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Top 10 assets by value as at 30 September 2016

Name	Principal occupiers	Ownership interest	Floor area	Annualised net rent ⁽¹⁾	Let by income	Weighted average unexpired lease term
		%	Sq ft (000)	£m	%	years
Cardinal Place, SW1	EDF, AT&T, Experian, 3i, Ruffer, Cambridge Associates, M&S, Capital Economics	100	Office: 555 Retail: 99	31.7	95	6.2
New Street Square, EC4	Deloitte, Taylor Wessing, Alix Partners, NetSuite, Stewarts Law, Blake Morgan LLP	100	Office: 669 Retail: 22	33.6	100	8.4
Bluewater, Kent	John Lewis, M&S, House of Fraser, Boots, Next, Topshop, H&M	30	Retail: 1,810	29.5	97	5.9
One New Change, EC4	K&L Gates, CME, Dealogic, CBRE, Madisons, Topshop, Panmure Gordon & Co	100	Office: 345 Retail: 196	30.3	99	7.2
Trinity Leeds	H&M, Topshop, Next, Primark, Boots, M&S, Everyman	100	Retail: 778	27.9	99	7.2
20 Fenchurch Street, EC3	Liberty Mutual, Markel, RSA, Tokio Marine Kiln, DWF, CNA Services, Allied World, Ascot Underwriting	50	Office: 670 Retail: 5	4.5	100	14.2
Gunwharf Quays, Portsmouth	Polo Ralph Lauren, Reiss, Nike, Ted Baker, Michael Kors, Hackett, Paul Smith, Under Armour	100	Retail: 584	26.9	100	6.7
1 Sherwood Street / Piccadilly Lights, W1	Hyundai, Barclays, Boots, McDonalds, Coca-Cola, Clear Channel	100	Office: 28 Retail: 70	19.8	91	3.3
1 & 2 New Ludgate, EC4	Mizuho, Ropes & Gray, XR Trading, Commonwealth Bank of Australia, Petronas, Cojean, Charles Tyrwhitt	100	Office: 355 Retail: 27	2.0	96	16.6
Queen Anne's Gate, SW1	Central Government	100	Office: 354	31.4	100	10.1

Aggregate value of top 10 assets: £6.2bn (42.8% of Combined Portfolio)

(1) Land Securities' share

Combined Portfolio valuation analysis

Six months ended 30 September 2016

	Value	Valuation change – Combined Portfolio excl. development programme	Valuation change – development programme	Valuation change – Combined Portfolio	Net initial yield	Equivalent yield	Movement in equivalent yield
	£m	%	%	%	%	%	bps
Shopping centres and shops	3,773.3	-2.2	0.1	-2.1	4.2	4.8	11
Retail parks	857.0	-4.5	-	-4.5	5.3	5.6	21
Leisure and hotels	1,541.6	0.2	-	0.2	5.4	5.5	3
Central London shops	1,418.1	-0.4	-2.3	-0.6	3.3	3.9	14
London offices	6,728.9	-3.1	3.1	-2.1	2.6	4.5	10
Other	62.3	-4.1	-	-4.1	1.8	3.5	-10
Total portfolio	14,381.2	-2.3	2.3	-1.8	3.6	4.7	10

Like-for-like portfolio valuation analysis

Six months ended 30 September 2016

	Market value 30 September 2016	Valuation movement	Rental value change ⁽¹⁾	Net initial yield	Equivalent yield	Movement in equivalent yield
	£m	%	%	%	%	bps
Shopping centres and shops	3,621.1	-2.2	1.4	4.4	4.8	11
Retail parks	851.9	-4.2	-0.2	5.4	5.6	22
Leisure and hotels	1,518.3	0.2	0.1	5.4	5.5	-
Central London shops	1,175.3	-0.4	1.6	3.5	4.1	7
London offices	4,145.2	-3.6	-	3.9	4.6	15
Other	62.3	-4.0	-	1.8	3.5	-6
Total like-for-like portfolio	11,374.1	-2.4	0.6	4.3	4.8	11

(1) Rental value change excludes units materially altered during the period and Queen Anne's Gate, SW1

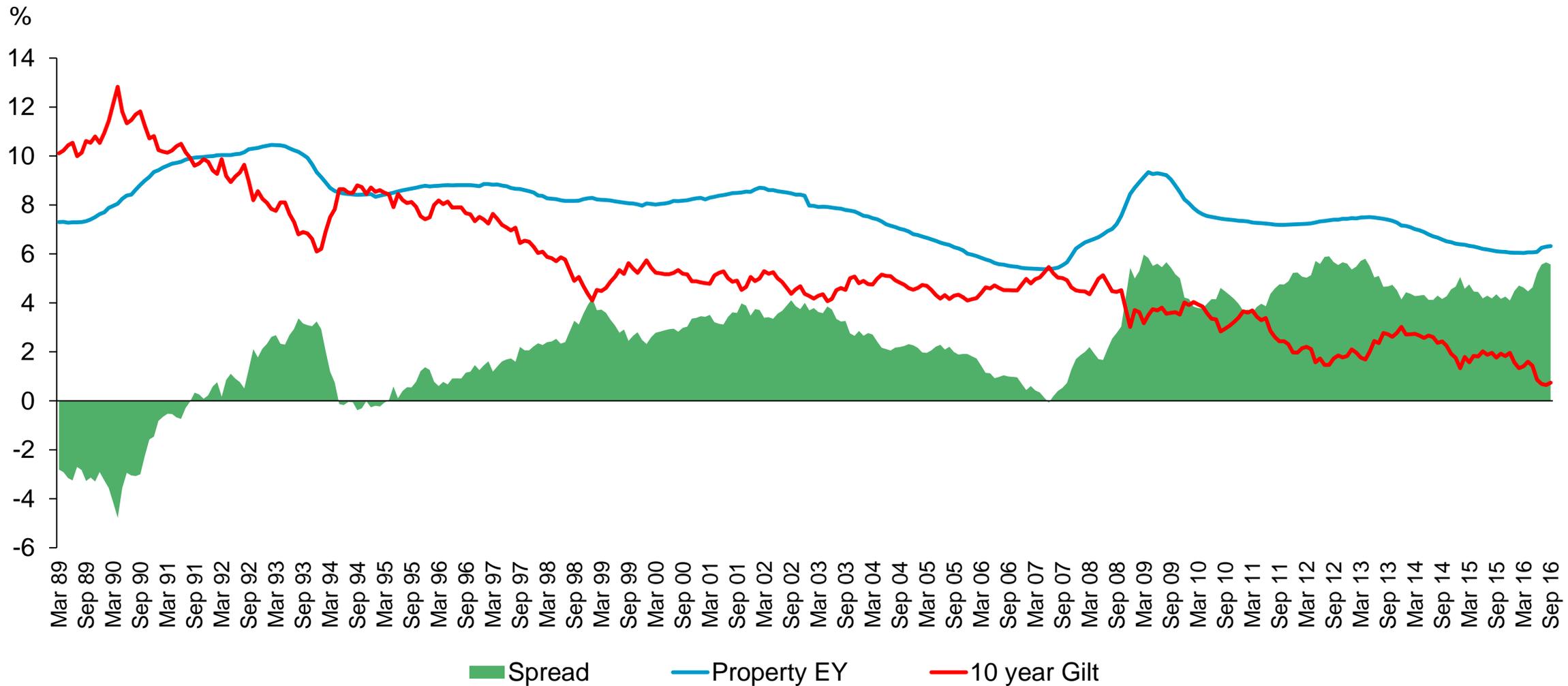
Yield changes

Like-for-like portfolio

	31 March 2016		30 September 2016		
	Net initial yield	Equivalent yield	Net initial yield	Topped-up net initial yield ⁽¹⁾	Equivalent yield
	%	%	%	%	%
Shopping centres and shops	4.4	4.7	4.4	4.6	4.8
Retail parks	5.1	5.4	5.4	5.8	5.6
Leisure and hotels	5.4	5.5	5.4	5.4	5.5
Central London shops	3.5	4.0	3.5	3.6	4.1
London offices	3.7	4.5	3.9	4.1	4.6
Other	2.7	3.6	1.8	1.8	3.5
Total like-for-like portfolio	4.2	4.7	4.3	4.5	4.8

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

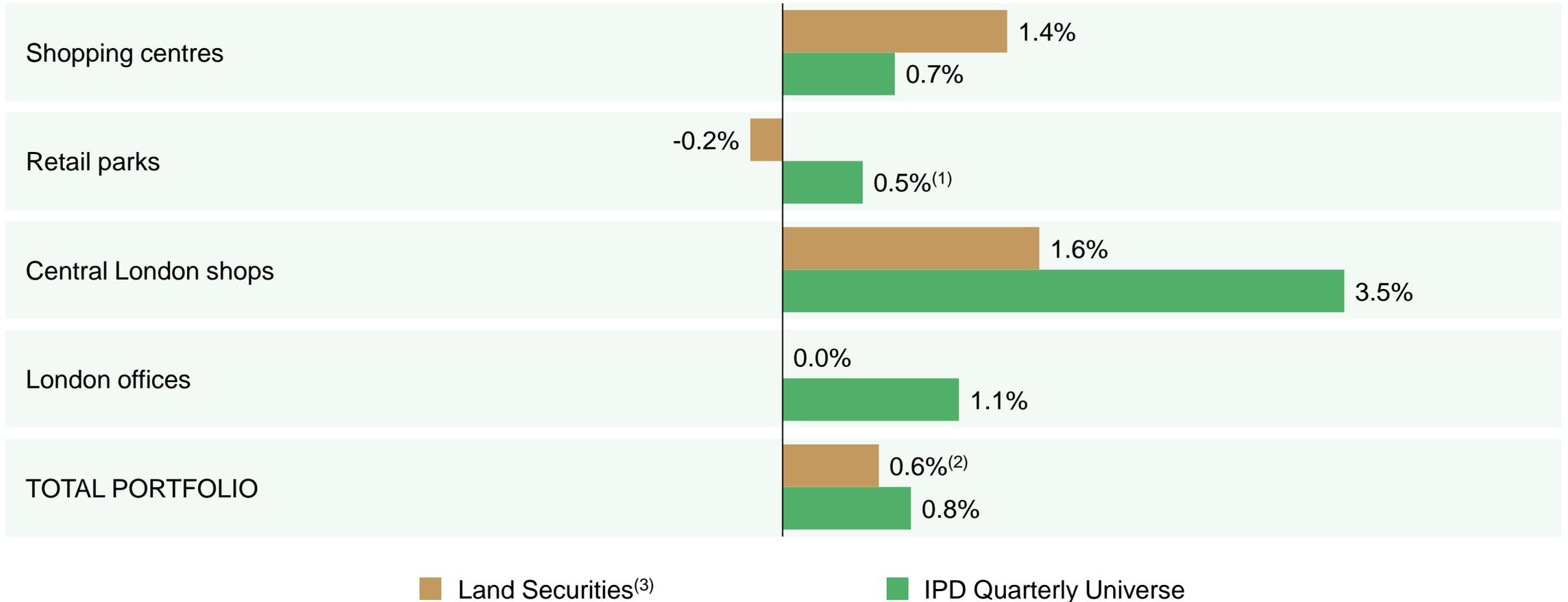
Property – gilt yield spread



(1) Source: Bloomberg, IPD Monthly Index All Property

Rental value performance

Like-for-like properties vs IPD Quarterly Universe (six months ended 30 September 2016)



