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Top 10 assets by value as at 30 September 2014

Name	Principal occupiers	Ownership interest	Floor area	Annualised net rent ⁽¹⁾	Let by income	Weighted average unexpired lease term
		(%)	(000 sq ft)	(£m)	(%)	(years)
Cardinal Place, SW1	Microsoft, Wellington, M&S	100	Office: 554 Retail: 107	32.4	97	5.6
New Street Square, EC4	Deloitte, Taylor Wessing, Speechley Bircham	100	Office: 671 Other: 22	33.4	96	9.4
Bluewater, Kent	John Lewis, M&S, House of Fraser, Boots, Next	30	Retail: 1,791	27.5	95	6.8
One New Change, EC4	K&L Gates, Friends Life, CME, SMBC, Dealogic, CBRE, Panmure Gordon & Co, Topshop, H&M, Next, Gordon Ramsay	100	Office: 345 Retail: 215	27.1	100	8.5
Trinity Leeds	H&M, Topshop, Next, Primark, River Island	100	Retail: 776	25.4	99	11.2
Queen Anne's Gate, SW1	Central Government	100	Office: 324	29.9	100	12.1
Piccadilly Circus, W1	Hyundai, Barclays, Boots, McDonalds, TDK, Coca-Cola, Clear Channel	100	Office: 22 Retail: 54 Other: 20	16.0	100	4.4
Gunwharf Quays, Portsmouth	Ralph Lauren, M&S, Nike, Gap, Ted Baker	100	Retail: 556	22.7	100	7.1
20 Fenchurch Street, EC3	Markel, Kiln, Liberty Mutual, Liberty Syndicates, RSA, DWF, CNA, Allied World	50	Office: 674 Retail: 13	-	90	16.5
White Rose, Leeds	Sainsbury's, Debenhams, M&S, Primark, H&M	100	Retail: 841	22.3	100	7.1

(1) Land Securities' share

Aggregate value of top 10 assets: £5.4bn (41% of combined portfolio)

Combined portfolio valuation movements

Six months ended 30 September 2014

	Value	Valuation surplus – combined portfolio excl. development programme	Valuation surplus – development programme	Valuation surplus – combined portfolio	Net initial yield	Equivalent yield	Movement in equivalent yield
	£m	%	%	%	%	%	bps
Shopping centres and shops	3,458.1	5.7	-	5.7	4.9	5.2	(60)
Retail warehouses and foodstores	1,266.8	3.8	16.8	4.3	5.1	5.4	(26)
Leisure and hotels	1,329.2	5.2	-	5.2	6.0	6.3	(24)
Central London shops	1,330.6	7.1	14.4	7.8	3.4	4.6	(24)
London offices	5,684.3	8.5	13.9	9.9	3.2	4.8	(27)
Other	105.0	8.4	6.7	8.3	1.8	3.4	-
Total portfolio	13,174.0	6.6	14.0	7.5	4.5	5.1	(34)



Yield changes

Like-for-like portfolio

	31 March 2014		30 September 2014		
	Net initial yield	Equivalent yield	Net initial yield	Topped-up net initial yield ⁽¹⁾	Equivalent yield
	(%)	(%)	(%)	(%)	(%)
Shopping centres and shops	5.6	5.8	5.3	5.4	5.5
Retail warehouses and foodstores	5.5	5.8	5.4	5.7	5.5
Leisure and hotels	6.3	6.3	6.1	6.1	6.1
Central London shops	3.9	4.9	3.7	4.1	4.6
London offices	4.6	5.0	4.3	4.6	4.8
Other	2.5	4.0	1.9	2.3	3.7
Total like-for-like portfolio	5.0	5.4	4.7	4.9	5.1

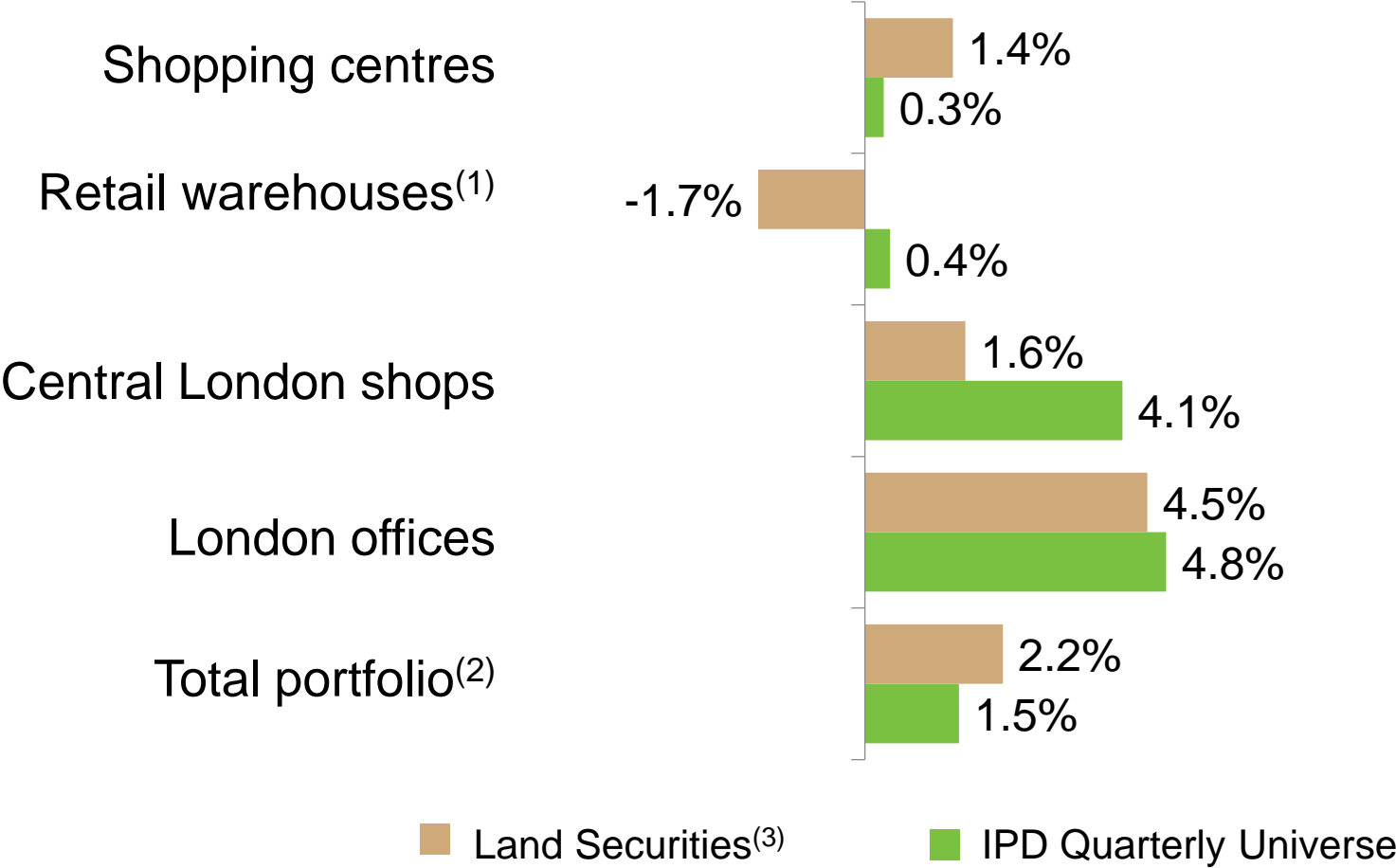
(1) Net initial yield adjusted to reflect the annualised cash rent that will apply at the expiry of current lease incentives





Rental value performance

Like-for-like properties vs IPD Quarterly Universe (six months ended 30 Sept 14)

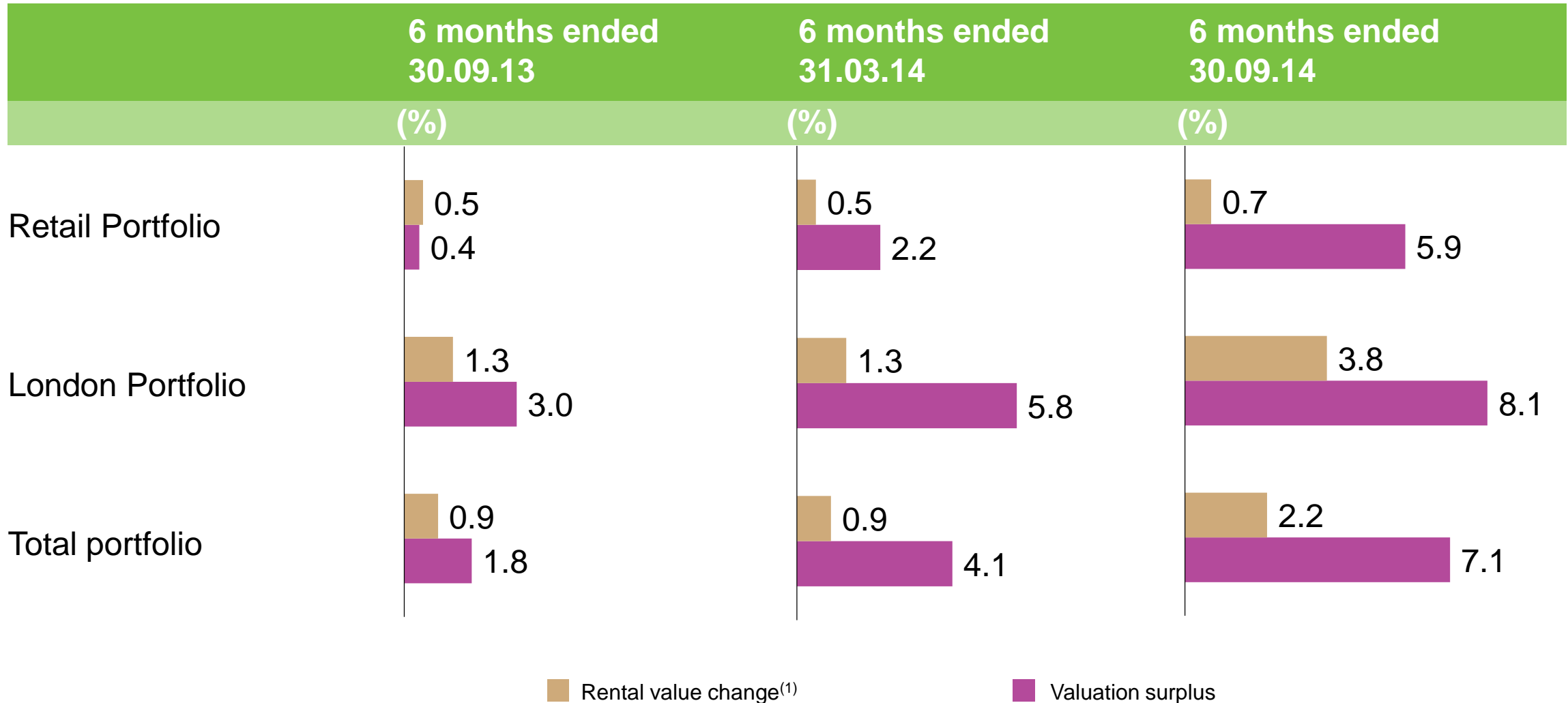


(1) Includes foodstores for Land Securities
(2) Includes leisure and hotels
(3) Rental value change excludes units materially altered during the period and also Queen Anne's Gate, SW1



