement of total comprehensive income) or two statements (the income statement and the statement of comprehensive income). The Group has elected to present two statements: income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised presentation requirements.

The following Accounting Standards or interpretations are effective for the financial year beginning 1 April 2009 but do not have a material impact on the Group:

- IAS 40 (revised) 'Investment Property'
- IFRS 1 'First time Adoption of IFRS' and IAS 27 'Consolidated and Separate Financial Statements'
- IFRS 2 'Share-based Payment'
- IAS 39 'Financial Instruments: Recognition and Measurement'
- IAS 16 'Property, Plant and Equipment'
- IAS 23 (revised) 'Borrowing Costs'
- IFRS 3 (revised) 'Business Combinations'
- IFRS 7 'Financial Instruments: Disclosures'
- IAS 27 (revised), 'Consolidated and Separate Financial Statements'
- IAS 32 (amendment) 'Financial Instruments: Presentation', and IAS 1
- IFRS 8 'Operating Segments'
- IFRIC 13 'Customer Loyalty Programmes'
- IFRIC 15 'Agreements for the Construction of Real Estate'
- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation'

The following Accounting Standards or Interpretations are not yet effective and have not been early adopted by the Group:

- IFRS 9 'Financial Instruments'
- IFRIC 9 'Reassessment of Embedded Derivatives' and IAS 39, 'Financial Instruments: Recognition and Measurement – Embedded Derivatives (Amendments)'.
- IFRIC 17 'Distribution of Non-cash Assets to Owners'
- IFRIC 18 'Transfers of Assets from Customers'

3. Segmental information	Six months ended 30 September 2009			2008 restated[1]			Year ended 31 March 2009		
Income statements	**Retail Portfolio £m**	**London Portfolio £m**	**Total £m**	Retail Portfolio £m	London Portfolio £m	Total £m	Retail Portfolio £m	London Portfolio £m	Total £m
Rental income	**132.6**	**158.6**	**291.2**	151.3	171.8	323.1	302.8	338.9	641.7
Finance lease interest	**1.2**	**1.9**	**3.1**	1.4	2.9	4.3	2.7	5.3	8.0
Rents payable	**(6.7)**	**(3.7)**	**(10.4)**	(5.9)	(2.3)	(8.2)	(11.6)	(4.6)	(16.2)
	127.1	**156.8**	**283.9**	146.8	172.4	319.2	293.9	339.6	633.5
Service charge income	**16.2**	**15.9**	**32.1**	16.9	17.6	34.5	37.3	35.6	72.9
Service charge expense	**(17.8)**	**(18.9)**	**(36.7)**	(19.1)	(18.1)	(37.2)	(43.2)	(39.5)	(82.7)
Net service charge expense	**(1.6)**	**(3.0)**	**(4.6)**	(2.2)	(0.5)	(2.7)	(5.9)	(3.9)	(9.8)
Other property related income	**4.6**	**10.9**	**15.5**	4.5	12.0	16.5	11.4	29.1	40.5
Direct property expenditure	**(11.8)**	**(23.9)**	**(35.7)**	(12.9)	(20.4)	(33.3)	(36.8)	(43.6)	(80.4)
Net rental income	**118.3**	**140.8**	**259.1**	136.2	163.5	299.7	262.6	321.2	583.8
Trading properties sale proceeds	**6.2**	**1.2**	**7.4**	6.9	-	6.9	8.8	0.4	9.2
Costs of sales of trading properties	**(5.0)**	**(5.2)**	**(10.2)**	(6.1)	(0.3)	(6.4)	(6.6)	(0.1)	(6.7)
Profit/(loss) on disposal of trading properties	**1.2**	**(4.0)**	**(2.8)**	0.8	(0.3)	0.5	2.2	0.3	2.5
Long-term development contract income	**-**	**69.4**	**69.4**	-	20.1	20.1	-	48.9	48.9
Long-term development contract expenditure	**-**	**(66.5)**	**(66.5)**	-	(18.4)	(18.4)	-	(45.1)	(45.1)
Profit on long-term development contracts	**-**	**2.9**	**2.9**	-	1.7	1.7	-	3.8	3.8
Indirect property expenditure	**(16.3)**	**(15.8)**	**(32.1)**	(18.0)	(16.7)	(34.7)	(33.8)	(30.4)	(64.2)
Depreciation	**(0.8)**	**(1.8)**	**(2.6)**	(1.1)	(3.0)	(4.1)	(1.9)	(4.8)	(6.7)
Underlying segment operating profit	**102.4**	**122.1**	**224.5**	117.9	145.2	263.1	229.1	290.1	519.2
Investment property disposal proceeds	**255.3**	**292.4**	**547.7**	20.9	256.9	277.8	164.5	434.7	599.2
Carrying value of investment property disposals (including lease incentives)	**(263.5)**	**(302.8)**	**(566.3)**	(19.7)	(258.8)	(278.5)	(219.3)	(510.7)	(730.0)
(Loss)/profit on disposal of investment properties	**(8.2)**	**(10.4)**	**(18.6)**	1.2	(1.9)	(0.7)	(54.8)	(76.0)	(130.8)
Net (deficit)/surplus on revaluation of investment properties	**(104.6)**	**14.8**	**(89.8)**	(762.3)	(789.0)	(1,551.3)	(1,923.1)	(2,190.3)	(4,113.4)
Impairment of trading properties	**-**	**(9.3)**	**(9.3)**	-	-	-	-	(92.3)	(92.3)
Segment result	**(10.4)**	**117.2**	**106.8**	(643.2)	(645.7)	(1,288.9)	(1,748.8)	(2,068.5)	(3,817.3)
Demerger costs			**-**			(14.3)			(10.2)
Unallocated expenses			**(6.1)**			(8.0)			(14.2)
Operating profit/(loss)			**100.7**			(1,311.2)			(3,841.7)
Net interest expense			**(103.5)**			(118.0)			(332.5)
			(2.8)			(1,429.2)			(4,174.2)
Share of the post-tax (loss)/profit of joint ventures									
- Retail Portfolio			**(11.4)**			(181.8)			(554.7)
- London Portfolio			**9.6**			(10.2)			(44.3)
			(1.8)			(192.0)			(599.0)
Loss before tax from continuing operations			**(4.6)**			(1,621.2)			(4,773.2)

[1] In compliance with IFRS 5, the 2008 comparatives have been restated as the Trillium discontinued operations have been removed from continuing operations and the operations of the Accor hotels contract has been included within Retail Portfolio.

Included within rents payable is finance lease interest payable of **£1.1m** (30 September 2008: £1.3m, 31 March 2009: £2.5m) and **£0.8m** (30 September 2008: £1.2m, 31 March 2009: £1.8m) respectively for Retail Portfolio and London Portfolio.

	At 30 September 2009			At 31 March 2009		
Balance sheets	**Retail Portfolio £m**	**London Portfolio £m**	**Total £m**	Retail Portfolio £m	London Portfolio £m	Total £m
Investment properties	**2,870.3**	**4,509.9**	**7,380.2**	3,205.4	4,724.0	7,929.4
Other property, plant and equipment	**4.1**	**8.7**	**12.8**	4.7	9.6	14.3
Net investment in finance leases	**48.3**	**67.5**	**115.8**	48.5	67.8	116.3
Investments in joint ventures	**729.4**	**34.0**	**763.4**	906.9	23.9	930.8
Trading properties and long-term development contracts	**5.0**	**83.8**	**88.8**	10.0	84.9	94.9
Trade and other receivables	**201.8**	**271.4**	**473.2**	201.4	190.7	392.1
Segment assets	**3,858.9**	**4,975.3**	**8,834.2**	4,376.9	5,100.9	9,477.8
Unallocated assets			**689.1**			1,693.9
Total assets			**9,523.3**			11,171.7
Trade and other payables	**(384.9)**	**(244.7)**	**(629.6)**	(335.9)	(241.3)	(577.2)
Segment liabilities	**(384.9)**	**(244.7)**	**(629.6)**	(335.9)	(241.3)	(577.2)
Unallocated liabilities			**(4,193.7)**			(5,774.3)
Total liabilities			**(4,823.3)**			(6,351.5)

All the Group's operations are in the UK and are organised into two main business segments against which the Group reports its primary segment information, being Retail Portfolio and London Portfolio.

The Group's financial performance does not suffer from seasonal fluctuations.

4. Group revenue

	Six months ended 30 September 2009 £m	Six months ended 30 September 2008[1] £m	Year to 31 March 2009 £m
Rental income	**291.2**	323.1	641.7
Service charge income	**32.1**	34.5	72.9
Other property related income	**15.5**	16.5	40.5
Trading property sales proceeds	**7.4**	6.9	9.2
Long-term development contract income	**69.4**	20.1	48.9
Finance lease interest	**3.1**	4.3	8.0
	418.7	405.4	821.2

(1) In compliance with IFRS 5, the 2008 comparatives have been restated to remove the revenue in relation to the Trillium discontinued operations.

5. Net interest expense

	Six months ended 30 September 2009 £m	Six months ended 30 September 2008[1] £m	Year to 31 March 2009 £m
Interest expense			
Bond and debenture debt	**(97.4)**	(97.7)	(191.1)
Bank borrowings	**(34.7)**	(51.4)	(95.4)
Other interest payable	**(0.7)**	(1.0)	(0.9)
Amortisation of bond exchange de-recognition	**(6.4)**	(5.9)	(11.7)
Interest on pension scheme liabilities	**(3.6)**	(4.2)	(7.5)
	(142.8)	(160.2)	(306.6)
Interest capitalised in relation to properties under development	**8.6**	21.2	43.7
Total interest expense	**(134.2)**	(139.0)	(262.9)
Interest income			
Short-term deposits	**7.7**	0.8	2.7
Long-term investment loans	**1.5**	-	0.7
Gain on disposal of foreign-exchange contract	**-**	-	2.7
Other interest receivable	**0.2**	0.6	1.5
Interest receivable from joint ventures	**7.1**	10.4	16.8
Expected return on pension scheme assets	**3.3**	4.5	8.1
Total interest income	**19.8**	16.3	32.5
Fair value movement on interest-rate swaps	**10.9**	4.7	(102.1)
Net interest expense	**(103.5)**	(118.0)	(332.5)

(1) In compliance with IFRS 5, the 2008 comparatives have been restated to remove the net interest expense in relation to the Trillium discontinued operations.

6. Dividends

Ordinary dividends paid	Payment date	Restated[1] Per share pence	Actual Per share pence	Six months ended 30 September 2009 £m	Six months ended 30 September 2008 £m	Year to 31 March 2009 £m
For the year ended 31 March 2008:						
Third quarter	25 April 2008	14.4	16.0	**-**	74.4	74.4
Final quarter	28 July 2008	14.4	16.0	**-**	74.4	74.4
For the year ended 31 March 2009:						
First quarter	24 October 2008	14.9	16.5	**-**	-	76.8
Second quarter	12 January 2009	14.9	16.5	**-**	-	76.8
Third quarter	24 April 2009	14.9	16.5	**76.8**	-	-
Final quarter	24 July 2009	7.0	7.0	**53.0**	-	-
				129.8	148.8	302.4

(1) The restated dividend per share represents the theoretical dividend per share that would have been paid had the bonus shares inherent in the Rights Issue, which was completed in March 2009, been in existence at the relevant dividend dates.

The Board has proposed a second quarterly dividend of **7.0p** per share or **£52.9m** (2008: 16.5p per share or £76.8m) in addition to the first quarterly dividend of **7.0p** per share or **£52.9m** paid on 23 October 2009 (2008: 16.5p per share or £76.8m paid on 24 October 2008). It will be paid on 15 January 2010 to shareholders who are on the Register of Members on 11 December 2009. All numbers relate to actual dividends as opposed to restated dividends.

7. Earnings/(loss) per share	Six months ended 30 September		Year to 31 March
	2009	2008 restated[1]	2009
	£m	£m	£m
Profit/(loss) for the financial period attributable to the owners of the Parent	**11.9**	(1,725.4)	(5,191.3)
of which from: continuing operations attributable to the owners of the Parent	**11.9**	(1,618.5)	(4,770.4)
of which from: discontinued operations attributable to the owners of the Parent	**-**	(106.9)	(420.9)

(1) In compliance with IFRS 5, the 2008 comparatives have been restated to reclassify the profit arising from the Trillium discontinued operations from continuing operations to discontinued operations.

