

# Appendix



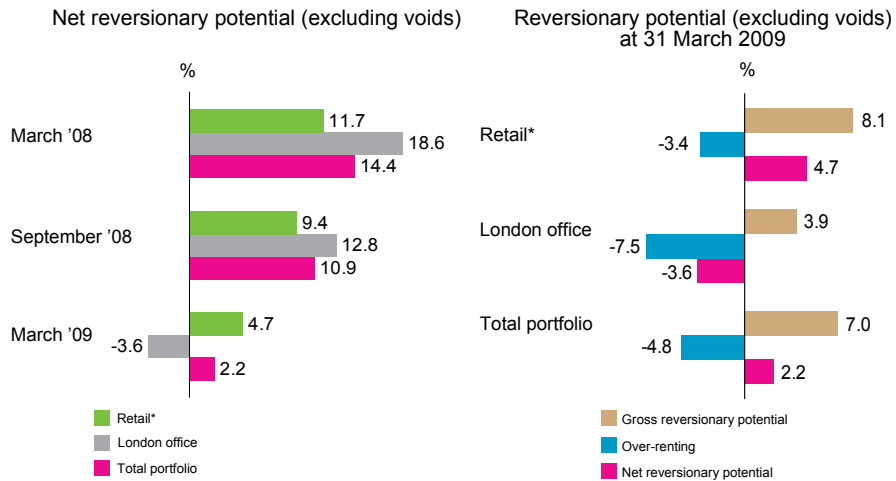
## Top 10 assets by value

| Name   | Principal occupiers                   | Ownership interest (%) | Floor area (000 sq ft)              | Passing rent (£m) | Let by income (%) | Weighted average unexpired lease term (yrs) |
|--|---------------------------------------|------------------------|-------------------------------------|-------------------|-------------------|---|
| Cardinal Place, SW1                              | Microsoft, Wellington M'ment          | 100                    | Retail: 57<br>Offices: 454          | 30                | 99.5              | 8.1   |
| New Street Square, EC4                           | Deloitte, Taylor Wessing              | 100                    | Retail: 22<br>Offices: 685          | 14                | 92.7              | 14.7  |
| Queen Anne's Gate, SW1                           | Government                            | 100                    | Offices: 324                        | 26                | 100.0             | 17.7  |
| White Rose Centre, Leeds                         | Sainsbury's, Debenhams, Arcadia       | 100                    | Retail: 680                         | 27                | 97.4              | 8.3   |
| Cabot Circus, Bristol (and adjoining properties) | House of Fraser, Harvey Nicholls, H&M | 50                     | Retail / Leisure: 1,200             | 12                | 91.6              | 9.1   |
| Bankside 2&3, SE1                                | Royal Bank of Scotland                | 100                    | Retail: 26<br>Offices: 391          | 1                 | 99.8              | 18.3  |
| Almondvale Centre, Livingston                    | Debenhams, M&S, BHS                   | 100                    | Retail: 925                         | 14                | 87.0              | 8.5   |
| Piccadilly Lights, W1                            | Boots, Barclays                       | 100                    | Retail / Leisure: 66<br>Offices: 16 | 11                | 91.4              | 3.4   |
| Bullring, Birmingham                             | Debenhams, Next, Selfridges           | 33                     | Retail: 1,184                       | 16                | 93.7              | 9.4   |
| Gunwharf Quays, Portsmouth                       | Vue Cinema, M&S Boots                 | 100                    | Retail: 444                         | 19                | 97.7              | 7.9   |

Aggregate value of top 10 assets: £2.9bn

## Reversionary potential

### Like-for-like portfolio



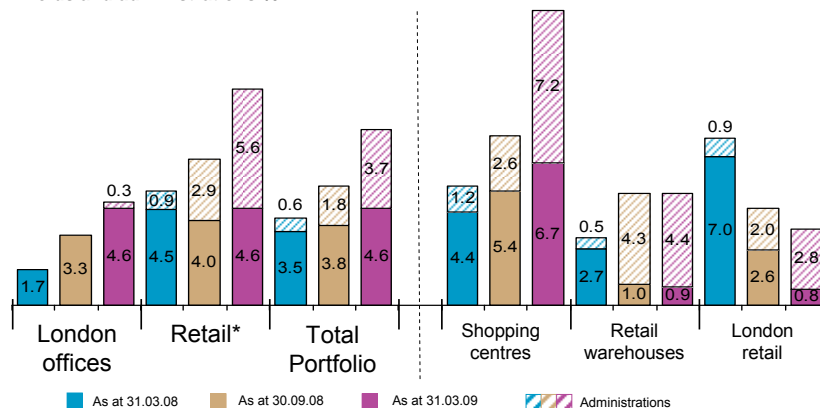
Reversionary potential falling sharply, but gross reversions not yet fully eroded

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## Voids and units in administration

### Like-for-like portfolio

#### Voids and administrations %



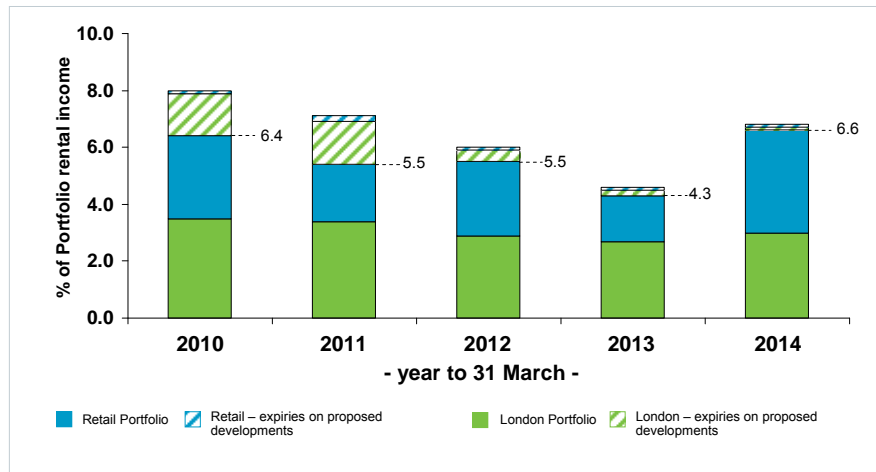
Administrations focused on shopping centres – only 3.7% across Total Portfolio

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## Investment portfolio

### Lease maturities (expiries and break clauses)



## Unexpired lease term

### Like-for-like investment portfolio

|   | Median years | Mean years |
|---|--------------|------------|
| <b>Retail</b>   |              |            |
| Shopping centres and shops  | 6.5          | 7.6        |
| Central London shops  | 4.3          | 5.8        |
| Retail warehouses and foodstores  | 11.2         | 11.6       |
| <b>Offices</b>  |              |            |
| West End  | 5.3          | 7.1        |
| City  | 1.8          | 3.6        |
| Midtown   | 3.8          | 7.4        |
| Inner London  | 4.9          | 5.7        |
| Rest of UK  | 3.3          | 3.8        |
| <b>Other</b>  | 12.9         | 12.5       |
| <b>TOTAL LIKE-FOR-LIKE PORTFOLIO</b>                                      | <b>5.8</b>   | <b>7.8</b> |
| <b>TOTAL FOR LIKE-FOR-LIKE, ACQUISITIONS &amp; COMPLETED DEVELOPMENTS</b> | <b>7.6</b>   | <b>8.8</b> |

