

Half-yearly results presentation

11 November 2010

Land Securities' proposition

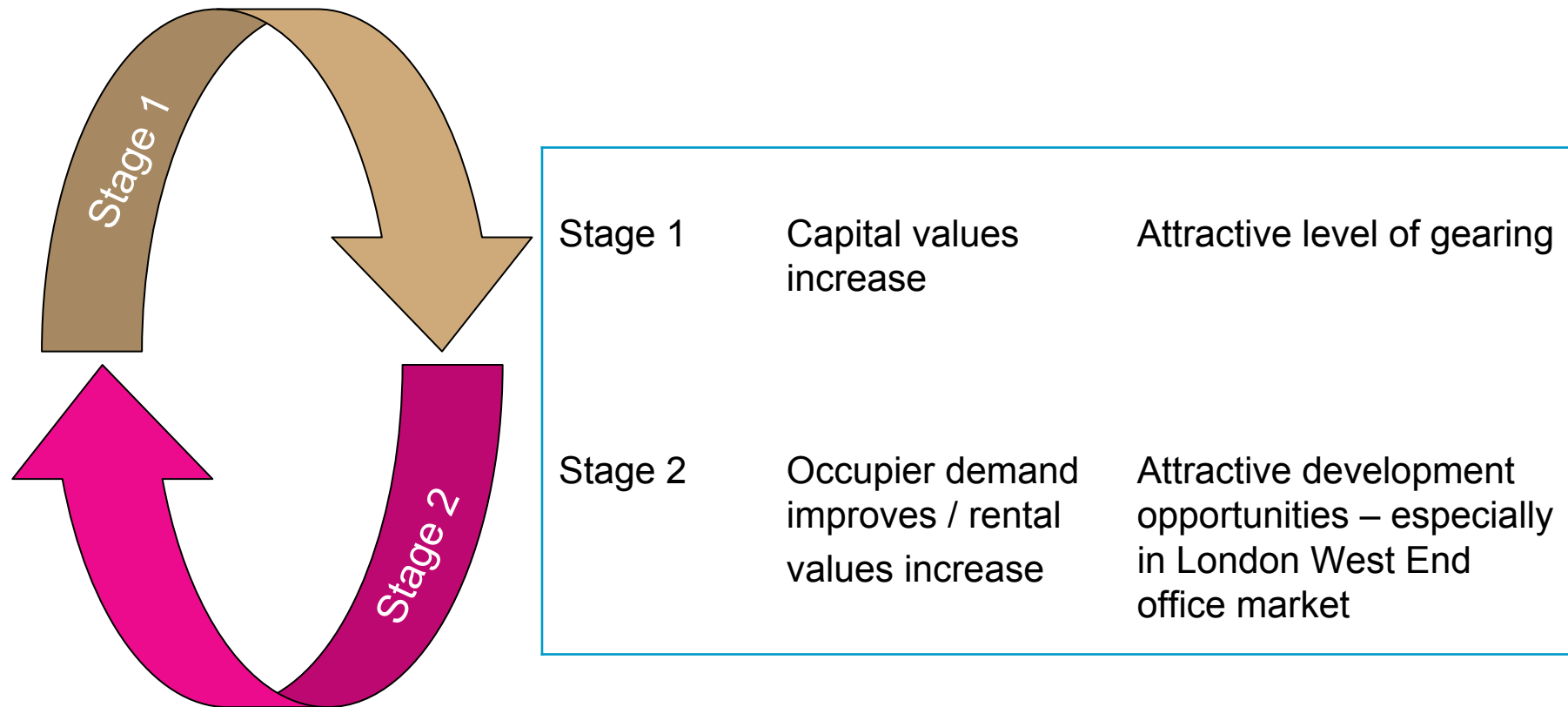
- High exposure to growth opportunities
- Executing plan – already delivering value:
 - Developing into prime, supply constrained markets
 - Recycling capital
 - Achieving value-enhancing lettings



One New Change, EC4

Active positioning of portfolio to create value

Positioning a business for the recovery phase



Managing the differential timing of recovery in the investment and occupational markets

Activity highlights of H1 2010/11 - developments

Trinity Leeds – started on site:

- 50% prelet or in solicitors' hands
- Target 8.0% gross yield on cost

20 Fenchurch Street, EC3

- JV signed. Starting on site

One New Change, EC4 – opened on 28 Oct:

- 100% let for retail element

Wellington House, SW1

- Excellent progress on sales - volume and price

Planning activity

- Planning for 2011 starts in London
- Delivering floor space for supermarkets



One New Change, EC4

Committing capital to development and driving returns from development

Activity highlights of H1 – capital recycling



Park House, W1: Sale at £242 million per acre

| | Value | Average yield | Surplus on Valuation/Purchase |
|--------------|---------|---------------|-------------------------------|
| Sales | £459.8m | 2.9% | 5.7% |
| Acquisitions | £174.0m | 5.8% | 2.8% |

5.7% surplus on sales relative to March 2010 valuation

Financial summary

| Six months ended 30.09.09 | | Six months ended 30.09.10 | change % |
|---------------------------|--|---------------------------|--------------------|
| £(4.6)m | Profit / (loss) before tax | £455.3m | N/A |
| £(117.8)m | Valuation surplus / (deficit) ⁽¹⁾ | £314.1m | 3.4 ⁽³⁾ |
| 691p ⁽²⁾ | Adjusted diluted NAV per share | 737p | 6.7 |
| £128.4m | Revenue profit | £135.9m | 5.8 |
| 16.89p | Adjusted diluted earnings per share | 18.49p | 9.5 |
| 14.00p | Dividend per share | 14.00p | - |

(1) Including share of joint ventures

(2) As at 31 March 2010

(3) Increase in value of the investment portfolio over the six months to 30 September 2010

