



UBS Global Real Estate Conference
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Revolution or evolution?

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Presence in customer markets



New Street Square,
London, EC4



Princesshay, Exeter



DVLA HQ, Swansea

Winning a disproportionate share of lettings/new contracts

Translation of property achievements into ROE and share price performance



New Street Square,
London EC4



Princesshay, Exeter

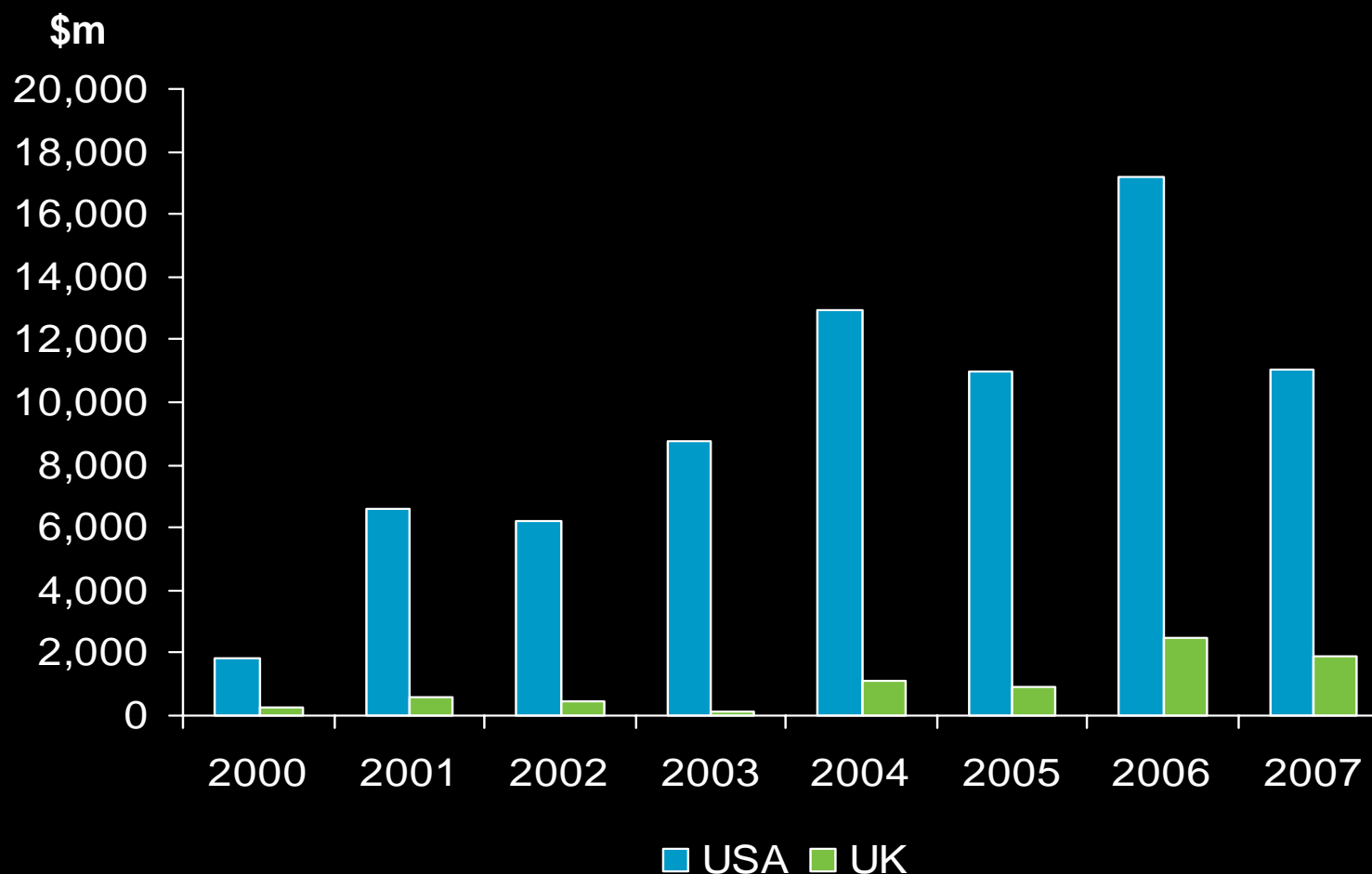


DVLA HQ, Swansea

Impact spread over a large divestment balance sheet ... or a tailored and focused balance sheet?

