



**LONDON
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FINAL RESULTS

[LAND SECURITIES GROUP PLC](#)

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LAND SECURITIES GROUP PLC ("Landsec")

Results for the year ended 31 March 2025

Strong operational results set to drive continued growth

Mark Allan, Chief Executive of Landsec, commented:

"Our portfolio again delivered very strong performance with like-for-like net rental income growth supporting growth in both earnings and portfolio valuation over the year. Owning the right assets has been more important and, with a very healthy pipeline of occupier demand, this trend looks providing a clear trajectory for further near and medium-term EPS growth."

"Our undoubted portfolio quality is a result of proactive and successful capital recycling over the years and will continue to be a focus for us. Our capital allocation decisions from here are about ensuring a positive outlook for our portfolio in 3-5 years' time is as positive as it is for our current portfolio today. We have set out a clear plan to increase investment in major retail by a further £1bn and establish a platform by 2030, to be funded by rotating £3bn of capital out of offices, non-core investments and yielding pre-development assets. Delivering on this strategy, whilst continuing to drive sustainable EPS growth, is our priority and we are firmly underway."

Financial highlights

	2025	2024		1
EPRA earnings (£m) ⁽¹⁾⁽²⁾	374	371	Profit/(loss) before tax (£m)	
EPRA EPS (pence) ⁽¹⁾⁽²⁾	50.3	50.1	Basic EPS (pence)	
EPRA NTA per share (pence) ⁽¹⁾⁽²⁾	874	859	Net assets per share (pence)	
Total return on equity (%) ⁽¹⁾⁽²⁾	6.4	(4.0)	Dividend per share (pence)	
Group LTV ratio (%) ⁽¹⁾⁽²⁾	39.3	35.0	Net debt (£m)	4

- ^{3/4} EPRA earnings up £3m to £374m, as strong 5.0% LFL net rental income growth and low more than offset impact from significant disposals early in year and a rise in finance cos
- ^{3/4} EPRA EPS⁽¹⁾⁽²⁾ up 0.4% to 50.3p, in line with expectations and ahead of initial guidance
- ^{3/4} Total dividend up 2.0% to 40.4p per share, in line with guidance
- ^{3/4} Profit before tax up to £393m, as strong 4.2% ERV growth supported £119m or 1.1% up resulting in 6.4% return on equity and 1.7% increase in EPRA NTA per share
- ^{3/4} Group LTV of 38.4% and average net debt/EBITDA of 7.7x pro-forma for disposals since year average debt maturity underpins resilience of capital base
- ^{3/4} Further LFL growth and efficiency improvements, alongside portfolio rebalancing to enhance provides c. 20% EPRA EPS growth potential by FY30, with c. 2-4% growth expected in

Operational highlights

- ^{3/4} Delivered 5.0% LFL net rental income growth, ahead of guidance, with 8% rental uplifts in London and major retail, and continued strong leasing momentum since the year-end
- ^{3/4} Increased occupancy by 100bps on a LFL basis to 97.2%, the highest level in five years
- ^{3/4} Drove 4.2% ERV growth through successful leasing activity, adding to future income growth
- ^{3/4} Reduced overhead costs by 5%, with more than 10% further savings expected over FY2

Central London income growth increases, as investment market activity starts to pick up

- ^{3/4} Delivered 6.6% LFL net rental income growth, with occupancy up 120bps to 98.0%, £24 in solicitors' hands 7% above ERV, and relettings/renewals 13% above previous rent
- ^{3/4} Drove 5.2% ERV growth, as customer demand remains focused on high-quality space in central London
- ^{3/4} Reversionary potential increased to 12%, paving way for further near-term LFL income growth
- ^{3/4} Portfolio valuation up 1.0%, as yields start to stabilise and investment market activity continues to grow steadily, supporting planned release of £2bn of capital employed from FY27 onwards
- ^{3/4} Set to complete £860m of developments in late FY26 at accretive 7.1% gross yield on completion, with customer interest expected to translate into first pre-letting activity in second half

Major Retail income up strongly, as brands focus on best destinations

- ^{3/4} Delivered 5.1% LFL net rental income growth, with occupancy up 110bps to 96.6%, £39 in solicitors' hands 11% above ERV, and relettings/renewals 8% above previous rent

- ¾ Drove 4.0% ERV growth, capitalising on continued focus from brands on fewer, bigger, but similar growth expected for current year
- ¾ Expect continued LFL income growth, as leasing pipeline remains strong and rental uplift
- ¾ Portfolio valuation up 3.4%, reflecting attraction of high-quality, growing income
- ¾ Invested £610m in Liverpool ONE and Bluewater acquisitions at average 7.7% income return, with a further £1bn in highly accretive growth of major retail platform over next 1-3 years

Progressed preparation of sizeable residential pipeline, ahead of first potential starts

- ¾ Started on site with infrastructure works, secured vacant possession and completed design for consented 1,800-homes Finchley Road scheme in Zone 2, London
- ¾ Renegotiated development agreement at Mayfield, Manchester, unlocking option to deliver 2026 onwards, with decision on detailed planning for first phase expected in second half of year
- ¾ Submitted outline/detailed planning application for masterplan in Lewisham, Zones 2&3, 2,800 homes, with planning decision expected in second half of year
- ¾ Preparing for first potential residential development starts in late 2026, as part of strategy to deliver £2bn+ in this structural growth sector by FY30

Maintained strong capital base, with £655m of capital recycling broadly in line with budget

- ¾ Sold £496m of non-core assets during year plus a further £159m since year-end, on average at book value, with further non-core disposals expected in near term
- ¾ Maintained solid capital base, with 9.6-year average debt maturity, £1.1bn cash and undrawn facilities for disposals post year-end, 7.7x average net debt/EBITDA and 38.4% LTV
- ¾ Capitalised on sector-leading access to credit during year, with £350m 10-year bond issued and refinancing of £2.25bn revolving credit facilities at existing low margins

1. An alternative performance measure. The Group uses a number of financial measures to measure performance, some of which are considered to be alternative performance measures as they are not defined under IFRS. For further details, see the Financial review and table 14 in the Business and Financial Review section.
2. Including our proportionate share of subsidiaries and joint ventures, as explained in the Financial Review. The condensed consolidated preliminary financial information is prepared under UK adopted international financial reporting standards (IFRSs and IFRICs) where the Group's interests in joint ventures are shown on a consolidated statement and balance sheet, and all subsidiaries are consolidated at 100%. Internally, the Group's results on a basis that adjusts for these forms of ownership to present a proportionate share of the Group's results, including the Combined Portfolio, are examples of this approach, reflecting our economic performance on properties regardless of our ownership structure. For further details, see table 14 in the Business and Financial Review section.

A live video webcast of the presentation will be available at 9.00am BST. A downloadable copy of the presentation will then be available by the end of the day.

We will also be offering an audio conference call line, details are available in the link below. Given the large volume of callers expected, we recommend that you dial into the call 10 minutes before the presentation.

Please note that there will be an interactive Q&A facility on both the webcast and conference call.

Webcast link: <https://webcast.landsec.com/2025-full-year-results>

Call title: Landsec Full Year Results 2025

Conference call: https://webcast.landsec.com/2025-full-year-results/vip_connect

Forward-looking statements

These full year results, the latest Annual Report and Landsec's website may contain certain statements' with respect to Land Securities Group PLC (the Company) and the Group's financial performance, its operations and business, and certain plans, strategies, objectives, goals and expectations. These items and the economies and markets in which the Group operates.

Forward-looking statements are sometimes, but not always, identified by their use of a date or words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'estimates' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events or circumstances that will occur in the future. Many of these assumptions, risks and uncertainties are beyond the Group's ability to control or estimate precisely. There are a number of factors that may cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, changes in the political, economic and market conditions in which the Group operates; changes in the legal, regulatory and competitive environment in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal proceedings against or which affect the Group; changes in accounting practices and interpretation of standards under IFRS, and changes in interest and exchange rates.

Any forward-looking statements made in these full year results, the latest Annual Report or made subsequently, which are attributable to the Company or any other member of the Group or made on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements.

Nothing contained in these full year results, the latest Annual Report or Landsec's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

Chief Executive's statement

A clear trajectory for growth, both near and longer term

Owning the right real estate has never been more important. Irrespective of sector, there is strong demand from customers on best-in-class space and as this space remains in short supply, rents are growing. We are confident in how we have repositioned our portfolio over the past four years. The success of our strategy is a result of the strength of our operational performance, with like-for-like rental income up 5.0% and like-for-like operating margin up 100bps to 97.2%, substantially outperforming wider markets.

In the long run, it is clear that income growth is the main driver of value growth in both equity and debt real estate, so our primary focus is on delivering sustainable income and EPS growth. For an £1bn portfolio, materially shifting portfolio mix takes time, so we need to think differently about what drives value in the short term and what we believe will drive it longer term, as these are not necessarily the same.

In the near term, most of our EPS growth will be driven by the assets we own today, not the assets we buy or develop from here. In that respect, we expect our customers' focus on quality to provide a strong support for continued like-for-like rental income growth. This encouraging outlook on income is supported by our clear plans to further reduce overhead costs by over 10% over the next two years following the measures already made over the last two years. These two factors combined underpin our expectation of strong near term EPS growth.

The capital allocation decisions we make today have more impact on EPS growth in the medium term. For example, our decisions on development and recycling capital today are therefore about making the right decisions for the long term, our asset mix is such that we are still as confident about the income growth prospects in the long term, as we are about our current portfolio today.

These two factors - impact on sustainable income and EPS growth nearer term and impact on value in the longer term - are, alongside our assessment of risk, the primary guide for our capital allocation.

framework which underpinned our decision to invest £0.6bn of capital in two of the very best in the UK over the past year - Liverpool ONE and Bluewater - and to sell £0.4bn of ageing hotel assets as the capex bill loomed. It is also what underpins our aim to invest a further £1bn in major retail centres as we monetise further non-core assets and surplus land. And, on a 2-5 year view, our aim is to be employed in offices by £2bn to build a sizeable residential platform, which we believe will provide growth and lower volatility.

Whilst we are mindful of the recent rise in global economic uncertainty, we are yet to see any impact on customer demand or investment markets. Given the actions we have taken over the past few years, EPS growth and return on equity therefore remains positive. Executing our strategy will build and deliver material value for shareholders by moving to higher income, higher income growth and lower volatility in the medium term.

Strong operational performance underpins solid financial results

Our operational performance over the past year has been strong. Occupancy increased to 95.5% and we delivered 5.0% growth in like-for-like net rental income, with strong growth across London and the South East. In both, our reversionary potential is growing, with 8% rental uplifts on relettings/renewals. In the North, the trend has continued to rise, up from 1% last year to 4% at the half year, 7% for the full year. Overall leasing was 4% above ERV, driving 4.2% ERV growth.

Our strong operational performance and £4m reduction in overhead costs, on top of the £71m cost savings in the year, mean our financial results for the year are positive. Despite the earnings impact of the disposals we made early in the year, EPRA earnings still increased £3m to £374m, or 50.3 pence per share, despite the fact that the prior year benefitted from £14m, or 1.9 pence, higher surrender receipts. This is over twelve months and means EPS is ahead of our initial guidance for the year. Reflecting this, our dividend is up 2.0%.

The valuation of our portfolio was up 1.1%, in line with our view a year ago that yields were attractive and that values for the best assets would return to growth. As such, our return on equity improved to 15.5% and our share increased 1.7%. Meanwhile, our balance sheet remains robust, with a long average maturity of 4.5 years. Pro-forma for disposals since the year-end, our LTV is 38.4% and average net debt/EBITDA is 2.1x. Following a £350m 10-year bond issue at 4.625%, representing a 97bps credit spread, and revolving credit facilities at stable margins during the year, the benefit of our balance sheet in maintaining this remains a key priority.

Table 1: Highlights

	Mar 2025	Mar 2024
EPRA earnings (£m) ⁽¹⁾	374	371
IFRS profit/(loss) before tax (£m)	393	(341)
Total return on equity (%)	6.4	(4.0)
Basic earnings/(loss) per share (pence)	53.3	(43.0)
EPRA earnings per share (pence) ⁽¹⁾	50.3	50.1
Dividend per share (pence)	40.4	39.6
Combined portfolio (£m) ⁽¹⁾⁽²⁾	10,880	9,963
IFRS net assets (£m)	6,532	6,447
EPRA Net Tangible Assets per share (pence) ⁽¹⁾	874	859

Adjusted net debt (£m) ⁽¹⁾	4,304	3,517
Group LTV ratio (%) ⁽¹⁾	39.3	35.0
Proportion of portfolio rated EPC A - B (%)	56	49
Average upfront embodied carbon reduction development pipeline (%)	41	40
Energy intensity reduction vs 2020 (%)	23	18

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Financial Review.

2. Includes owner-occupied property and non-current assets held-for-sale.

Our strategy

Through targeted investments and £3.3bn of disposals since our Strategy Review in late 2019, we have established a high-quality portfolio and pipeline of best-in-class office-led, retail-led and residential-led assets with substantial income growth potential. The predominant use of space in each of these areas is increasingly more binding them together than setting them apart, as the lines between traditional and modern successful urban places continue to blur. Our ability to curate these places to adapt to the needs of modern cities is what supports their sustained growth over time.

This strategy has paid off, as demand for modern, sustainable office space in London remains strong and retail brands continue to concentrate on fewer, but bigger and better stores in key locations. As a result, rents in our portfolio continue to grow, which underpins our positive view on near-term EPS growth. This reflects the investments decisions we have made in recent years, in terms of the composition and respect of our organisation, people, and technology platform. Similarly, the investment decisions we make in the next 1-2 years will determine the trajectory for our returns in 3-5 years' time.

Looking ahead, over the medium to longer term, we see a number of macro trends that we expect to shape the environment we operate in:

- ¾ Growing geopolitical risk and climate change mean inflationary pressures will likely persist, increasing the importance of driving sustainable like-for-like income growth;
- ¾ The normalisation of interest rates means the cost of capital is likely to remain elevated, which will impact on risk-adjusted returns, the time value of money, and efficiency;
- ¾ Technological change means customer expectations will continue to evolve rapidly, impacting demand across sectors with fewer long-term supply constraints; and lastly,
- ¾ Continued population growth will mean the existing shortage of urban housing is set to grow.

The Strategy Update we set out in February this year is built around these structural trends. In line with our strategy, our primary focus will be on delivering sustainable income and EPS growth. As a result of our allocation decisions, this means we will prioritise opportunities that deliver income and EPS growth in the near term but also position our portfolio mix such that EPS growth can be sustained in the medium to longer term. Beyond that, there will be a balance between these two factors - near term EPS growth and sustainable income - but our decisions will always seek to enhance at least one of these, without compromising the other.

This explains why major retail still remains our highest conviction call and why we seek to grow our retail portfolio by a further £1bn over the next 1-3 years. Risk-adjusted returns on acquisitions are compelling, with attractive 7-8% day-one income yields; rents having returned to growth from rebased levels

new space in the foreseeable future, as capital values are around half of replacement costs competition for the best space is expected to persist and rents continue to grow.

This framework also explains our plan to reduce capital employed in office-led assets by £2 of a £2bn+ residential-led platform over the next 2-5 years. We are very confident in the near prospects of our high-quality London office assets, as the focus from customers on best-in-modest new supply in recent years has created 12% positive reversionary potential. Yet, for fewer supply constraints, and demand and hence rents are likely to be more cyclical. The growth in homes, however, is more structural, as it is underpinned by long-term demographic trends. Office income and values have been much less volatile historically and we expect this to remain the case.

Whilst investing in residential offers limited near-term EPS upside, income growth closely tracks office income and is captured annually, so real returns are attractive. Net yields of c. 4.5-5% are similar to returns on offices after lease incentives, so rotating capital out of offices into residential should be neutral initially, but offers higher EPS growth and lower risk over time. The scale-up of our residential is supported by the 6,000-homes development pipeline we have established over the past few years. We have a large scale, well-located and highly-connected sites in London and Manchester, which combined with acquisitions will take us to our £2bn+ target by 2030.

The other implications of our recent strategy update are also clearly explained by our thinking. We plan to release half of our £0.7bn capital employed in low/non-yielding pre-development assets over the next 1-3 years to reduce the holding cost of this, which should improve earnings by c. £15m p.a. or 25-50bps. We also plan to exit our residual £0.8bn of retail/leisure parks, as day-one yields are lower and like-for-like income growth trails the growth in major retail destinations. In addition, we will scale back our office-led development by at least half, to grow our residential development. All of these decisions either support near-term EPS growth, help rebalance our portfolio towards higher longer-term EPS growth, or create shareholder value.

Implications for EPS growth and driving shareholder value

As most of our near-term income and EPS growth will be driven by our current assets, we are well positioned. We have positioned our portfolio and platform in recent years. Our strong 5.0% growth in like-for-like income over the past twelve months is testament to this. In addition to continuing to capture the growing revenue from our office portfolio and further reducing overhead costs over the next two years, all else equal, the above decisions would therefore drive c. 30% EPS growth by FY30. Against that, we have to absorb the impact of rising interest costs going up as we refinance maturing debt plus the expiry of the income at Queensway, which have a combined negative EPS impact of c. 5 pence, spread over a number of years.

Overall, we therefore see the potential for EPS to grow c. 20% from 50.3 pence over the period to FY30, which adds further to our attractive existing income return at NTA of 5.8%. This growth should be relatively linear although the exact year-on-year profile will be influenced by factors such as office development lettings, with for example £61m of ERV completing at our two highly sustainable developments in Victoria and the Southbank in about a year's time. We are seeing encouraging signs of new office space in this space emerge and although it will take time to lease-up as these are multi-let buildings, we expect £7m to earnings once fully let. We will not start any new speculative office-led projects until the market on these projects is substantially de-risked.

Over time, our compound growth in EPS should drive continued growth in dividends, whilst our rotation of the portfolio towards higher long-term income growth and lower cyclicalities will create a more valuable platform. In support of this, we will retain our strong capital base, as we continue to target a net debt/asset ratio of c. 30% and an LTV around the mid 30's at this stage of the cycle. This will be further enhanced by our focus on improving the return profile and cyclicalities, as we reallocate capital from offices to residential. As we execute our strategy, we are well-placed to deliver significant shareholder value.

Outlook

The outlook for our best-in-class portfolio and pipeline remains firmly positive.

In major retail, the top 1% of all shopping destinations in the UK provide brands with access to retail spend. As close to 90% of our retail assets are in this top 1%, brands continue to invest focussing on 'fewer, bigger, better' stores in the best locations. Any pressure on brands' margins or wider economic uncertainty will likely sharpen this focus further and put more pressure on brands' store portfolios. As our occupancy is now higher than it was before Covid, we expect this year to be around similar levels as last year.