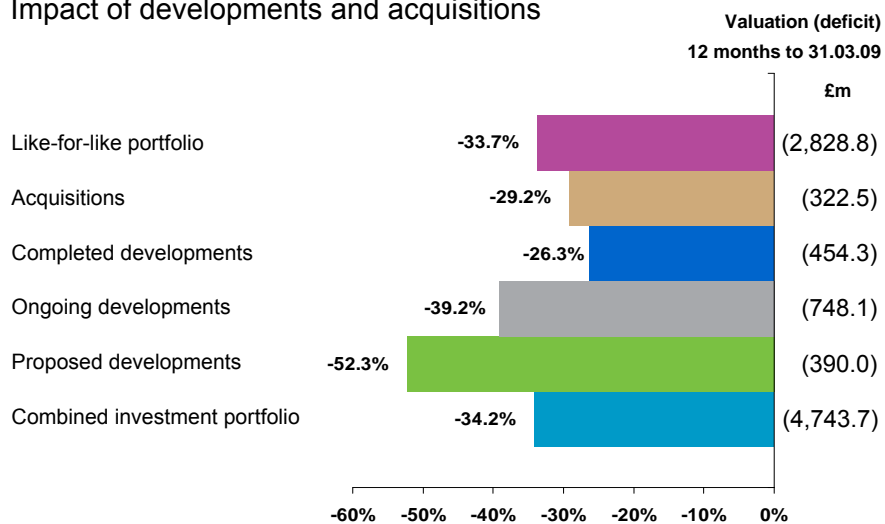
## Analysis of voids

|  | Gross ERV of voids<br>£m | Cumulative total<br>portfolio ERV<br>£m | Voids as proportion<br>of cumulative total<br>gross ERV<br>% |
|--|--------------------------|---|--|
| Like-for-like:                               |                          |   |  |
| Available to let                             | 21.5                     | 499.7                                   | 4.3%   |
| Unavailable to let (being refurbished)       | 1.5                      | 501.1                                   | 0.3%   |
|  | <u>23.0</u>              |   | <u>4.6%</u>  |
| Non like-for-like items:                     |                          |   |  |
| Pre-development voids                        | 11.8                     | 527.8                                   | 2.2%   |
| Acquisitions                                 | 5.1                      | 598.2                                   | 0.9%   |
| Completed and 95% let developments           | 0.9                      | 688.0                                   | 0.1%   |
| Completed developments not yet 95% let       | 12.3                     | 759.0                                   | 1.6%   |
| Developments to complete in 2009/10          | 17.4                     | 779.7                                   | 2.2%   |
| Developments to complete in 2010/11 or later | 44.1                     | 834.7                                   | 5.3%   |
|  | <u>114.6</u>             |   | <u>13.7%</u>   |

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## Portfolio valuation results

### Impact of developments and acquisitions



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## Yield changes

### Like-for-like portfolio

|                            | Gross Income Yield (%) |            |            |            | Equivalent Yield (%) |            |            |            |
|----------------------------|------------------------|------------|------------|------------|----------------------|------------|------------|------------|
|                            | 31.03.08               | 30.09.08   | 31.01.09   | 31.03.09   | 31.03.08             | 30.09.08   | 31.01.09   | 31.03.09   |
| Shopping centres and shops | 5.8                    | 6.6        | 8.4        | 8.9        | 5.7                  | 6.4        | 7.8        | 8.1        |
| Retail warehouses          | 5.2                    | 6.0        | 7.7        | 8.0        | 5.5                  | 6.3        | 7.8        | 8.1        |
| London retail              | 4.4                    | 4.4        | 5.6        | 5.8        | 5.0                  | 5.2        | 5.7        | 5.8        |
| London offices             | 5.5                    | 6.3        | 8.2        | 8.4        | 6.1                  | 6.8        | 7.7        | 7.7        |
| <b>Total portfolio</b>     | <b>5.4</b>             | <b>6.1</b> | <b>7.8</b> | <b>8.2</b> | <b>5.8</b>           | <b>6.4</b> | <b>7.6</b> | <b>7.7</b> |

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## Like-for-like portfolio

### Rental and capital value trends

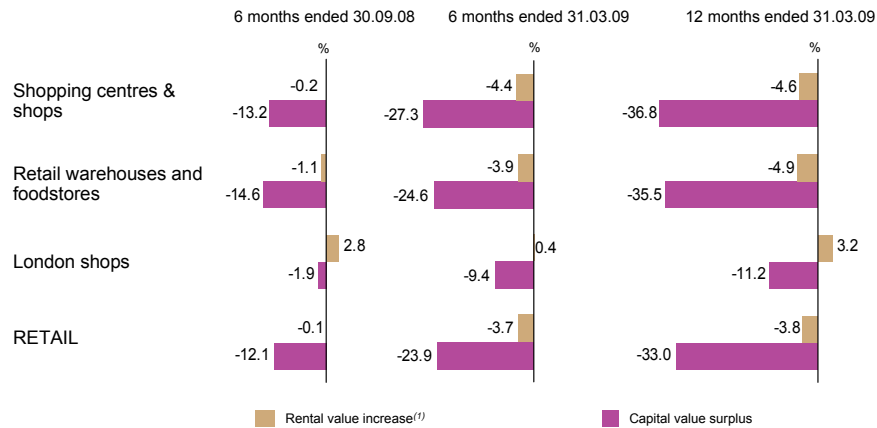
Like-for-like portfolio value at 31.03.09: £5,707.9m



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## Retail like-for-like portfolio

Like-for-like portfolio value at 31.03.09: £3,524.3m



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## London office like-for-like portfolio

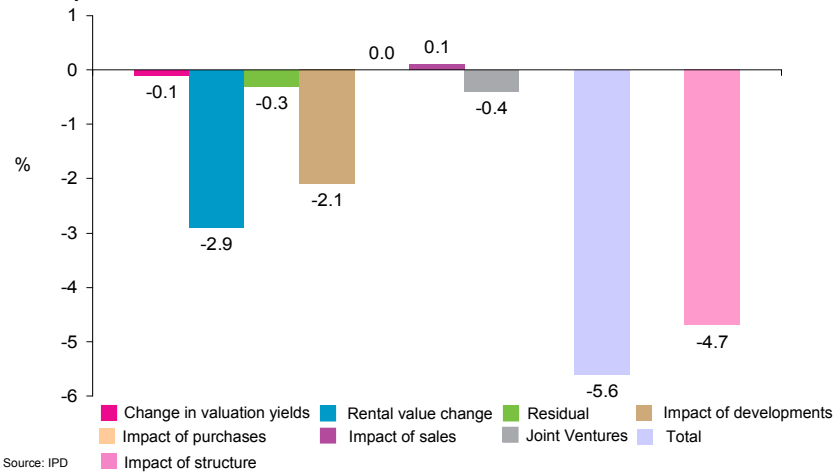
Like-for-like portfolio value at 31.03.09: £1,917.7m



