Forward-looking statements

These half-yearly results, our annual results, the Annual Report and the Land Securities' website may contain certain "forward-looking statements" with respect to Land Securities Group PLC and the Group's financial condition, results of operations and business, and certain of Land Securities Group PLC and the Group's plans, strategy, objectives, goals and expectations with respect to 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 in the future or such words as "anticipates", "aims", "due", "could", "may", "should", "expects", "believes", "intends", "plans", "targets", "goal" or "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 and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Group operates; changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates.

Any written or verbal forward-looking statements, made in these half-yearly results, our annual results, the Annual Report or the Land Securities' website or made subsequently, which are attributable to Land Securities Group PLC or any other member of the Group or persons acting 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 of these half-yearly results, our annual results, the Annual Report or on the date on which the forward-looking statement is made. Except as required by any legal or statutory obligation, Land Securities Group PLC does not intend to update any forward-looking statements.

Nothing contained in these half-yearly results, the Annual Report or the Land Securities website should be construed as a profit forecast or an invitation to deal in the securities of Land Securities Group PLC.

Half-yearly results for the six months ended 30 September 2015

10 November 2015

"Land Securities continues to deliver the right space at the right time, and it's paying off. Our Retail Portfolio is performing well and leasing levels in our London developments remain strong," said Chief Executive Robert Noel.

"In Retail, our portfolio is focused around our core themes of dominance, experience and convenience. Since the start of the financial year, we have sold selectively, recycling capital into the redevelopment of Westgate, Oxford, and other development opportunities. Operationally we are strong, with retailer sales and footfall up in our shopping centres and voids down.

"In London, we continue to benefit from our well-timed development programme delivering schemes into today's supply constrained market. So far this financial year, a further 500,000 sq ft has been let or is in solicitors' hands. We're focused on completing and letting up the remainder of our committed projects while progressing a future pipeline.

"Our strategy is working and we are well positioned for the future. We have better assets, with higher quality income, and our balance sheet is stronger than ever. We are delivering for our customers, our communities and our shareholders and look forward to the second half of the year with confidence."

Results summary

	30 September 2015	31 March 2015	Change
Valuation surplus(1)	£519.3m	n/a	Up 3.8%(2)
Basic NAV per share	1,416p	1,343p	Up 5.4%
Adjusted diluted NAV per share(3)	1,367p	1,293p	Up 5.7%
Group LTV ratio(1)	26.5%	28.5%	

	6 months ended 30 September 2015	6 months ended 30 September 2014	Change
Profit before tax	£707.9m	£1,031.1m	
Revenue profit(1)	£184.2m	£170.0m	Up 8.4%
Basic EPS	89.7p	130.6p	
Adjusted diluted EPS(1)	23.2p	21.4p	Up 8.4%
Dividend	16.3p	15.8p	Up 3.2%

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the notes to the financial statements included within the half-yearly results.
2. The % change for the valuation surplus represents the increase in value of the Combined Portfolio over the six month period, adjusted for net investment.
3. Our key valuation measure.

Activity

- £17.2m of development lettings
- £17.0m of investment lettings
- Acquisitions, development and refurbishment expenditure (including trading properties) of £317.3m
- Disposals (including trading properties) of £406.5m
- Supported 85 disadvantaged people into sustainable jobs in the communities where we operate through our Community Employment Programme

Results

- Ungeared total property return 5.9%, underperforming the IPD Quarterly Universe at 6.8%
- Total business return (dividends and adjusted diluted NAV growth) of 7.0%
- Combined Portfolio valued at £14.6bn, with a valuation surplus of 3.8%
- Valuation surplus of properties in the development programme of 6.8%
- Revenue profit £184.2m, up 8.4%
- Voids in the like-for-like portfolio remain low at 2.8% (31 March 2015: 3.2%)

Financials

- Group LTV ratio at 26.5%, based on adjusted net debt of £4.0bn
- Weighted average maturity of debt at 8.3 years
- Weighted average cost of debt at 4.6%
- Cash and available facilities of £1.4bn
- First half dividend of 16.3p, up 3.2%

Development

- 1.4m sq ft being delivered in London over the next 12 months
- 0.8m sq ft Westgate, Oxford, due to open in October 2017
- 1.4m sq ft of retail development and extension opportunities including Ealing Filmworks, Selly Oak, Birmingham, Buchanan Galleries, Glasgow, and White Rose, Leeds
- 1.2m sq ft future London pipeline including 21 Moorfields, EC2, Nova East, SW1, 1 Sherwood Street, W1 and Portland House, SW1

Recognition

- Winner of the Business in the Community Work Inclusion Award

- Maintained EPRA gold status for sustainability reporting and membership of FTSE4Good and the Dow Jones Sustainability Index
- Achieved ISO 50001 certification for energy management
- Re-certification of ISO 14001 for environmental management

All measures above are presented on a proportionate basis, as explained in the notes to the financial statements included within the half-yearly results

Chief Executive's statement

We have continued to execute our strategy, achieving good progress on lettings in London, enhancing our Retail Portfolio and strengthening the balance sheet.

Once again, we funded high levels of activity by recycling capital rather than increasing debt. This approach is providing us with better assets, higher quality income and lower financial gearing as we move through the cycle. Over the six months, we invested £317.3m in acquisitions, development and refurbishment and completed disposals of £406.5m.

Our actions during the half-year enabled us to build on last year's exceptionally strong performance. We increased revenue profit by 8.4% compared to the same period last year. Adjusted diluted NAV per share was up 74p at 1,367p – an increase of 5.7%. The second quarterly dividend is 8.15p, making the first half dividend 16.3p – up 3.2% on the comparative period. Total business return for the six months was 7.0%.

In Retail, we have continued to shape the portfolio to suit changing customer expectations, pursuing our strategic themes of dominance, experience and convenience. In the first half we started construction of our development at Westgate, Oxford. This 800,000 sq ft shopping centre, being built in joint venture with The Crown Estate, will open in October 2017. We made progress on potential developments at Ealing Filmworks and Selly Oak, Birmingham. We completed £43.6m of disposals in the period and, since 1 October, we have exchanged contracts to sell a further £273.6m of non-core assets.

In London, we have continued to deliver exceptional work environments into a supply-constrained market. At the beginning of the financial year, we had 1.1m sq ft of space to let in our development schemes. 500,000 sq ft of that space is now let or in solicitors' hands and the remainder is well matched to customer demand. We made one acquisition, purchasing the 50% interest we did not already own at 6-17 Tottenham Court Road, W1, and £362.9m of disposals including Times Square, EC4. We also exchanged contracts to sell Haymarket House, SW1, for £155.2m and this sale will complete in the second half. We continue to progress a pipeline of future development opportunities in the capital.

Operationally, it is a busy time for the business, with over 3,000 people working on our construction sites. I am pleased to report that our highly acclaimed Community Employment Programme has so far enabled 668 of London's most disadvantaged people to train for a trade on and around our sites, and subsequently enter the construction industry. In July, this was recognised with the 2015 Business in the Community award for 'Work Inclusion'. We are now replicating the programme at Westgate, Oxford.

In the second half, we expect rental value growth to remain positive for our assets. We continue to track and assess new development opportunities both inside and outside our current portfolios but, as we have previously indicated, we will not commit to further developments without substantial pre-lets. We are likely to be net disinvestors in the second half of the year as a result of some £565m of disposals we have agreed but not yet completed. For these reasons, both operational gearing as measured by the amount of speculative space we have to let, and financial gearing as measured by loan-to-value, are likely to be lower in March 2016.

Robert Noel

Chief Executive

Financial review

Overview and headline results

Over the six months ended 30 September 2015, we delivered a profit before tax of £707.9m, compared with £1,031.1m for the same period last year, primarily due to a reduction in the valuation surplus from £880.2m to £519.3m (including our proportionate share of subsidiaries and joint ventures). Basic earnings per share were 89.7p compared with 130.6p. Underlying earnings were up; revenue profit was £184.2m compared with £170.0m in the comparative period and adjusted diluted earnings per share increased to 23.2p from 21.4p.

Our Combined Portfolio increased in value from £14.0bn at 31 March 2015 to £14.6bn principally as a result of our valuation surplus of £519.3m. Net assets per share increased by 5.4% to 1,416p at 30 September 2015. Adjusted diluted net assets per share were up by 5.7% over the six months, increasing from 1,293p to 1,367p. This 74p increase in adjusted diluted net assets per share together with the dividends paid in the period represents a 7.0% total business return.

Presentation of financial information

A number of our financial measures include the results of our joint ventures and subsidiaries on a proportionate basis. Measures that are described as being presented on a proportionate basis include the Group's share of joint ventures on a line-by-line basis, and are adjusted to exclude the non-owned elements of our subsidiaries. This is in contrast to the Group's statutory financial statements, where the Group's interest in joint ventures is presented as one line on the income statement and balance sheet, and all subsidiaries are consolidated at 100% with any non-owned element being adjusted as a non-controlling interest or redemption liability, as appropriate. Our joint operations are presented on a proportionate basis in all financial measures.

Revenue profit

Revenue profit is our measure of underlying pre-tax profit, which is used internally to assess the Group's income performance. It excludes all items of a capital nature, such as valuation movements and profits and losses on the disposal of investment properties, as well as one-off items. A full definition of revenue profit is given in the glossary. The main components of revenue profit are presented on a proportionate basis in the table below and a more detailed reconciliation of revenue profit to our IFRS profit before tax is included in note 3 to the financial statements.

Table 1 shows the composition of our revenue profit including the contributions from London and Retail.

Table 1: Revenue profit

	30 September 2015			30 September 2014			
	Retail Portfolio £m	**London Portfolio £m**	**Total £m**	Retail Portfolio £m	London Portfolio £m	Total £m	Change £m
Gross rental income(1)	**178.4**	**145.0**	**323.4**	185.5	135.8	321.3	2.1
Net service charge expense	**(1.2)**	**(0.8)**	**(2.0)**	(0.8)	0.7	(0.1)	(1.9)
Net direct property expenditure	**(9.6)**	**(7.0)**	**(16.6)**	(12.7)	(6.1)	(18.8)	2.2
Net rental income	**167.6**	**137.2**	**304.8**	172.0	130.4	302.4	2.4
Indirect costs	**(12.9)**	**(9.1)**	**(22.0)**	(13.3)	(10.2)	(23.5)	1.5
Segment profit before interest	**154.7**	**128.1**	**282.8**	158.7	120.2	278.9	3.9
Net unallocated expenses			**(17.4)**			(15.8)	(1.6)
Net interest expense – Group			**(72.0)**			(79.2)	7.2
Net interest expense – joint ventures			**(9.2)**			(13.9)	4.7
Revenue profit			**184.2**			170.0	14.2

1. Includes finance lease interest, after rents payable.

Revenue profit increased by £14.2m from £170.0m in the comparative period to £184.2m in the six months ended 30 September 2015. The 8.4% increase was mainly due to lower net interest expense and higher net rental income. Our net interest expense has decreased by £11.9m to £81.2m, largely due to the repayment of joint venture debt in the prior year and utilisation of cheaper Group facilities. The increase in net rental income is primarily due to the impact of acquisitions made in the prior year, including Bluewater, Kent, together with development completions largely offset by the loss of income from properties sold last year. Approximately £4.5m of the net rental income in the period is from non-recurring items, including surrender receipts. Further information on the net rental income performance of the London and Retail portfolios is given in the respective business reviews.

The indirect costs of London and Retail and net unallocated expenses need to be considered together as, collectively, they represent the net indirect expenses of the Group including joint ventures. In total, net indirect expenses were £39.4m compared with £39.3m in the comparative period.

Change of valuer

In line with best practice, we conducted a tender exercise earlier this year, as a result of which we appointed CBRE to replace Knight Frank as our principal valuer. CBRE performed the valuation at 30 September 2015.

Valuation surplus and disposal profits

The movement in the values of our investment properties and any profits or losses on disposals are key components of our pre-tax profit. Over the period, the valuation surplus on our Combined Portfolio was £519.3m, or 3.8%. We made a profit on the disposal of investment properties of £9.8m (on a proportionate basis), down from £38.2m in the same period last year. A breakdown of the valuation surplus by category is shown in table 2 below.

Table 2: Valuation analysis

	Market value 30 September 2015	Valuation movement	Rental value change(1)	Net initial yield	Equivalent yield	Movement in equivalent yield
	£m	%	%	%	%	bps
Shopping centres and shops	2,673.1	2.6	1.0	4.5	4.8	(1)
Retail warehouses and food stores	1,159.4	(0.1)	(1.6)	5.5	5.5	(1)
Leisure and hotels	1,475.5	2.8	4.3	5.6	5.8	(8)
London offices	4,299.3	3.0	6.6	3.9	4.6	10
Central London shops	1,174.8	7.4	6.5	3.5	4.1	(27)
Other (Retail and London)	68.7	0.3	20.7	2.0	3.7	15
Total like-for-like portfolio	**10,850.8**	**3.0**	**3.7**	**4.4**	**4.8**	**(1)**
Proposed developments	285.0	(7.7)	n/a	4.9	n/a	n/a
Completed developments	1,010.4	10.7	6.7	0.9	4.1	(19)
Acquisitions	916.8	5.3	n/a	3.3	4.5	n/a
Development programme	1,518.5	6.8	n/a	(0.1)	4.3	n/a
Total Combined Portfolio	**14,581.5**	**3.8**	**4.0**	**3.6**	**4.7**	**(3)**

1. Rental value change excludes units materially altered during the period and Queen Anne's Gate, SW1.

Over the six months to 30 September 2015, we have seen values rise in almost every category of our Combined Portfolio. Overall, values were up by 3.8%, with the like-for-like portfolio up by 3.0% largely due to rental value growth.

There is a slight difference in approach between CBRE and Knight Frank on how they look at the rental value and equivalent yield components of a valuation. The changes in rental values and equivalent yields over the period reflect both this difference in approach and market movements. As a result, there are some rental value and equivalent yield movements in the period which look counter-intuitive.

Our shopping centres increased in value by 2.6% predominantly due to rental value growth. The value of our retail warehouse and food store portfolio was broadly unchanged with a small reduction in rental values offset by yield movements. Leisure and hotels reported a 2.8% valuation surplus as a result of rental value growth and yield reduction.

London offices saw values rise by 3.0% with rental values up by 6.6% and yields moving outwards by 10 basis points. These movements are impacted by the change in approach between valuers (see above). This has led to a higher reported growth in rental values than we were expecting, coupled with a modest outward yield movement when market yields have generally tightened slightly.

Outside the like-for-like portfolio, completed developments increased in value by 10.7% due to a 19 basis points reduction in yields and rental values up by 6.7%. Within acquisitions, the value of the additional 50% interest in Thomas More Square, EC3, was up strongly on the back of rental growth and letting success. The development programme valuation surplus was up 6.8% due to continued construction and pre-letting progress on our major schemes.

Earnings per share

Basic earnings per share were 89.7p, compared with 130.6p for the same period last year, primarily due to the lower valuation surplus.

Similar to the adjustments we make to profit before tax, which remove capital and one-off items to give revenue profit, we also report adjusted earnings per share figures. Adjusted diluted earnings per share increased by 8.4% from 21.4p in the comparative period to 23.2p per share as a result of the increase in revenue profit.

Dividend

We will be paying a second quarterly dividend of 8.15p per share on 7 January 2016 to shareholders registered at the close of business on 4 December 2015, all of which will be paid as an ordinary dividend. Taken together with the first quarterly dividend of 8.15p (100% Property Income Distribution) paid on 9 October 2015, our first half dividend will be 16.3p per share (six months ended 30 September 2014: 15.8p), or £128.8m (six months ended 30 September 2014: £124.8m).

Net assets

At 30 September 2015, our net assets per share were 1,416p, an increase of 73p or 5.4% from 31 March 2015. The increase in our net assets was primarily driven by the increase in value of our investment properties, profits on disposal of investment properties and our adjusted earnings, partly offset by the dividends we paid.

In common with other property companies, we calculate an adjusted measure of net assets which we believe better reflects the underlying net assets attributable to shareholders. Our adjusted net assets are lower than our reported net assets primarily due to an adjustment to increase our debt to its nominal value. At 30 September 2015, adjusted diluted net assets per share were 1,367p per share, an increase of 74p or 5.7% from 31 March 2015.

Table 3 summarises the differences between net assets and our adjusted measure of net assets together with the key movements in the period.

Table 3: Net assets

	Six months ended 30 September 2015 £m	Year ended 31 March 2015 £m
Net assets at the beginning of the period	**10,606.3**	8,418.3

Adjusted earnings	**184.2**	329.1
Valuation surplus on investment properties	**519.3**	2,036.9
Profit on disposal of investment properties	**9.8**	132.7
Profit on disposal of investments in joint ventures	**-**	3.3
(Loss)/profit on disposal of trading properties	**(0.2)**	31.5
Impairment of goodwill	**(0.2)**	(29.7)
Impairment of long-term development contracts	**(0.2)**	(11.3)
Fair value movement on interest-rate swaps	**2.2**	(34.8)
Other	**(6.8)**	(40.9)
Profit after tax	**708.1**	2,416.8
Cash dividends	**(124.2)**	(229.4)
Purchase of own shares and treasury shares	**(12.4)**	(12.0)
Other reserve movements	**10.4**	12.6
Net assets at the end of the period	**11,188.2**	10,606.3
Fair value of interest-rate swaps	**31.8**	39.8
Debt adjusted to nominal value	**(380.3)**	(391.7)
Deferred tax liability arising on business combination	**5.6**	5.8
Goodwill on deferred tax liability	**(5.6)**	(5.8)
Adjusted net assets at the end of the period	**10,839.7**	10,254.4

To the extent tax is payable, all items are shown post-tax.

