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Land Securities Group PLC
16 May 2025

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LAND SECURITIES GROUP PLC ("Landsec")

Results for the year ended 31 March 2025

Strong operational results set to drive continued growth

Mark Allan, Chief Executive of Landsec, commented:

"Our portfolio again delivered very strong performance with like-for-like net rental income growth of 5.0%, supporting growth in both earnings and portfolio valuation over the year. Owning the right real estate has never been more important and, with a very healthy pipeline of occupier demand, this trend looks set to continue, providing a clear trajectory for further near and medium-term EPS growth.

"Our undoubted portfolio quality is a result of proactive and successful capital recycling over recent years and this will continue to be a focus for us. Our capital allocation decisions from here are about ensuring that the growth outlook for our portfolio in 3-5 years' time is as positive as it is for our current portfolio today. That is why we have set out a clear plan to increase investment in major retail by a further £1bn and establish a £2bn+ residential platform by 2030, to be funded by rotating £3bn of capital out of offices, non-core investments and low or non-yielding pre-development assets. Delivering on this strategy, whilst continuing to drive sustainable income and EPS growth, is our priority and we are firmly underway."

Financial highlights

	2025	**2024**		**2025**	**2024**
EPRA earnings (£m)(1)(2)	374	371	Profit/(loss) before tax (£m)	393	(341)
EPRA EPS (pence)(1)(2)	50.3	50.1	Basic EPS (pence)	53.3	(43.0)
EPRA NTA per share (pence)(1)(2)	874	859	Net assets per share (pence)	877	863
Total return on equity (%)(1)(2)	6.4	(4.0)	Dividend per share (pence)	40.4	39.6
Group LTV ratio (%)(1)(2)	39.3	35.0	Net debt (£m)	4,341	3,594

- EPRA earnings up £3m to £374m, as strong 5.0% LFL net rental income growth and lower overhead costs more than offset impact from significant disposals early in year and a rise in finance costs
- EPRA EPS(1)(2) up 0.4% to 50.3p, in line with expectations and ahead of initial guidance
- Total dividend up 2.0% to 40.4p per share, in line with guidance
- Profit before tax up to £393m, as strong 4.2% ERV growth supported £119m or 1.1% uplift in portfolio value, resulting in 6.4% return on equity and 1.7% increase in EPRA NTA per share
- Group LTV of 38.4% and average net debt/EBITDA of 7.7x pro-forma for disposals since year-end, as long 9.6-year average debt maturity underpins resilience of capital base
- Further LFL growth and efficiency improvements, alongside portfolio rebalancing to enhance long term growth, provides c. 20% EPRA EPS growth potential by FY30, with c. 2-4% growth expected in FY26

Operational highlights

- Delivered 5.0% LFL net rental income growth, ahead of guidance, with 8% rental uplifts on relettings / renewals in London and major retail, and continued strong leasing momentum since the year-end
- Increased occupancy by 100bps on a LFL basis to 97.2%, the highest level in five years
- Drove 4.2% ERV growth through successful leasing activity, adding to future income growth potential
- Reduced overhead costs by 5%, with more than 10% further savings expected over FY26-27

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

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

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

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

— Delivered 5.1% LFL net rental income growth, with occupancy up 110bps to 96.6%, £39m of lettings signed or in solicitors' hands 11% above ERV, and relettings/renewals 8% above previous rent
— Drove 4.0% ERV growth, capitalising on continued focus from brands on fewer, bigger, better stores, with similar growth expected for current year
— Expect continued LFL income growth, as leasing pipeline remains strong and rental uplifts grow
— Portfolio valuation up 3.4%, reflecting attraction of high-quality, growing income
— Invested £610m in Liverpool ONE and Bluewater acquisitions at average 7.7% income return, with aim to invest a further £1bn in highly accretive growth of major retail platform over next 1-3 years

Progressed preparation of sizeable residential pipeline, ahead of first potential starts in late 2026

— Started on site with infrastructure works, secured vacant possession and completed demolition for first phase of consented 1,800-homes Finchley Road scheme in Zone 2, London
— Renegotiated development agreement at Mayfield, Manchester, unlocking option to deliver c. 1,700 homes from 2026 onwards, with decision on detailed planning for first phase expected in second half
— Submitted outline/detailed planning application for masterplan in Lewisham, Zones 2&3, London, covering up to 2,800 homes, with planning decision expected in second half of year
— Preparing for first potential residential development starts in late 2026, as part of strategic objective to invest £2bn+ in this structural growth sector by FY30