Rental and capital value trends

Like-for-like portfolio

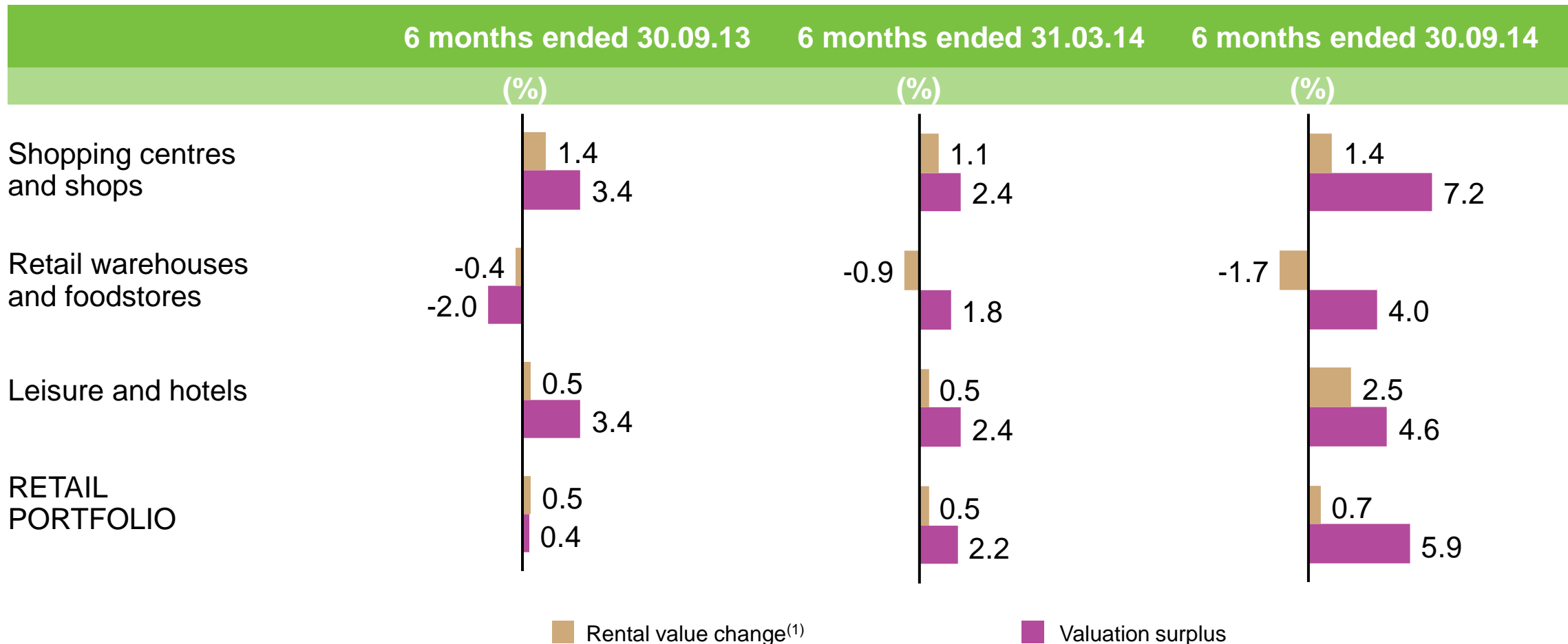


(1) Rental value growth figures exclude units materially altered during the period and also Queen Anne's Gate, SW1

Rental and capital value trends

Retail like-for-like portfolio

Like-for-like portfolio value at 30 September 2014: £4,082m

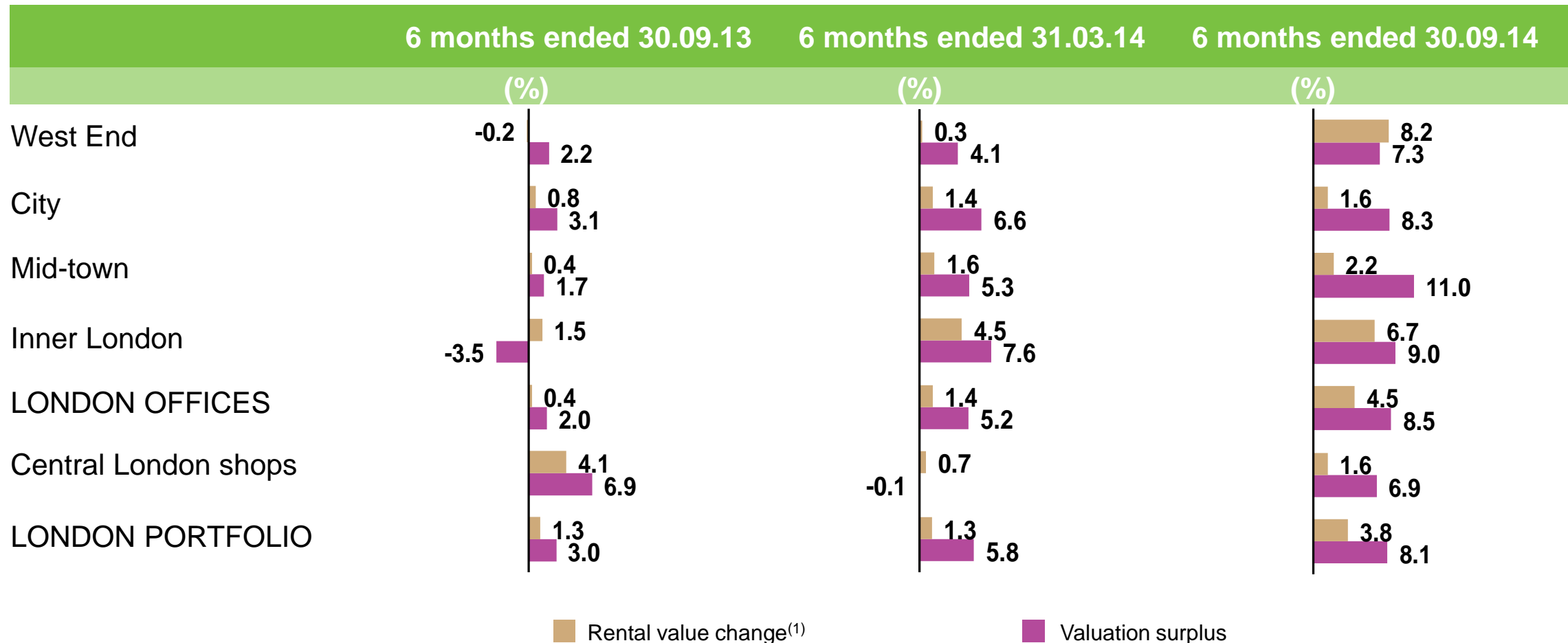


(1) Rental value figures exclude units materially altered during the period

Rental and capital value trends

London Portfolio like-for-like portfolio

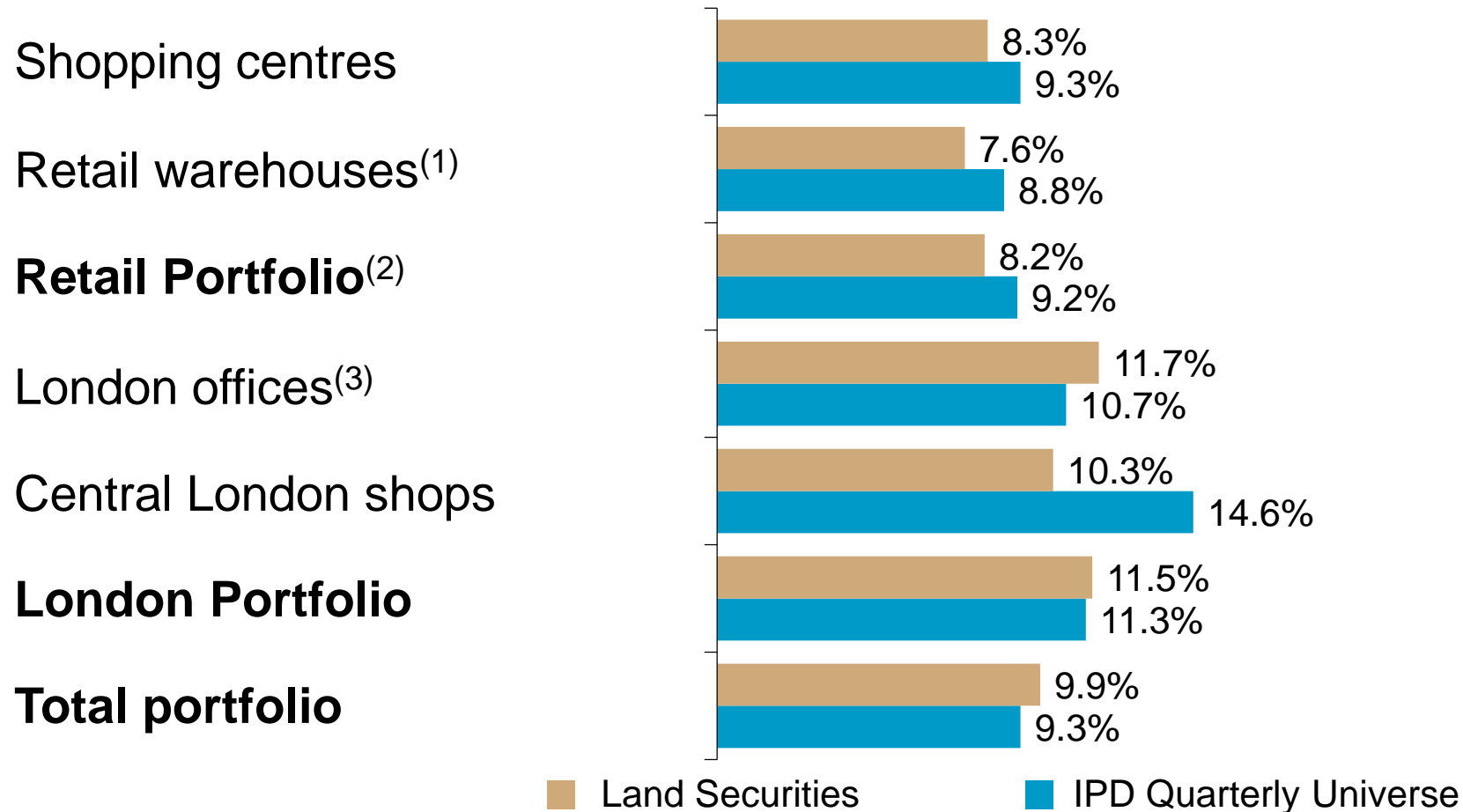
Like-for-like portfolio value at 30 September 2014: £5,235m



