Press Release

19 May 2015
Financial results for the year ended 31 March 2015

"With record leasing levels across our London development programme, combined with a reshaped retail portfolio and continued financial discipline, we have delivered very strong results with a profit before tax of £2,416.5m and a total business return of 30.7%," said Chief Executive Robert Noel.

"In London, we reached the peak of construction activity in our development programme during the year. Our programme has been sized and timed to deliver highly efficient and technically resilient office space into a supply-constrained market. The success of the programme is increasingly evident. At 20 Fenchurch Street, the amazing Sky Garden opened to the public, and the development is now 92% let. In March, we pre-let 1 New Street Square in its entirety to Deloitte on a 20 year lease and 1 & 2 New Ludgate is already 84% let or in solicitors' hands.

"With a further 1.1m sq ft to let in our development programme, we are well positioned to benefit from the continuing supply-constrained conditions in the year ahead.

"In Retail, we took decisive action and have transformed our shopping centre portfolio, focusing our capital and expertise on those assets that fit in with our strategic themes of dominance, experience and convenience, and by selling those that do not. In line with our strategy, we acquired a 30% interest in the Bluewater shopping centre and took full ownership of Buchanan Galleries, Glasgow where we are working up our extension plans. We also committed to the redevelopment of Westgate, Oxford to provide a much-anticipated retail and leisure destination for the city. Our focus will remain on creating, owning and managing great destinations.

"We are determined to maintain our financial strength during this programme of significant investment and continued to implement our net debt neutral approach, with our development programme and acquisitions broadly matched with disposals. We are also investing to build a pipeline of future opportunities. In addition to our development plans at Westgate and Buchanan Galleries, we took advantage of a rare opportunity to acquire an important City site at an attractive price with the purchase of 21 Moorfields in February.

"Our strategy is delivering for our customers, our communities and our shareholders. Crucially, it is a strategy which recognises the cyclicality of the markets we operate in, ensuring we build a sustainable business for the long term. Looking ahead, we have a robust balance sheet and are confident our portfolios are well matched to customer demand."

Results summary

	31 March 2015	31 March 2014	Change
Valuation surplus[1]	£2,036.9m	£763.8m	Up 17.3%[2]
Basic NAV per share	1,343p	1,069p	Up 25.6%
Adjusted diluted NAV per share[3]	1,293p	1,013p	Up 27.6%
Group LTV ratio[1]	28.5%	32.5%	
Profit before tax	£2,416.5m	£1,108.9m	
Revenue profit[1]	£329.1m	£319.6m	Up 3.0%
Basic EPS	306.1p	142.3p	
Adjusted diluted EPS	41.5p	40.5p	Up 2.5%
Dividend	31.85p	30.7p	Up 3.7%

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the notes to the financial statements included within the Annual Report.
2. The % change for the valuation surplus represents the increase in value of the Combined Portfolio over the year, adjusted for net investment.
3. Our key valuation measure.

Operational excellence

- £42.6m of development lettings
- £36.8m of investment lettings
- Acquisitions of £951.4m including the managing stake in Bluewater
- Development and refurbishment expenditure[1] of £441.9m
- Disposals[1] of £1,081.2m
- Further developments committed with total development costs of £220m (our share)

Outstanding results

- Ungeared total property return 23.0%, outperforming the IPD Quarterly Universe at 17.1%
- Total business return (dividends and adjusted diluted NAV growth) of 30.7%
- Combined Portfolio valued at £14.0bn, with a valuation surplus of 17.3%
- Valuation surplus on properties in the development programme of 38.7%
- Revenue profit £329.1m, up 3.0%
- Profit before tax £2,416.5m, up from £1,108.9m
- Voids in the like-for-like portfolio up from 1.8% to 3.6%

Robust financials

- Group LTV ratio at 28.5%, based on adjusted net debt of £4.2bn
- Weighted average maturity of debt at 8.3 years
- Weighted average cost of debt at 4.5%
- Cash and available facilities of £1.4bn
- Recommended increase in final dividend to 8.15p (from 7.9p)

Looking ahead

- 1.5m sq ft being delivered in London over the next 18 months
- 1.8m sq ft of retail development opportunities including Westgate, Oxford; Buchanan Galleries, Glasgow; and Ealing Filmworks
- Plan to build 0.7m sq ft to grade at 21 Moorfields, EC2 and Nova, Victoria, SW1 - Phase II by 2017

1. Includes trading properties.

All measures above are presented on a proportionate basis, as explained in the notes to the financial statements included within the Annual Report.

-Ends-

For further information, please contact:

Media
Miles Webber / Ellie Farrell
Land Securities Group PLC
T +44 (0)20 7024 5461 / 07912 553 313

Peter Hewer / Camilla Cunningham
Tulchan Communications
T +44 (0)20 7353 4200

Analysts
Ed Thacker / Adriana Rodgers
Land Securities Group PLC
T: +44 (0)20 7413 9000

Notes to editors

A live video webcast of the presentation will be available on www.landsecurities.com/prelims2015 at 09.00am BST. Please also note that there will be an interactive Q&A facility on the webcast. A downloadable copy of the webcast will then be available at the same address from 3pm.

We will also offer an audio conference call. We recommend that you dial in to the call 10-15 minutes before the start of the presentation due to the large volume of callers expected. Dial-in details are as follows:

Dial-in number: +44 (0) 1452 581 401
Call title: Land Securities' preliminary results
Passcode: 10869175

There will be a replay facility available for 7 days following the results:

Replay dial-in number: +44 (0) 1452 550000
Call ID number: 17207803

A short video of Robert Noel, Chief Executive, Martin Greenslade, Chief Financial Officer, Scott Parsons, Managing Director, Retail, and Colette O'Shea, Managing Director, London discussing the results is available at http://www.landsecurities.com/investors/results

About Land Securities

Land Securities is the UK's largest listed commercial property company, owning and managing more than 26.5m sq ft of property, valued at £14.0bn.

Five years ago, in anticipation of emerging supply-constrained conditions and changing customer requirements we embarked on a sizeable speculative development programme in London, timed for delivery at a time when we forecast vacancy rates to be at a low point. Subsequently, in the face of rapidly changing consumer behaviour, we set about reshaping our Retail Portfolio to be better matched to emerging trends. A net debt neutral approach, designed to bring financial gearing down as we move through the cycle, has been a bedrock of our strategy.

Today, we have a completely transformed business. Our active approach to buying, developing, managing and selling assets has seen half of our portfolio either acquired or redeveloped since 2010. Our measure of financial gearing is down to 28.5% and we are delivering our committed schemes in a supply-constrained market at the same time as we are building a flexible pipeline for the future.