

# Press Release

21 January 2016

## Land Securities Group PLC (“Land Securities”)

### Third Quarter Interim Management Statement

Robert Noel, Chief Executive, said: “We have had a good third quarter with robust operational performance including record footfall in our shopping centres and continued letting momentum in our development programme. In London, rental value growth continued and the 186,000 sq ft of development lettings we completed in the quarter were ahead of our valuers’ most recent estimates. In Oxford, we are transforming the city’s major shopping centre and have made good leasing progress two years ahead of opening. We are delivering on our clear strategy for the business and, despite economic and political uncertainty, are confident in the strength of demand for our schemes.”

#### Key Highlights:

##### Portfolio changes

- Disposals of £450.5m during the quarter bringing the total to £852.6m for the nine months to 31 December 2015 (excluding trading properties)
- Disposals in the quarter were 1.8% ahead of 30 September 2015 valuation<sup>(1)</sup>
- Trading property disposals of £124.3m in the quarter with a profit on disposal of £21.4m<sup>(2)</sup>
- Acquisitions of £6.8m during the quarter and £99.8m for the nine months to 31 December 2015
- Development and refurbishment expenditure of £67.9m for the quarter and £292.2m for the nine months to 31 December 2015.

<sup>(1)</sup>Excludes Haymarket House, SW1, an asset held for sale at 30 September 2015 at the agreed sale price

<sup>(2)</sup>This relates to the completion of 78 of the 85 apartments pre-sold at Kings Gate, SW1

##### Developments

- £13.7m of development lettings in the quarter, with a further £4.2m in solicitors' hands
- 1 & 2 New Ludgate, EC4, now 95% let or in solicitors' hands
- The Zig Zag Building, SW1, completed in November 2015 and now 88% let
- 20 Eastbourne Terrace, W2, on track for completion in April 2016, now 62% pre-let or in solicitors' hands
- 1 New Street Square, EC4, on track for completion in July 2016, and is 100% pre-let
- Nova, SW1, on track for completion in September 2016, now 25% pre-let or in solicitors' hands
- Oriana, W1 - Phase II (pre-sold), on track for completion in November 2016, now 100% pre-let
- Westgate, Oxford, on track for completion in October 2017, now 45% pre-let or in solicitors' hands
- Resolutions to grant planning consent for 337,000 sq ft achieved at Nova East, SW1, and 1 Sherwood Street, W1.

##### Occupancy

- £9.9m of investment lettings in the quarter, with a further £11.9m of lettings currently in solicitors' hands
- Voids in the like-for-like portfolio 2.3% (30 September 2015, 2.8%)

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- Retail Portfolio like-for-like voids 1.8% (30 September 2015, 2.1%)
- London Portfolio like-for-like voids 3.0% (30 September 2015, 3.6%)
- Units in administration 0.3% (Retail Portfolio 0.5%, London Portfolio nil%) up from 0.2% at 30 September 2015.

#### **Retailer sales and footfall**

- On a same centre basis, retailer sales were up 1.2% this quarter on the same quarter last year (BRC non-food benchmark up 1.5% including online sales), and up 4.3% for the 52 weeks to 3 January 2016 (BRC non-food benchmark up 3.0% including online sales)
- On a same store like-for-like basis, retailer sales were down 0.8% this quarter on the same quarter last year (BRC non-food benchmark up 0.6% including online sales), and up 2.7% for the 52 weeks to 3 January 2016 (BRC non-food benchmark up 2.2% including online sales)
- Footfall in our shopping centres was at record levels, up 1.7% this quarter on the same quarter last year (national benchmark down 2.3%), and up 4.2% for the 52 weeks to 3 January 2016 (national benchmark down 1.3%).

#### **Financials**

- Adjusted net debt of £3,528.4m (30 September 2015, £4,008.3m)
- Group LTV on a proportionate basis at 31 December 2015, 24.3% based on 30 September 2015 asset values, compared with 26.5% at 30 September 2015
- Weighted average cost of debt 5.0%, weighted average maturity of 9.0 years
- Cash and undrawn facilities of £1,625.5m
- Third interim dividend of 8.15 pence per share will be paid on 8 April 2016, entirely as a Property Income Distribution (PID), to shareholders on the register on 11 March 2016.

– Ends –

#### **A brief Q&A conference call is being held today at 08:30 GMT**

Conference call details:

Dial-in number: +44 (0) 1452 560304

Call title: Land Securities Q3 IMS

Call ID number: 9176095

#### **A replay facility will be available four hours after completion of the call for seven days**

Encore replay details:

UK dial-in number: 08717000145

International dial in number: +44 (0) 1452 550000

Access number: 9176095

**For further information, please contact Land Securities:**

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**Press**

Miles Webber / Molly Neal  
T +44 (0)20 7024 5465/5460

**Investors**

Ed Thacker  
T +44 (0)20 7024 5185

**Forward-looking statements**

This Interim Management Statement ("IMS") may contain certain "forward-looking statements" with respect to Land Securities Group PLC and the Group's financial condition, results of operations and business.

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, some of which relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements and consequently such statements are not guarantees of future performance.

Any written or verbal forward-looking statements made in this IMS 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. Each forward-looking statement speaks only as of the date of this IMS or on the date on which the Forward-looking statement is made. Except as required by any legal or statutory obligation, Land Securities Group PLC does not intend to update any forward-looking statements.

Nothing contained in this IMS should be construed as a profit forecast or an invitation to deal in the securities of Land Securities Group PLC.