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

— Sold £496m of non-core assets during year plus a further £159m since year-end, on average 1% below Mar-24 book value, with further non-core disposals expected in near term
— Maintained solid capital base, with 9.6-year average debt maturity, £1.1bn cash and undrawn facilities, and pro-forma for disposals post year-end, 7.7x average net debt/EBITDA and 38.4% LTV
— Capitalised on sector-leading access to credit during year, with £350m 10-year bond issue at 4.625% coupon and refinancing of £2.25bn revolving credit facilities at existing low margins

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

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

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

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

Webcast link: https://webcast.landsec.com/2025-full-year-results
Call title: Landsec Full Year Results 2025
Conference call: https://webcast.landsec.com/2025-full-year-results/vip_connect

Forward-looking statements

These full year results, the latest Annual Report and Landsec's website may contain certain 'forward-looking statements' with respect to Land Securities Group PLC (the Company) and the Group's financial condition, results of its operations and business, and certain plans, strategies, 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 political conditions, 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 forward-looking statements made in these full year results, the latest Annual Report or Landsec's website, or made subsequently, which are attributable to the Company 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 it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements.

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

Chief Executive's statement

A clear trajectory for growth, both near and longer term

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

In the long run, it is clear that income growth is the main driver of value growth in both equity markets and real estate, so our primary focus is on delivering sustainable income and EPS growth. For an £11bn REIT like us, materially shifting portfolio mix takes time, so we need to think differently about what drives EPS growth near term and what we believe will drive it longer term, as these are not necessarily the same.

In the near term, most of our EPS growth will be driven by the assets we own today, not the assets we decide to buy or develop from here. In that respect, we expect our customers' focus on quality to persist and for this to support continued like-for-like rental income growth. This encouraging outlook on income is further supported by our clear plans to further reduce overhead costs by over 10% over the next two years following the 13% saving we already made over the last two years. These two factors combined underpin our expectations for positive near-term EPS growth.

The capital allocation decisions we make today have more impact on EPS growth in the medium to longer term. As such, our decisions on development and recycling capital today are therefore about making sure that in 3-5 years' time, our asset mix is such that we are still as confident about the income growth prospects of our portfolio at that point, as we are about our current portfolio today.

These two factors - impact on sustainable income and EPS growth nearer term and impact on desired portfolio mix longer term - are, alongside our assessment of risk, the primary guide for our capital allocation decisions. It is this framework which underpinned our decision to invest £0.6bn of capital in two of the very best retail destinations in the UK over the past year - Liverpool ONE and Bluewater - and to sell £0.4bn of ageing hotels with a substantial capex bill looming. It is also what underpins our aim to invest a further £1bn in major retail over the next 1-3 years, as we monetise further non-core assets and surplus land. And, on a 2-5 year view, our aim to reduce our capital employed in offices by £2bn to build a sizeable residential platform, which we believe will provide higher structural growth and lower volatility.

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

Strong operational performance underpins solid financial results

Our operational performance over the past year has been strong. Occupancy increased to a high 97.2% and we delivered 5.0% growth in like-for-like net rental income, with strong growth across London and major retail. For both, our reversionary potential is growing, with 8% rental uplifts on relettings/renewals. In retail in particular, this trend has continued to rise, up from 1% last year to 4% at the half year, 7% for the full year and 10% for current lettings. Overall leasing was 4% above ERV, driving 4.2% ERV growth.

Our strong operational performance and £4m reduction in overhead costs, on top of the £7m reduction in the prior year, mean our financial results for the year are positive. Despite the earnings impact of the significant disposals we made early in the year, EPRA earnings still increased £3m to £374m, or 50.3 pence per share. This was also despite the fact that the prior year benefitted from £14m, or 1.9 pence, higher surrender receipts than the last twelve months and means EPS is ahead of our initial guidance for the year. Reflecting this, our dividend is up 2.0%.