Investment portfolio valuation movements

Six months ended 30 September 2010

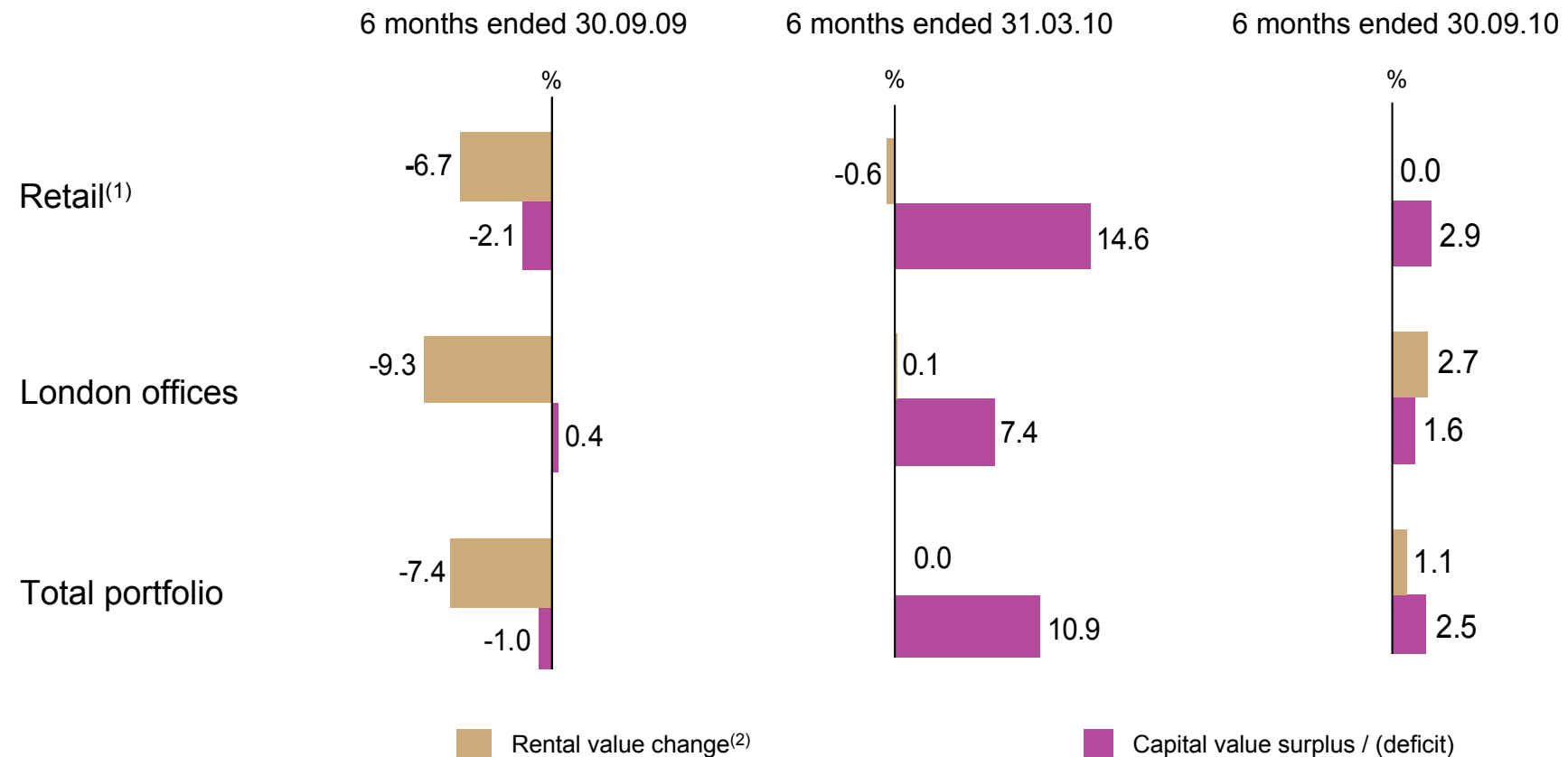
| | % of portfolio | Valuation surplus - % | Net initial yield - % | Equivalent yield - % | Movement in equivalent yield - bps |
|-------------------------------------|----------------|-----------------------|-----------------------|----------------------|------------------------------------|
| Shopping centres & shops | 26.5 | 2.5 | 5.7 | 6.6 | (26) |
| Retail warehouses | 12.2 | 2.3 | 5.6 | 6.1 | (18) |
| Central London retail | 9.6 | 9.1 | 4.1 | 5.3 | (21) |
| London offices | 43.5 | 3.1 | 5.3 | 6.1 | (16) |
| Other | 8.2 | 3.9 | 6.6 | 6.8 | (19) |
| Total portfolio | 100.0 | 3.4 | 5.4 | 6.2 | (20) |

Valuation surplus of 9.6% on development programme

Like-for-like portfolio

Rental and capital value trends

Like-for-like portfolio value at 30 September 2010: £7,454.5m



(1) Includes London retail

(2) Rental value growth figures exclude units materially altered during the year

Investment portfolio performance relative to IPD

Ungeared total return (six months ended 30 September 2010)



(1) Land Securities total return higher by 0.4% for London offices and 0.1% for total portfolio if adjusted for capital extracted from Queen Anne's Gate, SW1 through bond issue