Net debt and gearing

Over the period, our net debt decreased by £165.7m to £3,634.8m. The main elements behind this decrease are set out in our statement of cash flows.

Operating cash inflow after interest and tax was £155.5m, higher than the £109.8m received in the same period last year largely due to higher receipts from trading property sales. Capital expenditure was £123.6m, largely relating to our wholly owned developments in Victoria, and we contributed a net £27.7m to our joint ventures, principally Nova, Victoria, SW1 and Westgate, Oxford. We spent £94.8m on investment property acquisitions, including 6-17 Tottenham Court Road, W1. Offsetting these investments in our portfolio were sales proceeds of £344.3m, primarily from Times Square, EC4, and we paid cash dividends of £124.2m in the period to 30 September 2015.

Adjusted net debt, which is presented on a proportionate basis and includes the nominal value of our debt but excludes the mark-to-market on our swaps, was down £163.4m to £4,008.3m (31 March 2015: £4,171.7m). A reconciliation between net debt and adjusted net debt is given in note 14 to the financial statements.

Table 4 below sets out various measures of our gearing.

Table 4: Gearing

	30 September 2015 %	31 March 2015 %
Adjusted gearing(1) – on a proportionate basis	**37.0**	40.7
Group LTV	**29.6**	31.6
Group LTV – on a proportionate basis	**26.5**	28.5
Security Group LTV	**28.6**	31.5

1. Adjusted net debt divided by adjusted net asset value.

All of our gearing measures have decreased since 31 March 2015 as there has been an increase in the value of our assets coupled with a decrease in our adjusted net debt. The measure most widely used in our industry is loan-to-value (LTV). We focus most on Group LTV, presented on a proportionate basis. This LTV measure decreased from 28.5% at 31 March 2015 to 26.5% at 30 September 2015. This is consistent with our strategy at this stage in the property cycle of allowing gearing to decline as property values rise.

Our Security Group LTV decreased to 28.6% (31 March 2015: 31.5%) largely as a result of the disposal of a number of secured assets and capital growth in the secured asset pool.

Financing

The total capital of the Group consists of shareholders' equity and adjusted net debt. Under IFRS, a large part of our net debt is carried at below its final redemption amount and is increased over its life to its full nominal value. We view our capital structure as if the debt were carried at its full redemption amount. For further details see notes 14 and 15 to the financial statements.

During the period, we increased our syndicated revolving credit facility by £125.0m to £1,380.0m. This takes our total revolving credit facilities to £2,365.0m. The pricing of our facilities which fall due in more than one year ranges from LIBOR +75 basis points to LIBOR +120 basis points. Borrowings under our commercial paper programme typically have a maturity of less than three months, carry an interest rate of approximately LIBOR +25 basis points and are unsecured. Overall the amounts drawn under the bilateral facilities, syndicated bank debt and commercial paper in issue totalled £797.8m, a £153.3m decrease since 31 March 2015, primarily due to property disposals exceeding capital investment.

The Group's debt (on a proportionate basis) has a weighted average maturity of 8.3 years, a weighted average cost of 4.6% and 91.8% is at fixed interest rates. At 30 September 2015, we had £1.4bn of cash and available facilities. This gives the business considerable flexibility to deploy capital quickly should an acquisition opportunity arise.

Taxation

As a consequence of the Group's REIT status, income and capital gains from our qualifying property rental business are exempt from UK corporation tax. There was a tax credit of £0.2m in the period, relating to deferred tax arising on the acquisition of Bluewater, Kent (six months ended 30 September 2014: £0.1m credit).

Martin Greenslade
Chief Financial Officer

Retail Portfolio

Highlights

- Valuation surplus of 1.6%
- Ungeared total property return of 4.1%
- The portfolio underperformed its IPD Quarterly Universe sector benchmark at 4.3%
- £9.9m investment lettings
- £0.6m development lettings
- Like-for-like voids were 2.1% (31 March 2015: 2.4%)
- Units in administration were 0.3% (31 March 2015: 0.9%)

Key indicators

- Footfall in our shopping centres was up 4.1% (national benchmark down 1.1%)
- Same store sales were up 3.8% (national benchmark up 2.6%)
- Same centre sales, taking into account new lettings and occupier changes, were up 5.2%
- Measured retailers' rent to sales ratio was 9.9%
- Total occupancy costs (including rent, rates, service charges and insurance) represented 17.0% of sales

We have reshaped our portfolio over the past few years to ensure it meets the evolving requirements of our customers and consumers. Our retail park portfolio is focused on meeting consumers' convenience shopping needs, and our leisure properties and shopping centres are all vibrant destinations that provide consumers with a great experience.

Buy

We purchased three assets in the period for £33.4m, all of which are adjacent to existing properties and were acquired to unlock potential future development opportunities.

Develop

During the first half we started construction at Westgate in Oxford city centre. This 800,000 sq ft scheme, owned in joint venture with The Crown Estate, is due to open in October 2017. We have substantial retailer commitment to this exciting new retail and leisure destination, with 33% pre-lets secured. Retailers include John Lewis, Primark, Next, River Island, H&M, Schuh, Superdry, Ted Baker and Michael Kors. The leisure and catering line-up includes a state-of-the-art Curzon cinema and a broad food and beverage offer in a stunning rooftop environment.

At Worcester Woods, our planning application for a 240,000 sq ft development is due to be determined before the year end. This proposed retail park development is 67% pre-let with lettings to Sainsbury's, Next, M&S and John Lewis.

At Selly Oak, Birmingham, in joint venture with Sainsbury's, we have plans to develop 200,000 sq ft of open A1 retail space and 160,000 sq ft of student housing. The proposed retail scheme is 62% pre-let or in solicitors' hands, and we aim to start construction in the next financial year.

During the period we allowed the development agreement with Guildford Borough Council to lapse as the scheme was not financially viable. We have also deferred our plans to extend Buchanan Galleries in Glasgow while the Edinburgh Glasgow Improvement Programme is delivered by Network Rail, and will continue to review how we improve the retail, leisure and catering environment at the centre.

At White Rose, Leeds, we have detailed planning permission for a 65,000 sq ft leisure extension. We aim to start on site early next year with completion due in 2017. The extension is anchored by an 11 screen Cineworld cinema, including new IMAX technology, and six new restaurants, four of which are already in solicitors' hands.

In October, we received approval for a compulsory purchase order enabling us to progress our detailed plans at Filmworks in Ealing. This 219,000 sq ft mixed-use retail, leisure and residential development opportunity is adjacent to the new Crossrail station.

Manage

Every asset has a plan, and we work hard to ensure we are providing the right space for our customers.

A number of key retailers need more space to better showcase their brands within our shopping centres. Since the beginning of the financial year, we have delivered a significantly upsized unit for Polo Ralph Lauren at Gunwharf Quays, Portsmouth, and are currently creating new flagship units for retailers including Next at Bluewater, Kent and H&M at St David's, Cardiff. These upsizes demonstrate the importance of the best trading locations to retailers and their commitment to our high quality shopping centres.

With our strong customer relationships, we have also agreed a number of deals within our retail park and leisure portfolio. At Blackpool Retail Park, we decreased the size of one retailer's unit to give them the right amount of space for their needs, while simultaneously letting their surplus space and increasing rents. At Fountain Park, Edinburgh, we agreed a surrender from two large leisure occupiers and secured planning consent to refurbish and convert the space into four restaurants and a leisure unit. This initiative will benefit us by increasing net rental income while meeting the requirements of our consumers for more restaurants and family-focused leisure.

Leisure expenditure continues to increase in the UK. Throughout our portfolio, we have put our expertise in the leisure and catering sector to good use, increasing the breadth of food, beverage and entertainment on offer. This adds vibrancy to the consumer experience within our properties and encourages consumers to stay longer and spend more. Since 1 April, we have introduced numerous new brands to our centres, with almost 50 leisure and restaurant lettings completed or in solicitors' hands.

Sell

We have continued to fine-tune our portfolio by selling assets that do not fit with our key themes of dominance, experience and convenience. During the period we sold £43.6m of assets, and since the half year we have exchanged contracts to sell three mature retail park assets at Dundee, Derby and Gateshead for £273.6m. These disposals are in line with our strategy to focus on convenience parks with strong catchments, flexible planning consents and resilient property fundamentals.

Net rental income

Table 5: Net rental income(1)

	30 September 2015 £m	30 September 2014 £m	Change £m
Like-for-like investment properties	**139.2**	133.2	6.0
Proposed developments	**5.0**	3.6	1.4
Development programme	**0.5**	0.7	(0.2)
Completed developments	**1.5**	0.4	1.1
Acquisitions since 1 April 2014	**15.0**	7.1	7.9
Disposals since 1 April 2014	**0.9**	23.5	(22.6)
Non-property related income	**5.5**	3.5	2.0
Net rental income	**167.6**	172.0	(4.4)

1. On a proportionate basis.

Net rental income reduced by £4.4m from £172.0m to £167.6m. This was largely due to our disposals since April 2014. These include The Bridges, Sunderland, sold in the first half of last year, as well as our 50% shares of Cabot Circus, Bristol and Princesshay, Exeter, both sold in the second half of last year. The £22.6m reduction due to disposals is partly offset by our acquisitions, predominantly Bluewater, which contributed an additional £7.9m, and our like-for-like portfolio which contributed an additional £6.0m of income. The increase in our like-for-like portfolio is largely due to new lettings, rent reviews and an increase in turnover rents from the Accor hotels. Approximately £2.0m of the net rental income in the period is from non-recurring items, including surrender receipts. The £1.1m increase in net rental income from completed developments relates to The Bishop Centre, Taplow, which completed in July 2014 and is fully let.

Outlook

We continue to see change across the fast-paced retail environment. Only high quality assets which offer exceptional customer service and choice in a great environment will be able to adapt to these changing consumer trends. This is why our focus on dominance, experience and convenience ensures that our portfolio continues to perform and is well placed for the future.

London Portfolio

Highlights

- Valuation surplus of 5.6%
- Ungeared total property return of 7.3%
- The portfolio underperformed its IPD Quarterly Universe sector benchmark at 10.4%
- £7.1m investment lettings
- £16.6m development lettings
- Like-for-like voids were 3.6% (March 2015: 4.3%)

As we deliver the remainder of our large speculative development programme in London, we have continued to see strong demand for the workspace we are creating.

Buy

We made one acquisition in the period, acquiring our partner’s 50% interest at 6-17 Tottenham Court Road, W1 for £59.5m. This retail property is located next to the new Tottenham Court Road Crossrail station, with good rental growth prospects and future redevelopment potential.

Develop

Our London development programme remains exceptionally busy. In the City, following completion last year, 20 Fenchurch Street, EC3 is now 98% let. During the first half we reached practical completion at 1 & 2 New Ludgate, EC4 and this 382,000 sq ft retail and office scheme is now 92% let. The 275,000 sq ft development at 1 New Street Square, EC4 is due for completion in July 2016 and is pre-let in its entirety to Deloitte.

In Victoria, SW1, we have made good progress. 62 Buckingham Gate is now 96% let with the remainder in solicitors’ hands. The Zig Zag Building is now 37% let with a further 51% in solicitors’ hands. Jamie’s Italian, Mango and Iberica are all open. Kings Gate, our residential scheme, completed in October. 85 of the 100 apartments were pre-sold and these sales will complete in the second half. At Nova, 12% of the 480,000 sq ft office space is pre-let to Advent and Egon Zehnder. 135 of the 170 apartments have been pre-sold and London’s newest food quarter is 66% pre-let or in solicitors’ hands to a vibrant mix of operators.

Elsewhere in the West End, we will be completing 93,000 sq ft at 20 Eastbourne Terrace, W2 in April 2016. The 6,000 sq ft floor plates would typically be let post completion, but 62% of the space is already in solicitors' hands.

We have an exciting future pipeline. At 21 Moorfields, EC2, we have a resolution to grant planning consent for 515,000 sq ft of offices and retail and are finalising the section 106 agreement. We have also submitted planning applications for 194,000 sq ft of space at Nova, SW1 and 142,000 sq ft of space at 1 Sherwood Street, W1, behind Piccadilly Lights. Portland House, SW1, remains an opportunity for conversion to residential use in 2020.

Manage

Our refurbishment at Thomas More Square, E1 was completed in September and Holborn Gate, WC1 is progressing well; letting progress for both is ahead of expectations in terms of rental levels and timing. We have decided to retain Portland House, SW1, as an office building with some light touch refurbishment for the time being, rather than commit to a residential development.

Sell

During the first half we made disposals totalling £362.9m including the sale of Times Square, EC4 which completed in July 2015. We also exchanged contracts to sell Haymarket House, W1 for £155.2m and the sale will complete in the second half of the year.

Net rental income

Table 6: Net rental income(1)

	30 September 2015 £m	30 September 2014 £m	Change £m
Like-for-like investment properties	**105.8**	102.6	3.2
Proposed developments	**-**	-	-
Development programme	**6.5**	(1.6)	8.1
Completed developments	**12.7**	11.4	1.3
Acquisitions since 1 April 2014	**3.9**	-	3.9
Disposals since 1 April 2014(2)	**6.4**	14.7	(8.3)
Non-property related income	**1.9**	3.3	(1.4)
Net rental income	**137.2**	130.4	6.8

1. On a proportionate basis.
2. Includes Non-current assets held for sale

Net rental income increased by £6.8m from £130.4m to £137.2m, with the loss of net rental income from properties sold last year more than offset by the contribution from developments. Approximately £2.5m of the net rental income in the period is from non-recurring items, including surrender receipts.

The sale of Times Square, EC4, 47 Mark Lane, EC3, 130 Wood Street, EC2, and our 50% interest in 12/24 Oxford Street, W1, are behind the £8.3m reduction in net rental income from disposals. However, this was offset by £8.1m of increased income from the development programme, principally at 1 & 2 New Ludgate, EC4, and £1.3m of increased income from our completed developments. Our like-for-like portfolio contributed an additional £3.2m largely due to surrender income, the settlement of a number of rent reviews and lower direct property expenditure.

Acquisitions reflect net rental income since the purchase of our partners' respective interests in Thomas More Square, E1 and 6-17 Tottenham Court Road, W1. A reduction in development management fee income from 20 Fenchurch Street, EC3 and the loss of asset management fee income from sold properties has led to a decrease in non-property related income.

Outlook

Looking ahead, there remains a relative shortage of prime office space to let and we expect rental values to continue to rise in the near term. With the number of development starts picking up at a faster rate than we expected, our focus remains on letting the 767,000 sq ft left in our committed development programme, where the final building is due to complete in September 2016.

Principal risks and uncertainties

The principal risks of the business are set out on pages 34-36 of the 2015 Annual Report alongside their potential impact and related mitigations. These risks fall into eight categories: customers; market cyclicality; acquisitions; liability structure; development; people; environment; and health and safety.

The Board has reviewed the principal risks in the context of the second half of the current financial year and believes there has been no material change to the risks outlined in the Annual Report, and that the existing mitigation measures within the business remain relevant for the risks highlighted.

Statement of Directors' Responsibilities

Each of the Directors, whose names and functions appear below, confirm to the best of their knowledge that the condensed consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as issued by the IASB and adopted by the European Union and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules (DTR), namely:

- DTR 4.2.7 (R): an indication of important events that have occurred during the six month period ended 30 September 2015 and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- DTR 4.2.8 (R): any related party transactions in the six month period ended 30 September 2015 that have materially affected, and any changes in the related party transactions described in the 2015 Annual Report that could materially affect, the financial position or performance of the enterprise during that period.