Management has chosen to disclose adjusted earnings per share from continuing operations in order to provide an indication of the Group's underlying business performance. Accordingly, it excludes the effect of all exceptional items, debt and other restructuring charges, and other items of a capital nature (other than trading properties and long-term contract profits) as indicated above. An EPRA measure has been included to assist comparison between European property companies. We believe our measure of adjusted diluted earnings per share is more appropriate than the EPRA measure in the context of our business.

	Six months ended 30 September		Year to 31 March
	2009	2008 restated[2]	2009
	£m	£m	£m
Profit/(loss) for the financial period from continuing operations attributable to the owners of the Parent	**11.9**	(1,618.5)	(4,770.4)
Valuation deficits - Group	**89.8**	1,551.3	4,113.4
- joint ventures	**28.0**	206.4	630.3
Loss/(profit) on investment property disposals after current and deferred tax - Group	**18.6**	0.7	130.8
- joint ventures	**(8.3)**	(1.9)	(2.9)
Impairment of development land and infrastructure[3] - Group	**9.3**	-	92.0
- joint ventures	**2.9**	-	12.3
Mark-to-market adjustment on interest-rate swaps - Group	**(10.9)**	(4.7)	102.1
- joint ventures	**(1.4)**	1.8	15.4
Adjustment due to net liabilities on joint ventures[4]	**(0.9)**	-	(17.7)
Non-revenue tax adjustment	**(17.8)**	-	-
Demerger costs (net of taxation)	**-**	11.4	7.2
EPRA adjusted earnings from continuing operations attributable to the owners of the Parent	**121.2**	146.5	312.5
Eliminate effect of debt restructuring charges (net of taxation)	**-**	(0.3)	0.8
Eliminate effect of bond exchange de-recognition	**6.4**	5.9	11.7
Adjusted earnings from continuing operations attributable to the owners of the Parent	**127.6**	152.1	325.0

(2) In compliance with IFRS 5, the 2008 comparatives have been restated to remove the elements arising from the Trillium discontinued operations from continuing operations.
(3) The impairment in relation to the development land and infrastructure programmes within trading properties has been removed from both our and the EPRA's adjusted earnings due to the long-term nature of these programmes.
(4) The adjustment to net liabilities on joint ventures is the result of valuation deficits and as such restricts the recognition of the full valuation deficit. Hence, this adjustment is required to reflect that the valuation deficit has not been recognised in full in the Group's income statement.

	Six months ended 30 September		Year to 31 March
	2009	2008 restated[5]	2009
	Number million	Number million	Number million
Weighted average number of ordinary shares	**761.9**	**522.1**	**526.7**
Effect of weighted average number of treasury shares	**(5.9)**	(5.9)	(5.9)
Effect of weighted average number of own shares	**(0.7)**	(1.4)	(1.2)
Weighted average number of ordinary shares for calculating basic earnings per share	**755.3**	514.8	519.6
Dilutive effect of share options for diluted earnings per share	**0.2**	-	-
Weighted average number of ordinary shares for calculating diluted earnings per share	**755.5**	514.8	519.6
Dilutive effect of share options for adjusted diluted earnings per share	**-**	0.6	0.3
Weighted average number of ordinary shares for calculating adjusted diluted earnings per share	**755.5**	515.4	519.9

(5) The weighted average number of ordinary shares for the six months ended 30 September 2008 has been adjusted for the bonus element inherent in the Rights Issue that was approved on 9 March 2009 in compliance with IAS 33 'Earnings per Share'.

7. Earnings/(loss) per share continued	Six months ended 30 September 2009	2008 restated[6]	Year to 31 March 2009
	Pence	Pence	Pence
Basic earnings/(loss) per share	**1.58**	(335.16)	(999.04)
of which from: continuing operations	**1.58**	(314.39)	(918.04)
of which from: discontinued operations	**-**	(20.77)	(81.00)
Diluted earnings/(loss) per share	**1.58**	(335.16)	(999.04)
of which from: continuing operations	**1.58**	(314.39)	(918.04)
of which from: discontinued operations	**-**	(20.77)	(81.00)
Adjusted earnings per share from continuing operations	**16.89**	29.55	62.60
Adjusted diluted earnings per share from continuing operations	**16.89**	29.51	62.57
EPRA adjusted earnings per share from continuing operations	**16.05**	28.46	60.20

[6] The earnings per share for the six months ended 30 September 2008 has been adjusted for the bonus element inherent in the Rights Issue that was approved on 9 March 2009 and for the reclassification of the Trillium discontinued operations from continuing operations to discontinued operations.

8. Net assets per share	30 September 2009	31 March 2009
	£m	£m
Net assets attributable to the owners of the Parent	**4,702.4**	4,823.5
Cumulative mark-to-market adjustment on interest-rate swaps – Group	**26.6**	112.0
– joint ventures	**34.3**	38.2
EPRA adjusted net assets	**4,763.3**	4,973.7
Reverse bond exchange de-recognition adjustment	**(493.4)**	(499.8)
Adjusted net assets attributable to the owners of the Parent	**4,269.9**	4,473.9
Reinstate bond exchange de-recognition adjustment	**493.4**	499.8
Cumulative mark-to-market adjustment on interest-rate swaps – Group	**(26.6)**	(112.0)
– joint ventures	**(34.3)**	(38.2)
Excess of fair value of debt over book value	**(323.2)**	(13.4)
EPRA triple net assets	**4,379.2**	4,810.1

	30 September 2009 Number million	31 March 2009 Number million
Number of ordinary shares in issue	**761.9**	761.9
Number of treasury shares	**(5.9)**	(5.9)
Number of own shares	**(0.5)**	(0.9)
Number of ordinary shares used for calculating basic net assets per share	**755.5**	755.1
Dilutive effect of share options	**0.5**	-
Number of ordinary shares used for calculating diluted net assets per share	**756.0**	755.1

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	30 September 2009	31 March 2009
	Pence	Pence
Net assets per share	**622**	639
Diluted net assets per share	**622**	639
Adjusted net assets per share	**565**	593
Adjusted diluted net assets per share	**565**	593
EPRA measure – adjusted diluted net assets per share	**630**	659
EPRA measure – diluted triple net assets per share	**579**	637

Adjusted net assets per share excludes mark-to-market adjustments on financial instruments used for hedging purposes and the bond exchange de-recognition adjustment as management consider that this better represents the expected future cash flows of the Group. EPRA measures have been included to assist comparison between European property companies. We believe our measure of adjusted net assets attributable to owners of the Parent is more indicative of underlying performance.

9. Investment properties

	Portfolio management £m	Development programme £m	Trillium £m	Total £m
Net book value at 1 April 2008	10,338.3	1,396.0	562.4	12,296.7
Developments transferred from the development programme into portfolio management	256.2	(256.2)	-	-
Accor hotel properties transferred from Trillium to portfolio management	435.9	-	(435.9)	-
Property acquisitions	93.4	-	-	93.4
Capital expenditure	63.0	147.2	8.8	219.0
Capitalised interest	6.1	13.5	-	19.6
Disposals	(232.6)	-	(10.6)	(243.2)
Transfer from operating properties	-	-	13.9	13.9
Surrender premiums received	(0.4)	-	-	(0.4)
Depreciation	(1.6)	-	-	(1.6)
Deficit on revaluation – continuing operations	(1,415.7)	(135.6)	-	(1,551.3)
– discontinued operations	-	-	(11.4)	(11.4)
Net book value at 30 September 2008	9,542.6	1,164.9	127.2	10,834.7
Developments transferred from the development programme into portfolio management	154.1	(154.1)	-	-
Property acquisitions	8.5	1.3	-	9.8
Capital expenditure	111.1	98.3	(2.8)	206.6
Capitalised interest	7.9	9.6	-	17.5
Disposals	(449.3)	(1.3)	(30.8)	(481.4)
Transfer to operating properties	-	-	(2.0)	(2.0)
Surrender premiums received	(1.6)	-	-	(1.6)
Depreciation	(0.5)	-	-	(0.5)
Deficit on revaluation – continuing operations	(2,157.4)	(404.7)	-	(2,562.1)
– discontinued operations	-	-	1.4	1.4
Disposals included as part of the disposal of Trillium	-	-	(93.0)	(93.0)
Net book value at 31 March 2009	7,215.4	714.0	-	7,929.4
Developments transferred from the development programme into portfolio management	411.4	(411.4)	-	-
Property acquisitions	0.3	-	-	0.3
Capital expenditure	52.2	42.0	-	94.2
Capitalised interest	1.1	6.2	-	7.3
Disposals	(554.9)	-	-	(554.9)
Surrender premiums received	(8.7)	-	-	(8.7)
Depreciation	(0.9)	-	-	(0.9)
Transfers from trading properties	3.3	-	-	3.3
Deficit on revaluation – continuing operations	(67.3)	(22.5)	-	(89.8)
Net book value at 30 September 2009	**7,051.9**	**328.3**	**-**	**7,380.2**

The following table reconciles the net book value of the investment properties to the market value. The components of the reconciliation are included within their relevant balance sheet headings.

	Portfolio management £m	Development programme £m	Total investment properties £m
Net book value at 31 March 2009	7,215.4	714.0	7,929.4
Plus: amount included in prepayments in respect of lease incentives	148.8	40.5	189.3
Less: head leases capitalised	(56.5)	(1.4)	(57.9)
Plus: properties treated as finance leases	104.7	-	104.7
Market value at 31 March 2009 – Group	7,412.4	753.1	8,165.5
– plus: share of joint ventures	950.0	291.5	1,241.5
Market value at 31 March 2009 – Group and share of joint ventures	8,362.4	1,044.6	9,407.0
Net book value at 30 September 2009	**7,051.9**	**328.3**	**7,380.2**
Plus: amount included in prepayments in respect of lease incentives	**186.4**	**4.4**	**190.8**
Less: head leases capitalised	**(55.5)**	**(1.4)**	**(56.9)**
Plus: properties treated as finance leases	**111.7**	**-**	**111.7**
Market value at 30 September 2009 – Group	**7,294.5**	**331.3**	**7,625.8**
– plus: share of joint ventures	**744.2**	**330.8**	**1,075.0**
Market value at 30 September 2009 – Group and share of joint ventures	**8,038.7**	**662.1**	**8,700.8**

9. Investment properties (continued)

Included in investment properties are leasehold properties with a net book value of **£949.4m** at 30 September 2009 (31 March 2009: £994.0m).

The fair value of the Group's investment properties at 30 September 2009 has been arrived at on the basis of a valuation carried out at that date by Knight Frank LLP, external valuers. The valuation by Knight Frank LLP, which conforms to Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors and with IVA 1 of the International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. Fixed asset properties include capitalised interest of **£183.7m** at 30 September 2009 (31 March 2009: £181.1m). The average rate of capitalisation is **4.1%** (2008: 5.5%). The historical cost of investment properties is **£7,135.1m** at 30 September 2009 (31 March 2009: £7,721.8m).

The current value of investment properties in respect of proposed developments is **£563.3m** (31 March 2009: £524.8m). Developments are transferred out of the development programme when physically complete and 95% let. The only scheme completed during the period was New Street Square, London EC4.

The Group has outstanding capital commitments of **£118.4m** at 30 September 2009 (31 March 2009: £280.5m).