(1) IPD Retail Warehouses Quarterly Universe

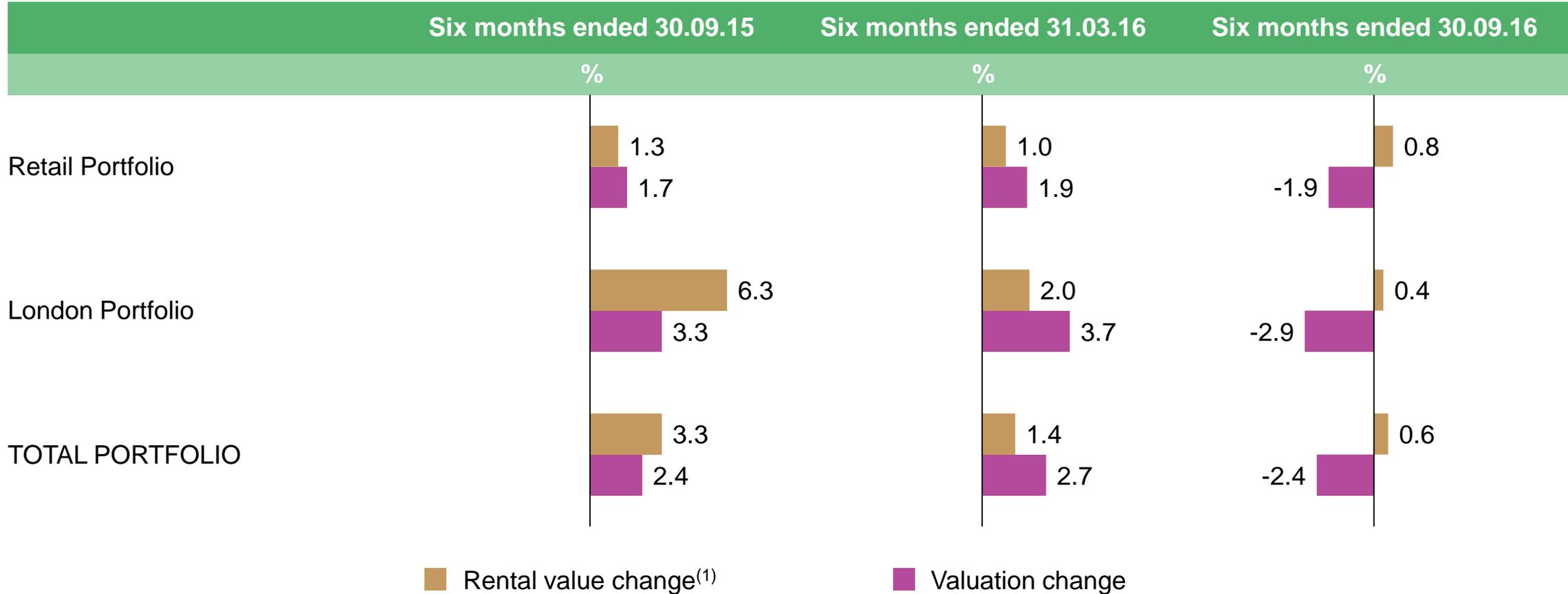
(2) Includes leisure, hotel portfolio and other

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

Rental and capital value trends

Like-for-like portfolio

Like-for-like portfolio value at 30 September 2016: £11,374.1m

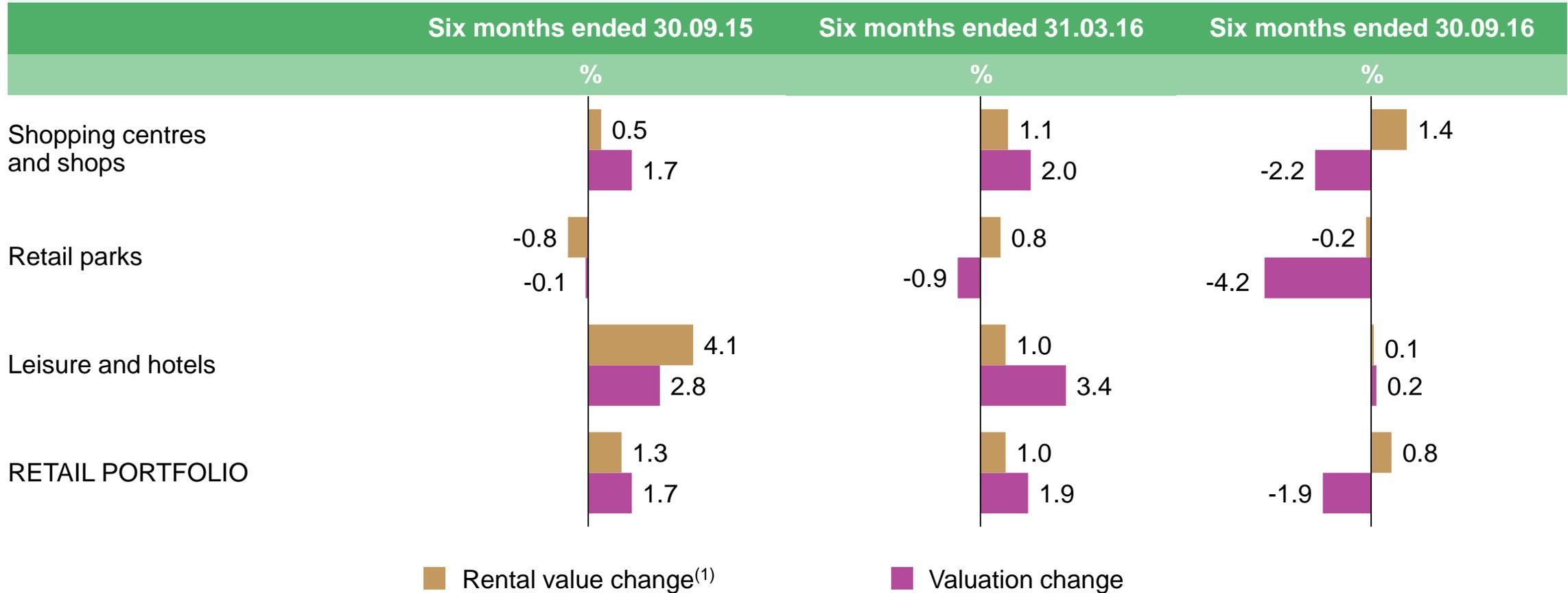


(1) Rental value change figures exclude units materially altered during the period and also Queen Anne's Gate, SW1

Rental and capital value trends

Retail like-for-like portfolio

Like-for-like portfolio value at 30 September 2016: £6,011.1m

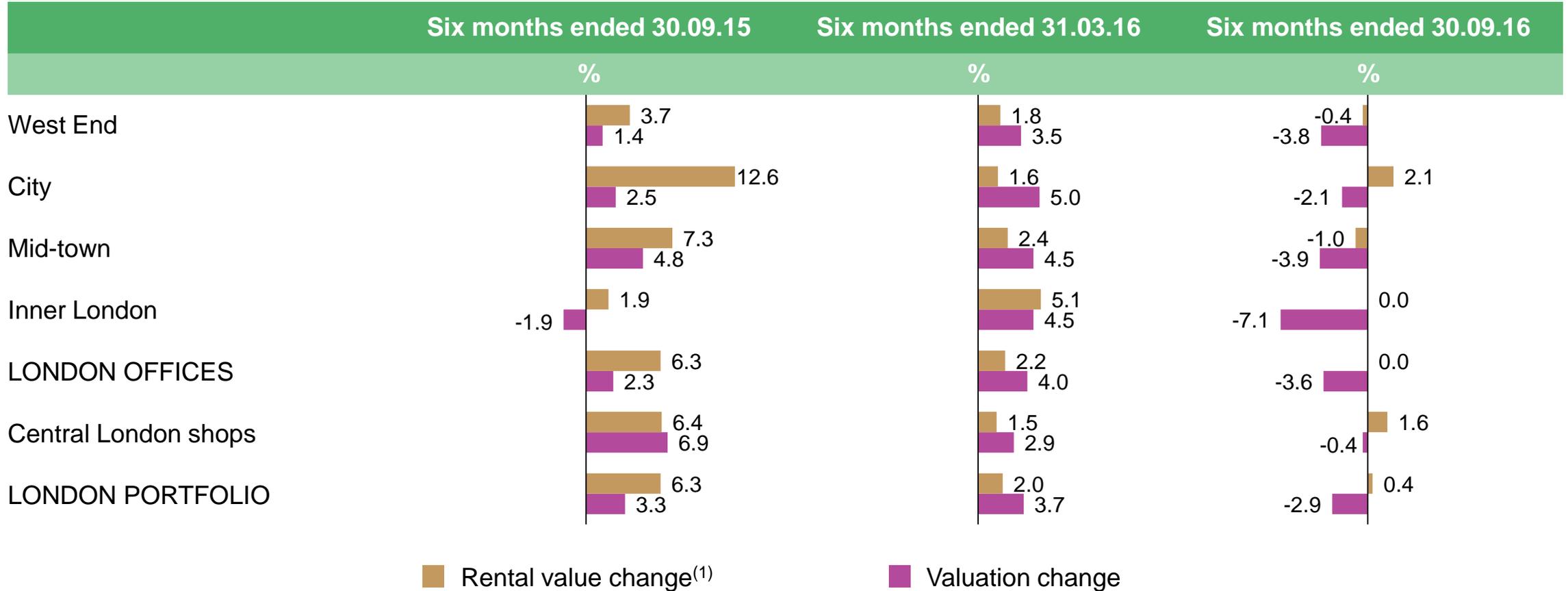


(1) Rental value change figures exclude units materially altered during the period

Rental and capital value trends

London like-for-like portfolio

Like-for-like portfolio value at 30 September 2016: £5,363.0m



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

Portfolio performance relative to IPD Quarterly Universe

Ungeared total return (six months ended 30 September 2016)



(1) IPD Retail Warehouses Quarterly Universe

(2) Includes leisure, hotel portfolio and other

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: Market value at 30 Sept + outstanding TDC
	Sq ft (000)	%	£m	£m	%	£m	£m	%
The Zig Zag Building, SW1 ⁽³⁾	234	89	184	17.0	9.3	196	392	4.3
20 Eastbourne Terrace, W2	93	90	67	6.4	9.6	63	132	4.9
1 New Street Square, EC4	275	100	174	15.5	8.9	139	316	4.9
Nova, Victoria, SW1 – Phase I ⁽⁴⁾	561	35	258	20.7	8.0	148	413	5.0
Oriana, W1 – Phase II ⁽⁴⁾⁽⁵⁾	31	100	20	2.0	9.9	26	46	4.3
Westgate Oxford ⁽⁴⁾	840	49	222	14.0	6.3	22	247	5.7
Total	2,034		925	75.6	8.2	594	1,546	4.9