In London, office utilisation across our portfolio continues to grow and customers are now paying for more space per person than five years ago, with c. 80% of our lettings over the past year having grown or kept the same space. In the near future, new supply across London is modest, so we expect values this year to continue to grow at a broadly similar rate as they did last year. This also includes committed developments, Thirty High and Timber Square, where we expect to see first pre-second half of this year, in line with our underwrite assumptions.

Meanwhile, in residential, we have created a £3bn development opportunity to build scale in a sector with structural growth characteristics, attractive real returns and much lower volatility. The attractive prospects in this space should enhance our sustainable income and EPS growth over time.

The trends that have supported our strong operational performance over the past few years, though the global economic outlook has become more uncertain in recent months as a result of the COVID-19 policy. We are mindful of the disruption this can cause but, as a purely UK focused business with a diverse customer base that is primarily focused on successful omnichannel retail brands, professional services and financial services and a development pipeline which is increasingly focused on residential, we expect the impact on customer demand or financial performance to be limited.

In investment markets, we continue to see a steady pick-up in activity across the UK and in Europe, albeit from a low base. The outlook for long-term interest rates is more relevant than short-term rates, but for assets where there is an opportunity to drive income growth in the coming years, we expect this to be a positive. In our core portfolio, there appears to be a growing understanding amongst investors that real estate returns are attractive relative to real interest rates. Absent any major economic shocks, we expect this will continue to support valuations for such assets as investment activity recovers further.

In summary, we are well-placed due to the successful execution of our 2020 strategy, with a strong pipeline to deliver the next phase of our strategy. Our portfolio is 97.2% full, so ERVs are growing. Our reversionary and rental uplifts on relettings/renewals in retail have risen to 10%. We are on track to reduce overhead cost by a further 10% over the next two years, with additional upside to EPS to c. £3bn of capital out of offices and non-core assets into major retail and residential.

All this means we see the potential to deliver c. 20% growth in EPS by FY30 and with c. 2-4% expected for FY26, supported by c. 3-4% growth in like-for-like net rental income, we are well-placed to support continued growth in dividends and to drive an attractive return on equity over the long term. This to support continued growth in dividends and to drive an attractive return on equity over the long term. Existing income return at NTA of 5.8% plus future income growth. As we move to higher income assets, growth and lower cyclical returns, the delivery of our strategy is set to drive significant growth. Owning the right real estate has never been more important.

Operating and portfolio review

Overview

We have created a high-quality, urban real estate portfolio which produces £657m of annual income and offers potential for material income growth. This portfolio was valued at £10.9bn as of March 2021 and is made up of the following segments:

- ¾ Central London (62% by value): our well-connected, high-quality office (85%) and retail space (15%), principally focused on multi-let assets in a small number of key areas in the City (24%) and Southwark (8%).
- ¾ Major retail destinations (24%): our investments in seven shopping centres and three retail parks, which sit in the top 30 highest selling retail destinations in the UK.
- ¾ Mixed-use urban neighbourhoods (7%): our investments in mixed-use urban places in London and a number of other major UK cities, with future repositioning or residential development potential.
- ¾ Subscale (7%): assets in sectors where we have limited scale or competitive advantage and we plan to divest over time, split broadly equally between retail and leisure parks.

From FY26 onwards, we will align our financial reporting to our updated strategy and operate between Office-led (61%), Retail-led (29%) and Residential-led (2%) places plus an element of other assets (8%). A reconciliation will be provided separately, but this report is based on the strategy the portfolio was managed over the past financial year.

Driving sustainable income growth

Our main focus is delivering sustainable income and EPS growth. In the long run, valuation multiples for assets and P/E multiples in equity markets are both broadly stable, which means that delivering sustainable income and EPS growth, over time, will result in attractive return on equity for shareholders.

Given the time it takes to develop and acquire or sell a meaningful share of an £11bn property portfolio, over a few years the majority of our income growth will be driven by our existing portfolio, where the focus is on growth. Our capital allocation decisions from here are about ensuring our income growth prospects are as attractive as they are for our current portfolio today.

The strength of this has again been proven over the past twelve months. Like-for-like net rental income grew 5.0%, with strong growth in both London and retail. Occupancy increased 100bps on a like-for-like basis to 97.2% and we secured rental uplifts of 8% on relettings/renewal across the two main parts of the portfolio. ERVs were up 4.2%, underpinning future income growth, and on a like-for-like basis, our gross margin grew up 1.7ppt due to a reduction in service charge expense and operating costs as a result of our focus on cost efficiency.

Table 2: Like-for-like income growth

	Net rental income	LFL net rental income growth	LFL occupancy change	Gross to net margin
	£m	%	ppt	%
Central London	275	6.6	1.2	92.0
Major retail	166	5.1	1.1	83.4
Mixed-use urban	43	2.8	0.9	79.6
Subscale sectors	68	0.0	0.4	94.4
Total Combined Portfolio	552	5.0	1.0	88.5

Central London

Customer demand for office space with the best sustainability credentials, local amenities and excellent connectivity continues to grow and given that such space is in limited supply, rents continue to rise.

The appeal of our offer is reflected in the fact that we continue to see growth in daily turnstiles in our buildings. The rate of growth will naturally plateau as customers' space nears full capacity, but we expect the growth to remain strong for some time.

months saw average daily tap-ins up 11% vs the prior year. Our customers are now planning space per person than they did five years ago, so c. 80% of our lettings over the last twelve months saw customers grow or keep the same space.

Reflecting this, like-for-like occupancy increased 120bps to 98.0%, significantly outperforming as a whole at 91.9%. We completed 42 lettings and renewals during the year, totalling £21m, 5% ahead of ERV, with a further £3m of lettings in solicitors' hands, 22% above ERV. Uplifts were 10%, supporting 6.6% LFL rental income growth, reflecting strong leasing results across assets and further income growth at Piccadilly Lights. ERVs were up 5.2%, so as our reversionary income is 12%, we expect continued growth in rental income.

Our two established Myo flex office locations in Victoria and Liverpool Street saw occupancy of 79% in the first half due to a small number of larger lease expiries, but in line with the view for the year, occupancy has recovered to 90% since then. The lease-up of the four new Myo locations ago has taken slightly longer than expected, but these are now 61% let or under offer, with negotiations and rents on average 2% ahead of our underwrites.

Major retail destinations

The top 1% of all UK shopping destinations provide brands with access to c.30% of the total food retail spend, offering higher sales densities and productivity than other formats. Around 10% of our assets sit in this top 1%, which means our destinations continue to materially outperform, with lettings and footfall up 0.4%, well ahead of BRC Benchmarks (-1.7% and -0.7% respectively).

As a result, we continue to see strong demand for our space, as brands focus on 'fewer, bigger' stores. Examples of this over the past year are deals with Next to triple the size of their existing store to 133,000 sq ft and Primark to double their store in White Rose from 37,000 to 71,000 sq ft; and with Bershka, Pull&Bear and Sephora at Bluewater; and with JD Sports, who are moving into a new store in Cardiff city centre.

Over the past year, 17 brands increased their space with us, 30 new brands opened in our portfolio. This meant like-for-like occupancy is now higher than it was before the pandemic. We signed 201 lease renewals on average 8% above ERV, driving 4.0% ERV growth for the year. Relettings and renewals were on average 3% above previous passing rent, up from 3% at the half year and 1% over the prior year. This is reflected in deals in solicitors hands, underlining the growing reversionary potential in our portfolio. As a result, net rental income increased 5.1%.

At the same time, on a like for like basis our leasing pipeline is up meaningfully vs this time last year. Lettings in solicitors' hands on average 20% ahead of ERV, and as our existing assets are not in supply, we expect this to drive continued growth in rental income over time.

Mixed-use

After taking full control of MediaCity in October, we have already started to deliver a turnaround in performance with a number of office lettings and new F&B lettings, resulting in a 110bps increase in occupancy. We have recently appointed a CEO for MediaCity who joins from a senior media background, and will oversee the entire operations of the estate including the studios business. This will allow us to further build on the momentum and capitalise on the upside potential our new control offers us.

In other mixed-use, our previous approach to Buchanan Galleries in Glasgow and our centre in Lewisham in London was to manage each towards a full vacant possession date to maximise flexibility. This naturally impacted income as leases were shortening, which in turn weighed on performance. We changed this approach last year in response to the higher interest rate environment to focus on improving the existing income, which for Finchley Road and Lewisham will augment the maximum potential opportunity at both sites. At Buchanan, we will build on this by focusing on upgrading the estate. Our new asset management approach should see income grow over time, which was up 2.8% for the year.

Subscale

Across our portfolio of retail and leisure parks, occupancy increased 40bps to 97.4%. We c solicitor's hands on £9m of lettings, on average 2% below ERV. During the first half of the y announced a restructuring plan which resulted in a rent reduction in five of their 13 cinemas took the opportunity to relet two of these to other operators at higher rents so the combined income was minimal. Overall, like-for-like income on our retail and leisure parks was flat, w the 5.1% increase at our major retail destinations.

Table 3: Operational performance

	Annualised rental income £m	Net estimated rental value £m	EPRA occupancy ⁽¹⁾ %	L occupan change p
West End offices	164	202	99.1	(0
City offices	85	111	96.2	4
Retail and other	58	54	97.3	0
Developments	-	85	n/a	n
Total Central London	307	452	98.0	1
Shopping centres	186	188	96.4	1
Outlets	48	52	97.4	1
Total Major retail	234	240	96.6	1
London	10	14	88.1	(2
Major regional cities	37	49	95.2	2
Total Mixed-use urban	47	63	93.5	0
Leisure	44	41	98.2	1
Retail parks	25	27	96.4	(0
Total Subscale sectors	69	68	97.4	0
Total Combined Portfolio	657	823	97.2	1

1. Excluding developments.

Acquisitions

We made £720m of acquisitions during the year, in line with our strategy to grow our major future residential optionality. The majority of this was our acquisition of a 92% stake in Liver which is one of the top retail destinations in the UK. £35m of the consideration is deferred fi interest charge and with a day-one net income return of 7.5% and rents which are reversion grow, we expect overall returns to be in the double digits. We invested £120m in buying a fi Bluewater at an income yield of 8.5% and £19m in two smaller assets adjacent to our existi Cardiff and Glasgow, bringing total retail acquisitions to £629m.

Other acquisitions totalled £91m. This principally reflected the acquisition of the remaining : MediaCity from Peel, plus the 218-bed hotel and studio operations at the estate which were The cash consideration was £23m and we assumed £61m of debt, providing an overall con This represented a discount to the book value of our existing stake, reflecting the value of fi wrapper leases to Peel we agreed to surrender. Adjusted for this, the deal was broadly in lir EPS neutral in the short term, but it enhances medium to longer term EPS growth, as it pro

to implement our asset management plans for the existing estate, whilst the Phase 2 land allocation to develop 2,700 homes. We also acquired £7m of assets adjacent to our future Manchester and London.

Disposals

We sold £496m of assets during the year which did not fit our strategic objectives and long-term aspirations. On average, these disposals reflected an effective net income yield of 7.5% at March 2024 book value. The largest disposal was our £400m hotel portfolio, which had seen performance post Covid, yet as the income was 100% turnover-linked on long-term leases at hotels, there was little opportunity for us to influence or enhance its future operational performance. 70% of the hotels were more than 25 years old and the portfolio was therefore expected to require capex in the near future. The disposal included a deferred payment of £50m for up to two years to receive an annual 6% coupon.

We also sold a retail park in Taplow for £46m and a number of smaller non-core assets for £143m. Since the year-end, we have sold two further retail parks for £143m, reflecting an average net income yield of 6.4%, in line with book value. We expect to progress further disposals in the near future, recycle capital out of subscale sectors and aim to monetise part of our capital employed in development assets. Over the next 2-5 years, we aim to further rebalance our portfolio mix of capital employed in offices.

Development and investments in existing assets

During the year, we invested £486m in capex, including £202m for our two on-site office projects in Southwark and £85m in pre-development assets. As we plan to reduce our capital employed in office assets by half over the next three years, the latter is set to reduce over time. We invested £145m in our retail portfolio, including £45m in the refurbishment of 5 New Street Square where we agreed a new lease with Taylor Wessing in 2023; £28m in repositioning traditional office space to Myo flex space, with an uplift in income; £22m in our net zero investment programme; and £14m in public realm improvements. The remainder principally relates to leasing activity and accretive investment in retail capex.

Current projects

Our two committed office developments are expected to complete over the next twelve months and we expect to see good customer interest emerge. We expect this will translate into progress on pre-letting in the year for both schemes, as high-quality, sustainable office space in locations with good transport links and attractive amenities remains in scarce supply. However, as both schemes are designed for a majority of lease-up is expected to occur post completion. At Thirty High in particular, this premium for the unique views this 30-storey West End tower offers and with £61m of ERV, is expected to add £7m to earnings once fully let based on current interest costs.

The completion of Thirty High has moved out a few months, but costs remain in line with expectations. Building on the success at our n2 scheme in Victoria, we have added clubrooms to the development which will be accessible to all customers. This will drive additional rent, yet combined with other refinements and a sub-contractor insolvency, we reported at the half year that overall costs had increased. The expected gross yield on cost had reduced slightly from 7.1% to 7.0%. There have been no significant costs in the second half.

Table 4: Committed pipeline

Project	Sector	Size sq ft '000	Estimated completion date	Net			1
				Income/ ERV £m	Market value £m	Costs to complete £m	

Thirty High, SW1	Office	299	Q4 FY26	30	352	102
Timber Square, SE1	Office	383	Q4 FY26	31	292	152
Total		682		61	644	254

Potential future pipeline

As part of our aim to invest a further £1bn into major retail destinations over the next 1-3 years, we will progress a number of accretive investments in our existing major retail assets, such as the destination at Trinity, Leeds; the significant upsizes of Primark and Next at White Rose and repositioning of Buchanan Galleries in Glasgow; and a new waterfront F&B offer at Gunwharf. This pipeline could be c. £200m, spread over multiple smaller projects, with double-digit IRRs and a blend of returns around 10%.

In terms of larger development projects, our success in terms of planning over the past two years has given us more options to start new projects across Central London offices or our major residential sites in 12-24 months than we have the balance sheet capacity or risk appetite to accommodate. In addition, there is a number of other development opportunities outside of our core focus areas.

Table 5: Pre-development assets

Project	Current employed	Capital Proposed sq ft	Indicative TDC	Indicative ERV	Gross yield on TDC	Potential start date
	£m	'000		£m	%	
Office-led						
Red Lion Court, SE1		250				202
Old Broad Street, EC2		290				202
Liberty of Southwark, SE1		220				202
Hill House, EC4		390				202
Southwark Bridge Road, SE1		140				202
Nova Place, SW1		60				202
Timber Square Phase 2, SE1		380				202
Total	c. 370	1,730	2.4	170	7.1	
Residential-led¹						
Mayfield, Manchester		1,800	0.9			202
Finchley Road, NW3		1,400	1.2			202
Lewisham, SE13		1,900	1.5			202

MediaCity Phase 2, Salford		n/m	n/m		n/r
Total	c. 260	5,100	3.6	200-260	6-7
Other opportunities	c. 100	n/m			

1. Indicative figures given multi-phased nature of schemes; subject to change depending on and design

Our total capital employed in these pre-development assets is c. £730m yet the current net minimal at c. 1%. As there is a clear holding cost in maintaining this optionality for a prolonged period, we plan to monetise around half of our capital employed over the next 1-3 years, principally from office sales. This will add c. £15m to earnings through reduced interest costs and improve our overall RPI. Taking into account lower capitalised pre-development costs.

Post the completion of our two existing office schemes, we will reduce our office-led development to at least half compared to the average c. £1bn committed TDC we have had over the last five years. We plan to shift development activity to residential, where we now have an attractive pipeline of projects. We have 1,800 homes across three schemes in Manchester and London, which could deliver over £200m of income in the next decade.

The first of our main residential projects is Finchley Road, in zone two London, where we have 1,800 homes and detailed planning consent for the first 600 homes. We expect a decision on detailed consent in the second half of 2025. We have secured vacant possession and completed enabling works for the first phase, which means we could start on site in late 2026. We have a cost of close to 6.5%, which translates into a net yield after property operating expenses of c. 10-12% unlevered IRR.

At our residential-led scheme at Mayfield, adjacent to Manchester's main train station, we are working with our partners to optimise the development strategy for this 24-acre site during the year. The site has outline consent in the form of a strategic regeneration framework and we have submitted a detailed application for the first 879 homes, which we expect a decision on in the second half of this year. We are looking towards the potential start of a c. £150m office block as part of the first phase of development. Manchester remains strong, with prime rents up 13% over the past two years. Whilst we are in development in isolation, the returns on this look acceptable and, importantly, delivering this opportunity to invest c. £1bn in delivering c. 1,700 homes across multiple phases. The first phase will start in late 2026 with a gross yield on cost of c. 6.5-7.0% and net yield after direct property costs expected to deliver an unlevered IRR of c. 11-13%.

At Lewisham, south-east London, we submitted a planning application for our new masterplan, which has the potential to deliver up to 1,700 homes with a further 445 co-living homes and 660 student beds over the next decade across multiple phases. The plans have been developed after substantial consultation with local stakeholders, as a result of which our plans received ten times more letters of support than a standard application. A decision on our application in the second half of this year. Given that we have vacant possession for the first phase, this could allow for a start on site in 2027. We expect a gross yield on cost of around 4.9-5.1%, which translates into a net yield after direct property costs of c. 4.9-5.1%, resulting in a c. 10-12% unlevered IRR.

Across London, office space under construction is stable vs March 2024 at 13m sq ft, of which around 5m is under offer. Whilst demand for space remains good, the build cost inflation over the past few years, along with challenges in supply chains and higher exit yields have put pressure on development returns. This impacts office development more than residential, so we continue to carefully weigh up any new schemes, but in any case, we do not plan to commit to any new speculative London office until we have secured the majority of the £61m ERV on our existing projects.

Portfolio valuation

Successfully delivering on our objective to drive sustainable income growth over time will uplift property values in the long run, even though in the short term valuations are also affected by yields. Reflecting our successful leasing activity and the fact that property yields stabilised, in line with expectation we set out a year ago, the external valuation of our portfolio was up 1.1%.

Our Central London portfolio was up 1.0%, driven by strong 5.2% growth in ERVs, whilst valuations of other assets were up slightly. Developments were up 2.5% reflecting ERV growth and a de-risking of our on-site retail portfolio. The value of our major retail portfolio was up 3.4%, reflecting a combination of 4.0% ERV growth and yield compression. Combined with the high income return, this again was our best performing segment, delivering a 10.1% total return for the year compared with Central London at 5.2% and mixed-use at 4.4%.