10. Investments in joint ventures

The Group's significant joint ventures are described below:

Name of joint venture	Percentage owned	Business segment	Year end date	Joint venture partners
The Scottish Retail Property Limited Partnership	50.0%	Retail Portfolio	31 March	The British Land Company PLC
Metro Shopping Fund Limited Partnership	50.0%	Retail Portfolio	31 March	Delancey Real Estate Partners Limited
Buchanan Partnership	50.0%	Retail Portfolio	31 December	The Henderson UK Shopping Centre Fund
St. David's Limited Partnership	50.0%	Retail Portfolio	31 December	Capital Shopping Centres PLC
Bristol Alliance Limited Partnership	50.0%	Retail Portfolio	31 December	Hammerson plc
The Harvest Limited Partnership	50.0%	Retail Portfolio	31 March	J Sainsbury plc
The Oriana Limited Partnership	50.0%	London Portfolio	31 March	Frogmore Real Estate Partners Limited Partnership
The Martineau Galleries Limited Partnership [1]	33.3%	Retail Portfolio	31 December	Hammerson plc Pearl Group Limited
The Ebbsfleet Limited Partnership [1]	50.0%	London Portfolio	31 March	Lafarge Cement UK PLC
Millshaw Property Co. Limited [1]	50.0%	Retail Portfolio	31 March	Evans Property Group Limited
The Martineau Limited Partnership[1]	33.3%	Retail Portfolio	31 December	Hammerson plc Pearl Group Limited
Hungate (York) Regeneration Limited[1]	33.3%	Retail Portfolio	30 June	Crosby Land Lease PLC Evans Property Group Limited
Countryside Land Securities (Springhead) Limited[1]	50.0%	London Portfolio	30 September	Countryside Properties PLC
Fen Farm Developments Limited[1]	50.0%	Retail Portfolio	31 March	Economic Zones World
The Empress State Limited Partnership[1]	50.0%	London Portfolio	31 December	Liberty International PLC
HNJV Limited[1]	50.0%	London Portfolio	31 March	Places for People Group Limited

[1] Included within Other

The Group disposed of its interest in the Bull Ring Limited Partnership on 18 September 2009.

10. Investments in joint ventures continued

Financial information of Group's share of joint ventures
Six months ended and as at 30 September 2009

Income statement	The Scottish Retail Property Limited Partnership £m	Metro Shopping Fund Limited Partnership £m	Buchanan Partnership £m	St. David's Limited Partnership £m	The Bull Ring Limited Partnership £m	Bristol Alliance Limited Partnership £m	The Harvest Limited Partnership £m	The Oriana Limited Partnership £m	Other £m	Total £m
Rental income	3.7	6.3	4.3	2.8	7.1	9.1	2.5	1.8	4.2	41.8
Finance lease interest	-	0.1	-	-	-	0.1	-	-	-	0.2
Rents payable	-	-	-	-	-	(0.3)	-	-	-	(0.3)
	3.7	6.4	4.3	2.8	7.1	8.9	2.5	1.8	4.2	41.7
Service charge income	0.7	1.2	0.3	0.3	1.4	1.6	0.1	0.2	-	5.8
Service charge expense	(1.0)	(1.5)	(0.3)	(0.5)	(1.5)	(1.7)	(0.1)	(0.2)	(0.2)	(7.0)
Net service charge expense	(0.3)	(0.3)	-	(0.2)	(0.1)	(0.1)	-	-	(0.2)	(1.2)
Direct property expenditure	(0.3)	(0.3)	(0.8)	(0.3)	(1.1)	(1.5)	-	(0.4)	(0.3)	(5.0)
Net rental income	3.1	5.8	3.5	2.3	5.9	7.3	2.5	1.4	3.7	35.5
Trading properties sale proceeds	-	-	-	-	-	-	-	-	8.2	8.2
Cost of sales of trading properties	-	-	-	-	-	-	-	-	(7.2)	(7.2)
Profit on disposal of trading properties	-	-	-	-	-	-	-	-	1.0	1.0
Indirect property expenditure	(0.2)	(0.5)	-	(0.1)	(0.1)	(0.2)	(0.3)	(0.1)	(0.2)	(1.7)
Underlying operating profit	2.9	5.3	3.5	2.2	5.8	7.1	2.2	1.3	4.5	34.8
Investment property disposal proceeds	0.1	-	-	-	212.9	0.8	-	-	-	213.8
Carrying value of investment property disposals	-	-	-	-	(205.0)	(0.5)	-	-	-	(205.5)
Profit on disposal of investment properties	0.1	-	-	-	7.9	0.3	-	-	-	8.3
Net (deficit)/surplus on revaluation of investment properties	(3.7)	-	(7.8)	(21.6)	-	(4.1)	2.5	6.0	0.7	(28.0)
Impairment of trading properties	-	-	-	-	-	-	-	-	(2.9)	(2.9)
Operating (loss)/profit	(0.7)	5.3	(4.3)	(19.4)	13.7	3.3	4.7	7.3	2.3	12.2
Net interest expense	(1.7)	(5.3)	(2.0)	(0.3)	-	-	(1.6)	(1.5)	(2.2)	(14.6)
(Loss)/profit before tax	(2.4)	-	(6.3)	(19.7)	13.7	3.3	3.1	5.8	0.1	(2.4)
Income tax	-	(0.2)	-	-	-	-	-	-	(0.1)	(0.3)
	(2.4)	(0.2)	(6.3)	(19.7)	13.7	3.3	3.1	5.8	-	(2.7)
Net liabilities adjustment[2]	-	(1.1)	-	-	-	-	-	-	2.0	0.9
Share of (loss)/profit after tax	**(2.4)**	**(1.3)**	**(6.3)**	**(19.7)**	**13.7**	**3.3**	**3.1**	**5.8**	**2.0**	**(1.8)**
Net investment										
At 1 April 2009	17.5	-	114.4	240.6	202.8	244.2	65.9	7.1	38.3	930.8
Properties contributed	-	-	-	-	-	-	-	-	-	-
Cash contributed	1.0	-	0.5	-	-	-	-	-	0.4	1.9
Distributions	-	-	(1.5)	-	-	-	-	-	(1.4)	(2.9)
Fair value movement on cash flow hedges taken to equity	0.5	1.3	-	-	-	-	0.8	-	0.1	2.7
Disposals	-	-	-	-	(208.8)	-	-	-	-	(208.8)
Loan advances	-	-	-	43.9	-	8.6	-	-	-	52.5
Loan repayments	-	-	-	-	(7.7)	(3.3)	-	-	-	(11.0)
Share of (loss)/profit after tax	(2.4)	(1.3)	(6.3)	(19.7)	13.7	3.3	3.1	5.8	2.0	(1.8)
At 30 September 2009	**16.6**	**-**	**107.1**	**264.8**	**-**	**252.8**	**69.8**	**12.9**	**39.4**	**763.4**
Balance sheet										
Investment properties [1]	82.6	171.8	105.0	182.5	-	236.2	74.3	90.3	110.7	1,053.4
Current assets	6.1	7.6	5.5	148.4	-	27.9	44.8	2.8	53.1	296.2
	88.7	179.4	110.5	330.9	-	264.1	119.1	93.1	163.8	1,349.6
Current liabilities	(4.7)	(6.1)	(3.4)	(29.9)	-	(8.4)	(3.1)	(5.2)	(29.5)	(90.3)
Non-current liabilities	(67.4)	(188.7)	-	(36.2)	-	(2.9)	(46.2)	(75.0)	(98.1)	(514.5)
	(72.1)	(194.8)	(3.4)	(66.1)	-	(11.3)	(49.3)	(80.2)	(127.6)	(604.8)
Net liabilities adjustment[2]	-	15.4	-	-	-	-	-	-	3.2	18.6
Net assets	**16.6**	**-**	**107.1**	**264.8**	**-**	**252.8**	**69.8**	**12.9**	**39.4**	**763.4**
Capital commitments	**0.2**	**0.4**	**0.3**	**17.8**	**-**	**7.5**	**0.2**	**-**	**1.1**	**27.5**
Market value of investment properties [1]	**84.0**	**173.0**	**107.5**	**182.5**	**-**	**251.5**	**75.0**	**90.5**	**111.0**	**1,075.0**
Net (debt)/cash	**(64.7)**	**(184.1)**	**0.5**	**(33.9)**	**-**	**3.4**	**(45.3)**	**(74.0)**	**(93.6)**	**(491.7)**

(1) The difference between the book value and the market value is the amount included in prepayments in respect of lease incentives, head leases capitalised and properties treated as finance leases.

(2) Joint ventures with net liabilities are carried at zero value in the balance sheet where there is no commitment to fund the deficit and any distributions are included in the consolidated income statement for the year.

10. Investments in joint ventures continued

Financial information of Group's share of joint ventures
Six months ended and as at 30 September 2008

	The Scottish Retail Property Limited Partnership £m	Metro Shopping Fund Limited Partnership £m	Buchanan Partnership £m	St. David's Limited Partnership £m	The Bull Ring Limited Partnership £m	Bristol Alliance Limited Partnership £m	The Harvest Limited Partnership £m	The Oriana Limited Partnership £m	Other £m	Total £m
Income statement										
Rental income	4.7	6.0	4.2	2.5	8.0	1.9	1.9	2.2	1.9	33.3
Finance lease interest	-	-	0.1	-	-	0.1	-	-	-	0.2
Rents payable	(0.2)	-	-	-	-	-	-	-	-	(0.2)
	4.5	6.0	4.3	2.5	8.0	2.0	1.9	2.2	1.9	33.3
Service charge income	0.8	1.3	0.9	0.4	1.2	-	-	0.1	0.1	4.8
Service charge expense	(1.3)	(1.5)	(0.9)	(0.5)	(1.2)	-	-	(0.1)	(0.3)	(5.8)
Net service charge expense	(0.5)	(0.2)	-	(0.1)	-	-	-	-	(0.2)	(1.0)
Direct property expenditure	(0.4)	(0.4)	(0.7)	(0.3)	(1.4)	(0.6)	-	(0.1)	(0.1)	(4.0)
Net rental income	3.6	5.4	3.6	2.1	6.6	1.4	1.9	2.1	1.6	28.3
Trading properties sale proceeds	-	-	-	-	-	-	-	-	1.2	1.2
Cost of sales of trading properties	-	-	-	-	-	-	-	-	(1.1)	(1.1)
Profit on disposal of trading properties	-	-	-	-	-	-	-	-	0.1	0.1
Indirect property expenditure	(0.2)	(0.5)	(0.1)	(0.1)	(0.2)	-	(0.1)	(0.5)	(0.4)	(2.1)
Underlying operating profit	3.4	4.9	3.5	2.0	6.4	1.4	1.8	1.6	1.3	26.3
Investment property disposal proceeds	-	0.1	-	-	-	5.1	-	-	3.8	9.0
Carrying value of investment property disposals	-	-	-	-	-	(4.0)	-	-	(3.1)	(7.1)
Profit on disposal of investment properties	-	0.1	-	-	-	1.1	-	-	0.7	1.9
Net deficit on revaluation of investment properties	(20.2)	(25.1)	(27.2)	(54.1)	(43.5)	(22.4)	(1.6)	(0.4)	(11.9)	(206.4)
Impairment of trading properties	-	-	-	-	-	-	-	-	-	-
Operating (loss)/profit	(16.8)	(20.1)	(23.7)	(52.1)	(37.1)	(19.9)	0.2	1.2	(9.9)	(178.2)
Net interest (expense)/income	(1.5)	(5.3)	(1.9)	0.1	-	(0.1)	-	(2.9)	(1.6)	(13.2)
(Loss)/profit before tax	(18.3)	(25.4)	(25.6)	(52.0)	(37.1)	(20.0)	0.2	(1.7)	(11.5)	(191.4)
Income tax	(0.2)	(0.7)	-	-	-	-	-	-	-	(0.9)
Share of (loss)/profit after tax										
- continuing activities	(18.5)	(26.1)	(25.6)	(52.0)	(37.1)	(20.0)	0.2	(1.7)	(11.2)	(192.0)
- discontinued activities	-	-	-	-	-	-	-	-	(0.3)	(0.3)
Net investment										
At 1 April 2008	73.0	69.9	179.6	346.7	289.3	284.4	64.5	9.0	94.2	1,410.6
Properties contributed	-	-	-	-	-	-	-	-	27.3	27.3
Cash contributed	-	1.8	1.0	-	-	-	17.5	-	3.2	23.5
Distributions	-	-	(2.3)	-	-	-	-	(0.1)	(9.3)	(11.7)
Fair value movement on cash flow hedges taken to equity	0.5	0.9	-	-	-	-	-	-	-	1.4
Disposals	-	-	-	-	-	-	-	-	(17.9)	(17.9)
Loan advances	-	-	-	35.5	-	50.7	-	-	0.2	86.4
Loan repayments	-	-	-	-	(6.4)	(0.3)	-	-	-	(6.7)
Share of losses after tax										
- continued operations	(18.5)	(26.1)	(25.6)	(52.0)	(37.1)	(20.0)	0.2	(1.7)	(11.2)	(192.0)
- discontinued operations	-	-	-	-	-	-	-	-	(0.3)	(0.3)
At 30 September 2008	55.0	46.5	152.7	330.2	245.8	314.8	82.2	7.2	86.2	1,320.6
Balance sheet										
Investment properties	110.2	223.4	150.5	229.4	244.7	317.4	78.7	87.9	133.4	1,575.6
Current assets	8.8	6.6	3.9	119.8	10.6	19.7	4.5	2.0	75.9	251.8
	119.0	230.0	154.4	349.2	255.3	337.1	83.2	89.9	209.3	1,827.4
Current liabilities	(2.1)	(6.6)	(1.7)	(18.5)	(9.5)	(19.9)	(1.0)	(13.5)	(17.2)	(90.0)
Non-current liabilities	(61.9)	(176.9)	-	(0.5)	-	(2.4)	-	(69.2)	(105.9)	(416.8)
	(64.0)	(183.5)	(1.7)	(19.0)	(9.5)	(22.3)	(1.0)	(82.7)	(123.1)	(506.8)
Net liabilities adjustment	-	-	-	-	-	-	-	-	-	-
Net assets	55.0	46.5	152.7	330.2	245.8	314.8	82.2	7.2	86.2	1,320.6
Capital commitments	1.6	1.3	1.3	90.9	-	8.7	0.2	-	2.3	106.3
Market value of investment properties	109.4	224.4	154.0	229.3	250.0	319.9	78.9	88.0	133.0	1,586.9
Net (debt)/cash	(55.0)	(173.1)	0.4	4.2	0.5	8.9	2.4	(67.7)	(90.5)	(369.9)