(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 2016 on unlet units

(3) Includes retail element of Kings Gate, SW1

(4) Land Securities' share, except floor space

(5) Figures stated after the disposal of 28-32 Oxford Street, W1

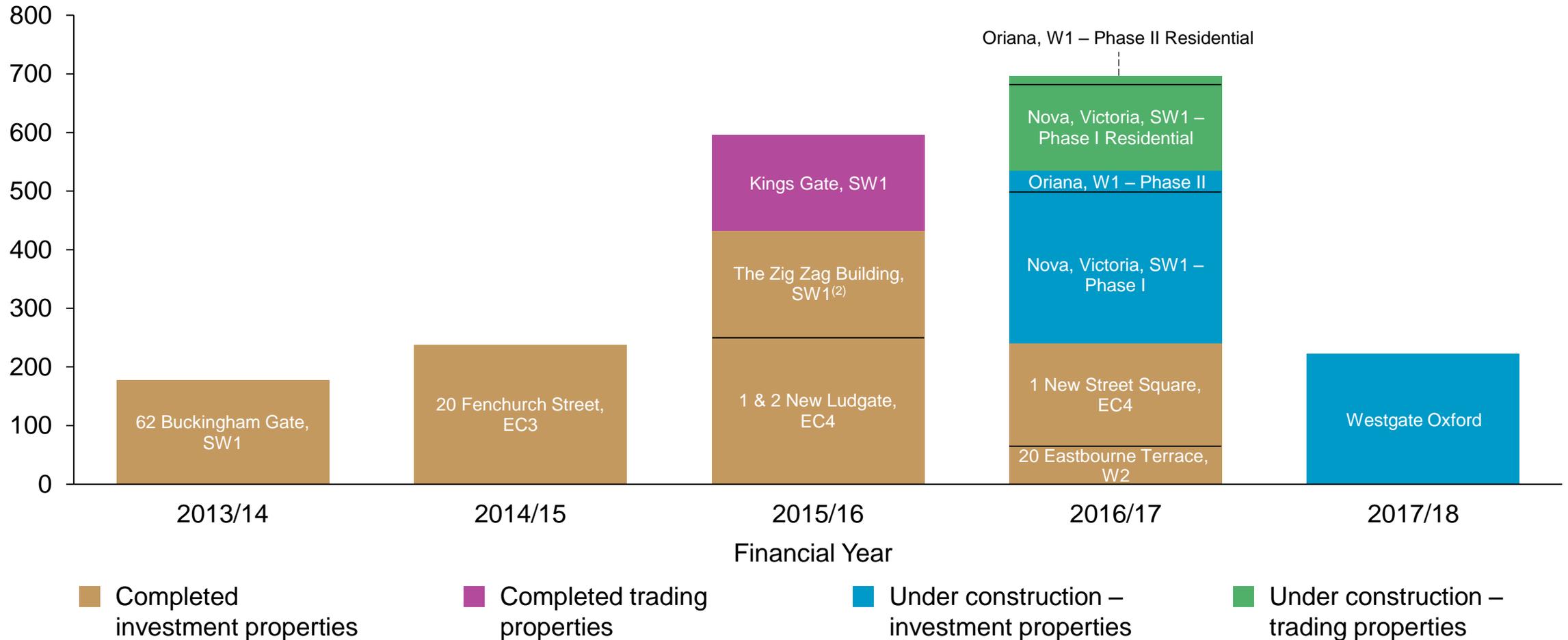
Development programme – yield on TDC

London Portfolio: 8.8% (headline rents) 7.6% (P&L rents)

Retail Portfolio: 6.3% (headline rents) 5.9% (P&L rents)

Development completions

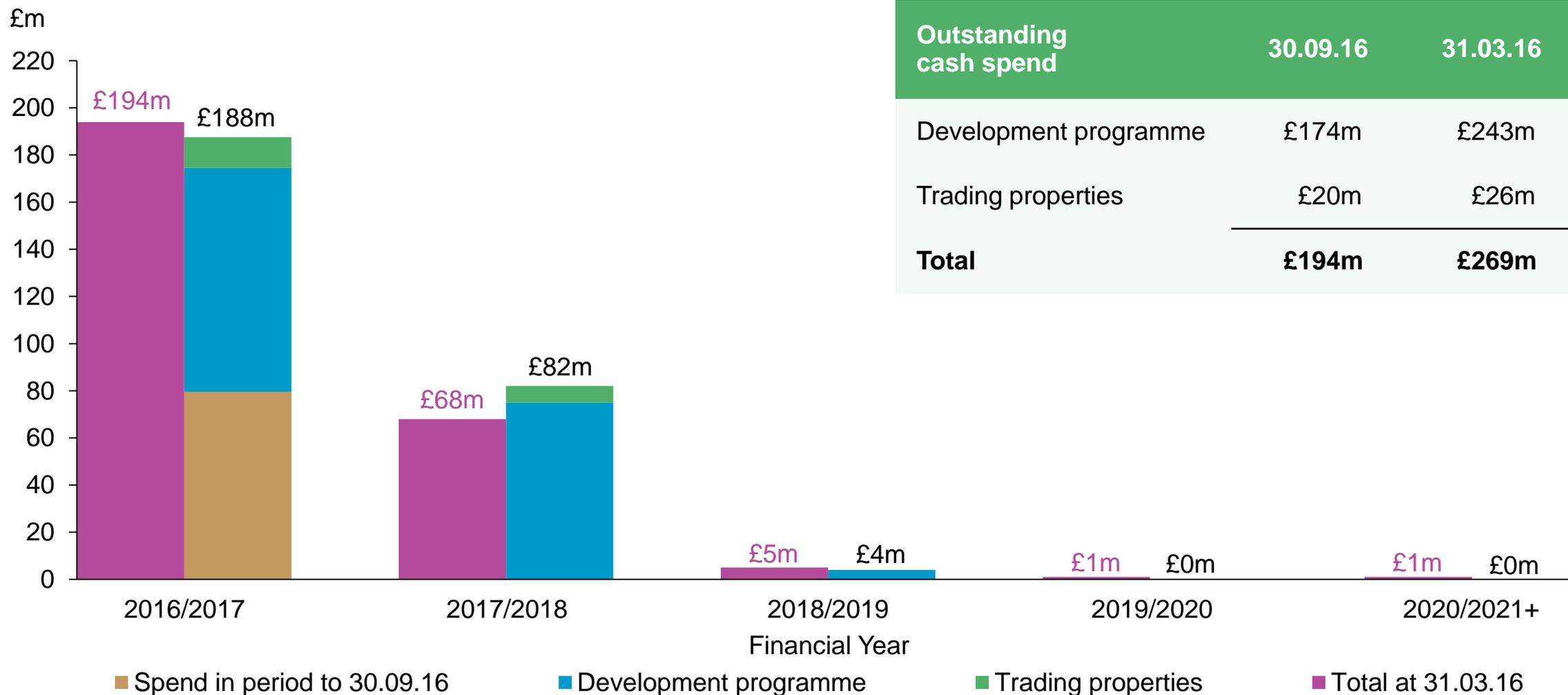
Total development cost (TDC) at completion £m⁽¹⁾



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

Development expenditure

Estimated future spend



Outstanding cash spend	30.09.16	31.03.16
Development programme	£174m	£243m
Trading properties	£20m	£26m
Total	£194m	£269m

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

Future development opportunities

Property	Annualised net rent 30.09.16	Current area	Proposed area	Earliest start / possession / programme date	Comment
	£m	Sq ft (000)	Sq ft (000)		
21 Moorfields, EC2	-	120	521	January 2017	Existing consent 515,000 sq ft. MMA submitted in August 2016 increasing the area to 521,000 sq ft.
Selly Oak, Birmingham	-	-	289	March 2017	Planning received. Site remediation complete.
Nova East, SW1	-	-	196	July 2018	Land returned to Land Securities in 2016 by LUL. Planning secured. Current programmed start date of July 2018.
1 Sherwood Street, W1	1.8	69	142	July 2018	Site behind Piccadilly Lights, W1. Planning secured. Subject to securing vacant possession.
Southwark estate, SE1 ⁽¹⁾	2.9	227	336	October 2019	Planning application submitted for 134,000 sq ft, balance in feasibility. Subject to vacant possession.
Total	4.7	416	1,484		

(1) Southwark estate, SE1 includes: Red Lion Court, 105 Sumner Street and 133 Park Street

Retailer affordability – shopping centres

Footfall and sales (26 weeks to 02.10.16 vs 26 weeks to 04.10.15)		Benchmarks			
Footfall	-1.1%	UK Footfall ⁽¹⁾	-2.2%		
Same centre					
Land Securities retail sales ⁽²⁾	0.8%	BRC Physical retail store sales ⁽³⁾	-1.8%	BRC All retail sales ⁽⁴⁾	0.4%
Same store					
Land Securities retail sales ⁽⁵⁾	-1.7%	BRC Physical retail store sales ⁽³⁾	-2.1%		

Occupancy cost trends	Rent to physical store sales ratio ⁽⁶⁾	Occupancy cost to physical store sales ⁽⁷⁾	Rent / sq ft
	%	%	£
Overall	10.5	17.9	39
Excluding anchor stores	12.2	20.4	52
Excluding anchor stores and MSUs	12.6	20.9	61
Catering only	10.3	16.9	47

Key observations:

- Same centre retail sales were up 0.8% against a physical stores benchmark of -1.8%, driven by active asset management
- Rent to physical store sales ratios indicate rents are affordable

Source: Land Securities, unless specified below; data is exclusive of VAT and, for the 6 month figures above, based on c. 1,370 retailers that provide Land Securities with turnover data

- (1) UK Footfall Benchmark provided by ShopperTrak (formerly Tyco Footfall)
- (2) Land Securities' shopping centres same centre total sales. Based on all store sales in centres and takes into account new stores and new space
- (3) BRC – KPMG Retail Sales Monitor (RSM). Based on an average of two quarters non-food retail sales growth for physical i.e. bricks and mortar, stores only (does not include online sales)
- (4) BRC – KPMG Retail Sales Monitor (RSM). Based on an average of two quarters non-food retail sales growth including online sales
- (5) Land Securities' shopping centres same store / same tenant like-for-like sales
- (6) Rent as a percentage of total annual physical store sales
- (7) Total Occupancy Cost (rent, rates, insurance and service charge) as a percentage of total annual physical store sales

