Press Release

11 November 2010

LAND SECURITIES GROUP PLC ("Land Securities"/"Group")

Half-yearly results for the six months to 30 September 2010

"We entered the year with a clear plan. The first half has seen us deliver on that plan, building momentum across the business. Our focus on development is already driving returns through valuation gains and profits on sales. We are seeing a willingness of companies to commit to new space across our business that is slightly ahead of our expectations and we are confident in our ability to continue to exploit the opportunities we have created across our portfolio."

Results summary

	30 September 2010	**31 March 2010**	**Change**
Valuation surplus (1)	£314.1m	N/A	Up 3.4%
Basic NAV per share	795p	750p	Up 6.0%
Adjusted diluted NAV per share (2)	737p	691p	Up 6.7%
Adjusted Gearing (1)	67.0%	72.1%	N/A
	Six months ended 30 September 2010	**Six months ended 30 September 2009**	**Change**
Profit/(loss) before tax	£455.3m	£(4.6)m	N/A
Revenue profit	£135.9m	£128.4m	Up 5.8%
Basic EPS	59.54p	1.58p	N/A
Adjusted diluted EPS	18.49p	16.89p	Up 9.5%
Dividend	14.00p	14.00p	-

(1) Including share of joint ventures
(2) Our key valuation measure

Financial highlights:

- Valuation surplus of 3.4% or £314.1m since March 2010
- Rental values up 1.1% across the total like-for-like portfolio since March 2010
- Outperformed IPD Quarterly Universe by 0.8%
- Completed disposals totalling £459.8m at an average of 5.7% above March 2010 valuations
- Acquisitions totalled £174.0m and expenditure on developments and refurbishments totalled £127.0m
- Group LTV ratio including share of joint ventures reduced to 42.1% (43.5% at 31 March 2010)
- Average debt maturities extended from 11.8 years in March 2010 to 11.9 years

Commenting on the results, Land Securities Chief Executive Francis Salway said:
"Our results reflect the benefit of moves we have made to position the business for the recovery in the market. We have committed significant capital to developments and it is already driving returns with a valuation uplift on our development programme of just under 10% in the six months.

"In London, we believe that developing in a supply-constrained market is a highly attractive opportunity. We were the first to start a large development programme in London, and we have been the first to take profits from it. We have the finance, the schemes and expertise to start additional projects in London in 2011. As the first half demonstrated with the sale of Park House and the valuation gains on our development assets, our development activity is already driving returns.

"In Retail, we have commenced developments selectively when supported by retailers through pre-lettings. And we see further opportunities in this area, particularly in edge-of-town locations targeted by supermarkets and other retailers.

"All our activity is underpinned by a focus on income and we managed void levels down further in our Retail Portfolio. We have also met with considerable success on asset management lettings in London since the half-year date.

"Market conditions in our sectors are slightly more favourable than we expected at this point, with low gilt yields supporting buying interest from investors and the growth plans of large companies generating take-up of space. We are nevertheless alive to the potential impact of tax increases and public sector job cuts, and we maintain our medium term view of a recovery in property values, albeit interspersed with ripples."

Key themes:

Development

- Since January 2010, committed to start projects with total development costs of over £1bn
- Trinity Leeds development commenced, and now 50% let or in solicitors' hands
- Joint venture formed with Canary Wharf Group to develop 20 Fenchurch Street, EC3
- One New Change, EC4 opened on 28 October with the retail element now fully let
- 40 residential units at Wellington House, SW1 pre-sold, representing 68% of the units
- Three further developments identified to start in London in 2011:
  - 123 Victoria Street, SW1
  - 110 Cannon Street, EC4
  - 60 Ludgate Hill and 30 Old Bailey, EC4
- Developments already making a significant contribution to returns – with a valuation gain on our development programme of just under 10% in the six month period

Income

- 'John Lewis at home' to open shops in Exeter and Chester
- 25,150 sq m of space agreed to be let to Primark in three transactions
- Major lettings to News International for 6,500 sq m at Thomas More Square, E1 (now 99% let)
- Extended lease agreed with Bain & Co to double their floor space at 40 Strand, WC2
- £22.9m of lettings agreed and £18.2m in solicitors' hands
- Voids in like-for-like portfolio up slightly at 5.9% (5.4% March 2010) as buildings in London are vacated prior to redevelopment. Like-for-like shopping centre and retail warehouse voids down at 4.9% (5.5% March 2010)

Recycling capital

- Forward sale of Park House, W1 to Barwa Real Estate for an initial consideration of £250m for the one acre site, all of the construction costs and a contingent profit share on completion
- Total sales of £459.8m (including Park House, W1) at an average of 5.7% above March 2010 valuation
- £174.0m of acquisitions, mainly the O2 Centre, NW3 and a 50% stake in Westgate Centre, Oxford
- £127.0m of development and refurbishment expenditure in the period
- Positive yield differential between purchases and sales, with an average yield on purchases of 5.8% and on sales of 2.9%
- More buying opportunities expected in H2 and 2011/12 and planning to continue to recycle capital through selective sales

-Ends-

For further information, please contact:

Francis Salway / Donal McCabe
Land Securities Group PLC
T +44 (0)20 7413 9000

John Sunnucks / David Allchurch
Tulchan Communications
T +44 (0)20 7353 4200

Notes to editors

Land Securities will be holding a results presentation today at 9.00am (GMT) and a live web-cast will be available at http://www.landsecurities.com/investors/results/half-yearly-results-2010

Please also note that there will be an interactive Q&A facility on the webcast.

We will also be offering an audio conference call line so that you can dial in to the presentation. 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 555 566
Call title: Land Securities' Half Year results
Call ID number: 17698966

An interview with Francis Salway, Chief Executive, and Martin Greenslade, Group Finance Director, is available at http://www.landsecurities.com/investors/results/half-yearly-results-2010