10. Investments in joint ventures continued

Financial information of Group's share of joint ventures
Year ended and as at 31 March 2009

	The Scottish Retail Property Limited Partnership £m	Metro Shopping Fund Limited Partnership £m	Buchanan Partnership £m	St. David's Limited Partnership £m	The Bull Ring Limited Partnership £m	Bristol Alliance Limited Partnership £m	The Harvest Limited Partnership £m	The Oriana Limited Partnership £m	Other £m	Total £m
Income statement										
Rental income	9.1	12.9	9.2	5.0	15.5	10.8	4.4	4.3	6.5	77.7
Finance lease interest	-	-	0.1	-	-	0.3	-	-	-	0.4
Rents payable	(0.2)	-	-	-	-	(0.2)	-	-	(0.1)	(0.5)
	8.9	12.9	9.3	5.0	15.5	10.9	4.4	4.3	6.4	77.6
Service charge income	1.5	2.5	1.8	0.7	2.5	1.1	0.2	0.3	0.1	10.7
Service charge expense	(2.3)	(3.2)	(1.8)	(1.0)	(2.5)	(1.3)	(0.2)	(0.3)	(0.6)	(13.2)
Net service charge expense	(0.8)	(0.7)	-	(0.3)	-	(0.2)	-	-	(0.5)	(2.5)
Direct property expenditure	(1.3)	(0.8)	(1.1)	(0.2)	(2.6)	(3.6)	(0.1)	(0.2)	(0.5)	(10.4)
Net rental income	6.8	11.4	8.2	4.5	12.9	7.1	4.3	4.1	5.4	64.7
Trading properties sale proceeds	-	-	-	-	-	-	-	-	16.0	16.0
Cost of sales of trading properties	-	-	-	-	-	-	-	-	(10.5)	(10.5)
Profit on disposal of trading properties	-	-	-	-	-	-	-	-	5.5	5.5
Indirect property expenditure	(0.4)	(1.2)	(0.1)	(0.3)	(0.3)	(0.1)	(0.4)	(0.6)	(0.4)	(3.8)
Underlying operating profit	6.4	10.2	8.1	4.2	12.6	7.0	3.9	3.5	10.5	66.4
Investment property disposal proceeds	(0.1)	0.2	-	-	0.4	6.9	-	-	3.7	11.1
Carrying value of investment property disposals	-	-	-	-	-	(5.2)	-	-	(3.0)	(8.2)
Profit on disposal of investment properties	(0.1)	0.2	-	-	0.4	1.7	-	-	0.7	2.9
Net deficit on revaluation of investment properties	(54.0)	(78.1)	(66.5)	(184.6)	(87.8)	(106.3)	(11.5)	(4.8)	(36.7)	(630.3)
Impairment of trading properties	-	-	-	-	-	-	-	-	(12.3)	(12.3)
Operating loss	(47.7)	(67.7)	(58.4)	(180.4)	(74.8)	(97.6)	(7.6)	(1.3)	(37.8)	(573.3)
Net interest (expense)/income	(3.2)	(10.6)	(3.9)	0.3	-	-	(1.4)	(11.7)	(11.6)	(42.1)
Loss before tax	(50.9)	(78.3)	(62.3)	(180.1)	(74.8)	(97.6)	(9.0)	(13.0)	(49.4)	(615.4)
Income tax	(0.2)	(0.8)	-	-	-	-	-	-	(0.3)	(1.3)
	(51.1)	(79.1)	(62.3)	(180.1)	(74.8)	(97.6)	(9.0)	(13.0)	(49.7)	(616.7)
Net liabilities adjustment	-	16.5	-	-	-	-	-	-	1.2	17.7
Share of loss after tax	(51.1)	(62.6)	(62.3)	(180.1)	(74.8)	(97.6)	(9.0)	(13.0)	(48.5)	(599.0)
Net investment										
At 1 April 2008	73.0	69.9	179.6	346.7	289.3	284.4	64.5	9.0	94.2	1,410.6
Properties contributed	-	-	-	-	-	-	-	-	27.3	27.3
Cash contributed	0.4	5.8	1.4	-	-	-	17.6	11.2	4.1	40.5
Distributions	-	(1.1)	(4.3)	-	-	-	(3.0)	(0.1)	(13.1)	(21.6)
Fair value movement on cash flow hedges taken to equity	(4.8)	(12.0)	-	-	-	-	(4.2)	-	(0.3)	(21.3)
Disposals	-	-	-	-	-	-	-	-	(17.9)	(17.9)
Loan advances	-	-	-	74.0	0.3	61.1	-	-	0.2	135.6
Loan repayments	-	-	-	-	(12.0)	(3.7)	-	-	(2.4)	(18.1)
Disposal of Trillium	-	-	-	-	-	-	-	-	(5.3)	(5.3)
Share of losses of joint ventures after tax	(51.1)	(62.6)	(62.3)	(180.1)	(74.8)	(97.6)	(9.0)	(13.0)	(48.5)	(599.0)
At 31 March 2009	17.5	-	114.4	240.6	202.8	244.2	65.9	7.1	38.3	930.8
Balance sheet										
Investment properties	82.3	171.5	112.3	147.6	200.0	230.8	69.5	83.9	110.1	1,208.0
Current assets	6.4	7.5	6.0	119.0	12.2	33.6	44.3	3.1	55.7	287.8
	88.7	179.0	118.3	266.6	212.2	264.4	113.8	87.0	165.8	1,495.8
Current liabilities	(3.1)	(5.6)	(3.9)	(25.6)	(9.4)	(17.3)	(1.0)	(4.3)	(29.0)	(99.2)
Non-current liabilities	(68.1)	(189.9)	-	(0.4)	-	(2.9)	(46.9)	(75.6)	(99.7)	(483.5)
	(71.2)	(195.5)	(3.9)	(26.0)	(9.4)	(20.2)	(47.9)	(79.9)	(128.7)	(582.7)
Net liabilities adjustment	-	16.5	-	-	-	-	-	-	1.2	17.7
Net assets	17.5	-	114.4	240.6	202.8	244.2	65.9	7.1	38.3	930.8
Capital commitments	1.6	0.7	0.4	53.1	-	12.9	-	-	1.9	70.6
Market value of investment properties	83.8	172.6	115.0	147.5	205.0	253.4	70.0	84.0	110.2	1,241.5
Net (debt)/cash	(63.3)	(185.1)	1.9	2.7	2.8	1.9	(46.1)	(74.8)	(99.4)	(459.4)

11. Trading properties and long-term development contracts

	30 September 2009			31 March 2009		
	Cost	**Impairment provision**	**Realisable value**	Cost	Impairment provision	Realisable value
	£m	**£m**	**£m**	£m	£m	£m
Trading properties:						
Development land and infrastructure	**169.4**	**(101.3)**	**68.1**	159.1	(92.0)	67.1
Other trading properties	**17.7**	**(0.3)**	**17.4**	26.0	(0.3)	25.7
Long-term development contracts	**3.3**	**-**	**3.3**	2.1	-	2.1
	190.4	**(101.6)**	**88.8**	187.2	(92.3)	94.9

The realisable value of the Group's trading properties at 30 September 2009 has been arrived at on the basis of a valuation carried out at that date by Knight Frank LLP, external valuers.

12. Monies held in restricted accounts and deposits

	30 September 2009	31 March 2009
	£m	£m
Cash at bank and in hand	**19.3**	0.1
Short-term deposits	**99.7**	29.8
	119.0	29.9

Monies held in restricted accounts and deposits represents cash held by the Group in accounts with conditions attached that restricts the use of these monies by the Group and, as such, does not meet the definition of cash and cash equivalents as defined in IAS 7 'Statement of Cash Flows'. Holding cash in restricted accounts does not prevent the Group from optimising returns by putting these monies on short-term deposit.

13. Cash and cash equivalents

	30 September 2009	31 March 2009
	£m	£m
Cash at bank and in hand	**18.1**	108.1
Short-term deposits	**335.0**	750.0
Liquidity funds	**165.8**	751.0
	518.9	1,609.1

Liquidity funds

The liquidity funds are AAA rated cash-investment funds with constant net asset values, offering the Group same day access to the funds deposited. These investments yield a return of between 0.3**%** and 0.6**%** at 30 September 2009 (31 March 2009: between 0.5% and 1.3%).

Short-term deposits

The effective interest rate on short-term deposits was **0.3%** at 30 September 2009 (31 March 2009: 1.2%) and had an average maturity of **28 days** (31 March 2009: 91 days).

14. Derivative financial instruments

	30 September 2009		31 March 2009	
	Assets	**Liabilities**	Assets	Liabilities
	£m	**£m**	£m	£m
Interest-rate swaps (non-designated)	**1.2**	**(27.8)**	-	(112.0)
Total	**1.2**	**(27.8)**	-	(112.0)

Non-designated derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

Interest-rate swaps
The Group uses interest-rate swaps to manage its exposure to interest-rate movements on its interest-bearing loans and investments. The fair value of these contracts is recorded in the balance sheet and is determined by discounting future cash flows at the prevailing market rates at the balance sheet date.

The change in fair value of the contracts that are not designated as hedging instruments is taken to the income statement. For contracts that are designated as cash flow hedges the change in the fair value of the contracts is recognised directly in equity. There was no ineffectiveness to be recognised from the designated cash flow hedges. The deferred asset or liability assumed is released to the income statement during the term of each relevant swap.

At the balance sheet date, the notional amount of outstanding derivative financial instruments was as follows:

	30 September 2009	31 March 2009
	£m	£m
Interest-rate swaps	**662.0**	2,225.0
	662.0	2,225.0

The Group terminated interest-rate swaps with a notional value of £2.2bn in September 2009.

