

2015 INTERIM RESULTS



Welcome

Robert Noel

Chief Executive



London development – improving portfolio and income quality



Retail transformation – under themes of dominance, experience and convenience



Trinity Leeds



Westgate, Oxford



X-Leisure

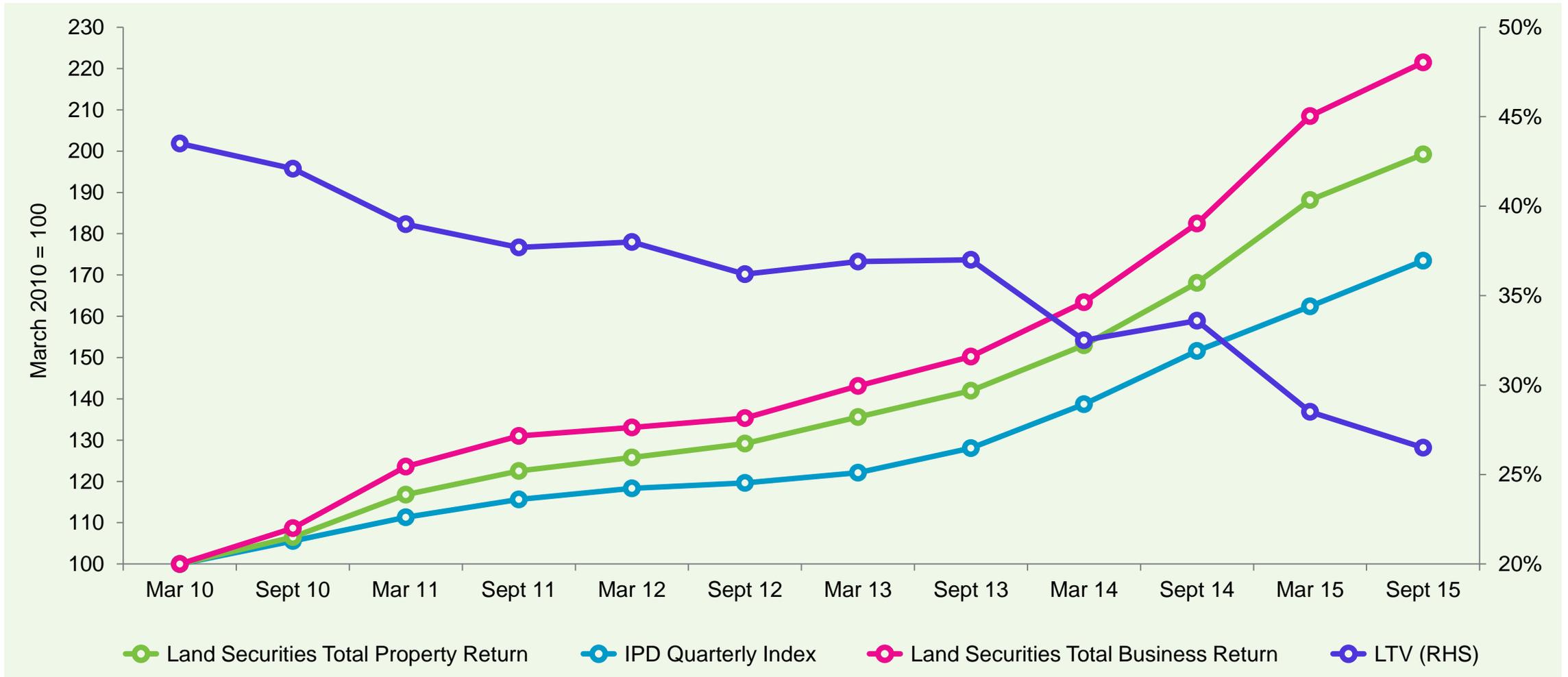


Bluewater, Kent

Disposals – our investment activity has been funded by sales



Performance – creating shareholder value while strengthening the balance sheet



Agenda

Martin Greenslade

Scott Parsons

Colette O'Shea

Robert Noel

Q&A



Gunwharf Quays, Portsmouth

Financial results

Martin Greenslade

Chief Financial Officer



Financial summary

Six months ended 30.09.14		Six months ended 30.09.15		Change
£m		£m		%
1,031.1	Profit before tax	707.9		
n/a	Valuation surplus ⁽¹⁾	519.3		3.8 ⁽²⁾
1,293p ⁽³⁾	Adjusted diluted NAV per share	1,367p		5.7
170.0	Revenue profit ⁽¹⁾	184.2		8.4
21.4p	Adjusted diluted earnings per share ⁽¹⁾	23.2p		8.4
15.8p	Dividend per share	16.3p		3.2