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## Analysis of performance relative to IPD

Attribution analysis, ungeared total return, 12 months to 31 March 2009, relative to IPD Quarterly Universe



Greatest impact from high exposure to sectors with largest value declines

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## Investment portfolio activity

|                            | Retail Portfolio<br>£m | London Portfolio<br>£m | Total<br>£m |
|----------------------------|------------------------|------------------------|-------------|
| Investment acquisitions    | 82.7*                  | 39.1*                  | 121.8       |
| Investment sales           | (177.9)*               | (349.6)*               | (527.5)     |
| Net acquisitions / (sales) | (95.2)                 | (310.5)                | (405.7)     |
| Development programme      | 186.5                  | 185.8                  | 372.3       |
| Other capital expenditure  | 103.6                  | 87.8                   | 191.4       |
| Total net investment       | 194.9                  | (36.9)                 | 158.0       |

\* Based on the net effect of asset transfers into Joint Ventures



Sales at 18.5% below March 2008 valuation (before disposal costs)

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## Profile of cash rents / ERV

|  | Cash Rents and ERVs at<br>31.03.09 |                           |              | Cash Rents and ERVs at<br>31.03.08 |                           |              |
|--|------------------------------------|---------------------------|--------------|------------------------------------|---------------------------|--------------|
|  | Retail<br>Portfolio<br>£m          | London<br>Portfolio<br>£m | Total<br>£m  | Retail<br>Portfolio<br>£m          | London<br>Portfolio<br>£m | Total<br>£m  |
| Rental income subject to market reviews <sup>1</sup>                           | 283.9                              | 255.4                     | 539.3        | 273.2                              | 277.1                     | 550.3        |
| Rental income subject to fixed or RPI increases <sup>2</sup>                   | 3.8                                | 34.5                      | 38.3         | 3.9                                | 38.9                      | 42.8         |
| Net commercialisation income and managed car park income profit                | 16.6                               | 1.3                       | 17.9         | 12.6                               | 0.4                       | 13.0         |
| Turnover rents <sup>(3)</sup>  | 32.2                               | 1.8                       | 34.0         | 37.4                               | 2.2                       | 39.6         |
| <b>Rent in payment</b>   | <b>336.5</b>                       | <b>293.0</b>              | <b>629.5</b> | <b>327.1</b>                       | <b>318.6</b>              | <b>645.7</b> |
| Additional cash rent from unexpired rent free periods (non-development)        | 6.5                                | 2.5                       | 9.0          | 6.2                                | 6.2                       | 12.4         |
| Additional cash rent from unexpired rent free periods (completed developments) | 2.5                                | 18.7                      | 21.2         | 3.6                                | 21.9                      | 25.5         |
| <b>Rent secured on completed investment properties</b>                         | <b>345.5</b>                       | <b>314.2</b>              | <b>659.7</b> | <b>336.9</b>                       | <b>346.7</b>              | <b>683.6</b> |
| Reversions at rent review (net) within 5 years                                 | 1.4                                | 2.3                       | 3.7          | 27.1                               | 39.8                      | 66.9         |
| Reversions / over-rented (net) at lease expiry / break clause within 5 years   | 5.7                                | (2.4)                     | 3.3          | 6.1                                | 12.4                      | 18.5         |
| Reversions / (over-rented) at lease expiry after 5 years                       | 4.5                                | (1.0)                     | 3.5          | 2.1                                | 4.4                       | 6.5          |
| <b>ERV on completed investment properties</b>                                  | <b>357.1</b>                       | <b>313.1</b>              | <b>670.2</b> | <b>372.2</b>                       | <b>403.3</b>              | <b>775.5</b> |
| Contracted additional income from development programme                        | 24.9                               | 43.5                      | 68.4         | 18.3                               | 29.1                      | 47.4         |
| Reversions and turnover rents from contracted leases in development programme  | 0.5                                | (0.8)                     | (0.3)        | 0.3                                | 3.3                       | 3.6          |
| Non-contracted potential additional income from development programme          | 18.3                               | 57.1                      | 75.4         | 28.4                               | 64.4                      | 92.8         |
|  | <b>400.8</b>                       | <b>412.9</b>              | <b>813.7</b> | <b>419.2</b>                       | <b>500.1</b>              | <b>919.3</b> |
| Voids (excluding proposed development sites)                                   | 13.7                               | 11.8                      | 25.5         | 14.4                               | 11.1                      | 25.5         |
| <b>Total ERV on combined portfolio<sup>4</sup></b>                             | <b>414.5</b>                       | <b>424.7</b>              | <b>839.2</b> | <b>433.6</b>                       | <b>511.2</b>              | <b>944.8</b> |

1 Includes tenants in administration

2 Fixed and RPI increases over next 5 years, assuming future RPI at 2% pa, total £4.0m (£3.6m London Portfolio and £0.4m Retail Portfolio)

3 Includes Accor portfolio of properties

4 Excluding sites of proposed developments and ignoring over-rented on RPI leases

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## Development – prospective rental income

### Cash income

|  | London<br>Portfolio | Retail<br>Portfolio | Total<br>Portfolio |
|--|---------------------|---------------------|--------------------|
| <b>2010</b>                            |                     |                     |                    |
| Contracted                             | 52.6                | 26.7                | 79.3               |
| Balance                                | 2.6                 | 5.1                 | 7.7                |
| <b>Total prospective rental income</b> | <b>55.2</b>         | <b>31.8</b>         | <b>87.0</b>        |
| <b>2011</b>                            |                     |                     |                    |
| Contracted                             | 60.4                | 32.2                | 92.6               |
| Balance                                | 4.4                 | 14.1                | 18.5               |
| <b>Total prospective rental income</b> | <b>64.8</b>         | <b>46.3</b>         | <b>111.1</b>       |
| <b>2012</b>                            |                     |                     |                    |
| Contracted                             | 66.1                | 32.6                | 98.7               |
| Balance                                | 12.4                | 19.8                | 32.2               |
| <b>Total prospective rental income</b> | <b>78.5</b>         | <b>52.4</b>         | <b>130.9</b>       |
| <b>2013</b>                            |                     |                     |                    |
| Contracted                             | 72.5                | 31.6                | 104.1              |
| Balance                                | 25.9                | 35.8                | 61.7               |
| <b>Total prospective rental income</b> | <b>98.4</b>         | <b>67.4</b>         | <b>165.8</b>       |
| <b>2014</b>                            |                     |                     |                    |
| Contracted                             | 74.5                | 31.2                | 105.7              |
| Balance                                | 31.8                | 48.5                | 80.3               |
| <b>Total prospective rental income</b> | <b>106.3</b>        | <b>79.7</b>         | <b>186.0</b>       |