15. Borrowings

	Secured/ unsecured	Fixed/floating	Effective interest rate %	30 September 2009 Nominal/ notional value £m	Fair value £m	Book value £m
Short-term borrowings and overdrafts						
Sterling						
Bank overdrafts	Unsecured	Floating	-	-	-	-
Amounts payable under finance leases		Fixed	6.9	0.7	0.7	0.7
5.253 per cent QAG Bond	Secured	Fixed	5.3	7.1	7.6	7.1
Total short-term borrowings and overdrafts				**7.8**	**8.3**	**7.8**
Non-current borrowings						
Sterling						
4.625 per cent MTN due 2013	Secured	Fixed	4.7	300.0	301.4	299.9
5.292 per cent MTN due 2015	Secured	Fixed	5.3	391.5	396.2	391.1
4.875 per cent MTN due 2019	Secured	Fixed	5.0	400.0	390.1	396.7
5.425 per cent MTN due 2022	Secured	Fixed	5.5	255.3	248.4	254.6
4.875 per cent MTN due 2025	Secured	Fixed	4.9	300.0	264.9	297.3
5.391 per cent MTN due 2026	Secured	Fixed	5.4	210.7	195.3	209.9
5.391 per cent MTN due 2027	Secured	Fixed	5.4	611.1	560.5	608.6
5.376 per cent MTN due 2029	Secured	Fixed	5.4	317.9	293.9	316.4
5.396 per cent MTN due 2032	Secured	Fixed	5.4	322.8	300.4	321.1
5.125 per cent MTN due 2036	Secured	Fixed	5.1	500.0	433.3	498.6
Bond exchange de-recognition adjustment	Secured	Fixed		-	-	(493.4)
				3,609.3	3,384.4	3,100.8
5.253 per cent QAG Bond	Secured	Fixed	5.3	353.2	376.4	352.9
Syndicated bank debt	Secured	Floating	LIBOR + margin	165.8	165.8	162.2
Bilateral facilities	Secured	Floating	LIBOR + margin	360.0	360.0	360.0
Amounts payable under finance leases		Fixed	6.9	56.2	68.2	56.2
Total non-current borrowings				**4,544.5**	**4,354.8**	**4,032.1**
Total borrowings				**4,552.3**	**4,363.1**	**4,039.9**

Medium term notes (MTN)

The MTN are secured on the fixed and floating pool of assets of the Security Group. Debt investors benefit from security over a pool of investment properties valued at **£7.0bn** at 30 September 2009 (31 March 2009: £7.5bn). The secured debt structure has a tiered operating covenant regime which gives the Group substantial flexibility when the loan to value and interest cover in the Security Group are less than 65% and more than 1.45 times respectively. If these limits are exceeded the operating environment becomes more restrictive with provisions to encourage the reduction in gearing. The interest rate is fixed until the expected maturity, being two years before the legal maturity date for each MTN, whereupon the interest rate for the last two years is LIBOR plus a step-up margin. The effective interest rate includes the amortisation of issue costs. The MTN are listed on the Irish Stock Exchange and their fair values are based on their respective market prices.

Syndicated bank debt

At 30 September 2009 the Group had two syndicated bank facilities:

(1) £1.5bn authorised credit facility with a maturity of August 2013. This facility is committed and is secured on the assets of the Security Group. The interest rates are floating at LIBOR plus a margin of between 0.15% and 0.25%. In September 2009, all of the £1.5bn authorised credit facility was repaid; and
(2) £352.0m committed development facility with a maturity of May 2013. This facility was taken out to fund the development of Leeds Trinity Quarter and is secured on this property; this facility is currently £165.8m drawn. The interest rates are floating at LIBOR plus a margin of 2.35%. There are £5.0m of issue costs which are being written off over the life of this facility.

Bilateral facilities

Committed Group Bilateral facilities totalling £540.0m were undrawn and are secured on the assets of the Security Group. These facilities mature between July and December 2010. The Group has the option to extend any drawings for a further year past maturity. In the period to 30 September 2009 committed bilateral facilities of £280.0m have been repaid. The interest rates are floating at LIBOR plus a margin of between 0.25% and 0.75%.

Bond exchange de-recognition

On 3 November 2004, a debt refinancing was completed resulting in the Group exchanging all of its outstanding bond and debenture debt for new MTN with higher nominal values. The new MTN did not meet the IAS39 requirement to be substantially different from the debt that it replaced. Consequently the book value of the new debt is reduced to the book value of the original debt by the 'bond exchange de-recognition' adjustment which is then amortised to zero over the life of the new MTN. The amortisation is charged to net interest expenses in the income statement.

15. Borrowings continued

	Secured/ unsecured	Fixed/floating	Effective interest rate %	31 March 2009 Nominal/ notional value £m	Fair value £m	Book value £m
Short-term borrowings and overdrafts						
Sterling						
Bank overdrafts	Unsecured	Floating	-	0.3	0.3	0.3
Amounts payable under finance leases		Fixed	5.5	0.8	0.8	0.8
Total short-term borrowings and overdrafts				1.1	1.1	1.1
Non-current borrowings						
Sterling						
4.625 per cent MTN due 2013	Secured	Fixed	4.7	300.0	294.3	299.8
5.292 per cent MTN due 2015	Secured	Fixed	5.3	391.5	383.4	391.0
4.875 per cent MTN due 2019	Secured	Fixed	5.0	400.0	370.0	396.5
5.425 per cent MTN due 2022	Secured	Fixed	5.5	255.3	230.9	254.6
4.875 per cent MTN due 2025	Secured	Fixed	4.9	300.0	237.2	297.2
5.391 per cent MTN due 2026	Secured	Fixed	5.4	210.7	175.9	209.9
5.391 per cent MTN due 2027	Secured	Fixed	5.4	611.1	509.6	608.5
5.376 per cent MTN due 2029	Secured	Fixed	5.4	317.9	256.1	316.4
5.396 per cent MTN due 2032	Secured	Fixed	5.4	322.9	258.6	321.1
5.125 per cent MTN due 2036	Secured	Fixed	5.1	500.0	376.1	498.6
Bond exchange de-recognition adjustment	Secured	Fixed		-	-	(499.8)
				3,609.4	3,092.1	3,093.8
Syndicated bank debt	Secured	Floating	LIBOR + margin	1,662.8	1,662.8	1,658.6
Bilateral facilities	Secured	Floating	LIBOR + margin	640.0	640.0	640.0
Amounts payable under finance leases		Fixed	5.5	57.1	68.0	57.1
Total non-current borrowings				5,969.3	5,462.9	5,449.5
Total borrowings				5,970.4	5,464.0	5,450.6

Reconciliation of the movement in borrowings	Six months ended 30 September 2009 £m	Year to 31 March 2009 £m
At the beginning of the period	**5,450.6**	5,426.5
Decrease in overdrafts	**(0.3)**	(1.1)
Repayment of loans	**(1,780.1)**	(1,612.0)
Proceeds from new loans	**363.2**	1,737.6
Capitalisation of finance fees	**(0.2)**	(5.0)
Amortisation of finance fees	**1.3**	2.2
Amortisation of bond exchange de-recognition adjustment	**6.4**	11.7
Net movement in finance lease obligations	**(1.0)**	(9.4)
Borrowings included within the disposal of Trillium	**-**	(99.9)
At the end of the period	**4,039.9**	5,450.6

QAG Bond

On 29 July 2009, the Group issued a £360.3m bond secured on the rental cash flows from the commercial lease with the UK Government over Queen Anne's Gate, London, SW1. The QAG Bond is an amortising bond with a final maturity in February 2027 and a fixed interest rate of 5.253%.

Fair values

The fair values of any floating rate financial liabilities are assumed to be equal to their nominal value.

16. Cash flow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities:	Six months ended 30 September 2009 £m	Six months ended 30 September 2008 £m	Year to 31 March 2009 £m
Cash generated from operations			
Loss for the financial period from continuing operations	**13.2**	(1,618.5)	(4,773.7)
Income tax	**(17.8)**	(2.7)	0.5
Loss before tax	**(4.6)**	(1,621.2)	(4,773.2)
Share of losses of joint ventures (post-tax)	**1.8**	192.0	599.0
	(2.8)	(1,429.2)	(4,174.2)
Fair value movement on interest-rate swaps	**(10.9)**	(4.7)	102.1
Interest income	**(19.8)**	(16.3)	(32.5)
Interest expense	**134.2**	139.0	262.9
Operating profit/(loss) from continuing operations	**100.7**	(1,311.2)	(3,841.7)
Operating loss from discontinued operations	**-**	(112.3)	(79.0)
	100.7	(1,423.5)	(3,920.7)
Adjustments on continuing and discontinued operations for:			
Depreciation	**3.1**	20.7	24.3
Loss/(profit) on disposal of investment properties	**18.6**	(1.5)	129.1
Net deficit on revaluation of investment properties	**89.8**	1,562.7	4,123.4
Goodwill impairment (included within discontinued operations)	**-**	147.6	148.6
Impairment of trading properties	**9.3**	-	92.3
Share-based payment charge	**3.9**	4.4	8.6
Pension scheme charge	**0.5**	0.7	1.3
	225.9	311.1	606.9
Changes in working capital:			
Increase in trading properties and long-term development contracts	**(2.5)**	(19.1)	(34.0)
(Increase)/decrease in receivables	**(56.0)**	(19.8)	69.5
Increase/(decrease) in payables and provisions	**49.8**	(24.4)	8.9
Net cash generated from operations	**217.2**	247.8	651.3

17. Related party transactions

Joint ventures

As disclosed in note 10, the Group has investments in a number of joint ventures. Details of transactions and balances between the Group and its joint ventures are disclosed as follows:

	Six months ended 30 September 2009 and at 30 September 2009				Year ended 31 March 2009 and at 31 March 2009			
	Revenues £m	Net investments in joint venture £m	Loans to joint venture £m	Amounts owed to joint venture £m	Revenues £m	Net investments in joint venture £m	Loans to joint venture £m	Amounts owed to joint venture £m
The Scottish Retail Property Limited Partnership	**0.2**	**1.0**	**0.4**	**(0.1)**	0.5	0.4	0.3	(0.1)
Metro Shopping Fund Limited Partnership	**0.2**	**-**	**0.2**	**(0.4)**	0.8	4.7	-	-
Buchanan Partnership	**2.2**	**(1.0)**	**0.6**	**-**	5.3	(2.9)	1.6	-
St. David's Limited Partnership	**5.5**	**43.9**	**17.8**	**(145.7)**	8.0	74.0	12.3	(115.1)
The Martineau Galleries Limited Partnership	**0.1**	**(1.4)**	**0.3**	**-**	0.2	(5.9)	0.4	-
The Bull Ring Limited Partnership	**-**	**(7.7)**	**-**	**-**	-	(11.7)	-	-
Bristol Alliance Limited Partnership	**0.4**	**5.3**	**6.5**	**-**	7.0	57.4	14.2	-
The Martineau Limited Partnership	**-**	**-**	**-**	**-**	0.1	-	-	-
A2 Limited Partnership	**-**	**-**	**-**	**-**	-	(3.7)	-	-
Countryside Land Securities (Springhead) Limited	**-**	**0.4**	**0.7**	**-**	-	0.9	0.6	-
Investors in the Community	**-**	**-**	**-**	**-**	-	0.2	-	-
The Ebbsfleet Limited Partnership	**-**	**-**	**0.2**	**-**	-	-	0.2	-
The Harvest Limited Partnership	**0.2**	**-**	**3.1**	**(43.0)**	0.6	14.6	0.6	(43.0)
The Oriana Limited Partnership	**0.1**	**-**	**3.1**	**(0.2)**	0.4	11.1	2.5	-
Millshaw Property Co. Limited	**-**	**-**	**-**	**(10.4)**	-	-	-	(10.4)
Fen Farm Developments Limited	**-**	**-**	**11.1**	**-**	0.1	(3.5)	11.1	-
The Empress State Limited Partnership	**-**	**-**	**0.1**	**-**	-	28.1	0.1	-
HNJV Limited	**-**	**-**	**0.9**	**-**	-	-	0.7	-
	8.9	**40.5**	**45.0**	**(199.8)**	23.0	163.7	44.6	(168.6)

Further detail of the above transactions and balances can be seen in note 10.