Financial results

Martin Greenslade

Group Finance Director

Revenue profit

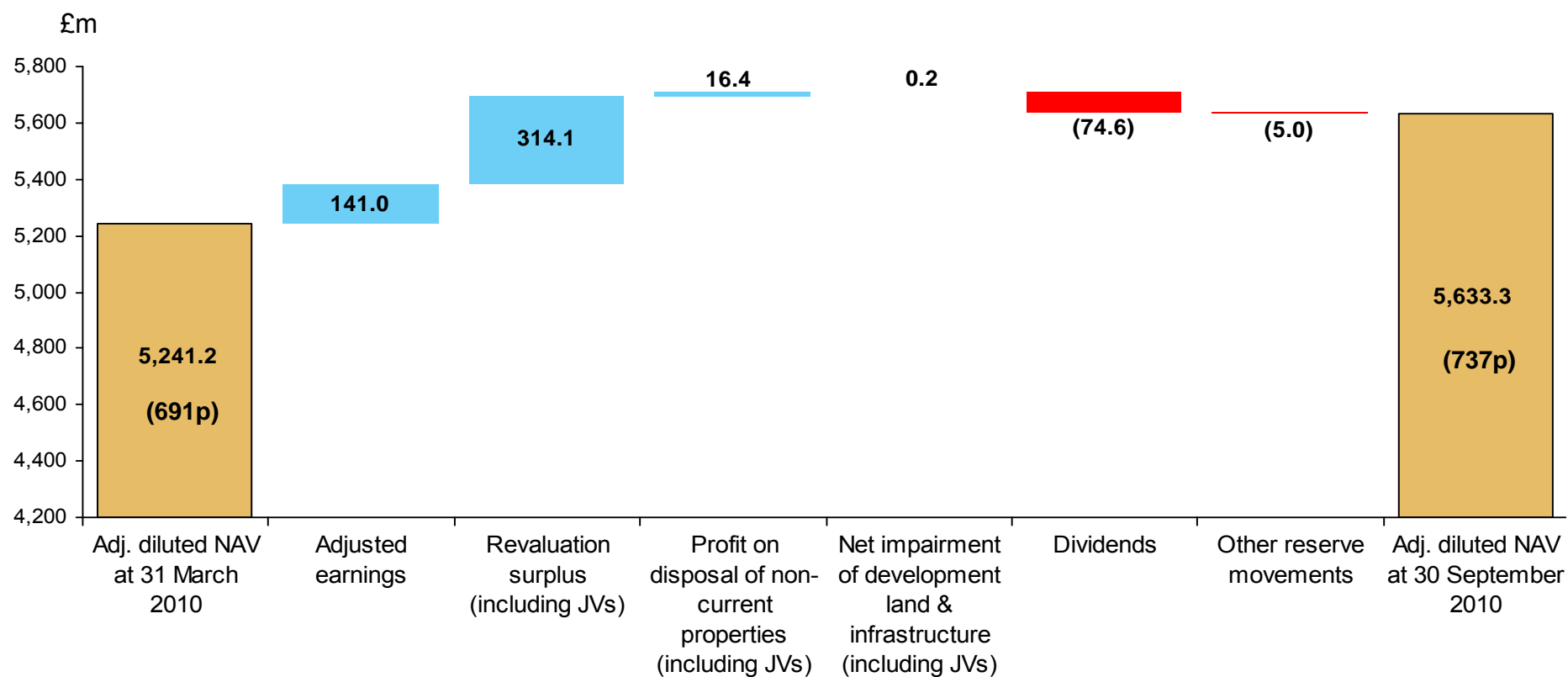
| | Six months ended 30.09.10 £m | Six months ended 30.09.09 £m | Variance £m |
|---------------------------------------|---------------------------------------|---------------------------------------|----------------|
| Gross rental income ⁽¹⁾ | 305.3 | 325.6 | (20.3) |
| Net service charge expense | (3.9) | (6.0) | 2.1 |
| Direct property expenditure (net) | (21.9) | (27.0) | 5.1 |
| Net rental income | 279.5 | 292.6 | (13.1) |
| Indirect costs | (21.5) | (23.6) | 2.1 |
| Segment profit before interest | 258.0 | 269.0 | (11.0) |
| Unallocated expenses (net) | (16.4) | (16.6) | 0.2 |
| Net interest – Group | (88.5) | (108.0) | 19.5 |
| Net interest – joint ventures | (17.2) | (16.0) | (1.2) |
| Revenue profit | 135.9 | 128.4 | 7.5 |