### SIC15 income

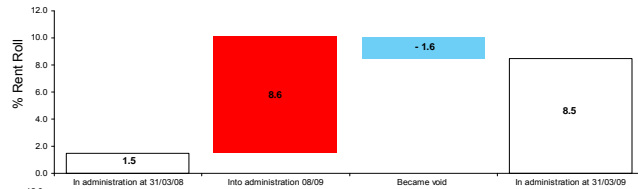
|  | London<br>Portfolio | Retail<br>Portfolio | Total<br>Portfolio |
|--|---------------------|---------------------|--------------------|
| <b>2010</b>                            |                     |                     |                    |
| Contracted                             | 60.0                | 30.0                | 90.0               |
| Balance                                | 4.3                 | 9.7                 | 14.0               |
| <b>Total prospective rental income</b> | <b>64.3</b>         | <b>39.7</b>         | <b>104.0</b>       |
| <b>2011</b>                            |                     |                     |                    |
| Contracted                             | 63.9                | 31.2                | 95.1               |
| Balance                                | 14.6                | 17.9                | 32.5               |
| <b>Total prospective rental income</b> | <b>78.5</b>         | <b>49.1</b>         | <b>127.6</b>       |
| <b>2012</b>                            |                     |                     |                    |
| Contracted                             | 68.7                | 31.0                | 99.7               |
| Balance                                | 26.5                | 22.2                | 48.7               |
| <b>Total prospective rental income</b> | <b>95.2</b>         | <b>53.2</b>         | <b>148.4</b>       |
| <b>2013</b>                            |                     |                     |                    |
| Contracted                             | 68.9                | 29.9                | 98.8               |
| Balance                                | 27.2                | 37.3                | 64.5               |
| <b>Total prospective rental income</b> | <b>96.1</b>         | <b>67.2</b>         | <b>163.3</b>       |
| <b>2014</b>                            |                     |                     |                    |
| Contracted                             | 69.6                | 29.6                | 99.2               |
| Balance                                | 43.1                | 46.1                | 89.2               |
| <b>Total prospective rental income</b> | <b>112.7</b>        | <b>75.7</b>         | <b>188.4</b>       |

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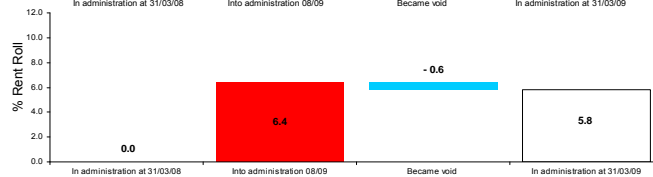


## Retail Portfolio – analysis of units in administration

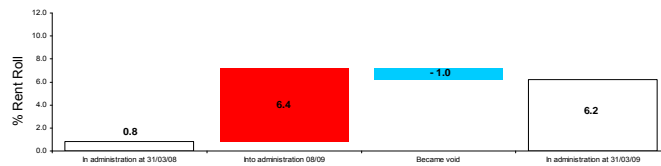
### Shopping centres



### Retail warehouses



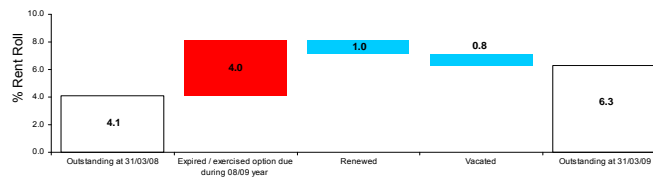
### Retail Portfolio



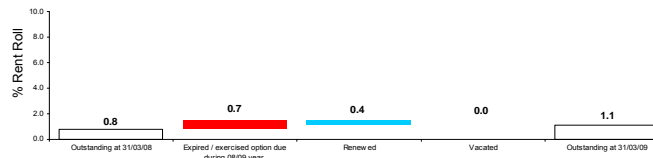
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## Retail Portfolio – analysis of expiries and options

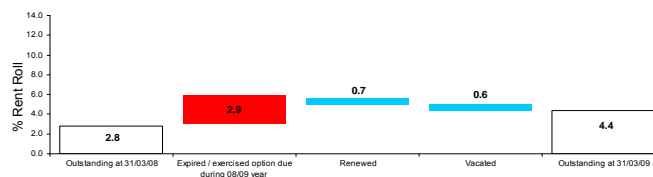
### Shopping centres



### Retail warehouses



### Retail Portfolio

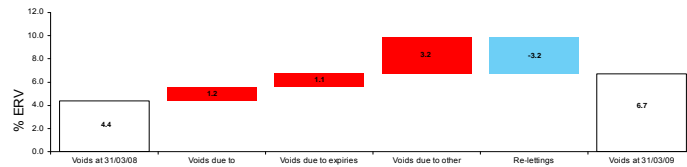


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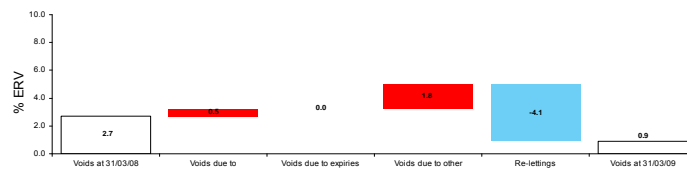
## Retail Portfolio – analysis of voids

### Like-for-like portfolio

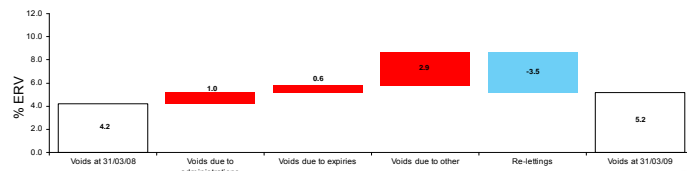
#### Shopping centres



#### Retail warehouses



#### Retail Portfolio



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## Rent reviews and lease expiries and breaks <sup>(1)</sup>

### Retail Portfolio

|   | Outstanding<br>£m | 2009/10<br>£m | 2010/11<br>£m | 2011/12<br>£m | 2012/13<br>£m | Total 2009-13<br>£m |
|---|-------------------|---------------|---------------|---------------|---------------|---------------------|
| Rents passing from leases subject to review | 59.9              | 71.2          | 38.4          | 46.0          | 35.8          | 191.4               |
| Projected rent after review at current ERV  | 63.5              | 70.1          | 39.6          | 45.0          | 36.2          | 190.9               |
| <b>Potential rent increases</b>             | <b>3.6</b>        | <b>(1.1)</b>  | <b>1.2</b>    | <b>(1.0)</b>  | <b>0.4</b>    | <b>(0.5)</b>        |

|   | Outstanding<br>£m | 2009/10<br>£m | 2010/11<br>£m | 2011/12<br>£m | 2012/13<br>£m | Total 2009-13<br>£m |
|---|-------------------|---------------|---------------|---------------|---------------|---------------------|
| Rents passing from leases subject to expiries or breaks | 15.0              | 18.7          | 14.0          | 16.5          | 10.4          | 59.6                |
| Current ERV   | 17.2              | 20.9          | 14.1          | 16.4          | 10.4          | 61.8                |
| <b>Potential rent increases</b>                         | <b>2.2</b>        | <b>2.2</b>    | <b>0.1</b>    | <b>(0.1)</b>  | <b>-</b>      | <b>2.2</b>          |

(1): This is not a forecast and takes no account of increases or decreases in rental values before the relevant review dates.