17. Related party transactions continued

Remuneration of key management personnel
The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the applicable categories specified in IAS 24 'Related Party Disclosures'

	Six months ended 30 September		Year to 31 March
	2009	2008	2009
	£m	£m	£m
Short-term employee benefits	**1.1**	1.5	3.2
Post-employment benefits	**0.2**	0.4	0.6
Share-based payments	**1.7**	1.2	2.6
	3.0	3.1	6.4

Business analysis

Proportionately consolidated summary financial information

Table 9: Consolidated income statement

	Six months ended 30 September 2009			Six months ended 30 September 2008		
	Group (excl. Joint ventures) £m	Joint ventures £m	Total £m	Group (excl. Joint ventures) £m	Joint ventures £m	Total £m
Revenue	418.7	56.0	474.7	405.4	39.5	444.9
Costs	(200.3)	(21.2)	(221.5)	(164.6)	(12.9)	(177.5)
	218.4	34.8	253.2	240.8	26.6	267.4
(Loss)/profit on disposal of investment properties	(18.6)	8.3	(10.3)	(0.7)	1.9	1.2
Net deficit on revaluation of investment properties	(89.8)	(28.0)	(117.8)	(1,551.3)	(206.4)	(1,757.7)
Impairment of trading properties	(9.3)	(2.9)	(12.2)	-	-	-
Operating profit/(loss)	100.7	12.2	112.9	(1,311.2)	(177.9)	(1,489.1)
Net interest expense	(114.4)	(16.0)	(130.4)	(122.7)	(11.4)	(134.1)
Fair value movement on interest-rate swaps	10.9	1.4	12.3	4.7	(1.8)	2.9
Loss before tax	(2.8)	(2.4)	(5.2)	(1,429.2)	(191.1)	(1,620.3)
Income tax	17.8	(0.3)	17.5	2.7	(0.9)	1.8
	15.0	(2.7)	12.3	(1,426.5)	(192.0)	(1,618.5)
Adjustment due to net liabilities	-	0.9	0.9	-	-	-
Profit/(loss) for the period from continuing operations	15.0	(1.8)	13.2	(1,426.5)	(192.0)	(1,618.5)

Table 10: Consolidated balance sheet

	At 30 September 2009			At 31 March 2009		
	Group (excl. joint ventures) £m	Joint ventures £m	Total £m	Group (excl. Joint ventures) £m	Joint ventures £m	Total £m
Investment properties	7,380.2	1,053.4	8,433.6	7,929.4	1,208.0	9,137.4
Other tangible fixed assets	12.8	-	12.8	14.3	-	14.3
	7,393.0	1,053.4	8,446.4	7,943.7	1,208.0	9,151.7
Net debt	(3,428.6)	(491.7)	(3,920.3)	(3,923.6)	(459.4)	(4,383.0)
Investment in joint ventures	763.4	(763.4)	-	930.8	(930.8)	-
Other net assets	(27.8)	201.7	173.9	(130.7)	182.2	51.5
Unadjusted net assets	4,700.0	-	4,700.0	4,820.2	-	4,820.2
Minority interest	2.4	-	2.4	3.3	-	3.3
EPRA adjustments	60.9	-	60.9	150.2	-	150.2
EPRA adjusted net assets	4,763.3	-	4,763.3	4,973.7	-	4,973.7
Reverse bond exchange de-recognition adjustment	(493.4)	-	(493.4)	(499.8)	-	(499.8)
Adjusted net assets attributable to owners of the Parent	4,269.9	-	4,269.9	4,473.9	-	4,473.9
Gearing	72.9%		83.4%	81.4%		90.9%
Adjusted gearing (excluding Joint ventures)	91.3%			96.4%		
Adjusted gearing (including Joint ventures)			102.0%			105.9%

Table 11: Reconciliation of net book value of the investment properties to the market value

	At 30 September 2009			At 31 March 2009		
	Group (excl. Joint ventures) £m	Joint ventures £m	Total £m	Group (excl. Joint ventures) £m	Joint ventures £m	Total £m
Net book value	7,380.2	1,053.4	8,433.6	7,929.4	1,208.0	9,137.4
Plus: amount included in prepayments in respect of lease incentives	190.8	19.1	209.9	189.3	31.6	220.9
Less: head leases capitalised	(56.9)	(4.9)	(61.8)	(57.9)	(4.9)	(62.8)
Plus: properties treated as finance leases	111.7	7.4	119.1	104.7	6.8	111.5
Market value	7,625.8	1,075.0	8,700.8	8,165.5	1,241.5	9,407.0

Table 12: Top 10 property holdings

Total value £3.0bn
(34.5% of combined portfolio)
Values in excess of £190m

Name	Principal occupiers	Ownership interest (%)	Floor area (000 sq ft)	Passing rent (£m)	Let by income (%)	Weighted average unexpired lease term (yrs)
Cardinal Place, SW1	Microsoft Wellington Management	100	Retail: 57 Offices: 454	37	99	8.4
New Street Square, EC4	Deloitte Taylor Wessing	100	Retail: 22 Offices: 685	32	96	14.1
Queen Anne's Gate, SW1	Government	100	Offices: 324	26	100	17.1
White Rose Centre, Leeds	Sainsbury's Debenhams Arcadia	100	Retail: 680	27	97	8.2
Cabot Circus, Bristol	House of Fraser Harvey Nichols H&M	50	Retail / Leisure: 1,200	16	91	11.6
Bankside 2&3, SE1	Royal Bank of Scotland	100	Retail: 26 Offices: 391	17	99	17.7
Piccadilly Lights, W1	Boots Barclays	100	Retail / Leisure: 66 Offices: 16	11	95	3.1
Park House, W1	n/a	100	Retail: 88 Offices: 166	-	-	-
Gunwharf Quays, Portsmouth	Vue Cinema M&S Boots	100	Retail: 444	19	99	7.8
Almondvale Centre, Livingston	Debenhams M&S BHS	100	Retail: 925	15	87	7.3

Table 13: Top 12 occupiers

	Current gross rent roll %
Central Government	9.3
Accor Hotels	4.4
Royal Bank of Scotland	2.9
Deloitte	2.5
Arcadia Group	1.7
DSG	1.5
Mellon Bank	1.4
J Sainsbury	1.2
Boots	1.2
Eversheds	1.2
Marks & Spencer	1.0
Metropolitan Police	1.0
Percentage of total portfolio	29.3

Includes share of joint venture properties.

Table 14: % Portfolio by value and number of property holdings at 30 September 2009

£m	Value %	Number of properties
0 – 9.99	3.3	84
10 – 24.99	6.5	35
25 – 49.99	13.4	34
50 – 99.99	20.1	25
100 – 149.99	10.7	8
150 – 199.99	13.7	7
200 +	32.3	9
Total	100.0	202

Includes share of joint venture properties.

Table 15: Combined portfolio value by location

	Shopping centres and shops %	Retail warehouses %	Offices %	Other %	Total %
Central inner and outer London	10.5	0.5	48.0	4.4	63.4
South East and Eastern	4.0	3.0	-	0.5	7.5
Midlands	1.1	0.9	-	0.4	2.4
Wales and South West	7.3	1.0	0.1	0.1	8.5
North, North West, Yorkshire and Humberside	6.5	4.4	0.2	0.8	11.9
Scotland and Northern Ireland	3.7	1.4	-	1.2	6.3
Total	33.1	11.2	48.3	7.4	100.0

% figures calculated by reference to the combined portfolio value of £8.7bn.

Table 16: Average rents at 30 September 2009

	Average rent £/sq m	Average ERV £/sq m
Retail		
Shopping centres and shops	n/a	n/a
Retail warehouses and foodstores	206	199
Offices		
London office portfolio	373	330

Average rent and estimated rental value have not been provided where it is considered that the figures would be potentially misleading (i.e. where there is a combination of analysis on rents on an overall and Zone A basis in the retail sector or where there is a combination of uses, or small sample sizes). This is not a like-for-like analysis with the previous year. Excludes properties in the development programme and voids.

Table 17: Like-for-like reversionary potential at 30 September 2009

Reversionary potential	30 September 2009 % of rent roll	31 March 2009 % of rent roll
Gross reversions	6.5	6.6
Over-rented	(9.0)	(4.5)
Net reversionary potential	(2.5)	2.1

The reversion is calculated with reference to the gross secure rent roll after the expiry of rent free periods on those properties which fall under the like-for-like definition as set out in the notes to the combined portfolio analysis. Reversionary potential excludes additional income from the letting of voids. Of the over-rented income, £19.9m is subject to a lease expiry or break clause in the next five years.

Table 18: One year performance relative to IPD

Ungeared total returns – period to 30 September 2009

	Land Securities %	IPD %
Retail – Shopping centres	(1.6)	(3.8)
– Retail warehouses	3.7	4.3
Central London offices*	4.3	0.3
Total portfolio	2.1	1.0

IPD Quarterly Universe
*Central London defined as West End, City, Mid-town and Inner London regions.

Table 19: Combined portfolio analysis
The like-for-like portfolio

	Open market value[8]			Valuation surplus[1]		Gross rental income			Annual net rent[9]		Annual estimated rental value[10]	
	30 Sept 2009 £m	31 March 2009 £m	30 Sept 2008 £m	**Surplus / (deficit) £m**	**Surplus / (deficit) %**	**30 Sept 2009 £m**	31 March 2009 £m	30 Sept 2008 £m	**30 Sept 2009 £m**	31 March 2009 £m	**30 Sept 2009 £m**	31 March 2009 £m
Shopping centres and shops												
Shopping centres and shops	**1,720.1**	1,808.8	2,478.8	**(93.1)**	**(5.2)**	**87.3**	94.1	94.0	**160.8**	163.6	**166.3**	177.8
Central London shops	**751.3**	747.8	817.2	**4.1**	**0.6**	**20.4**	20.9	19.5	**40.0**	41.7	**47.6**	46.9
	2,471.4	2,556.6	3,296.0	**(89.0)**	**(3.5)**	**107.7**	115.0	113.5	**200.8**	205.3	**213.9**	224.7
Retail warehouses												
Retail warehouses and foodstores	**928.7**	918.6	1,209.2	**(1.5)**	**(0.2)**	**35.4**	36.7	37.0	**73.3**	72.6	**75.4**	79.0
Total retail	**3,400.1**	3,475.2	4,505.2	**(90.5)**	**(2.6)**	**143.1**	151.7	150.5	**274.1**	277.9	**289.3**	303.7
London offices												
West End	**1,331.7**	1,326.2	1,733.2	**4.9**	**0.4**	**49.8**	52.5	52.2	**104.2**	102.9	**95.2**	103.1
City	**523.1**	516.0	684.1	**8.7**	**1.7**	**27.1**	26.7	27.2	**48.2**	51.5	**42.3**	47.0
Mid-town	**217.2**	221.2	277.7	**(11.4)**	**(7.2)**	**9.9**	8.9	10.1	**19.5**	19.3	**16.5**	19.1
Inner London	**535.5**	526.2	667.5	**0.1**	**-**	**20.6**	19.6	21.5	**40.6**	24.1	**39.4**	44.2
Total London offices	**2,607.5**	2,589.6	3,362.5	**2.3**	**0.1**	**107.4**	107.7	111.0	**212.5**	197.8	**193.4**	213.4
Rest of UK	**48.7**	50.0	66.8	**(1.4)**	**(2.6)**	**0.7**	0.6	0.7	**4.2**	4.2	**4.9**	4.8
Total offices	**2,656.2**	2,639.6	3,429.3	**0.9**	**-**	**108.1**	108.3	111.7	**216.7**	202.0	**198.3**	218.2
Other	**583.5**	580.7	721.2	**(1.4)**	**(0.2)**	**17.9**	20.9	21.2	**40.0**	43.3	**43.9**	44.6
Like-for-like portfolio[2]	**6,639.8**	6,695.5	8,655.7	**(91.0)**	**(1.4)**	**269.1**	280.9	283.4	**530.8**	523.2	**531.5**	566.5
Proposed developments[3]	**563.3**	524.8	730.6	**11.7**	**2.1**	**6.9**	9.2	8.9	**13.4**	16.0	**20.5**	28.6
Completed developments[4]	**692.5**	655.5	771.9	**32.6**	**5.3**	**23.7**	23.8	19.7	**32.9**	28.0	**34.4**	38.9
Acquisitions[5]	**143.1**	134.3	158.3	**1.6**	**1.1**	**5.5**	5.4	1.6	**9.8**	9.5	**9.3**	9.9
Sales and restructured interests[6]	**-**	771.3	1,376.8	**-**	**-**	**19.6**	37.3	45.9	**-**	60.2	**-**	63.2
Total development programme[7]	**662.1**	625.6	837.0	**(72.7)**	**(10.1)**	**11.5**	10.3	1.4	**20.8**	18.7	**77.2**	86.4
Combined portfolio	**8,700.8**	9,407.0	12,530.3	**(117.8)**	**(1.4)**	**336.3**	366.9	360.9	**607.7**	655.6	**672.9**	793.5
Properties treated as finance leases						**(3.3)**	(3.9)	(4.5)				
Combined portfolio						**333.0**	363.0	356.4				