(1) On a proportionate basis

(2) Represents increase in value over the six months to 30 September 2015

(3) As at 31 March 2015

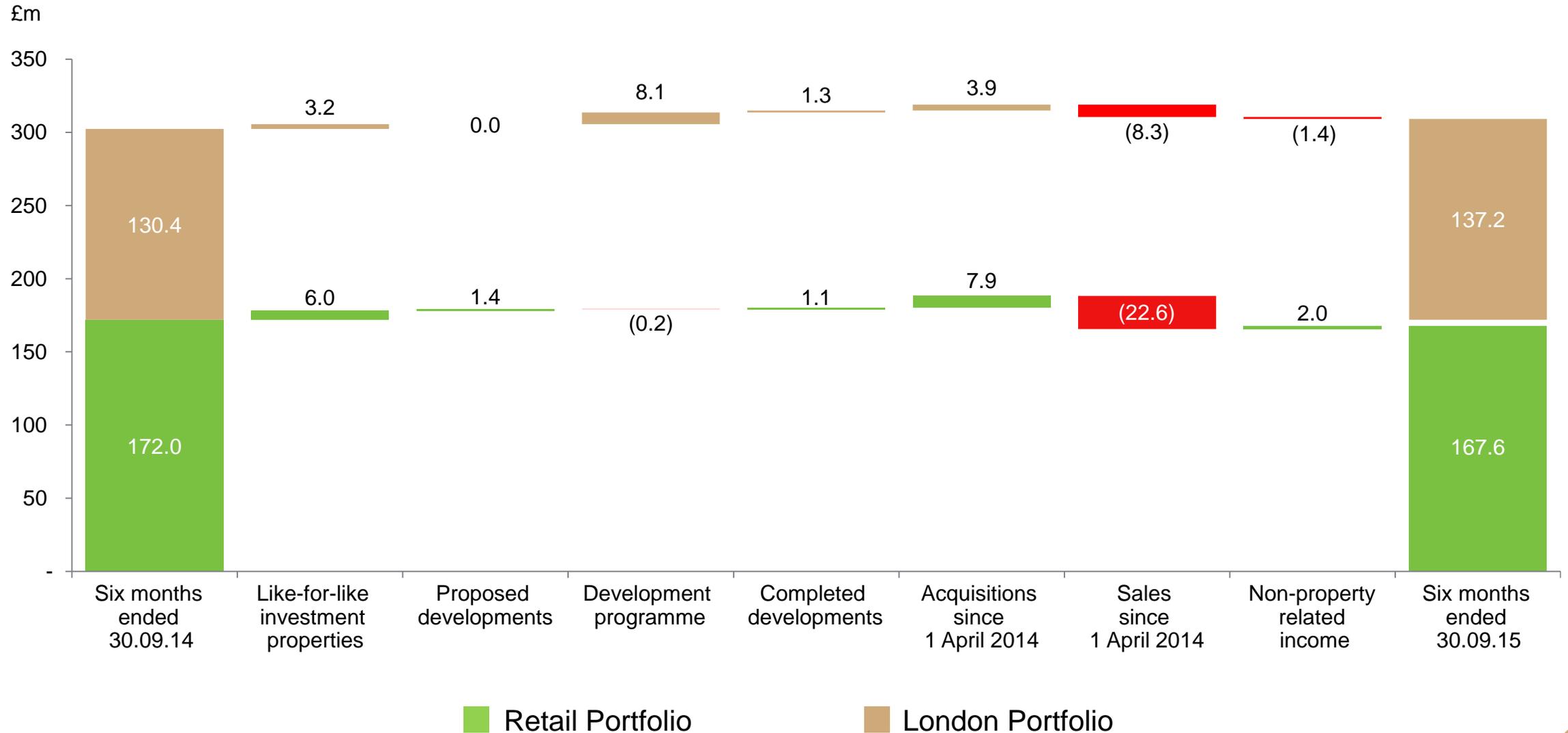


Revenue profit

	Six months ended 30.09.15	Six months ended 30.09.14	Change
	£m	£m	£m
Gross rental income ⁽¹⁾	323.4	321.3	2.1
Net service charge expense	(2.0)	(0.1)	(1.9)
Net direct property expenditure	(16.6)	(18.8)	2.2
Net rental income	304.8	302.4	2.4
Indirect costs	(22.0)	(23.5)	1.5
Segment profit before interest	282.8	278.9	3.9
Net unallocated expenses	(17.4)	(15.8)	(1.6)
Net interest expense – Group	(72.0)	(79.2)	7.2
Net interest expense – joint ventures	(9.2)	(13.9)	4.7
Revenue profit	184.2	170.0	14.2