The value of our mixed-use assets was down 5.0% for the year, principally reflecting a rise in the value of MediaCity in the first half of the year, although this stabilised in the second half. The shorter term value of three existing retail assets in Glasgow and London which previously had been managed for redevelopment also weighed on values in the first half yet this slowed in the second half, as they became more tangible. The value of our retail parks was up 5.4%, principally driven by yield compression. We have sold c. 40% of this portfolio since the year-end, on average in line with book value. The value of our leisure portfolio was down slightly for the year, but stable in the second half.

We continue to see a steady pick-up in investor interest and activity in London and major retail assets continue to grow, yields for such assets remain attractive in a historical context and we do not see any impact on investor appetite from the recent increase in global economic uncertainty. We are mindful that the direction for long-term interest rates and credit spreads will likely influence valuations. As momentum continues to improve from here. As customer demand remains robust, following strong leasing overall ERVs over the past twelve months, we expect London and major retail ERVs to grow at a similar rate this year as they did over the last twelve months.

Table 6: Valuation overview

	Market value £m	Surplus (Deficit) £m	FY valuation change %	H2 valuation change %	LFL rental value change ⁽¹⁾ %	Net initial yield %	Topped up net initial E yield %
West End offices	3,124	17	0.6	0.5	5.2	4.6	5.4
City offices	1,445	20	1.4	0.0	7.5	4.2	5.1
Retail and other	1,022	(2)	(0.2)	0.3	0.6	4.3	4.6
Developments	1,108	27	2.5	(0.4)	n/a	0.0	0.0
Total Central London	6,699	62	1.0	0.2	5.2	4.4⁽²⁾	5.2⁽²⁾
Shopping centres	1,977	81	4.3	1.3	3.6	7.2	7.9
Outlets	626	4	0.5	0.8	5.1	6.3	6.3
Total Major retail	2,603	85	3.4	1.2	4.0	7.0	7.6
London	190	(18)	(8.1)	(2.7)	3.4	4.3	4.3
Major regional cities ⁽³⁾	599	(24)	(4.0)	(1.4)	1.7	6.6	6.5
Total Mixed-use							
urban	789	(42)	(5.0)	(1.7)	2.2	5.9⁽²⁾	5.8⁽²⁾
Leisure	423	(5)	(1.2)	(0.1)	1.3	7.8	8.1

Retail parks ⁽⁴⁾	366	19	5.4	(0.1)	1.1	6.1	6.3
Total Subscale							
sectors	789	14	1.8	(0.1)	1.2	7.0	7.2
Total Combined							
Portfolio	10,880	119	1.1	0.3	4.2	5.4⁽²⁾	6.0⁽²⁾

1. Rental value change excludes units materially altered during the period.

2. Excluding developments / land.

3. Includes owner-occupied property.

4. Includes non-current assets held-for-sale.

Growing in a sustainable way

We target to reduce direct and indirect greenhouse gas emissions by 47% by 2030 vs 2019/20 baseline. We also target to reduce energy intensity by 33% vs our 2019/20 baseline. We also target to reduce energy intensity by 33% vs our 2019/20 baseline. We also target to reduce energy intensity by 33% vs our 2019/20 baseline. We also target to reduce energy intensity by 33% vs our 2019/20 baseline.

In 2021, we set out a net zero transition investment plan to ensure all our assets would meet the Energy Efficiency Standard of EPC 'B' by 2030. The cost of this is reflected in our valuations and we have invested in the retro-fit of air source heat pumps in an occupied building during the year at Dashwood, so it is now rated EPC 'B' or higher, up from 49% a year ago. We also installed almost 1,300 additional solar panels at Gunwharf Quays, which combined with the already existing system will generate over 670,000 kWh per year, representing 23% of total landlord electricity demand.

We also continue to focus on reducing embodied carbon in development, with our future pipeline of new development targeting a 10% reduction vs the standard baseline. This is principally achieved via relatively low-cost changes to the design and construction of new buildings, but there is a limit to how much of a further reduction is achievable. Whilst there is clear evidence that energy in use is important to customers and investors, they are willing to pay a premium for buildings with less embodied carbon.

Finally, through our Landsec Futures programme, we continue to improve social mobility in areas local to our assets. To date, this has created career pathways for 18 interns and supported 10 bursaries. From our 2019/20 baseline, we have so far created £96m of social value and enabled 100 people towards the world of work.

Financial review

Overview

We delivered solid financial results for the year. EPRA EPS was ahead of our initial guidance, driven by strong leasing activity and, in line with the view we set out a year ago, valuations for our best-in-class assets supported growth, underpinning a positive return on equity. Meanwhile, our strong capital base allowed us to take advantage of the opportunity to invest in a number of rare, high-quality, accretive acquisitions, which will support our future growth income and our overall return prospects.

With continued customer demand for our best-in-class space resulting in over 97% occupancy, strong uplifts on relettings and renewals, like-for-like net rental income was up 5.0%, ahead of our target for the half year. Despite continued inflation, overhead costs were down 5%, as our continued operational efficiencies more than offset inflation. We see further upside on both fronts in the near future, supporting our positive outlook on EPS growth.

Our £23m like-for-like net rental income growth and £4m reduction in overhead costs more than offset the impact of an increase in finance costs, the impact from net disposals during the period, and a reduction in current earnings were up £3m to £374m, or 50.3 pence per share. Our total dividend for the year of 2.0%, in line with our guidance of low single digit percentage growth, and our dividend cover comfortably within our target range of 1.2-1.3x on an annual basis.

Our successful leasing drove 4.2% growth in ERVs, which further enhances our income growth. This was underpinned by a 1.1% increase in the valuation of our assets. This meant IFRS profit before tax and basic EPS was 53.3 pence, compared with a loss before tax of £341m in the prior year. EPRA earnings were up 1.7% to 874 pence, so including dividends, our return on equity was 6.4%.

All this remains underpinned by our clear commitment to retain a strong balance sheet. Adjusted net assets increased from £3.5bn to £4.3bn, principally due to our £455m investment in Liverpool ONE. Net assets reduced to £4.1bn pro-forma for our £159m of disposals since the year-end. Pro-forma for the year and our weighted average net debt/EBITDA is 7.7x and we anticipate to make further disposals. In September, we issued a £350m 10-year Green bond at a 4.625% coupon and in October we refinanced our revolving credit facilities at stable margins, so our average debt maturity remains long, at 9.5 years. We do not need to refinance any debt until 2027 and have £1.1bn of cash and undrawn facilities.

Presentation of financial information

The condensed consolidated preliminary financial information is prepared under UK adopted accounting standards (IFRSs and IFRICs) where the Group's interests in joint ventures are consolidated in the income statement and balance sheet, and all subsidiaries are consolidated at 100%. In our interim reviews the Group's results on a basis that adjusts for these forms of ownership to present The Combined Portfolio, with assets totalling £10.9bn, is an example of this approach, reflecting our interest in our properties regardless of our ownership structure.

Our key measure of underlying earnings performance is EPRA earnings, which represents the performance of the Group's property rental business, which is our core operating activity. A definition of earnings is given in the Glossary. This measure is based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) which are metrics widely used across the industry to measure performance. It includes our proportionate share of joint ventures' earnings. Similarly, EPRA Net Tangible Assets is a primary measure of net asset value.

Measures presented on a proportionate basis are alternative performance measures as the Group is measured under IFRS. This presentation provides additional information to stakeholders on the activities and performance of the Group, as it aggregates the results of all the Group's property interests which under IFRS are presented across a number of line items in the statutory financial statements. For further details see the Business analysis section.

Income statement

Our primary focus is to deliver sustainable income and EPS growth as, over time, it is sustainable income and EPS which drives value growth in real estate and equity markets. During the year, strong portfolio and strong leasing activity delivered strong like-for-like rental income growth.

We have continued to reposition our portfolio to further enhance its long-term return prospects. Net disposals were at the start of the year and our principal acquisitions were towards the end of the year. The net impact on income for the year from the timing of these transactions was £24m. We also saw a £14m increase in net rental income from premiums vs 2024, yet despite this we delivered a £2m increase in net rental income, principally driven by like-for-like growth. Finance expenses increased slightly, but this was offset by a reduction in other expenses so EPRA earnings of £374m were ahead of the prior year, as expected, and ahead of our guidance for the year.

Table 7: Income statement⁽¹⁾

	Year ended 31 March 2025					3		
	Mixed- Central Major use Subscale London retail urban sectors Total					Mixed- Central Major use St		
	£m	£m	£m	£m	£m	£m	£m	£m
Gross rental income ⁽²⁾	299	199	54	72	624	291	181	57
Net service charge expense ⁽³⁾	(2)	(4)	(4)	(1)	(11)	(4)	(7)	(3)
Net direct property expenditure ⁽³⁾	(23)	(33)	(12)	(5)	(73)	(23)	(31)	(12)
Net other operating income	-	-	1	-	1	-	-	-
Movement in bad/doubtful debts provisions	1	4	4	2	11	(1)	8	-
Segment net rental income	275	166	43	68	552	263	151	42
Net administrative expenses					(73)			
EPRA earnings before interest					479			
Net finance expense					(105)			
EPRA earnings					374			
Capital/other items								
Valuation surplus/(deficit)					107			
Loss on disposals					(18)			
Impairment charges					(26)			
Fair value movement on interest rate swaps					(38)			
Other					(6)			
Profit/(loss) before tax attributable to shareholders of the parent					393			
Non-controlling interests					-			
Profit/(loss) before tax					393			

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the F information above.
2. Includes finance lease interest, after rents payable.
3. Current year balances reflect a reclassification of joint venture service charge management direct property expenditure to net service charge expense of £3m. While the comparative restated, the equivalent reclassification would have been £3m.

Net rental income

Our gross rental income was down £17m to £624m, principally reflecting the timing differences in acquisitions and disposals, as outlined above, and the fact that surrender receipts were £14m in the prior year, at £5m. We anticipate surrender receipts to remain limited in the future, given low rightsizing or repurposing activity across our portfolio. The release of bad and doubtful debt of £5m, principally due to the recovery of outstanding debts on assets that were previously managed by us, as we now manage in house, so we expect this level to reduce this year. The benefit of this benefit was lower than our original guidance.

Reflecting the above, our overall net rental income was up £2m to £552m, although on a like-for-like basis net rental income was up £23m, or 5.0%. This was well ahead of our initial guidance for the year of 2.8% and above our raised guidance at the half year of growth being close to 3.0% driven by our strong leasing, with increased occupancy, positive uplifts on relettings and renewals, and a focus on income, but also our focus on costs, as direct property costs reduced by £8m and net service charge expense were down £5m. Looking ahead, we expect to like-for-like net rental income to grow by c. 3% next year.

Our gross to net margin improved by 2.7ppt to 88.5%, which was well ahead of our guidance of 85.8%. In like-for-like income, our focus on managing costs, and the increase in recovery of bad and doubtful debt provisions, although we expect the benefit of the latter to reduce next year.

Table 8: Net rental income⁽¹⁾

Net rental income for the year ended 31 March 2024

Gross rental income like-for-like movement in the period⁽²⁾:

Increase in variable and turnover-based rents

Operational performance

Total like-for-like gross rental income

Like-for-like net service charge expense

Like-for-like net direct property expenditure

Decrease in surrender premiums received

Developments⁽²⁾

Acquisitions since 1 April 2023⁽²⁾

Disposals since 1 April 2023⁽²⁾

Movement in bad/doubtful debts

Net rental income for the year ended 31 March 2025

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the F information above.
2. Gross rental income on a like-for-like basis and the impact of developments, acquisitions surrender premiums received.

Net administrative expenses

Following a £7m reduction during the prior year, net administrative expenses were down a 1 last year, as our continued focus on managing costs more than offset inflation, principally d changes and procurement savings. We implemented our new data and tech systems late la efficiency savings these will deliver will mostly benefit future years. Alongside a further stre resources and other savings, this means we expect net administrative expenses to be well and less than £65m for FY27, despite the increase in national insurance costs and ongoing

The reduction in net administrative expenses and increase in gross to net margin resulted i in our EPRA cost ratio to 21.7%, although this is not a measure which is overly useful in its long leases to a single tenant naturally have lower operating costs than more operational a residential or shopping centres, yet that clearly does not mean they deliver better income o is the overall net income return which matters, as that is what ultimately drives value for sh

Net finance expenses

Net interest costs increased by £3m to £105m, which reflected a small increase in our weig debt and higher adjusted net debt following the acquisition of a 92% stake in Liverpool ONE expect to reduce our net debt over the coming year from the level at March 2025 due to our recycling, but as our starting net debt for the year is higher than it was last year, we still exp expenses for this financial year to be higher than last year.

Non-cash finance expense, which includes the fair value movements on derivatives, caps a is not included in EPRA earnings, increased from a net expense of £23m in the prior year to predominantly due to the fair value movements of our interest-rate swaps over the period.

Valuation of investment properties

The independent external valuation of our Combined Portfolio showed an increase in value continued strong leasing activity resulted in 4.2% ERV growth, and valuations yields were s and second half of the year. We continue to see investment activity picking up, which we ex underpin values for those assets that can generate income growth, although we are mindful activity recovers further from here could well be influenced by any changes in long-term int

IFRS loss after tax

Substantially all our activity during the year was covered by UK REIT legislation, which mea the period remained minimal. The IFRS profit after tax of £396m reflects our continued stro and the positive fair value adjustment of our investment portfolio. This compares with an IFI £341m last year.

Net assets and return on equity

Including dividends paid, our total return on equity for the year was 6.4%, compared with -4 The income component of this was 5.8%. Movements in valuation yields reduced our overa 0.8%, but other valuation movements added 2.1%. Within this, the upside from ERV growth an increased level of capex on pre-development assets and a reduction in the value of QAI the end of its lease. We also recognised an element of goodwill write-off and provisions, as

reduced ROE by 0.7%, but these are not expected to recur. Given our attractive income return and growth, we are well-placed to deliver attractive return on equity over time.

After the £297m of dividends paid, EPRA Net Tangible Assets, which reflects the value of our net assets less adjusted net debt, increased to £6,530m, or 874 pence per share. This was up 1.7% versus the prior period. Our strong operational performance supported a £119m valuation uplift across our portfolio, yet a number of items. In line with our guidance at the half year, we wrote off £22m of goodwill from acquiring the studios business at MediaCity alongside our acquisition of the remaining estate, in line with our practice to not carry any goodwill on our balance sheet. In addition, we made a number of disposals and we made a number of other small adjustments impacting NTA in respect of our net assets and property provisions totalling £23m.

Table 9: Balance sheet⁽¹⁾

	31 March 2025	£m
Combined Portfolio	10,880 ⁽²⁾	
Adjusted net debt	(4,304)	
Other net assets/(liabilities)	(46)	
EPRA Net Tangible Assets	6,530	
Shortfall of fair value over net investment in finance leases book value	8	
Other intangible assets	2	
Excess of fair value over trading properties book value	(27)	
Fair value of interest-rate swaps	1	
Net assets, excluding amounts due to non-controlling interests	6,514	
Net assets per share	877p	
EPRA Net Tangible Assets per share (diluted)	874p	

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Financial Information above.

2. Includes owner-occupied property and non-current assets held-for-sale.

Table 10: Movement in EPRA Net Tangible Assets⁽¹⁾

	Diluted	£m
EPRA Net Tangible Assets at 31 March 2024	6,398	
EPRA earnings	374	
Like-for-like valuation movement	75	
Development valuation movement	22	
Impact of acquisitions/disposals ⁽²⁾	22	
Total valuation surplus	119	

Dividends	(297)
Loss on disposals	(18)
Goodwill impairment	(22)
Other	(24)
EPRA Net Tangible Assets at 31 March 2025	6,530

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the F information above.
2. Includes owner-occupied property.

Net debt and leverage

Adjusted net debt, which includes our share of JV borrowings, was flat over the first half of by £787m to £4,304m during the second half. We spent £702m on acquisitions, most of wh half of the year, reflecting the 92% stake in Liverpool ONE and the residual 25% stake of M £486m in capex, including £202m for our two on-site London office schemes, £45m in a sig refurbishment, £85m on pre-development assets, £28m for investments in Myo flex office s zero investments. This was partly offset by £446m of disposals, including our £400m hotel j core assets.

We expect our adjusted net debt to reduce over this financial year. Since the year-end, we £159m of assets, which reduce adjusted net debt to £4,145m on a pro-forma basis, and we disposals in the near future. We have £232m of committed capex remaining on our two Lor developments, which will complete at the end of this financial year. We do not intend to con led developments until we have secured the majority of income on these projects.

The other key elements behind the increase in net debt are set out in our statement of cash financial statements, with the main movements in adjusted net debt shown below. A reconc debt and adjusted net debt is shown in note 13 of the financial statements.

Table 11: Movement in adjusted net debt⁽¹⁾

Adjusted net debt at 31 March 2024

Adjusted net cash inflow from operating activities

Dividends paid

Capital expenditure

Acquisitions

Disposals

Adjusted net debt at 31 March 2025

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the F information above.

Net debt/EBITDA increased to 7.9x on a weighted average basis, which is more representa end position, as the latter includes the full cost of the Liverpool ONE acquisition but only thr We expect average net debt/EBITDA to tick up slightly in the short term, reflecting the fact t developments are nearing the point of full capital deployment but are not yet producing inc

to be below 8x over time. All else equal, our objective to reduce our capital employed in pre by half over the next 1-3 years will reduce net debt/EBITDA by c. 0.7x.

We said at the half year that we expected our Group LTV, which includes our share of JVs, as we would aim to capitalise on attractive acquisition opportunities, but to remain within our target. With the acquisition of Liverpool ONE, LTV ended the year at 39.3%, but as we have sold £1.5bn of assets at the end of March, this has come down to 38.4% on a pro-forma basis since then, whilst net debt/EBITDA has fallen to 7.7x. We expect LTV to reduce further towards the mid 30's as we recycle further capital from producing development sites and non-core assets.

Table 12: Net debt and leverage

	31 March 2025	£m
Net debt	£4,341m	
Adjusted net debt ⁽¹⁾	£4,304m	
Interest cover ratio	3.6x	
Net debt/EBITDA (period-end)	8.9x	
Net debt/EBITDA (weighted average)	7.9x	
Group LTV ⁽¹⁾	39.3%	
Security Group LTV	41.9%	

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Financial Review information above.