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## Rent reviews and lease expiries and breaks <sup>(1)</sup>

### London Portfolio

|   | Outstanding<br>£m | 2009/10<br>£m | 2010/11<br>£m | 2011/12<br>£m | 2012/13<br>£m | Total 2009-13<br>£m |
|---|-------------------|---------------|---------------|---------------|---------------|---------------------|
| Rents passing from leases subject to review | 35.6              | 38.8          | 53.8          | 20.9          | 41.2          | 154.7               |
| Projected rent after review at current ERV  | 37.1              | 36.1          | 53.2          | 20.8          | 38.6          | 148.7               |
| <b>Potential rent increases</b>             | <b>1.5</b>        | <b>(2.7)</b>  | <b>(0.6)</b>  | <b>(0.1)</b>  | <b>(2.6)</b>  | <b>(6.0)</b>        |

|  | Outstanding<br>£m | 2009/10<br>£m | 2010/11<br>£m | 2011/12<br>£m | 2012/13<br>£m | Total 2009-13<br>£m |
|--|-------------------|---------------|---------------|---------------|---------------|---------------------|
| Rents passing from leases subject to expiries or breaks <sup>(2)</sup> | 9.4               | 31.9          | 31.1          | 21.1          | 18.2          | 102.3               |
| Current ERV  | 10.8              | 29.4          | 28.3          | 19.0          | 17.2          | 93.9                |
| <b>Potential rent increases</b>  | <b>1.4</b>        | <b>(2.5)</b>  | <b>(2.8)</b>  | <b>(2.1)</b>  | <b>(1.0)</b>  | <b>(8.4)</b>        |

(1): This is not a forecast and takes no account of increases or decreases in rental values before the relevant review dates.

(2): Includes lease expiries/breaks on pre-development properties totalling £2.6m outstanding; £9.6m in 2009/10; £9.4m in 2010/11; £2.5m in 2011/12; £1.1m in 2012/13; (the definition here for pre-development properties includes where planning applications have been submitted)

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## Rent reviews and lease expiries and breaks <sup>(1)</sup>

### London City offices

|   | Outstanding<br>£m | 2009/10<br>£m | 2010/11<br>£m | 2011/12<br>£m | 2012/13<br>£m | Total 2009-13<br>£m |
|---|-------------------|---------------|---------------|---------------|---------------|---------------------|
| Rents passing from leases subject to review | 10.6              | 9.3           | 2.9           | 3.0           | 8.6           | 23.8                |
| Projected rent after review at current ERV  | 10.3              | 6.3           | 2.6           | 3.0           | 8.3           | 20.2                |
| <b>Potential rent increases</b>             | <b>(0.3)</b>      | <b>(3.0)</b>  | <b>(0.3)</b>  | <b>-</b>      | <b>(0.3)</b>  | <b>(3.6)</b>        |

|  | Outstanding<br>£m | 2009/10<br>£m | 2010/11<br>£m | 2011/12<br>£m | 2012/13<br>£m | Total 2009-13<br>£m |
|--|-------------------|---------------|---------------|---------------|---------------|---------------------|
| Rents passing from leases subject to expiries or breaks <sup>(2)</sup> | 1.4               | 7.5           | 14.7          | 4.7           | 2.6           | 29.5                |
| Current ERV  | 1.0               | 6.1           | 13.0          | 4.0           | 2.0           | 25.1                |
| <b>Potential rent increases</b>  | <b>(0.4)</b>      | <b>(1.4)</b>  | <b>(1.7)</b>  | <b>(0.7)</b>  | <b>(0.6)</b>  | <b>(4.4)</b>        |

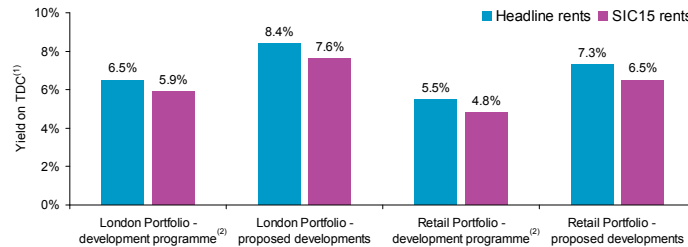
(1): This is not a forecast and takes no account of increases or decreases in rental values before the relevant review dates.

(2): Includes lease expiries/breaks on pre-development properties totalling outstanding £0.1m, £3.6m in 2009/10; £7.0m in 2010/11; nil in 2011/12; £0.5m in 2012/13; (the definition here for pre-development properties includes where planning applications have been submitted)

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## Development contribution

### Income growth and valuation surplus – development pipeline



|  | London Portfolio – development programme | London Portfolio – proposed developments | Retail Portfolio – development programme | Retail Portfolio – proposed developments |
|--|--|--|--|--|
| TDC <sup>(1)</sup>                                 | £1,457m                                  | £1,165m                                  | £812m                                    | £375m                                    |
| Nominal equivalent yield                           | 5.2%                                     | 5.9%                                     | 7.3%                                     | 6.5%                                     |
| Valuation surplus / (deficit) crystallised to date | £(321)m                                  | n/a                                      | £(316)m                                  | n/a                                      |

(1) Total development cost (TDC) – includes land and capitalised interest, but shown after deduction of residential costs

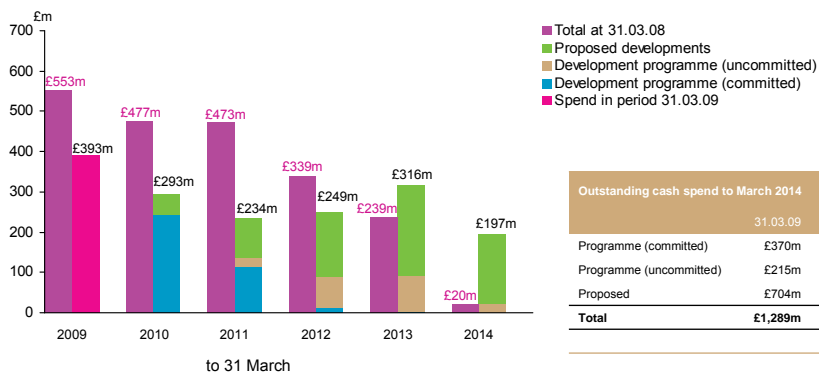
(2) Ongoing development programme only

**7.0% headline yield / 6.2% P&L yield on total development cost of £3.8bn**

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## Development

### Estimated future spend



| Outstanding cash spend to March 2014 |                |                |
|--------------------------------------|----------------|----------------|
|                                      | 31.03.09       | 31.03.08       |
| Programme (committed)                | £370m          | £671m          |
| Programme (uncommitted)              | £215m          | £200m          |
| Proposed                             | £704m          | £1,230m        |
| <b>Total</b>                         | <b>£1,289m</b> | <b>£2,101m</b> |