The valuation of our portfolio was up 1.1%, in line with our view a year ago that yields were set to stabilise and values for the best assets would return to growth. As such, our return on equity improved to 6.4% and NTA per share increased 1.7%. Meanwhile, our balance sheet remains robust, with a long average debt maturity of 9.6 years. Pro-forma for disposals since the year-end, our LTV is 38.4% and average net debt/EBITDA is 7.7 times. Following a £350m 10-year bond issue at 4.625%, representing a 97bps credit spread, and refinancing of £2.25bn revolving credit facilities at stable margins during the year, the benefit of our balance sheet strength is clear and maintaining this remains a key priority.

Table 1: Highlights

	Mar 2025	Mar 2024	**Change %**
EPRA earnings (£m)[1]	**374**	371	**0.8**
IFRS profit/(loss) before tax (£m)	**393**	(341)	**n/a**
Total return on equity (%)	**6.4**	(4.0)	**10.4**
Basic earnings/(loss) per share (pence)	**53.3**	(43.0)	**n/a**
EPRA earnings per share (pence)[1]	**50.3**	50.1	**0.4**
Dividend per share (pence)	**40.4**	39.6	**2.0**
Combined portfolio (£m)[1][2]	**10,880**	9,963	**9.2**
IFRS net assets (£m)	**6,532**	6,447	**1.3**
EPRA Net Tangible Assets per share (pence)[1]	**874**	859	**1.7**
Adjusted net debt (£m)[1]	**4,304**	3,517	**22.4**
Group LTV ratio (%)[1]	**39.3**	35.0	**4.3**
Proportion of portfolio rated EPC A - B (%)	**56**	49	
Average upfront embodied carbon reduction development pipeline (%)	**41**	40	
Energy intensity reduction vs 2020 (%)	**23**	18	

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information in the Financial Review.
2. Includes owner-occupied property and non-current assets held-for-sale.

Our strategy

Through targeted investments and £3.3bn of disposals since our Strategy Review in late 2020, we have established a high-quality portfolio and pipeline of best-in-class office-led, retail-led and residential-led places with substantial income growth potential. The predominant use of space in each of these areas differs, yet there is increasingly more binding them together than setting them apart, as the lines between traditional uses of successful urban places continue to blur. Our ability to curate these places to adapt to the evolving demands of modern cities is what supports their sustained growth over time.

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

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

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

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

This explains why major retail still remains our highest conviction call and why we seek to grow our retail platform by a further £1bn over the next 1-3 years. Risk-adjusted returns on acquisitions are compelling, with highly attractive 7-8% day-one income yields; rents having returned to growth from rebased levels; and zero supply of new space in the foreseeable future, as capital values are around half of replacement costs, meaning that competition for the best space is expected to persist and rents continue to grow.

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

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

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

Implications for EPS growth and driving shareholder value

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

Overall, we therefore see the potential for EPS to grow c. 20% from 50.3 pence over the past year to c. 60 pence by FY30, which adds further to our attractive existing income return at NTA of 5.8%. Over this period growth should be relatively linear although the exact year-on-year profile will be influenced by factors such as the timing of development lettings, with for example £61m of ERV completing at our two highly sustainable, on-site developments in Victoria and the Southbank in about a year's time. We are seeing encouraging customer interest in this space emerge and although it will take time to lease-up as these are multi-let buildings, they should add £7m to earnings once fully let. We will not start any new speculative office-led projects until the expected income on these projects is substantially de-risked.

Over time, our compound growth in EPS should drive continued growth in dividends, whilst rebalancing our portfolio towards higher long-term income growth and lower cyclicality will create a more valuable income profile. In support of this, we will retain our strong capital base, as we continue to target a net debt/EBITDA of below 8x and an LTV around the mid 30's at this stage of the cycle. This will be further enhanced by a reduction in risk profile and cyclicality, as we reallocate capital from offices to residential. As we execute our strategy, Landsec is well-placed to deliver significant shareholder value.

Outlook

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

In major retail, the top 1% of all shopping destinations in the UK provide brands with access to 30% of all in-store retail spend. As close to 90% of our retail assets are in this top 1%, brands continue to invest in space with us, focussing on 'fewer, bigger, better' stores in the best locations. Any pressure on brands' margins from increased NI costs or wider economic uncertainty will likely sharpen this focus further and put more pressure on the tail-end of brands' store portfolios. As our occupancy is now higher than it was before Covid, we expect rental value growth this year to be around similar levels as last year.