Financing

We continued to strengthen our financial position during the year. In September, we issued £2.25bn of new debt with a maturity of 10 years at 4.625%, representing a spread of 97bps over the reference rate. We also put in place £2,250m of revolving credit facilities to replace facilities that were due to expire in 2025. The new facilities are split evenly across two tenors of 3+1+1 and 5+1+1 years, to spread refinancing risk. The new facilities have the same margin as the facilities they replaced.

Both transactions underline the strength of our credit profile and ensure our overall debt maturity is extended to 9.6 years, providing clear visibility and underpinning the resilience of our attractive earnings. At the end of March 2025, providing substantial flexibility, and until FY27. Our debt is 91% fixed or hedged and our average cost of debt was up marginally from 4.5% to 4.6%. This is due to this to increase slightly in the current year.

Our gross borrowings of £4,396m are diversified across various sources, including £2,868m of commercial paper, £778m of syndicated and bilateral bank loans and £750m of commercial paper. The majority of bank loans form part of our Security Group, which provides security on a floating charge over the assets of the Security Group at £10.0bn. This structure provides flexibility to include or exclude assets, and an attractive cost of debt. Our MTNs currently rated AA and AA- with a stable outlook respectively by S&P and Fitch.

Our Security Group has a number of tiered covenants, yet below 65% LTV and above 1.45x ICR, with very limited operational restrictions. A default only occurs when LTV is more than 100% or the ICR falls below 1.0x. Our portfolio could withstand a c. 36% fall in value before we reach the 65% LTV threshold and a c. 60% fall in EBITDA before we reach the 1.45x ICR threshold.

Table 13: Available facilities⁽¹⁾

	31 March 2025	3
	£m	
Medium Term Notes	2,868	
Drawn bank debt	778	
Outstanding commercial paper	750	
Cash and available undrawn facilities	1,101	
Total committed credit facilities	2,590	
Weighted average maturity of debt ⁽¹⁾	9.6 years	
Percentage of borrowings fixed or hedged ⁽²⁾	91%	
Weighted average cost of debt ⁽³⁾	3.4%	

1. Assuming the extensions on both RCF tranches are executed; 8.9 years excluding this.

2. Calculated as fixed rate debt and hedges over gross debt based on the nominal values of debt.

3. Including amortisation and commitment fees; excluding this the weighted average cost of debt is 3.1% as at 31 March 2025.

Financial summary

In summary, the high quality portfolio we have created over the past few years continues to meet customer demand, so we expect our strong operational performance to persist. Reflecting this, we expect like net rental income for this year to increase by c. 3-4% and we also anticipate a further reduction in operating costs. We expect this to more than offset an increase in interest expenses and the fact that we have not had the same benefit of the recovery of outstanding debts on assets that were previously managed by the Group had last year.

Overall, we expect EPRA EPS to grow by c. 2-4% this year. This is on track with the c. 20% growth we see by FY30 as we execute our strategy and is expected to drive further growth in dividend. Our 1.2-1.3x target cover. As our capital base remains strong, we are well-placed to deliver significant shareholder value over time.

Principal risks and uncertainties

Principal risks are identified through regular risk assessments undertaken by the business, Executive Leadership Team, Audit Committee and approved by the Board on a biannual basis. These are also reviewed by the business and the Board during Landsec's annual strategic planning and reporting processes, taking account of those that would threaten our business model, future performance or the Group's strategic objectives. From these activities, the Group has identified ten principal risks and has assessed how these are managed through a combination of strategic initiatives, mitigating controls, or insurance. The Group's approach to the management and mitigation of these risks is included in the Annual Report. The table below sets out our ten principal risks, with explanations of the risk profile across the year. Changes to our principal risks from half-year have been minor,

given to the impact of our updated strategy and recent acquisition activity alongside a back geopolitical risk.

Whilst we are mindful that, in general, economic uncertainty could impact business decision yet seeing any signs of a slowdown in customer demand and Landsec has positioned itself advantage of future opportunities.

Risk description	Change in year
Macroeconomic outlook	↔
Changes in the macro-economic environment result in reduction in demand for space or deferral of decisions by retail and office occupiers. Due to the length of build projects, the prevailing economic climate at initiation may be vastly different from that at completion.	We are mindful of the disruption to global economic conditions caused by the imposition of US trade recent months, and the overall risk remains high as a purely UK-focused business, with a strong base, we have yet to see any impact to our operational performance. Long-term interest rates and higher finance costs are a risk area for our business, but we maintain a positive outlook for our operational performance, and this will drive earnings growth and underpin valuations going forward. The risk score has remained stable over the period and continues to be within the defined risk appetite.
Office occupier market	↑
Structural changes in customer expectations leading to changes in demand for office space and the consequent impact on income and asset values. Further, the risk encompasses the inability to identify or adapt to changing markets in a timely manner.	The office occupancy market outlook remains positive supported by robust demand in a constrained market and increasing social preference for office working. However, we are mindful of the significant leasing associated with our two existing office projects to be complete within the next twelve months. We will see leasing activity to increase as we approach the date of these developments. As a result, whilst the gross risk has remained stable, the net risk is assessed to have risen at year-end. However, the residual risk remains within the defined risk appetite.
Retail and hospitality occupier market	↔
Structural changes in customer expectations leading to changes in demand for retail or hospitality space and the consequent impact on income and asset values.	We are mindful that the macroeconomic environment continues to be challenging for the wider retail and hospitality market. However, our strategy focuses on the best quality assets in the strongest locations for the long-term outlook remains positive. Our Strategic Plan and Business Plans outline how we will invest across our existing portfolio and continue to generate like-for-like net rental income, with the expectation that this will bring the risk within appetite.
Capital allocation	↑
Capital allocated to specific assets, sectors or locations does not yield the	Following the acquisition of Liverpool ONE, leverage has moved towards the top end of our target range and our focus on disposal activity - including £0.8bn of r

expected returns i.e. we are not effective in placing capital or recycling.	assets - is expected to reduce it in line with our and Business Plans. As these disposals take place the net risk is expected to reduce. Nevertheless, the residual risk remains defined risk appetite.
Development	↑
We may be unable to generate expected returns as a result of changes in the occupier market for a given asset during the course of the development, or cost or time overruns on the scheme.	The market risk is considered to have marginally increased during the year due to the persistence of build cost inflation, continued challenges in supply chains and an increase in exit yields in recent years which are putting pressure on development returns. However, as the majority of the development commitments are fixed and/or nearing completion this risk is primarily a consideration for our future development projects where we have the flexibility to manage the scale and timing of our activity. The risk is considered to be within risk appetite.
Information security and cyber threat	↔
Data loss or disruption to business processes, corporate systems or building-management systems resulting in a negative reputational, operational, regulatory or financial impact.	The cyber threat landscape is always evolving, with sophisticated ransomware attacks, data breach driven scams becoming increasingly common. With the threat of exploiting vulnerabilities in cloud systems, supply chain and employee behaviours, Landsec must remain vigilant and continue to focus on investing in operational strategies to improve processes and controls in this area. The net risk remains within the overall Cautious alignment for operational risks.
Change projects	↔
Landsec is engaging in a number of important internal change programmes. These projects aim to deliver important benefits, both operationally and culturally. There is a risk that these projects fail to deliver the benefits identified in a timely manner and to budget.	Following the implementation of two major change programmes during the year - including the upgrade and improvement of our financial system, the gross risk is considered to have reduced as our focus shifts to embedding and controlling these change programmes within our structure. The net risk has remained stable and within our risk appetite alignment for operational risks.
Health and safety	↔
Failure to identify, mitigate or react effectively to major health or safety incidents, leading to: - Serious injury, illness or loss of life - Criminal/civil proceedings - Loss of stakeholder confidence - Delays to building projects and access restrictions to our properties resulting in loss of income - Inadequate response to regulatory changes - Reputational impact	This year, we successfully maintained our ISO45001 certifications through independent audits, demonstrating our commitment to safety and compliance. Our focus remains on reducing significant occupational-safety risks by prioritising fire safety to meet legislative requirements including the Building Safety Act. The likelihood of a major health, safety or security incident has remained constant throughout the year and within our risk appetite.

People and skills	↑
Inability to attract, retain and develop the right people and skills to meet our strategic objectives, grow enterprise value and meet shareholder expectations.	It is considered that this risk has temporarily increased following the integration of Liverpool ONE and the evolution of our strategy, however it is expected to return to 2024 levels as our Strategy and Business Plan are embedded during the financial year. The risk remains within our risk appetite.
Climate-change transition	↔
Climate change risk has two elements: - Our near and long-term science-based carbon reduction targets by 2030 and 2040 are not met in time or are achieved at a significantly higher cost than expected, leading to regulatory, reputational and commercial impact. - Failure to ensure all new developments are net zero in construction and operation, as defined by the emerging net zero standard for assets, leads to an inability to service market demand for high-quality assets that meet the highest environmental and wellbeing standards.	Despite no change in the net risk position, gross exposure has decreased due to targeted portfolio improvements, including air source heat pump feasibility studies and our decision to scale down office developments which we anticipate will reduce our exposure to embodied carbon. Operational and supply chain challenges affecting sustainable resources remain under review, with the overall risk position stable and just below our Cautious risk target.

Statement of Directors' Responsibilities

The Annual Report 2025 will contain the following statements regarding responsibility for the financial statements and business reviews included therein.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Directors have prepared the Group and the Company financial statements in accordance with the Companies Act 2006. Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and Company law, group financial statements are required to be prepared in accordance with international accounting standards (IFRSs and IFRICs). Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit and loss of the Group and the Company for that period.

In preparing these financial statements, the Directors are required to:

- ¾ select suitable accounting policies in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- ¾ make judgements and accounting estimates that are reasonable and prudent;
- ¾ present information, including accounting policies, in a manner that provides relevant, reliable and understandable information;
- ¾ in respect of the Group financial statements, state whether international accounting standards in accordance with the requirements of the Companies Act 2006 (and UK adopted international accounting standards) have been followed, subject to any material departures disclosed and explained in the financial statements.

- ¾ in respect of the Company financial statements, state whether international accounting with the requirements of the Companies Act 2006 have been followed, subject to any not disclosed and explained in the financial statements;
- ¾ provide additional disclosures when compliance with the specific requirements of UK accounting standards is insufficient to enable users to understand the impact of particular events and conditions on the Group's and Company's financial position and performance;
- ¾ prepare the Group's and Company's financial statements on a going concern basis, unless it is not to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the state of affairs of the Group and the Company, and to enable them to ensure that the Annual Report complies with the Companies Act 2006 and as regards the Group financial statements, Article 4 of the IAS regulation. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' responsibility statement under the Disclosure and Transparency Rules

Each of the Directors, whose names and functions appear below, confirm to the best of their knowledge:

- ¾ the Group financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (and UK adopted accounting standards)
- ¾ give a true and fair view of the assets, liabilities, financial position, performance and cash flows of the Company and Group as a whole; and
- ¾ the Strategic Report contained in the Annual Report includes a fair review of the development of the business and the position of the Group and the Company, together with the principal risks and uncertainties faced by the Group and Company.

Directors' statement under the UK Corporate Governance Code

Each of the Directors confirm that to the best of their knowledge the Annual Report taken as a whole is balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

A copy of the financial statements of the Group is placed on the Company's website. The Directors are responsible for the maintenance and integrity of statutory and audited information on the Company's website. Information published on the internet is accessible in many countries with different legal requirements in the United Kingdom governing the preparation and dissemination of financial statements and in other jurisdictions.

The Directors of Land Securities Group PLC as at the date of this announcement are as set out below:

- ¾ Sir Ian Cheshire, Chair*
- ¾ Mark Allan, Chief Executive
- ¾ Vanessa Simms, Chief Financial Officer
- ¾ Moni Mannings, Senior Independent Director*
- ¾ James Bowling*
- ¾ Michael Campbell*
- ¾ Baroness Louise Casey*
- ¾ Madeleine Cosgrave*
- ¾ Christophe Evain*

³/₄ Miles Roberts*

³/₄ Manjiry Tamhane*

*Non-executive Directors

The Statement of Directors' Responsibilities was approved by the Board of Directors on 15 signed on its behalf by:

Mark Allan
Chief Executive

Vanessa Simms
Chief Financial Officer

Financial statements

Income statement		Year ended 31 March 2025		
	Notes	EPRA earnings £m	Capital and other items £m	El Total earn £m
Revenue	5	797	45	842
Costs	6	(352)	(77)	(429)
		445	(32)	413
Share of post-tax profit/(loss) from joint ventures	12	23	14	37
Loss on disposal of investment properties		-	(15)	(15)
Net surplus/(deficit) on revaluation of investment properties	10	-	91	91
Operating profit/(loss)		468	58	526
Finance income	7	15	-	15
Finance expense	7	(109)	(39)	(148)
Profit/(loss) before tax		374	19	393
Taxation				3
Profit/(loss) for the year				396

Attributable to:

Shareholders of the parent	396
Non-controlling interests	-
	396

Profit/(loss) per share attributable to shareholders of the parent:		
Basic earnings/(loss) per share	4	53.3p
Diluted earnings/(loss) per share	4	53.0p

Statement of comprehensive income	Year ended 31 March 2025
	Total £m
Profit/(loss) for the year	396

Items that may be subsequently reclassified to the income statement:

Movement in cash flow hedges	-
Net surplus on revaluation of owner-occupied property	12
Deferred tax charge on owner-occupied property revaluation surplus	(3)

Items that will not be subsequently reclassified to the income statement:

Net remeasurement loss on defined benefit pension scheme	-
Deferred tax credit on remeasurement above	-

Other comprehensive income/(loss) for the year	9
Total comprehensive income/(loss) for the year	405

Attributable to:

Shareholders of the parent	405
Non-controlling interests	-
	405

Balance sheet

	Note
Non-current assets	
Investment properties	10
Property, plant and equipment	

Intangible assets	
Net investment in finance leases	
Investments in joint ventures	12
Investments in associates	
Trade and other receivables	
Other non-current assets	
Total non-current assets	
Current assets	
Trading properties	11
Trade and other receivables	
Monies held in restricted accounts and deposits	15
Cash and cash equivalents	16
Other current assets	
Non-current asset held for sale	17
Total current assets	
Total assets	
Current liabilities	
Borrowings	14
Trade and other payables	
Provisions	
Other current liabilities	
Total current liabilities	
Non-current liabilities	
Borrowings	14
Trade and other payables	
Provisions	
Other non-current liabilities	
Total non-current liabilities	
Total liabilities	
Net assets	
Equity	
Capital and reserves attributable to shareholders	
Ordinary shares	
Share premium	

Other reserves

Retained earnings

Equity attributable to shareholders of the parent

Equity attributable to non-controlling interests

Total equity

The financial statements on pages 29 to 50 were approved by the Board of Directors on 15 signed on its behalf by:

Mark Allan **Vanessa Simms**

Directors

Statements of changes in equity		Attributable to shareholders of the par				To
		Ordinary shares	Share premium	Other reserves	Retained earnings	
	Notes	£m	£m	£m	£m	
At 1 April 2023		80	318	13	6,594	7,0
Total comprehensive loss for the financial year		-	-	-	(321)	(3
Transactions with shareholders of the parent:						
Share-based payments		-	1	10	(2)	
Dividends paid to shareholders of the parent	8	-	-	-	(291)	(2
Total transactions with shareholders of the parent		-	1	10	(293)	(2
At 31 March 2024		80	319	23	5,980	6,4

Total comprehensive income for the financial year		-	-	-	405	4
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Transactions with shareholders of the parent:

Share-based payments		-	-	7	(3)	
Dividends paid to shareholders of the parent	8	-	-	-	(297)	(2
Acquisition of non-controlling interests		-	-	-	-	

Total transactions with shareholders of the parent	-	-	7	(300)	(2)
Dividends paid to non-controlling interests	-	-	-	-	
Issued share capital	-	-	-	-	
Acquisition of subsidiaries	-	-	-	-	
Total transactions with shareholders	-	-	7	(300)	(2)
At 31 March 2025	80	319	30	6,085	6,5

Statements of cash flows

	Notes
Cash flows from operating activities	
Net cash generated from operations	9
Interest received	
Interest paid	
Rents paid	
Capital expenditure on trading properties	
Disposal of trading properties	
Other operating cash flows	
Net cash inflow/(outflow) from operating activities	9
Cash flows from investing activities	
Investment property development expenditure	
Other investment property related expenditure	
Acquisition of investment properties, net of cash acquired	
Acquisition of subsidiaries, net of cash acquired	
Disposal of investment properties	
Cash distributions from joint ventures	12
Net cash outflow from investing activities	
Cash flows from financing activities	
Net proceeds from new borrowings (net of finance fees)	14
Net repayment of borrowings	14
Net cash outflow from derivative financial instruments	14
Proceeds from non-controlling interest share capital issuance	

Dividends paid to shareholders of the parent
 Dividends paid to non-controlling interests
 Increase in monies held in restricted accounts and deposits
 Other financing cash flows

Net cash inflow/(outflow) from financing activities

(Decrease)/increase in cash and cash equivalents for the year

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year	16
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Notes to the financial statements

1. Basis of preparation and consolidation

Basis of preparation

These financial statements have been prepared on a going concern basis and in accordance with international accounting standards (IFRSs and IFRICs), and as regards the Parent Company as applied in accordance with the provisions of the Companies Act 2006. The financial statements are prepared in Pounds Sterling (rounded to the nearest one million), which is the presentation currency of the Group (Land Securities Group PLC and all its subsidiary undertakings), and under the historical cost basis, except for investment property, financial assets at fair value through profit or loss, and pension assets.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses during the period. Although these estimates are based on management's best knowledge of the amount, events and circumstances, the results ultimately may differ from those estimates.

On 15 May 2025, the consolidated financial statements of the Group and this preliminary announcement were authorised for issue in accordance with a resolution of the Directors and will be delivered to the Companies following the Group's Annual General Meeting. Statutory accounts for the year ended 31 March 2025 have been filed unqualified and do not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006. The annual financial information presented in this preliminary announcement for the year ended 31 March 2025 is based on, and consistent with, the financial information in the Group's consolidated financial statements for the year ended 31 March 2024. The audit report on these financial statements did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. This announcement does not constitute statutory financial statements of the Group within the meaning of the Companies Act 2006. While the information included in this preliminary announcement is prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not contain sufficient information to comply with IFRS.

A copy of the Group's Annual Report for the year ended 31 March 2024 can be found on the landsec.com/investors.

Going concern

Given the impact of international and domestic political and economic events over the course of the year, the Directors have continued to place additional focus on the appropriateness of adopting the going concern assumption in preparing the financial statements for the year ended 31 March 2025. The Group's assessment considers changes in the Group's principal risks (see pages 24-26) and is dependent on a number of factors, including our financial performance and continued access to borrowing facilities. Access to borrowing facilities is dependent on our ability to continue to operate the Group's secured debt structure in compliance with the covenants, which are described in note 14.