Prospective rental income⁽¹⁾

From the development programme

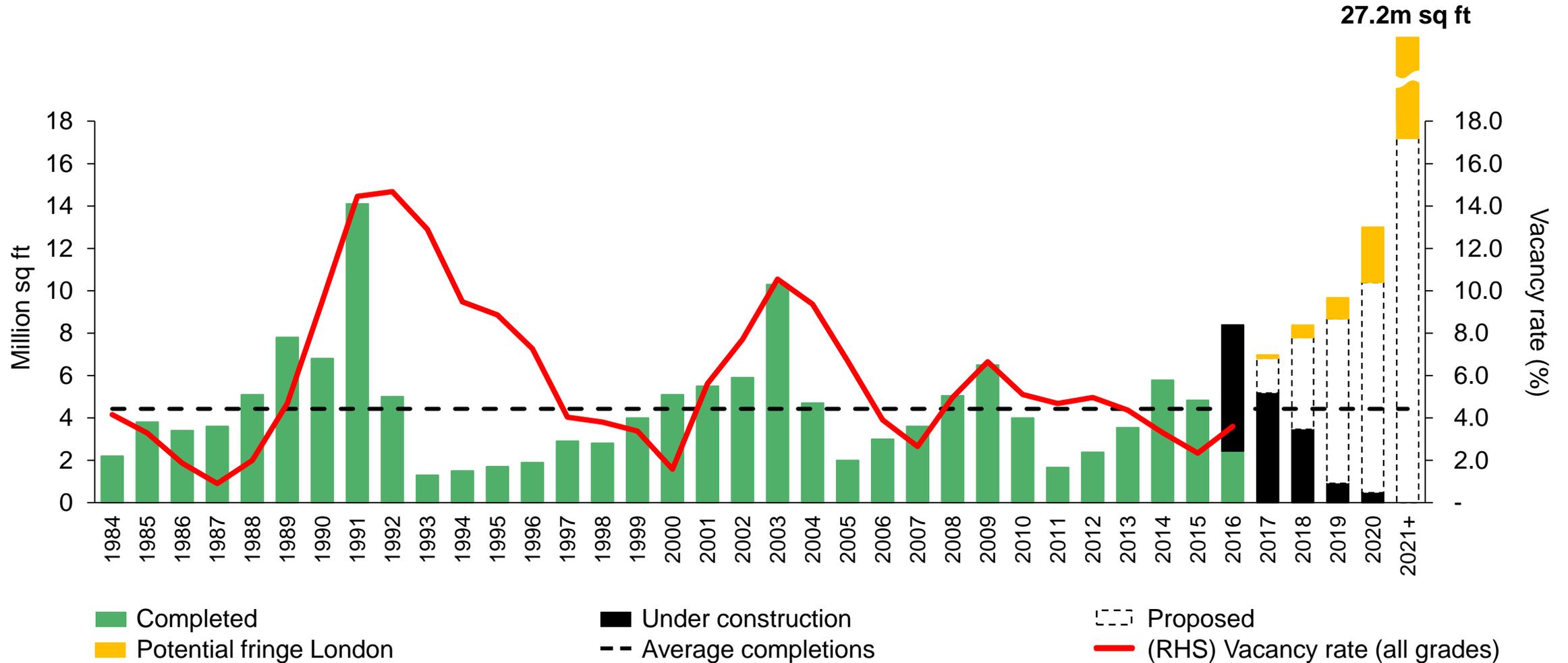
	London Portfolio £m	Retail Portfolio £m	Total Portfolio £m
31 March 2017⁽²⁾			
Contracted	21.1	-	21.1
Non-contracted	8.0	-	8.0
Total prospective rental income	29.1	-	29.1
31 March 2018			
Contracted	43.9	2.9	46.8
Non-contracted	15.7	2.9	18.6
Total prospective rental income	59.6	5.8	65.4
31 March 2019			
Contracted	43.9	6.9	50.8
Non-contracted	15.7	7.1	22.8
Total prospective rental income	59.6	14.0	73.6
31 March 2020			
Contracted	43.9	6.9	50.8
Non-contracted	15.7	7.1	22.8
Total prospective rental income	59.6	14.0	73.6
31 March 2021			
Contracted	43.9	6.9	50.8
Non-contracted	15.7	7.1	22.8
Total prospective rental income	59.6	14.0	73.6

(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 March 2017 represents six months income for the second half of the financial year

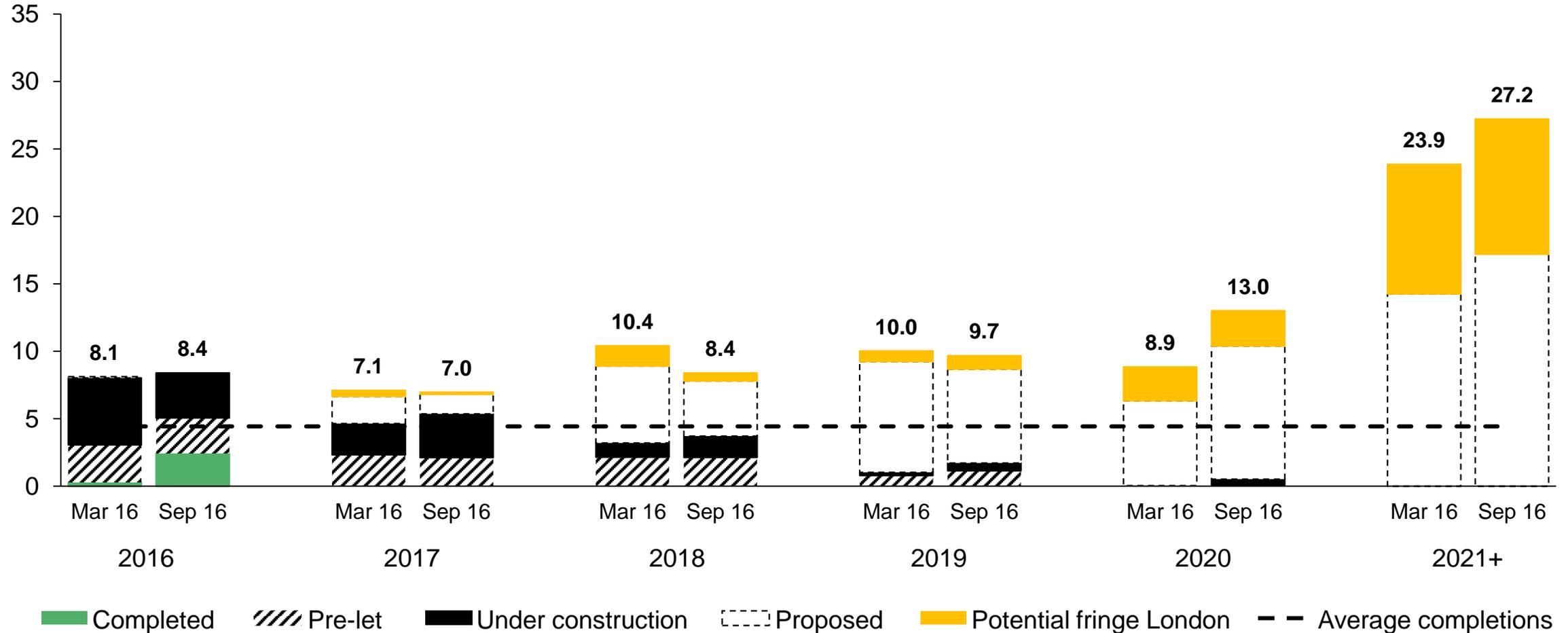
Central London supply – September 2016

Grade A completions and vacancy



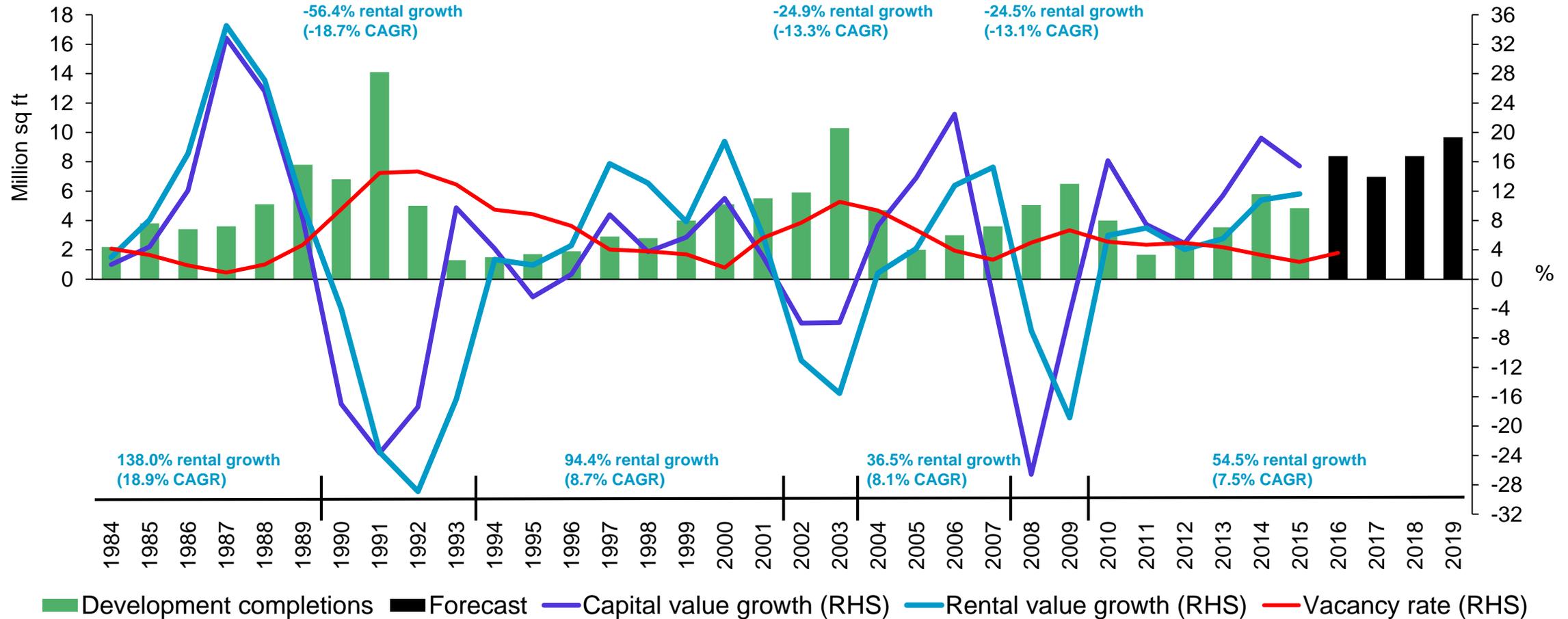
Central London supply – Mar 16 and Sep 16 forecasts

