

Press Release

22 July 2015

Land Securities Group PLC (“Land Securities”)

First Quarter Interim Management Statement

“Following our strong annual results, Land Securities is maintaining good momentum and has started the year well,” said Chief Executive Robert Noel.

“In London take-up is healthy, vacancy rates are low, and rental values are rising. We have good interest in our well-timed schemes and of the 1.1m sq ft remaining to let in our speculative development programme at 31 March, 322,000 sq ft has been let or is in solicitors’ hands. We remain confident in the prospects for the remaining space.

“In Retail, the transformation of our portfolio is continuing to pay off. By focusing on assets which offer customers an excellent experience, while either being dominant in their catchment or highly convenient, we have seen footfall up 2.5%, same store sales up 3.8% and same centre sales up 5.4% on the same quarter last year. The redevelopment of Westgate, Oxford is progressing to plan with good leasing interest in the scheme which is now 35.4% pre-let or in solicitors’ hands two years before opening.”

Key Highlights:

Portfolio changes during the quarter

- Disposals of £59.3m at 11% ahead of 31 March valuation
- Acquisitions of £25.1m
- Development and refurbishment expenditure of £98.1m
- Disposal of Times Square, EC4, an asset held for sale at its contracted sale price at 31 March, expected to complete this month

Progress on developments

- £10.5m⁽¹⁾ of development lettings in London signed since 1 April with a further £7.0m⁽¹⁾ in solicitors’ hands, representing a total of 322,000 sq ft
- 62 Buckingham Gate, SW1: 87% let with a further 9% in solicitors’ hands
- 20 Fenchurch Street, EC3: 92% let with a further 6% in solicitors’ hands
- 1 & 2 New Ludgate, EC4: 87% let with a further 5% in solicitors’ hands
- The Zig Zag Building, SW1: 37% pre-let
- Nova, SW1: 10% pre-let with a further 7% in solicitors’ hands
- Westgate, Oxford: 31.1% pre-let with a further 4.3% in solicitors’ hands
- Extension plans for Buchanan Galleries, Glasgow, delayed while the Edinburgh Glasgow Improvement Programme (EGIP) is delivered.

Operational metrics

- £9.0m of investment lettings signed since 1 April, with a further £10.4m of lettings in solicitors’ hands
- Voids in the like-for-like portfolio 2.9% (31 March 3.3%)

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- Retail Portfolio like-for-like voids 2.2% (31 March 2.4%)
- London Portfolio like-for-like voids 3.8% (31 March 4.3%)
- Units in administration 0.4% (Retail Portfolio 0.8%, London Portfolio 0%) down from 0.5% at 31 March
- On a same store like-for-like basis, retailer sales were up 3.8% on the same quarter last year
- On a same centre basis, retailer sales were up 5.4% over the same period
- Footfall in our shopping centres was up 2.5% over the same period

Balance sheet and dividend

- Broadly net debt neutral approach continues
- Adjusted net debt as at 30 June of £4,192m (31 March £4,172m)
- Group LTV on a proportionate basis at 30 June, based on 31 March asset values, 28.5% (27.1% pro forma for sale of Times Square, EC4) compared with 28.5% at 31 March
- Weighted average cost of debt 4.3%, average duration of 8.1 years
- First interim dividend for the current financial year of 8.15 pence per share⁽²⁾

⁽¹⁾ Land Securities' proportionate share

⁽²⁾ The first interim dividend will be paid on 9 October 2015 to shareholders on the register on 11 September 2015. The dividend will be paid entirely as a Property Income Distribution.

– Ends –

A brief conference call for Q&A is being held today at 08:30 BST

Conference call details:

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

Call title: Land Securities Q1 IMS

Call ID number: 73950646

A replay facility will be available four hours after completion of the call for seven days

Encore replay details:

UK dial-in number: 08717000145

International dial in number: +44 (0)1452550000

Access number: 73950646

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