(1) Includes finance lease interest, after rents payable

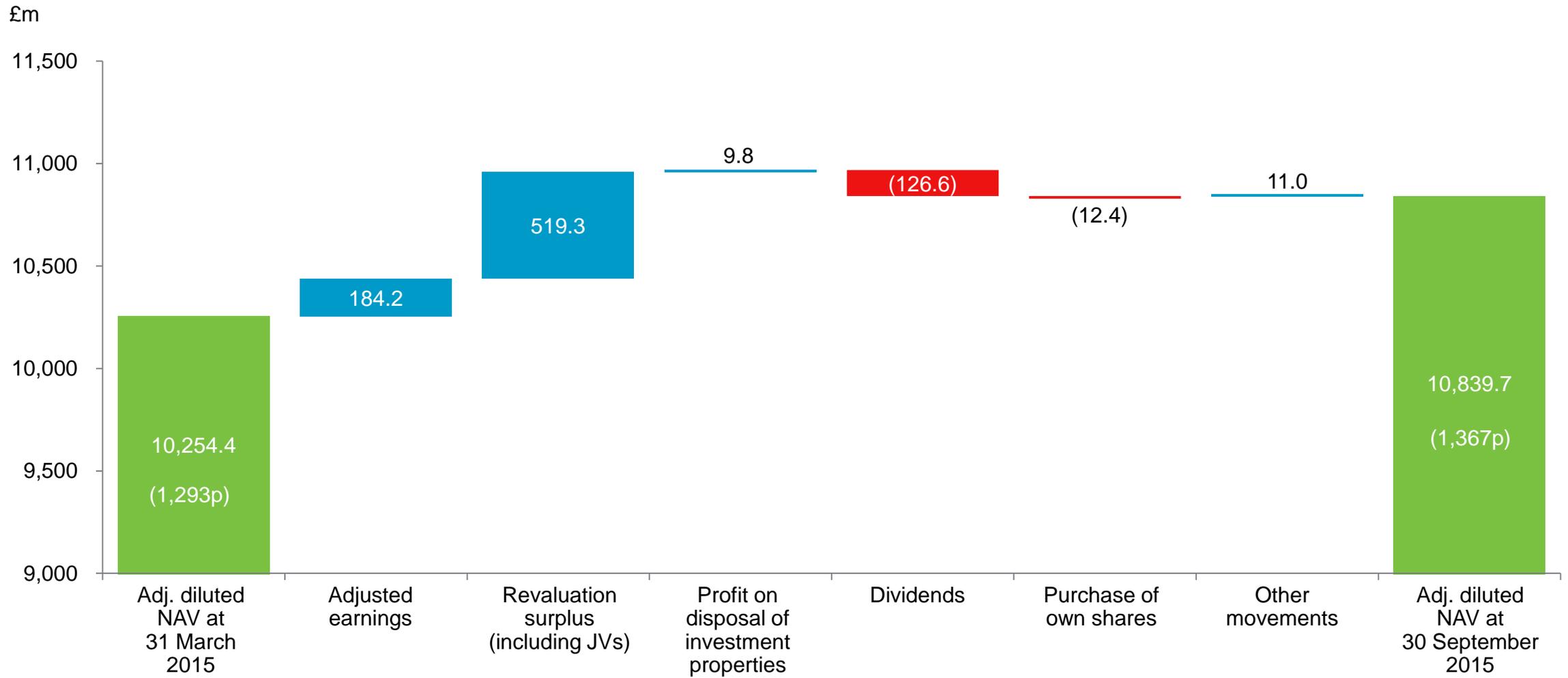
Net rental income analysis



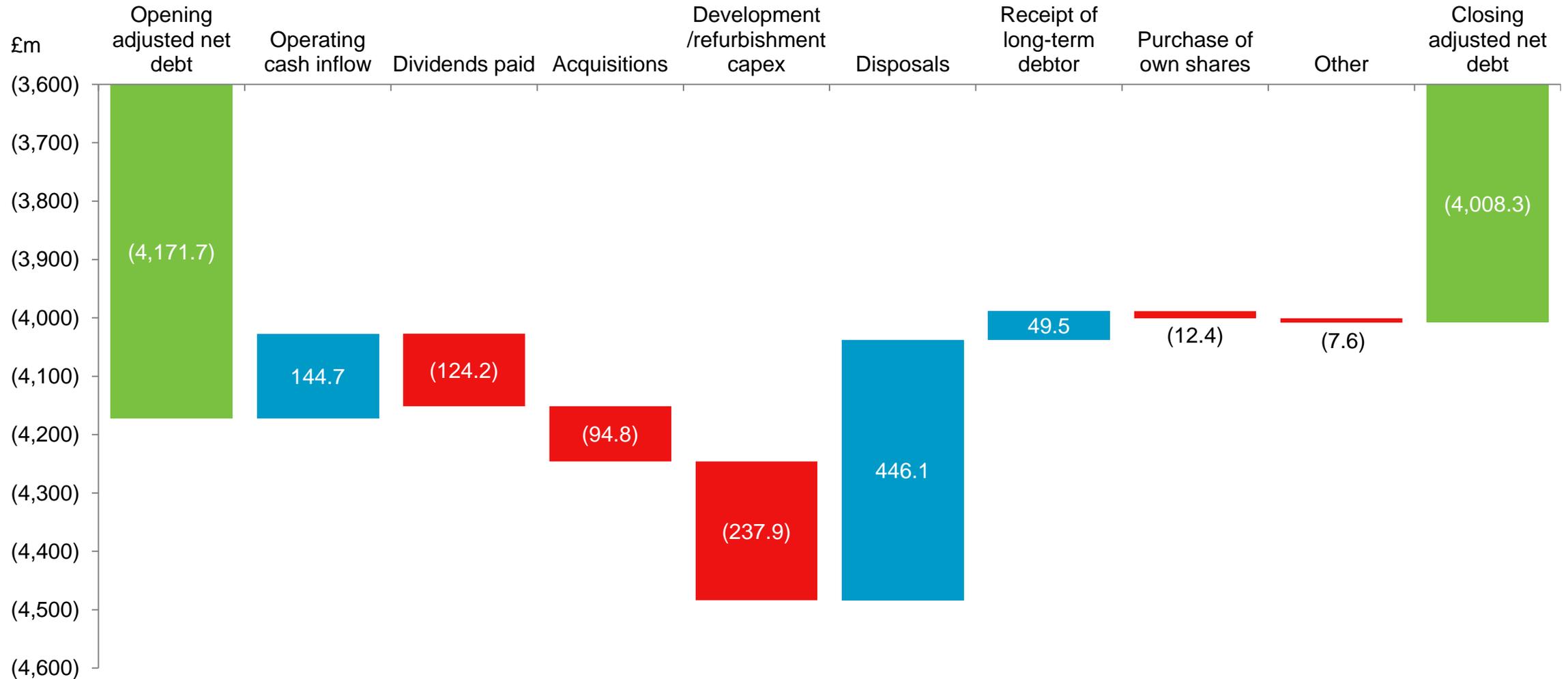
Combined Portfolio valuation

	Market value at 30.09.15	Combined Portfolio by value	Valuation surplus Six months ended 30.09.15	
	£m	%	%	£m
Like-for-like	10,850.8	74.4	3.0	301.7
Acquisitions	916.8	6.3	5.3	46.0
Completed developments	1,010.4	6.9	10.7	94.0
Proposed developments	285.0	2.0	-7.7	(23.9)
Development programme	1,518.5	10.4	6.8	96.2
Non-current asset held for sale	n/a	n/a	3.6	5.3
Total Combined Portfolio	14,581.5	100.0	3.8	519.3