Million sq ft

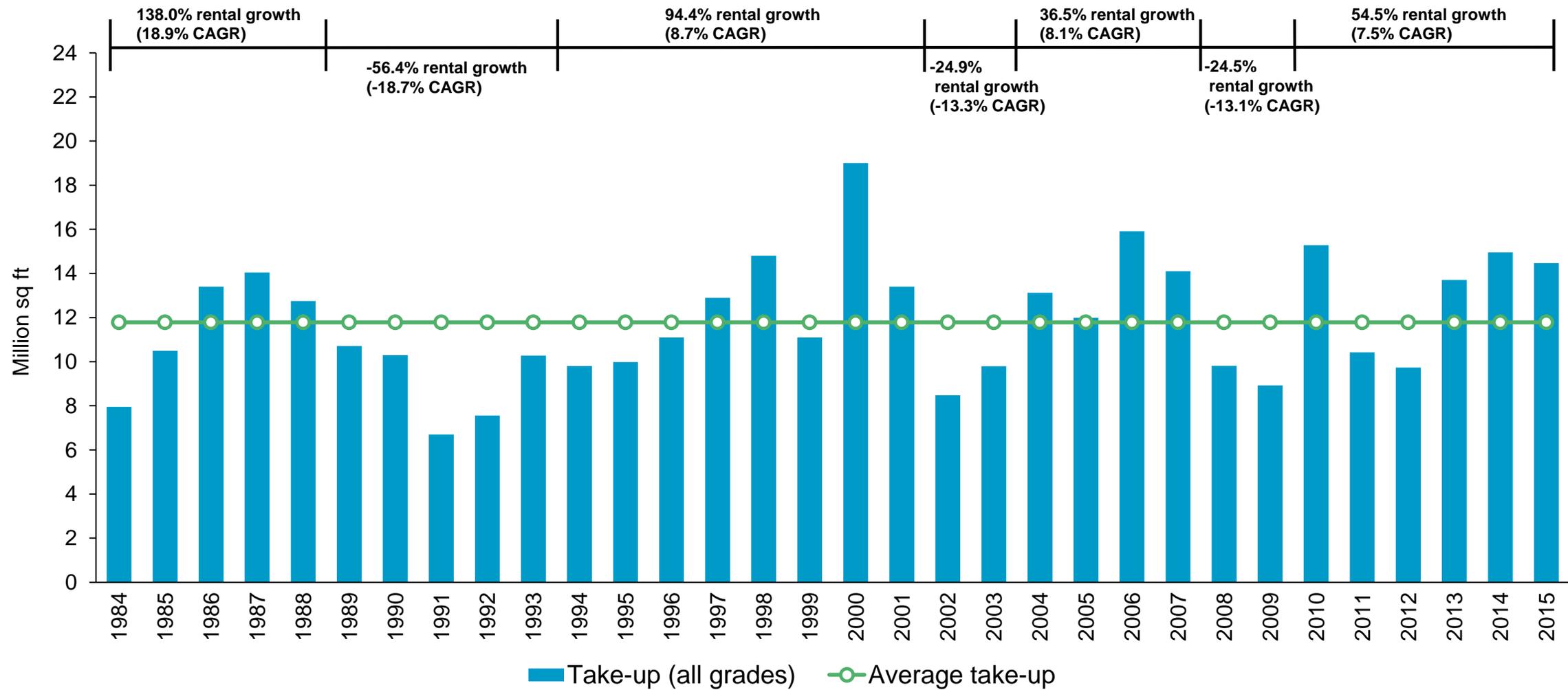


Central London office market

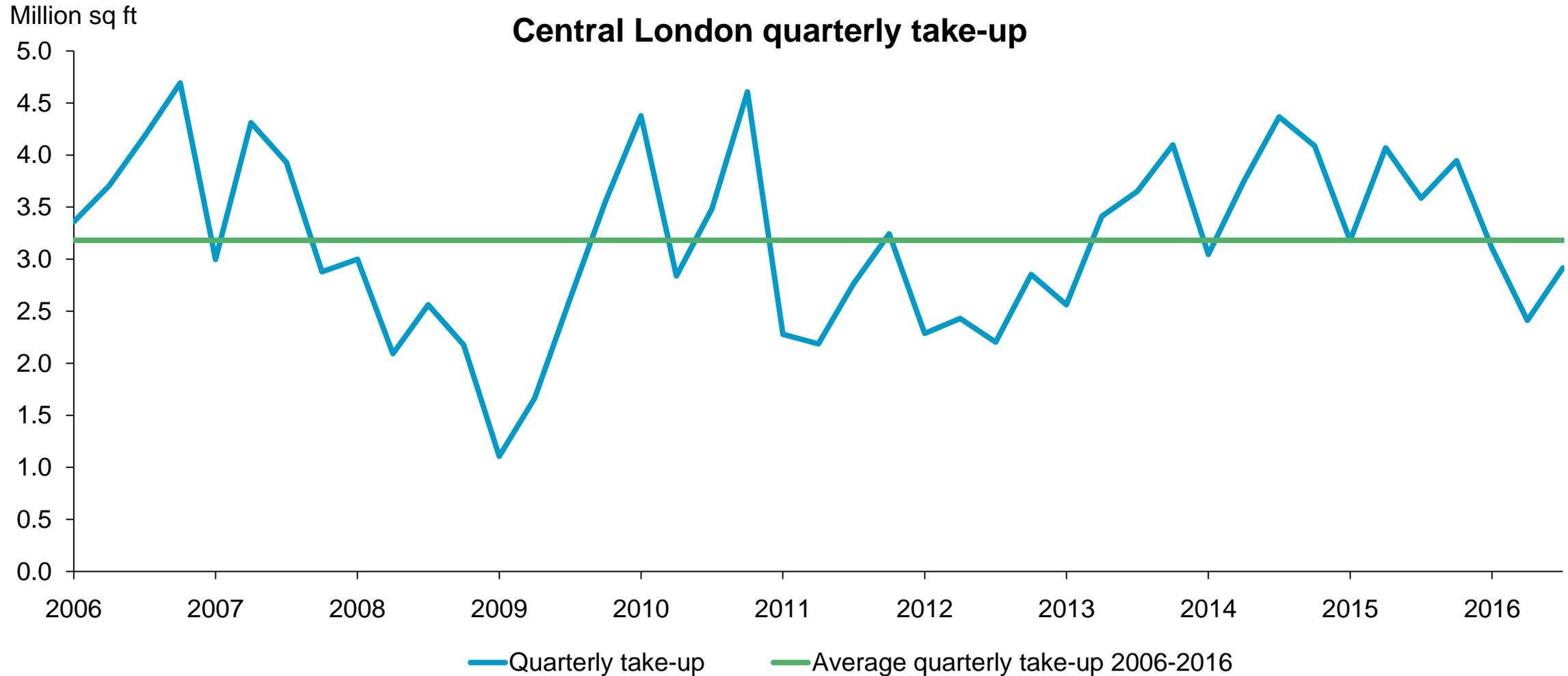
Development completions, vacancy and IPD rental and capital growth