In London, office utilisation across our portfolio continues to grow and customers are now planning for c. 25% more space per person than five years ago, with c. 80% of our lettings over the past year having seen customers grow or keep the same space. In the near future, new supply across London is modest, so we expect our rental values this year to continue to grow at a broadly similar rate as they did last year. This also bodes well for our two committed developments, Thirty High and Timber Square, where we expect to see first pre-let activity in the second half of this year, in line with our underwrite assumptions.

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

The trends that have supported our strong operational performance over the past few years remain intact, even though the global economic outlook has become more uncertain in recent months as a result of shifting US trade policy. We are mindful of the disruption this can cause but, as a purely UK focused business with an existing customer base that is primarily focused on successful omnichannel retail brands, professional services and financial services and a development pipeline which is increasingly focused on residential, we are not seeing any impact on customer demand or financial performance.

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

In summary, we are well-placed due to the successful execution of our 2020 strategy, with clear upside as we deliver the next phase of our strategy. Our portfolio is 97.2% full, so ERVs are growing. Our office rents are 12% reversionary and rental uplifts on relettings/renewals in retail have risen to 10%. We are on track to reduce overhead cost by a further 10% over the next two years, with additional upside to EPS to come from recycling £3bn of capital out of offices and non-core assets into major retail and residential.

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

Operating and portfolio review

Overview

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

— Central London (62% by value): our well-connected, high-quality office (85%) and retail and other commercial space (15%), principally focused on multi-let assets in a small number of key areas in the West End (68%), City (24%) and Southwark (8%).
— Major retail destinations (24%): our investments in seven shopping centres and three retail outlets, c. 90% of which sit in the top 30 highest selling retail destinations in the UK.
— Mixed-use urban neighbourhoods (7%): our investments in mixed-use urban places in London and a small number of other major UK cities, with future repositioning or residential development potential.
— Subscale (7%): assets in sectors where we have limited scale or competitive advantage and which we therefore plan to divest over time, split broadly equally between retail and leisure parks.

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

Driving sustainable income growth

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

Given the time it takes to develop and acquire or sell a meaningful share of an £11bn property portfolio, in the next few years the majority of our income growth will be driven by our existing portfolio, where the outlook is positive. Our capital allocation decisions from here are about ensuring our income growth prospects in 3-5 years are as attractive as they are for our current portfolio today.

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

Table 2: Like-for-like income growth

	Net rental income	LFL net rental income growth	LFL occupancy change	Gross to net margin	LFL change in GtN margin
	£m	%	ppt	%	ppt
Central London	275	6.6	1.2	92.0	0.7
Major retail	166	5.1	1.1	83.4	1.7
Mixed-use urban	43	2.8	0.9	79.6	4.4
Subscale sectors	68	0.0	0.4	94.4	2.2
Total Combined Portfolio	**552**	**5.0**	**1.0**	**88.5**	**1.7**

Central London

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

The appeal of our offer is reflected in the fact that we continue to see growth in daily turnstile tap-ins in our buildings. The rate of growth will naturally plateau as customers' space nears full capacity, yet the last three months saw average daily tap-ins up 11% vs the prior year. Our customers are now planning for c. 25% more space per person than they did five years ago, so c. 80% of our lettings over the last twelve months have seen customers grow or keep the same space.

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

Our two established Myo flex office locations in Victoria and Liverpool Street saw occupancy reduce from 90% to 79% in the first half due to a small number of larger lease expiries, but in line with the view we set out at the half year, occupancy has recovered to 90% since then. The lease-up of the four new Myo locations we opened a year ago has taken slightly longer than expected, but these are now 61% let or under offer, with a further 21% in negotiations and rents on average 2% ahead of our underwrites.

Major retail destinations

The top 1% of all UK shopping destinations provide brands with access to c.30% of the country's in-store, non-food retail spend, offering higher sales densities and productivity than other formats. Around 90% of our retail assets sit in this top 1%, which mean our destinations continue to materially outperform, with total sales up 3.4% and footfall up 0.4%, well ahead of BRC Benchmarks (-1.7% and -0.7% respectively).