(1) Rental value figures exclude units materially altered during the period and also Queen Anne's Gate, SW1

Portfolio performance relative to IPD Quarterly Index

Ungeared total return (six months ended 30 September 2014)



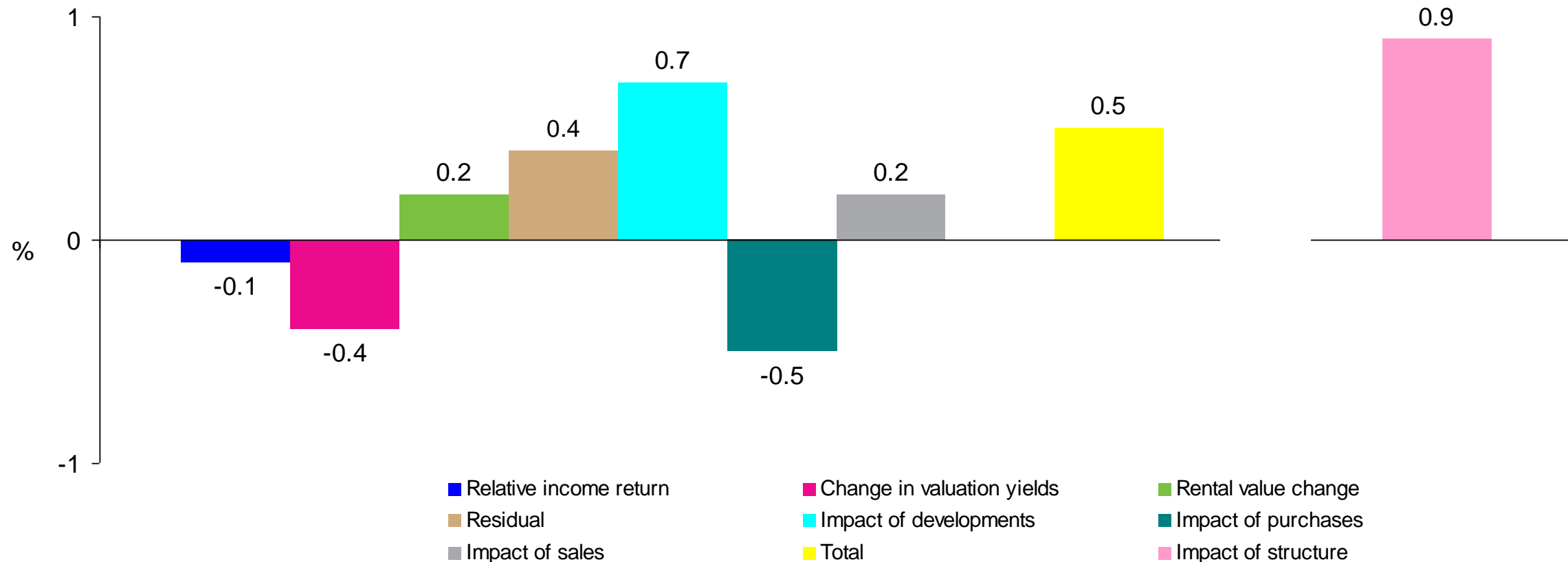
(1) Includes foodstores for Land Securities

(2) Includes leisure and hotels for Land Securities

(3) Land Securities total return higher by 0.6% for London offices and 0.2% for total portfolio if adjusted for capital extracted from Queen Anne's Gate, SW1 through bond issue

Analysis of performance relative to IPD

Attribution analysis, ungeared total return, six months to 30 September 2014, relative to IPD Quarterly Universe



Source: IPD

Development programme returns

Property	Floor space (net internal area)	Letting status at 30 Sept	TDC ⁽¹⁾	Net income / ERV ⁽²⁾	Gross yield on cost	Valuation surplus to date	Market value at 30 Sept + outstanding TDC ⁽¹⁾	Gross yield on: TDC ⁽¹⁾ + valuation surplus to date
	Sq ft (000 sq ft)	%	£m	£m	%	£m	£m	%
62 Buckingham Gate, SW1	275	69	179	18.8	10.5	169	359	5.4
20 Fenchurch Street, EC3 ⁽³⁾	687	90	239	21.7	9.1	168	414	5.3
The Zig Zag Building, SW1 ⁽⁴⁾	234	35	176	16.0	9.1	62	239	6.7
1 & 2 New Ludgate, EC4	381	61	257	22.6	8.8	105	362	6.3
Nova, Victoria, SW1- Phase I ⁽³⁾	560	-	245	20.0	8.1	40	294	7.0
Oriana, W1- Phase II ⁽³⁾	72	64	39	3.1	7.9	21	59	5.2
20 Eastbourne Terrace, W2	93	-	66	5.3	8.1	6	72	7.4
1 New Street Square, EC4	271	-	176	15.9	9.0	14	191	8.3
Bishop Centre, Taplow	105	88	38	2.7	7.0	17	52	4.9
Total	2,678		1,415	126.1	8.9	602	2,042	6.3

(1) Excludes allowances for letting voids and rent free periods, but includes estimated tenant capital contributions

(2) Represents net headline annual rent on let units plus net ERV at 30 September 2014 on unlet units

(3) Land Securities' share, except floor space

(4) Includes retail element of Kings Gate, SW1

(5) All figures exclude residential properties

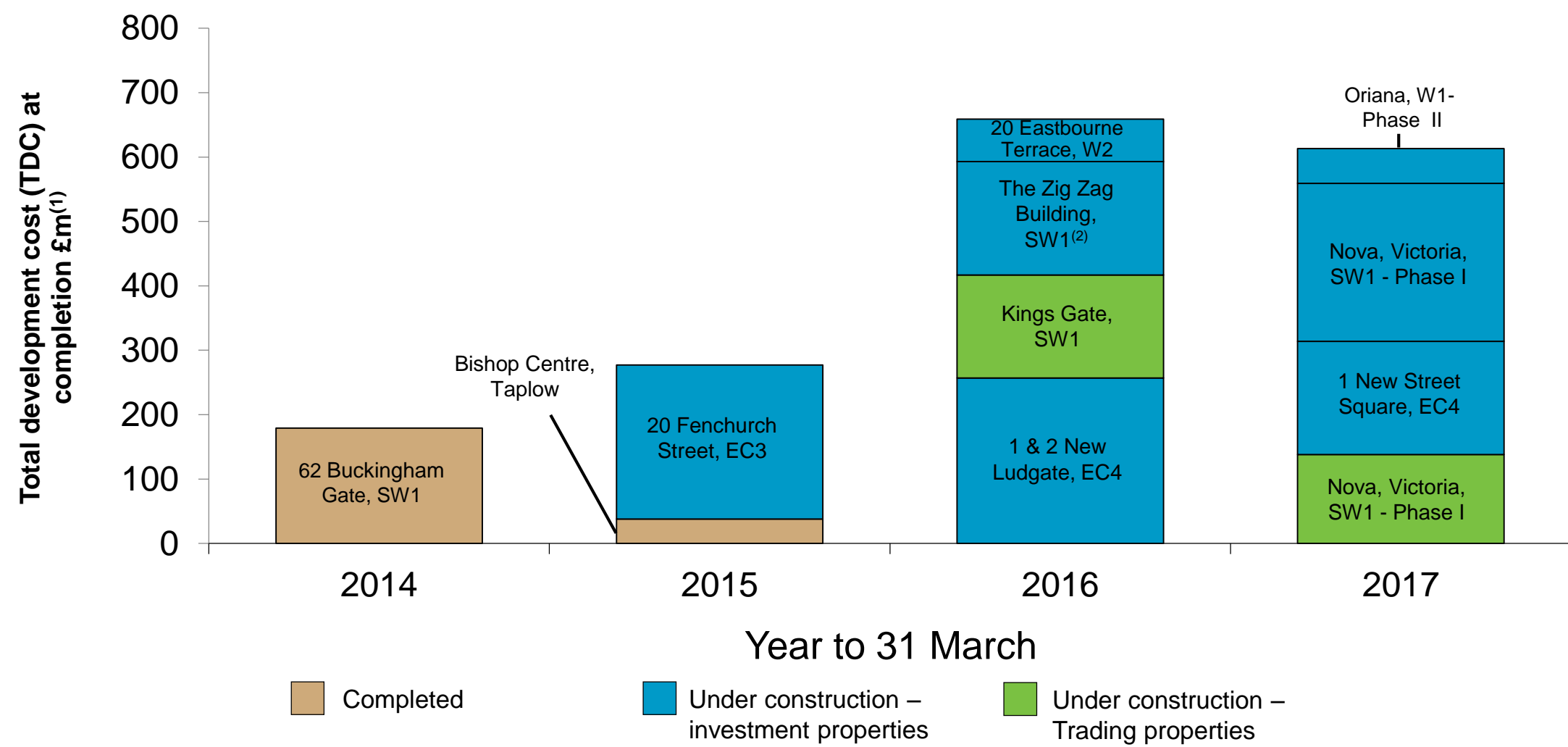
Development programme - yield on TDC

London Portfolio: 9.0% (headline rents) 7.6% (P&L rents)