Movement in adjusted diluted NAV



Cash flow and adjusted net debt⁽¹⁾

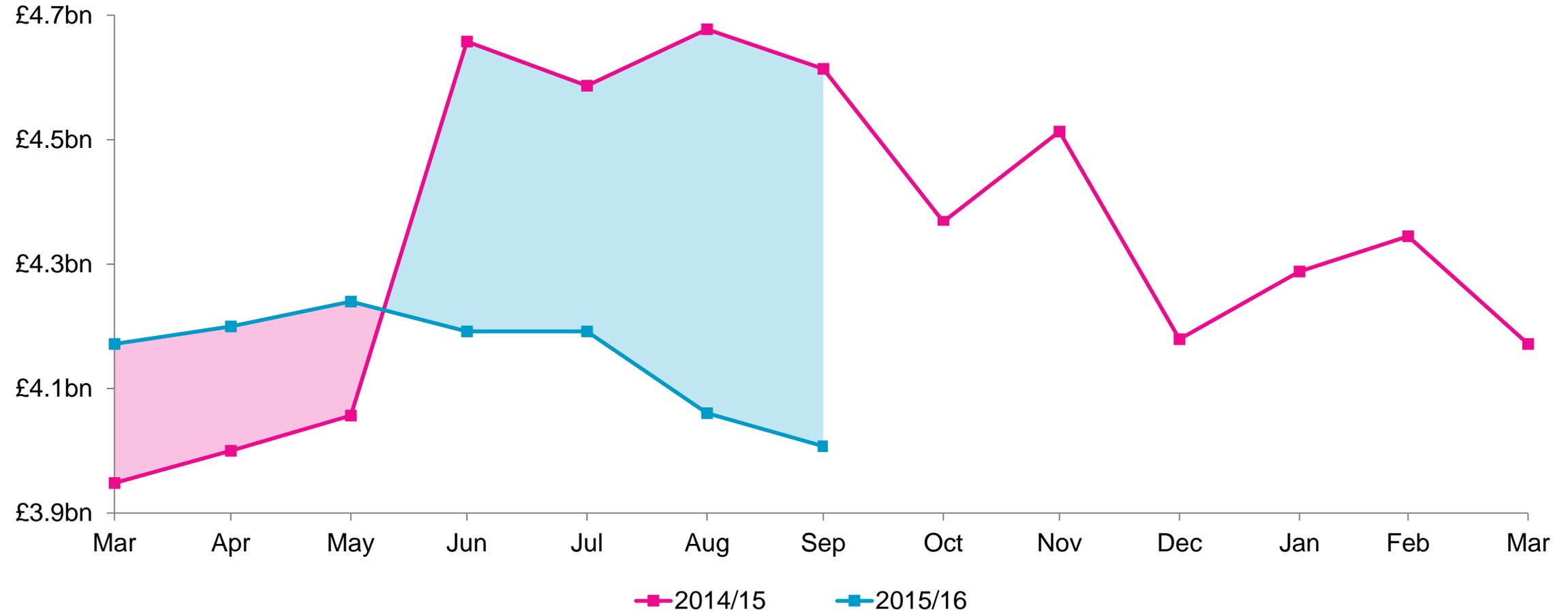


(1) On a proportionate basis

Adjusted net debt⁽¹⁾

Year on year comparison by month

Adjusted net debt



(1) On a proportionate basis

Financing

- Group LTV⁽¹⁾ at 26.5% down from 28.5% at 31 March 2015
- Weighted average maturity of debt: 8.3 years
- Weighted average cost of debt: 4.6%
- £1.4bn cash and undrawn facilities
- £125m new commitment added to syndicated facility taking total size to £1.4bn