Excludes Kent Thameside and interest

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## Property Disposals

In the 12 months to 31 March 2009

| London                                      | Retail   | JVs                             |
|---|--|---------------------------------|
| New Scotland Yard, SW1                      | Queslett Road, Birmingham (out of town retail) | Bristol – Broadweir residential |
| Empress State Building, SW6 (50%)           | Maskew Avenue, Peterborough (retail park)      | Strood retail park              |
| Fleetbank House, EC4                        | Victoria Garden Shopping Centre, Harrogate     |                                 |
| Turnstile House, WC1                        | Hanworth Road, Sunbury on Thames               |                                 |
| Chronicle House, EC4                        | Parc Tawe Retail Park, Swansea                 |                                 |
| 80-81 Fleet Street, EC4                     | Longwell Green, Bristol (out of town retail)   |                                 |
| Greenwood House, EC4                        | Oldings Corner, Hatfield (retail park)         |                                 |
| 36/38 Whitefriars, EC4                      | Infirmity Road, Sheffield (out of town retail) |                                 |
| 1 Salisbury Square & 8 Salisbury Court, EC4 | 104/106 Notting Hill Gate, W11 (retail)        |                                 |
| 2/3 Salisbury Court, EC4                    |  |                                 |
| 35 & 36/38 Whitefriars, EC4                 |  |                                 |

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## Consolidated income statement

|   | Year ended 31.03.09  |         |           | Year ended 31.03.08  |         |           |
|---|----------------------|---------|-----------|----------------------|---------|-----------|
|   | Group (excl. JVs) £m | JVs £m  | Total £m  | Group (excl. JVs) £m | JVs £m  | Total £m  |
| Revenue   | 821.2                | 103.3   | 924.5     | 818.0                | 111.6   | 929.6     |
| Costs   | (326.4)              | (37.3)  | (363.7)   | (317.4)              | (47.3)  | (364.7)   |
|   | 494.8                | 66.0    | 560.8     | 500.6                | 64.3    | 564.9     |
| (Loss) / profit on disposal of non-current properties | (130.8)              | 2.9     | (127.9)   | 57.3                 | (7.1)   | 50.2      |
| Impairment of trading properties                      | (92.3)               | (12.3)  | (104.6)   | -                    | -       | -         |
| Net deficit on revaluation of investment properties   | (4,113.4)            | (630.3) | (4,743.7) | (1,158.4)            | (134.2) | (1,292.6) |
| Operating loss  | (3,841.7)            | (573.7) | (4,415.4) | (600.5)              | (77.0)  | (677.5)   |
| Net interest expense                                  | (332.5)              | (41.7)  | (374.2)   | (286.4)              | (21.0)  | (307.4)   |
| Loss before tax                                       | (4,174.2)            | (615.4) | (4,789.6) | (886.9)              | (98.0)  | (984.9)   |
| Income tax (expense) / credit                         | (0.5)                | (1.3)   | (1.8)     | 15.1                 | (3.1)   | 12.0      |
|   | (4,174.7)            | (616.7) | (4,791.4) | (871.8)              | (101.1) | (972.9)   |
| Adjustment due to net liabilities                     | -                    | 17.7    | 17.7      | -                    | -       | -         |
| Loss for the year from continuing activities          | (4,174.7)            | (599.0) | (4,773.7) | (871.8)              | (101.1) | (972.9)   |

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## Underlying operating profit by segment

| Year ended<br>31.03.08<br>£m                        |  | Year ended<br>31.03.09<br>£m | Change<br>%  |
|---|--|------------------------------|--------------|
| <b>Property investment excluding joint ventures</b> |  |                              |              |
| 238.4   | Retail Portfolio                           | 226.9                        | -4.8         |
| 280.2   | London Portfolio                           | 286.0                        | +2.1         |
| 4.8   | Long-term contracts and trading properties | 6.3                          | n/a          |
| <b>523.4</b>  | <b>Underlying segment operating profit</b> | <b>519.2</b>                 |              |
| (13.0)  | Less: unallocated expenses                 | (14.2)                       |              |
| <b>510.4</b>  | <b>Underlying operating profit</b>         | <b>505.0</b>                 | <b>-10.6</b> |
| <b>Joint venture underlying operating profit</b>    |  |                              |              |
| 54.9  | Retail Portfolio                           | 48.7                         | -24.1        |
| 9.5   | London Portfolio                           | 5.0                          | -47.4        |
| <b>64.4</b>   | <b>Continuing operations</b>               | <b>53.7</b>                  | <b>-16.6</b> |

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## Revenue profit

| Year ended<br>31.03.08<br>£m |  | Year ended<br>31.03.09<br>£m | Change<br>%  |
|------------------------------|--|------------------------------|--------------|
| <b>(988.0)</b>               | <b>Loss before tax</b>                           | <b>(4,773.2)</b>             |              |
| Adjustments:                 |  |                              |              |
| 1,292.6                      | Revaluation deficits on investment properties    | 4,743.7                      |              |
| 9.8                          | Demerger costs                                   | 10.2                         |              |
| (50.2)                       | (Profit) / loss on non-current properties        | 127.9                        |              |
| -                            | JV net liabilities adjustment                    | (17.7)                       |              |
| (11.1)                       | Trading property profits                         | (8.0)                        |              |
| -                            | Impairment of trading properties                 | 104.6                        |              |
| (2.0)                        | Long-term development contract profits           | (3.8)                        |              |
| 29.1                         | Mark-to-market on interest rate swaps            | 117.5                        |              |
| 4.6                          | Other items                                      | 13.7                         |              |
| <b>284.8</b>                 | <b>Revenue profit from continuing operations</b> | <b>314.9</b>                 | <b>+10.6</b> |

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## Revenue profit

|  | Year ended 31 March 2009 |                        |             |
|--|--------------------------|------------------------|-------------|
|  | Retail Portfolio<br>£m   | London Portfolio<br>£m | Total<br>£m |
| Net rental income                        | 293.9                    | 339.6                  | 633.5       |
| Net service cost                         | (31.3)                   | (18.4)                 | (49.7)      |
| Indirect costs                           | (35.7)                   | (35.2)                 | (70.9)      |
| Long-term contract profits               | -                        | 3.8                    | 3.8         |
| Trading property profits / (losses)      | 2.2                      | (92.0)                 | (89.8)      |
| Segment profit                           | 229.1                    | 197.8                  | 426.9       |
| Segment profit / (loss) – joint ventures | 48.7                     | 5.0                    | 53.7        |
| Combined operating profit                | 277.8                    | 202.8                  | 480.6       |
| Unallocated expenses                     |                          |                        | (14.2)      |
| Net interest - Group                     |                          |                        | (217.9)     |
| - joint ventures                         |                          |                        | (26.4)      |
| Trading property sales - Group           |                          |                        | 89.8        |
| - joint venture                          |                          |                        | 6.8         |
| Long-term development contract profits   |                          |                        | (3.8)       |
| Revenue profit                           |                          |                        | 314.9       |