Retail Portfolio: 7.0% (headline rents) 6.0% (P&L rents)



Development completions

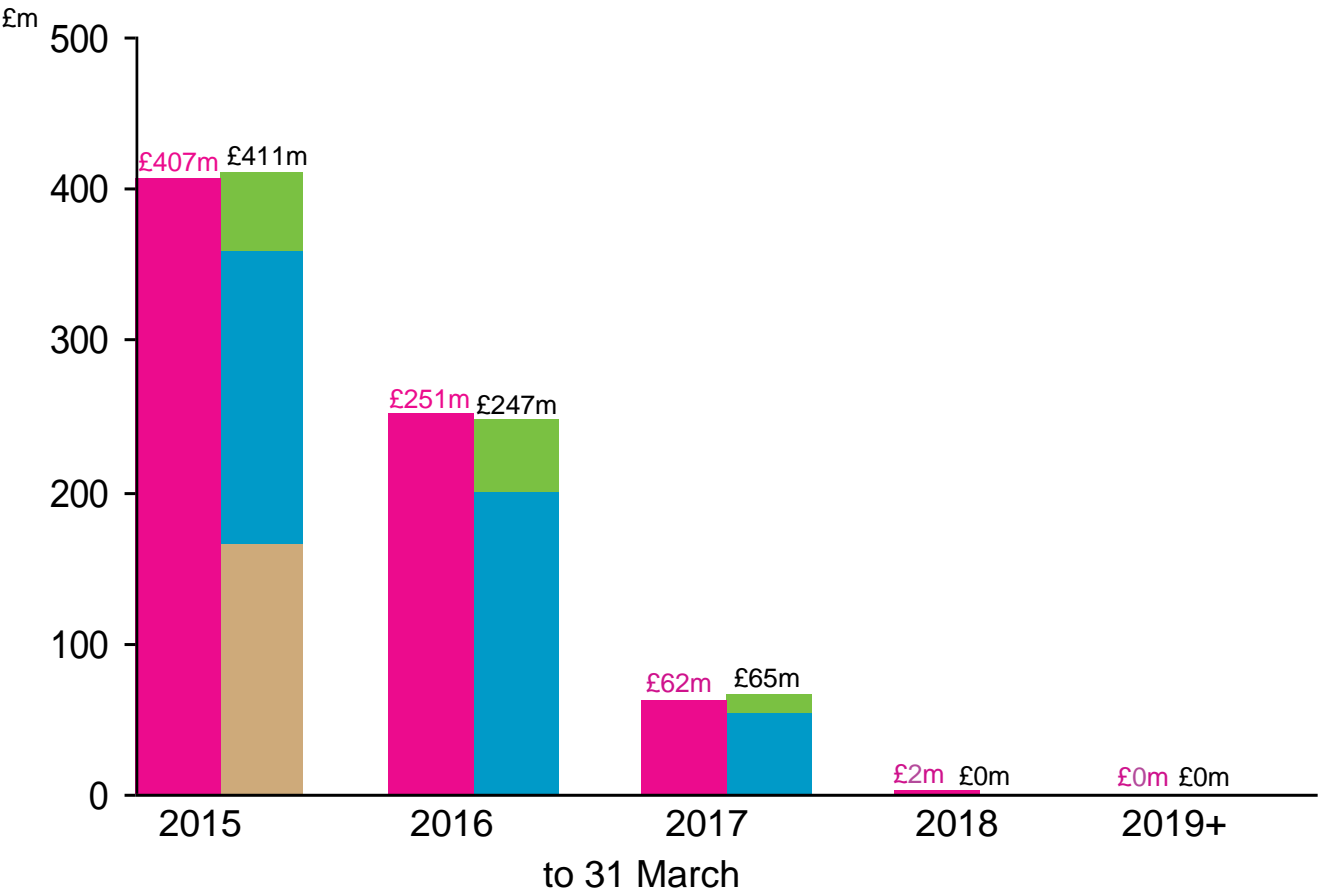


(1) Land Securities' share
(2) Includes retail within Kings Gate, SW1



Development expenditure

Estimated future spend



- Total at 31.03.14
- Trading properties
- Development programme
- Spend in period to 30.09.14

Outstanding cash spend		
	30.09.14	31.03.14
Development programme	£447m	£584m
Trading properties	£111m	£137m
Total	£558m	£721m

Estimated future spend includes the cost of residential space but excludes interest



Future development opportunities

Property	Annualised net rent ⁽¹⁾ 30.09.14	Current area	Proposed area	Earliest start / possession date	Comment
	£m	Sq ft	Sq ft		
Buchanan Galleries, Glasgow	8.7 ⁽¹⁾⁽²⁾	700,000	1,200,000	April 2015	LS assessing retailer demand before committing to scheme
Westgate, Oxford	0.8 ⁽¹⁾	372,000	800,000	April 2015	LS assessing retailer demand before committing to scheme
Portland House, SW1	12.4	314,500	395,300	June 2016	Planning received for conversion to 206 apartments
Nova, Victoria, SW1 – Phase II	-	-	171,000	August 2016	Land returned to LS in 2016 once TfL has completed upgrade works
Selly Oak	-	-	200,000	April 2016	Planning received. Remediation of site ongoing
Maidstone	-	-	225,000	June 2016	Options being explored following planning refusal
Worcester Woods	-	-	240,000	October 2015	Subject to planning permission and completion of acquisition
21 Moorfields, EC4	-	120,200	500,000	August 2015	Subject to completion of acquisition and planning permission
Piccadilly Lights	1.7	88,400	128,000	February 2016	In feasibility
Southwark Estate, SE1 ⁽³⁾	6.9	227,000	269,000	June 2020	In feasibility
Total	30.5	1,822,100	4,128,300		

(1) Land Securities' share

(2) c.75% will be retained through construction

(3) Southwark Estate includes: Red Lion Court, SE1; CityGate, SE1; 24 Southwark Bridge Road, SE1; 105 Sumner Street, SE1; 133 Park Street, SE1

Prospective rental income⁽¹⁾

From the development programme

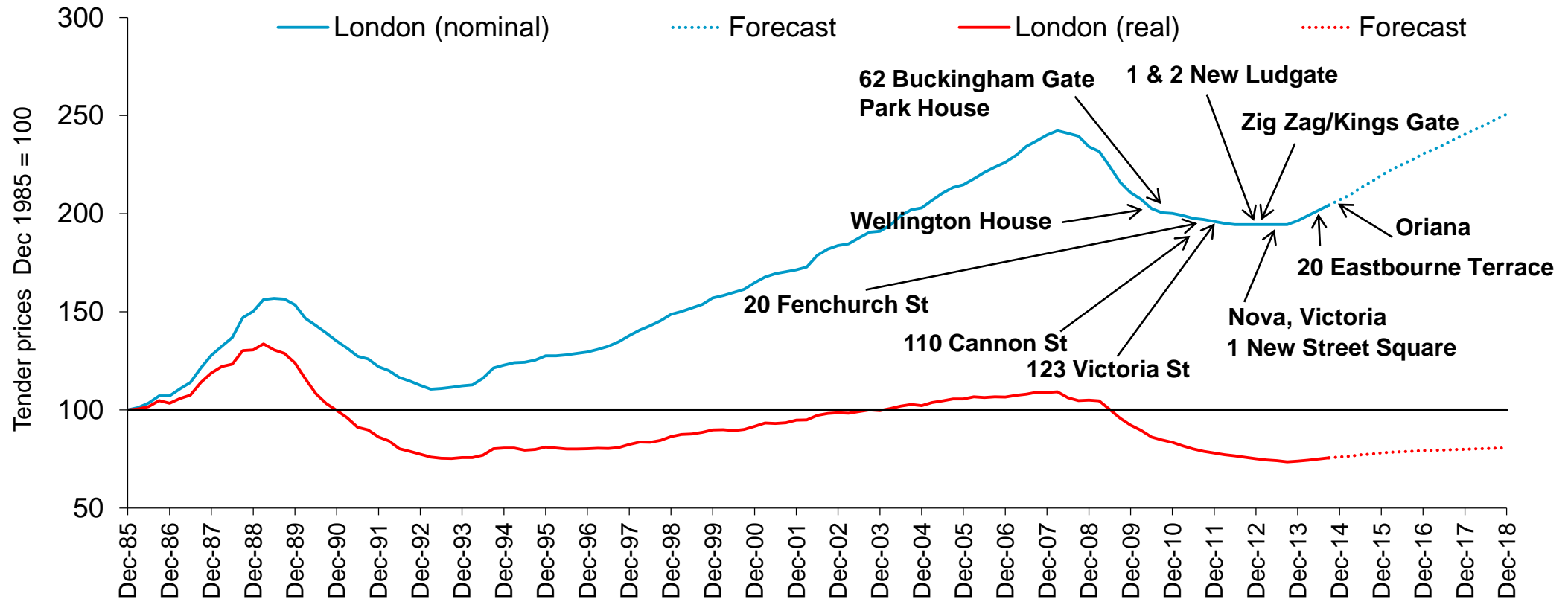
	London Portfolio £m	Retail Portfolio £m	Total Portfolio £m
31 March 2015⁽²⁾			
Contracted	16.2	1.2	17.4
Non-contracted	4.0	0.2	4.2
Total prospective rental income	20.2	1.4	21.6
31 March 2016			
Contracted	50.4	2.4	52.8
Non-contracted	25.1	0.3	25.4
Total prospective rental income	75.5	2.7	78.2
31 March 2017			
Contracted	52.8	2.4	55.2
Non-contracted	61.5	0.3	61.8
Total prospective rental income	114.3	2.7	117.0
31 March 2018			
Contracted	53.8	2.4	56.2
Non-contracted	69.7	0.3	70.0
Total prospective rental income	123.5	2.7	126.2
31 March 2019			
Contracted	53.8	2.4	56.2
Non-contracted	69.7	0.3	70.0
Total prospective rental income	123.5	2.7	126.2