London office market – take-up



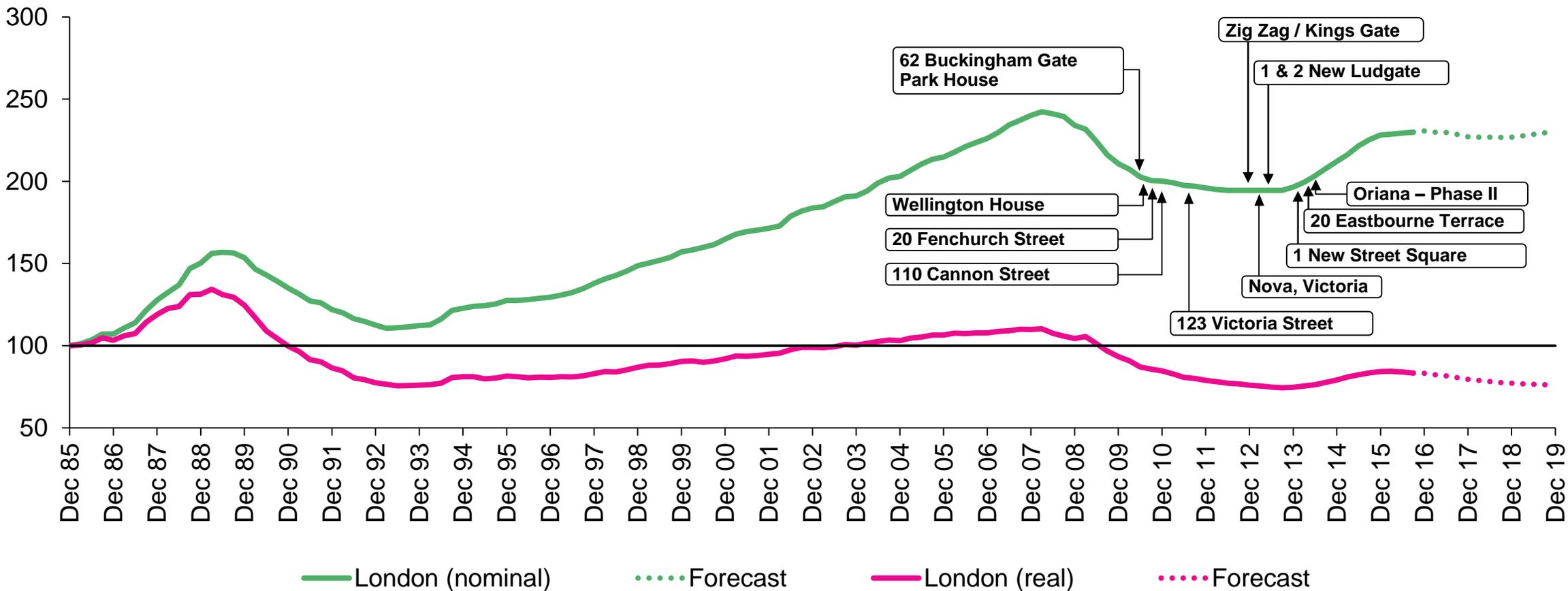
Take-up lower



Land Securities' London developments

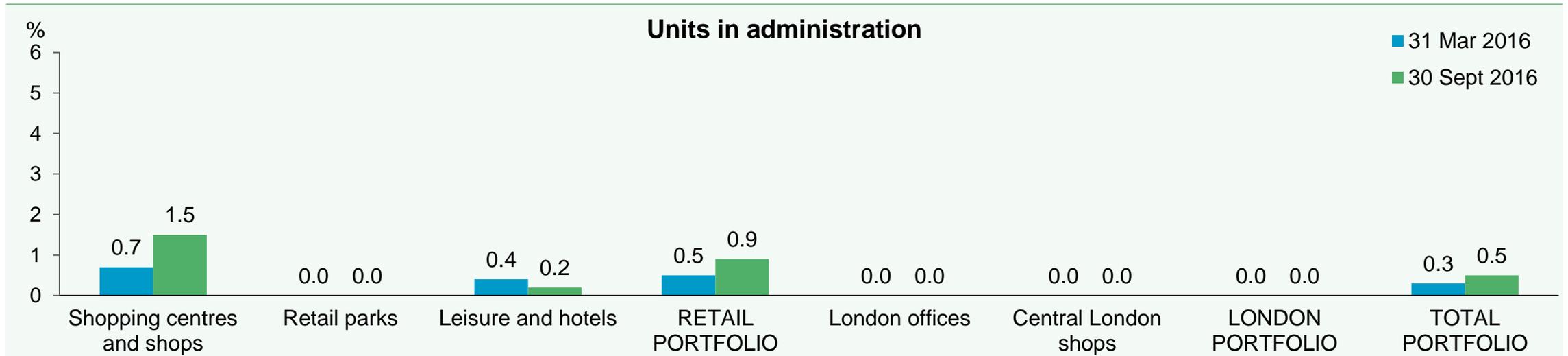
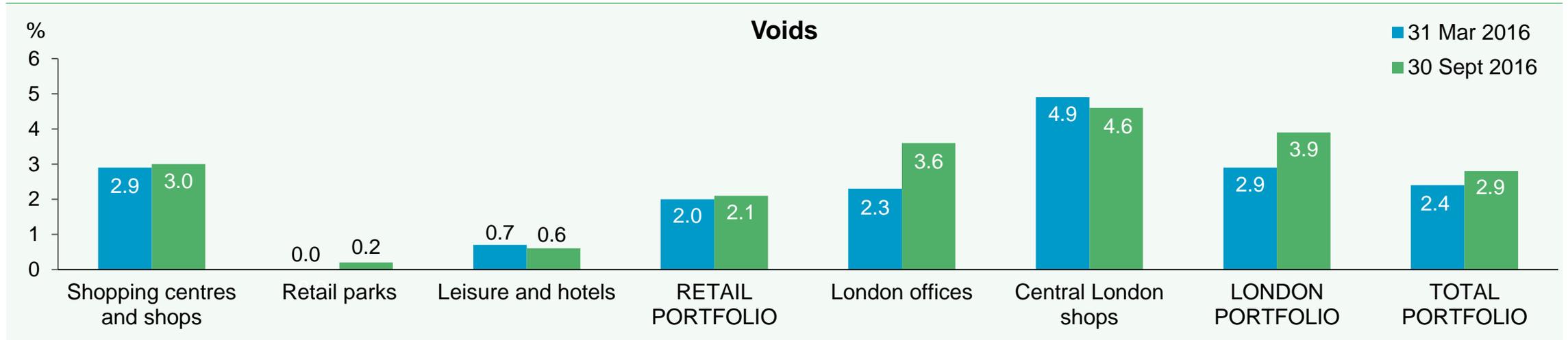
Construction contracts negotiated

Tender prices Dec 1985 = 100



Voids and units in administration

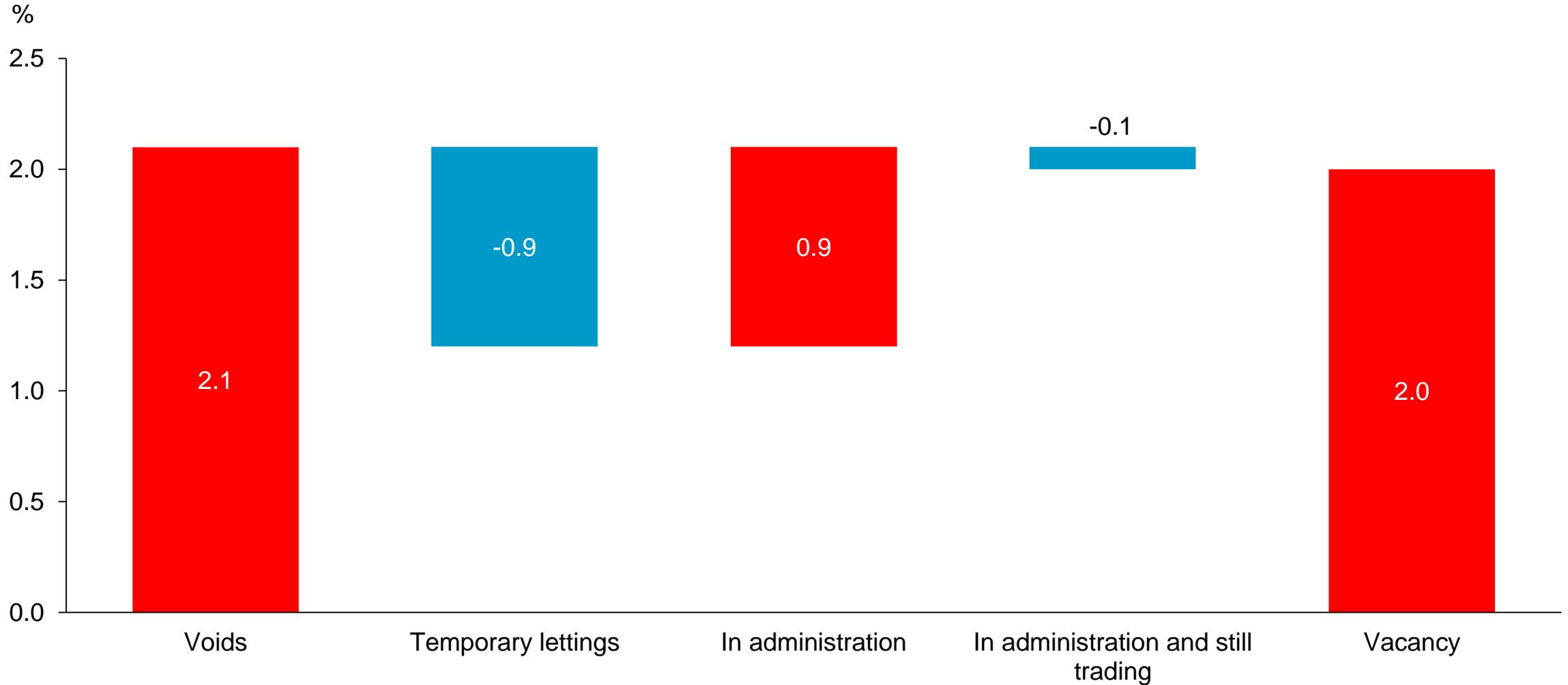
Like-for-like portfolio





Retail Portfolio vacancy as at 30 September 2016

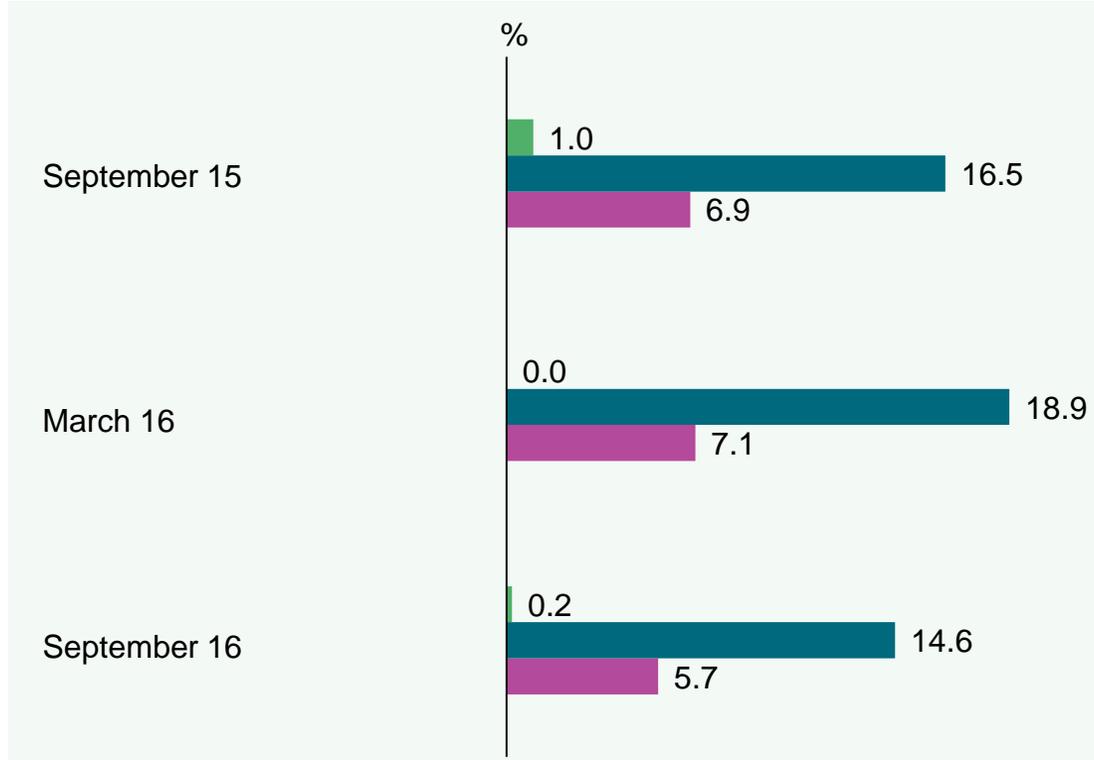
Like-for-like Retail Portfolio



Reversionary potential

Like-for-like portfolio⁽¹⁾

Net reversionary potential⁽²⁾



■ Retail Portfolio
 ■ London Portfolio
 ■ Total portfolio

Reversionary potential⁽²⁾ at 30 September 2016



■ Gross reversionary potential
 ■ Over-renting
 ■ Net reversionary potential

(1) Excludes Queen Anne's Gate, SW1

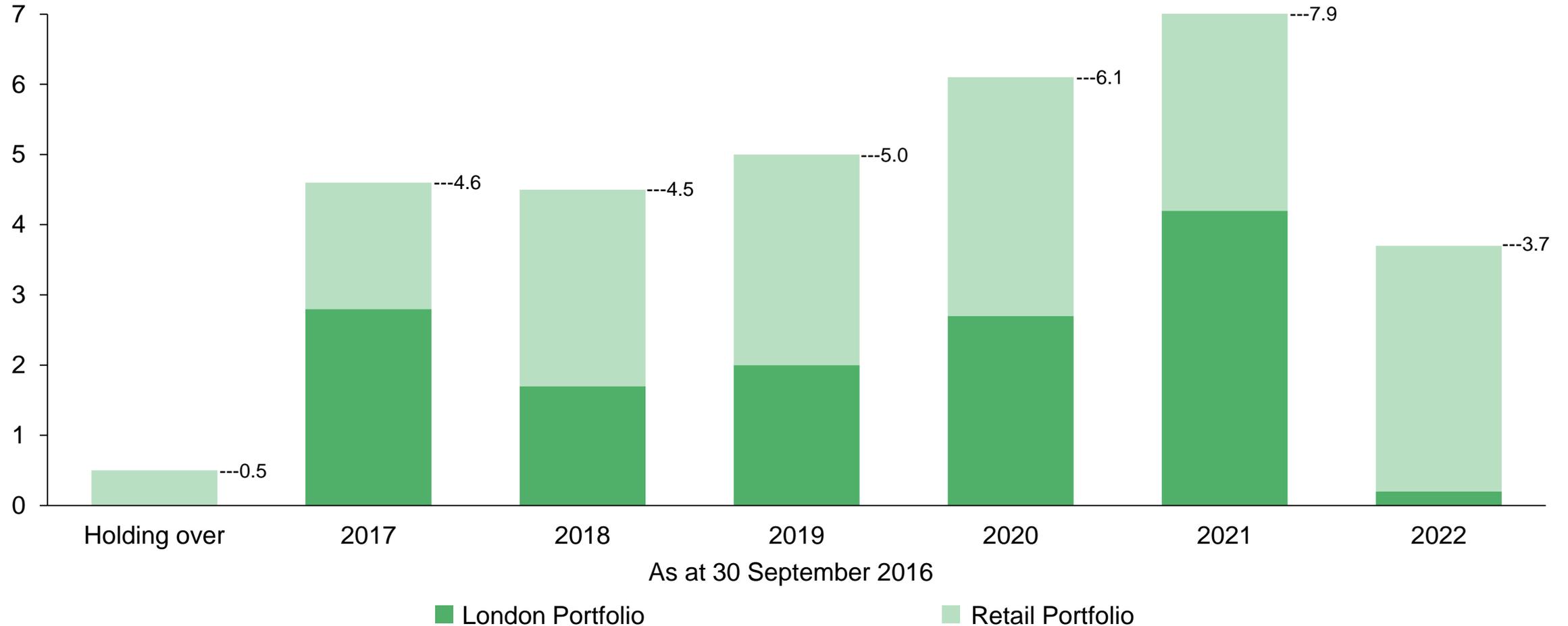
(2) Excludes voids and rent free periods