In order to satisfy themselves that the Group has adequate resources to continue as a going concern in the foreseeable future, the Directors have reviewed the base case, downside and reverse stress test scenarios as a cash flow model which considers the impact of pessimistic assumptions on the Group's cash flows in a worst case environment (the 'mitigated downside scenario'). This mitigated downside scenario reflects economic conditions, a deterioration in our ability to collect rent and service charge from our tenants, and the removal of uncommitted acquisitions, disposals and developments.

The Group's key metrics from the mitigated downside scenario as at the end of the going concern period, which covers the 16 months to 30 September 2026, are shown below alongside the metrics as at 31 March 2025.

Key metrics

	31 March 2025
Security Group LTV	41.9%
Adjusted net debt	£4,304m
EPRA net tangible assets	£6,530m
Available financial headroom	£1.1bn

In our mitigated downside scenario, the Group has sufficient cash reserves, with our Security Group LTV remaining less than 65% and interest cover above 1.45x, for a period of 16 months from the date of these financial statements. Under this scenario, the Security Group's asset values would fall by 29% from the sensitised values forecasted at 30 September 2026 to be non-compliant with the interest cover covenant, which equates to a 36% fall in the value of the Security Group's assets from the 31 March 2025 value. The Directors consider the likelihood of this occurring over the going concern period to be remote.

The Security Group also requires earnings before interest of at least £259m in the full year and at least £146m in the six month period ending 30 September 2026 for interest cover to be maintained in the mitigated downside scenario, which would ensure compliance with the Group's covenant for the going concern assessment period. Security Group earnings post year end 31 March 2024 are in line with the level required to meet the interest cover covenant for the year ended 31 March 2026. The Group does not anticipate a reduction in Security Group earnings over the period ending 30 September 2026, which would result in a breach of the interest cover covenant.

The Directors have also considered a reverse stress-test scenario which assumes no further to determine when our available cash resources would be exhausted. Even under this extreme breaching the interest cover covenant, the Group continues to have sufficient cash reserves to operate throughout the going concern assessment period.

Based on these considerations, together with available market information and the Directors' experience of the Group's property portfolio and markets, the Directors have adopted the going concern basis in preparing these financial statements for the year ended 31 March 2025.

Basis of consolidation and presentation of results

The consolidated financial statements for the year ended 31 March 2025 incorporate the financial statements of the Company and all its subsidiary undertakings. Subsidiary undertakings are those entities over which the Company has control. Control exists where an entity is exposed to variable returns and has the ability to influence those returns through its power over the investee.

The results of subsidiaries and joint ventures acquired or disposed of during the year are included from the effective date of acquisition or to the effective date of disposal. Accounting policies of subsidiaries and joint ventures which differ from Group accounting policies are adjusted on consolidation.

Where instruments in a subsidiary held by third parties are redeemable at the option of the holder, they are classified as a financial liability, called the redemption liability. The liability is carried at fair value and is reassessed at the balance sheet date and movements are recognised in the income statement.

Where equity in a subsidiary is not attributable, directly or indirectly, to the shareholders of the parent, it is classified as a non-controlling interest. Total comprehensive income or loss and the total equity are attributed to the shareholders of the parent and to the non-controlling interests according to their ownership percentages. When the proportion of equity held by the non-controlling interest changes, the Group adjusts the carrying amounts of equity attributable to the shareholders of the parent and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Group shall recognise the difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received, and attribute it to the shareholders of the parent.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated when preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture concerned. Unrealised losses are also eliminated in the same way, but only to the extent that there is no evidence of impairment.

Our property portfolio is a combination of properties that are wholly owned by the Group, properties held under management arrangements and properties owned by the Group but where a third party holds a non-controlling interest. Internally, management reviews the results of the Group on a basis that adjusts for these differences to present a proportionate share. The Combined Portfolio, with assets totalling £1,000 million, is a result of this approach, reflecting the economic interest we have in our properties regardless of our ownership. The Combined Portfolio comprises the investment properties, owner-occupied property and properties held for sale of the Group's subsidiaries, on a proportionately consolidated basis when not wholly owned, together with our share of investment properties held in our joint ventures. We consider this presentation to be the most appropriate for the Group's financial statements.

understanding to stakeholders of the activities and performance of the Group, as it aggregates the Group's property interests which under IFRS are required to be presented across a number of statutory financial statements.

The same principle is applied to many of the other measures we discuss and, accordingly, all financial measures include the results of our joint ventures and subsidiaries on a proportionate basis. Financial measures that are described as being presented on a proportionate basis include the Group's share of income on a line-by-line basis and are adjusted to exclude the non-owned elements of our subsidiaries. These measures are presented in the Group's statutory financial statements, where the Group's interest in joint ventures is presented in the income statement and balance sheet, and all subsidiaries are consolidated at 100% with the non-owned element being adjusted as a non-controlling interest or redemption liability, as appropriate. All financial measures are presented on a proportionate basis in all financial measures.

EPRA earnings is an alternative performance measure and is the Group's alternative measure of profit. EPRA earnings is defined as the Group's pre-tax profit of the property rental business. EPRA earnings excludes all items of a capital nature, including depreciation, amortisation, impairment movements and profits and losses on the disposal of investment properties, as well as other non-recurring items. The Group believes that EPRA earnings provides additional understanding of the Group's performance to shareholders and other stakeholder groups. A full definition of EPRA earnings is given in note 3. The components of EPRA earnings are presented on a proportionate basis in note 3.

2. Changes in accounting policies and standards

The accounting policies used in these financial statements are consistent with those applied in the previous financial statements, as amended where relevant to reflect the adoption of new standards, interpretations which became effective in the year as listed below:

- Amendments to IAS 1 - Classification of liabilities as current or non current and Non-current Liabilities with Covenants
- Amendments to IFRS 16 - Lease liability in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier finance arrangements

There has been no material impact on the financial statements of adopting any new standards or interpretations.

Amendments to IFRS

A number of new standards, amendments to standards and interpretations have been issued which are effective for the Group as listed below:

- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IAS 21 - Lack of exchangeability
- IFRS 18 - Presentation and Disclosure in Financial Statements
- Amendments to IFRS 7 and IFRS 9 - Classification and measurement of financial instruments
- IFRS 17 - Insurance Contracts
- Purchase Agreements

The Group has yet to assess the full outcome of these new standards, amendments and in with the exception of IFRS 18 these other new standards, amendments and interpretations have a significant impact on the Group's financial statements. The Group intends to adopt t amendments and interpretations, if applicable, when they become effective.

3. Segmental information

The Group's operations are all in the UK and are managed across four operating segments Major retail destinations (Major retail), Mixed-use urban neighbourhoods (Mixed-use urban),

The Central London segment includes all assets geographically located within central London destinations includes all regional shopping centres and shops outside London and our outle urban segment includes those assets where we see the most potential for capital investmei mainly includes assets that will not be a focus for capital investment and consists of leisure previously hotel assets which were disposed during the current financial year.

Management has determined the Group's operating segments based on the information rev Management to make strategic decisions. The chief operating decision maker is the Execut (ELT), comprising the Executive Directors and the Managing Directors. The information pre reports from all functions of the business as well as strategy, financial planning, succession organisational development and Group-wide policies.

The Group's primary measure of underlying profit before tax is EPRA earnings. However, S income is the lowest level to which the profit arising from the ongoing operations of the Gro the four segments. The administrative costs, which are predominantly staff costs for central treated as administrative expenses and are not allocated to individual segments.

The Group manages its financing structure, with the exception of joint ventures and non-wh subsidiaries, on a pooled basis. Individual joint ventures and non-wholly owned subsidiaries financing arrangements in place. Debt facilities and finance expenses, including those of jo managed centrally and are therefore not attributed to a particular segment. Unallocated inc items incurred centrally which are not directly attributable to one of the segments.

All items in the segmental information note are presented on a proportionate basis.

Segmental results

EPRA earnings	2025						
	Mixed-				Total	M	
	Central	Major	use	Subscale		Central	Major
	London	retail	urban	sectors		London	retail
	£m	£m	£m	£m	£m	£m	£m
Rental income	302	207	54	72	635	294	188
Finance lease interest	-	-	-	1	1	-	-

Gross rental income (before rents payable)	302	207	54	73	636	294	188
Rents payable ⁽¹⁾	(3)	(8)	-	(1)	(12)	(3)	(7)
Gross rental income (after rents payable)	299	199	54	72	624	291	181
Service charge income ⁽³⁾	67	70	18	10	165	59	53
Service charge expense	(69)	(74)	(22)	(11)	(176)	(63)	(60)
Net service charge expense	(2)	(4)	(4)	(1)	(11)	(4)	(7)
Other property related income ⁽³⁾	23	8	4	1	36	20	11
Direct property expenditure	(46)	(41)	(16)	(6)	(109)	(43)	(42)
Other operating income	-	-	10	-	10	-	-
Other operating expense	-	-	(9)	-	(9)	-	-
Movement in bad and doubtful debts provision	1	4	4	2	11	(1)	8
Segment net rental income	275	166	43	68	552	263	151
Other income					1		
Administrative expense					(71)		
Depreciation					(3)		
EPRA earnings before interest					479		
Finance income					15		
Finance expense					(109)		
Joint venture net finance expense					(11)		
EPRA earnings attributable to shareholders of the parent					374		

1. Included within rents payable is lease interest payable of **£8m** (2024: £4m) across the fo
2. A reconciliation from the Group income statement to the information presented in the seg the year ended 31 March 2024 is included in table 26.
3. Current year balances reflect a reclassification of joint venture service charge managem other property related income to service charge income of £3m. While the comparatives f the equivalent reclassification would have been £3m.

The following table reconciles the Group's income statement to the segmental results.

Reconciliation of segmental information note to statutory reporting

				Year
	Group	Joint	Adjustment	Total
	income	ventures ⁽¹⁾	for non-wholly	£m
	statement	£m		

	£m		owned subsidiaries ⁽²⁾ £m	
Rental income	600	39	(4)	635
Finance lease interest	1	-	-	1
Gross rental income (before rents payable)	601	39	(4)	636
Rents payable	(11)	(1)	-	(12)
Gross rental income (after rents payable)	590	38	(4)	624
Service charge income ⁽⁴⁾	155	11	(1)	165
Service charge expense	(165)	(12)	1	(176)
Net service charge expense	(10)	(1)	-	(11)
Other property related income ⁽⁴⁾	35	2	(1)	36
Direct property expenditure	(104)	(6)	1	(109)
Other operating income	10	-	-	10
Other operating expense	(9)	-	-	(9)
Movement in bad and doubtful debts provision	9	2	-	11
Segment net rental income	521	35	(4)	552
Other income	1	-	-	1
Administrative expenses	(71)	-	-	(71)
Depreciation, including amortisation of software	(3)	-	-	(3)
EPRA earnings before interest	448	35	(4)	477
Share of post-tax profit/(loss) from joint ventures	37	(37)	-	.
(Loss)/profit on disposal of investment properties ⁽³⁾	(15)	3	-	(12)
Loss on disposal of trading properties	(6)	-	-	(6)
Net surplus on revaluation of investment properties	91	13	3	107
Net development contract and transaction income/ (expenditure)	3	(2)	-	1
Reversal of impairment of amounts due from joint ventures	1	-	-	1
Impairment of goodwill	(22)	-	-	(22)
Impairment of trading properties	(4)	-	-	(4)
Depreciation	(1)	-	-	(1)
Other costs	(6)	(1)	-	(7)
Operating profit/(loss)	526	11	(1)	536

Finance income	15	-	-	15
Finance expense	(148)	(11)	1	(158)
Profit before tax	393	-	-	393
Taxation	3	-	-	3
Profit for the year	396	-	-	396

1. Reallocation of the share of post-tax profit from joint ventures reported in the Group income statement to individual line items reported in the segmental results table.
2. Removal of the non-wholly owned share of results of the Group's subsidiaries. The non-wholly owned subsidiaries are consolidated at 100% in the Group's income statement, but only the Group's share of EPRA earnings reported in the segmental results table. The non-owned element of the Group's results is included in the 'Capital and other items' column presented in the Group's income statement. This includes items not directly related to the underlying rental business such as investment properties valuation changes, losses on the disposal of investment properties, the proceeds from, and costs of, the sale of investment properties, income from and costs associated with development contracts, amortisation and impairment of intangible assets, other attributable costs, arising on business combinations.
3. Included in the loss on disposal of investment properties is a £1m charge (2024: £2m charge) representing a provision for fire safety remediation works on properties no longer owned by the Group but for which the Group is responsible for remediating under the Building Safety Act 2022.
4. Current year balances reflect a reclassification of joint venture service charge management fees to other property related income to service charge income of £3m. While the comparatives reflect a £3m charge in table 26, the equivalent reclassification would have been £3m.

4. Performance measures

In the tables below, we present earnings per share attributable to shareholders of the parent company in accordance with IFRS, and net assets per share attributable to shareholders of the parent company. These measures defined by the European Public Real Estate Association (EPRA), which have been used for comparison between European property companies. Three of the Group's key financial performance measures are EPRA earnings per share, EPRA Net Tangible Assets per share and Total return on equity. For further details on these alternative performance measures, see the Business Analysis section.

EPRA earnings, which is a tax adjusted measure of underlying earnings, is the basis for the calculation of earnings per share. We believe EPRA earnings and EPRA earnings per share provide further insight into the results of the Group's operational performance to stakeholders as they focus on the rental income from the business and exclude Capital and other items which can vary significantly from year to year.

Earnings per share	Year ended 31 March 2025		L
	Profit for the year	EPRA earnings	
	£m	£m	
Profit/(loss) attributable to shareholders of the parent	396	396	
Valuation and loss on disposals	-	(84)	

Net finance expense (excluded from EPRA earnings)	-	39
Impairment of goodwill	-	22
Taxation	-	(3)
Other	-	4
Profit/(loss) used in per share calculation	396	374

	IFRS	EPRA
Basic earnings/(loss) per share	53.3p	50.3p
Diluted earnings/(loss) per share⁽¹⁾	53.0p	50.1p

1. In the year ended 31 March 2024, share options are excluded from the weighted average shares when calculating IFRS and EPRA diluted (loss)/earnings per share because they are

Net assets per share	31 March 2025			as at
	Net	EPRA	EPRA	
	assets £m	NDV £m	NTA £m	
Net assets attributable to shareholders of the parent	6,514	6,514	6,514	6,514
Shortfall of fair value over net investment in finance leases book value	-	(8)	(8)	
Other intangible asset	-	-	(2)	
Fair value of interest-rate swaps	-	-	(1)	
Excess of fair value of trading properties over book value	-	27	27	
Shortfall of fair value of debt over book value (note 14)	-	334	-	
Net assets used in per share calculation	6,514	6,867	6,530	6,530

	IFRS	EPRA	EPRA	IF
		NDV	NTA	
Net assets per share	877p	n/a	n/a	877p
Diluted net assets per share	872p	919p	874p	872p

Number of shares	2025	
	Weighted	
	average million	31 March million
Ordinary shares	752	752
Treasury shares	(7)	(7)
Own shares	(2)	(2)
Number of shares - basic	743	743
Dilutive effect of share options	4	4

Number of shares - diluted	747	747
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Total return on equity is calculated as the cash dividends per share paid in the year plus the per share, divided by the opening EPRA NTA per share. We consider this to be a useful measure as it gives an indication of the total return on equity over the year.

Total return on equity based on EPRA NTA	Year ended 31 March 2025 pence
Increase/(decrease) in EPRA NTA per share	15
Dividend paid per share in the year (note 8)	40
Total return (a)	55
EPRA NTA per share at the beginning of the year (b)	859
Total return on equity (a/b)	6.4%

5. Revenue

All revenue is classified within the 'EPRA earnings' column of the income statement, with the proceeds from the sale of trading properties, income from development contracts or transaction owned element of the Group's subsidiaries which are presented in the 'Capital and other items' column.

	2025		
	EPRA earnings	Capital and other items	Total earnings
	£m	£m	£m
Rental income (excluding adjustment for lease incentives)	563	4	567
Adjustment for lease incentives	33	-	33
Rental income	596	4	600
Service charge income ⁽¹⁾	154	1	155
Trading property sales proceeds	-	22	22
Other property related income ⁽¹⁾	34	1	35
Finance lease interest	1	-	1
Development contract and transaction income	-	17	17
Other operating income	10	-	10
Other income	2	-	2
Revenue per the income statement	797	45	842

The following table reconciles revenue per the income statement to the individual components presented in note 3.

2025						
	Adjustment for non- wholly Joint owned			Total	Joint venture	
	Group ventures	subsidiaries			Group	venture
	£m	£m	£m	£m	£m	£
Rental income	600	39	(4)	635	622	3
Service charge income ⁽¹⁾	155	11	(1)	165	117	
Other property related income ⁽¹⁾	35	2	(1)	36	35	
Finance lease interest	1	-	-	1	1	
Other operating income	10	-	-	10	-	
Other income	2	-	(1)	1	1	
Revenue in the segmental information note	803	52	(7)	848	776	4
Development contract and transaction income	17	-	-	17	22	
Trading property sales proceeds	22	-	-	22	26	
Revenue including Capital and other items	842	52	(7)	887	824	4

1. Current year balances reflect a reclassification of joint venture service charge management other property related income to service charge income of £3m. While the comparatives reflect the equivalent reclassification would have been £3m.

6. Costs

All costs are classified within the 'EPRA earnings' column of the income statement, with the cost of sale of trading properties, costs arising on development contracts or transactions, amortisation of intangible assets, and other attributable costs, arising on business combinations and the costs of the Group's subsidiaries which are presented in the 'Capital and other items' column.

2025			
	EPRA earnings	Capital and other items	Eligible Total earnings

	£m	£m	£m
Rents payable	11	-	11
Service charge expense	164	1	165
Direct property expenditure	103	1	104
Movement in bad and doubtful debts provision	(9)	-	(9)
Administrative expenses	71	-	71
Impairment of trading properties	-	4	4
Cost of trading property disposals	-	28	28
Development contract and transaction expenditure	-	14	14
Depreciation, including amortisation of software	3	1	4
(Reversal)/impairment of amounts due from joint ventures	-	(1)	(1)
Impairment of goodwill	-	22	22
Fair value gain on remeasurement of investment	-	-	-
Other operating expense	9	-	9
Other costs	-	7	7
Total costs per the income statement	352	77	429

The following table reconciles costs per the income statement to the individual components note 3.