(1) Prospective rental income represents contracted headline rent plus appraisal ERV, from the date of practical completion of a development

(2) Prospective rental income for 31 Mar 2015 represents 6 months income for the second half of the financial year

Land Securities' London developments

Construction contracts negotiated

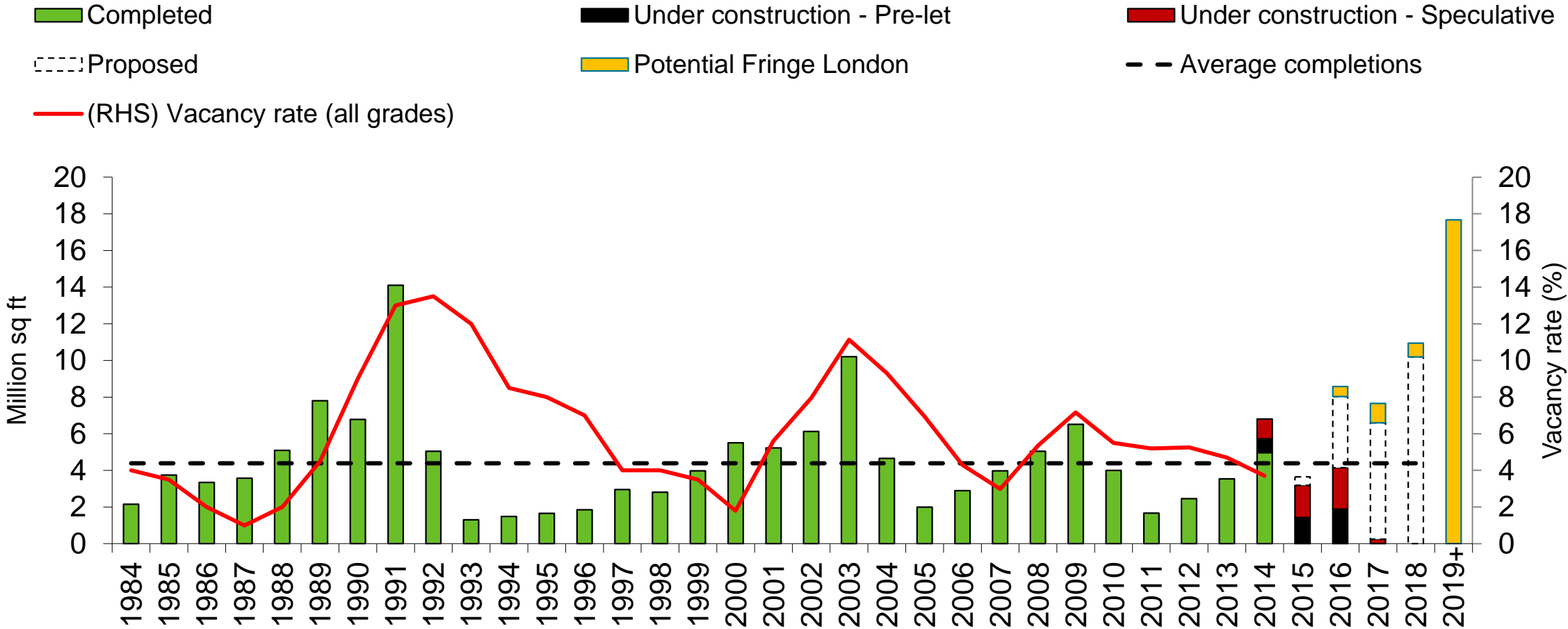


Source: EC Harris, HM Treasury, Land Securities



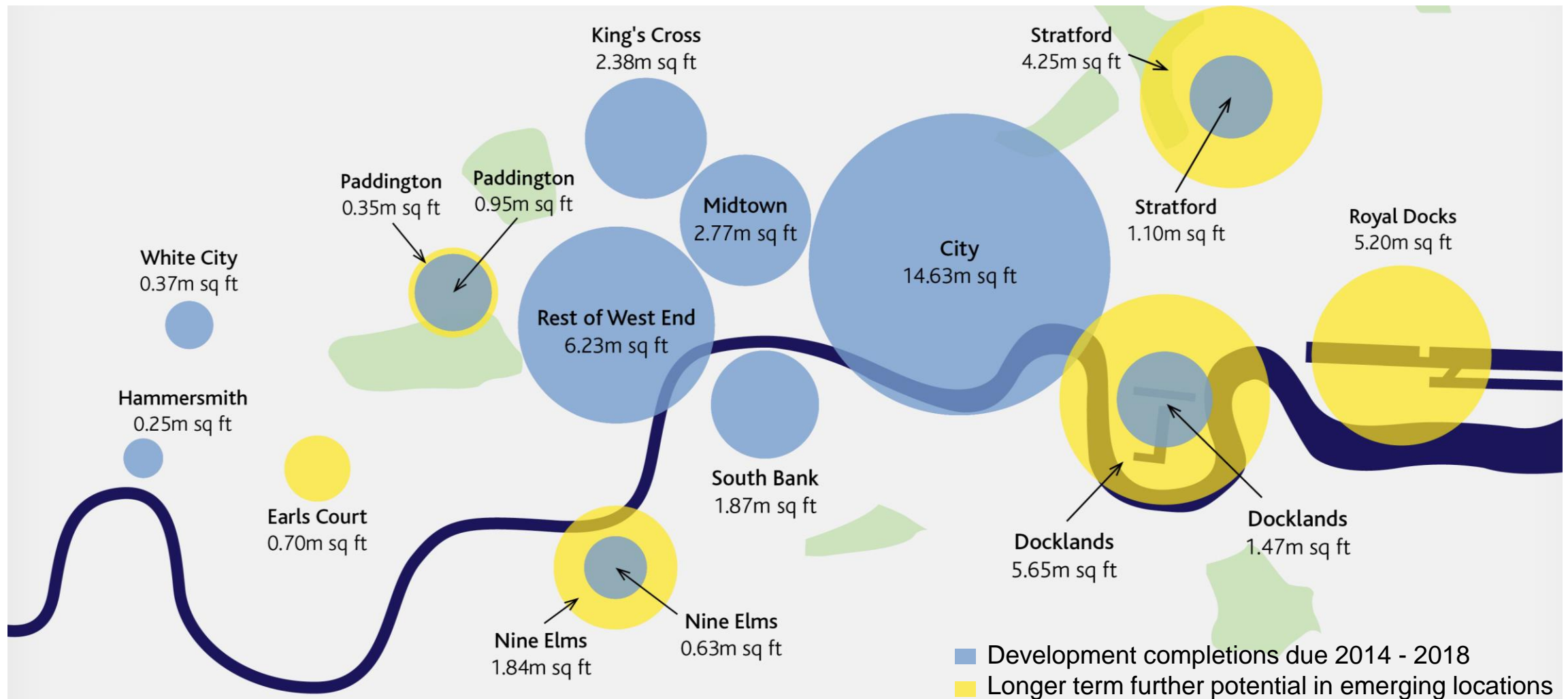
Central London supply

Development completions and vacancy⁽¹⁾



Source: CBRE, Knight Frank, Land Securities;
(1) Latest vacancy rate data end Q3 2014

Supply – proposed London office schemes



Retailer affordability – shopping centres

Footfall and sales

(26 weeks to 05.10.2014 vs 26 weeks to 06.10.2013)

Footfall	↑ 0.6%	(Benchmark ⁽¹⁾ ↓ 0.8%)
Same store sales ⁽²⁾	↑ 3.7%	(Benchmark ⁽³⁾ ↑ 2.7%)
Same centre sales ⁽⁴⁾	↑ 6.9%	

Annual figures

(52 weeks to 05.10.2014 vs 52 weeks 06.10.2013)

Footfall	↓ 0.6%	(Benchmark ⁽¹⁾ ↓ 1.1%)
Same store sales ⁽²⁾	↑ 3.2%	(Benchmark ⁽³⁾ ↑ 2.7%)
Same centre sales ⁽⁴⁾	↑ 5.8%	

- Our same centre sales were up 6.9%, driven by replacing weaker retailers and reducing voids
- Rent to sales ratios indicate rents are affordable
- Our measured same store like-for-like sales were up 3.7% against the British Retail Consortium non-food benchmark, which was up 2.7%

