

Press release

Title: Update on June rent collection
From: Land Securities Group PLC (“Landsec”)
Date: 3 July 2020

In response to the continued impact of Covid-19 on Landsec’s operations, the Company has issued the following update on June rent collection and other relevant information.

In line with government guidance, our shopping centres, outlets and retail parks are open, with encouraging levels of footfall. Our high-quality office estate is open and we are seeing early signs of growing occupancy as customers return to work. Construction continues at our committed development scheme at 21 Moorfields, EC2, and we are progressing the build-to-grade works at our other sites.

Operational update

All of our office properties have remained open, and we continue to work with our customers as they plan their return to our buildings.

Following the easing of restrictions on non-essential retail in England, Scotland and Wales, all our shopping centres, outlets and retail parks are open. As at 30 June, 79% of the retail units were trading and 16 of our 18 leisure parks were open. Our Accor managed hotels remain closed to the general public. Accor will phase the opening of the hotels over the next three months.

In England, for the two-week period since non-essential retail opened on 15 June, footfall in our centres was 60% of the level achieved in the equivalent period last year and like-for-like store sales were 80% of the level achieved last year. Over the same two-week period, average transaction values were up 22% compared with last year.

Cash collection and customer support

£122m of rent was due on the 24 June rent payment date. Taking concessions and deferrals into account, the net rent due was £109m. 60% of the net rent due on 24 June was paid within five working days compared with 94% for the equivalent period last year. The table below shows the amount and percentage collected within five days of the due date with a comparison to last year.



	Net rent due on 24 June 2020	Day 5 amount received	Day 5 amount received	Day 5 equivalent amount received June 2019
	£m	£m	%	%
Office	68	55	81	95
Retail	31	9	29	92
Specialist	10	1	10	89
Total	109	65	60	94

Of the amount outstanding, £3m relates to customers who have withheld payment pending documentation of agreed concessions.

Covid-19 has resulted in some customers taking longer to pay their rent and we continue to have supportive and constructive dialogue with our customers. 75% of rent due on 25 March has now been received (up from the 65% collected after five working days). There was an increase across all segments, particularly in Office, now at 98%. Overall, £30m of rent due on 25 March remains outstanding of which £5m relates to concessions and deferred payments which have subsequently been agreed with customers.

Although some restrictions on our customers are beginning to be lifted, our focus on supporting them through the pandemic is unchanged, particularly for those most in need. In March, we established a fund to provide up to £80m of rent relief and, to date, £9m of concessions has been allocated to customers, broadly in line with our expectations at this point. We continue to have supportive and constructive dialogue with our customers and expect to make further allocations of the fund, particularly as the commercial rent moratorium comes to an end. In addition, £4m of deferred payments have been agreed with retail and leisure customers.

Balance sheet and dividend

Landsec remains in a financially robust position. At 30 June 2020, our adjusted net debt was £3.92bn compared with £3.93bn at 31 March 2020, pro-forma group LTV was 30.6% using March 2020 valuations (31 March 2020: 30.7%), and we had £1.20bn of cash and available facilities.

The Board has reviewed the position on future dividend payments and intends to reinstate payments following the half-yearly results announcement on 10 November 2020. The size and timing of our interim dividend will be confirmed with the publication of the half-yearly results.

Ends

About Landsec

At Landsec, we believe great places are for people to experience and are made with the experience of great people.

We are one of the largest real estate companies in Europe with a £12.8bn portfolio which spans 24 million sq ft (as at 31 March 2020) of well-connected, experience-led retail, leisure, workspace and



residential hubs, with a growing focus on London. From the iconic Piccadilly Lights in the West End and the regeneration of London's Victoria, to the creation of retail destinations at Westgate Oxford and Trinity Leeds, we own and manage some of the most successful and memorable real estate in the UK.

We aim to lead our industry in critical long-term issues – from diversity and community employment, to carbon reduction and climate resilience. We deliver value for our shareholders, great experiences for our customers and positive change for our communities. At Landsec, everything is experience.

Find out more at landsec.com

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