

Press Release

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10 November 2011

LAND SECURITIES GROUP PLC (“Land Securities”/“Group”)

Half-yearly results for the six months to 30 September 2011

“Our continuing progress in this more challenging environment is the result of a clear strategic direction and an unrelenting focus on operations at every level.”

Results summary

	30 September 2011	31 March 2011	Change
Valuation surplus ⁽¹⁾	£211.5m	N/A	2.1%
Basic NAV per share	920p	885p	Up 4.0%
Adjusted diluted NAV per share ⁽²⁾	863p	826p	Up 4.5%
Group LTV ratio ⁽¹⁾	37.7%	39.0%	
	Six months ended 30 September 2011	Six months ended 30 September 2010	Change
Profit before tax	£378.9m	£455.3m	Down 16.8%
Revenue profit ⁽¹⁾	£159.3m	£135.9m	Up 17.2%
Basic EPS	50.0p	59.5p	Down 16.0%
Adjusted diluted EPS ⁽³⁾	20.5p	17.6p	Up 16.5%
Dividend	14.4p	14.0p	Up 2.9%

1 Including share of joint ventures

2 Our key valuation measure

3 Now excludes profits on disposal of trading properties and long-term development contracts. The comparative has been adjusted accordingly.

Financial highlights

- Valuation surplus of 2.1% or £211.5m since March 2011
- Property sales of £195.6m at an average of 10.2% above March 2011 valuations
- Adjusted diluted NAV per share up 4.5% since March 2011
- Outperformed IPD Quarterly Universe by 1.0%
- Revenue profit of £159.3m, including some £13m of non-recurring items, up 17.2% on the six months ended 30 September 2010
- Rental values up 1.6% across the like-for-like portfolio since March 2011
- Group LTV ratio including share of joint ventures down to 37.7% (39.0% at 31 March 2011)

Lettings and income generation

- Voids in the total like-for-like portfolio reduced to 3.4% (4.1% at 31 March 2011), of which 0.8% is subject to temporary lettings
 - Retail Portfolio like-for-like voids reduced from 4.7% to 3.6%
 - London Portfolio like-for-like voids reduced from 3.4% to 3.3%
- Units in administration remain unchanged at 0.4%
 - Retail Portfolio units in administration up from 0.6% to 0.7%
 - London Portfolio units in administration down from 0.2% to 0.1%
- £22.6m investment lettings across the portfolio. Lettings at 5.8% above ERV (excluding turnover lettings)
 - Investment lettings in the Retail Portfolio at 2.9% above ERV (excluding turnover lettings)
 - Investment lettings in the London Portfolio at 7.7% above ERV
- Weighted average unexpired lease term across the like-for-like portfolio, completed developments and acquisitions of 8.9 years

Well positioned development programme

- Developments continuing to contribute positively to returns – with a valuation surplus of 6.6% in the six month period
- Of the £1.6bn of developments started since January 2010, already over 50% de-risked through site sales, pre-lettings and residential sales
- £3.9m of development lettings and a further £3.3m in solicitors' hands in the period
- 110 Cannon Street, EC4, development site sold for total consideration of £48.5m crystallising early virtually all of our anticipated development surplus
- Garratt Lane, Wandsworth supermarket and development site sold by Harvest joint venture for £25.7m (our share) ahead of work starting on site
- 58 out of 59 residential apartments at Wellington House, SW1 now pre-sold
- Trinity Leeds development letting progress to plan with 54.0% pre-let and a further 6.7% in solicitors' hands
- 185-221 Buchanan Street, Glasgow letting progress ahead of plan with 73.5% pre-let and a further 17.2% in solicitors' hands
- On site with 78,390 sq m (our economic share) of development schemes in London
- Planning consent obtained for 35,020 sq m at 30 Old Bailey and 60 Ludgate Hill, EC4, and resolution to grant consent obtained for 54,900 sq m at 1 New Street Square, EC4 and Kingsgate House, SW1
- Progress on a 113,000 sq m pipeline (our economic share) of retail schemes creating smaller occupier-led development opportunities, with four planning applications already submitted for food stores

Well placed with low balance sheet gearing

- Group LTV ratio including share of joint ventures down to 37.7% (39.0% at 31 March 2011)
- Average debt maturities at 11.0 years
- Positive discussions on refinancing of revolving credit facility
- Capacity to invest in acquisition opportunities

Commenting on the results, Land Securities Chief Executive Francis Salway said:

“Our continuing progress in the period reflects our focus on operations at every level. We have reduced vacancy rates, secured lettings above estimated rental value and achieved sales above the March 2011 valuation. Revenue profit has increased and our balance sheet is stronger, with lower gearing and capacity to invest in acquisition opportunities as and when they arise.

“We are operating in a challenging environment and we expect pressures in managing occupancy rates to continue. However, we have been encouraged by our first half performance and by both the number of enquiries on our development schemes in London in the last quarter and also our progress on pre-letting our retail developments. Our strong balance sheet and excellent customer relationships give us confidence in our ability to respond and adapt to evolving market conditions.

“We have a pipeline of opportunities within the portfolio to grow shareholder returns allied with a strong balance sheet to withstand economic fluctuations. We are alive to the potential effects of economic uncertainty and changeable sentiment in the capital markets. We have consistently stated that we did not expect to see a straight-line recovery in our market and we see no reason to adjust this outlook. We also believe that market uncertainty may well generate buying opportunities, as the balance between buyers and sellers shifts for some property types.”

-Ends-

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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/interims2011>

We will also offer an audio conference call line. 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:

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Dial-in number: +44 (0)1452 555 566

Call title: Land Securities' Half Year results

Conference ID number: 19742356

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

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