Gearing	30 Sept 2015	31 Mar 2015
	(%)	(%)
Group LTV ⁽¹⁾	26.5	28.5
Security Group LTV	28.6	31.5

(1) On a proportionate basis

Financial summary

- Good earnings growth
- Higher quality, more resilient assets
- Strong balance sheet



Piccadilly Lights, W1

Land Securities Retail

Scott Parsons

Managing Director, Retail Portfolio



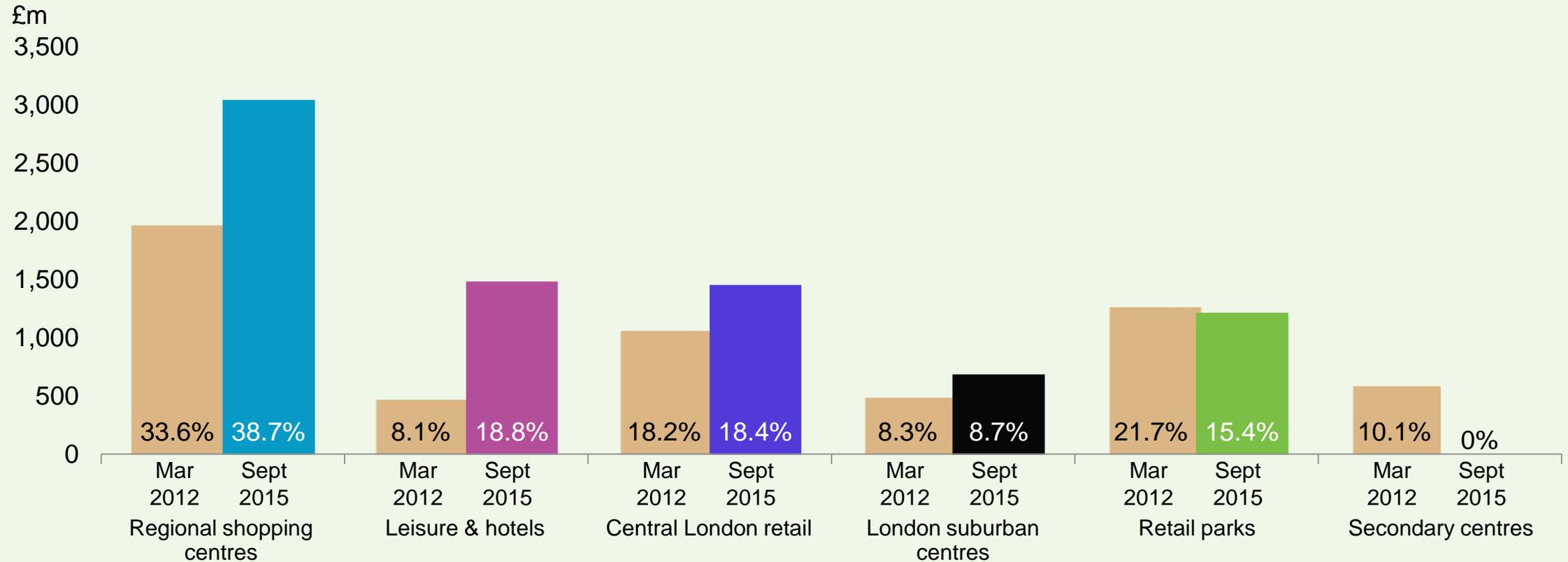
Drivers for retail performance



Best in class retail assets

Land Securities Retail*

Proportion of capital value - September 2015 vs. March 2012



* Includes Central London retail

Beating the benchmarks

- Footfall **↑4.1%**
(national benchmark **↓1.1%**)
- Same store sales **↑3.8%**
(national benchmark **↑2.6%**)
- MSUs top performers **↑6.7%**
- Same centre sales **↑5.2%**
- Sales to rent ratio <10%
- Brilliant basics and consumer experience



Trinity Leeds

Strong leasing momentum

- £14.9m investment lettings
 - £9.9m completed
 - £5.0m in solicitors' hands
- Retailer support for opportunities
 - Ealing Filmworks 42% pre-let
 - Worcester Woods 67% pre-let
 - Selly Oak, Birmingham 62% pre-let
 - Bluewater Glow redevelopment 32% ISH
 - White Rose leisure extension 48% pre-let
- £0.6m development lettings
 - Westgate, Oxford 33% pre-let