Combined Portfolio

Lease maturities (expiries and break clauses)

% of portfolio rental income



Rent reviews and lease expiries and breaks⁽¹⁾

Retail Portfolio excluding developments

	Outstanding £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total to 2021 £m
Rents passing from leases subject to review	61.0	55.4	43.6	35.6	25.5	20.5	241.6
Adjusted ERV ⁽²⁾	61.3	56.9	43.3	34.9	24.7	20.6	241.7
Over-renting ⁽³⁾	(3.5)	(3.0)	(2.1)	(2.3)	(1.3)	(0.9)	(13.1)
Gross reversion under lease provisions	3.8	4.5	1.8	1.6	0.5	1.0	13.2
	Outstanding £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total to 2021 £m
Rents passing from leases subject to expiries or breaks	2.7	11.1	16.9	18.1	20.6	22.1	91.5
ERV	2.5	12.0	16.8	16.9	20.1	22.2	90.5
Potential rent change	(0.2)	0.9	(0.1)	(1.2)	(0.5)	0.1	(1.0)

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

(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2021

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

Rent reviews and lease expiries and breaks⁽¹⁾

London Portfolio excluding developments

	Outstanding £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total to 2021 £m
Rents passing from leases subject to review	28.1	11.1	41.4	47.8	28.1	52.3	208.7
Adjusted ERV ⁽²⁾	32.3	12.9	45.3	50.8	30.8	52.1	224.2
Over-renting ⁽³⁾	0.0	0.0	0.0	0.0	(0.1)	(1.1)	(1.2)
Gross reversion under lease provisions	4.2	1.8	3.9	3.0	2.8	0.9	16.6
	Outstanding £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total to 2021 £m
Rents passing from leases subject to expiries or breaks	0.3	16.7	9.9	11.8	16.4	25.5	80.6
ERV	0.3	20.4	14.6	14.9	19.7	27.7	97.6
Potential rent change	0.0	3.7	4.7	3.1	3.3	2.2	17.0

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

(2) Adjusted ERV reflects ERV when reversion is expected at next rent review, or passing rent where the reversion to ERV is expected after 2021

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

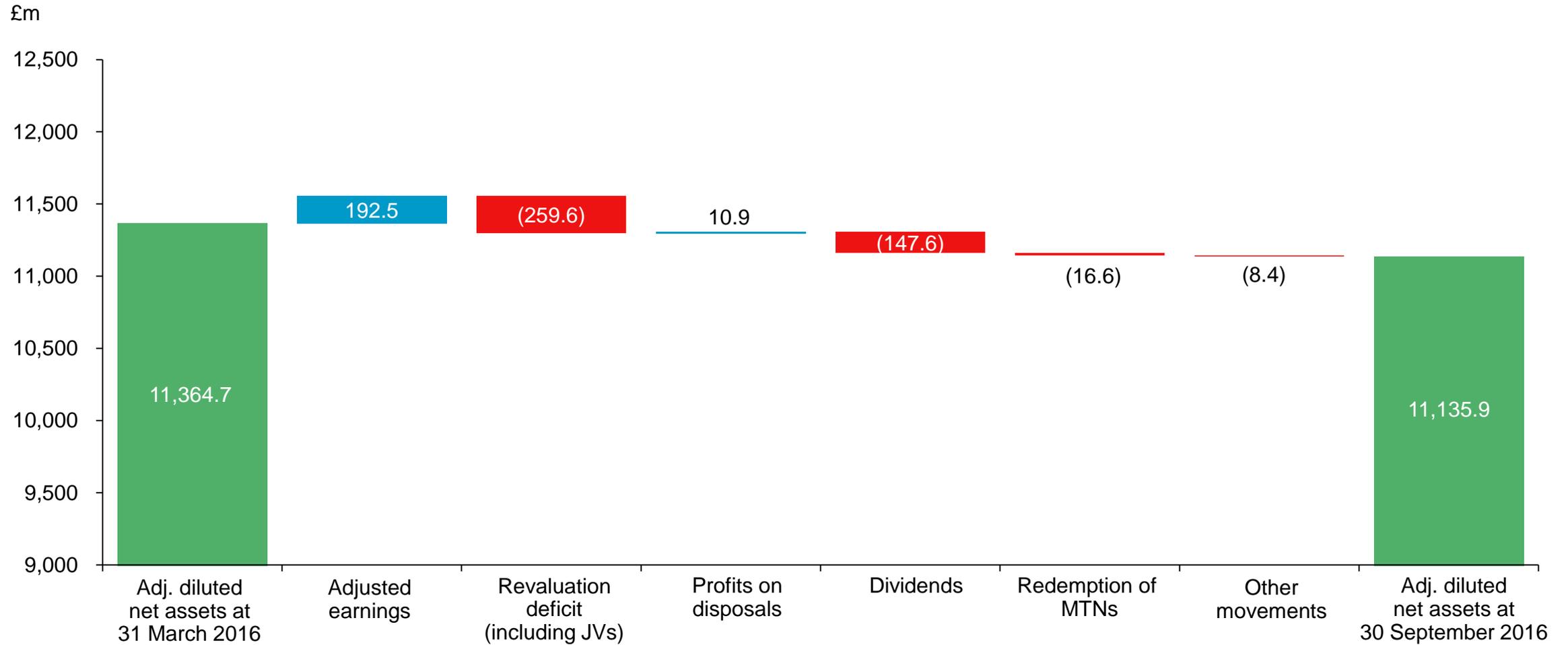
Reconciliation of cash rents and P&L rents to ERV

	Rents and ERVs at 30.09.16		
	Retail Portfolio	London Portfolio	Total
	£m	£m	£m
Annualised rental income	333.7	313.6	647.3
SIC15 adjustments and ground rent	(8.1)	(72.8)	(80.9)
Annualised net rent	325.6	240.8	566.4
Add back ground rents payable	9.5	3.4	12.9
Additional cash rent from unexpired rent free periods	8.0	53.7	61.7
Contracted additional income (from development programme and reconfigured units)	8.0	46.0	54.0
Net reversion on rent review or break / expiry	(0.1)	18.5	18.4
Other	(2.0)	3.8	1.8
Gross ERV from portfolio currently let (or agreed to be let)	349.0	366.2	715.2
Voids including development programme	15.3	27.1	42.4
Gross ERV	364.3	393.3	757.6

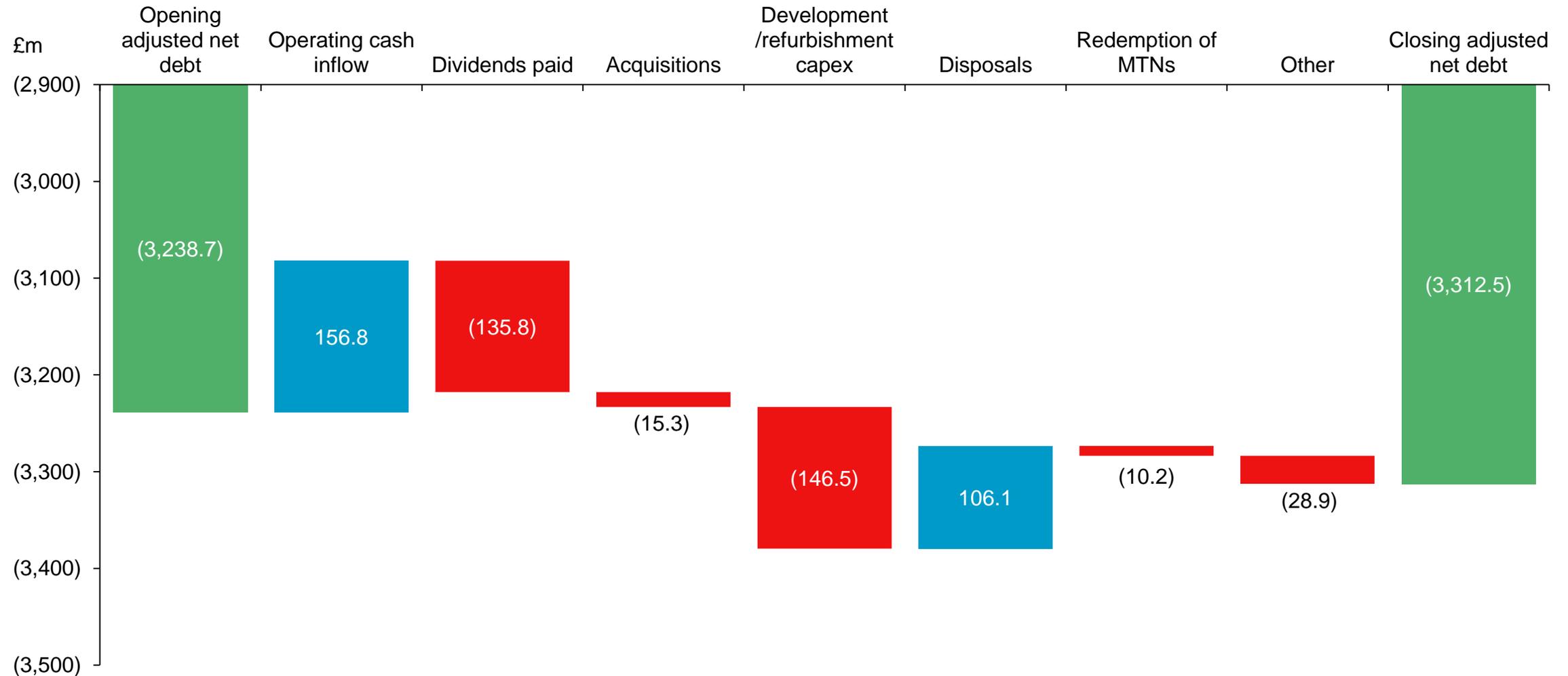
Net rental income analysis

	Six months ended 30 September					
	Retail Portfolio		London Portfolio		Combined Portfolio variance	
	2016	2015	2016	2015		
	£m	£m	£m	£m	£m	%
Like-for-like investment properties	153.7	150.6	102.4	100.5	5.0	2.0
Proposed developments	-	-	-	-	-	
Development programme	(0.1)	0.5	7.8	0.4	6.8	
Completed developments	-	-	26.5	18.6	7.9	
Acquisitions since 1 April 2015	0.7	-	0.9	0.5	1.1	
Disposals since 1 April 2015	0.1	11.0	0.5	15.3	(25.7)	
Non-property related income	4.5	5.5	1.1	1.9	(1.8)	
Total net rental income	158.9	167.6	139.2	137.2	(6.7)	-2.2