	2025				
	Adjustment for non- wholly Joint owned			Jo	
	Group ventures	subsidiaries	Total	Group ventur	
	£m	£m	£m	£m	£
Rents payable	11	1	-	12	11
Service charge expense	165	12	(1)	176	133
Direct property expenditure	104	6	(1)	109	114
Administrative expenses	71	-	-	71	73
Depreciation, including amortisation of software	3	-	-	3	4
Movement in bad and doubtful debts provision	(9)	(2)	-	(11)	(6)
Costs in the segmental information note	345	17	(2)	360	329
Impairment of trading properties	4	-	-	4	11
Cost of trading property disposals	28	-	-	28	26

Development contract and transaction expenditure	14	2	-	16	40
Depreciation	1	-	-	1	2
(Reversal)/impairment of amounts due from joint ventures	(1)	-	-	(1)	2
Impairment of goodwill	22	-	-	22	1
Fair value gain on remeasurement of investment	-	-	-	-	(3)
Other operating expense	9			9	
Other costs	7	-	-	7	1
Costs including Capital and other items	429	19	(2)	446	409

7. Net finance expense

	2025		
	EPRA earnings	Capital and other items	Total
	£m	£m	£m
Finance income			
Interest receivable from joint ventures	11	-	11
Other interest receivable	4	-	4
	15	-	15
Finance expense			
Bond and debenture debt	(101)	-	(101)
Bank and other short-term borrowings	(36)	(5)	(41)
Fair value movement on derivatives	-	(34)	(34)
Other interest payable	-	-	-
	(137)	(39)	(176)
Interest capitalised in relation to properties under development	28	-	28
	(109)	(39)	(148)
Net finance expense	(94)	(39)	(133)
Joint venture net finance expense	(11)		
Net finance expense included in EPRA earnings	(105)		

Lease interest payable of **£8m** (2024: £4m) is included within rents payable as detailed in n

8. Dividends

Dividends paid

		Pence per share		
	Payment date	PID	Non-PID	Total
For the year ended 31 March 2023:				
Third interim	6 April 2023	9.00	-	9.00
Final	21 July 2023	12.00	-	12.00
For the year ended 31 March 2024:				
First interim	6 October 2023	9.00	-	9.00
Second interim	2 January 2024	9.20	-	9.20
Third interim	12 April 2024	9.30	-	9.30
Final	26 July 2024	12.10	-	12.10
For the year ended 31 March 2025:				
First interim	4 October 2024	9.20	-	9.20
Second interim	8 January 2025	-	9.40	9.40

Gross dividends

Dividends in the statement of changes in equity

Timing difference on payment of withholding tax

Dividends in the statement of cash flows

The third quarterly interim dividend of **9.5p** per ordinary share, or **£71m** in total (2024: 9.3p paid on 11 April 2025 as a Property Income Distribution (PID)). The Board has recommended the year ended 31 March 2025 of **12.3p** per ordinary share (2024: 12.1p) to be paid as a PID will result in a further estimated distribution of **£92m** (2024: £90m). Subject to shareholders General Meeting, the final dividend will be paid on 25 July 2025 to shareholders registered on 13 June 2025.

The total dividend paid and recommended in respect of the year ended 31 March 2025 is **4** (2024: 39.6p) resulting in a total estimated distribution of **£301m** (2024: £294m).

For the year ending 31 March 2026, the Group will pay two half-yearly dividends, likely to be in June and July 2026.

A Dividend Reinvestment Plan (DRIP) has been available in respect of all dividends paid during the year. The deadline for DRIP elections for the final dividend is close of business on 27 June 2025.

9. Net cash generated from operations

Reconciliation of operating profit/(loss) to net cash generated from operations

Operating profit/(loss)**Adjustments for:**

Net (surplus)/deficit on revaluation of investment properties
Loss on disposal of trading properties
Loss on disposal of investment properties
Share of profit from joint ventures
Share-based payment charge
Impairment of goodwill
(Reversal)/impairment of amounts due from joint ventures
Fair value gain on remeasurement of investment
Non-cash development contract and transaction expenditure
Rents payable
Depreciation and amortisation
Impairment of trading properties

Changes in working capital:

Increase in receivables
Increase/(decrease) in payables and provisions

Net cash generated from operations

Reconciliation to adjusted net cash inflow from operating activities

Net cash inflow from operating activities
Joint ventures net cash inflow from operating activities

Adjusted net cash inflow from operating activities⁽¹⁾

1. Includes cash flows relating to the interest in Liverpool ONE (2024: MediaCity) which is r
but is consolidated in the Group numbers.

10. Investment properties

Net book value at the beginning of the year

Acquisitions of investment properties

Capital expenditure

Capitalised interest

Net movement in head leases capitalised⁽¹⁾

Disposals⁽²⁾

Net surplus/(deficit) on revaluation of investment properties

Transfer to property, plant and equipment

Transfer to assets held for sale (note 17)

Net book value at the end of the year

1. See note 14 for details of the amounts payable under head leases and note 3 for details the income statement.
2. Includes impact of disposals of finance leases.

The market value of the Group's investment properties, as determined by the Group's external valuers, is presented in the balance sheet due to the Group presenting tenant finance and lease incentives separately. The following table reconciles the net book value of the investment properties to the market value.

	2025					
	Group	Joint	Adjustment for non- wholly owned subsidiaries	Combined Portfolio	Group	Joint
	ventures ⁽¹⁾	ventures ⁽¹⁾			ventures ⁽¹⁾	ventures ⁽¹⁾
	£m	£m	£m	£m	£m	£m
Market value	10,125	636	(33)	10,728	9,465	616
Less: properties treated as finance leases	(12)	-	-	(12)	(18)	-
Plus: head leases capitalised	158	1	-	159	77	1
Less: tenant lease incentives	(237)	(29)	-	(266)	(194)	(32)
Net book value	10,034	608	(33)	10,609	9,330	585
Net surplus/(deficit) on revaluation of investment properties	91	13	3	107	(628)	(19)

1. Refer to note 12 for a breakdown of this amount by entity.

The net book value of leasehold properties where head leases have been capitalised is **£1**,

Investment properties include capitalised interest of **£317m** (2024: £290m). The average rate of capitalisation for the year is **4.8%** (2024: 4.8%). The gross historical cost of investment properties is **£8,502m** (2024: £8,502m).

11. Trading properties

	Development land and infrastructure £m	Residential
At 1 April 2023	98	
Capital expenditure	6	
Capitalised interest	-	
Disposals	(21)	
		-
Impairment provision	(11)	
		-
At 31 March 2024	72	
Acquisitions	10	
Capital expenditure	5	
Capitalised interest	-	
Disposals	(19)	
Impairment provision	(4)	
Transfer to development contract and transaction expenditure	(11)	
At 31 March 2025	53	

The cumulative impairment provision at 31 March 2025 in respect of Development land and infrastructure was **£31m** (2024: £36m); and in respect of Residential was **£nil** (2024: £nil).

12. Joint arrangements

The Group's principal joint arrangements are described below:

Joint ventures	Percentage owned & voting rights ⁽¹⁾	Business segment	Year end date ⁽²⁾	Joint ventures
Held at 31 March 2025				

Nova, Victoria ⁽³⁾	50%	Central London	31 March	Suntec Real Estate Trust
Southside Limited Partnership	50%	Major retail	31 March	Invesco Fund
Westgate Oxford Alliance Limited Partnership	50%	Major retail, Subscale sectors	31 March	The Crowdfunder Commission
Harvest ⁽⁴⁾	50%	Subscale sectors	31 March	J Sainsbury
The Ebbsfleet Limited Partnership ⁽⁶⁾	50%	Subscale sectors	31 March	Ebbsfleet
West India Quay Unit Trust ⁽⁶⁾	50%	Subscale sectors	31 March	Schroder
Mayfield ⁽⁵⁾⁽⁶⁾	50%	Mixed-use urban	31 March	LCR Limited Council, 1 Manchester
Curzon Park Limited ⁽⁶⁾	50%	Subscale sectors	31 March	Derwent Limited
Landmark Court Partnership Limited ⁽⁶⁾	51%	Central London	31 March	TTL Land Limited
Opportunities for Sittingbourne Limited ⁽⁶⁾	50%	Mixed-use urban	31 March	Swale Borough
Cathedral (Movement, Greenwich) LLP ⁽⁶⁾	52%	Mixed-use urban	31 March	Mr Richard
Circus Street Developments Limited ⁽⁶⁾	50%	Mixed-use urban	31 March	High Wire

Joint operation	Ownership interest	Business segment	Year end date ⁽²⁾	Joint operator
Held at 31 March 2025				
Bluewater, Kent	66.25%	Major retail	31 March	M&G Real Estate Royal London Manager Aberdeen

- Investments under joint arrangements are not always represented by an equal percentage partner. In a number of joint ventures that are not considered principal joint ventures and in the table above, the Group holds a majority shareholding but has joint control and there is accounted for as a joint venture.
- The year end date shown is the accounting reference date of the joint arrangement. In all accounting is performed using financial information for the Group's own reporting year and
- Nova, Victoria includes the Nova Limited Partnership, Nova Residential Limited Partners Nova Business Manager Limited, Nova Residential (GP) Limited, Nova Residential Intern

- Estate Management Company Limited, Nova Nominee 1 Limited and Nova Nominee 2 Limited.
4. Harvest includes Harvest 2 Limited Partnership, Harvest Development Management Limited, Harvest Oak Limited, Harvest 2 GP Limited and Harvest GP Limited.
5. Mayfield includes Mayfield Development Partnership LP and Mayfield Development (Germany) Limited.
6. Included within Other in subsequent tables.

All of the Group's joint arrangements listed above have their principal place of business in the United Kingdom. The principal joint arrangements own and operate investment property, with the exception of:

- The Ebbsfleet Limited Partnership, which is a holding company;
- Harvest, which is engaged in long-term development contracts; and
- Curzon Park Limited, Landmark Court Partnership Limited, Opportunities for Sittingbourne and Rainham Limited, Street Developments Limited, which are companies continuing their business of property development.

The activities of all the Group's principal joint arrangements are therefore strategically important to the Group.

All joint ventures listed above are registered in England and Wales with the exception of Southside Limited Partnership and West India Quay Unit Trust which are registered in Jersey.

Joint ventures	Year			
	Nova, Victoria Partnership	Southside Limited Partnership	Westgate Oxford Alliance Partnership	Other
	100%	100%	100%	100%
	£m	£m	£m	£m
Comprehensive income statement				
Revenue⁽¹⁾	49	17	35	3
Gross rental income (after rents payable)	35	13	26	3
Net rental income	35	11	21	3
EPRA earnings before interest	33	11	21	3
Finance expense	(15)	(6)	-	-
Net finance expense	(15)	(6)	-	-
EPRA earnings	18	5	21	3

Capital and other items

Net surplus on revaluation of investment properties	22	2	3	-
Profit on disposal of investment properties	-	-	-	5
Net development contract expenditure	-	-	-	(4)
Profit before tax	40	7	24	4
Post-tax profit	40	7	24	4
Total comprehensive income	40	7	24	4
Group share of profit before tax	20	3	12	2
Group share of post-tax profit	20	3	12	2
Group share of total comprehensive income	20	3	12	2

Joint ventures	Year			
	Nova, Victoria	Southside Partnership	Westgate Oxford Alliance Partnership	Other
Comprehensive income statement	100%	100%	100%	100%
	£m	£m	£m	£m
Revenue⁽¹⁾	49	11	35	5
Gross rental income (after rents payable)	34	11	26	5
Net rental income	34	10	22	1
EPRA earnings before interest	32	9	21	1
Finance expense	(16)	(6)	-	-
Net finance expense	(16)	(6)	-	-
EPRA earnings	16	3	21	1

Capital and other items

Net deficit on revaluation of investment properties	(24)	(3)	(1)	(9)
(Loss)/profit before tax	(8)	-	20	(8)
Post-tax (loss)/profit	(8)	-	20	(8)
Total comprehensive (loss)/income	(8)	-	20	(8)
Group share of (loss)/profit before tax	(4)	-	10	(4)
Group share of post-tax (loss)/profit	(4)	-	10	(4)
Group share of total comprehensive (loss)/income	(4)	-	10	(4)

1. Revenue includes gross rental income (before rents payable), service charge income, other income, trading properties disposal proceeds and income from long-term development contracts.

Joint ventures

	Westgate Southside Oxford Nova, Limited Alliance Victoria Partnership Partnership Or 100% 100% 100% 100%		
	£m	£m	£m
Investment properties ⁽¹⁾	753	138	229
Non-current assets	753	138	229
Cash and cash equivalents	28	5	11
Other current assets	59	5	14
Current assets	87	10	25
Total assets	840	148	254
Trade and other payables and provisions	(33)	(6)	(14)
Current liabilities	(33)	(6)	(14)
Non-current liabilities	(78)	(148)	-
Non-current liabilities	(78)	(148)	-
Total liabilities	(111)	(154)	(14)
Net assets/(liabilities)	729	(6)	240

Comprised of:

Net assets	729	-	240
Accumulated losses recognised as net liabilities⁽²⁾	-	(6)	-
Market value of investment properties⁽¹⁾	802	139	235
Net cash ⁽³⁾	28	5	11

Joint ventures

	Nova, Victoria 100%	Southside Limited 100%	Westgate Oxford Alliance Partnership 100%
Balance sheet	£m	£m	£m
Investment properties ⁽¹⁾	727	130	223
Non-current assets	727	130	223
Cash and cash equivalents	32	4	21
Other current assets	58	7	11
Current assets	90	11	32
Total assets	817	141	255
Trade and other payables and provisions	(23)	(6)	(16)
Current liabilities	(23)	(6)	(16)
Non-current liabilities	(104)	(147)	-
Non-current liabilities	(104)	(147)	-
Total liabilities	(127)	(153)	(16)
Net assets/(liabilities)	690	(12)	239
Comprised of:			
Net assets	690	-	239
Accumulated losses recognised as net liabilities⁽²⁾	-	(12)	-
Market value of investment properties⁽¹⁾	780	131	230
Net cash ⁽³⁾	32	4	21

- | Joint ventures | Westgate | | |
|--|---|---|---|
| | Nova,
Victoria
Group
share
£m | Southside
Limited
Partnership
Group
share
£m | Oxford
Alliance
Partnership
Group
share
£m |
| At 1 April 2023 | 348 | (5) | 124 |
| Total comprehensive (loss)/income | (4) | - | 10 |
| Cash and other distributions | - | - | (12) |
| Other non-cash movements | - | - | (1) |
| At 31 March 2024 | 344 | (5) | 121 |
| Total comprehensive (loss)/income | 20 | 3 | 12 |
| Cash and other distributions | - | - | (11) |
| Other non-cash movements | 1 | (1) | (2) |
| At 31 March 2025 | 365 | (3) | 120 |
| Comprised of: | | | |
| At 31 March 2024 | | | |
| Non-current assets | 344 | - | 121 |
| Non-current liabilities ⁽¹⁾ | - | (5) | - |
| At 31 March 2025 | | | |
| Non-current assets | 365 | - | 120 |
| Non-current liabilities⁽¹⁾ | - | (3) | - |

- ### 13. Capital structure

			2025		
	Group	Joint	Adjustment	Combined	
		ventures	for non-		Group
			wholly		Joint
					ventures

	owned subsidiaries					
	£m	£m	£m	£m	£m	£m
Property portfolio						
Market value of non-current property assets ⁽¹⁾	10,277	636	(33)	10,880	9,465	616
Trading properties and long-term contracts	81	-	-	81	100	-
Total property portfolio (a)	10,358	636	(33)	10,961	9,565	616
Net debt						
Borrowings	4,396	-	(15)	4,381	3,703	-
Monies held in restricted accounts and deposits	(20)	-	1	(19)	(6)	-
Cash and cash equivalents	(39)	(24)	-	(63)	(78)	(31)
Fair value of interest-rate swaps	(1)	-	-	(1)	(23)	-
Fair value of foreign exchange swaps and forwards	5	-	-	5	(2)	-
Net debt (b)	4,341	(24)	(14)	4,303	3,594	(31)
Add/(less): Fair value of interest-rate swaps	1	-	-	1	23	-
Adjusted net debt (c)	4,342	(24)	(14)	4,304	3,617	(31)
Adjusted total equity						
Total equity (d)	6,532	-	(18)	6,514	6,447	-
Fair value of interest-rate swaps	(1)	-	-	(1)	(23)	-
Adjusted total equity (e)	6,531	-	(18)	6,513	6,424	-
Gearing (b/d)	66.5%			66.1%	55.7%	
Adjusted gearing (c/e)	66.5%			66.1%	56.3%	
Group LTV (c/a)	41.9%			39.3%	37.8%	
EPRA LTV⁽²⁾				41.0%		
Security Group LTV	41.9%				37.0%	
Weighted average cost of debt	3.4%			3.4%	3.3%	

1. Includes owner-occupied property and non-current assets held-for-sale.

14. Borrowings

						2025	
		Secured/ unsecured	Fixed/ floating	Effective interest rate %	Nominal/ notional value £m	Fair value £m	Book value £m
Current borrowings							
Commercial paper							
Sterling		Unsecured	Floating	Various ⁽¹⁾	270	270	270
Euro		Unsecured	Floating	Various ⁽¹⁾	310	310	310
US Dollar		Unsecured	Floating	Various ⁽¹⁾	170	170	170
Syndicated and bilateral bank debt		Secured	Floating	SONIA + margin	-	-	-
Total current borrowings					750	750	750
Amounts payable under head leases					2	2	2
Total current borrowings including amounts payable under head leases					752	752	752
Non-current borrowings							
Medium term notes (MTN)							
A5 5.391% MTN due 2027		Secured	Fixed	5.4	-	-	-
A16 2.375% MTN due 2029		Secured	Fixed	2.5	350	333	349
A6 5.376% MTN due 2029		Secured	Fixed	5.4	65	65	65
A13 2.399% MTN due 2031		Secured	Fixed	2.4	300	274	300
A7 5.396% MTN due 2032		Secured	Fixed	5.4	77	78	77
A18 4.750% MTN due 2033		Secured	Fixed	4.9	300	294	295

A17 4.875% MTN due 2034	Secured	Fixed	5.0	400	393	396
A11 5.125% MTN due 2036	Secured	Fixed	5.1	50	47	50
A19 4.625% MTN due 2036	Secured	Fixed	4.9	350	330	346
A14 2.625% MTN due 2039	Secured	Fixed	2.6	500	371	495
A15 2.750% MTN due 2059	Secured	Fixed	2.7	500	275	495
				2,892	2,460	2,868
Syndicated and bilateral bank debt	Secured	Floating	SONIA + margin	778	778	778
Total non-current borrowings				3,670	3,238	3,646
Amounts payable under head leases	Unsecured	Fixed	4.0	156	230	156
Total non-current borrowings including amounts payable under head leases				3,826	3,468	3,802
Total borrowing including amounts payable under head leases				4,578	4,220	4,554
Total borrowings excluding amounts payable under head leases				4,420	3,988	4,396

1. Non-Sterling commercial paper is immediately swapped into Sterling. The interest rate is issuance for the duration (1 to 3 months) and tracks SONIA swap rates.