Total portfolio analysis

	Open market value[8]			Valuation surplus[1]		Gross rental income			Annual net rent[9]		Annual estimated rental value[10]	
	30 Sept 2009 £m	31 March 2009 £m	30 Sept 2008 £m	**Surplus / (deficit) £m**	**Surplus / (deficit) %**	**30 Sept 2009 £m**	31 March 2009 £m	30 Sept 2008 £m	**30 Sept 2009 £m**	31 March 2009 £m	**30 Sept 2009 £m**	31 March 2009 £m
Shopping centres and shops												
Shopping centres and shops	**2,243.2**	2,587.6	3,558.2	**(137.8)**	**(5.9)**	**111.3**	122.3	111.9	**189.6**	212.9	**216.7**	256.9
Central London shops	**909.6**	976.1	1,084.8	**(12.4)**	**(1.3)**	**22.4**	24.1	21.6	**41.2**	47.4	**52.0**	66.3
	3,152.8	3,563.7	4,643.0	**(150.2)**	**(4.6)**	**133.7**	146.4	133.5	**230.8**	260.3	**268.7**	323.2
Retail warehouses												
Retail warehouses and foodstores	**949.1**	1,123.6	1,574.4	**(1.1)**	**(0.1)**	**39.9**	46.9	48.1	**74.2**	87.3	**76.4**	95.8
Total retail	**4,101.9**	4,687.3	6,217.4	**(151.3)**	**(3.6)**	**173.6**	193.3	181.6	**305.0**	347.6	**345.1**	419.0
London offices												
West End	**1,762.1**	1,841.7	2,512.4	**38.4**	**2.3**	**64.4**	71.3	69.7	**121.7**	132.7	**105.0**	128.1
City	**743.9**	732.7	1,008.6	**(15.1)**	**(2.0)**	**27.3**	26.7	27.2	**48.2**	51.5	**73.8**	76.0
Mid-town	**710.2**	783.2	1,104.0	**4.9**	**0.8**	**27.7**	30.3	32.1	**36.2**	40.6	**51.2**	66.5
Inner London	**624.3**	611.4	763.4	**3.4**	**0.6**	**24.0**	22.7	26.1	**47.0**	30.3	**45.2**	50.5
Total London offices	**3,840.5**	3,969.0	5,388.4	**31.6**	**0.9**	**143.4**	151.0	155.1	**253.1**	255.1	**275.2**	321.1
Rest of UK	**49.6**	51.1	68.1	**(1.5)**	**(2.8)**	**0.8**	0.8	0.9	**4.2**	4.2	**5.0**	4.9
Total offices	**3,890.1**	4,020.1	5,456.5	**30.1**	**0.8**	**144.2**	151.8	156.0	**257.3**	259.3	**280.2**	326.0
Other	**708.8**	699.6	856.4	**3.4**	**0.5**	**18.5**	21.8	23.3	**45.4**	48.7	**47.6**	48.5
Combined portfolio	**8,700.8**	9,407.0	12,530.3	**(117.8)**	**(1.4)**	**336.3**	366.9	360.9	**607.7**	655.6	**672.9**	793.5
Properties treated as finance leases						**(3.3)**	(3.9)	(4.5)				
Combined portfolio						**333.0**	363.0	356.4				
Represented by:												
Investment portfolio	**7,625.8**	8,165.5	10,943.4	**(89.8)**	**(1.2)**	**294.3**	322.3	327.4	**540.8**	572.8	**584.3**	704.9
Share of joint ventures	**1,075.0**	1,241.5	1,586.9	**(28.0)**	**(2.6)**	**42.0**	44.6	33.5	**66.9**	82.8	**88.6**	88.6
Combined portfolio	**8,700.8**	9,407.0	12,530.3	**(117.8)**	**(1.4)**	**336.3**	366.9	360.9	**607.7**	655.6	**672.9**	793.5

Table 20: Combined portfolio analysis continued
The like-for-like portfolio

	Gross income yield[11]		Equivalent yield[12]		Annual gross estimated rental value[13]			Voids (by ERV)[14]			Lease length at 30 September 2009[15]	
	30 Sept 2009 %	31 March 2009 %	**30 Sept 2009 %**	31 March 2009 %	**30 Sept 2009 £m**	31 March 2009 £m	30 Sept 2008 £m	**30 Sept 2009 %**	31 March 2009 %	30 Sept 2008 %	**Median years (i)**	**Mean years (ii)**
Shopping centres and shops												
Shopping centres and shops	**9.3**	9.0	**8.0**	8.1	**177.5**	188.9	198.9	**6.8**	6.7	6.0	**6.9**	**7.5**
Central London shops	**5.3**	5.6	**5.8**	5.8	**48.1**	47.3	46.8	**1.9**	1.1	3.2	**4.5**	**5.9**
	8.1	8.0	**7.3**	7.4	**225.6**	236.2	245.7	**5.7**	5.5	4.9	**6.3**	**7.2**
Retail warehouses												
Retail warehouses and food stores	**7.9**	7.9	**7.5**	7.9	**75.9**	79.5	82.6	**1.8**	1.9	2.2	**11.2**	**11.5**
Total retail	**8.1**	8.0	**7.4**	7.5	**301.5**	315.7	328.3	**4.7**	4.6	4.2	**7.5**	**8.3**
London offices												
West End	**7.8**	7.8	**6.9**	7.3	**95.6**	103.6	124.5	**7.5**	6.9	3.5	**7.0**	**8.6**
City	**9.2**	10.0	**7.3**	7.8	**45.6**	50.4	57.4	**5.9**	2.0	2.1	**3.0**	**6.3**
Mid-town	**9.0**	8.7	**6.9**	7.6	**17.2**	19.8	22.6	**1.2**	0.5	1.8	**3.9**	**9.0**
Inner London	**7.6**	4.6	**7.2**	7.8	**40.2**	44.2	51.3	**5.0**	10.0	12.1	**6.8**	**10.0**
Total London offices	**8.1**	7.6	**7.0**	7.5	**198.6**	218.0	255.8	**6.1**	5.8	4.8	**6.1**	**8.4**
Rest of UK	**8.6**	8.4	**10.1**	9.6	**5.0**	4.9	5.0	**10.0**	12.2	14.0	**2.5**	**2.0**
Total offices	**8.2**	7.7	**7.1**	7.6	**203.6**	222.9	260.8	**6.2**	6.0	4.9	**6.1**	**8.3**
Other	**6.9**	7.5	**7.6**	7.6	**43.9**	44.6	48.1	**0.9**	0.7	0.8	**9.5**	**11.1**
Like-for-like portfolio[2]	**8.0**	7.8	**7.3**	7.5	**549.0**	583.2	637.2	**5.0**	4.8	4.3	**7.3**	**8.5**
Proposed developments [3]	**2.4**	3.0	**6.8**	6.9	**20.5**	28.7	38.1	**17.1**	41.1	41.5	**3.5**	**9.0**
Completed developments[4]	**4.8**	4.3	**6.2**	6.7	**35.1**	40.1	42.0	**3.1**	6.5	6.9	**17.0**	**14.6**
Acquisitions[5]	**6.8**	7.1	**6.8**	7.2	**9.5**	10.1	11.4	**3.2**	5.0	4.4	**10.4**	**8.6**
Sales and restructured interests[60]	**n/a**	7.8	**-**	7.6	**-**	63.3	96.1	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Total development programme[7]	**3.1**	3.0	**7.4**	7.4	**77.5**	89.3	96.3	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Combined portfolio	**7.0**	7.0	**7.2**	7.5	**691.6**	814.7	921.1	**n/a**	**n/a**	**n/a**	**7.8**	**9.0**

Total portfolio analysis

Shopping centres and shops				
Shopping centres and shops	**8.5**	8.2	**7.9**	7.9
Central London shops	**4.5**	4.9	**5.8**	5.8
	7.3	7.3	**7.3**	7.4
Retail warehouses				
Retail warehouses and food stores	**7.8**	7.8	**7.5**	8.0
Total retail	**7.4**	7.4	**7.4**	7.5
London offices				
West End	**6.9**	7.2	**6.8**	7.2
City	**6.5**	7.0	**7.3**	7.8
Mid-town	**5.1**	5.2	**6.7**	7.4
Inner London	**7.5**	5.0	**6.9**	7.7
Total London offices	**6.6**	6.4	**6.9**	7.4
Rest of UK	**8.5**	8.2	**10.1**	9.6
Total offices	**6.6**	6.5	**6.9**	7.4
Other	**6.4**	7.0	**7.3**	5.5
Combined portfolio	**7.0**	7.0	**7.2**	7.5
Represented by:				
Investment portfolio	**7.1**	7.0	**7.2**	7.5
Share of joint ventures	**6.2**	6.7	**7.1**	7.2
Combined portfolio	**7.0**	7.0	**7.2**	7.5

Notes
1. The valuation surplus/(deficit) is stated after adjusting for the effect of SIC 15 under IFRS, but before restating for finance leases.
2. The like-for-like portfolio includes all properties which have been in the portfolio since 1 April 2008 but excluding those which were acquired, sold or included in the development programme at any time during that period. Capital expenditure on refurbishments, acquisitions of headleases and similar capital expenditure has been allocated in preparing this table. Changes in valuation from period-to-period reflect this capital expenditure as well as the disclosed valuation deficits.
3. Proposed developments are properties which have not yet received final Board approval or are still subject to main planning conditions being satisfied.
4. Completed developments represent those properties previously included in the development programme, which have been completed, let and removed from the development programme since 1 April 2008.
5. Includes all properties acquired in the period since 1 April 2008.
6. Includes all properties sold (other than directly out of the development programme), or where the ownership interest has been restructured, in the period since 1 April 2008.
7. Ongoing developments are properties in the development programme. They exclude completed developments as defined in note 4 above.
8. The open market value figures include the Group's share of the various joint ventures.
9. Annual net rent is annual cash rents at 30 September 2009 (including all units in administration where leases have not yet been disclaimed) after deduction of ground rents. It excludes the value of voids and current rent free periods.
10. Annual net estimated rental value includes vacant space, rent-frees and future estimated rental values for properties in the development programme and is calculated after deducting expected ground rents.
11. The gross income yield represents the annual cash net rent (including units in administration where leases have not yet been disclaimed) expressed as a percentage of the market value ignoring costs of purchase or sale.
12. The net nominal equivalent yield has been calculated on the gross outlays for a purchase of the property (including purchase costs) and assuming that rent is received annually in arrears.
13. Annual gross estimated rental value is calculated in the same way as net estimated rental value before the deduction of ground rents.
14. Voids represent all unlet space in the properties, including voids where refurbishment work is being carried out and voids in respect of pre-development properties. Voids also include units subject to temporary lettings of not more than 12 months duration. Voids are calculated based on their gross estimated rental value as defined in 13 above.
15. The definition for the figures in each column is:
    (i.) Median is the number of years until half of the income is subject to lease expiry/break clauses.
    (ii.) Mean is the rent-weighted average remaining term on leases subject to lease expiry/break clauses.