Movement in adjusted diluted net assets

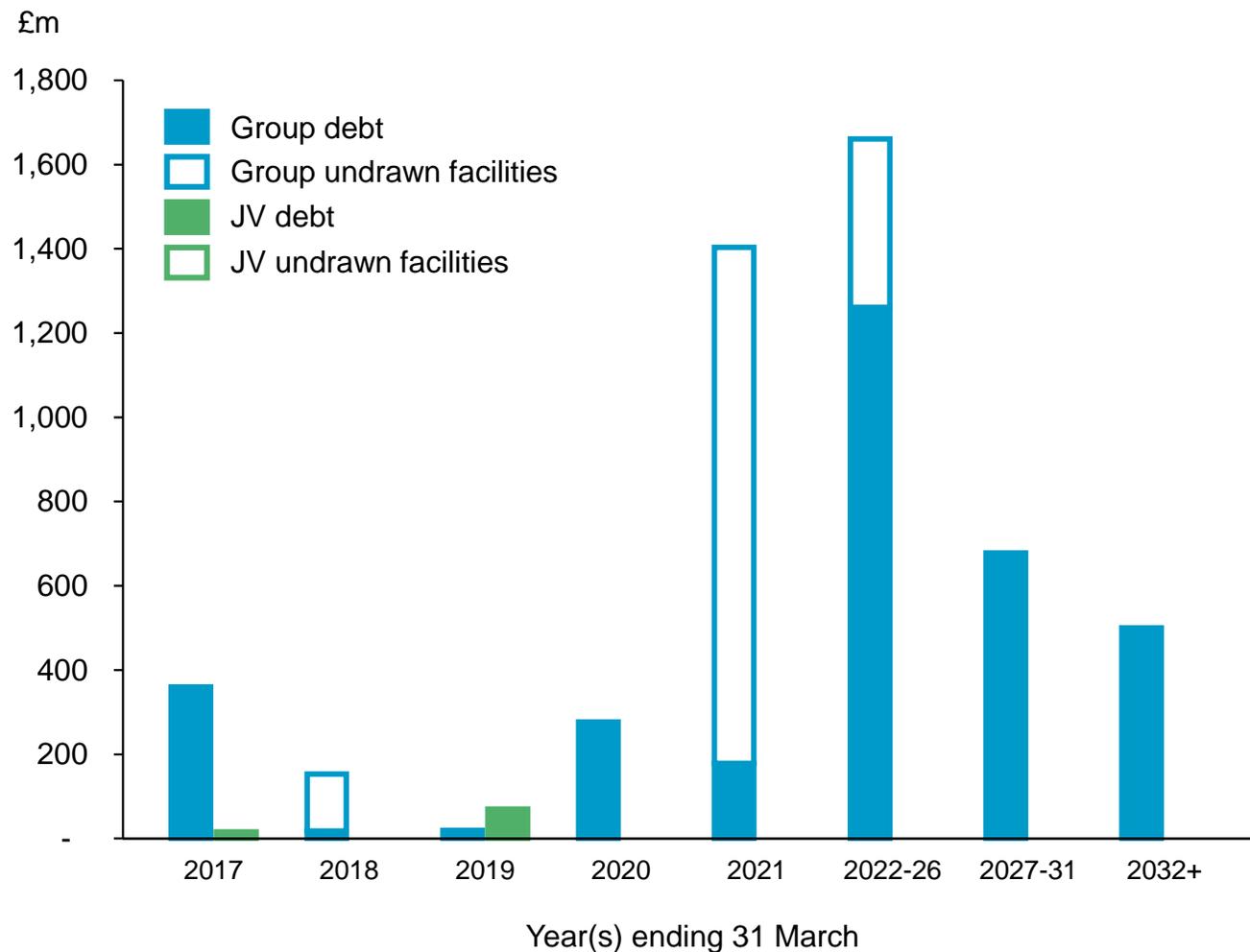


Cash flow and adjusted net debt⁽¹⁾



(1) On a proportionate basis

Expected debt maturities (nominal)⁽¹⁾



Year(s) ending 31 March	Expected debt maturities £m			
	Drawn debt		Undrawn debt	
	Group debt	JV debt	Group debt	JV debt
2017	360	16	-	-
2018	18	-	135	-
2019	20	70	-	-
2020	277	-	-	-
2021	179	-	1,225	-
2022-26	1,261	-	400	-
2027-31	678	-	-	-
2032+	500	-	-	-

(1) Land Securities' proportionate share

Financing

- Group LTV⁽¹⁾ at 22.6% up from 22.0% at March 2016
- Weighted average maturity of debt: 9.0 years
- Weighted average cost of debt: 4.7%
- £1.46bn cash and available facilities

	30.09.16	31.03.16
Bond debt	£2,750.1m	£2,803.8m
Total bank facilities and cash ⁽¹⁾	£2,086.6m	£2,017.9m
Drawn facilities ^{(1) (2)}	(£626.3m)	(£517.5m)
Available facilities and cash ⁽¹⁾	£1,460.3m	£1,500.4m
Adjusted net debt	£3,312.5m	£3,238.7m
Proportion of debt at fixed interest rates	91.1%	94.9%
Security Group LTV	23.2%	23.4%
Group LTV ⁽¹⁾	22.6%	22.0%
Interest cover ratio		
Group (excl. joint ventures)	3.69	3.14
REIT (finance cost ratio)	2.09	2.10

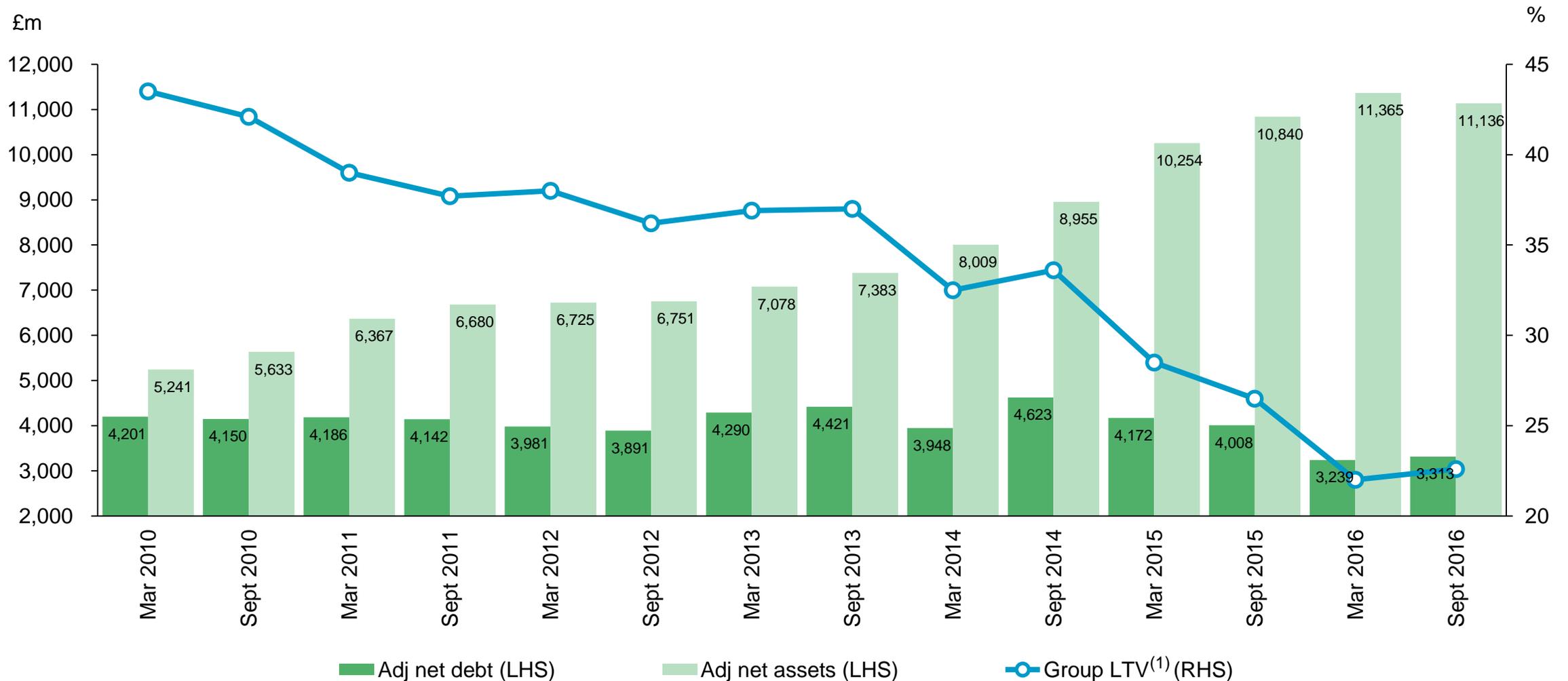
(1) On a proportionate basis

(2) Includes commercial paper in issue and any debt reserving



Financial history

Adjusted net debt, adjusted net assets and Group LTV⁽¹⁾



(1) On a proportionate basis



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	-58%	+4.1
Initial Tier 3	>65%-80%	• Payment restrictions • Debt amortisation	-64%	+5.4
Final Tier 3	>80%	• Disposals pay down debt • Potential appointment of property manager	-71%	+7.3

(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	6.2	47.7	85.0	32.2
Shopping centres and shops	4.9	37.7	60.0	7.2
Retail warehouses	0.8	6.5	55.0	14.0
Industrial	-	0.0	20.0	3.2
Residential	0.2	1.6	20.0	3.0
Leisure and hotels	0.8	6.5	20.0	2.2
Other	-	0.0	15.0	2.3

Regional concentration (% of collateral value) ⁽²⁾	Current £bn	Current %	Maximum permitted %	Acquisition headroom £bn
London	8.5	65.8	100.0	Unlimited
Rest of South East and Eastern	2.0	15.7	40.0	5.3
Midlands	0.2	1.6	40.0	8.3
North	1.3	10.1	40.0	6.5
Wales and South West	0.4	3.2	40.0	8.0
Scotland and Northern Ireland	0.5	3.6	40.0	7.9

Strategic land – delivering plots to house builders – unlocking value



Harrow

- 27 acres under option
- Option expected to become operable by March 2017



Stansted

- 1,700 acres adjacent to second runway
- Current use agricultural and mineral extraction
- Progressing opportunities through the local plan



Ebbsfleet

- 952 acres (gross) owned or controlled
- Outline planning permission for 9,650 homes
- Land sales for 1,500 homes at Castle Hill exchanged or committed
- Conditionally exchanged contracts to sell the remainder of Eastern Quarry (4,700 homes)
- 40 acres to be retained close to Bluewater
- Land Securities retains a 50% share in c. 300 acres around Ebbsfleet International railway station



Important notice

This presentation may contain certain ‘forward-looking’ statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

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