(1) Includes finance lease interest; and pre-tax results of joint ventures

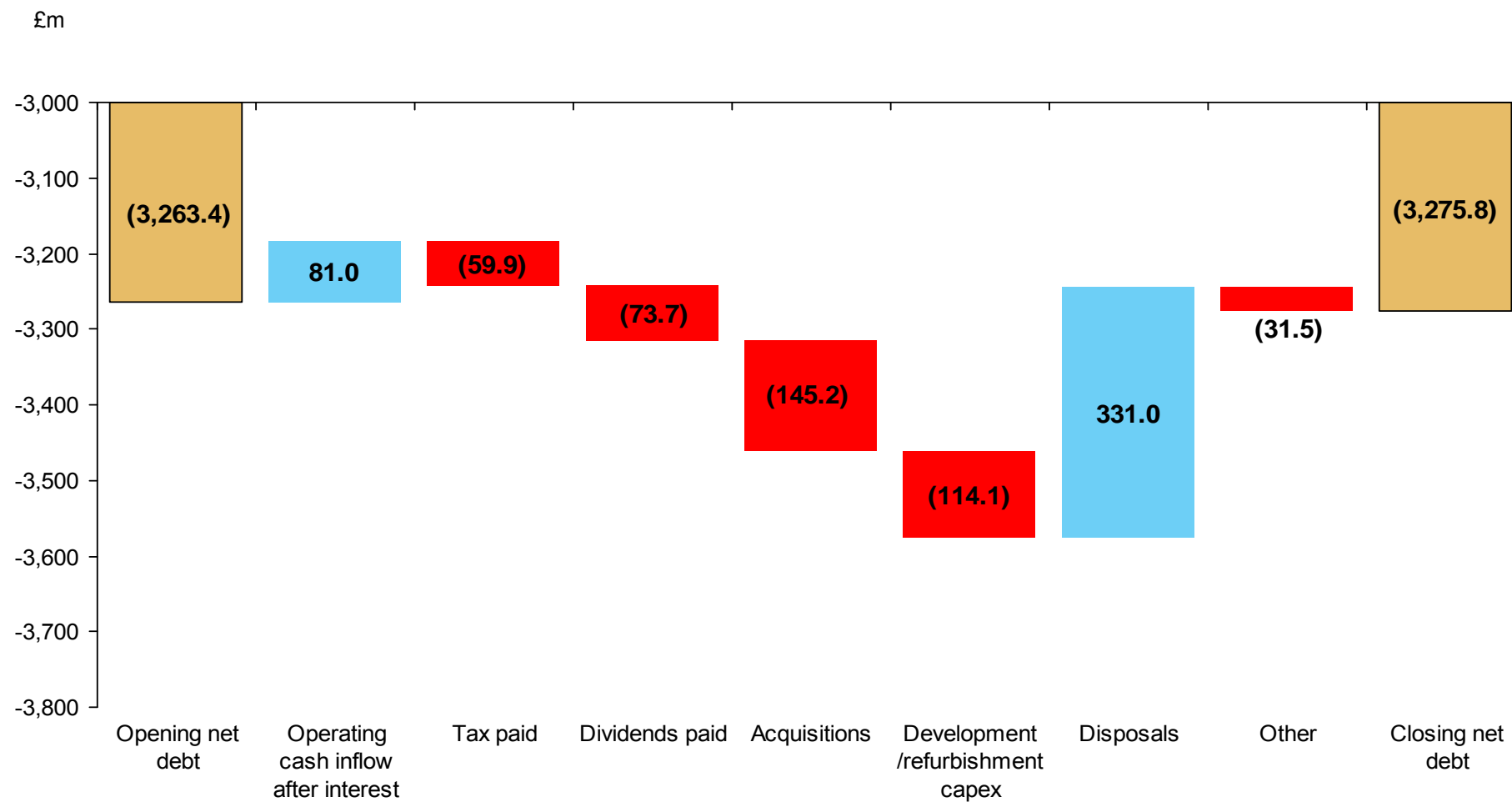
Net rental income analysis

| | Six months ended 30 September | | | | | |
|-------------------------------------|-------------------------------|--------------|------------------|--------------|-----------------------------|-------------|
| | Retail Portfolio | | London Portfolio | | Combined portfolio variance | |
| | 2010 £m | 2009 £m | 2010 £m | 2009 £m | £m | % |
| Like-for-like investment properties | 116.4 | 109.5 | 118.4 | 118.0 | 7.3 | 3.2 |
| Proposed development properties | (0.1) | - | 2.6 | 5.0 | (2.5) | |
| Ongoing development | 4.9 | 6.1 | 1.7 | (1.1) | 1.6 | |
| Completed development | 6.9 | 6.5 | 16.4 | 13.5 | 3.3 | |
| Acquisitions since 1 April 2009 | 4.0 | 0.1 | 0.1 | - | 4.0 | |
| Sales since 1 April 2009 | 4.6 | 23.8 | 0.2 | 7.8 | (26.8) | |
| Non-property related income | 2.0 | 2.0 | 1.4 | 1.4 | - | |
| Net rental income | 138.7 | 148.0 | 140.8 | 144.6 | (13.1) | -4.5 |

Movement in adjusted diluted NAV



Cash flow and debt



Reconciliation of cash rents and P&L rents to ERV

| | Rents and ERVs at 30.09.10 | | |
|---|----------------------------|------------------------|--------------|
| | Retail Portfolio £m | London Portfolio £m | Total £m |
| Annualised rental income | 310.2 | 278.5 | 588.7 |
| SIC15 adjustments and ground rent | (11.4) | 2.9 | (8.5) |
| Annualised net rent | 298.8 | 281.4 | 580.2 |
| Add back ground rents payable | 13.6 | 5.0 | 18.6 |
| Additional cash rent from unexpired rent free periods | 10.2 | 12.9 | 23.1 |
| Contracted additional income (from development programme) | 13.0 | 22.3 | 35.3 |
| Net reversion on rent review or break / expiry | (14.1) | (25.7) | (39.8) |
| ERV from portfolio currently let (or agreed to be let) | 321.5 | 295.9 | 617.4 |
| Voids including developments | 35.6 | 60.6 | 96.2 |
| Annual gross ERV | 357.1 | 356.5 | 713.6 |



Financing

Activity

- £254m notes due March 2011 bought back in June 2010
- New £100m 4 year bilateral bank facility
- Renegotiated pricing on existing bilateral facilities

As at 30 September 2010

- Weighted average maturity of debt: 11.9 years up from 11.8 years at 31 March 2010
- £2.3bn of cash and undrawn facilities
- Group LTV at 42.1% (including JVs), down from 43.5% at 31 March 2010

Balance sheet enabling us to deliver our plans





Summary

- **Strong revenue profit performance**
- **Appropriate level of gearing**
- **Considerable amount of financial firepower**