Reconciliation of the movement in borrowings	2025
	£m
At the beginning of the year	3,780
Net proceeds from ECP issuance	69
Net proceeds from bank debt	538
Repayment of bank debt	(475)
Net facilities acquired	300

Repayment of MTNs	(87)
Issue of MTNs (net of finance fees)	346
Foreign exchange movement on non-Sterling borrowings	2
Movement in amounts payable under head leases	81
At 31 March	4,554

Reconciliation of movements in liabilities arising from financing activities

	At the beginning of the year	Cash flows	Non-current assets
	£m	£m	£m
Borrowings	3,780	401	2
Derivative financial instruments	(25)	(6)	11
	3,755	395	13
Borrowings	3,538	281	(9)
Derivative financial instruments	(38)	(18)	10
	3,500	263	1

The MTNs are secured on the fixed and floating pool of assets of the Security Group. The £10bn MTN facility is secured on the wholly owned investment properties, development properties and a number of the Group's assets, in total valued at **£10bn** at 31 March 2025 (2024: £9.2bn). The secured debt structure is subject to an operating covenant regime which gives the Group substantial flexibility when the loan-to-value ratio of the assets in the Security Group are less than 65% and more than 1.45x respectively. If these limits are breached, the operating environment becomes more restrictive with provisions to encourage a reduction in the loan-to-value ratio. The interest rate of each MTN is fixed until the expected maturity, being two years before the legal maturity date. The interest rate for the last two years may either become floating on a SONIA basis plus a margin (relative to that at the time of issue), or subject to a fixed coupon uplift, depending on the terms of the specific notes.

The effective interest rate is based on the coupon paid and includes the amortisation of issue costs to redemption value. The MTNs are listed on the Irish Stock Exchange and their fair values are determined at their respective market prices.

At 31 March 2025, the Group's committed facilities totalled **£2,590m** (2024: £2,907m).

Syndicated and bilateral bank debt	Authorised		Drawn down	
Maturity as at 31 March	2025	2024	2025	2024

		2025			
		£m	£m	£m	£m
Syndicated debt	2026-29	2,490	2,682	778	4
Bilateral debt	2026	100	225	-	
		2,590	2,907	778	4

The majority of the Group's syndicated and bilateral facilities are secured on the assets of the Group, with the exception of facilities secured on the assets at Liverpool ONE of which **£240m** was drawn at 31 March 2025 (2024: £292m) and MediaCity of which **£nil** was drawn at 31 March 2025 (2024: £292m).

During the year ended 31 March 2025, the amounts drawn under the Group's facilities increased by £100m. The MediaCity bank facility was successfully refinanced on 13 June 2024 to £195m and subsequently closed on 6 November 2024 (2024: £292m drawn). Also during the year, the Liverpool ONE facility was acquired with a fully drawn £300m secured bank facility. On 27 January 2025, £60m of this facility was drawn.

The terms of the Security Group funding arrangements require undrawn facilities to be resecured by 31 March 2026 and bilateral facilities mature within one year, or when commercial paper is issued. Commercial paper issued at 31 March 2025 was **£750m** (2024: £681m). The total amount of cash and available undrawn facilities, at 31 March 2025 was **£1,101m** (2024: £1,889m).

15. Monies held in restricted accounts and deposits

Short-term deposits
Cash at bank and in hand

The credit quality of monies held in restricted accounts and deposits can be assessed by reference to the credit ratings of the counterparty where the account or deposit is placed.

Counterparties with external credit ratings
AAA
A+

16. Cash and cash equivalents

Cash at bank and in hand

Short-term deposits

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings of the counterparty where the account or deposit is placed.

Counterparties with external credit ratings

AAA

A+

A

A-

BBB+

			2025	
			Net	
	Gross	Gross	amounts	Gross
	amounts	amounts	recognised	amounts
	of	of	in the	of
	financial	financial	balance	financial
	assets	liabilities	sheet	assets
	£m	£m	£m	£m
Assets				
Cash and cash equivalents	140	(101)	39	23
	140	(101)	39	23

17. Assets held for sale

On 28 March 2025, the Group exchanged contracts for the sale of Land Securities Lakeside Limited, the Lakeside Retail Park in West Thurrock for a headline property price of £114m. Since the ownership had not fully transferred to the buyer at 31 March 2025, the property was classified as an asset held for sale with a carrying value of £110m. On 29 April 2025, the Group completed the sale.

18. Events after the reporting period

On 29 April 2025, the Group completed the sale of Land Securities Lakeside Limited.

On 2 May 2025, the Group put in place a new £300m bank facility with a November 2027 maturity.

On 14 May 2025, the Group increased its interest in Liverpool ONE to 96.5% following the completion of a £240m asset level bank facility.

Subsequent to the year end, the Group also exchanged or completed on disposals of properties of material value.

No other significant events occurred after the reporting period but before the financial statements were issued.

Alternative performance measures

Table 14: Alternative performance measures

The Group has applied the European Securities and Markets Authority (ESMA) 'Guidelines on Alternative Performance Measures' in these results. In the context of these results, an alternative performance measure (APM) is a financial measure of historical or future financial performance, position or cash flow which is not a measure defined or specified in IFRS.

The table below summarises the APMs included in these results and where the reconciliation to IFRS measures can be found. The definitions of APMs are included in the Glossary.

Alternative performance measure	Nearest IFRS measure
EPRA earnings	Profit/loss before tax
EPRA earnings per share	Basic earnings/loss per share
EPRA diluted earnings per share	Diluted earnings/loss per share
EPRA Net Tangible Assets	Net assets attributable to shareholders
EPRA Net Tangible Assets per share	Net assets attributable to shareholders
Total return on equity	n/a
Adjusted net cash inflow from operating activities	Net cash inflow from operating activities
Combined Portfolio	Investment properties
Adjusted net debt	Borrowings
Group LTV	n/a
EPRA LTV	n/a

EPRA disclosures

Table 15: EPRA net asset measures

EPRA net asset measures	
	EPRA NRV E
	£m
Net assets attributable to shareholders	6,514
Shortfall of fair value over net investment in finance lease book value	(8)
Other intangible asset	-
Fair value of interest-rate swaps	(1)
Shortfall of fair value of debt over book value (note 14)	-
Excess of fair value of trading properties over book value	27
Purchasers' costs ⁽¹⁾	668
Net assets used in per share calculation	7,200

	EPRA NRV E
Diluted net assets per share	964p

	EPRA NRV E
	£m
Net assets attributable to shareholders	6,402
Shortfall of fair value over net investment in finance lease book value	(5)
Other intangible asset	-
Fair value of interest-rate swaps	(22)
Shortfall of fair value of debt over book value (note 14)	-
Excess of fair value of trading properties over book value	25
Purchasers' costs ⁽¹⁾	605
Net assets used in per share calculation	7,005

	EPRA NRV E
Diluted net assets per share	940p

1. EPRA NTA and EPRA NDV reflect IFRS values which are net of purchasers' costs. Purchasers' costs are added back when calculating EPRA NRV.

Table 16: EPRA performance measures

Measure	Definition for EPRA measure
EPRA earnings	Recurring earnings from core operational activity
EPRA earnings per share	EPRA earnings per weighted number of ordinary shares
EPRA diluted earnings per share	EPRA diluted earnings per weighted number of ordinary shares
EPRA Net Tangible Assets (NTA)	Net assets adjusted to exclude the fair value of interest-rate swaps, intangible assets and excess of fair value over net investment in finance lease book value
EPRA Net Tangible Assets per share	Diluted Net Tangible Assets per share
EPRA net disposal value (NDV)	Net assets adjusted to exclude the fair value of debt and goodwill on deferred tax and to include excess of fair value over net investment in finance lease book value
EPRA net disposal value per share	Diluted net disposal value per share
EPRA loan-to-value (LTV) (1)	Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage
Voids/vacancy rate	ERV of vacant space as a % of ERV of Combined Portfolio excluding the development programme ⁽²⁾
Net initial yield (NIY)	Annualised rental income less non-recoverable costs as a % of market value plus assumed purchasers' costs ⁽³⁾
Topped-up NIY	NIY adjusted for rent free periods ⁽³⁾
Cost ratio ⁽⁴⁾	Total costs as a percentage of gross rental income (including direct vacancy costs) ⁽⁴⁾ Total costs as a percentage of gross rental income (excluding direct vacancy costs) ⁽⁴⁾

1. EPRA LTV differs from the Group LTV presented in note 13 as it includes net payables and includes trading properties at fair value and debt instruments at nominal value rather than

2. This measure reflects voids in the Combined Portfolio excluding only properties under development.
3. This measure relates to the Combined Portfolio, excluding properties currently under development. Topped-up NIY reflects adjustments of £60m.
4. This measure is calculated based on gross rental income after rents payable and excluding through rents but not separately invoiced of £12m.

Table 17: EPRA vacancy rate

The EPRA vacancy rate is based on the ratio of the estimated market rent for vacant properties to the estimated market rent, for the Combined Portfolio excluding properties under development. Significant distorting factors influencing the EPRA vacancy rate.

ERV of vacant properties
ERV of Combined Portfolio excluding properties under development
EPRA vacancy rate (%)

Table 18: Change in net rental income from the like-for-like portfolio⁽¹⁾

	2025	2024
	£m	
Central London	244	244
Major retail	144	144
Subscale sectors	60	60
Mixed-use	37	37
	485	485

1. Excludes movement in bad/doubtful debts and surrender premiums received during the period.

Table 19: EPRA Net initial yield (NIY) and Topped-up NIY

Combined Portfolio ⁽¹⁾
Trading properties
Less: Properties under development, trading properties under development and land
Like-for-like investment property portfolio, proposed and completed developments, and completed trading properties
Plus: Allowance for estimated purchasers' costs
Grossed-up completed property portfolio valuation (a)

EPRA annualised cash passing rental income⁽²⁾

Net service charge expense⁽³⁾

Void costs and other deductions

EPRA Annualised net rent⁽²⁾ (b)

Plus: Rent-free periods and other lease incentives (annualised)

Topped-up annualised net rents (c)

EPRA NIY (b/a)

EPRA Topped-up NIY (c/a)

1. Includes owner-occupied property and non-current assets held-for-sale.
2. EPRA Annualised cash passing rental income and EPRA annualised net rent as calculated by an external valuer.
3. Including costs recovered through rents but not separately invoiced.

Table 20: Cost analysis

		To	
		£m	
		Gross rental income (before rents payable)	636
		Costs recovered through rents but not separately invoiced	(1)
		Adjusted gross rental income	635
		Rents payable	(1)
		EPRA gross rental income	634
	£m		
Gross rental income (before rents payable)	636		
Rents payable	(12)		
Gross rental income (after rents payable)	624		
Net service charge expense	(11)		
Net direct property expenditure	(73)		
Net other operating income	1		
		Direct property costs	
		Managed operations	1
		Tenant default	(1)
		Void related costs	1
		Other direct property costs	1
		£72m	

Movement in bad and doubtful debts provision	11			
Segment net rental income	552			
Net indirect expenses	(73)	Net indirect expenses £73m	Development expenditure	
Segment profit before finance expense	479			
Net finance expense - Group	(94)		Asset management, administration and compliance	
Net finance expense - joint ventures	(11)			
EPRA earnings	374			
			Total (incl. direct vacancy costs)	1.1
			Costs recovered through rents	(1.1)
			EPRA costs (incl. direct vacancy costs)	1.1
			Less: Direct vacancy costs	(1.1)
			EPRA (excl. direct vacancy costs)	1.1

1. Percentages represent costs divided by EPRA gross rental income.

Table 21: Acquisitions, disposals and capital expenditure

	Year ended 31 December			
	2022	2021	2020	
Investment properties				
	Group (excl. joint ventures)	Joint ventures	Adjustment for non-wholly owned subsidiaries⁽¹⁾	Cost of sales
	£m	£m	£m	
Net book value at the beginning of the year	9,330	585	(118)	
Acquisitions	642	-	82	
Capital expenditure	473	13	-	
Capitalised interest	27	-	-	
Net movement in head leases capitalised	86	-	-	

Disposals	(479)	(3)	-
Net surplus/(deficit) on revaluation of investment properties	91	13	3
Transfer to non-current assets held for sale	(110)	-	-
Transfer to property, plant and equipment	(26)	-	-
Net book value at the end of the year	10,034	608	(33)

(Loss)/profit on disposal of investment properties	(15)	3	-
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Trading properties	£m	£m	£m
Net book value at the beginning of the year	100	-	-
Transfer to trade and other receivables	(11)	-	-
Acquisitions	10	-	-
Capital expenditure	11	-	-
Capitalised interest	1	-	-
Disposals	(26)	-	-
Movement in impairment	(4)	-	-
Net book value at the end of the year	81	-	-

Loss on disposal of trading properties	(6)	-	-
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	Investment properties⁽²⁾	Trading properties	Capitalised interest
Acquisitions, development and other capital expenditure	£m	£m	
Acquisitions ⁽³⁾	724	10	
Development capital expenditure ⁽⁴⁾	312	6	
Other capital expenditure	174	5	
Capitalised interest	27	1	
Acquisitions, development and other capital expenditure	1,237	22	

Disposals
Net book value - investment property disposals
Net book value - trading property disposals
Net book value - other net assets
Loss on disposal - investment properties
Profit on disposal - trading properties
Other

Total disposal proceeds

1. This represents the interest in Liverpool One which we do not own but consolidate in the movement in acquisitions includes the acquisition of the remaining non-controlling interest was purchased during the financial year.
2. See EPRA analysis of capital expenditure table 22 for further details.
3. Properties acquired during the year.
4. Development capital expenditure for investment properties comprises expenditure on the and completed developments.

Table 22: EPRA analysis of capital expenditure

	Other capital expenditure				
	Acquisitions ⁽¹⁾	Development capital expenditure ⁽²⁾	Incremental lettable space ⁽³⁾	No incremental lettable space	Tenant improvements
	£m	£m	£m	£m	£m
Central London					
West End offices	-	8	-	19	3
City offices	-	-	-	70	-
Retail and other	-	-	-	16	-
Developments	-	272	-	-	-
Total Central London	-	280	-	105	3
Major retail					
Shopping centres	630	-	5	21	6
Outlets	-	-	-	15	2
Total Major retail	630	-	5	36	8
Mixed-use urban					

London	2	17	-	-	-
Other cities	92	15	-	8	-
Total Mixed-use urban	94	32	-	8	-
Subscale sectors					
Leisure	-	-	-	1	6
Hotels	-	-	-	-	-
Retail parks	-	-	2	-	-
Total	-	-	2	1	6
Subscale sectors					
Total capital expenditure	724	312	7	150	17
Timing difference between accrual and cash basis					
Total capital expenditure on a cash basis					

1. Investment properties acquired in the year.
2. Expenditure on the future development pipeline and completed developments.
3. Capital expenditure where the lettable area increases by at least 10%.

Table 23: Top 12 occupiers at 31 March 2025

Central Government
Deloitte
BBC
ITX
Taylor Wessing
Cineworld

Boots
Qube RT
M&S
H&M
Q Park Limited
Sainsburys

1. On a proportionate basis.

Table 24: Combined Portfolio analysis
Total portfolio analysis

	Market value ⁽¹⁾		Valuation movement ⁽¹⁾		Rental income ⁽¹⁾		Annualised income
	31 March 2025	31 March 2024	Surplus/ (deficit) £m	Surplus/ (deficit) %	31 March 2025	31 March 2024	31 March 2025
	£m	£m	£m	%	£m	£m	£m
Central London							
West End offices	3,124	3,109	17	0.6	162	148	164
City offices	1,445	1,192	20	1.4	80	68	85
Retail and other ⁽¹¹⁾	1,022	991	(2)	(0.2)	58	58	58
Developments ⁽⁶⁾	1,108	926	27	2.5	2	20	-
Total Central London	6,699	6,218	62	1.0	302	294	307
Major retail							
Shopping centres	1,977	1,226	81	4.3	156	131	186
Outlets	626	605	4	0.5	51	57	48
Total Major retail	2,603	1,831	85	3.4	207	188	234
Mixed-use urban							
London	190	191	(18)	(8.1)	11	17	10
Major regional cities ⁽⁹⁾	599	510	(24)	(4.0)	43	41	37
Total Mixed-use urban⁽⁸⁾	789	701	(42)	(5.0)	54	58	47
Subscale sectors							
Leisure	423	423	(5)	(1.2)	44	48	44
Hotels	-	400	-	-	2	35	-
Retail parks ⁽¹⁰⁾	366	390	19	5.4	27	30	25

Total Subscale sectors	789	1,213	14	1.8	73	113	69
Combined Portfolio	10,880	9,963	119	1.1	636	653	657
Properties treated as finance leases	-	-	-	-	(1)	(1)	
Combined Portfolio	10,880	9,963	119	1.1	635	652	

Represented by:

Investment portfolio	10,244	9,347	106	1.1	585	613	575
Share of joint ventures	636	616	13	2.2	50	39	82
Combined Portfolio	10,880	9,963	119	1.1	635	652	657

Total portfolio analysis

Notes:

	Net initial yield⁽⁴⁾		Equivalent yield⁽⁵⁾		1. Refer to Glossary 2. Annualised rent 'rental income' (as defined in the Glossary) at the time of the lease, except that car parks are included on a net basis (after operational outgoings) and rental income includes the net estimated rental value (as defined in the Glossary, after depreciation). 3. Net estimated rental value (as defined in the Glossary, after depreciation). 4. Net initial yield - definition. This calculation includes the net initial yield of properties included in the net initial yield calculation. 5. Equivalent yield - definition. Future income is excluded from the equivalent yield calculation of the Portfolio. 6. Comprises the net initial yield of properties included in the net initial yield calculation. 7. The like-for-like yield calculation is defined in the Glossary for definition. 8. The prior year calculation is represented to all categories disclosed in the prior year. 9. Includes owner-occupied properties.
	31 March 2025	Movement in like-for-like⁽⁷⁾	31 March 2025	Movement in like-for-like⁽⁷⁾	
	%	bps	%	bps	
Central London					
West End offices	4.6	36	5.4	14	
City offices	4.2	89	6.2	13	
Retail and other	4.3	(11)	4.9	(2)	
Developments ⁽⁶⁾	0.0	n/a	5.3	n/a	
Total Central London	4.4	40	5.5	12	
Major retail					
Shopping centres	7.2	(51)	7.7	(31)	
Outlets	6.3	-	6.9	(7)	
Total Major retail	7.0	(33)	7.5	(22)	
Mixed-use urban					
London	4.3	18	6.6	8	
Major regional cities ⁽⁹⁾	6.6	7	8.2	47	
Total Mixed-use urban⁽⁸⁾	5.8	8	7.7	36	
Subscale sectors					
Leisure	7.8	(94)	8.8	(8)	
Retail parks	6.1	9	6.7	(24)	
Total Subscale sectors	7.0	(51)	7.7	(22)	
Combined Portfolio	5.4	14	6.3	3	

Represented by:

Investment portfolio	5.4	n/a	6.3	n/a	10. Includes non-cu sale.
Share of joint ventures	5.8	n/a	6.2	n/a	
Combined Portfolio	5.4	n/a	6.3	n/a	11. Short-term com from Piccadilly Li in the current yea ensure year-on-y comparatives hav £15m.

