

# Press Release

**17 May 2016**

**Annual results for the year ended 31 March 2016**

“We are pleased to report a strong performance for the year. Revenue profit and net asset value per share are up, lease terms are longer and, as planned, speculative development exposure and net debt are lower. Continued leasing momentum in our development programme combined with smart asset management and balance sheet discipline has put the business in a strong position. Our confidence is demonstrated by a proposed 9.9% increase to the dividend,” said Chief Executive Robert Noel.

“In London, we continued to lease up our well timed and well executed speculative development programme with over 0.5m sq ft of new lettings and made progress on our future pipeline with 0.9m sq ft of planning consents. We also took advantage of the strong market conditions during the year to sell some assets.

“In Retail, we have sold selectively. Our operational focus is delivering results, with voids down and both footfall and same store retailer sales up in contrast to national benchmarks. Our development at Westgate Oxford looks very promising with a healthy level of retailer support and is almost 50% pre-let 18 months ahead of opening.

“Our strategy is delivering value for our shareholders, great space for our customers and positive change for our communities. We have a strong balance sheet with better assets and longer income streams. Despite the current political and economic uncertainty, Land Securities is well placed.”

## Results summary

	<b>31 March 2016</b>	<b>31 March 2015</b>	<b>Change</b>
<b>Valuation surplus<sup>(1)</sup></b>	£907.4m	£2,036.9m	Up 7.0% <sup>(2)</sup>
<b>Basic NAV per share</b>	1,482p	1,343p	Up 10.3%
<b>Adjusted diluted NAV per share<sup>(3)</sup></b>	1,434p	1,293p	Up 10.9%
<b>Group LTV ratio<sup>(1)</sup></b>	22.0%	28.5%	
<b>Profit before tax</b>	£1,335.6m	£2,416.5m	
<b>Revenue profit<sup>(1)</sup></b>	£362.1m	£329.1m	Up 10.0%
<b>Basic EPS</b>	169.4p	306.1p	
<b>Adjusted diluted EPS<sup>(1)</sup></b>	45.7p	41.5p	Up 10.1%
<b>Dividend</b>	35.0p	31.85p	Up 9.9%

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.

## Activity

- £37.6m of investment lettings
- £33.8m of development lettings
- Acquisitions, development and refurbishment expenditure of £496.0m
- Disposals of £1,493.1m
- Supported a further 196 people from disadvantaged backgrounds into jobs through our Community Employment Programme

## Performance

- Ungearbed total property return 11.5% (IPD Quarterly Universe 11.3%)
- Total business return<sup>(1)</sup> of 13.4%
- Combined Portfolio valued at £14.5bn, with a valuation surplus of 7.0%
- Disposals<sup>(2)</sup> completed at a surplus of 9.1% to book value
- Voids in the like-for-like portfolio 2.3% (31 March 2015: 2.6%)

## Financials

- Group LTV ratio at 22.0%, based on adjusted net debt of £3.2bn
- Weighted average maturity of debt at 9.6 years
- Weighted average cost of debt at 4.9%
- Cash and available facilities of £1.5bn
- Final dividend recommended at 10.55p, bringing the dividend for the year to 35.0p, up 9.9%

## Development

- 1.0m sq ft being delivered in London in the next financial year, now 62% pre-let or in solicitors' hands
- 0.8m sq ft Westgate Oxford, due to open in October 2017, now 51% pre-let or in solicitors' hands
- 0.8m sq ft of retail opportunities including a retail park at Selly Oak, Birmingham; a leisure extension at White Rose, Leeds; and the conversion of the Glow exhibition space at Bluewater, Kent to provide additional leisure and catering units
- 1.2m sq ft future London pipeline including 21 Moorfields, EC2; Nova East, SW1; 1 Sherwood Street, W1; and Southwark Street, SE1

## Recognition

- Winner of the 2015 Business in the Community Work Inclusion Award
- Maintained EPRA gold status for sustainability reporting, membership of FTSE4Good and the DOW Jones Sustainability Index
- Achieved ISO 50001 certification for energy management
- Re-certification of ISO14001 for environmental management
- Shortlisted for 2016 Better Society Awards for National Commitment to the Community

1. Dividend paid per share, plus the change in adjusted diluted net asset value per share, divided by the adjusted diluted net asset value per share at the beginning of the year.

2. Excludes trading properties and Times Square, EC4, an asset the Group held for sale at the contracted price of £284.6m at 31 March 2015.

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:**

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**Notes to editors**

A live video webcast of the presentation will be available on [www.landsecurities.com/prelims2016](http://www.landsecurities.com/prelims2016) 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 2016  
Passcode: 25300688

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

Replay dial-in number: +44 (0) 1452 550000  
Call ID number: 64123127

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 real estate company. Our £14.5 billion portfolio totals 23.6 million sq ft and includes some of London's most desirable office buildings and the UK's most successful shopping and leisure destinations.

We are the biggest office developer in London, where we own and manage a portfolio totalling more than £8.2 billion. Our relentless customer focus delivers vibrant working environments, both in our developments and through thoughtful asset management, which resonate strongly with businesses looking to attract and retain top talent. In the City, our 1.7 million sq ft of real

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estate includes the award-winning New Ludgate scheme, and the landmark 20 Fenchurch Street. In the West End, our expertise in placemaking and public realm has seen the transformation of Victoria, SW1 into a vibrant destination that is attracting global businesses and visitors alike.

In Retail, our commitment to creating an outstanding consumer experience, combined with the strength and resilience of our 17.5 million sq ft of assets, means we provide the space where consumers want to shop and retailers want to be, both now and in the future. Our focus on collaborating with our retailers and anticipating consumer needs not only delivers an unrivalled experience for our customers, but our footfall and sales figures consistently outperform the industry benchmarks.

Whether in offices or retail, sustainability is key to everything we do. For us, being a sustainable business means ensuring Land Securities remains healthy and successful for years to come. To achieve this we need the support of our customers, communities and partners. That's why we lead the way on sustainability in the UK listed real estate sector by focusing on three key areas: creating jobs and opportunities through our award-winning Community Employment Strategy, which has put 779 disadvantaged people into employment since 2011; efficient use of natural resources; and sustainable design and innovation.

Land Securities delivers value for our shareholders, great space for our customers and positive change for our communities.