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## EPS reconciliation

|  | Year ended 31 March 2009        |                |                           |   |
|--|---------------------------------|----------------|---------------------------|---|
|  | Pre-tax profit<br>measure<br>£m | Taxation<br>£m | Earnings<br>measure<br>£m | Diluted<br>earnings per<br>share<br>(pence) |
| <b>Reported results excluding minority interests</b> | (4,769.9)                       | (0.5)          | (4,770.4)                 | (917.58)                                    |
| Revaluation surpluses net of deferred tax - Group    | 4,113.4                         | -              | 4,113.4                   | 791.21                                      |
| - joint ventures                                     | 630.3                           | -              | 630.3                     | 121.25                                      |
| Fixed asset property disposals                       | 127.9                           | -              | 127.9                     | 24.60                                       |
| Mark-to-market adjustment on interest-rate swaps     | 117.5                           | -              | 117.5                     | 23.06                                       |
| Debt restructuring                                   | 0.7                             | -              | 0.7                       | 0.13  |
| Eliminate effect of bond exchange de-recognition     | 11.7                            | -              | 11.7                      | 2.25  |
| Impairments of trading properties                    | 104.6                           | -              | 104.6                     | 20.13                                       |
| Joint venture tax adjustment                         | 1.3                             | (1.3)          | -                         | -   |
| Demerger costs                                       | 10.2                            | (3.0)          | 7.2                       | 1.38  |
| JV net liabilities adjustments                       | (17.7)                          | -              | (17.7)                    | (3.40)                                      |
|  | 330.0                           | (4.8)          | 325.2                     | 62.57                                       |
| Trading properties – profits on sale                 | (8.0)                           |                |                           |   |
| Long-term development contract net income            | (3.8)                           |                |                           |   |
| Minority interest                                    | (3.3)                           |                |                           |   |
| Revenue profit                                       | 314.9                           |                |                           |   |

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## Tax charge

| Year ended<br>31.03.08<br>£m |   | Year ended<br>31.03.09<br>£m |
|------------------------------|---|------------------------------|
| <b>(988.0)</b>               | <b>Loss before tax</b>                        | <b>(4,773.2)</b>             |
| (296.4)                      | Taxation @ 30% / 28%                          | (1,336.5)                    |
| 5.1                          | Net tax charge arising on property disposals  | -                            |
| 0.9                          | Joint venture accounting                      | -                            |
| (1.0)                        | Prior year adjustments (current and deferred) | (0.8)                        |
| 12.0                         | Non-allowable expenses and non-taxable items  | 4.5                          |
| -                            | Losses carried forward                        | 25.7                         |
| 264.3                        | Exempt (profit) / loss                        | 1,307.6                      |
| <b>(15.1)</b>                | <b>Tax (credit) / expense for year</b>        | <b>0.5</b>                   |

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## Consolidated balance sheet

|  | At 31.03.09 |                             |             | At 31.03.08 |                             |             |
|--|-------------|-----------------------------|-------------|-------------|-----------------------------|-------------|
|  | Group<br>£m | JVs and<br>Associates<br>£m | Total<br>£m | Group<br>£m | JVs and<br>Associates<br>£m | Total<br>£m |
| Investment properties                                      | 7,929.4     | 1,208.0                     | 9,137.4     | 12,296.7    | 1,579.0                     | 13,875.7    |
| Other tangible fixed assets                                | 14.3        | -                           | 14.3        | 618.4       | -                           | 618.4       |
|  | 7,943.7     | 1,208.0                     | 9,151.7     | 12,915.1    | 1,579.0                     | 14,494.1    |
| Net debt   | (3,923.6)   | (459.4)                     | (4,383.0)   | (5,384.5)   | (253.5)                     | (5,638.0)   |
| Investments in joint ventures*                             | 930.8       | (930.8)                     | -           | 1,410.6     | (1,410.6)                   | -           |
| Other net assets   | (130.7)     | 182.2                       | 51.5        | 641.7       | 85.1                        | 726.8       |
| Unadjusted net assets                                      | 4,820.2     | -                           | 4,820.2     | 9,582.9     | -                           | 9,582.9     |
| Minority interest  | 3.3         | -                           | 3.3         | -           | -                           | -           |
| EPRA adjustments   | 150.2       | -                           | 150.2       | 12.7        | -                           | 12.7        |
| EPRA adjusted net assets                                   | 4,973.7     | -                           | 4,973.7     | 9,595.6     | -                           | 9,595.6     |
| Reverse bond exchange de-recognition<br>adjustment         | (499.8)     | -                           | (499.8)     | (511.5)     | -                           | (511.5)     |
| Adjusted net assets attributable to equity<br>shareholders | 4,473.9     | -                           | 4,473.9     | 9,084.1     | -                           | 9,084.1     |
| Gearing  | 81.4%       |                             | 90.9%       | 56.2%       |                             | 58.8%       |
| Adjusted gearing (excluding JVs)                           | 96.4%       |                             |             | 64.9%       |                             |             |
| Adjusted gearing (including JVs)                           |             |                             | 105.9%      |             |                             | 67.6%       |

\* Excludes investments in associates of £ nil (31 March 2008: £68.3m)

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## Investment portfolio valuation movements

### Excluding share of joint ventures

|  | Investment portfolio<br>£m | Development programme<br>£m | Total<br>£m |
|--|----------------------------|-----------------------------|-------------|
| Open market value at 1 April 2008        | 11,014.4*                  | 1,418.3                     | 12,432.7    |
| Lease related adjustments                | (240.2)                    | (22.3)                      | (262.5)     |
| Book value at 1 April 2008               | 10,774.2                   | 1,396.0                     | 12,170.2    |
| Transfers from development               | 410.3                      | (410.3)                     | -           |
| Acquisitions                             | 101.9                      | 1.3                         | 103.2       |
| Capitalised interest                     | 14.0                       | 23.1                        | 37.1        |
| Capital expenditure                      | 174.1                      | 245.5                       | 419.6       |
| Disposals (including surrender premiums) | (683.9)                    | (1.3)                       | (685.2)     |
| Depreciation                             | (2.1)                      | -                           | (2.1)       |
| Valuation deficit                        | (3,573.1)                  | (540.3)                     | (4,113.4)   |
| Book value at 31 March 2009              | 7,215.4                    | 714.0                       | 7,929.4     |
| Lease related adjustments                | 197.0                      | 39.1                        | 236.1       |
| Open market value at 31 March 2009       | 7,412.4                    | 753.1                       | 8,165.5     |

\* The opening market value at 1 April 2008 includes Accor valued at £435.9m

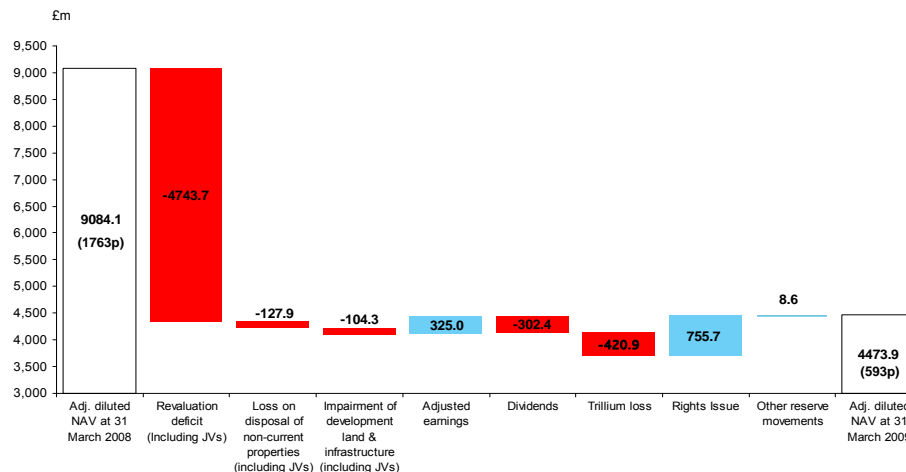
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## Adjusted net asset value