Accessing capital by raising equity

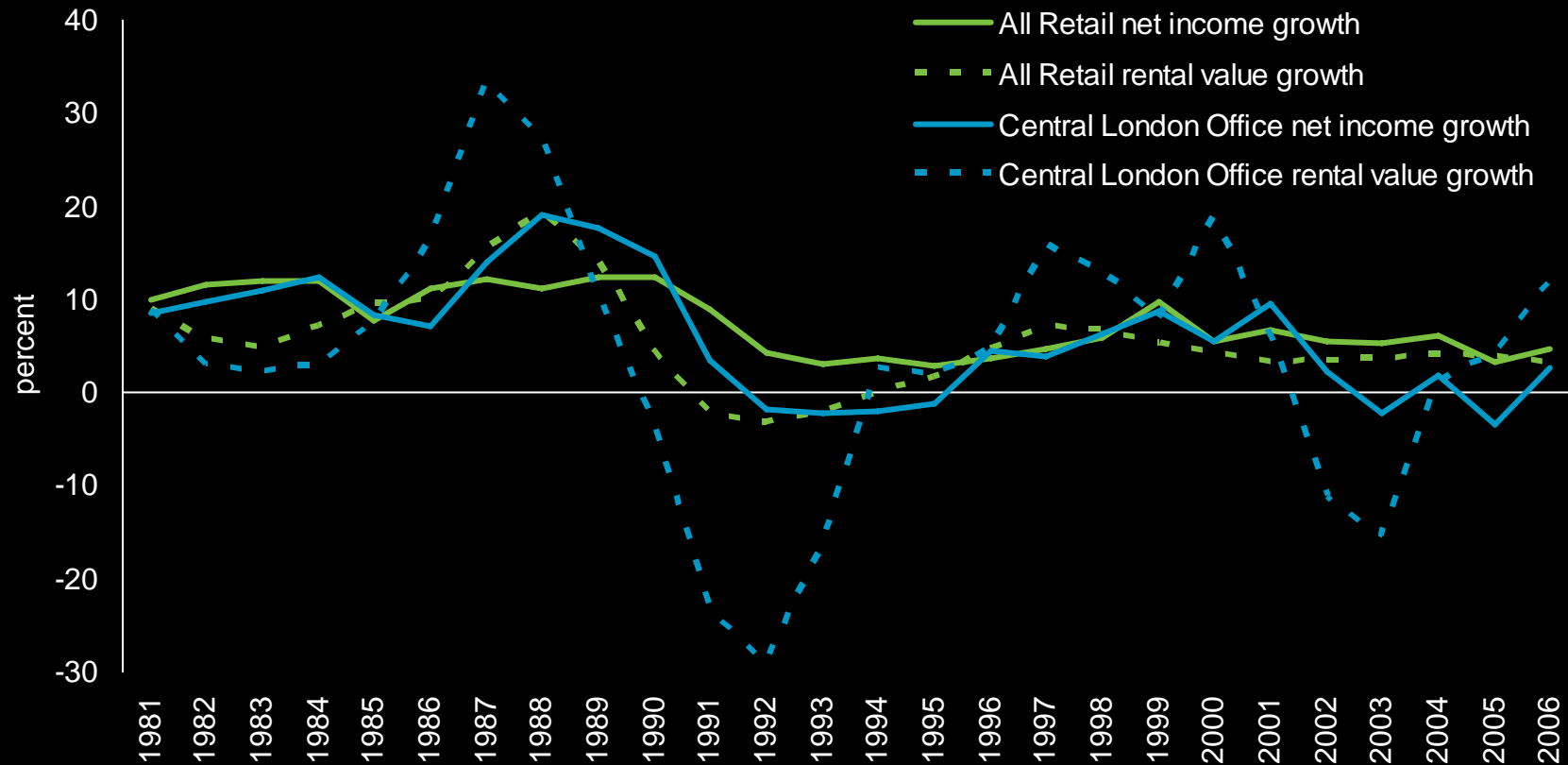
Follow-on/secondary equity issuance



Source: UBS/Dealogic

Shares denominated in the same currency as the acquisition target

Diversified model – diversified returns, but not diversification of income volatility



Impact of 5 yearly upward only rent reviews on income stability

Evolution

Pre-2004

2004



Industrial



Industrial

Industrial

SOLD



Retail



Retail

Retail



Retail



London office



London office

London



London



Outsourcing

Outsourcing



Outsourcing

Asset Management

Development

Outsourcing

Recognition of importance of focus and specialist skills in 2004

Rationale

Giving

- Optimal balance sheet for specific business
- Better currency for asset and corporate acquisitions

Allowing

- Successful investment decisions to have greater impact on shareholder returns
- Easier valuation by increasingly specialist investor base
- Greater attraction to new sources of capital
- Choice for shareholders on sector allocation – technically more efficient

Retaining

- Strength of customer relationships
- Stability of cash flows
- Scale to be at forefront of their sectors

Creating the conditions for long term growth & sustained outperformance

Conclusion



Retail

- 18m sq ft floorspace
- £6.7bn of assets
- 28 shopping centres and 29 retail parks



London

- 11m sq ft floorspace
- £8.3bn of assets
- Over 3,000 acres of mixed use residential led development in UCD portfolio



Trillium

- 51.6m sq ft floorspace
- £2.2bn of assets
- Market leader in PPP / PFI and property outsourcing markets

One good business → three good businesses delivering better returns to shareholders