Westgate, Oxford

Low voids driving rental tension

- Like-for-like voids 2.1%
(31 March 2015: 2.4%)



- Units in administration 0.3%
(31 March 2015: 0.9%)



White Rose, Leeds

Relentless asset management

Like-for-like net rental income up 4.5%

- Shopping centre MSU upsizes
 - Achieving best sales growth
- Retail park unit right-sizing
 - Satisfying customer needs
- Broadening catering and leisure offer
 - c50 lettings completed or ISH



Polo Ralph Lauren, Gunwharf Quays



West India Quay, E14

Positioned for performance



- High quality £6.4bn portfolio
 - £7.9bn including Central London shops
- Footfall and sales beating benchmarks
- Strong letting momentum
- Low voids... rental tension
- Relentless asset management



Next, Bluewater

London Portfolio

Colette O'Shea

Managing Director, London Portfolio

London Portfolio – strong letting momentum



- 500,000 sq ft let or ISH since March
- Supply constrained conditions continue 2015-2016
- Supply increasing beyond 2016



Development – City and Mid-town – building portfolio resilience



20 Fenchurch Street, EC3

- 688,000 sq ft
- 98% let
- Average office rent £64 psf
- Average office lease term of 17 years
- Completed December 2014



New Ludgate, EC4

- 382,000 sq ft
- 92% let
- Average office rent £60 psf (£63 min uplift first review) on 95% of let space
- Average office lease term of 18 years
- Retail brands including Jamie's Italian, Burger & Lobster, Charles Tyrwhitt, Obica, Cojean and Coco di Mama
- Completed April 2015



1 New Street Square, EC4

- 275,000 sq ft
- 100% let
- Average office rent £64 psf (£68 min uplift first review)
- 20 year lease
- PC moved to July 2016
- Rent start remains June 2016

Development – Victoria – repositioned within West End market



Development – Victoria – great product ensuring value creation



62 Buckingham Gate, SW1

- 275,000 sq ft
- 96% let
- 4% in solicitors' hands
- Average office lease term of 10 years
- Completed May 2013



The Zig Zag Building, SW1

- 234,000 sq ft
- 37% let
- 51% in solicitors' hands
- Average office lease term of 20 years
- 4 of the 6 retail units let: Mango Jamie's Italian, Iberica and M Restaurants
- PC November 2015



Kings Gate, SW1

- 109,000 sq ft of residential
- 85 of 100 apartments sold
- Sold £141m approximately 70% by value
- £47.3m of completed sales
- Completed October 2015

Development – Nova – London's newest food quarter

80,000 sq ft
of restaurant and retail space

400
alfresco seats

18 units
9 deals exchanged
and 4 deals under offer

Retail PC unchanged
at July 2016



Development – Nova – London's newest food quarter



D&D
LONDON



JASON *a* THERTON

**RICKER
RESTAURANTS**

**SOURCED
MARKET**

BARBECOA



**The
Juice Well**

Development – Nova – transforming Victoria



Nova North & Nova South, SW1

- 480,000 sq ft offices
- 12% pre-let
- Average office lease term 15 years
- Office PC unchanged at July 2016



The Nova Building, SW1

- 166,000 sq ft residential
- 135 of 170 apartments pre-sold
- Holding 20% deposits
- Sold £200m approximately 59% by value
- Residential PC moved from April to phased completion between April and September 2016

Development – capitalising on a Crossrail location

- Paddington Crossrail
- 93,000 sq ft offices
- 6,000 sq ft floor plates
- PC April 2016
- 62% in solicitors' hands



20 Eastbourne Terrace, W2

Manage – strengthening income – building portfolio resilience



- Office WAULT 9.2 years
- Voids down from 4.3% to 3.6%
- Completed £7.1m investment lettings
- Completed £7.5m of rent reviews



One New Change, EC4

Manage – City, Mid-town and West End – on the front foot seizing and creating opportunities



Dashwood House, EC2

- 81% space was subject to review by March 2016
- Now reviewed 40% space
- Achieved 23% above passing rent