| Year ended<br>31.03.08<br>£m |  | Year ended<br>31.03.09<br>£m |
|------------------------------|--|------------------------------|
| 10,791.3                     | Net assets at start of period  | 9,582.9                      |
| -                            | Rights Issue   | 755.7                        |
| (830.8)                      | Loss after tax   | (5,191.3)                    |
| (308.4)                      | Dividends paid   | (302.4)                      |
| (69.2)                       | Other  | (21.4)                       |
| <b>9,582.9</b>               | <b>Basic net asset value attributable to equity holders of the company</b> | <b>4,823.5</b>               |
|                              | Adjustments:   |                              |
| 12.7                         | mark-to-market on interest rate hedges                                     | 150.2                        |
| (511.5)                      | bond exchange  | (499.8)                      |
| <b>9,084.1</b>               | <b>Adjusted net asset value</b>  | <b>4,473.9</b>               |
| 1859p                        | Diluted NAV per share  | 639p                         |
| 1763p                        | Adjusted diluted NAV per share   | 593p                         |
|                              | Change in the year   | -66.4%                       |

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## Movement in adjusted diluted NAV



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## Cashflow and debt

|  | Year ended:    |                |
|--|----------------|----------------|
|  | 31.03.09<br>£m | 31.03.08<br>£m |
| Opening net debt   | (5,384.5)      | (5,087.9)      |
| Operating cash inflow / (outflow) after interest and tax                     | 367.2          | (0.8)          |
| Dividends paid   | (302.4)        | (308.4)        |
| Property acquisitions  | (86.1)         | (722.6)        |
| Property Partnerships  | -              | (240.4)        |
| Development/refurbishment capital expenditure                                | (429.2)        | (530.3)        |
| Acquisition of PPP investments   | -              | (311.2)        |
| Other capital expenditure  | (0.6)          | (15.4)         |
| Total capital expenditure  | (515.9)        | (1,819.9)      |
| Disposals  | 1,429.1        | 1,946.6        |
| Joint ventures   | (117.0)        | (0.2)          |
| Other cash movements and non-cash movements                                  | 599.9          | (113.9)        |
| Closing net debt   | (3,923.6)      | (5,384.5)      |
| Gearing – on book value of balance sheet debt                                | 81.4%          | 56.2%          |
| Adjusted gearing <sup>(1)</sup>  | 96.4%          | 64.9%          |
| Adjusted gearing <sup>(1)</sup> – including notional share of joint ventures | 105.9%         | 67.6%          |
| Interest cover (excluding joint ventures)                                    | 1.89x          | 1.65x          |

1) Book value of balance sheet debt increased to recognise nominal value of debt on refinancing in 2004 divided by adjusted net asset value

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## Group LTV and ICR

| 31.03.08<br>£m       |   | 31.03.09<br>£m |
|----------------------|---|----------------|
| 5,384.5              | Closing net debt  | 3,923.6        |
| 42.1%                | LTV – on book value of balance sheet debt                             | 48.2%          |
| 46.1%                | Adjusted LTV <sup>(1)</sup>   | 54.3%          |
| 42.6%                | Group LTV <sup>(1)</sup> - including notional share of joint ventures | 52.0%          |
| Interest cover ratio |   |                |
| 1.65x                | Group (excl. joint ventures) - including disposal group interest      | 1.89x          |
| 1.91x                | - excluding disposal group interest                                   | 1.89x          |
| 2.09x                | REIT (Finance: Cost ratio)  | 1.62x          |

(1) book value of balance sheet debt increased to recognise nominal value of debt on refinancing in 2004 divided by adjusted net asset value

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## REIT balance of business

|                                       | Year ended 31.03.09   |                |                           | Year ended 31.03.08 |                |                           |
|---------------------------------------|-----------------------|----------------|---------------------------|---------------------|----------------|---------------------------|
|                                       | exempt<br>£m          | residual<br>£m | adjusted<br>results<br>£m | exempt<br>£m        | residual<br>£m | adjusted<br>results<br>£m |
| Income                                |                       |                |                           |                     |                |                           |
| Group revenue                         | 845.7                 | 78.8           | 924.5                     | 1,358.1             | 314.7          | 1,672.8                   |
| Cost                                  | (291.2)               | (166.9)        | (458.1)                   | (727.6)             | (268.4)        | (996.0)                   |
| Operating profit                      | 554.5                 | (88.1)         | 466.4                     | 630.5               | 46.3           | 676.8                     |
| Interest expense                      | (382.4)               | -              | (382.4)                   | (279.4)             | (42.0)         | (321.4)                   |
| Interest income                       | 2.7                   | 4.9            | 7.6                       | -                   | 5.4            | 5.4                       |
| <b>Profit before tax</b>              | <b>174.8</b>          | <b>(83.2)</b>  | <b>91.6</b>               | <b>351.1</b>        | <b>9.7</b>     | <b>360.8</b>              |
| Balance of business                   | 190.8% <sup>(1)</sup> | -90.8%         |                           | 97.3%               | 2.7%           |                           |
| Assets                                |                       |                |                           |                     |                |                           |
| Adjusted total assets                 | 9,229.5               | 2,487.3        | 11,716.7                  | 14,766.8            | 1,962.9        | 16,729.7                  |
| Balance of business – 75% assets test | 78.8%                 | 21.2%          |                           | 88.3%               | 11.7%          |                           |

(1) 89.1% if impairment of trading properties is ignored

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## Security Group debt structure

|                | LTV<br>% | ICR<br>x | Operating environment – key points   |
|----------------|----------|----------|--|
| Tier 1         | ≤55      | ≥1.85    | <ul style="list-style-type: none"> <li>Few operational restrictions</li> </ul>   |
| Tier 2         | 56-65    | ≥1.45    | <ul style="list-style-type: none"> <li>Liquidity facility required for senior interest payments</li> </ul>   |
| Initial Tier 3 | 66-80    | ≥1.2     | <ul style="list-style-type: none"> <li>Existing secured facilities draw stopped</li> <li>Debt to be amortised</li> <li>Disposal proceeds locked up for limited purposes (including development capex)</li> <li>Property manager appointed at &lt;1.25x ICR (recommendation, not binding)</li> </ul>                |
| Final Tier 3   | >80      | <1.2     | <ul style="list-style-type: none"> <li>Block on dividends from the Security Group</li> <li>No developments allowable &gt;£50m</li> <li>Property manager recommendations to be followed in all material respects</li> <li>Administrative receiver could be appointed purely to sell assets (&gt;85% LTV)</li> </ul> |
| Default        | >100     | <1.0     | <ul style="list-style-type: none"> <li>Default which allows the secured creditors to instruct the Trustee to enforce security and if appropriate accelerate</li> </ul>   |