

Press Release

17 July 2014

Land Securities Group PLC (“Land Securities” / “the Group” / “the Company”)

First Quarter Interim Management Statement

“Land Securities has had a strong start to the year, continuing to execute its strategy at pace across the business.

“In Retail, the strategic shift of our portfolio towards dominance, experience and convenience continues with the disposal of The Bridges, Sunderland and the acquisition of Bluewater, Kent. We will continue to sell assets which don’t meet our criteria as we focus on the best retail assets, including the development of new retail centres in key locations such as Oxford and Glasgow.

“In London, where we are delivering 1.6 million sq ft⁽¹⁾ of office and retail space into a supply constrained market, our leasing momentum continues with 385,000 sq ft of deals agreed. In the City, following our leasing success at 20 Fenchurch Street, EC3, our scheme at 1 & 2 New Ludgate, EC4 is now 61% pre-let nine months ahead of completion. In Victoria, our developments are transforming the area into a vibrant West End destination,” said Chief Executive Robert Noel.

Key Highlights:

Portfolio reshaping accelerates

- Disposal of The Bridges, Sunderland for £152m
- Acquisition of 30% stake in Bluewater, Kent, full management rights for the centre and 110 acres of surrounding land for £696m

Momentum on developments

- £15.4m⁽²⁾ of development lettings in London signed since 1 April 2014 with a further £6.7m⁽²⁾ in solicitors’ hands, representing a total of 385,000 sq ft
- 62 Buckingham Gate, SW1 65% let with a further 4% in solicitors’ hands
- 20 Fenchurch Street, EC3 87% let with a further 3% in solicitors’ hands
- 1 & 2 New Ludgate, EC4 61% pre-let
- The Zig Zag Building, SW1 7% pre-let with a further 28% in solicitors’ hands
- Good progress at potential developments
 - John Lewis, Next, Primark and Curzon Cinemas have committed to space at Westgate, Oxford
 - M&S, Next and Showcase Cinema de Lux have committed to space at Buchanan Galleries in Glasgow, joining John Lewis
 - Picturehouse Cinemas has committed to space at Ealing Filmworks

Good occupancy

- £4.2m of investment lettings signed since 1 April 2014, with a further £10.4m of lettings in solicitors' hands
- Voids in the like-for-like portfolio 2.4% (31 March 2.2%)
 - Retail Portfolio like-for-like voids 2.9% (31 March 2.6%)
 - London Portfolio like-for-like voids 1.7% (31 March 1.7%)
- Units in administration 0.5% (Retail Portfolio 0.9%, London Portfolio 0%) up from 0.4% at 31 March
- On a same store like-for-like basis, retailer sales were up 4.1% this quarter on the same quarter last year. On a total sales growth basis, retailer sales were up 4.0% over the same period

Strong balance sheet and growing dividend

- Broadly net debt neutral approach continues
- Adjusted net debt as at 30 June 2014 of £4,657.7m
- Group LTV on a proportionate basis at 30 June 2014, based on 31 March 2014 asset values, 36.2% (35.3% proforma for sale of Sunderland) compared with 32.5% at 31 March 2014
- Weighted average cost of debt 4.5%, average duration of 8.1 years
- First interim dividend for the current financial year of 7.9 pence per share⁽³⁾

- (1) 1.3 million sq ft if joint ventures are treated as 50%. Completed developments, including 20 Fenchurch Street, EC3, are excluded from this number
- (2) Land Securities' proportionate share
- (3) The first interim dividend will be paid on 10 October 2014 to shareholders on the register on 12 September 2014. The dividend will be paid entirely as a Property Income Distribution

– Ends –

A conference call for analysts is being held today at 08:30 BST

Conference call details:

Dial-in number: +44 (0) 1452 555566

Call title: Land Securities Q1 IMS conference call

Conference ID: 64735553

A replay facility will be available to listen to four hours after the completion of the call for a period of 7 days.

Encore Replay details:

UK dial-in number: 08717000145

International dial in number: +44 (0)1452550000

Access number: 64735553#

For further information, please contact:

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Duncan Bonfield / Molly Neal
Land Securities
T +44 (0)20 7024 5463/5460

Investors

Ed Thacker
Land Securities
T +44 (0)20 7024 5185

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