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

Dame Alison Carnwath*, Chairman

Robert Noel, Chief Executive

Martin Greenslade, Chief Financial Officer

Kevin O'Byrne*, Senior Independent Director

Chris Bartram*

Simon Palley*

Stacey Rauch*

Edward Bonham Carter*

Cressida Hogg CBE*

*Non-executive Directors

A list of the current Directors is maintained on the Land Securities Group PLC website at: www.landsecurities.com.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

By order of the Board

Tim Ashby
Group General Counsel and Company Secretary
9 November 2015

Independent review report to Land Securities Group PLC

Introduction

We have been engaged by the Company to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 September 2015 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes to the financial statements 1 to 18. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. As disclosed in note 1, the annual consolidated financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London, 9 November 2015

Financial statements

Unaudited income statement		Six months ended 30 September 2015			Six months ended 30 September 2014		
		Revenue profit	Capital and other items	Total	Revenue profit	Capital and other items	Total
	Notes	£m	£m	£m	£m	£m	£m
Revenue	4	364.3	5.9	370.2	346.1	1.8	347.9
Costs	5	(119.2)	(4.5)	(123.7)	(115.8)	(4.6)	(120.4)
		245.1	1.4	246.5	230.3	(2.8)	227.5
Profit on disposal of investment properties	3	-	5.8	5.8	-	36.8	36.8
Net surplus on revaluation of investment properties	11	-	394.5	394.5	-	788.9	788.9
Operating profit		245.1	401.7	646.8	230.3	822.9	1,053.2
Share of post-tax profit from joint ventures	12	11.1	133.8	144.9	18.9	94.5	113.4
Interest income	6	16.5	2.2	18.7	14.9	-	14.9
Interest expense	6	(88.5)	(11.4)	(99.9)	(94.1)	(19.4)	(113.5)
Revaluation of redemption liabilities		-	(2.4)	(2.4)	-	(6.3)	(6.3)
Impairment of goodwill		-	(0.2)	(0.2)	-	(30.6)	(30.6)
Profit before tax		184.2	523.7	707.9	170.0	861.1	1,031.1
Taxation		-	0.2	0.2	-	0.1	0.1
Profit for the period attributable to owners of the parent		184.2	523.9	708.1	170.0	861.2	1,031.2
Earnings per share attributable to owners of the parent (pence):							
Basic earnings per share	8			89.7			130.6
Diluted earnings per share	8			89.3			130.1

Unaudited statement of comprehensive income		Six months ended 30 September 2015	Six months ended 30 September 2014
		Total	Total
	Notes	£m	£m
Profit for the period attributable to owners of the parent		708.1	1,031.2
Items that may be subsequently reclassified to the income statement:			
Share of joint ventures' fair value movements on interest-rate swaps treated as cash flow hedges	12	0.3	(0.2)
Revaluation of other investments		0.2	-
Items that will not be subsequently reclassified to the income statement:			
Re-measurement gain/(losses) on defined benefit pension scheme		5.0	(0.7)
Deferred tax on re-measurement gain on defined benefit pension scheme		(0.9)	-
Other comprehensive income for the period attributable to owners of the parent		4.6	(0.9)
Total comprehensive income for the period attributable to owners of the parent		712.7	1,030.3

Unaudited balance sheet	Notes	30 September 2015 £m	31 March 2015 £m
Non-current assets			
Investment properties	11	12,611.6	12,158.0

Intangible assets		**33.7**	34.7
Other property, plant and equipment		**10.8**	9.6
Net investment in finance leases		**183.9**	185.1
Loan investment		**-**	49.5
Investments in joint ventures	12	**1,550.7**	1,433.5
Other investments		**13.6**	12.8
Trade and other receivables		**72.3**	54.0
Pension surplus		**11.9**	7.0
Total non-current assets		**14,488.5**	13,944.2
Current assets			
Trading properties and long-term development contracts	13	**235.6**	222.3
Trade and other receivables		**393.1**	402.7
Derivative financial instruments		**6.5**	-
Monies held in restricted accounts and deposits		**7.4**	10.4
Cash and cash equivalents		**16.7**	14.3
Total current assets		**659.3**	649.7
Non-current assets held for sale	18	**154.3**	283.4
Total assets		**15,302.1**	14,877.3
Current liabilities			
Borrowings	15	**(793.2)**	(190.7)
Trade and other payables		**(372.3)**	(367.3)
Provisions		**(1.6)**	(2.6)
Derivative financial instruments		**-**	(3.8)
Current tax liabilities		**(3.4)**	(3.7)
Total current liabilities		**(1,170.5)**	(568.1)
Non-current liabilities			
Borrowings	15	**(2,842.1)**	(3,593.0)
Trade and other payables		**(28.8)**	(29.6)
Derivative financial instruments		**(30.1)**	(37.7)
Redemption liabilities		**(34.4)**	(35.3)
Deferred tax		**(8.0)**	(7.3)
Total non-current liabilities		**(2,943.4)**	(3,702.9)
Total liabilities		**(4,113.9)**	(4,271.0)
Net assets		**11,188.2**	10,606.3
Equity			
Capital and reserves attributable to the owners of the parent			
Ordinary shares		**80.1**	80.1
Share premium		**790.0**	789.4
Capital redemption reserve		**30.5**	30.5
Share-based payments		**7.4**	8.7
Retained earnings		**10,289.3**	9,708.7
Own shares		**(9.1)**	(11.1)
Total equity		**11,188.2**	10,606.3

Unaudited statement of changes in equity	Attributable to owners of the parent						
	Ordinary shares £m	Share premium £m	Capital redemption reserve £m	Share-based payments £m	Retained earnings £m	Own shares £m	Total equity £m
At 1 April 2014	79.9	788.3	30.5	6.3	7,522.5	(9.2)	8,418.3
Total comprehensive income for the period	-	-	-	-	1,030.3	-	1,030.3
Transactions with owners:							
Exercise of options	-	1.2	-	-	-	-	1.2
Dividends to owners of the parent	0.2	(0.2)	-	-	(105.0)	-	(105.0)
Fair value of share-based payments	-	-	-	3.0	-	-	3.0
Release on exercise of share options	-	-	-	(3.5)	3.5	-	-

Settlement and transfer of shares to employees on exercise of share options, net of proceeds	-	-	-	-	(4.1)	6.8	2.7
Acquisition of own shares and treasury shares	-	-	-	-	(0.2)	(5.7)	(5.9)
Total transactions with owners of the parent	0.2	1.0	-	(0.5)	(105.8)	1.1	(104.0)
At 30 September 2014	80.1	789.3	30.5	5.8	8,447.0	(8.1)	9,344.6
Total comprehensive income for the period	-	-	-	-	1,387.0	-	1,387.0
Transactions with owners:							
Exercise of options	-	0.1	-	-	-	-	0.1
Dividends to owners of the parent	-	-	-	-	(124.8)	-	(124.8)
Fair value of share-based payments	-	-	-	3.0	-	-	3.0
Release on exercise of share options	-	-	-	(0.1)	0.1	-	-
Settlement and transfer of shares to employees on exercise of share options, net of proceeds	-	-	-	-	(0.6)	3.1	2.5
Acquisition of own shares and treasury shares	-	-	-	-	-	(6.1)	(6.1)
Total transactions with owners of the parent	-	0.1	-	2.9	(125.3)	(3.0)	(125.3)
At 31 March 2015	**80.1**	**789.4**	**30.5**	**8.7**	**9,708.7**	**(11.1)**	**10,606.3**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**712.7**	**-**	**712.7**
Transactions with owners:							
Exercise of options	**-**	**0.6**	**-**	**-**	**-**	**-**	**0.6**
Dividends to owners of the parent	**-**	**-**	**-**	**-**	**(126.6)**	**-**	**(126.6)**
Fair value of share-based payments	**-**	**-**	**-**	**4.2**	**-**	**-**	**4.2**
Release on exercise of share options	**-**	**-**	**-**	**(5.5)**	**5.5**	**-**	**-**
Settlement and transfer of shares to employees on exercise of share options, net of proceeds	**-**	**-**	**-**	**-**	**(11.0)**	**14.4**	**3.4**
Acquisition of own shares	**-**	**-**	**-**	**-**	**-**	**(12.4)**	**(12.4)**
Total transactions with owners of the parent	**-**	**0.6**	**-**	**(1.3)**	**(132.1)**	**2.0**	**(130.8)**
At 30 September 2015	**80.1**	**790.0**	**30.5**	**7.4**	**10,289.3**	**(9.1)**	**11,188.2**

Unaudited statement of cash flows		**Six months ended 30 September**	
		2015	2014
	Notes	**£m**	£m
Cash flows from operating activities			
Net cash generated from operations	10	**216.5**	210.2
Interest received		**1.0**	3.4
Interest paid		**(99.7)**	(97.9)
Employer contributions to defined benefit pension scheme		**(0.4)**	(1.4)
Capital expenditure on trading properties		**(20.1)**	(22.9)
Disposal of trading properties		**58.3**	18.4
Corporation tax paid		**(0.1)**	-
Net cash inflow from operating activities		**155.5**	109.8
Cash flows from investing activities			
Investment property development expenditure		**(55.6)**	(109.0)
Acquisition of investment properties and other investments		**(94.8)**	(0.2)
Acquisitions treated as business combinations (net of cash acquired)		**-**	(694.3)
Other investment property related expenditure		**(65.3)**	(23.5)
Disposal of investment properties		**344.3**	161.9
Expenditure on non-property related non-current assets		**(2.7)**	-
Receipt of long-term loan investment		**49.5**	-
Cash contributed to joint ventures	12	**(14.6)**	(5.7)
Loan advances to joint ventures	12	**(63.1)**	(111.3)
Loan repayments by joint ventures	12	**6.4**	7.8
Distributions from joint ventures	12	**43.6**	10.4
Net cash inflow/(outflow) from investing activities		**147.7**	(763.9)
Cash flows from financing activities			
Cash received on issue of shares arising from exercise of share options		**4.0**	3.9
Purchase of own shares and treasury shares		**(12.4)**	(5.9)
Proceeds from new loans (net of finance fees)	15	**142.1**	768.5
Repayment of loans	15	**(312.1)**	(6.5)

Decrease/(increase) in monies held in restricted accounts and deposits		**3.0**	(1.6)
Decrease in finance leases payable		**-**	-
Dividends paid to owners of the parent	9	**(124.2)**	(101.9)
Distributions paid by non-wholly owned subsidiaries		**(1.2)**	(1.3)
Net cash (outflow)/inflow from financing activities		**(300.8)**	655.2
Increase in cash and cash equivalents for the period		**2.4**	1.1
Cash and cash equivalents at the beginning of the period		**14.3**	20.9
Cash and cash equivalents at the end of the period		**16.7**	22.0

Notes to the financial statements

1. Basis of preparation and consolidation

Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2015 has been prepared on a going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting' as adopted by the European Union (EU). In order to satisfy themselves that the Group has adequate resources to continue in operational existence for the foreseeable future, the Directors have reviewed an 18 month forecast extracted from the Group's current five year plan, which includes assumptions about future trading performance, valuation projections and debt requirements and an assessment of the impact of variations in the assumptions. This, together with available market information and experience of the Group's property portfolio and markets, has given the Directors sufficient confidence to adopt the going concern basis in preparing the financial statements.

The condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2015, presented in accordance with IFRS, were approved by the Board of Directors on 18 May 2015 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The condensed consolidated interim financial information has been reviewed, not audited.

The condensed consolidated interim financial information should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

This condensed consolidated interim financial information was approved for issue on 9 November 2015.

Presentation of results

The Group income statement is presented in a columnar format, split into those items that relate to revenue profit and capital and other items. The total column represents the Group's results presented in accordance with IFRSs; the other columns provide additional information. This is intended to reflect the way in which the Group's senior management review the results of the business and to aid reconciliation to the segmental reporting.

The presentation of individual cost items in the Income Statement has been reviewed in the period and some less significant items are now aggregated within Costs.

A number of the financial measures used internally by the Group to measure performance include the results of partly-owned subsidiaries and joint ventures on a proportionate basis. Measures that are described as being on a proportionate basis include the Group's share of joint ventures on a line-by-line basis and are adjusted to exclude the non-owned elements of our subsidiaries. These measures are non-GAAP measures and therefore not presented in accordance with IFRSs. This is in contrast to the Group's statutory financial statements, where the Group applies equity accounting to its interest in joint ventures, presenting its interest as one line on the income statement and balance sheet, and consolidating all subsidiaries at 100% with any non-owned element being adjusted as a non-controlling interest or redemption liability, as appropriate. Our joint operations are presented on a proportionate basis in all financial measures.

Revenue profit is the Group's measure of underlying pre-tax profit, which is used by senior management to assess the Group's income performance. It excludes all items of a capital nature, such as valuation movements and profits and losses on the disposal of investment properties, as well as one-off items. A full definition of revenue profit is given in the glossary. The components of revenue profit are presented on a proportionate basis in note 3. Revenue profit is a non-GAAP measure.

2. Significant accounting policies

Except as described below, the condensed consolidated interim financial information has been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out in the notes to the Group's annual financial statements for the year ended 31 March 2015. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following accounting standards or interpretations were effective for the financial year beginning 1 April 2015 and have been applied in preparing these interim financial statements to the extent they are relevant to the preparation of interim financial information:

- IAS 19 (amendment) 'Defined Benefit Plans: Employee Contributions'
- Annual Improvements to the IFRSs 2010-2012 Cycle which include amendments to:
    - IFRS 2 'Share-based Payments'
    - IFRS 3 'Business Combinations'
    - IFRS 8 'Operating Segments'
    - IFRS 13 'Fair Value Measurement'
    - IAS 16 'Property, Plant and Equipment'
    - IAS 24 'Related Party Disclosures'
    - IAS 38 'Intangible Assets'
    - IAS 40 'Investment Property'

None of the standards above have impacted the Group's reporting.

The following accounting standards and interpretations which are relevant to the Group have been issued, but are not yet effective:

- IFRS 9 'Financial Instruments'
- IFRS 11 (amendment) 'Accounting for Acquisitions of Interest in Joint Operations'
- IFRS 15 'Revenue from Contracts with Customers'
- IAS 1 'Disclosure initiative – amendments to IAS1'
- IAS 27 (amendment) 'Equity Method in Separate Financial Statements'
- IAS 28 and IFRS 10 (amendment) 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'
- IAS 16 (amendment) 'Property, Plant and Equipment'
- IAS 38 (amendment) 'Intangible Assets'
- Annual Improvements to the IFRSs 2012-2014 Cycle (various standards)

These standards and interpretations have not been early adopted by the Group. The Group is in the process of assessing the impact of these new standards and interpretations on its financial reporting.

3. Segmental information

The Group's operations are organised into two operating segments, being the Retail Portfolio and the London Portfolio. The London Portfolio includes all our London offices and central London shops and the Retail Portfolio includes all our shopping centres and shops (excluding central London shops), hotels and leisure assets and retail warehouse properties. All of the Group's operations are in the UK.

Management has determined the Group's operating segments based on the information reviewed by senior management to make strategic decisions. During the year, the chief operating decision maker was the Executive Committee (ExecCom), which comprised the Executive Directors, the managing directors of the Retail and London portfolios, the Group General Counsel and Company Secretary, the Group HR Director, and the Director of Corporate Affairs and Sustainability. The information presented to ExecCom includes reports from all functions of the business as well as strategy, financial planning, succession planning, organisational development and Group-wide policies.

The Group's primary measure of underlying profit before tax is revenue profit. However, segment profit is the lowest level to which the profit arising from the on-going operations of the Group is analysed between the two segments. The Group manages its financing structure, with the exception of joint ventures, on a pooled basis and, as such, debt facilities and interest charges (other than those relating to joint ventures) are not specific to a particular segment. Unallocated income and expenses (Group services) are items incurred centrally which are neither directly attributable nor can be reasonably allocated to individual segments.

The Group's financial performance is not impacted by seasonal fluctuations.

									Six months ended 30 September 2015
			Retail Portfolio			London Portfolio			Total
Revenue profit	Group £m	Joint ventures £m	Total £m	Group £m	Joint ventures £m	Total £m	Group(1) £m	Joint ventures £m	Total £m
Rental income	166.6	15.3	181.9	132.6	9.3	141.9	299.2	24.6	323.8
Finance lease interest	0.7	-	0.7	4.5	-	4.5	5.2	-	5.2
Gross rental income (before rents payable)	167.3	15.3	182.6	137.1	9.3	146.4	304.4	24.6	329.0
Rents payable(2)	(3.7)	(0.5)	(4.2)	(1.4)	-	(1.4)	(5.1)	(0.5)	(5.6)
Gross rental income (after rents payable)	163.6	14.8	178.4	135.7	9.3	145.0	299.3	24.1	323.4
Service charge income	22.5	2.3	24.8	19.7	1.7	21.4	42.2	4.0	46.2
Service charge expense	(23.4)	(2.6)	(26.0)	(20.1)	(2.1)	(22.2)	(43.5)	(4.7)	(48.2)
Net service charge (expense)/income	(0.9)	(0.3)	(1.2)	(0.4)	(0.4)	(0.8)	(1.3)	(0.7)	(2.0)
Other property related income	9.8	0.3	10.1	6.1	0.4	6.5	15.9	0.7	16.6
Direct property expenditure	(17.5)	(2.2)	(19.7)	(12.7)	(0.8)	(13.5)	(30.2)	(3.0)	(33.2)
Net rental income	155.0	12.6	167.6	128.7	8.5	137.2	283.7	21.1	304.8
Indirect property expenditure	(12.3)	(0.5)	(12.8)	(8.4)	(0.3)	(8.7)	(20.7)	(0.8)	(21.5)
Depreciation	(0.1)	-	(0.1)	(0.4)	-	(0.4)	(0.5)	-	(0.5)
Segment profit before interest	142.6	12.1	154.7	119.9	8.2	128.1	262.5	20.3	282.8
Joint venture net interest expense	-	(1.6)	(1.6)	-	(7.6)	(7.6)	-	(9.2)	(9.2)
Segment profit	142.6	10.5	153.1	119.9	0.6	120.5	262.5	11.1	273.6
Group services – other income							1.8	-	1.8
– expense							(19.2)	-	(19.2)
Interest income							16.5	-	16.5
Interest expense							(88.5)	-	(88.5)
Revenue profit							173.1	11.1	184.2

1. Group income figures shown in this column are included in note 4 and agree to the revenue figure included in the revenue profit column in the income statement.
2. Included within rents payable is finance lease interest payable of **£0.3m** and **£0.2m** for the Retail and London portfolios, respectively.

Reconciliation of revenue profit to profit before tax			**Total**
	Group £m	Joint ventures £m	Total £m
Revenue profit	173.1	11.1	184.2
Capital and other items			
Impairment of long-term development contracts	(0.1)	(0.1)	(0.2)

Loss on disposal of trading properties	**(0.2)**	**-**	**(0.2)**
Profit on disposal of investment properties	**5.8**	**4.0**	**9.8**
Net surplus on revaluation of investment properties	**393.6**	**125.7**	**519.3**
Movement in impairment of trading properties(3)	**1.2**	**4.4**	**5.6**
Fair value movement on interest-rate swaps	**2.2**	**-**	**2.2**
Fair value movement on foreign exchange swaps	**9.5**	**-**	**9.5**
Foreign exchange movement on borrowings	**(9.5)**	**-**	**(9.5)**
Amortisation of bond exchange de-recognition adjustment	**(11.4)**	**-**	**(11.4)**
Revaluation of redemption liabilities	**(2.4)**	**-**	**(2.4)**
Joint venture taxation	**-**	**(0.2)**	**(0.2)**
Impairment of goodwill	**(0.2)**	**-**	**(0.2)**
Amortisation of intangible asset	**(0.8)**	**-**	**(0.8)**
Adjustment for non-wholly owned subsidiaries(4)	**2.2**	**-**	**2.2**
Profit before tax	**563.0**	**144.9**	**707.9**

3. The net release of impairment of trading properties of **£5.6m** relates entirely to the London Portfolio.
4. All items in the segment note are presented on a proportionate basis (see note 1). This adjustment represents the non-owned element of the Group's subsidiaries which is excluded from the numbers presented in the tables above. Included within the **£2.2m** adjustment above is revenue of **£1.7m**, net surplus on revaluation of investment properties of **£0.9m**, joint venture profits in non-wholly owned subsidiaries of **£nil**, less costs of **£0.4m**.