Retail Portfolio

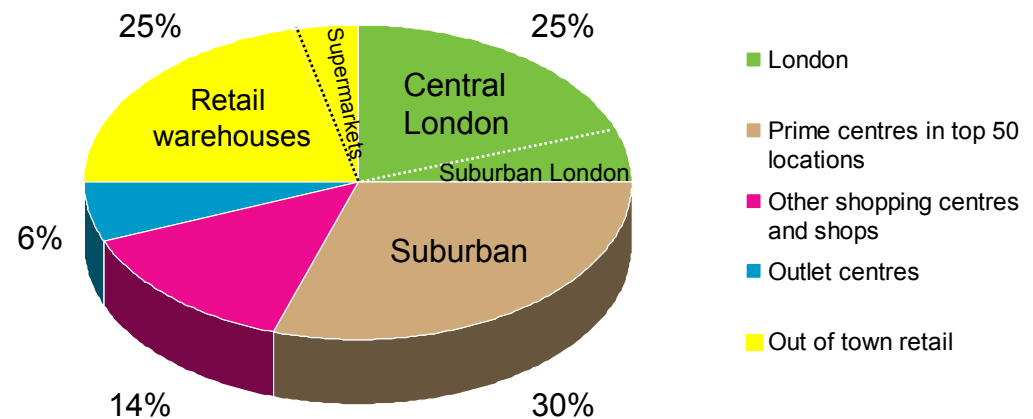
Richard Akers

Managing Director, Retail Portfolio



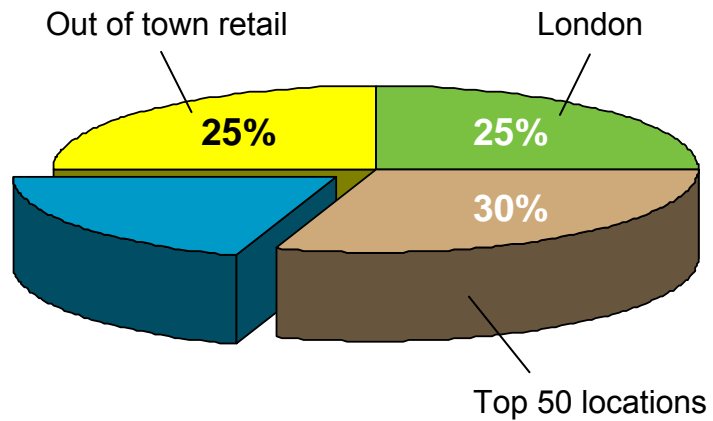
Land Securities' Retail

- Key lettings and constrained supply
- Major city centre development in Leeds
- Out of town development driving returns
- Quality portfolio with growth opportunities



Diverse portfolio with high quality assets

Land Securities' retail assets



Exeter, Princesshay



Bristol, Cabot Circus



Leeds, White Rose



Cardiff, St David's

Top 50 locations



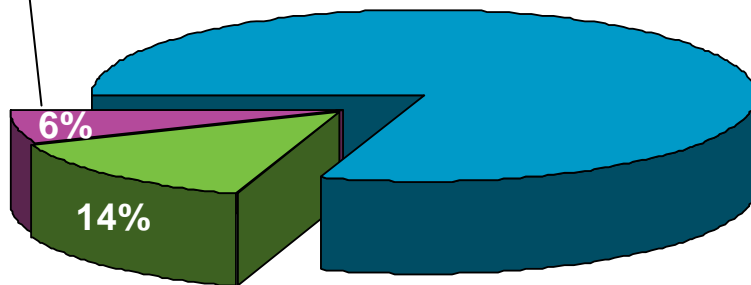
Suburban London - Southside



Out of town - Bracknell

Land Securities' retail assets

Outlet centres



Other shopping centres
and shops



Factory outlet – Gunwharf Quays



Other - Corby Town Centre



Other – The Bridges, Sunderland

Recycling capital

Bought



O2 Centre, London, NW3



Westgate Centre, Oxford

Sold



**N1 Centre, Islington,
London, N1**



**Stratford Centre,
London, E15**



**Notting Hill Gate shops,
London, W11**

Develop



Trinity Leeds



Atlas, Glasgow

Lettings, voids and insolvencies

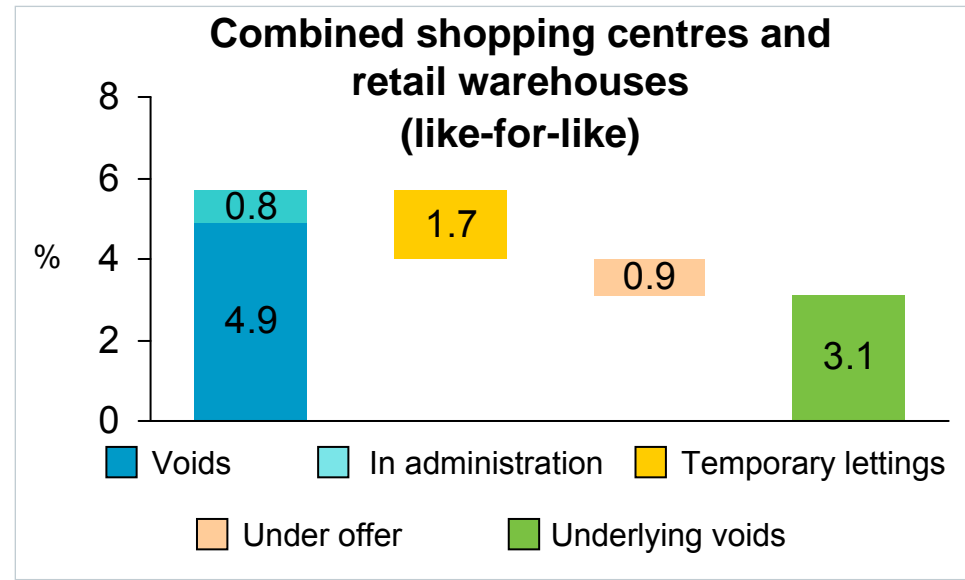
- Voids down
- Insolvencies return to normal levels
- £7.2m pa rent created through 107 new lettings at 0.8% below ERV
- Incentives reducing



Intense focus on leasing

Lettings, voids and insolvencies

- Temporary lettings 1.7%
- 0.9% in solicitors' hands
- 97% occupancy



- 50 lettings in development programme, 28 in solicitors' hands
- Cardiff moves to 83% committed