Occupancy cost trends

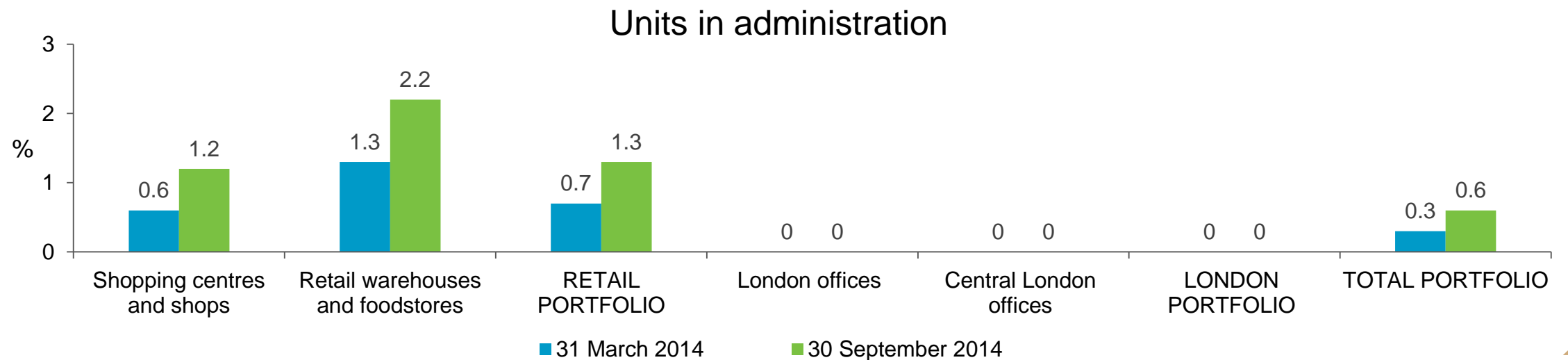
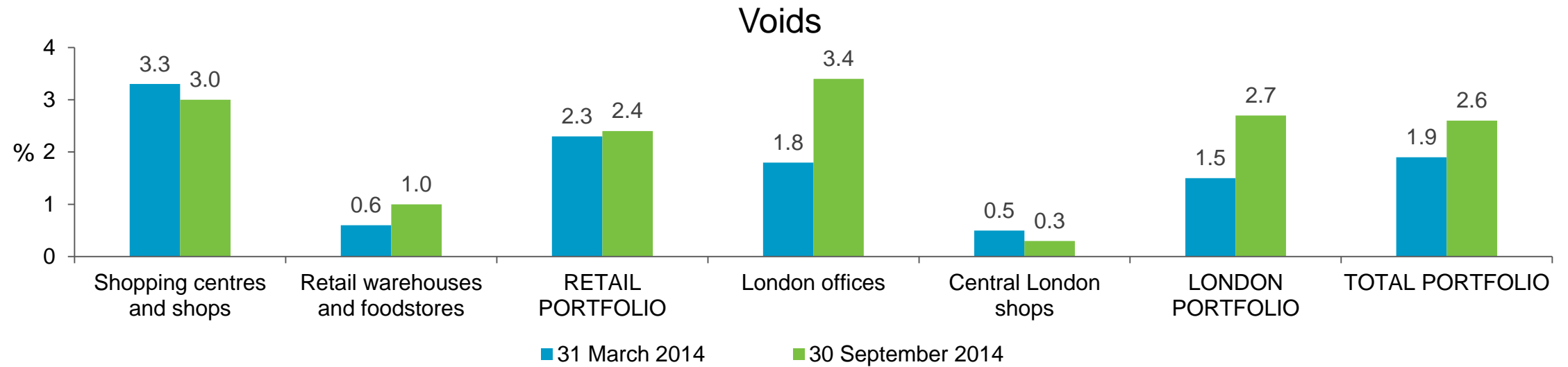
	Rent to sales ratio ⁽⁵⁾	Occupancy cost to sales ⁽⁶⁾	Rent/sq ft
	%	%	£
Overall	10.9	18.5	35
Excluding anchor stores	11.9	20.1	43
Excluding anchor stores & MSUs	12.5	20.7	54

Source: Land Securities, unless specified below; data is exclusive of VAT and, for the 12 month figures above, based on c.1,350 retailers that provide Land Securities with turnover data (approximately half of shopping centre units).

- (1) UK Experian footfall
 (2) Land Securities' shopping centres same store / same retailer like-for-like sales
 (3) BRC – KPMG RSM statistics based on non-food like-for-like weighted average
 (4) Based on all store sales in centres open for more than 12 months
 (5) Rent as a percentage of total annual sales
 (6) Total occupancy cost (rent, rates, insurance and service charge) as a percentage of total annual sales