									Six months ended 30 September 2014
			Retail Portfolio			London Portfolio			Total
Revenue profit	Group £m	Joint ventures £m	Total £m	Group £m	Joint ventures £m	Total £m	Group(1) £m	Joint ventures £m	Total £m
Rental income	160.3	30.2	190.5	122.1	10.1	132.2	282.4	40.3	322.7
Finance lease interest	0.7	0.1	0.8	4.5	-	4.5	5.2	0.1	5.3
Gross rental income (before rents payable)	161.0	30.3	191.3	126.6	10.1	136.7	287.6	40.4	328.0
Rents payable(2)	(4.9)	(0.9)	(5.8)	(0.9)	-	(0.9)	(5.8)	(0.9)	(6.7)
Gross rental income (after rents payable)	156.1	29.4	185.5	125.7	10.1	135.8	281.8	39.5	321.3
Service charge income	22.8	4.2	27.0	18.0	1.0	19.0	40.8	5.2	46.0
Service charge expense	(23.2)	(4.6)	(27.8)	(17.1)	(1.2)	(18.3)	(40.3)	(5.8)	(46.1)
Net service charge expense	(0.4)	(0.4)	(0.8)	0.9	(0.2)	0.7	0.5	(0.6)	(0.1)
Other property related income	8.1	0.5	8.6	7.8	0.3	8.1	15.9	0.8	16.7
Direct property expenditure	(17.2)	(4.1)	(21.3)	(13.0)	(1.2)	(14.2)	(30.2)	(5.3)	(35.5)
Net rental income	146.6	25.4	172.0	121.4	9.0	130.4	268.0	34.4	302.4
Indirect property expenditure	(12.2)	(1.0)	(13.2)	(9.1)	(0.6)	(9.7)	(21.3)	(1.6)	(22.9)
Depreciation	(0.1)	-	(0.1)	(0.5)	-	(0.5)	(0.6)	-	(0.6)
Segment profit before interest	134.3	24.4	158.7	111.8	8.4	120.2	246.1	32.8	278.9
Joint venture net interest expense	-	(5.4)	(5.4)	-	(8.5)	(8.5)	-	(13.9)	(13.9)
Segment profit	134.3	19.0	153.3	111.8	(0.1)	111.7	246.1	18.9	265.0
Group services – other income							1.8	-	1.8
– expense							(17.6)	-	(17.6)
Interest income							14.9	-	14.9
Interest expense							(94.1)	-	(94.1)
Revenue profit							151.1	18.9	170.0

1. Group income figures shown in this column are included in note 4 and agree to the revenue figure included in the revenue profit column in the income statement.
2. Included within rents payable is finance lease interest payable of £0.8m and £0.2m for the Retail and London portfolios, respectively.

Reconciliation of revenue profit to profit before tax			**Total**
	Group £m	Joint ventures £m	Total £m
Revenue profit	151.1	18.9	170.0
Capital and other items			
(Loss)/ profit on disposal of trading properties	(0.4)	0.2	(0.2)
Profit on disposal of investment properties	36.8	1.4	38.2
Net surplus on revaluation of investment properties	787.3	92.9	880.2
Movement in impairment of trading properties(3)	(0.6)	(0.4)	(1.0)
Fair value movement on interest-rate swaps	(8.9)	0.1	(8.8)
Amortisation of bond exchange de-recognition adjustment	(10.5)	-	(10.5)
Revaluation of redemption liabilities	(6.3)	-	(6.3)
Business combination costs	(2.7)	-	(2.7)
Impairment of goodwill	(30.6)	-	(30.6)
Amortisation of intangible asset	(0.4)	-	(0.4)
Adjustment for non-wholly owned subsidiaries(4)	2.9	0.3	3.2

Profit before tax	917.7	113.4	1,031.1

3. Of the impairment of trading properties of £1.0m, an impairment of £0.2m relates to the Retail Portfolio and £0.8m relates to the London Portfolio.
4. All items in the segment note are presented on a proportionate basis (see note 1). This adjustment represents the non-owned element of the Group's subsidiaries which is excluded from the numbers presented in the tables above. Included within the £3.2m adjustment above is revenue of £1.8m, a net surplus on revaluation of investment properties of £1.6m, joint venture profits in non-wholly owned subsidiaries of £0.3m, less costs of £0.5m.

4. Revenue

All revenue is classified within the 'Revenue profit' column of the income statement, with the exception of proceeds on the sale of trading properties and income arising on long-term development contracts, which are presented in the 'Capital and other items' column. Also included in the 'Capital and other items' column is the non-owned element of the Group's subsidiaries which is excluded from revenue profit.

	Six months ended 30 September 2015			Six months ended 30 September 2014		
	Revenue profit £m	**Capital and other items £m**	**Total £m**	Revenue profit £m	Capital and other items £m	Total £m
Rental income (excluding adjustment for lease incentives)	**289.5**	**1.4**	**290.9**	273.1	1.4	274.5
Adjustment for lease incentives	**9.7**	**-**	**9.7**	9.3	0.1	9.4
Rental income	**299.2**	**1.4**	**300.6**	282.4	1.5	283.9
Service charge income	**42.2**	**0.3**	**42.5**	40.8	0.3	41.1
Other property related income	**15.9**	**-**	**15.9**	15.9	-	15.9
Trading property sales proceeds	**-**	**4.2**	**4.2**	-	-	-
Finance lease interest	**5.2**	**-**	**5.2**	5.2	-	5.2
Other income	**1.8**	**-**	**1.8**	1.8	-	1.8
	364.3	**5.9**	**370.2**	346.1	1.8	347.9

5. Costs

All costs are classified within the 'Revenue profit' column of the income statement, with the exception of the cost of sale of trading properties, costs arising on long-term development contracts, amortisation of intangible assets and business combination costs which are presented in the 'Capital and other items' column. Also included in the 'Capital and other items' column is the non-owned element of the Group's subsidiaries which is excluded from revenue profit.

	Six months ended 30 September 2015			Six months ended 30 September 2014		
	Revenue profit £m	**Capital and other items £m**	**Total £m**	Revenue profit £m	Capital and other items £m	Total £m
Rents payable	**5.1**	**-**	**5.1**	5.8	-	5.8
Service charge expense(1)	**43.5**	**0.3**	**43.8**	40.3	0.3	40.6
Direct property expenditure(1)	**30.2**	**0.1**	**30.3**	30.2	0.2	30.4
Indirect property expenditure(1)	**40.4**	**-**	**40.4**	39.5	-	39.5
Impairment of long-term development contracts	**-**	**0.1**	**0.1**	-	-	-
Trading property disposals	**-**	**4.4**	**4.4**	-	0.4	0.4
Movement in impairment of trading properties	**-**	**(1.2)**	**(1.2)**	-	0.6	0.6
Amortisation of intangible asset	**-**	**0.8**	**0.8**	-	0.4	0.4
Business combination costs	**-**	**-**	**-**	-	2.7	2.7
	119.2	**4.5**	**123.7**	115.8	4.6	120.4

1. The table above includes Group employee costs for the period of **£29.7m** (2014: £26.4m), which has been split into **£3.6m** (2014: £3.7m) within service charge expense, **£0.2m** (2014: £0.1m) within direct property expenditure and **£25.9m** (2014: £22.6m) within indirect property expenditure.

6. Interest

	Six months ended 30 September 2015			Six months ended 30 September 2014		
	Revenue profit £m	**Capital and other items £m**	**Total £m**	Revenue profit £m	Capital and other items £m	Total £m
Interest income						
Interest received on loan investments	**0.5**	**-**	**0.5**	1.4	-	1.4
Other interest receivable	**0.5**	**-**	**0.5**	0.1	-	0.1
Net interest receivable from joint ventures	**15.3**	**-**	**15.3**	13.3	-	13.3
Net pension interest	**0.2**	**-**	**0.2**	0.1	-	0.1
Fair value movement on interest rate swaps	**-**	**2.2**	**2.2**	-	-	-
Total interest income	**16.5**	**2.2**	**18.7**	14.9	-	14.9
Interest expense						
Bond and debenture debt	**(84.7)**	**-**	**(84.7)**	(84.9)	-	(84.9)
Bank and other short term borrowings	**(11.3)**	**-**	**(11.3)**	(15.2)	-	(15.2)
Amortisation of bond exchange de-recognition adjustment	**-**	**(11.4)**	**(11.4)**	-	(10.5)	(10.5)
Fair value movement on interest-rate swaps	**-**	**-**	**-**	-	(8.9)	(8.9)

Fair value movement on foreign exchange swaps	**-**	**9.5**	**9.5**	-	-	-
Foreign exchange movement on borrowings	**-**	**(9.5)**	**(9.5)**	-	-	-
Other interest payable	**(0.3)**	**-**	**(0.3)**	(0.2)	-	(0.2)
	(96.3)	**(11.4)**	**(107.7)**	(100.3)	(19.4)	(119.7)
Interest capitalised in relation to properties under development	**7.8**	**-**	**7.8**	6.2	-	6.2
Total interest expense	**(88.5)**	**(11.4)**	**(99.9)**	(94.1)	(19.4)	(113.5)
Net interest expense	**(72.0)**	**(9.2)**	**(81.2)**	(79.2)	(19.4)	(98.6)
Joint venture net interest expense	**(9.2)**			(13.9)		
Net interest expense included in revenue profit	**(81.2)**			(93.1)		

Finance lease interest payable of **£0.5m** (2014: £1.0m) is included within rents payable as detailed in note 3.

7. Net assets per share	30 September 2015 £m	31 March 2015 £m
Net assets attributable to the owners of the parent	**11,188.2**	10,606.3
Fair value of interest-rate swaps – Group	**30.1**	37.7
– Joint ventures	**1.7**	2.1
Deferred tax liability arising on business combination	**5.6**	5.8
Goodwill on deferred tax liability	**(5.6)**	(5.8)
EPRA adjusted net assets	**11,220.0**	10,646.1
Reverse bond exchange de-recognition adjustment	**(380.3)**	(391.7)
Adjusted net assets attributable to the owners of the parent	**10,839.7**	10,254.4
Reinstate bond exchange de-recognition adjustment	**380.3**	391.7
Fair value of interest-rate swaps – Group	**(30.1)**	(37.7)
– Joint ventures	**(1.7)**	(2.1)
Deferred tax liability arising on business combination	**(5.6)**	(5.8)
Excess of fair value of debt over book value (note 15)	**(997.9)**	(1,161.4)
EPRA triple net assets	**10,184.7**	9,439.1

	30 September 2015 million	31 March 2015 million
Number of ordinary shares in issue	**801.1**	801.0
Number of treasury shares	**(10.5)**	(10.5)
Number of own shares	**(0.8)**	(1.0)
Number of ordinary shares - basic net assets per share	**789.8**	789.5
Dilutive effect of share options	**3.2**	3.7
Number of ordinary shares - diluted net assets per share	**793.0**	793.2

	30 September 2015 pence	31 March 2015 pence
Net assets per share	**1,416**	1,343
Diluted net assets per share	**1,411**	1,337
Adjusted net assets per share	**1,372**	1,299
Adjusted diluted net assets per share	**1,367**	1,293
EPRA measure – adjusted diluted net assets per share	**1,415**	1,342
– diluted triple net assets per share	**1,284**	1,190

Adjusted net assets per share excludes the fair value of interest rate swaps used for hedging purposes and the bond exchange de-recognition adjustment as management consider this better represents the expected future cash flows of the Group. EPRA measures have been included to assist comparison between European property companies. We believe our measure of adjusted net assets attributable to the owners of the parent is more indicative of underlying performance.

8. Earnings per share

Earnings per share (EPS) is the amount of post-tax profit attributable to each share.

The Group has also chosen to disclose adjusted earnings per share in order to provide an indication of the Group's underlying business performance. Adjusted earnings and adjusted earnings per share are calculated on a proportionate basis and exclude capital and one-off items. We believe our measure of adjusted diluted earnings per share is more appropriate than the EPRA measure in the context of our business.

	Six months ended 30 September 2015	2014

	£m	£m
Profit for the period attributable to the owners of the parent	**708.1**	1,031.2
Loss on disposal of trading properties	**0.2**	0.2
Profit on disposal of investment properties	**(9.8)**	(38.2)
Net surplus on revaluation of investment properties	**(519.3)**	(880.2)
Movement in impairment of trading properties	**(5.6)**	1.0
Fair value movement on interest-rate swaps	**(2.2)**	8.8
Fair value movement on foreign exchange swaps	**(9.5)**	-
Foreign exchange movement on borrowings	**9.5**	-
Revaluation of redemption liabilities	**2.4**	6.3
Business combination costs	**-**	2.7
Impairment of goodwill	**0.2**	30.6
Amortisation of intangible asset	**0.8**	0.4
Joint venture taxation	**0.2**	-
Group taxation	**(0.2)**	(0.1)
Adjustment for non-wholly owned subsidiaries(1)	**(2.2)**	(3.2)
EPRA adjusted earnings attributable to the owners of the parent	**172.6**	159.5
Eliminate:		
Impairment of long-term development contracts(2)	**0.2**	-
Amortisation of bond exchange de-recognition adjustment	**11.4**	10.5
Adjusted earnings attributable to the owners of the parent	**184.2**	170.0

1. This adjustment represents the non-owned element of the Group's subsidiaries which is excluded from adjusted earnings.
2. The impairment of long-term development contracts has been removed from our adjusted earnings due to the long-term, capital nature of these programmes.

	Six months ended 30 September	
	2015 million	2014 million
Weighted average number of ordinary shares	**801.1**	800.8
Weighted average number of treasury shares	**(10.5)**	(10.5)
Weighted average number of own shares	**(0.8)**	(1.0)
Weighted average number of ordinary shares - basic earnings per share	**789.8**	789.3
Dilutive effect of share options	**3.3**	3.2
Weighted average number of ordinary shares - diluted earnings per share	**793.1**	792.5

	Six months ended 30 September	
	2015 pence	2014 pence
Basic earnings per share	**89.7**	130.6
Diluted earnings per share	**89.3**	130.1
Adjusted earnings per share	**23.3**	21.5
Adjusted diluted earnings per share	**23.2**	21.4
EPRA adjusted earnings per share	**21.9**	20.2
EPRA adjusted diluted earnings per share	**21.8**	20.1

9. Dividends

Ordinary dividends paid	Payment date	Pence per share	**Six months ended 30 September 2015 £m**	2014 £m
For the year ended 31 March 2014:				
Third interim	11 April 2014	7.6		59.8
Final	22 July 2014	7.9		62.4
For the year ended 31 March 2015:				
Third interim	**10 April 2015**	**7.9**	**62.4**	
Final	**24 July 2015**	**8.15**	**64.4**	
Gross dividends			**126.8**	122.2
Dividends settled in shares			**-**	(17.2)
Historic unclaimed dividends refunded			**(0.2)**	-
Dividends in the statement of changes in equity			**126.6**	105.0
Timing difference relating to payment of withholding tax			**(2.4)**	(3.1)

Dividends in the statement of cash flows	**124.2**	101.9

The Company paid a first interim dividend in respect of the current financial year of **8.15p** per ordinary share, wholly as a Property Income Distribution (PID), representing **£64.4m** in total (2014: 7.9p or £62.4m), on 9 October 2015.

The Board has declared a second interim dividend of **8.15p** per ordinary share to be paid as an ordinary dividend (2014: 7.9p, of which 6.0p was paid as a PID and 1.9p as an ordinary dividend). This second interim dividend will result in a further estimated distribution of **£64.4m** (2014: £62.4m) and will be paid on 7 January 2016 to shareholders registered at the close of business on 4 December 2015.

The Company operated a Scrip Dividend Scheme for part of last year and the scrip dividend amount of £17.2m comprised wholly non-PID distributions. A Dividend Reinvestment Plan (DRIP) was introduced in place of the Scrip Dividend Scheme and was operated for the first time in respect of last year's final dividend paid on 22 July 2014.

10. Net cash generated from operations	**Six months ended 30 September**	
	2015	2014
Reconciliation of operating profit to net cash generated from operations:	**£m**	£m
Operating profit	**646.8**	1,053.2
Adjustments for:		
Depreciation	**0.9**	1.4
Impairment of long-term development contracts	**0.1**	-
Loss on disposal of trading properties	**0.2**	0.4
Profit on disposal of investment properties	**(5.8)**	(36.8)
Net surplus on revaluation of investment properties	**(394.5)**	(788.9)
Movement in impairment of trading properties	**(1.2)**	0.6
Amortisation of intangible asset	**0.8**	0.4
Share-based payment charge	**4.2**	3.0
Defined benefit pension scheme charge	**0.6**	0.5
	252.1	233.8
Changes in working capital:		
Increase in long-term development contracts	**-**	(0.4)
Increase in receivables	**(33.3)**	(11.6)
Decrease in payables and provisions	**(2.3)**	(11.6)
Net cash generated from operations	**216.5**	210.2

11. Investment properties	**2015**	2015	2014
	£m	£m	£m
Net book value at the beginning of the period	**12,158.0**	11,279.3	9,847.7
Acquisitions	**150.0**	108.9	-
Acquired in business combination	**-**	275.0	635.8
Capital expenditure: Like-for-like portfolio	**66.9**	61.0	22.4
Development portfolio	**62.4**	75.6	117.2
Capitalised interest	**5.5**	6.9	4.5
Disposals	**(71.4)**	(344.5)	(126.1)
Net movement in finance leases	**-**	(2.5)	(11.1)
Transfer to non-current assets held for sale (note 18)	**(154.3)**	(283.4)	-
Valuation surplus	**394.5**	981.7	788.9
Net book value at the end of the period	**12,611.6**	12,158.0	11,279.3

The fair value of investment properties at 30 September 2015 was determined by the Group's external valuers: CBRE and Knight Frank. The valuations are in line with RICS standards and were arrived at by reference to market evidence of transactions for similar properties. The valuations performed by the independent valuers are reviewed internally by senior management and relevant people within the London and Retail business units. This includes discussions of the assumptions used by the external valuers, as well as a review of the resulting valuations. Discussions of the valuation process and results are held between senior management, the audit committee and the external valuers on a half-yearly basis.