St David's, Cardiff

Intense focus on lettings

Key occupiers



John Lewis at home, Exeter



John Lewis at home, Chester



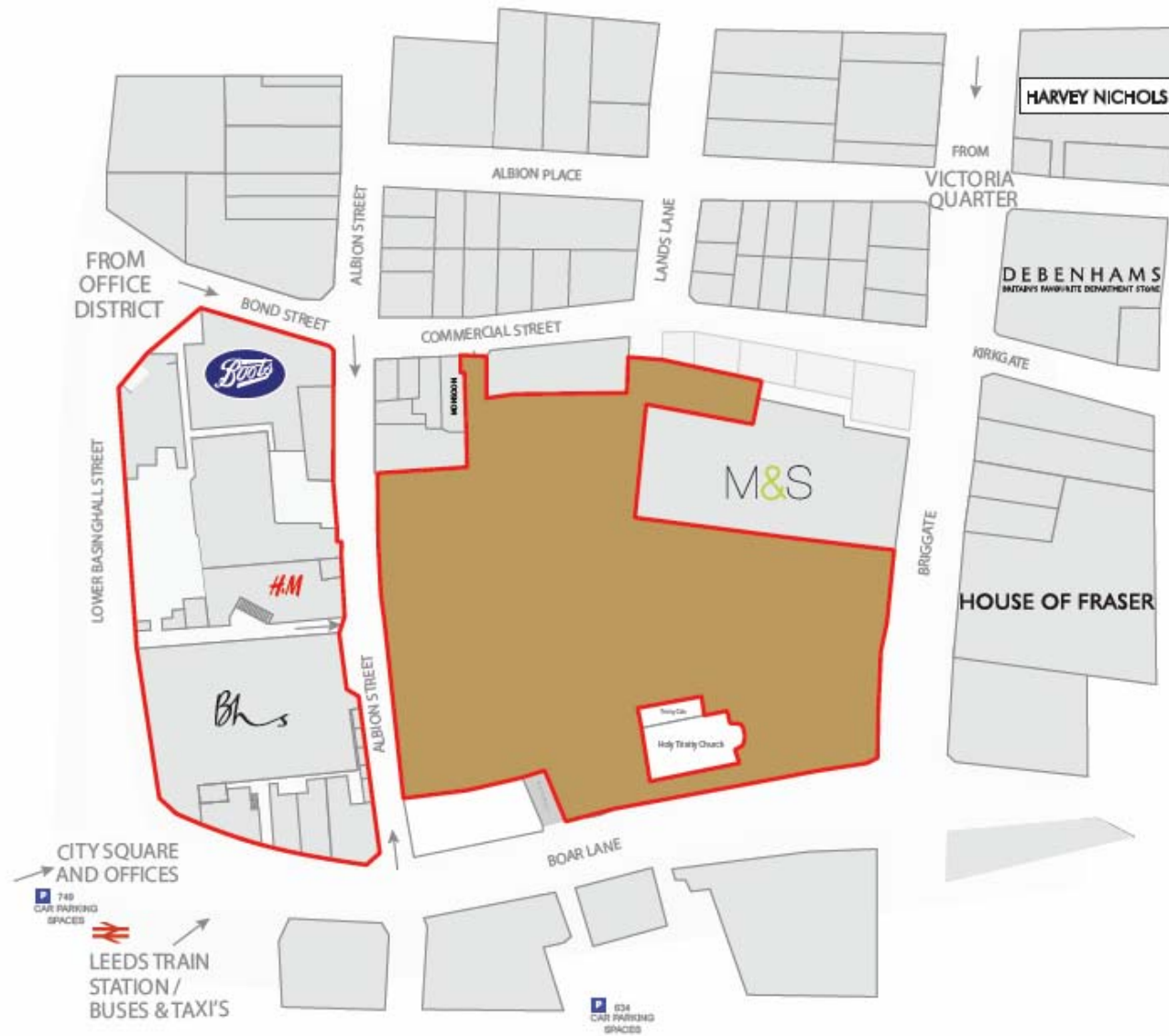
Primark, Sunderland



Primark, Livingston

Presence of key retailers drives footfall

Developments – Trinity Leeds



Developments

Trinity Leeds

- 45.4% let
- 4.7% in solicitors' hands
- 10.7% in negotiation



- 8% gross yield on cost
- £350m total development cost

Out of town developments



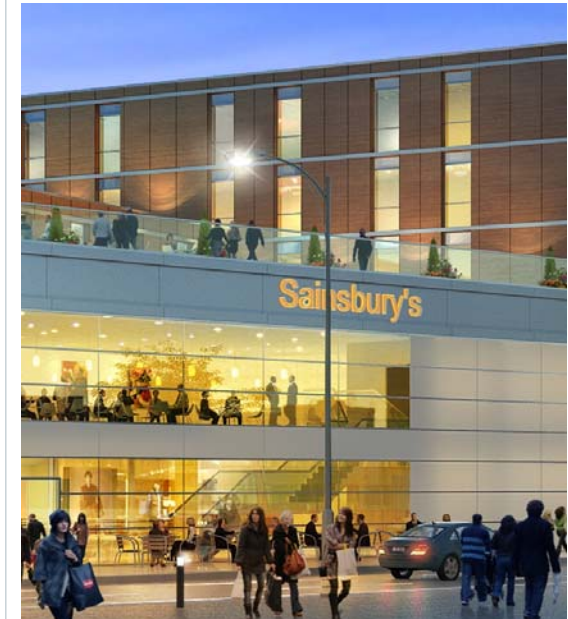
Livingston

- 90,375 sq ft
- Opening December 2010
- 11% valuation surplus



Lincoln

- 40,225 sq ft extension
- Opening November 2010
- 31% valuation surplus



Wandsworth

- 50,000 sq ft retail
- 120 bed hotel
- To commence Spring 2011

Retail Portfolio plan

Focused on occupier trends and occupier demand to deliver:-

- Asset management – the right letting to the right retailer to create value
- Development – new development opportunities grounded on pre-lettings



