

# Press Release

21 January 2015

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

## **Third Quarter Interim Management Statement**

Robert Noel Chief Executive said:

“Our business and markets are in good shape. In London, rental values are rising due to a shortage of new commercial space just as we are delivering a major programme of office and retail space to the market. Interest in our developments is strong and on terms ahead of our valuers’ most recent estimates. In Retail, we have completed the transformation of our shopping centre portfolio under our strategic focus of dominance, experience and convenience. Footfall is up and sales are up. Although there is political uncertainty at home and abroad, we expect interest in our schemes to remain strong, reflecting both the quality of our portfolio and the lack of supply in London.”

### **Key Highlights:**

#### **Portfolio changes**

- Sales of £701.6m during the quarter bringing the total to £886.4m for the nine months to 31 December
- Sales for the nine months to 31 December 15% ahead of March 2014 valuation
- Acquisitions of £234.6m during the quarter and £933.9m for the nine months to 31 December
- Development and refurbishment expenditure of £95.7m for the quarter and £316.1m for the nine months to 31 December
- Shopping centre transformation completed during the quarter:
  - sale of Cabot Circus, Bristol for £267.8m;
  - sale of The Centre and Almondvale West Retail Park, Livingston for £224.1m;
  - sale of Princesshay, Exeter for £127.9m
  - acquisition of remaining 50% interest in Buchanan Galleries, Glasgow for £137.5m
- Sale of Mark Lane, EC3 for £73.2m
- Acquisition of remaining 50% stake in Thomas More Square, E1 for £85.3m

#### **Development momentum**

- Of the 1.4 million sq ft remaining to be let in our committed programme, 87,000 sq ft is currently in solicitors’ hands
- 1 & 2 New Ludgate, EC4 on target for practical completion in April
- The Zig Zag Building and Kings Gate, both SW1 on target for practical completion in July

#### **Strong occupancy**

- £10.9m of investment lettings signed in quarter, with a further £8.0m of lettings currently in solicitors’ hands
- Voids in the like-for-like portfolio 2.7% (30 September 2.5%)
  - Retail Portfolio like-for-like voids 2.7% (30 September 2.3%)

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- London Portfolio like-for-like voids 2.7% (30 September 2.8%)
- Units in administration 0.5% (Retail Portfolio 1.0%, London Portfolio nil%) down from 0.6% at 30 September
- On a same store like-for-like basis, retailer sales were up 3.2% this quarter on the same quarter last year. On a total sales growth basis, retailer sales were up 3.8% over the same period

**Strong balance sheet and growing dividend**

- Adjusted net debt of £4,179m (30 September £4,623m)
- Group LTV on a proportionate basis at 31 December 2014, based on 30 September 2014 asset values, 31.4% compared with 33.6% at 30 September 2014
- Weighted average cost of debt 4.6%, average duration of 8.5 years
- Third interim dividend of 7.9 pence per share. It will be paid on 10 April 2015, entirely as a Property Income Distribution (PID), to shareholders on the register at 13 March 2015.

**– Ends –**

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

Conference call details:

Dial-in number: +44 (0) 1452 541003

Call title: Land Securities Q3 IMS conference call

Call ID number: 55037614

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: 55037614

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**Forward-looking statements**

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