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

	30 September 2015				31 March 2015			
	Group (excl. joint ventures)	**Joint ventures(1)**	**Adjustment for proportionate share(2)**	**Combined Portfolio**	Group (excl. joint ventures)	Joint ventures(1)	Adjustment for proportionate share(2)	Combined Portfolio
	£m	**£m**	**£m**	**£m**	£m	£m	£m	£m
Net book value	**12,611.6**	**1,495.4**	**(33.0)**	**14,074.0**	12,158.0	1,403.0	(31.8)	13,529.2
Plus: tenant lease incentives	**263.1**	**34.1**	**(0.2)**	**297.0**	251.0	26.5	(0.2)	277.3

Less: head leases capitalised	**(16.5)**	**-**	**0.2**	**(16.3)**	(16.5)	-	0.2	(16.3)
Plus: properties treated as finance leases	**227.5**	**-**	**(0.7)**	**226.8**	242.4	-	(1.2)	241.2
Market value	**13,085.7**	**1,529.5**	**(33.7)**	**14,581.5**	12,634.9	1,429.5	(33.0)	14,031.4

1. Refer to note 12 for a breakdown of this amount by entity.
2. This represents the interest in X-Leisure which we do not own, but which is consolidated in the Group numbers.

12. Joint arrangements

The Group's joint arrangements are described below:

Joint ventures	**Percentage owned & voting rights**	**Business segment**	**Year end date(1)**	**Joint venture partners**
Held at 30 September 2015				
20 Fenchurch Street Limited Partnership	50.0%	London Portfolio	31 March	Canary Wharf Group plc
Nova, Victoria(2)	50.0%	London Portfolio	31 March	Canada Pension Plan Investment Board
Metro Shopping Fund Limited Partnership	50.0%	Retail Portfolio	31 March	Delancey Real Estate Partners Limited
St. David's Limited Partnership	50.0%	Retail Portfolio	31 December	Intu Properties plc
Westgate Oxford Alliance Limited Partnership	50.0%	Retail Portfolio	31 March	The Crown Estate Commissioners
The Oriana Limited Partnership	50.0%	London Portfolio	31 March	Frogmore Real Estate Partners Limited Partnership
Harvest(3) (4)	50.0%	Retail Portfolio	31 March	J Sainsbury plc
The Ebbsfleet Limited Partnership(4)	50.0%	London Portfolio	31 March	Lafarge Cement UK PLC
Millshaw Property Co. Limited(4) (5)	50.0%	Retail Portfolio	31 March	Evans Property Group Limited
Countryside Land Securities (Springhead) Limited(4)	50.0%	London Portfolio	30 September	Countryside Properties PLC
West India Quay Unit Trust(4) (6)	50.0%	Retail Portfolio	31 December	Schroder Exempt Property Unit Trust

Joint operations	**Ownership interest**	**Business segment**		**Joint operation partners**
Bluewater, Kent	30.0%	Retail Portfolio		M&G Real Estate and GIC Lend Lease Retail Partnership Hermes and Aberdeen Asset Management

The following joint arrangements were disposed of or transferred to investments in subsidiaries in the year ended 31 March 2015:

Joint ventures				
Buchanan Partnership(4)	50.0%	Retail Portfolio		The Henderson UK Shopping Centre Fund
Bristol Alliance Limited Partnership(4)	50.0%	Retail Portfolio		Hammerson plc
The Martineau Galleries Limited Partnership(4)	33.3%	Retail Portfolio		Hammerson plc Pearl Group Limited

Joint operations				
Princesshay, Exeter	50.0%	Retail Portfolio		The Crown Estate Commissioners
Thomas More Square, E1	50.0%	London Portfolio		The Cadillac Fairview Corporation Limited

1. The year end date shown is the accounting reference date of the joint venture. In all cases the Group's accounting is performed using financial information for the Group's own reporting period and reporting date.
2. Nova, Victoria includes the Victoria Circle Limited Partnership and Nova Residential Limited Partnership.
3. Harvest includes The Harvest Limited Partnership and Harvest Two Limited Partnership. The Harvest Partnership disposed of its property interests in Lincoln in the period.
4. Included within Other in subsequent tables.
5. On 22 July 2015, Millshaw Property Co. Limited disposed of the Millshaw Park Industrial Estate, Leeds, its only property interest.
6. West India Quay Unit Trust is held in the X-Leisure Unit Trust (X-Leisure) in which the Group holds a 95% share.

All of the Group's joint arrangements have their principal place of business in the United Kingdom. All of the Group's joint arrangements own and operate investment property with the exception of The Ebbsfleet Limited Partnership and Countryside Land Securities (Springhead) Limited, which hold development land as trading properties, and Millshaw Property Co. Limited which disposed of its only property interest during the period. The Westgate Oxford Alliance Limited Partnership, Nova, Victoria and The Oriana Limited Partnership are also engaged in the development of investment properties, with the latter two also developing trading properties. The activities of all the Group's joint arrangements are therefore strategically important to the business activities of the Group.

All joint ventures are registered in England and Wales with the exception of the Metro Shopping Fund Limited Partnership and West India Quay Unit Trust which are registered in Jersey.

Six months ended 30 September 2015									
Joint ventures	**20 Fenchurch Street Limited Partnership**	**Nova, Victoria**	**Metro Shopping Fund Limited Partnership**	**St. David's Limited Partnership**	**Westgate Oxford Alliance Partnership**	**The Oriana Limited Partnership**	**Individually material JVs at LS's share**	**Other LS share**	**Total LS share**
	100%	**100%**	**100%**	**100%**	**100%**	**100%**	**50%**		
Income statement	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue(1)	21.4	-	9.0	21.2	1.6	1.4	27.3	2.0	29.3
Gross rental income (after rents payable)	17.4	-	7.2	17.6	1.2	1.2	22.3	1.8	24.1
Net rental income/(expense)	16.4	(0.6)	6.8	14.0	0.8	1.2	19.3	1.8	21.1
Segment profit/(loss) before interest	16.0	(0.8)	6.8	13.4	0.6	1.2	18.6	1.7	20.3
Net interest (expense)/income	(15.8)	-	(3.2)	-	(0.2)	0.6	(9.3)	0.1	(9.2)
Revenue profit	0.2	(0.8)	3.6	13.4	0.4	1.8	9.3	1.8	11.1
Capital and other items									
Impairment of long-term development contracts	-	-	-	-	-	-	-	(0.1)	(0.1)
Profit on disposal of investment properties	1.2	-	-	-	-	4.4	2.8	1.2	4.0
Movement in impairment of trading properties	-	-	-	-	-	-	-	4.4	4.4
Net surplus on revaluation of investment properties	89.4	16.2	52.2	62.2	10.0	18.2	124.1	1.6	125.7
Profit before tax	90.8	15.4	55.8	75.6	10.4	24.4	136.2	8.9	145.1
Income tax	-	-	-	-	-	-	-	(0.2)	(0.2)
Post-tax profit	90.8	15.4	55.8	75.6	10.4	24.4	136.2	8.7	144.9
Other comprehensive income	-	-	0.6	-	-	-	0.3	-	0.3
Total comprehensive income	90.8	15.4	56.4	75.6	10.4	24.4	136.5	8.7	145.2
	50%	50%	50%	50%	50%	50%			
Land Securities' share of total comprehensive income	45.4	7.7	28.2	37.8	5.2	12.2	136.5	8.7	145.2

Six months ended 30 September 2014									
Joint ventures	20 Fenchurch Street Limited Partnership	Nova, Victoria	Metro Shopping Fund Limited Partnership	St. David's Limited Partnership	Westgate Oxford Alliance Partnership	The Oriana Limited Partnership	Individually material JVs at LS's share	Other LS share	Total LS share
	100%	100%	100%	100%	100%	100%	50%		
Income statement	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue(1)	16.4	-	8.8	21.4	2.0	6.4	27.5	20.2	47.7
Gross rental income (after rents payable)	14.2	-	6.8	16.4	1.4	6.2	22.5	17.0	39.5
Net rental income/(expense)	13.8	(2.0)	6.6	14.0	1.2	6.0	19.8	14.6	34.4
Segment profit/(loss) before interest	13.2	(2.2)	6.2	13.4	1.0	5.8	18.7	14.1	32.8
Net interest expense	(13.2)	(0.2)	(3.4)	(3.6)	-	(3.4)	(11.9)	(2.0)	(13.9)
Revenue profit	-	(2.4)	2.8	9.8	1.0	2.4	6.8	12.1	18.9
Capital and other items									
Profit on disposal of trading properties	-	-	-	0.4	-	-	0.2	-	0.2
Profit on disposal of investment properties	-	-	-	-	-	-	-	1.4	1.4
Movement in impairment of trading properties	-	-	-	(0.4)	-	-	(0.2)	(0.2)	(0.4)
Net surplus/(deficit) on revaluation of investment properties	61.8	25.8	23.4	37.0	(3.4)	31.2	87.9	5.0	92.9
Fair value movement on interest-rate swaps	-	-	-	0.6	-	(0.4)	0.1	-	0.1
Adjustment for non-wholly owned subsidiary(2)	-	-	-	-	-	-	-	0.3	0.3
Profit before tax	61.8	23.4	26.2	47.4	(2.4)	33.2	94.8	18.6	113.4
Income tax	-	-	-	-	-	-	-	-	-
Post-tax profit	61.8	23.4	26.2	47.4	(2.4)	33.2	94.8	18.6	113.4
Other comprehensive income	-	-	(0.4)	-	-	-	(0.2)	-	(0.2)
Total comprehensive income	61.8	23.4	25.8	47.4	(2.4)	33.2	94.6	18.6	113.2
	50%	50%	50%	50%	50%	50%			
Land Securities' share of total comprehensive income	30.9	11.7	12.9	23.7	(1.2)	16.6	94.6	18.6	113.2

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

2. The adjustment represents the non-owned element of a Group subsidiary's investment in a joint venture which is excluded from revenue profit and the 'Net surplus/(deficit) on revaluation of investment properties' shown in this note.

									30 September 2015
Joint ventures	20 Fenchurch Street Limited Partnership	Nova, Victoria	Metro Shopping Fund Limited Partnership	St. David's Limited Partnership	Westgate Oxford Alliance Partnership	The Oriana Limited Partnership	Individually material JVs at LS's share	Other LS share	Total LS share
	100%	100%	100%	100%	100%	100%	50%		
Balance sheet	£m	£m	£m	£m	£m	£m	£m	£m	£m
Investment properties(1)	1,010.8	534.0	373.0	704.4	141.6	154.8	1,459.3	36.1	1,495.4
Non-current assets	1,010.8	534.0	373.0	704.4	141.6	154.8	1,459.3	36.1	1,495.4
Cash and cash equivalents	12.8	24.6	7.0	7.4	9.2	33.6	47.3	7.2	54.5
Other current assets	53.6	228.8	7.8	24.8	1.8	31.8	174.3	40.3	214.6
Current assets	66.4	253.4	14.8	32.2	11.0	65.4	221.6	47.5	269.1
Total assets	1,077.2	787.4	387.8	736.6	152.6	220.2	1,680.9	83.6	1,764.5
Trade and other payables and provisions	(92.8)	(112.2)	(11.4)	(16.0)	(6.0)	(30.8)	(134.6)	(6.0)	(140.6)
Current liabilities	(92.8)	(112.2)	(11.4)	(16.0)	(6.0)	(30.8)	(134.6)	(6.0)	(140.6)
Non-current financial liabilities	-	-	(146.4)	-	-	-	(73.2)	-	(73.2)
Non-current liabilities	-	-	(146.4)	-	-	-	(73.2)	-	(73.2)
Total liabilities	(92.8)	(112.2)	(157.8)	(16.0)	(6.0)	(30.8)	(207.8)	(6.0)	(213.8)
Net assets	984.4	675.2	230.0	720.6	146.6	189.4	1,473.1	77.6	1,550.7
Market value of investment properties(1)	1,060.0	534.0	375.2	721.2	141.5	154.8	1,493.4	36.1	1,529.5
Net (debt)/cash	12.8	24.6	(139.4)	7.4	9.2	33.6	(25.9)	7.2	(18.7)

									31 March 2015
Joint ventures	20 Fenchurch Street Limited Partnership	Nova, Victoria	Metro Shopping Fund Limited Partnership	St. David's Limited Partnership	Westgate Oxford Alliance Partnership	The Oriana Limited Partnership	Individually material JVs at LS's share	Other	Total
	100%	100%	100%	100%	100%	100%	50%	LS share	LS share
Balance sheet	£m	£m	£m	£m	£m	£m	£m	£m	£m
Investment properties(1)	916.4	453.2	308.6	641.6	100.0	242.4	1,331.1	71.9	1,403.0
Non-current assets	916.4	453.2	308.6	641.6	100.0	242.4	1,331.1	71.9	1,403.0
Cash and cash equivalents	6.6	4.0	10.2	6.2	8.6	62.2	48.9	9.3	58.2
Other current assets	35.0	184.8	6.0	23.2	1.0	28.2	139.1	32.5	171.6
Current assets	41.6	188.8	16.2	29.4	9.6	90.4	188.0	41.8	229.8
Total assets	958.0	642.0	324.8	671.0	109.6	332.8	1,519.1	113.7	1,632.8
Trade and other payables and provisions	(66.0)	(97.0)	(5.9)	(13.2)	(2.6)	(41.4)	(113.0)	(4.8)	(117.8)
Current liabilities	(66.0)	(97.0)	(5.9)	(13.2)	(2.6)	(41.4)	(113.0)	(4.8)	(117.8)
Non-current financial liabilities	-	-	(147.0)	-	-	-	(73.5)	(8.0)	(81.5)
Non-current liabilities	-	-	(147.0)	-	-	-	(73.5)	(8.0)	(81.5)
Total liabilities	(66.0)	(97.0)	(152.9)	(13.2)	(2.6)	(41.4)	(186.5)	(12.8)	(199.3)
Net assets	892.0	545.0	171.9	657.8	107.0	291.4	1,332.6	100.9	1,433.5
Market value of investment properties(1)	948.2	453.2	310.6	660.0	100.0	242.6	1,357.3	72.2	1,429.5
Net (debt)/cash	6.6	4.0	(136.8)	6.2	8.6	62.2	(24.6)	1.3	(23.3)

1. The difference between the book value and the market value is the amount included in Other current assets in respect of lease incentives, head leases capitalised and properties treated as finance leases.

Joint ventures	20 Fenchurch Street Limited Partnership	Nova, Victoria	Metro Shopping Fund Limited Partnership	St. David's Limited Partnership	Westgate Oxford Alliance Partnership	The Oriana Limited Partnership	Individually material JVs at LS's share	Other LS share	Total LS share
	50%	50%	50%	50%	50%	50%	50%		
Net investment	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2013	330.4	181.3	49.7	195.3	30.7	118.5	905.9	537.4	1,443.3
Total comprehensive income	30.9	11.7	12.9	23.7	(1.2)	16.6	94.6	18.6	113.2
Cash contributed	-	-	-	-	4.6	-	4.6	1.1	5.7
Cash distributions	-	-	-	-	-	-	-	(10.4)	(10.4)
Loan advances	12.3	20.5	-	78.3	-	-	111.1	0.2	111.3
Loan repayments	-	-	-	(7.8)	-	-	(7.8)	-	(7.8)
Transfer to non-current assets held for sale	-	-	-	-	-	-	-	(264.3)	(264.3)
At 30 September 2014	373.6	213.5	62.6	289.5	34.1	135.1	1,108.4	282.6	1,391.0
Total comprehensive income	62.6	26.5	19.3	47.2	13.3	35.6	204.5	6.4	210.9

Cash contributed	-	-	4.9	-	6.1	-	11.0	-	11.0
Property and other contributions	0.1	-	-	-	-	-	0.1	0.1	0.2
Cash distributions	-	-	(0.9)	-	-	(15.3)	(16.2)	(33.1)	(49.3)
Loan advances	9.7	32.6	-	-	-	-	42.3	0.3	42.6
Loan repayments	-	-	-	(7.8)	-	(9.7)	(17.5)	(11.7)	(29.2)
Disposals	-	-	-	-	-	-	-	(143.7)	(143.7)
At 31 March 2015	**446.0**	**272.6**	**85.9**	**328.9**	**53.5**	**145.7**	**1,332.6**	**100.9**	**1,433.5**
Total comprehensive income	**45.4**	**7.7**	**28.2**	**37.8**	**5.2**	**12.2**	**136.5**	**8.7**	**145.2**
Cash contributed	-	-	-	-	**14.6**	-	**14.6**	-	**14.6**
Property and other distributions	-	-	-	-	-	**(55.7)**	**(55.7)**	-	**(55.7)**
Cash distributions	-	-	-	-	-	**(7.5)**	**(7.5)**	**(36.1)**	**(43.6)**
Loan advances	**0.8**	**57.3**	**0.9**	-	-	-	**59.0**	**4.1**	**63.1**
Loan repayments	-	-	-	**(6.4)**	-	-	**(6.4)**	-	**(6.4)**
At 30 September 2015	**492.2**	**337.6**	**115.0**	**360.3**	**73.3**	**94.7**	**1,473.1**	**77.6**	**1,550.7**

13. Trading properties and long-term development contracts

	Development land and infrastructure £m	Residential £m	Total trading properties £m	Long-term development contracts £m	Total £m
At 1 April 2014	96.1	86.1	182.2	10.7	192.9
Capital expenditure	2.8	19.9	22.7	-	22.7
Capitalised interest	0.5	1.2	1.7	-	1.7
Movement in impairment	(0.6)	-	(0.6)	-	(0.6)
Contract costs deferred	-	-	-	0.4	0.4
At 30 September 2014	98.8	107.2	206.0	11.1	217.1
Capital expenditure	3.7	28.3	32.0	0.6	32.6
Capitalised interest	-	1.9	1.9	-	1.9
Disposals	(20.1)	-	(20.1)	-	(20.1)
Movement in impairment	2.5	-	2.5	-	2.5
Contract costs impaired	-	-	-	(11.7)	(11.7)
At 31 March 2015	**84.9**	**137.4**	**222.3**	-	**222.3**
Capital expenditure	**4.6**	**10.3**	**14.9**	**0.1**	**15.0**
Capitalised interest	-	**2.3**	**2.3**	-	**2.3**
Disposals	**(5.1)**	-	**(5.1)**	-	**(5.1)**
Movement in impairment	**1.2**	-	**1.2**	**(0.1)**	**1.1**
At 30 September 2015	**85.6**	**150.0**	**235.6**	-	**235.6**

The cumulative impairment provision at 30 September 2015 in respect of Development land and infrastructure was **£90.1m** (31 March 2015: £91.3m); and in respect of Residential was **£nil** (31 March 2015: £nil).