Trinity Leeds



O2 Centre, Finchley Road, NW3

Clear strategy founded upon occupier trends and occupier demand

London Portfolio

Robert Noel

Managing Director, London Portfolio

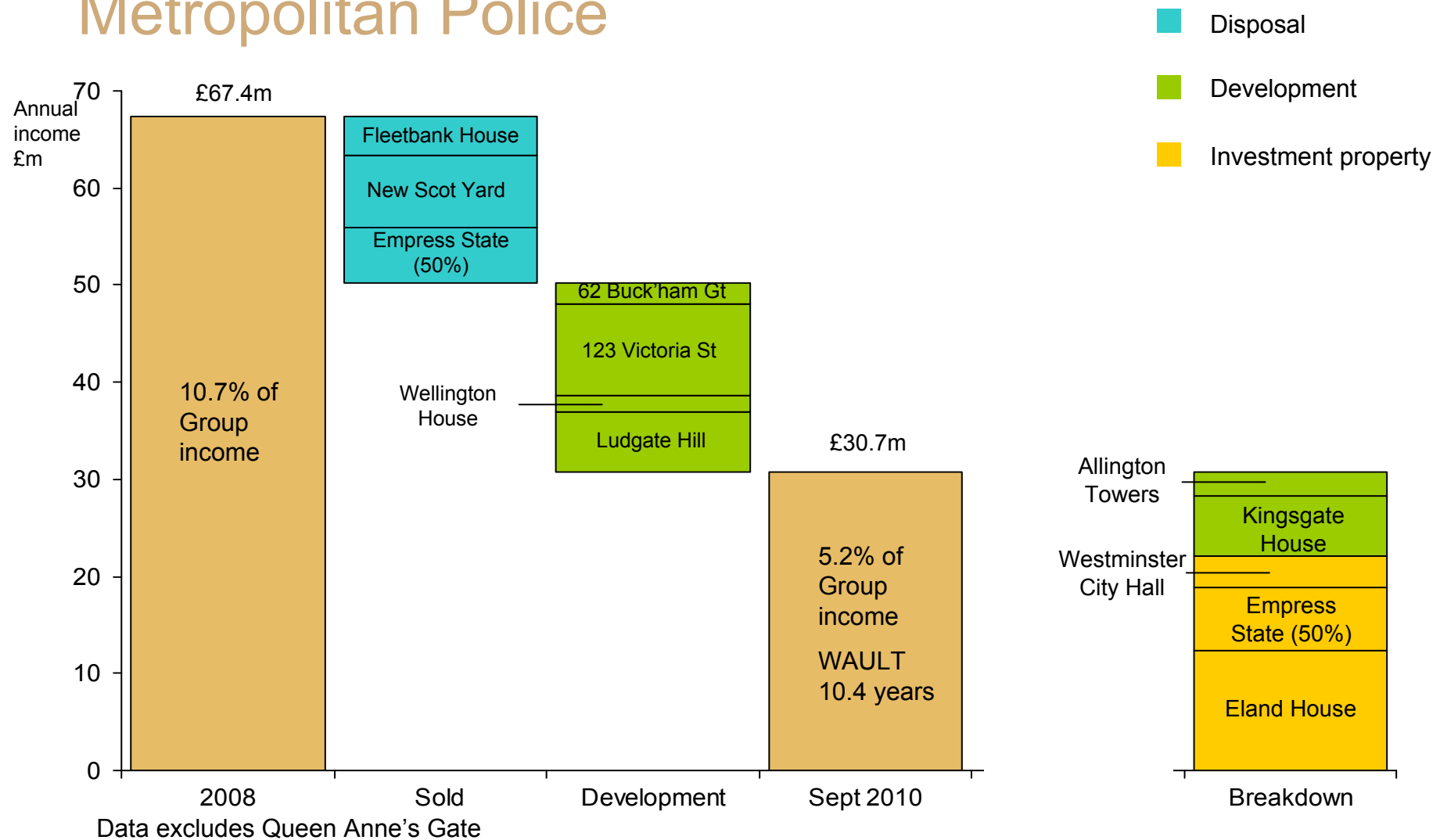


Valuation

Six months to 30 September 2010

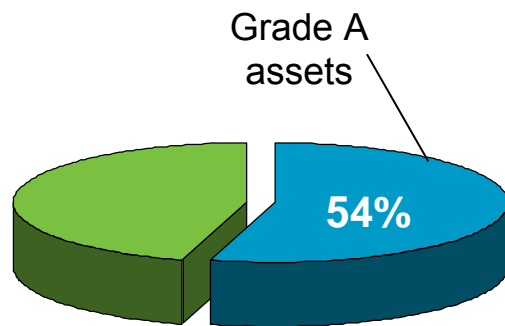
| | | Movement | | |
|-------------------|-------------|----------|-----|-----------------------|
| | Value £m | £m | % | Equivalent yield % |
| Like for like | | | | |
| West End | 1,643.0 | 17.1 | 1.1 | 6.1 |
| City | 442.9 | 17.1 | 4.0 | 6.7 |
| Mid-town | 286.9 | 4.0 | 2.0 | 6.9 |
| Inner London | 681.8 | 7.8 | 1.2 | 6.2 |
| London retail | 735.1 | 32.0 | 4.6 | 5.3 |
| Other | 153.8 | 1.3 | 0.9 | 6.0 |
| Subtotal | 3,943.5 | 79.3 | 2.1 | 6.1 |
| Non like for like | 1,359.3 | 120.1 | 9.8 | |
| Total | 5,302.8 | 199.4 | 4.1 | |

Government, local government and Metropolitan Police



Excluding Queen Anne's Gate, this group is now 5.2% of Group income

Grade A assets



| Type | ERV | WAULT | Rent psf | ERV psf |
|------------------------|-------|-------|----------|---------|
| Offices ⁽¹⁾ | 86.4% | 12.2 | £44 | £42 |
| Retail | 6.1% | 8.9 | | |
| Advertising | 7.4% | 4.4 | | |
| Other | 0.1% | 3.5 | | |