Table 21: Income statement – gross rental income reconciliation

	Retail Portfolio £m	London Portfolio £m	Other £m	Six months ended 30 September 2009 £m	Retail Portfolio £m	London Portfolio £m	Other £m	Six months ended 31 March 2009 £m	Retail Portfolio £m	London Portfolio £m	Other £m	Six months ended 30 September 2008 £m
Combined portfolio (per Table 19)	173.6	143.4	19.3	336.3	193.3	151.0	22.6	366.9	181.6	155.1	24.2	360.9
Central London shops (excluding Metro Shopping Fund LP)	(20.8)	20.8	-	-	(22.6)	22.6	-	-	(20.2)	20.2	-	-
Inner London offices (including Metro Shopping Fund LP)	0.3	(0.3)	-	-	0.4	(0.4)	-	-	0.4	(0.4)	-	-
Rest of UK offices	0.7	0.1	(0.8)	-	0.8	-	(0.8)	-	0.7	0.2	(0.9)	-
Other	16.8	1.7	(18.5)	-	19.9	1.9	(21.8)	-	20.7	2.6	(23.3)	-
	170.6	165.7	-	336.3	191.8	175.1	-	366.9	183.2	177.7	-	360.9
Less finance lease adjustment	(1.4)	(1.9)	-	(3.3)	(1.5)	(2.4)	-	(3.9)	(1.6)	(2.9)	-	(4.5)
Total rental income for combined portfolio	169.2	163.8	-	333.0	190.3	172.7	-	363.0	181.6	174.8	-	356.4

Table 22: Open market value reconciliation

	Retail Portfolio £m	London Portfolio £m	Other £m	30 September 2009 £m	Retail Portfolio £m	London Portfolio £m	Other £m	31 March 2009 £m	Retail Portfolio £m	London Portfolio £m	Other £m	30 September 2008 £m
Combined portfolio (per Table 19)	4,101.9	3,840.5	758.4	8,700.8	4,687.3	3,969.0	750.7	9,407.0	6,217.4	5,388.4	924.5	12,530.3
Central London shops (excluding Metro Shopping Fund LP)	(870.0)	870.0	-	-	(939.2)	939.2	-	-	(1,037.2)	1,037.2	-	-
Inner London offices (including Metro Shopping Fund LP)	8.7	(8.7)	-	-	9.8	(9.8)	-	-	15.3	(15.3)	-	-
Rest of UK offices	49.6	-	(49.6)	-	51.1	-	(51.1)	-	68.1	-	(68.1)	-
Other	510.1	198.7	(708.8)	-	508.6	191.0	(699.6)	-	671.5	184.9	(856.4)	-
Per business unit	3,800.3	4,900.5	-	8,700.8	4,317.6	5,089.4	-	9,407.0	5,935.1	6,595.2	-	12,530.3

Table 23: Gross estimated rental value reconciliation

	Retail Portfolio £m	London Portfolio £m	Other £m	Six months ended 30 September 2009 £m	Retail Portfolio £m	London Portfolio £m	Other £m	Six months ended 31 March 2009 £m	Retail Portfolio £m	London Portfolio £m	Other £m	Six months ended 30 September 2008 £m
Combined portfolio (per Table 20)	357.6	281.3	52.7	691.6	434.1	327.0	53.6	814.7	465.4	394.7	61.0	921.1
Central London shops (excluding Metro Shopping Fund LP)	(49.4)	49.4	-	-	(64.3)	64.3	-	-	(64.9)	64.9	-	-
Inner London offices (including Metro Shopping Fund LP)	0.8	(0.8)	-	-	0.9	(0.9)	-	-	1.0	(1.0)	-	-
Rest of UK offices	5.1	-	(5.1)	-	5.0	-	(5.0)	-	5.1	-	(5.1)	-
Other	39.8	7.8	(47.6)	-	40.1	8.5	(48.6)	-	45.9	10.0	(55.9)	-
Per business unit	353.9	337.7	-	691.6	415.8	398.9	-	814.7	452.5	468.6	-	921.1

Table 24: Development pipeline financial summary

	Cumulative movements on the development programme to 30 September 2009						Total scheme details				
	Market value at start of scheme £m	Capital expenditure incurred to date £m	Capitalised interest to date £m	Valuation surplus / (deficit) to date [1] £m	Disposals, SIC15 rent and other adjustments £m	Market value at 30 September 2009 £m	Estimated total capital expenditure [4] £m	Estimated total capitalised interest £m	Estimated total cost excluding residential [2] £m	Net Income / ERV [3] £m	Valuation surplus / (deficit) for six months ended 30 September 2009 [1] £m
Development programme transferred or sold											
London Portfolio	51.2	304.9	21.8	27.1	50.0	455.0	304.9	21.8	377.9	32.3	31.3
Development programme completed, approved or in progress											
Shopping centres and shops	52.4	673.2	43.3	(337.1)	4.0	435.8	737.1	44.4	801.8	42.7	(25.6)
London Portfolio	192.0	255.5	35.2	(261.7)	5.3	226.3	439.0	56.1	687.1	35.2	(47.1)
	244.4	928.7	78.5	(598.8)	9.3	662.1	1,176.1	100.5	1,488.9	77.9	(72.7)
	Movement on proposed developments for the six months ended 30 September 2009										
Proposed developments											
Shopping centres and shops	85.0	10.8	-	(17.9)	(0.8)	77.1	230.2	37.3	344.6	27.5	(17.9)
London Portfolio	439.7	15.8	1.1	29.6	-	486.2	1,249.8	174.0	1,433.7	112.4	29.6
	524.7	26.6	1.1	11.7	(0.8)	563.3	1,480.0	211.3	1,778.3	139.9	11.7

Notes:

1. Includes profit realised on the disposal of property.
2. Includes the property at the market valuation at the start of the financial year in which the property was added to the Development Programme together with estimated capitalised interest. For Proposed Development properties, the market value of the property at 30 September 2009 is included in the estimated total cost. Estimated total cost is stated net of the cost of residential properties for Shopping Centres and shops of £32m in the development programme. The London Portfolio development programme and proposed developments are stated net of the cost of residential properties of £nil and £476m respectively. Allowances for rent-free periods are excluded from cost.
3. Net headline annual rental payable on let units plus net ERV at 30 September 2009 on unlet units.
4. For Proposed Development properties the estimated total capital expenditure represents the outstanding costs required to complete the scheme as at 30 September 2009.

Glossary

Adjusted earnings per share (EPS)
Earnings per share based on revenue profit plus profits/(losses) on trading properties and long-term development contracts all after tax.

Adjusted net asset value (NAV) per share
NAV per share adjusted to add back the adjustment arising from the de-recognition of the bond exchange, together with cumulative mark-to-market adjustment arising on interest swaps and similar instruments.

Book value
The amount at which assets and liabilities are reported in the financial statements.

BREEAM
Building Research Establishment's Environmental Assessment Method.

Combined portfolio
The combined portfolio is our wholly-owned investment property portfolio combined with our share of the properties held in joint ventures. Unless stated these are the pro-forma numbers we use when discussing the investment property business.

Development pipeline
The Group's development programme together with any proposed schemes that are not yet included in the development programme but which are more likely to proceed than not.

Development programme
The Group's development programme comprises projects which are completed but less than 95% let; developments on site; committed developments (being projects which are approved and the building contract let); and authorised developments (those projects approved by the Board for which the building contract has not yet been let). For reporting purposes we retain properties in the programme until they are 95% let.

Development surplus
Excess of latest valuation over the total development cost (TDC).

Diluted figures
Reported amount adjusted to include the effects of potential dilutive shares issuable under employee share schemes.

Earnings per share (EPS)
Profit after taxation attributable to owners of the Parent divided by the weighted average number of ordinary shares in issue during the period.

EPRA
European Public Real Estate Association.

Equivalent yield
The internal rate of return from an investment property, based on the gross outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent, and such items as voids and expenditures but disregarding potential changes in market rents and reflecting the actual cash flow rents.

Estimated rental value (ERV)
The estimated market rental value of lettable space as determined biannually by the Group's valuers. This will normally be different to the rent being paid.

Exceptional item
An item of income or expense that is deemed to be sufficiently material, either by its size or nature, to require separate disclosure.

Finance lease
A lease that transfers substantially all the risks and rewards of ownership from the lessor to the lessee.

Gearing (net)
Total borrowings, including bank overdrafts, less short-term deposits, corporate bonds and cash, at book value, plus cumulative mark-to-market adjustment on financial derivatives as a percentage of total equity.

Gross income yield
The annual cash net rent on investment properties (including those tenants in administration) expressed as a percentage of the valuation ignoring costs of purchase or sale.

Head lease
A lease under which the Group holds an investment property.

Initial yield
Annualised net rents on investment properties expressed as a percentage of the acquisition cost.

Interest-rate swap
A financial instrument where two parties agree to exchange an interest rate obligation for a predetermined amount of time. These are used by the Group to convert floating rate debt or investments to fixed rates.

Investment portfolio
The investment portfolio comprises the Group's wholly-owned investment properties together with the properties held for development.

Joint venture
An entity in which the Group holds an interest on a long-term basis and is jointly controlled by the Group and one or more venturers under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each venturer's consent.

Lease incentives
Any incentive offered to occupiers to enter into a lease. Typically the incentive will be an initial rent-free period, or a cash contribution to fit-out or similar costs. For accounting purposes, under IFRS, the value of the rent-free period is spread over the non-cancellable life of the lease.

LIBOR
The London Interbank Offered Rate, the interest rate charged by one bank to another for lending money.

Like-for-like portfolio
Properties that have been in the investment or combined portfolio for the whole of the current and previous financial year.

Loan-to-value (LTV)
Group LTV is the ratio of the sum of investment properties, net investment in finance leases and trading properties of both the Group and joint ventures to net debt, including joint ventures, expressed as a percentage. For the Security Group, LTV is the ratio of debt lent to the Security Group divided by the value of secured assets.

London Portfolio
This business includes all London offices and Central London retail, but excludes those assets held in the Metro Shopping Fund LP.

Mark-to-market adjustment
An accounting adjustment to change the book value of an asset or liability to its market value.

Net asset value (NAV) per share
Equity attributable to owners of the Parent divided by the number of ordinary shares in issue at the period end.

Open market value
Open market value is an opinion of the best price at which the sale of an interest in the property would complete unconditionally for cash consideration on the date of valuation (as determined by the Group's external valuers). In accordance with usual practice, the Group's external valuers report valuations net, after the deduction of the prospective purchaser's costs, including stamp duty, agent and legal fees.

Outline planning consent
This gives consent in principle for a development, and covers matters such as use and building mass. Full details of the development scheme must be provided in an application for full planning consent, including detailed design, external appearance and landscaping before a project can proceed. An outline planning permission will lapse if full planning permission is not granted within three years.

Property income distribution (PID)
A PID is a distribution by a REIT to its shareholders paid out of qualifying profits. A REIT is required to distribute at least 90% of its qualifying profits as a PID to its shareholders.

Proposed developments
Proposed developments are schemes that are not yet included in the development programme but which are more likely to proceed than not.

Qualifying activities/Qualifying assets
The ownership (activity) of property (assets) which is held to earn rental income and qualifies for tax-exempt treatment (income and capital gains) under UK REIT legislation.

Real Estate Investment Trust (REIT)
A REIT must be a publicly quoted company with at least three quarters of its profits and assets derived from a qualifying property rental business. Income and capital gains from the property rental business are exempt from tax but the REIT is required to distribute at least 90% of those profits to shareholders. Corporation tax is payable on non-qualifying activities in the normal way.

Retail Portfolio
This business includes our shopping centres, shops, retail warehouse properties and assets held in retail joint ventures but not Central London retail.

Return on average capital employed
Group profit before interest, plus joint venture profit before tax, divided by the average capital employed (defined as shareholders' funds plus net debt).

Return on average equity
Group profit before tax plus joint venture tax divided by the average equity shareholders' funds.

Revenue profit
Profit before tax, excluding profits on the sale of non-current assets and trading properties, profits on long-term development contracts, valuation surpluses, mark-to-market adjustments on interest-rate swaps and similar instruments used for hedging purposes, the adjustment to interest payable resulting from the amortisation of the bond exchange de-recognition, debt restructuring charges and any exceptional items.

Reversionary or under-rented
Space where the passing rent is below the ERV.

Reversionary yield
The anticipated yield to which the initial yield will rise once the rent reaches the ERV.

Total business return
Dividend per share, plus the increase in adjusted diluted net asset value per share, divided by the adjusted diluted net asset value per share at the beginning of the year.

Total development cost (TDC)
All capital expenditure on a project including the opening book value of the property on commencement of development, together with all finance costs less residential costs.

Total property return
Valuation surplus, profit/(loss) on property sales and net rental income in respect of investment properties expressed as a percentage of opening book value, together with the time weighted value for capital expenditure incurred during the current year, on the investment property portfolio.

Total shareholder return
The growth in value of a shareholding over a specified year, assuming that dividends are reinvested to purchase additional units of the stock.

Trading properties
Properties held for trading purposes and shown as current assets in the balance sheet.

Turnover rent
Rental income which is related to an occupier's turnover.

Underlying operating profit
Operating profit before profit on disposal of non-current properties, revaluation of investment properties, and exceptional items stated within operating profit.

Voids
The area in a property or portfolio, excluding developments, which is currently available for letting.

Weighted average cost of capital (WACC)
Weighted average cost of debt and notional cost of equity, used as a benchmark to assess investment returns.

Yield shift
A movement (negative or positive) in the equivalent yield of a property asset.

Zone A
A means of analysing and comparing the rental value of retail space by dividing it into zones parallel with the main frontage. The most valuable zone, Zone A, is at the front of the unit. Each successive zone is valued at half the rate of the zone in front of it.