14. Capital structure

	30 September 2015				31 March 2015			
	Group £m	**Joint ventures £m**	**Adjustment for non-wholly owned subsidiaries(1) £m**	**Combined £m**	Group £m	Joint ventures £m	Adjustment for non-wholly owned subsidiaries(1) £m	Combined £m
Property portfolio								
Market value of investment properties	**13,085.7**	**1,529.5**	**(33.7)**	**14,581.5**	12,634.9	1,429.5	(33.0)	14,031.4
Trading properties and long-term contracts	**235.6**	**142.7**	-	**378.3**	222.3	115.1	-	337.4
Non-current assets held for sale	**154.3**	-	-	**154.3**	283.4	-	-	283.4
Total property portfolio (a)	**13,475.6**	**1,672.2**	**(33.7)**	**15,114.1**	13,140.6	1,544.6	(33.0)	14,652.2
Net debt								
Borrowings	**3,635.3**	**71.5**	**(0.2)**	**3,706.6**	3,783.7	79.4	(0.2)	3,862.9
Monies held in restricted accounts and deposits	**(7.4)**	-	-	**(7.4)**	(10.4)	-	-	(10.4)
Cash and cash equivalents	**(16.7)**	**(54.5)**	-	**(71.2)**	(14.3)	(58.2)	-	(72.5)
Fair value of interest-rate swaps	**30.1**	**1.7**	-	**31.8**	37.7	2.1	-	39.8
Fair value of foreign exchange swaps	**(6.5)**	-	-	**(6.5)**	3.8	-	-	3.8
Net debt (b)	**3,634.8**	**18.7**	**(0.2)**	**3,653.3**	3,800.5	23.3	(0.2)	3,823.6
Less: Fair value of interest-rate swaps	**(30.1)**	**(1.7)**	-	**(31.8)**	(37.7)	(2.1)	-	(39.8)
Less: Fair value of foreign exchange swaps	**6.5**	-	-	**6.5**	(3.8)	-	-	(3.8)
Reverse bond exchange de-recognition (note 15)	**380.3**	-	-	**380.3**	391.7	-	-	391.7
Adjusted net debt (c)	**3,991.5**	**17.0**	**(0.2)**	**4,008.3**	4,150.7	21.2	(0.2)	4,171.7
Adjusted total equity								
Total equity (d)	**11,188.2**	-	-	**11,188.2**	10,606.3	-	-	10,606.3
Fair value of interest-rate swaps	**30.1**	**1.7**	-	**31.8**	37.7	2.1	-	39.8
Fair value of foreign exchange swaps	**(6.5)**	-	-	**(6.5)**	3.8	-	-	3.8
Reverse bond exchange de-recognition (note 15)	**(380.3)**	-	-	**(380.3)**	(391.7)	-	-	(391.7)

Adjusted total equity (e)	**10,831.5**	**1.7**	**-**	**10,833.2**	10,256.1	2.1	-	10,258.2
Gearing (b/d)	**32.5%**			**32.7%**	35.8%			36.1%
Adjusted gearing (c/e)	**36.9%**			**37.0%**	40.5%			40.7%
Group LTV (c/a)	**29.6%**			**26.5%**	31.6%			28.5%
Security Group LTV	**28.6%**				31.5%			
Weighted average cost of debt	**4.6%**			**4.6%**	4.5%			4.5%

1. This represents the interest in X-Leisure which we do not own, but which is consolidated in the Group numbers.

15. Borrowings

				30 September 2015			31 March 2015		
	Secured/ unsecured	**Fixed/ floating**	**Effective interest rate %**	**Nominal/ notional value £m**	**Fair value £m**	**Book value £m**	Nominal/ notional value £m	Fair value £m	Book value £m
Current borrowings									
Sterling									
5.253% QAG Bond	Secured	Fixed	5.3	**15.4**	**18.2**	**15.4**	14.6	17.5	14.6
Bilateral facilities	Secured	Floating	LIBOR + margin	**450.0**	**450.0**	**450.0**	-	-	-
Commercial paper									
Sterling	Unsecured	Floating	LIBOR + margin	**9.0**	**9.0**	**9.0**	30.1	30.1	30.1
Euro	Unsecured	Floating	LIBOR + margin	**202.4**	**202.4**	**202.4**	146.0	146.0	146.0
Swiss Francs	Unsecured	Floating	LIBOR + margin	**27.1**	**27.1**	**27.1**	-	-	-
US Dollar	Unsecured	Floating	LIBOR + margin	**89.3**	**89.3**	**89.3**	-	-	-
Total current borrowings				**793.2**	**796.0**	**793.2**	190.7	193.6	190.7
Non-current borrowings									
Sterling									
4.875% MTN due 2019	Secured	Fixed	5.0	**400.0**	**426.6**	**398.9**	400.0	436.0	398.7
5.425% MTN due 2022	Secured	Fixed	5.5	**255.3**	**289.9**	**254.9**	255.3	298.3	254.9
4.875% MTN due 2025	Secured	Fixed	4.9	**300.0**	**345.7**	**298.1**	300.0	357.2	298.0
5.391% MTN due 2026	Secured	Fixed	5.4	**210.7**	**250.7**	**210.1**	210.7	260.1	210.1
5.391% MTN due 2027	Secured	Fixed	5.4	**608.3**	**738.8**	**606.4**	608.3	767.1	606.2
5.376% MTN due 2029	Secured	Fixed	5.4	**317.5**	**392.5**	**316.3**	317.6	410.1	316.2
5.396% MTN due 2032	Secured	Fixed	5.4	**322.6**	**403.8**	**321.0**	322.6	426.5	321.0
5.125% MTN due 2036	Secured	Fixed	5.1	**500.0**	**614.0**	**498.7**	500.0	653.5	498.7
Bond exchange de-recognition adjustment						**(380.3)**			(391.7)
				2,914.4	**3,462.0**	**2,524.1**	2,914.5	3,608.8	2,512.1
5.253% QAG Bond	Secured	Fixed	5.3	**281.5**	**332.4**	**281.5**	289.4	347.0	289.4
Syndicated bank debt	Secured	Floating	LIBOR + margin	**20.0**	**20.0**	**20.0**	180.0	180.0	180.0
Bilateral facilities	Secured	Floating	LIBOR + margin	**-**	**-**	**-**	595.0	595.0	595.0
Amounts payable under finance leases	Unsecured	Fixed	7.2	**16.5**	**22.8**	**16.5**	16.5	20.7	16.5
Total non-current borrowings				**3,232.4**	**3,837.2**	**2,842.1**	3,995.4	4,751.5	3,593.0
Total borrowings				**4,025.6**	**4,633.2**	**3,635.3**	4,186.1	4,945.1	3,783.7

Reconciliation of the movement in borrowings	**Six months ended 30 September 2015 £m**	Year ended 31 March 2015 £m
At the beginning of the period	**3,783.7**	3,362.2
Repayment of loans	**(312.1)**	(13.6)
Proceeds from new loans	**142.1**	431.0
Foreign exchange on commercial paper	**9.5**	(4.9)
Amortisation of finance fees	**0.7**	1.1
Amortisation of bond exchange de-recognition adjustment	**11.4**	21.5
Net movement in finance lease obligations	**-**	(13.6)
At the end of the period	**3,635.3**	3,783.7

Syndicated and bilateral bank debt

The terms of the Security Group funding arrangements require undrawn facilities to be reserved where syndicated and bilateral facilities mature within one year, or where commercial paper has been issued. Accordingly, the Group's available facilities at 30 September 2015 were £1,317.2m (31 March 2015: £1,288.9m), compared with undrawn facilities of £1,895.0m (31 March 2015: £1,465.0m).

All syndicated and bilateral facilities are committed and secured on the assets of the Security Group. In the six months ended 30 September 2015, the amounts drawn under the Group's bilateral facilities and syndicated bank debt decreased by £305.0m, primarily due to investment property disposals and the issue of commercial paper.

In the six months ended 30 September 2015, the £1.255bn authorised credit facility was increased to £1.380bn through the addition of a further £125.0m lending commitment. The facility was £20.0m drawn at 30 September 2015. The Group incurred finance fees of £0.8m in connection with the increased size of the facility. This facility is committed and is secured on the assets of the Security Group.

Bond exchange de-recognition

On 3 November 2004, a debt refinancing was completed resulting in the Group exchanging all of its outstanding bond and debenture debt for new MTNs with higher nominal values. The new MTNs did not meet the IAS 39 requirement to be substantially different from the debt that they replaced. Consequently the book value of the new debt is reduced to the book value of the original debt by the 'bond exchange de-recognition' adjustment which is then amortised to zero over the life of the new MTNs. The amortisation is included in interest expense in the income statement.

Fair values

The fair values of any floating rate financial liabilities are assumed to be equal to their nominal value, but adjusted for the effect of exit fees payable on redemption. The fair values of the MTNs and the QAG Bond fall within Level 1, the syndicated, bilateral facilities, commercial paper, interest rate swaps and foreign exchange swaps fall within Level 2, and the amounts payable under finance leases fall within Level 3, as defined by IFRS 13.

16. Related party transactions

As disclosed in note 12, the Group has investments in a number of joint arrangements. During the period, the Group has made further loan advances to Nova, Victoria of £57.3m, 20 Fenchurch Street Limited Partnership of £0.8m, The Harvest Limited Partnership of £4.1m and Metro Shopping Fund Limited of £0.9m.

During the period, the Group recognised interest income of £7.9m from 20 Fenchurch Street Limited Partnership, £6.4m from Nova, Victoria and £1.2m from Westgate Oxford Alliance Partnership, and an interest expense of £0.2m to Millshaw Property Co. Limited.

There have been no other significant related party transactions during the period that require disclosure under Section 4.2.8 (R) of the Disclosure and Transparency Rules or under IAS 34 Interim Financial Reporting.

17. Events after the reporting period

On 22 October 2015, the Group exchanged contracts for the sale of three retail parks for consideration of £273.6m, in line with the September 2015 valuation. The transaction will complete in December 2015.

18. Non-current assets held for sale

On 25 August 2015, the Group exchanged contracts for the sale of Haymarket House, SW1 for consideration of £155.2m. The risks and returns of ownership had not fully transferred to the buyer as at 30 September 2015. As a result the property was classified as a Non-current asset held for sale with a carrying value of **£154.3m**.

On 23 March 2015, the Group exchanged contracts for the sale of Times Square, EC4 for consideration of £284.6m. The risks and returns of ownership had not fully transferred to the buyer as at 31 March 2015. As a result the property was classified as a Non-current asset held for sale with a carrying value of £283.4m. The sale completed in the six months ended 30 September 2015.

Business analysis

Table 7: EPRA performance measures

			30 September 2015	
	Definition for EPRA measure	**Notes**	**Land Securities measure**	**EPRA measure**
Adjusted earnings	Recurring earnings from core operational activity(1)	8	**£184.2m**	**£172.6m**
Adjusted earnings per share	Adjusted earnings per weighted number of ordinary shares(1)	8	**23.3p**	**21.9p**
Adjusted diluted earnings per share	Adjusted diluted earnings per weighted number of ordinary shares(1)	8	**23.2p**	**21.8p**
Adjusted net assets	Net asset value adjusted to exclude fair value movements on interest-rate swaps (2)	7	**£10,839.7m**	**£11,220.0m**
Adjusted diluted net assets per share	Adjusted diluted net assets per share(2)	7	**1,367p**	**1,415p**
Triple net assets	Adjusted net assets amended to include the fair value of financial instruments and debt	7	**£10,184.7m**	**£10,184.7m**
Diluted triple net assets per share	Diluted triple net assets per share	7	**1,284p**	**1,284p**
Net initial yield (NIY)	Annualised rental income less non-recoverable costs as a % of market value plus assumed purchasers' costs(3)		**4.0%**	**4.3%**
Topped-up NIY	NIY adjusted for rent free periods(3)		**4.4%**	**4.5%**

Voids/vacancy rate	ERV of vacant space as a % of ERV of Combined Portfolio excluding the development programme(4)	**2.8%**	**3.3%**
Cost ratio	Total costs as a percentage of gross rental income (including direct vacancy costs)(5)	**17.6%**	**17.9%**
	Total costs as a percentage of gross rental income (excluding direct vacancy costs)(5)	**n/a**	**15.3%**

Refer to notes 7 and 8 to the financial statements for further analysis.

1. EPRA adjusted earnings and EPRA adjusted earnings per share include the effect of bond exchange de-recognition charges of £11.4m.
2. EPRA adjusted net assets and adjusted diluted net assets per share include the bond exchange de-recognition adjustment of £380.3m.
3. Our NIY and Topped-up NIY relate to the Combined Portfolio, excluding properties in the development programme that have not yet reached practical completion, and are calculated by our external valuers. EPRA NIY and EPRA Topped-up NIY calculations are consistent with ours, but exclude the full development programme.
4. Our measure reflects voids in our like-for-like portfolio only. The EPRA measure reflects voids in the Combined Portfolio excluding only the development programme.
5. The EPRA cost ratio is calculated based on gross rental income after rents payable, whereas our measure is based on gross rental income before rents payable. We do not calculate a cost ratio excluding direct vacancy costs as we do not consider this to be helpful.

Table 8: Top 12 occupiers at 30 September 2015

	% of Group rent(1)
Accor	5.0
Central Government (including Queen Anne's Gate, SW1)(2)	4.7
Deloitte	2.6
Mizuho Bank Limited	1.7
Boots	1.5
Taylor Wessing	1.3
Cineworld	1.2
K&L Gates	1.1
M&S	1.1
Next	1.1
Sainsbury's	1.0
EDF Energy	1.0
	23.3

1. On a proportionate basis.
2. Rent from Central Government excluding Queen Anne's Gate, SW1 is 0.1%.

Table 9: Development pipeline and trading property development schemes at 30 September 2015

Development pipeline

Property	Description of use	Ownership interest %	Size sq ft	Letting status %	Market value £m	Net income/ ERV £m	Estimated/ actual completion date	Total development costs to date £m	Forecast total development cost £m
Developments after practical completion									
1 & 2 New Ludgate, EC4	Office	100	354,800	91	500	23.7	Apr 2015	248	248
	Retail		26,800	100					
Developments approved or in progress									
The Zig Zag Building, SW1(1)	Office	100	191,800	32	319	16.2	Nov 2015	172	179
	Retail		41,800	78					
20 Eastbourne Terrace, W2	Office	100	92,700	-	76	5.3	Apr 2016	54	66
1 New Street Square, EC4	Office	100	274,800	100	221	15.5	Jul 2016	99	179
Nova, Victoria, SW1 - Phase I	Office	50	480,300	12	255	20.1	Sept 2016	170	247
	Retail		79,900	44					
Oriana, W1 – Phase II	Retail	50	72,500	91	77	3.3	Nov 2016	29	37
Westgate, Oxford	Retail	50	804,500	33	71	13.9	Oct 2017	54	220
	Residential		37,000	-					
Proposed developments									
Buchanan Galleries, Glasgow(2)	Retail	100	1,170,000	n/a	n/a	n/a	2019	n/a	n/a
Developments let and transferred or sold									
62 Buckingham Gate, SW1	Office	100	259,700	96	n/a(3)	18.8	May 2013	178	178
	Retail		15,600	100					
20 Fenchurch Street, EC3	Office	50	673,700	98	n/a(3)	22.0	Dec 2014	238	238

Property	Description of use	Ownership interest %	Size sq ft	Letting status %	Market value £m	Net income/ ERV £m	Estimated/ actual completion date	Total development costs to date £m	Forecast total development cost £m
	Retail		14,200	100					

1. Includes retail within Kings Gate, SW1.
2. Figures provided are for the scheme as a whole (development and existing scheme).
3. Once properties are transferred from the development pipeline, we do not report on their individual value.

Where the property is not 100% owned, floor areas and letting status shown above represent the full scheme whereas all other figures represent our proportionate share. Letting % is measured by ERV and shows letting status at 30 September 2015. Trading property development schemes are excluded from the development pipeline.