Bankside 2&3, SE1



Times Square, EC4



New Street Square, EC4



Eland House, SW1



Cardinal Place, SW1



Piccadilly Lights, W1



Dashwood House, EC2

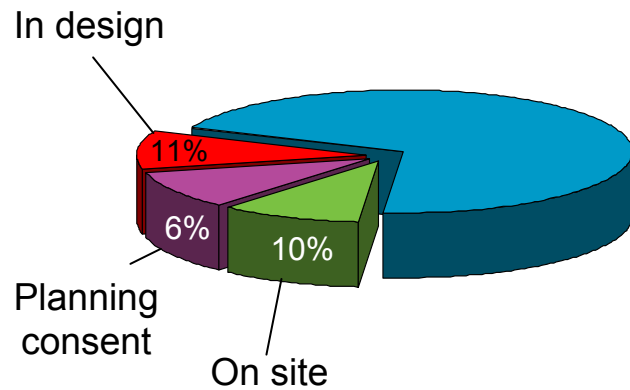


Westminster City Hall, SW1

The eight assets make up 43% of our London Portfolio

(1) Excludes Queen Anne's Gate

Development assets



One New Change, EC4



VTI, SW1



123 Victoria Street, SW1



Arundel Great Court, WC2



30 Old Bailey, EC4



110 Cannon Street, EC2



20 Fenchurch Street, EC3

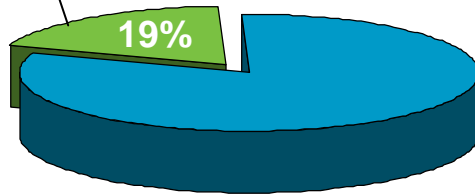


62 Buckingham Gate, SW1

These eight assets make up 17% of our London Portfolio

Asset management assets

Asset management
assets



| Type | ERV | WAULT | Rent psf | ERV psf |
|---------|-------|-------|----------|---------|
| Offices | 81.3% | 4.2 | £32 | £27 |
| Retail | 16.5% | 7.4 | | |
| Other | 2.2% | 43.1 | | |



40 Strand, WC2



Thomas More Square, E1



Moorgate Hall, EC2



Oriana JV, W1



Haymarket House, SW1



140 Aldersgate Street, EC2



Harbour Exchange, E14



70/88 Oxford Street, W1

These eight assets make up 11% of our London Portfolio

Asset Management



Oriana JV, W1

- 140,000 sq ft
- Conditional lease to Primark
- 35 year term



40 Strand, WC2

- 94,000 sq ft let to 2012
- Mindshare lease surrendered
- New 15 year lease to Bain & Co



6-9 Harbour Exchange, E14

- 260,000 sq ft
- Previous WAULT 6 years
- New overriding 30 year lease to Telecity

These three leasing deals represent £15.5m⁽¹⁾ rent roll with a weighted average lease term of 26 years, 27% ahead of March ERV.

(1) Oriana JV included as our share

One New Change



One New Change



- Retail centre opened 28 October
- Now 100% let
- 49 of 60 units open for trading
- Offices finished to shell and core
- 115,000 sq ft handed over to K&L Gates
- Office interest picking up
- 18% of remaining office space under offer

In course of construction



Park House, W1

- 308,500 sq ft
- Pre-sold to Barwa
- 95% retail under offer
- Profit share to come
- Completion November 2012



Wellington House, SW1

- 62,200 sq ft
- 40 units pre-sold
- Average price £1,325psf
- Transferred to trading
- Completion July 2012



62 Buckingham Gate, SW1

- 269,000 sq ft
- Demolition completed July 2010
- Now below ground level
- Completion April 2013

20 Fenchurch Street, EC3



- 50:50 joint venture formed with Canary Wharf
- 690,000 sq ft
- Mobilisation started
- Ground slab blasted
- Detailed design underway
- Construction to start in the New Year
- Build to grade Feb 2012
- Completion mid 2014

Intended 2011 starts



123 Victoria Street, SW1

- 230,000 sq ft
- Start April 2011
- Completion late 2012



110 Cannon Street, EC4

- 75,000 sq ft
- Start May 2011
- Completion mid 2012



**Ludgate Hill/ Old Bailey,
EC4**

- >300,000 sq ft
- Start Aug 2011
- Completion early 2014

London Portfolio round up



- Heading towards supply constrained conditions
- Portfolio well positioned for growth
- Asset management team at full strength
- Profits being taken
- Well timed development programme



Outlook

Outlook

Increasing differentiation between sectors and individual assets

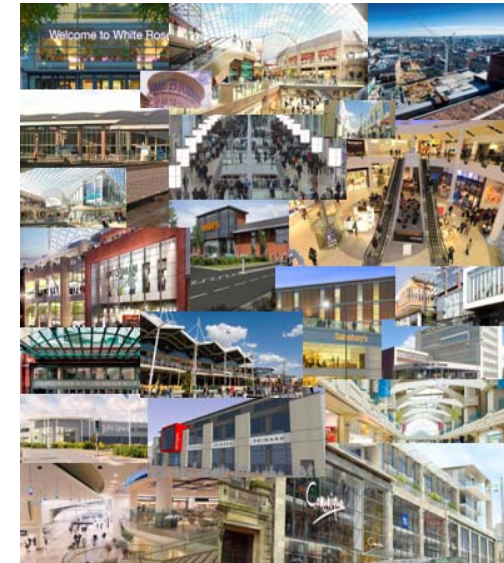


UK Market



London

Land Securities



Retail

From 'top down'..... to 'bottom up'

Market outlook and business actions

Outlook

Actions

Investment market

- Continued strong buying interest for London and prime retail
- Increased number of sellers
- Potential mismatch of buyers and sellers
- Exploiting wide margin between investment IRRs and development IRRs
- Expect to buy attractively priced, mid quality retail over next 12 months
- Recycling capital

London offices – occupational market

- Limited supply / improving demand
→ strong growth in prime rents
- Develop early
- Develop speculatively

Retail – occupational market

- High national vacancy rates
- Lower and improving prime vacancy rates
- Value creation from ‘the right lettings to the right retailers’
- Firm expansion plans from strong retailers
- Selective development grounded on pre-lets

Targeting demand from financially strong occupiers and investors

Land Securities' proposition

- High exposure to growth opportunities
- Executing plan – already delivering value:
 - Developing into prime, supply constrained markets
 - Recycling capital
 - Achieving value-enhancing lettings



One New Change, EC4

Active positioning of portfolio to create value