Voids and units in administration

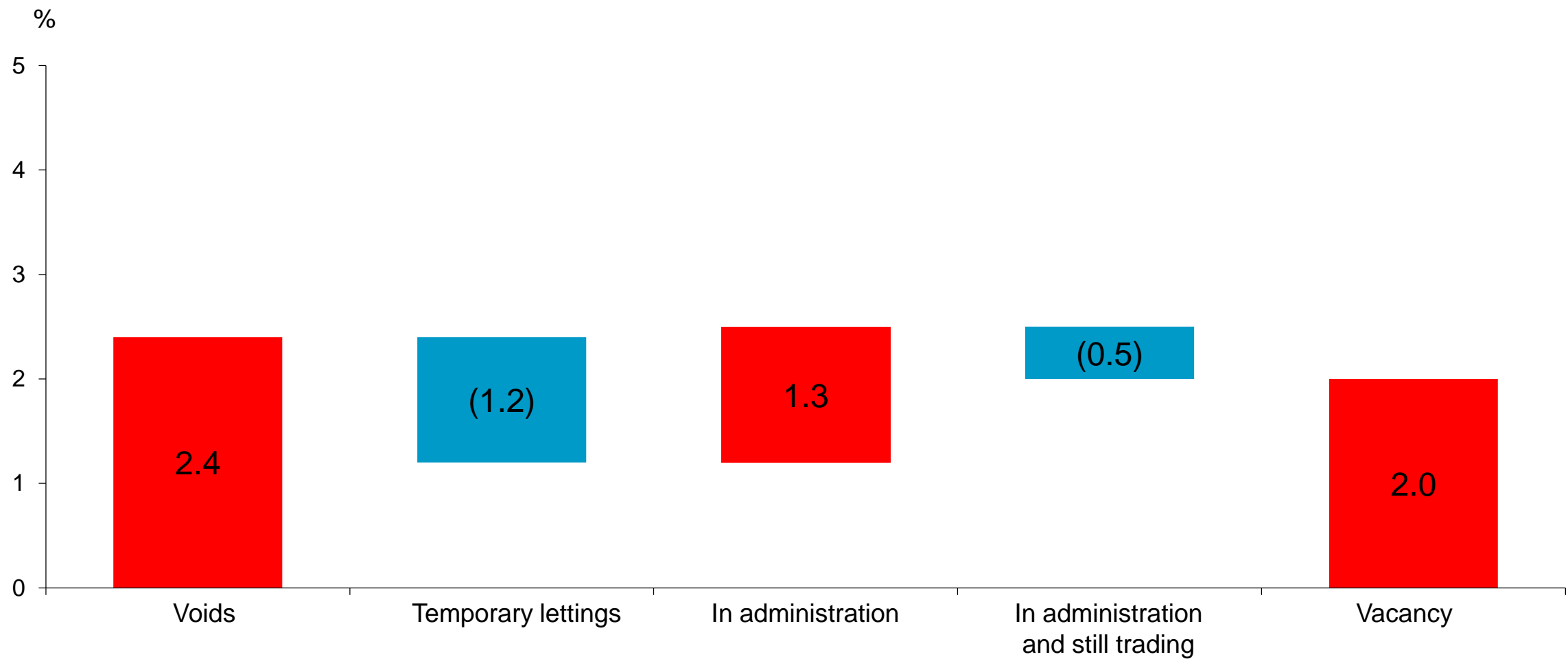
Like-for-like portfolio





Retail Portfolio vacancy

Like-for-like Retail Portfolio

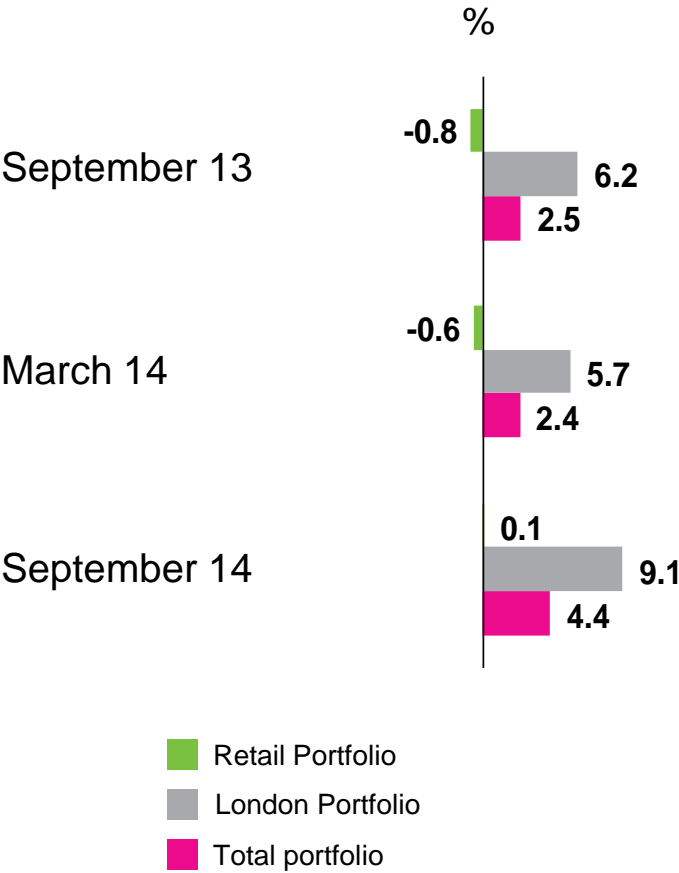




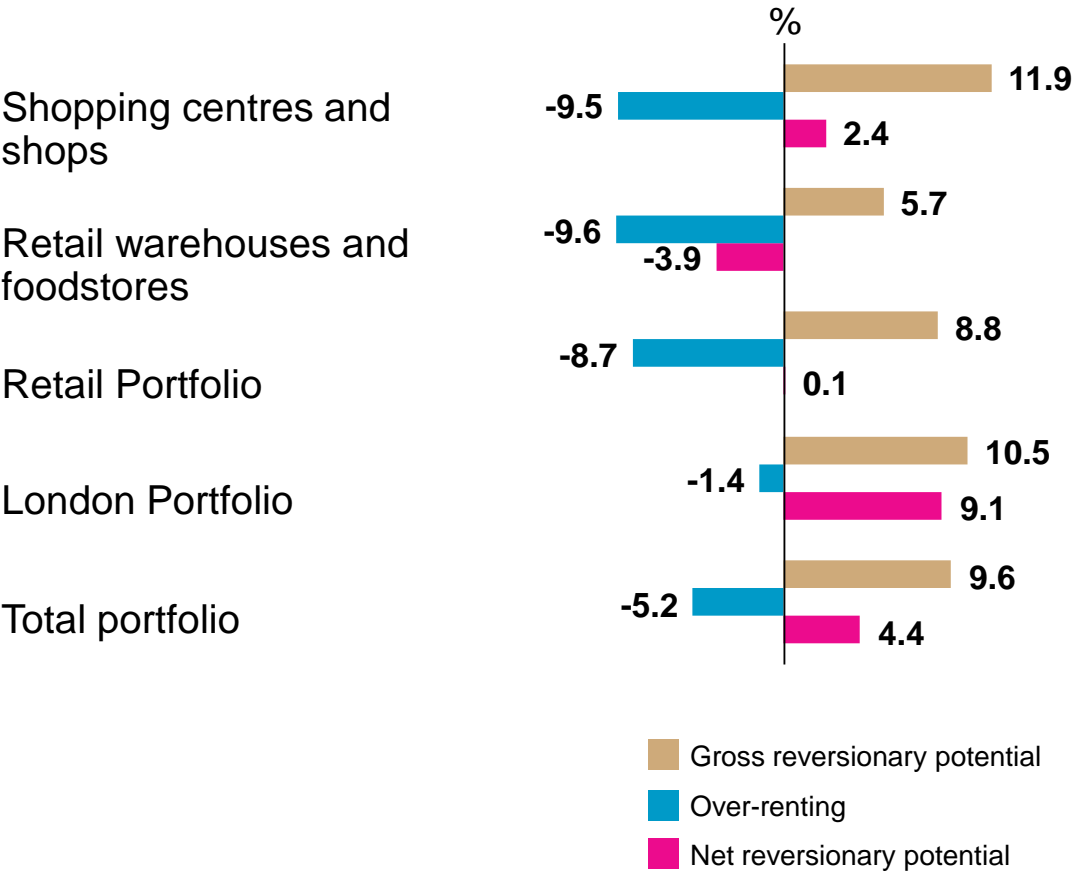
Reversionary potential

Like-for-like portfolio⁽¹⁾

Net reversionary potential⁽²⁾



Reversionary potential⁽²⁾ at 30 September 2014

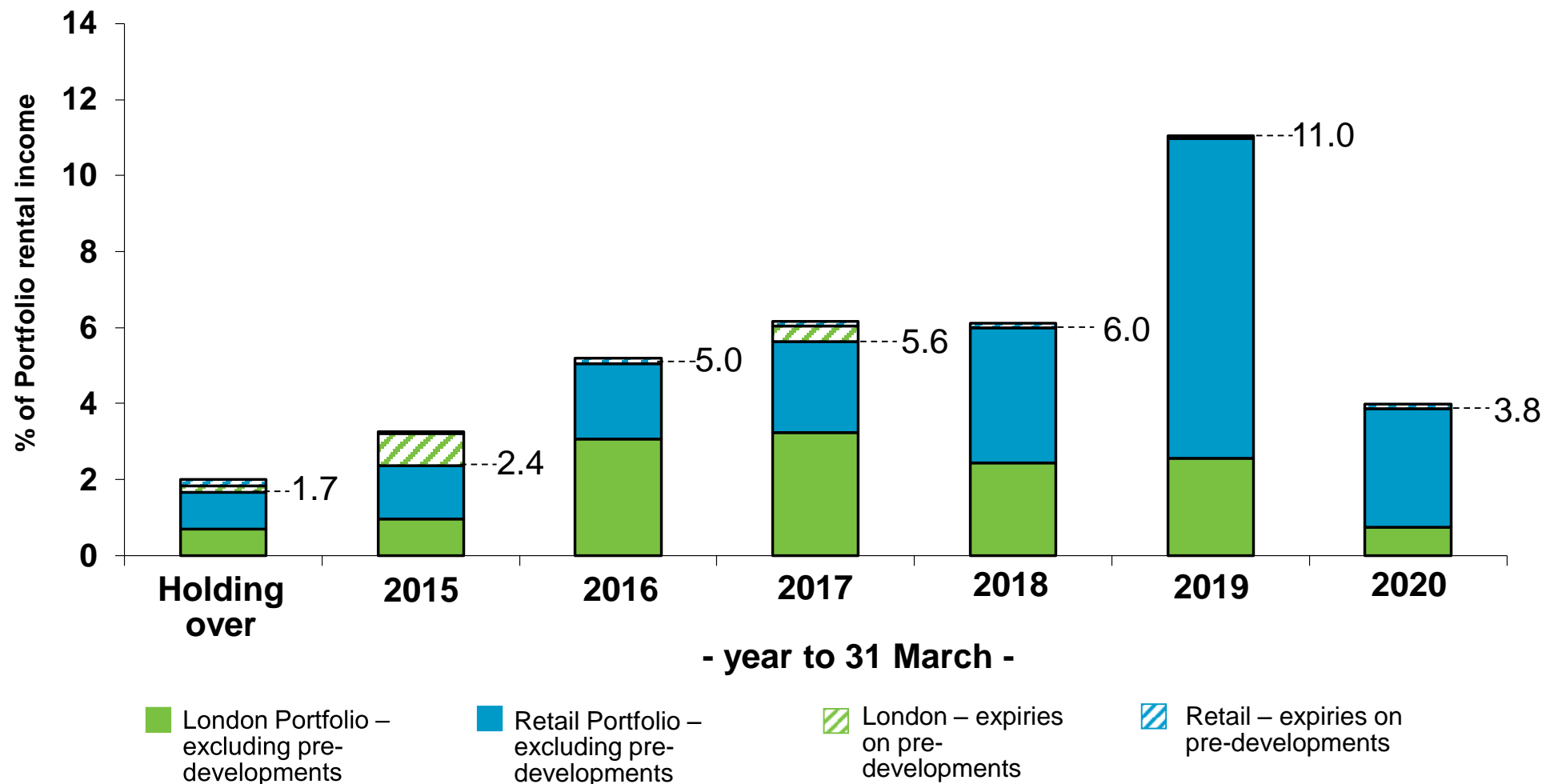


(1) Excludes Queen Anne's Gate, SW1
(2) Excludes voids and rent free periods



Combined portfolio

Lease maturities (expiries and break clauses)



Rent reviews and lease expiries and breaks⁽¹⁾

Retail Portfolio excluding developments

	Outstanding £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total to 2019 £m
Rents passing from leases subject to review	72.1	51.6	43.2	32.8	47.4	32.0	279.1
Current ERV	73.8	51.4	41.3	29.8	46.6	31.4	274.3
Over-renting ⁽²⁾	(4.7)	(2.0)	(4.0)	(3.3)	(2.7)	(1.9)	(18.6)
Gross reversion under lease provisions	6.4	1.8	2.1	0.3	1.9	1.3	13.8
	Outstanding £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total to 2019 £m
Rents passing from leases subject to expiries or breaks ⁽³⁾	6.8	8.8	12.9	15.4	22.2	51.3	117.4
Current ERV	8.6	8.5	13.8	15.0	21.0	51.6	118.5
Potential rent change	1.8	(0.3)	0.9	(0.4)	(1.2)	0.3	1.1

(1) This is not a forecast and takes no account of increases or decreases in rental values before the relevant review dates.

(2) Not crystallised at rent review because of upward only rent review provisions

(3) Includes lease expiries/breaks on properties subject to planning proposals for development or refurbishment totalling £0.5m passing rent outstanding; £0.4m in 2014/15; £1.0m in 2015/16; £1.0m in 2016/17; £0.9m in 2017/18; £0.8m in 2018/19

Rent reviews and lease expiries and breaks⁽¹⁾

London Portfolio excluding developments

	Outstanding £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total to 2019 £m
Rents passing from leases subject to review	12.7	10.5	52.8	21.0	43.3	37.6	177.9
Current ERV	14.1	11.7	55.5	21.5	43.6	38.8	185.2
Over-renting ⁽²⁾	(0.4)	-	(0.8)	(0.5)	(0.4)	-	(2.1)
Gross reversion under lease provisions	1.8	1.2	3.5	1.0	0.7	1.2	9.4

	Outstanding £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total to 2019 £m
Rents passing from leases subject to expiries or breaks ⁽³⁾	5.3	10.9	18.5	21.8	14.8	15.4	86.7
Current ERV	5.3	14.8	21.6	23.3	18.9	16.4	100.3
Potential rent change	-	3.9	3.1	1.5	4.1	1.0	13.6

(1) This is not a forecast and takes no account of increases or decreases in rental values before the relevant review dates.

(2) Not crystallised at rent review because of upward only rent review provisions

(3) Includes lease expiries/breaks on properties subject to planning proposals for development or refurbishment totalling £1.0m passing rent outstanding; £5.1m in 2014/15; nil in 2015/16; £2.4m in 2016/17; nil in 2017/18; nil in 2018/19

Reconciliation of cash rents and P&L rents to ERV

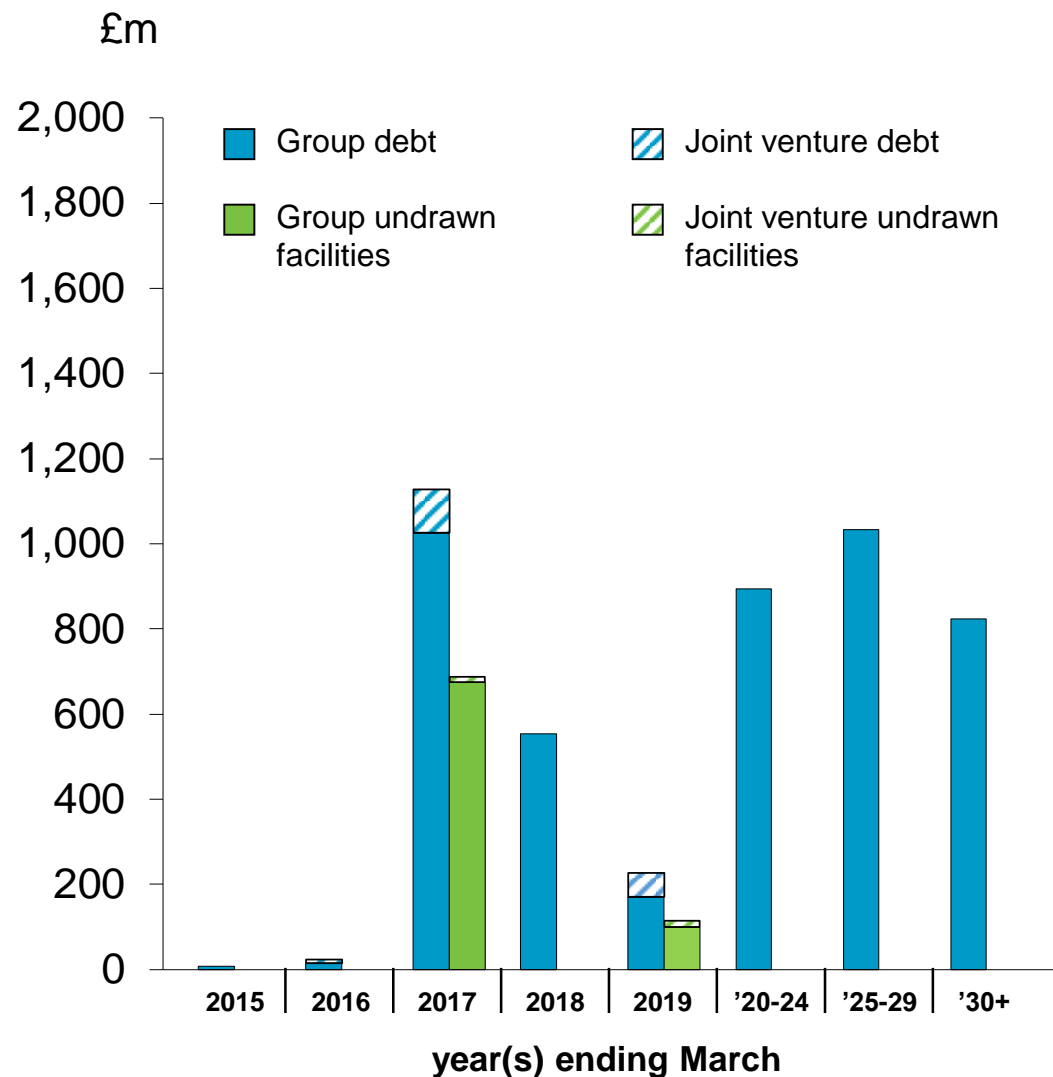
	Rents and ERVs at 30.09.14		
	Retail Portfolio	London Portfolio	Total
	£m	£m	£m
Annualised rental income	366.5	269.9	636.4
SIC15 adjustments and ground rent	(10.9)	(22.3)	(33.2)
Annualised net rent	355.6	247.6	603.2
Add back ground rents payable	9.4	2.0	11.4
Additional cash rent from unexpired rent free periods	21.1	24.7	45.8
Contracted additional income (from development programme & reconfigured units)	0.8	53.2	54.0
Other	(16.2)	(1.6)	(17.8)
Gross ERV from portfolio currently let (or agreed to be let)	370.7	325.9	696.6
Voids including development programme	9.4	76.9	86.3
Gross ERV	380.1	402.8	782.9