Total development cost

Refer to glossary for definition. Of the properties in the development pipeline at 30 September 2015, the only properties on which interest was capitalised on the land cost were Westgate, Oxford and Nova, Victoria, SW1 - Phase I. The figures for total development costs include expenditure on the residential elements of Westgate, Oxford (£10.9m).

Net income/ERV

Net income/ERV represents headline annual rent on let units plus ERV at 30 September 2015 on unlet units, both after rents payable.

Trading property development schemes

Property	Description of use	Ownership interest %	Size sq ft	Number of units	Sales exchanged by unit %	Estimated/ actual completion date	Total development costs to date £m	Forecast total development cost £m
Kings Gate, SW1	Residential	100	108,700	100	85	Oct 2015	150	163
Nova, Victoria, SW1 – Phase I	Residential	50	166,400	170	78	Sept 2016	114	144
Oriana, W1 – Phase II	Residential	50	20,200	18	28	Nov 2016	10	16

Table 10: Combined Portfolio value by location at 30 September 2015

	Shopping centres and shops %	Retail warehouses %	Offices %	Hotels, leisure, residential & other %	Total %
Central, inner and outer London	13.9	0.2	45.9	3.3	63.3
South East and East	9.1	3.9	-	0.7	13.7
Midlands	-	0.9	-	0.8	1.7
Wales and South West	2.6	0.5	-	4.2	7.3
North, North West, Yorkshire and Humberside	7.0	2.1	0.1	1.1	10.3
Scotland and Northern Ireland	2.7	0.8	-	0.2	3.7
Total	**35.3**	**8.4**	**46.0**	**10.3**	**100.0**

% figures calculated by reference to the Combined Portfolio value of £14.6bn.

Table 11: Performance relative to IPD
Total property returns – period to 30 September 2015

	Land Securities %	IPD(1) %
Retail – Shopping centres	4.1	4.6
– Retail warehouses	2.9 (2)	3.3
Central London shops	8.6	11.4
Central London offices	7.1	10.3
Total portfolio	**5.9 (3)**	**6.8**

1. IPD Quarterly Universe
2. Includes food stores
3. Includes leisure, hotel portfolio and other

Table 12: Combined Portfolio analysis
Like-for-like segmental analysis

	Market value(1)	Valuation movement(2)	Rental income(3)	Annualised rental income(4)	Annualised net rent(5)	Net estimated rental value(6)

	30 September 2015	31 March 2015	Surplus/ (deficit)	Surplus/ (deficit)	30 September 2015	30 September 2014	30 September 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015
	£m	£m	£m	%	£m	£m	£m	£m	£m	£m	£m
Retail Portfolio											
Shopping centres and shops	**2,673.1**	2,581.4	**66.7**	**2.6%**	**72.2**	71.0	**135.3**	**133.8**	130.1	**140.2**	137.6
Retail warehouses and food stores	**1,159.4**	1,150.3	**(1.3)**	**(0.1%)**	**35.6**	33.1	**68.9**	**68.9**	67.7	**66.8**	67.9
Leisure and hotels	**1,475.5**	1,440.3	**39.8**	**2.8%**	**47.1**	44.9	**92.2**	**89.7**	90.2	**92.4**	88.9
Other	**22.6**	22.8	**(0.3)**	**(1.3%)**	**0.7**	0.7	**1.5**	**1.4**	1.0	**2.8**	2.2
Total Retail	**5,330.6**	5,194.8	**104.9**	**2.0%**	**155.6**	149.7	**297.9**	**293.8**	289.0	**302.2**	296.6
London Portfolio											
West End	**2,016.9**	1,985.8	**27.5**	**1.4%**	**44.1**	44.4	**87.4**	**89.0**	86.1	**94.7**	91.9
City	**702.7**	692.3	**12.4**	**1.9%**	**13.9**	12.5	**27.2**	**29.3**	29.8	**36.5**	32.5
Mid-town	**1,137.5**	1,101.4	**49.9**	**5.1%**	**20.6**	20.9	**42.7**	**44.9**	43.9	**54.9**	51.8
Inner London	**442.2**	388.6	**25.5**	**9.3%**	**11.0**	10.1	**18.9**	**13.6**	18.3	**26.1**	23.9
Total London offices	**4,299.3**	4,168.1	**115.3**	**3.0%**	**89.6**	87.9	**176.2**	**176.8**	178.1	**212.2**	200.1
Central London Shops	**1,174.8**	1,083.6	**81.0**	**7.4%**	**21.6**	21.6	**45.3**	**46.2**	42.0	**55.6**	52.2
Other	**46.1**	45.7	**0.5**	**1.1%**	**1.0**	1.0	**0.6**	**0.6**	0.7	**0.7**	0.7
Total London	**5,520.2**	5,297.4	**196.8**	**4.0%**	**112.2**	110.5	**222.1**	**223.6**	220.8	**268.5**	253.0
Like-for-like portfolio(10)	**10,850.8**	10,492.2	**301.7**	**3.0%**	**267.8**	260.2	**520.0**	**517.4**	509.8	**570.7**	549.6
Proposed developments(3)	**285.0**	290.0	**(23.9)**	**(7.7%)**	**8.6**	4.4	**16.6**	**16.6**	16.7	**16.6**	17.2
Completed developments(3)	**1,010.4**	895.8	**94.0**	**10.7%**	**16.1**	12.6	**33.6**	**9.8**	8.8	**46.1**	43.2
Acquisitions(11)	**916.8**	778.7	**46.0**	**5.3%**	**19.7**	7.8	**37.0**	**35.2**	34.8	**43.8**	40.2
Sales and restructured interests(12)	**-**	124.8	**-**	**-**	**1.2**	33.0	**-**	**-**	4.1	**-**	5.5
Development programme(13)	**1,518.5**	1,300.9	**96.2**	**6.8%**	**8.8**	0.9	**18.6**	**0.9**	1.6	**100.6**	87.5
Combined Portfolio	**14,581.5**	13,882.4	**514.0**	**3.8%**	**322.2**	318.9	**625.8**	**579.9**	575.8	**777.8**	743.2
Non-current asset held for sale(14)	**n/a**	149.0	**5.3**	**3.6%**	**6.8**	9.1					
Properties treated as finance leases					**(5.2)**	(5.3)					
Combined Portfolio	**14,581.5**	14,031.4	**519.3**	**3.8%**	**323.8**	322.7					

Total portfolio analysis

	Market value(1)		Valuation movement(2)		Rental income(3)		Annualised rental income(4)	Annualised net rent(5)		Net estimated rental value(6)	
	30 September 2015	31 March 2015	Surplus/ (deficit)	Surplus/ (deficit)	30 September 2015	30 September 2014	30 September 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015
	£m	£m	£m	%	£m	£m	£m	£m	£m	£m	£m
Retail Portfolio											
Shopping centres and shops	**3,695.2**	3,564.8	**64.5**	**1.8%**	**96.8**	109.4	**182.1**	**180.0**	177.7	**203.1**	188.6
Retail warehouses and food stores	**1,211.7**	1,230.8	**(1.6)**	**(0.1%)**	**37.8**	35.6	**71.7**	**70.5**	70.8	**69.5**	72.2
Leisure and hotels	**1,475.5**	1,440.3	**39.8**	**2.8%**	**47.1**	44.9	**92.2**	**89.7**	90.2	**92.4**	88.9
Other	**22.6**	32.3	**(0.3)**	**(1.5%)**	**0.9**	1.4	**1.5**	**1.4**	1.6	**2.8**	3.1
Total Retail	**6,405.0**	6,268.2	**102.4**	**1.6%**	**182.6**	191.3	**347.5**	**341.6**	340.3	**367.8**	352.8
London Portfolio											
West End	**2,996.1**	2,845.0	**94.9**	**3.4%**	**50.6**	49.6	**99.1**	**96.5**	93.4	**151.0**	148.0
City	**1,751.1**	1,649.3	**102.5**	**6.5%**	**29.1**	21.4	**61.9**	**29.3**	30.9	**82.7**	78.3
Mid-town	**1,355.9**	1,276.6	**67.1**	**5.7%**	**20.6**	20.9	**42.7**	**44.7**	43.7	**71.5**	68.4
Inner London	**578.0**	483.3	**54.3**	**14.4%**	**15.0**	10.1	**24.9**	**18.3**	23.5	**36.4**	32.3
Total London offices	**6,681.1**	6,254.2	**318.8**	**5.4%**	**115.3**	102.0	**228.6**	**188.8**	191.5	**341.6**	327.0
Central London Shops	**1,449.3**	1,289.6	**92.4**	**6.8%**	**23.3**	24.6	**49.0**	**48.7**	43.1	**67.5**	62.5
Other	**46.1**	70.4	**0.4**	**0.9%**	**1.0**	1.0	**0.7**	**0.8**	0.9	**0.9**	0.9
Total London	**8,176.5**	7,614.2	**411.6**	**5.6%**	**139.6**	127.6	**278.3**	**238.3**	235.5	**410.0**	390.4
Combined Portfolio	**14,581.5**	13,882.4	**514.0**	**3.8%**	**322.2**	318.9	**625.8**	**579.9**	575.8	**777.8**	743.2
Non-current asset held for sale(14)	**n/a**	149.0	**5.3**	**3.6%**	**6.8**	9.1					
Properties treated as finance leases					**(5.2)**	(5.3)					
Combined Portfolio	**14,581.5**	14,031.4	**519.3**	**3.8%**	**323.8**	322.7					
Represented by:											
Investment portfolio	**13,053.6**	12,603.5	**393.6**	**3.2%**	**299.2**	282.4	**580.3**	**553.0**	544.2	**685.8**	662.4
Share of joint ventures	**1,527.9**	1,427.9	**125.7**	**9.2%**	**24.6**	40.3	**45.5**	**26.9**	31.6	**92.0**	80.8
Combined Portfolio	**14,581.5**	14,031.4	**519.3**	**3.8%**	**323.8**	322.7	**625.8**	**579.9**	575.8	**777.8**	743.2

Table 12: Combined Portfolio analysis continued
Like-for-like segmental analysis

	Gross estimated rental value(7)		Net initial yield(8)		Equivalent yield(9)		Voids (by ERV)(3)	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015
	£m	£m	%	%	%	%	%	%
Retail Portfolio								
Shopping centres and shops	**147.5**	146.2	**4.5%**	4.5%	**4.8%**	4.8%	**2.5%**	2.9%
Retail warehouses and food stores	**67.4**	68.5	**5.5%**	5.4%	**5.5%**	5.5%	**1.5%**	2.3%
Leisure and hotels	**92.8**	89.0	**5.6%**	5.6%	**5.8%**	5.9%	**1.1%**	0.9%
Other	**2.8**	2.2	**3.6%**	2.3%	**8.3%**	8.3%	**25.0%**	22.7%
Total Retail Portfolio	**310.5**	305.9	**5.0%**	5.0%	**5.2%**	5.3%	**2.1%**	2.4%
London Portfolio								
West End	**94.7**	92.0	**4.2%**	4.1%	**4.5%**	4.5%	**1.4%**	3.3%

City	37.5	33.3	3.9%	4.0%	4.6%	4.3%	-	-
Mid-town	56.1	53.0	3.7%	3.7%	4.4%	4.3%	6.1%	7.2%
Inner London	26.1	23.9	2.6%	4.0%	5.3%	5.3%	6.9%	7.1%
Total London offices	214.4	202.2	3.9%	4.0%	4.6%	4.5%	3.0%	4.2%
Central London shops	56.0	52.6	3.5%	3.6%	4.1%	4.4%	5.2%	4.8%
Other	0.7	0.7	1.2%	1.1%	1.4%	1.2%	57.1%	-
Total London Portfolio	271.1	255.5	3.8%	3.9%	4.5%	4.4%	3.6%	4.3%
Like-for-like portfolio(10)	581.6	561.4	4.4%	4.4%	4.8%	4.8%	2.8%	3.2%
Proposed developments(3)	16.6	17.2	4.9%	4.7%	n/a	n/a	n/a	n/a
Completed developments(3)	46.1	43.2	0.9%	0.6%	4.1%	4.3%	n/a	n/a
Acquisitions(11)	43.8	40.2	3.3%	3.6%	4.5%	n/a	n/a	n/a
Sales and restructured interests(12)	-	5.6	-	3.2%	n/a	n/a	n/a	n/a
Development programme(13)	101.9	87.6	(0.1%)	0.0%	4.3%	4.4%	n/a	n/a
Combined Portfolio	790.0	755.2	3.6%	3.7%	4.7%	n/a	n/a	n/a

Total portfolio analysis

	Gross estimated rental value(7)		Net initial yield(8)	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015
	£m	£m	%	%
Retail Portfolio				
Shopping centres and shops	211.7	197.2	4.3%	4.4%
Retail warehouses and food stores	70.1	72.9	5.3%	5.3%
Leisure and hotels	92.8	89.0	5.6%	5.6%
Other	2.8	3.1	3.6%	3.4%
Total Retail Portfolio	377.4	362.2	4.8%	4.8%
London Portfolio				
West End	151.0	148.1	3.0%	3.0%
City	83.7	79.2	1.5%	1.8%
Mid-town	72.7	69.7	3.1%	3.2%
Inner London	36.4	32.3	2.5%	3.9%
Total London offices	343.8	329.3	2.6%	2.8%
Central London shops	67.9	62.8	3.0%	3.1%
Other	0.9	0.9	1.2%	0.7%
Total London Portfolio	412.6	393.0	2.7%	2.8%
Combined Portfolio	790.0	755.2	3.6%	3.7%
Represented by:				
Investment portfolio	696.5	673.4	3.8%	3.9%
Share of joint ventures	93.5	81.8	1.5%	1.8%
Combined Portfolio	790.0	755.2	3.6%	3.7%

Notes:

1. The market value figures are determined by the Group's external valuers.
2. The valuation movement is stated after adjusting for the effect of SIC 15 under IFRS.
3. Refer to glossary for definition.
4. Annualised rental income is annual 'rental income' (as defined in the glossary) at the balance sheet date, except that car park and commercialisation income are included on a net basis (after deduction for operational outgoings). Annualised rental income includes temporary lettings.
5. Annualised net rent is annual cash rent, after the deduction of ground rents, as at the balance sheet date. It is calculated with the same methodology as annualised rental income but is stated net of ground rent and before SIC15 adjustments.
6. Net estimated rental value is gross estimated rental value, as defined in the glossary, after deducting expected ground rents.
7. Gross estimated rental value (ERV) - refer to glossary for definition. The figure for proposed developments relates to the existing buildings and not the schemes proposed.
8. Net initial yield - refer to glossary for definition. This calculation includes all properties including those sites with no income.
9. Equivalent yield – refer to glossary for definition. Proposed developments are excluded from the calculation of equivalent yield on the Combined Portfolio.
10. The like-for-like portfolio – refer to glossary for definition. Capital expenditure on refurbishments, acquisitions of head leases and similar capital expenditure has been allocated to the like-for-like portfolio in preparing this table.
11. Includes all properties acquired since 1 April 2014.
12. Includes all properties sold since 1 April 2014.
13. The development programme - refer to glossary for definition. Net initial yield figures are only calculated for properties in the development programme that have reached practical completion.
14. As at 30 September 2015, the non-current asset held for sale has been excluded from the Combined Portfolio and shown separately on the balance sheet as a 'Non-current asset held for sale'.

Table 13: Lease lengths

	Weighted average unexpired lease term at 30 September 2015	
	Like-for-like portfolio	Like-for-like portfolio, completed developments and acquisitions
	Mean(1)	Mean(1)
	years	Years
Retail Portfolio		
Shopping centres and shops	7.9	7.8
Retail warehouses and food stores	8.3	8.5
Leisure and hotels	9.0	9.0
Other	3.2	3.2
Total Retail Portfolio	8.3	8.2
London Portfolio		
West End	8.7	8.8
City	6.8	10.2
Mid-town	10.0	10.0
Inner London	13.6	11.8
Total London offices	9.2	9.7
Central London shops	5.8	6.0
Other	8.2	8.2
Total London Portfolio	8.5	9.0

Combined Portfolio	**8.4**	**8.6**

1. Mean is the rent-weighted average remaining term on leases subject to lease expiry/break clauses.

Table 14: Development pipeline financial summary

	Cumulative movements on the development programme to 30 September 2015						Total scheme details(1)				
	Market value at start of scheme	Capital expenditure incurred to date	Capitalised interest to date	Valuation surplus/(deficit) to date(2)	Disposals, SIC15 rent and other adjustments	Market value at 30 September 2015	Estimated total capital expenditure(3)	Estimated total capitalised interest	Estimated total development cost(4)	Net Income/ ERV(6)	Valuation surplus/ (deficit) for the six months ended 30 September 2015(2)
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Developments let and transferred or sold											
Shopping centres and shops	**-**	-	-	-	-	**-**	-	-	-	-	-
Retail warehouses and food stores	**-**	-	-	-	-	**-**	-	-	-	-	**-**
London Portfolio	**110.6**	288.0	17.2	508.9	33.7	**958.4**	288.0	17.2	415.8	40.8	**94.5**
	110.6	288.0	17.2	508.9	33.7	**958.4**	288.0	17.2	415.8	40.8	**94.5**
Developments after practical completion, approved or in progress											
Shopping centres and shops	**30.0**	22.7	1.5	15.9	0.7	**70.8**	178.5	11.5	220.0	13.9	**5.0**
Retail warehouses and food stores	**-**	-	-	-	-	**-**	-	-	-	-	**-**
London Portfolio	**348.7**	499.9	40.8	659.9	(101.6)	**1,447.7**	555.5	52.2	956.4	84.1	**91.2**
	378.7	522.6	42.3	675.8	(100.9)	**1,518.5**	734.0	63.7	1,176.4	98.0	**96.2**
	Movement on proposed developments for the six months ended 30 September 2015										
Proposed developments											
Shopping centres and shops(6)	**290.0**	18.9	-	(23.9)	-	**285.0**	307.2	22.5	614.7	39.5	**(23.9)**
Retail warehouses and food stores	**-**	-	-	-	-	**-**	-	-	-	-	**-**
London Portfolio	**-**	-	-	-	-	**-**	-	-	-	-	**-**
	290.0	18.9	-	(23.9)	-	**285.0**	307.2	22.5	614.7	39.5	**(23.9)**

Notes:

1. Total scheme details exclude properties sold in the period.
2. Includes profit realised on the disposal of investment properties and any surplus or deficit on investment properties transferred to trading.
3. For proposed development properties the estimated total capital expenditure represents the outstanding costs required to complete the scheme as at 30 September 2015.
4. Includes the property at its market value at the start of the financial year in which the property was added to the development programme together with estimated capitalised interest. For proposed development properties, the market value of the property at 30 September 2015 is included in the estimated total cost. Estimated total development cost includes the cost of residential properties in the development programme (£10.9m for the Retail Portfolio). Estimated costs for proposed schemes could still be subject to material change prior to final approval.
5. Net headline annual rent on let units plus net ERV at 30 September 2015 on unlet units.
6. Includes the Buchanan Galleries, Glasgow scheme as a whole (development and existing scheme).

