

# Press Release

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13 May 2009

## LAND SECURITIES GROUP PLC (“Land Securities”)

### Preliminary results for the year ended 31 March 2009

“Our full year results reflect the unprecedented market conditions experienced in the property industry. The year saw some of the most rapid falls in values seen on record with the second half of the year characterised by the dramatic reaction to the worsening financial and economic conditions.”

#### Results Summary<sup>(1)</sup>

	2009	2008	Change
<b>Valuation deficit</b>	<b>£(4,743.7)m</b>	£(1,292.6)m	n/a
<b>Basic NAV</b>	<b>639p</b>	1862p	<b>Down 65.7%</b>
<b>Adjusted diluted NAV<sup>(2)</sup></b>	<b>593p</b>	1763p	<b>Down 66.4%</b>
<b>Pre-tax loss<sup>(3)</sup></b>	<b>£(4,773.2)m</b>	£(988.0)m	n/a
<b>Revenue profit</b>	<b>£314.9m</b>	£284.8m	<b>Up 10.6%</b>
<b>Basic EPS<sup>(4)</sup></b>	<b>(918.04)p</b>	(188.43)p	n/a
<b>Adjusted diluted EPS<sup>(4)</sup></b>	<b>62.57p</b>	60.79p	<b>Up 2.9%</b>
<b>Dividend</b>	<b>56.5p</b>	64.0p	<b>Down 11.7%</b>
<b>Dividend restated<sup>(4)</sup></b>	<b>51.1p</b>	57.0p	<b>Down 10.4%</b>

<sup>(1)</sup>Continuing activities <sup>(2)</sup>Our key valuation measure <sup>(3)</sup>Includes revaluation deficit and profits/loss on disposals <sup>(4)</sup>Restated for the Rights Issue

#### 2008/09 Key Points

- Unprecedented market conditions leading to 34.2% valuation fall
- Over £1.1 bn of disposals
- Successful £756m Rights Issue and recapitalisation of the balance sheet

#### Performance

- Revenue profit increased by 10.6% due to reduced interest payments
- £527.5m of property investment sales at 18.5% below March 2008 valuation (before disposal costs)
- 1.2 million sq ft of development space completed and 72% let
- Net debt down £1,460.9m or 27.1% to £3,923.6m
- Small increase in like-for-like voids to 4.6% (3.5% in 2008)

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- Exposure to administrations stands at a moderate 3.8% of income
  - 60.1% still trading and 15.4% still paying rent
  - Resilience of income in our London office portfolio counterbalancing rising administrations in the retail sector

#### **London Portfolio**

- Gross rental income up £10.3m (3.0%)
- Property sales of £349.6m at an average of 16.6% below March 2008 valuation (before disposal costs)
- 10 Eastbourne Terrace, W2, completed and 100% let. Dashwood House, EC2 completed and 9% let

#### **Retail Portfolio**

- Gross rental income up £4.0m (1.1%)
- Voids across the like-for-like portfolio at 5.2% (4.2% at March 2008)
- Cabot Circus, Bristol and The Elements, Livingston open and 91% and 80% let respectively
- Outlet centres seeing rise in customer numbers as value proposition drives footfall

Commenting on the results, Francis Salway, Chief Executive said:

“This year the UK commercial property sector saw the sharpest fall in capital values on record as the full severity of the economic downturn hit the sector. Our portfolio was not immune to the market correction and we moved quickly to take the necessary actions to strengthen our balance sheet and create resilience in a difficult and deteriorating environment.

“While the market may see some pockets of stabilisation for certain asset types, we expect conditions to remain challenging in a weak economic environment, with vacancy rates rising and rental values weakening, putting pressure on rental income. For all these reasons we continue to be patient and focus on those matters within our control such as balance sheet strength and maximising income.

“This has been an exceptionally turbulent period in our market, but our actions have given us protection from the downside of further significant falls in values and, with our belief that out of adversity comes opportunity, we have the flexibility to react to market opportunities.”

**- Ends -**

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### **Notes to editors**

Land Securities will be holding a results presentation today at 9.00am (BST) and a live web-cast will be available at **[www.landsecurities.com/prelims2009](http://www.landsecurities.com/prelims2009)**

Please note that there will be an interactive question & answer facility on the webcast. There will also be an audio conference call line to access the meeting, it is recommended 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 568 328  
Call title: Land Securities Preliminary Results  
Call ID number: 96216168

An interview with Francis Salway, Group Chief Executive, and Martin Greenslade, Group Finance Director, is available at **[www.landsecurities.com/prelims2008](http://www.landsecurities.com/prelims2008)**