Thomas More Square, E1

- 70% of refurbished space let or in solicitors' hands
- Net effective rental value growth of 33%
- Completed September 2015



Holborn Gate, WC1

- 67% of refurbished space let or in solicitors' hands
- Net effective rental value growth of 14%
- PC due November 2015



30 Eastbourne Terrace, W2

- Two new lettings
- New rental tone in excess of £60 psf
- Rental tone will benefit 10 and 20 Eastbourne Terrace

Successfully recycling capital



Developed

- Development and refurbishment capex £178.8m

Sold

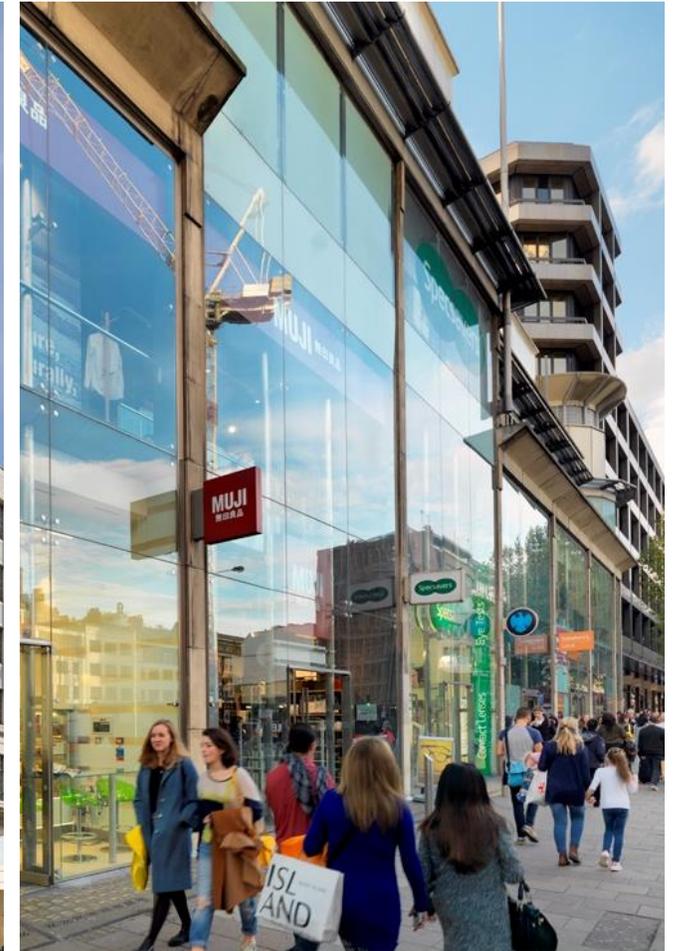
- 130 Wood Street
- 23-39 Eastcheap
- 6 Castle Lane
- 50 Oxford Street and 36-38 & 42-44 Hanway Street
- Above assets sold 10% ahead of March BV
- Completed on Times Square
- Total disposals £362.9m
- Exchanged contracts to sell Haymarket House £155.2m

Bought

- Remaining 50% of 6-17 Tottenham Court Road for £59.5m



Haymarket House, SW1



6-17 Tottenham Court Rd, W1

Future pipeline – building in optionality

- Current office space
287,000 sq ft
- Residential consent for
362,000 sq ft – 206 apartments
- Maintaining residential
optionality in 2020



Portland House, SW1

- 143,000 sq ft
- Submitted planning application
- Earliest VP date
January 2017



1 Sherwood Street, W1

- 515,000 sq ft
- Secured planning consent
and progressing s106
agreement
- Plan to build to grade
- Pre-letting opportunity



21 Moorfields, EC2

- 194,000 sq ft
- Submitted revised planning
application
- Plan to build to grade
- Pre-letting opportunity



Nova East, SW1 – Phase II

London Portfolio summary – business is delivering on all fronts



- Strong letting momentum
- Strengthening and lengthening existing income
- Actively working on the future pipeline

Summary

Robert Noel

Chief Executive

Summary

- Retail Portfolio in the right shape
- Healthy leasing market in London
- First class portfolio with stronger balance sheet
- Great team focused on creating new opportunities



New Street Square, EC4

Q&A