Table 15: Reconciliation of segment reporting to statutory reporting

The table below reconciles the Group's income statement to the segment note (note 3 to the financial statements). The Group's income statement is prepared using the equity accounting method for joint ventures and includes 100% of the results of the Group's non-wholly owned subsidiaries. The segment note is prepared on a proportionately consolidated basis and excludes the non-wholly owned share of the Group's subsidiaries. This is consistent with the financial information reviewed by management.

	Six months ended 30 September 2015					
	Group income statement £m	Joint ventures(1) £m	Proportionate share of earnings(2) £m	Total £m	Revenue profit £m	Capital and other items £m
Rental income	300.6	24.6	(1.4)	323.8	323.8	-
Finance lease interest	5.2	-	-	5.2	5.2	-
Gross rental income (before rents payable)	**305.8**	**24.6**	**(1.4)**	**329.0**	**329.0**	**-**
Rents payable	(5.1)	(0.5)	-	(5.6)	(5.6)	-
Gross rental income (after rents payable)	**300.7**	**24.1**	**(1.4)**	**323.4**	**323.4**	**-**
Service charge income	42.5	4.0	(0.3)	46.2	46.2	-
Service charge expense	(43.8)	(4.7)	0.3	(48.2)	(48.2)	-
Net service charge (expense)/income	(1.3)	(0.7)	-	(2.0)	(2.0)	-
Other property related income	15.9	0.7	-	16.6	16.6	-
Direct property expenditure	(30.3)	(3.0)	0.1	(33.2)	(33.2)	-
Net rental income	**285.0**	**21.1**	**(1.3)**	**304.8**	**304.8**	**-**
Indirect expenses	(40.4)	(0.8)	-	(41.2)	(41.2)	-
Other income	1.8	-	-	1.8	1.8	-
	246.4	**20.3**	**(1.3)**	**265.4**	**265.4**	**-**
Impairment of long-term development contracts	(0.1)	(0.1)	-	(0.2)	-	(0.2)
Loss on disposal of trading properties	(0.2)	-	-	(0.2)	-	(0.2)
Profit on disposal of investment properties	5.8	4.0	-	9.8	-	9.8
Net surplus on revaluation of investment properties	394.5	125.7	(0.9)	519.3	-	519.3
Movement in impairment of trading properties	1.2	4.4	-	5.6	-	5.6
Amortisation of intangible asset	(0.8)	-	-	(0.8)	-	(0.8)
Operating profit	**646.8**	**154.3**	**(2.2)**	**798.9**	**265.4**	**533.3**
Interest income	16.5	-	-	16.5	16.5	-
Interest expense	(99.9)	(9.2)	-	(109.1)	(97.7)	(11.4)
Fair value movement on interest-rate swaps	2.2	-	-	2.2	-	2.2
Fair value movement on foreign exchange swaps	9.5	-	-	9.5	-	9.5
Foreign exchange movement on borrowings	(9.5)	-	-	(9.5)	-	(9.5)
Revaluation of redemption liabilities	(2.4)	-	2.2	(0.2)	-	(0.2)
Impairment of goodwill	(0.2)	-	-	(0.2)	-	-
	563.0	**145.1**	**-**	**708.1**	**184.2**	**523.9**
Joint venture taxation	-	(0.2)	-	(0.2)	-	(0.2)
Share of post-tax profit from joint ventures	144.9	(144.9)	-	-	-	-
Profit before tax	**707.9**	**-**	**-**	**707.9**	**184.2**	**523.7**
Income tax	0.2	-	-	0.2	-	0.2
Profit for the period	**708.1**	**-**	**-**	**708.1**	**184.2**	**523.9**

1. Reallocation of the share of post-tax profit from joint ventures reported in the Group income statement to the individual line items reported in the segment note.
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 is included in revenue profit reported in the segment note.

Investor information

1. Group website: www.landsecurities.com

The Group's half-yearly and annual reports to shareholders and results announcements and presentations are available to view and download from the website. The website also provides details of the current Land Securities share price, the latest news about the Group, its properties and operations, and details of future events 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 using the details below:

Telephone:
- Tel: 0371 384 2128
- +44 121 415 7049 (from outside the UK)
- Lines are open from 08:30 to 17:30, Monday to Friday, excluding English and Welsh public holidays

Correspondence address:
Equiniti Limited
Aspect House
Spenser Road
Lancing
West Sussex
BN99 6DA

Information on how to manage your shareholding can be found at https://help.shareview.co.uk

If you are not able to find the answer to your question within the general Help information page, a personal enquiry can be sent directly through Equiniti's secure e-form on their website. Please note that you will be asked to provide your name, address, shareholder reference number and a valid e-mail address.

Alternatively, shareholders can view and manage their shareholding through the Land Securities share portal which is hosted by Equiniti – simply visit 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 Equiniti), please email Investor Relations (see details in 8. below).

4. Share dealing services: www.shareview.co.uk

The Company's shares can be traded through most banks, building societies and stockbrokers. They can also be traded through Equiniti Limited. To use their service, shareholders should contact Equiniti: 0345 603 7037 from the UK. Lines are open Monday to Friday 08:30 to17:30, excluding English and Welsh public holidays.

5. 2015/16 second quarterly dividend

The Board has declared a second quarterly dividend for the year ending 31 March 2016 of 8.15p per ordinary share to be paid as an ordinary dividend on 7 January 2016 to shareholders registered at the close of business on 4 December 2015. Together with the first quarterly dividend of 8.15p (100% Property Income Distribution) paid on 9 October 2015, the first half dividend will be 16.3p per ordinary share (six months ended 30 September 2014: 15.8p).

6. Dividend related services

- Dividend payments to UK shareholders – Dividend Mandates

Land Securities recommends that dividends are paid directly into a nominated bank or building society account through the Bankers Automated Clearing System (BACS). This service provides cleared funds on the dividend payment date, is more secure than sending a cheque by post and avoids the inconvenience of paying each dividend by cheque. This arrangement is only available in respect of dividends paid in sterling.

- Dividend payments to overseas shareholders – International Payment Service

For international shareholders who would prefer to receive payment of their dividends in local currency and directly into their local bank account, an Overseas Payment Service (OPS) is available. This can be more convenient and effective than otherwise receiving dividend payments by sterling cheque or into a UK bank account.

The OPS service is available from Equiniti who, in partnership with Citibank, may be able to convert sterling dividends into your local currency at competitive rates and either arrange for those funds to be sent to you by currency draft or credited to your bank account directly.

- Dividend Reinvestment Plan (DRIP)

A DRIP is available from Equiniti Financial Service Limited. This facility provides an opportunity by which shareholders can conveniently and easily increase their holding in the Company by using their cash dividends to buy more shares. Participation in the DRIP will mean that your dividend payments will be reinvested in Land Securities shares and these 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 European Economic Area, Channel Islands or Isle of Man.

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

7. Financial reporting calendar

	2016
Interim Management Statement	21 January
Financial year end	31 March
2015/16 Preliminary results announcement	17 May *
Annual Report and AGM Notice mailed to shareholders	mid-June
Interim Management Statement	20 July *
Annual General Meeting	21 July *
2016/17 Half-yearly results announcement	15 November *

* Provisional date only

8. Investor relations enquiries

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

Glossary

Adjusted earnings per share (Adjusted EPS)
Earnings per share based on revenue profit after related tax.

Adjusted net asset value (Adjusted NAV) per share
NAV per share adjusted to remove the effect of the de-recognition of the 2004 bond exchange and cumulative fair value movements on interest-rate swaps and similar instruments.

Adjusted net debt
Net debt excluding cumulative fair value movements on interest-rate swaps, the adjustment arising from the de-recognition of the bond exchange and amounts payable under finance leases. It generally includes the net debt of subsidiaries and joint ventures on a proportionate basis.

Book value
The amount at which assets and liabilities are reported in the financial statements.

BREEAM
Building Research Establishment's Environmental Assessment Method.

Combined Portfolio
The Combined Portfolio comprises the investment properties 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. Unless stated otherwise, references are to the Combined Portfolio when the investment property business is discussed.

Completed developments
Completed developments consist of those properties previously included in the development programme, which have been transferred from the development programme since 1 April 2014.

Development pipeline
The development programme together with proposed developments.

Development programme
The development programme consists of committed developments (Board approved projects with the building contract let), authorised developments (Board approved), projects under construction and developments which have reached practical completion within the last two years but are not yet 95% let.

Diluted figures
Reported results adjusted to include the effects of potentially dilutive shares issuable under employee share schemes.

Dividend Reinvestment Plan (DRIP)
The DRIP provides shareholders with the opportunity to use cash dividends received to purchase additional ordinary shares in the Company immediately after the relevant dividend payment date. Full details appear on the Company's website.

Earnings per share (EPS)
Profit after taxation attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the period.

EPRA
European Public Real Estate Association.

EPRA net initial yield
EPRA net initial yield is defined within EPRA's Best Practice Recommendations as the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property. It is consistent with the net initial yield calculated by the Group's external valuers.

Equivalent yield
Calculated by the Group's external valuers, equivalent yield is the internal rate of return from an investment property, based on the gross outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent and such items as voids and non-recoverable expenditure but ignoring future 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's external valuers. For investment properties in the development programme, which have not yet reached practical completion, the ERV represents management's view of market rents.

Fair value movement
An accounting adjustment to change the book value of an asset or liability to its market value (see also mark-to-market adjustment).

Finance lease
A lease that transfers substantially all the risks and rewards of ownership from the lessor to the lessee.

Gearing
Total borrowings, including bank overdrafts, less short-term deposits, corporate bonds and cash, at book value, plus cumulative fair value movements on financial derivatives as a percentage of total equity. For adjusted gearing, see note 14.

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

Head lease
A lease under which the Group holds an investment property.

Interest Cover Ratio (ICR)
A calculation of a company's ability to meet its interest payments on outstanding debt. It is calculated using revenue profit before interest, divided by net interest (excluding the mark-to-market movement on interest-rate swaps, foreign exchange swaps, bond exchange de-recognition, capitalised interest and interest on the pension scheme assets and liabilities). The calculation excludes joint ventures.

Interest-rate swap
A financial instrument where two parties agree to exchange an interest rate obligation for a predetermined amount of time. These are generally used by the Group to convert floating-rate debt or investments to fixed rates.

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

Joint venture
An entity in which the Group holds an interest and is jointly controlled by the Group and one or more partners under a contractual arrangement. Decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each partner's consent.

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

LIBOR
The London Interbank Offered Rate, the interest rate charged by one bank to another for lending money, often used as a reference rate in bank facilities.

Like-for-like portfolio
The like-for-like portfolio includes all properties which have been in the portfolio since 1 April 2014, but excluding those which are acquired, sold or included in the development pipeline at any time since that date.

Like-for-like managed properties
Properties in the like-for-like portfolio other than those in our joint ventures which we do not manage operationally.

Loan-to-value (LTV)
Group LTV is the ratio of adjusted net debt, including subsidiaries and joint ventures, to the sum of the market 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, LTV is the ratio of net debt lent to the Security Group divided by the value of secured assets.

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

Mark-to-market adjustment
An accounting adjustment to change the book value of an asset or liability to its market value (see also fair value movement).

Net asset value (NAV) per share
Equity attributable to owners of the parent divided by the number of ordinary shares in issue at the period end.

Net initial yield
Net initial yield is a calculation by the Group's external valuers of the yield that would be received by a purchaser, based on the Estimated Net Rental Income expressed as a percentage of the acquisition cost, being the market value plus assumed usual purchasers' costs at the reporting date. The calculation is in line with EPRA guidance. Estimated Net Rental Income is determined by the valuer and is based on the passing cash rent less ground rent 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, including rental income, finance lease interest, rents payable, service charge income and expense, other property related income, direct property expenditure and bad debts. Net rental income is presented on a proportionate basis.

Outline planning consent
This gives consent in principle for a development, and covers matters such as use and building mass. Full details of the development scheme must be provided in an application for 'reserved matters approval', including detailed layout, scale, appearance, access and landscaping, before a project can proceed. An outline planning permission will lapse if the submission of 'reserved matters' has not been made within three years, or if it has not been implemented within three years or within two years of the final approval of 'reserved matters', unless otherwise expressly stated within conditions attached to the permission itself or, for any permissions granted on or before 1 October 2009, a successful application has been made to extend the time within which 'reserved matters' application can be submitted, or the overall limit for commencement of development.

Over-rented
Space where the passing rent is above the ERV.

Passing cash rent
The estimated annual rent receivable as at the reporting date which includes estimates of turnover rent and estimates of rent to be agreed in respect of outstanding rent review or lease renewal negotiations. Passing cash rent may be more or less than the ERV (see over-rented, reversionary and ERV). Passing cash rent excludes annual rent receivable from units in administration save to the extent that rents are

expected to be received. Void units and units that are in a rent-free period at the reporting date are deemed to have no passing cash rent. Although temporary lets of less than 12 months are treated as void, income from temporary lets is included in passing cash rents.

Pre-let
A lease signed with an occupier prior to completion of a development.

Pre-development properties
Pre-development properties are those properties within the like-for-like portfolio which are being managed to align vacant possession within a three year horizon with a view to redevelopment.

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.

Proposed developments
Proposed developments are properties which have not yet received final Board approval or are still subject to main planning conditions being satisfied, but which are more likely to proceed than not.

Qualifying activities/Qualifying assets
The ownership (activity) of property (assets) which is held to earn rental income and qualifies for tax-exempt treatment (income and capital gains) under UK REIT legislation.

Real Estate Investment Trust (REIT)
A REIT must be a publicly quoted company with at least three-quarters of its profits and assets derived from a qualifying property rental business. Income and capital gains from the property rental business are exempt from tax but the REIT is required to distribute at least 90% of those profits to shareholders. Corporation tax is payable on non-qualifying activities in the normal way.

Rental value change
Increase or decrease in the current rental value, as determined by the Group's external valuers, over the reporting period on a like-for-like basis.

Rental income
Rental income is as reported in the income statement, on an accruals basis, and adjusted for the spreading of lease incentives over the term certain of the lease in accordance with SIC 15. It is stated gross, prior to the deduction of ground rents and without deduction for operational outgoings on car park and commercialisation activities.

Return on average capital employed
Group profit before interest, plus joint venture profit before interest, divided by the average capital employed (defined as shareholders' funds plus adjusted net debt).

Return on average equity
Group profit before tax plus joint venture tax divided by the average equity shareholders' funds.

Revenue profit
Profit before tax, excluding profits on the sale of non-current assets and trading properties, profits on long-term development contracts, valuation movements, fair value movements on interest-rate swaps and similar instruments used for hedging purposes, the adjustment to interest payable resulting from the amortisation of the bond exchange de-recognition adjustment, debt restructuring charges and any items of an unusual nature.

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.

Scrip dividend
A scrip dividend is when shareholders are offered the opportunity to receive dividends in the form of shares instead of cash.

Security Group
Security Group is the principal funding vehicle for Land Securities 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.

Temporary lettings
Lettings for a period of one year or less. These are included within voids.

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

Total business return
Dividend paid per share, plus the change in adjusted diluted net asset value per share, divided by the adjusted diluted net asset value per share at the beginning of the year.

Total cost ratio
Total cost ratio represents all costs included within revenue profit, other than rents payable and financing costs, expressed as a percentage of gross rental income before rents payable.

Total development cost (TDC)
Total development cost refers to the book value of the site at the commencement of the project, the estimated capital expenditure required to develop the scheme from the start of the financial year in which the property is added to our development programme, together with capitalised interest, being the Group's borrowing costs associated with direct expenditure on the property under development. Interest is also capitalised on

the purchase cost of land or property where it is acquired specifically for redevelopment. The TDC for trading property development schemes excludes any estimated tax on disposal.

Total property return
Valuation movement, profit/loss on property sales and net rental income in respect of investment properties expressed as a percentage of opening book value, together with the time weighted value for capital expenditure incurred during the current year, on the combined property portfolio.

Total Shareholder Return (TSR)
The growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional units of the stock.

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

Turnover rent
Rental income which is related to an occupier's turnover.

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 a period of one year or less are also treated as voids.

Weighted average cost of capital (WACC)
Weighted average cost of debt and notional cost of equity, used as a benchmark to assess investment returns.

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

Yield shift
A movement (negative or positive) in the equivalent yield of a property asset.

Zone A
A means of analysing and comparing the rental value of retail space by dividing it into zones parallel with the main frontage. The most valuable zone, Zone A, is at the front of the unit. Each successive zone is valued at half the rate of the zone in front of it.