Table 25: Floor Areas⁽¹⁾

Central London
West End offices
City offices
Retail and other
Total Central London
Major retail
Shopping centres
Outlets
Total Major retail
Mixed-use urban
London
Major regional cities
Total Mixed-use urban
Subscale sectors
Leisure
Retail parks
Total Subscale sectors
Total

1. Joint ventures are reflected at 100% values, not Group share.

Table 26: Reconciliation of segmental information note to statutory reporting for the 2024

Yea

	Group income statement	Joint ventures ⁽¹⁾	Adjustment for non-wholly owned subsidiaries ⁽²⁾	Total
	£m	£m	£m	£m
Rental income	622	38	(8)	652
Finance lease interest	1	-	-	1
Gross rental income (before rents payable)	623	38	(8)	653
Rents payable	(11)	(1)	-	(12)
Gross rental income (after rents payable)	612	37	(8)	641
Service charge income	117	8	(2)	123
Service charge expense	(133)	(9)	3	(139)
Net service charge expense	(16)	(1)	1	(16)
Other property related income	35	3	-	38
Direct property expenditure	(114)	(6)	1	(119)
Movement in bad and doubtful debt provision	6	-	-	6
Segment net rental income	523	33	(6)	550
Other income	1	-	-	1
Administrative expenses	(73)	(1)	-	(74)
Depreciation, including amortisation of software	(4)	-	-	(4)
EPRA earnings before interest	447	32	(6)	473
Share of post-tax loss from joint ventures	2	(2)	-	-
Loss on disposal of investment properties ⁽¹⁾	(16)	-	-	(16)
Net deficit on revaluation of investment properties	(628)	(19)	22	(625)
Net development contract and transaction expenditure	(18)	-	-	(18)
Fair value gain on remeasurement of investment	3	-	-	3
Impairment of amounts due from joint ventures	(2)	-	-	(2)
Impairment of goodwill	(1)	-	-	(1)
Impairment of trading properties	(11)	-	-	(11)
Depreciation	(2)	-	-	(2)
Other costs	(1)	-	-	(1)
Operating (loss)/profit	(227)	11	16	(200)

Finance income	12	-	-	12
Finance expense	(126)	(11)	6	(131)
(Loss)/profit before tax	(341)	-	22	(319)
Taxation	-	-	-	-
(Loss)/profit for the year	(341)	-	22	(319)

1. Reallocation of the share of post-tax profit from joint ventures reported in the Group income statement to the individual line item results table.

2. Removal of the non-wholly owned share of results of the Group's subsidiaries. The non-wholly owned subsidiaries are consolidated in the Group's income statement, but only the Group's share is included in EPRA earnings reported in the segmental results table. The non-wholly owned subsidiaries are included in the 'Capital and other items' column presented in the Group's income statement, together with items not relating to the underlying rental business such as investment properties valuation changes, profits or losses on the disposal of investment properties, costs of, the sale of trading properties, income from and costs associated with development contracts, amortisation and impairment attributable costs, arising on business combinations.

3. Included in the loss on disposal of investment properties is a £2m charge related to the provision for fire safety remediation work by the Group but for which the Group is responsible for remediating under the Building Safety Act 2022.

Table 27: Property Income Distribution (PID) calculation

	Year ended 31 March 2022
Profit/(loss) before tax per income statement	;
Accounting profit/(loss) on residual operations	
Profit/(loss) attributable to tax-exempt operations	,
Adjustments	
Capital allowances	
Capitalised interest	
Revaluation deficit/(surplus)	(
Tax exempt disposals	
Capital expenditure	
Other tax adjustments	
REIT dividends received	
Estimated tax-exempt income for the year	;
PID thereon (90%)	
REIT dividends received (100%)	
Minimum PID to be paid	;

As a REIT, our income and capital gains from qualifying activities are exempt from corporation tax. However, any income that is not exempt from corporation tax must be distributed as a Property Income Distribution and is taxed at the shareholder level.

tax position to direct property ownership. Non-qualifying activities, such as sales of trading to corporation tax. This year, there was a £3m current tax credit (2024: £nil).

The table above provides a reconciliation of the Group's profit/(loss) before tax to its estimated distributable income. The Company is required to distribute 90% of which the Company is required to distribute as a PID to comply with REIT regulatory requirements. The Company needs to distribute 100% of REIT dividends received. The comparatives have been updated to reflect the closing balances for the year ended 31 March 2024.

The Company has 12 months after the year end to make the minimum distribution. Accordingly, the distribution for the year ended 31 March 2025 may relate to the distribution requirements of previous periods. The table below shows the minimum distribution for the years ended 31 March 2025 and 31 March 2024:

	PID allocation		
	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	Pre-31 March 2024 £m
Dividends paid in year to 31 March 2024	-	198	63
Dividends paid in year to 31 March 2025	208	-	-
Minimum PID to be paid by 31 March 2026	-	-	n/a
Total PID required	208	198	

The Group has met all the REIT requirements, including the payment by 31 March 2025 of £208m of Income Distribution (PID) for the year ended 31 March 2024. The forecast minimum PID for the year ended 31 March 2025 is £208m, which must be paid by 31 March 2026. The Group has already made a payment of £208m to 31 March 2025 of £208m.

Our latest tax strategy can be found on our corporate website. In the year, the total taxes w collected were £135m (2024: £136m), of which £36m (2024: £37m) was directly borne by tl environmental taxes, business rates and stamp duty land tax.

Investor information

1. Company website: landsec.com

The Group's half-yearly and annual reports to shareholders, results announcements and press releases are available to view and download from the Company's website. The website also provides details of the current share price, the latest news about the Group, its properties and operations, and details of its shares and how to obtain further information.

2. Registrar: Equiniti Limited

Enquiries concerning shareholdings, dividends and changes in personal details should be referred to the Company's registrar, Equiniti Limited (Equiniti), in the first instance. They can be contacted

Telephone:

- 0371 384 2128 (from the UK)
- +44 371 384 2128 (from outside the UK)
- Lines are ordinarily open from 08:30 to 17:30, Monday to Friday, excluding UK public holidays

Correspondence address:

Equiniti Group PLC
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Information on how to manage your shareholding can be found at <https://help.shareview.co.uk> to find the answer to your question within the general Help information page, a personal enquiry can be made directly through Equiniti's secure e-form on their website. Please note that you will be asked to provide your address, shareholder reference number and a valid e-mail address. Alternatively, shareholders can manage their shareholding through the Landsec share portal which is hosted by Equiniti - see <https://portfolio.shareview.co.uk> and follow the registration instructions.

3. Shareholder enquiries

If you have an enquiry about the Company's business or about something affecting you as a shareholder (other than queries which are dealt with by the Registrar), please email Investor Relations (see details on page 10).

4. Share dealing services: <https://shareview.co.uk>

The Company's shares can be traded through most banks, building societies and stockbrokers. Equiniti also provides a share dealing service through Equiniti. To use their service, shareholders should contact Equiniti: 0345 600 1000. Lines are ordinarily open Monday to Friday 08:00 to 16:30 for dealing and until 18:00 for enquiries on public holidays.

5. Dividends

The Board has recommended a final dividend for the year ended 31 March 2025 of **12.3p** per share to be paid as a Property Income Distribution (PID). Subject to shareholders' approval at the Annual General Meeting, the final dividend will be paid on 25 July 2025 to shareholders registered at the close of business on 2 July 2025. The last date for Dividend Reinvestment Plan (DRIP) elections will be 27 June 2025. The total dividend payable in respect of the year ended 31 March 2025 is **40.4p** (2024: 39.6p).

For the year ending 31 March 2026, the Group will pay two half-yearly dividends, likely to be paid in July 2026.

6. Dividend related services

Dividend payments to UK shareholders - Dividend mandates

Dividends are no longer paid by cheque. Shareholders whose dividends have previously been paid by cheque need to have their dividends paid directly into their personal bank or building society account. If you wish to participate in our Dividend Reinvestment Plan (see below) to receive dividends in the form of shares, to facilitate this, please contact Equiniti or complete a mandate instruction available on our website at landsec.com/investors and return it to Equiniti.

Dividend payments to overseas shareholders - Overseas Payment Service (OPS)

Dividends are no longer paid by cheque. Shareholders need to request that their dividends be paid to their personal bank account overseas. For more information, please contact Equiniti or download the OPS form online at <https://shareview.co.uk>.

Dividend Reinvestment Plan (DRIP)

A DRIP is available from Equiniti. This facility provides an opportunity by which shareholder can easily increase their holding in the Company by using their cash dividends to buy more shares. If you opt for a DRIP will mean that your dividend payments will be reinvested in the Company's shares and shares will be purchased on your behalf in the market on, or as soon as practical after, the dividend payment date.

You may only participate in the DRIP if you are resident in the UK.

For further information (including terms and conditions) and to register for any of these dividend services, please simply visit www.shareview.co.uk.

7. Financial reporting calendar

	2025
Financial year end	31 March
Preliminary results announcement	16 May
Annual General Meeting	10 July

8. Investor relations enquiries

For investor relations enquiries, please contact Edward Thacker, Head of Investor Relations, on telephone on +44 (0)20 7413 9000 or by email at enquiries@landsec.com.

Glossary

Adjusted net cash inflow from operating activities

Net cash inflow from operating activities including the Group's share of our joint ventures' net cash inflows from operating activities.

Adjusted net debt

Net debt excluding cumulative fair value movements on interest-rate swaps and amounts payable under finance leases. It generally includes the net debt of subsidiaries and joint ventures on a proportionate basis.

Combined Portfolio

The Combined Portfolio comprises the investment properties, owner-occupied property and held for sale of the Group's subsidiaries, on a proportionately consolidated basis when not with our share of investment properties held in our joint ventures.

Developments/development pipeline

Development pipeline consists of future developments, committed developments, projects and developments which have reached practical completion within the last two years but are not

Development gross yield on total development cost

Gross ERV, before adjustment for lease incentives, divided by total development cost. Gross Landsec's or the valuer's view of expected ERV at completion of the scheme.

EPRA earnings

Profit before tax, excluding profits on the sale of non-current assets and trading properties, contracts, valuation movements, fair value movements on interest-rate swaps and similar in hedging purposes, debt restructuring charges, and any other items of an exceptional nature

EPRA loan-to- value (LTV)

Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage includes trading properties at fair value and debt at nominal value.

EPRA net disposal value (NDV) per share

Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of include the difference between the fair value and the book value of the net investment in ten fixed interest rate debt.

EPRA net initial yield

EPRA net initial yield is defined within EPRA's Best Practice Recommendations as the annual based on the cash rents passing at the balance sheet date, less non-recoverable property costs divided by the gross market value of the property. It is consistent with the net initial yield calculated by an external valuer.

EPRA Net Reinstatement Value (NRV) per share

Diluted net assets per share adjusted to remove the cumulative fair value movements on in similar instruments, the carrying value of deferred tax on intangible assets and to include the the fair value and the book value of the net investment in tenant finance leases and add back

EPRA Net Tangible Assets (NTA) per share

Diluted net assets per share adjusted to remove the cumulative fair value movements on in similar instruments, the carrying value of goodwill arising as a result of deferred tax and other deferred tax on intangible assets and to include the difference between the fair value and the investment in tenant finance leases.

Equivalent yield

Calculated by the Group's external valuer, equivalent yield is the internal rate of return from property, based on the gross outlays for the purchase of a property (including purchase costs, reversions to current market rent and such items as voids and non-recoverable expenditure changes in capital value. The calculation assumes rent is received annually in arrears.

ERV - Gross estimated rental value

The estimated market rental value of lettable space as determined biannually by the Group investment properties in the development programme, which have not yet reached practicality, represents management's view of market rents.

Gearing

Total borrowings, including bank overdrafts, less short-term deposits, corporate bonds and plus cumulative fair value movements on financial derivatives as a percentage of total equity. See note 13.

Gross market value

Market value plus assumed usual purchaser's costs at the reporting date.

Interest Cover Ratio (ICR)

A calculation of a company's ability to meet its interest payments on outstanding debt. It is earnings before interest, divided by net interest (excluding the mark-to-market movement on foreign exchange swaps, capitalised interest and interest on the pension scheme assets). The calculation excludes joint ventures.

Investment portfolio

The investment portfolio comprises the investment properties of the Group's subsidiaries on a consolidated basis where not wholly owned.

Lease incentives

Any incentive offered to occupiers to enter into a lease. Typically, the incentive will be an initial cash contribution to fit-out or similar costs. For accounting purposes, the value of the incentive is the non-cancellable life of the lease.

Like-for-like portfolio

The like-for-like portfolio includes all properties which have been in the portfolio since 1 April 2012, excluding those which are acquired or sold since that date. Properties in the development pipeline and developments are also excluded.

Loan-to-value (LTV)

Group LTV is the ratio of adjusted net debt, including subsidiaries and joint ventures, to the value of investment properties and the book value of trading properties of the Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage. For the Security Group, debt lent to the Security Group divided by the value of secured assets.

Market value

Market value is determined by the Group's external valuer, in accordance with the RICS Valuation – Global Standards, as an opinion of the estimated amount for which a property should exchange on the date of valuation with a willing buyer and a willing seller in an arm's-length transaction after proper marketing.

Net initial yield

Net initial yield is a calculation by the Group's external valuer of the yield that would be received based on the Estimated Net Rental Income expressed as a percentage of the acquisition cost plus assumed usual purchasers' costs at the reporting date. The calculation is in line with the RICS Valuation – Global Standards. Estimated Net Rental Income is determined by the valuer and is based on the passing cash rents at the balance sheet date, estimated non-recoverable outgoings and void costs including service charges, insurance costs and void rates.

Net rental income

Net rental income is the net operational income arising from properties, on an accruals basis, less finance lease interest, rents payable, service charge income and expense, other property income, direct property expenditure and bad debts. Net rental income is presented on a proportionate basis.

Net zero carbon building

A building for which an overall balance has been achieved between carbon emissions produced and removed from the atmosphere, including via offset arrangements. This relates to operational emissions only. For a new building, it also includes supply-chain emissions associated with its construction.

Passing rent

The estimated annual rent receivable as at the reporting date which includes estimates of temporary voids and estimates of rent to be agreed in respect of outstanding rent review or lease renewal negotiations. Passing rent may be more or less than the ERV (see over-rented, reversionary and ERV). Passing rent is the amount receivable from units in administration save to the extent that rents are expected to be received in the next reporting period. Rents receivable from units in administration at the reporting date are deemed to have no passing rent. Although temporary voids of less than 12 months, income from temporary lets is included in passing rents.

Property Income Distribution (PID)

A PID is a distribution by a REIT to its shareholders paid out of qualifying profits. A REIT is required to distribute at least 90% of its qualifying profits as a PID to its shareholders.

Rental income

Rental income is as reported in the income statement, on an accruals basis, and adjusted for lease incentives over the term certain of the lease in accordance with IFRS 16. It is stated gross of the deduction of ground rents and without deduction for operational outgoings on car park and other activities.

Reversionary or under-rented

Space where the passing rent is below the ERV.

Reversionary yield

The anticipated yield to which the initial yield will rise (or fall) once the rent reaches the ERV.

Security Group

Security Group is the principal funding vehicle for the Group and properties held in the Security Group are mortgaged for the benefit of lenders. It has the flexibility to raise a variety of different forms of finance.

Topped-up net initial yield

Topped-up net initial yield is a calculation by the Group's external valuer. It is calculated by adding to net initial yield in respect of the annualised cash rent foregone through unexpired rent-free lease incentives. The calculation is consistent with EPRA guidance.

Total return on equity

Dividend paid per share in the year plus the change in EPRA Net Tangible Assets per share divided by Tangible Assets per share at the beginning of the year.

Total cost ratio

Total cost ratio represents all costs included within EPRA earnings, other than rents payable, provisions for bad and doubtful debts, expressed as a percentage of gross rental income before depreciation, adjusted for costs recovered through rents but not separately invoiced.

Total development cost (TDC)

Total development cost refers to the book value of the site at the commencement of the project plus the capital expenditure required to develop the scheme from the start of the financial year in which the scheme was added to our development programme, together with capitalised interest, being the Group's total development cost associated with direct expenditure on the property under development. Interest is also capitalised on the cost of land or property where it is acquired specifically for redevelopment. The TDC for trading development schemes excludes any estimated tax on disposal.

Trading properties

Properties held for trading purposes and shown as current assets in the balance sheet.

Vacancy rates

Vacancy rates are expressed as a percentage of ERV and represent all unlet space, including properties where refurbishment work is being carried out and vacancy in respect of pre-development properties where the scale of refurbishment is such that the property is not deemed lettable. The screen at Piccadilly Lights is excluded from the vacancy rate calculation as it will always carry advertising although the nature of our agreements with advertisers will vary.

Valuation surplus/deficit

The valuation surplus/deficit represents the increase or decrease in the market value of the Combined Portfolio adjusted for net investment and the effect of accounting for lease incentives under IFRS 16. The valuation surplus/deficit of the Combined Portfolio is determined by the Group's external valuer.

Voids

Voids are expressed as a percentage of ERV and represent all unlet space, including voids where refurbishment work is being carried out and voids in respect of pre-development properties. Temporary lettings for one year or less are also treated as voids. The screen at Piccadilly Lights, W1 is excluded from the voids calculation.

calculation as it will always carry advertising although the number and duration of our agree will vary. Commercialisation lettings are also excluded from the void calculation.

Weighted average unexpired lease term

The weighted average of the unexpired term of all leases other than short-term lettings such as advertising hoardings, temporary lettings of less than one year, residential leases and long

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