Net rental income analysis

	Six months ended 30 September					
	Retail Portfolio		London Portfolio		Combined portfolio variance	
	2014	2013 ⁽¹⁾	2014	2013 ⁽¹⁾		
	£m	£m	£m	£m	£m	%
Like-for-like investment properties	123.8	120.0	110.8	110.6	4.0	1.7
Proposed developments	-	-	-	-	-	
Development programme	0.4	(0.1)	9.8	-	10.3	
Completed developments	13.7	14.4	5.5	4.5	0.3	
Acquisitions since 1 April 2013	27.0	11.6	-	(0.3)	15.7	
Sales since 1 April 2013	3.6	15.0	1.0	13.6	(24.0)	
Non-property related income	3.5	3.7	3.3	2.4	0.7	
Total net rental income	172.0	164.6	130.4	130.8	7.0	2.4

(1) Prior period net rental income has been restated by £0.7m to reflect the impact of properties transferred from the London Portfolio to the Retail Portfolio

Expected debt maturities (nominal)⁽¹⁾



Expected debt maturities (£m)				
Year(s) ending March	Drawn debt		Undrawn debt	
	Group debt	JV debt	Group debt	JV debt
2015	7	-	-	-
2016	15	8	-	-
2017	1,026	101	675	13
2018	553	-	-	-
2019	170	56	100	14
2020-24	895	-	-	-
2025-29	1,032	-	-	-
2030+	823	-	-	-

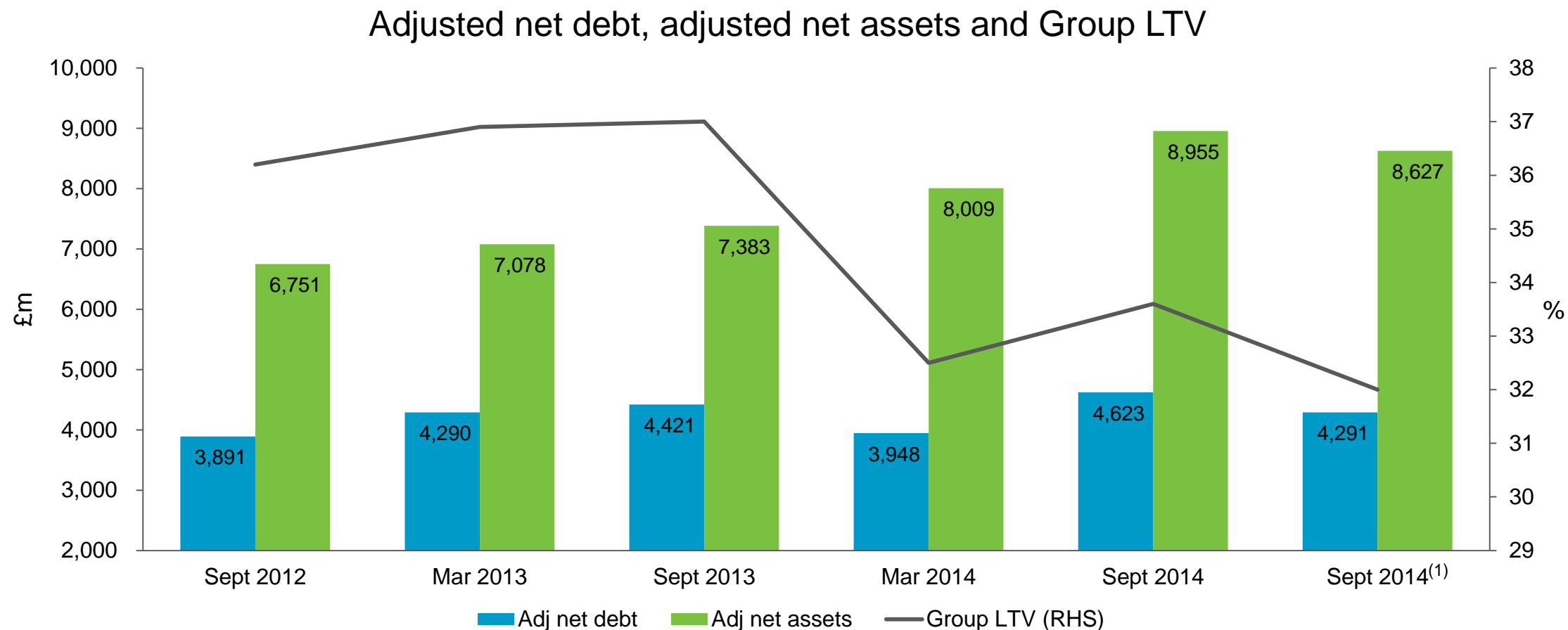
(1) Land Securities' proportionate share

Financing

- Group LTV at 33.6% up from 32.5% at 31 March 2014
- Weighted average maturity of debt: 8.2 years
- Weighted average cost of debt: 4.5%
- £0.8bn cash and available facilities

	30.09.14	31.03.14
Bond debt	£3,225.5m	£3,232.0m
Total bank facilities and cash	£2,291.1m	£1,871.6m
Drawn facilities	(£1,460.3m)	(£769.1m)
Available facilities and cash	£830.8m	£1,102.5m
Adjusted net debt	£4,622.9m	£3,948.3m
Proportion of debt at fixed interest rates	84.1%	94.5%
Security Group LTV	39.9%	35.5%
Group LTV – on a proportionate basis	33.6%	32.5%
Interest cover ratio		
Group (excl. joint venture)	2.69	2.60
REIT (finance: cost ratio)	2.64	2.58

Financing



(1) Proforma for transactions since 30 September (as at 10 November 2014)

The Security Group

Our Security Group funding arrangements provide flexibility to buy and sell assets, develop a significant pipeline and raise debt via a wide range of sources, subject to the following key parameters.

Covenant Tiering

Operating Tier	LTV ⁽¹⁾	Key restrictions	Valuation tolerance from current Tier	Incremental debt from current Tier £bn
Tier 1	<55%	• Minimal restrictions	Current	Current
Tier 2	55%-65%	• Additional liquidity facilities	(27%)	+1.6
Initial Tier 3	65%-80%	• Payment restrictions • Debt amortisation	(39%)	+2.6
Final Tier 3	>80%	• Sales pay down debt • Potential appointment of property manager	(50%)	+4.2

(1) Tiering can also be determined with reference to Interest Cover, although this is deemed a less likely limitation

(2) There is also a 5% allocation to “Non-UK” region, not shown or used

Portfolio concentration limits

Sector concentration (% of collateral value)	Current £bn	Current %	Maximum permitted %	Acquisition headroom £bn
Office	4.8	45.6	60.0	3.8
Shopping centres and shops	3.7	35.4	60.0	6.5
Retail warehouses	1.2	11.4	55.0	10.2
Industrial	0.0	0.1	35.0	5.7
Residential	0.3	2.5	35.0	5.3
Other	0.5	5.0	15.0	1.2

Regional concentration (% of collateral value) ⁽²⁾	Current £bn	Current %	Maximum permitted %	Acquisition headroom £bn
London	6.9	65.3	100.0	Unlimited
Rest of S.East & Eastern	1.1	10.4	40.0	5.2
Midlands	0.2	2.1	40.0	6.7
North	1.4	13.1	40.0	4.7
Wales & South West	0.5	5.0	40.0	6.2
Scotland and N.Ireland	0.4	4.1	40.0	6.3



Bluewater acquisition accounting

Issue	Implication
1. Joint operation	Line by line consolidation in the income statement and balance sheet.
2. Business combination	All assets and liabilities acquired recorded at fair value. Any difference with the consideration paid is recorded as goodwill.
3. Intangible asset	Relates to the management contract. Initial value of £30m, amortised over 20 years (£0.4m in H1). Also gives rise to deferred tax liability of £6.0m, which in turn gives rise to additional goodwill of £6.0m. Deferred tax released to income statement over 20 years in line with intangible asset.
4. Goodwill	Two elements: (i) £30.5m largely related to prospective purchasers' costs; and (ii) £6.0m related to deferred tax. £30.5m impaired in the period. £6.0m expected to be impaired over 20 years, matching deferred tax release (both £0.1m in H1).

Further information in note 18 to the financial statements