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

Over the past year, 17 brands increased their space with us, 30 new brands opened in our centres and 45 existing brands opened stores in new locations within our portfolio. This meant like-for-like occupancy increased 110bps to 96.6%, so occupancy is now higher than it was before the pandemic. We signed 201 leases totalling £26m of rent on average 8% above ERV, driving 4.0% ERV growth for the year. Relettings and renewals for the year were 7% above previous passing rent, up from 3% at the half year and 1% over the prior year. This has risen further to 10% for deals in solicitors hands, underlining the growing reversionary potential in our portfolio. As a result, like-for-like net rental income increased 5.1%.

At the same time, on a like for like basis our leasing pipeline is up meaningfully vs this time last year, with £12m of lettings in solicitors' hands on average 20% ahead of ERV, and as our existing assets are nearly full and new supply is non-existent, we expect this to drive continued growth in rental income over time.

Mixed-use

After taking full control of MediaCity in October, we have already started to deliver a turnaround in performance with a number of office lettings and new F&B lettings, resulting in a 110bps increase in occupancy to 93.5%. We recently appointed a CEO for MediaCity who joins from a senior media background, and who will oversee the entire operations of the estate including the studios business. This will allow us to further build on the growing momentum and capitalise on the upside potential our new control offers us.

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

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

Table 3: Operational performance

	Annualised rental income £m	Net estimated rental value £m	EPRA occupancy[1] %	LFL occupancy change[1] ppt	WAULT[1] Years
West End offices	164	202	99.1	(0.6)	6.0
City offices	85	111	96.2	4.4	8.1
Retail and other	58	54	97.3	0.4	5.7
Developments	-	85	n/a	n/a	n/a
Total Central London	**307**	**452**	**98.0**	**1.2**	**6.5**
Shopping centres	186	188	96.4	1.0	4.1
Outlets	48	52	97.4	1.4	2.8
Total Major retail	**234**	**240**	**96.6**	**1.1**	**3.8**
London	10	14	88.1	(2.1)	6.7
Major regional cities	37	49	95.2	2.1	5.3
Total Mixed-use urban	**47**	**63**	**93.5**	**0.9**	**5.6**
Leisure	44	41	98.2	1.2	10.0
Retail parks	25	27	96.4	(0.8)	5.5
Total Subscale sectors	**69**	**68**	**97.4**	**0.4**	**8.2**
Total Combined Portfolio	**657**	**823**	**97.2**	**1.0**	**5.8**

1. Excluding developments.

Acquisitions

We made £720m of acquisitions during the year, in line with our strategy to grow our major retail platform and future residential optionality. The majority of this was our acquisition of a 92% stake in Liverpool ONE for £490m, which is one of the top retail destinations in the UK. £35m of the consideration is deferred for two years at zero interest charge and with a day-one net income return of 7.5% and rents which are reversionary and poised to grow, we expect overall returns to be in the double digits. We invested £120m in buying a further 17.5% stake in Bluewater at an income yield of 8.5% and £19m in two smaller assets adjacent to our existing retail assets in Cardiff and Glasgow, bringing total retail acquisitions to £629m.

Other acquisitions totalled £91m. This principally reflected the acquisition of the remaining 25% interest in MediaCity from Peel, plus the 218-bed hotel and studio operations at the estate which were wholly owned by Peel. The cash consideration was £23m and we assumed £61m of debt, providing an overall consideration of £84m. This represented a discount to the book value of our existing stake, reflecting the value of future income from wrapper leases to Peel we agreed to surrender. Adjusted for this, the deal was broadly in line with book value and EPS neutral in the short term, but it enhances medium to longer term EPS growth, as it provides us with full control to implement our asset management plans for the existing estate, whilst the Phase 2 land has a planning allocation to develop 2,700 homes. We also acquired £7m of assets adjacent to our future residential schemes in Manchester and London.

Disposals

We sold £496m of assets during the year which did not fit our strategic objectives and longer-term growth aspirations. On average, these disposals reflected an effective net income yield of 7.5% and were 1% below their March 2024 book value. The largest disposal was our £400m hotel portfolio, which had seen a strong recovery in performance post Covid, yet as the income was 100% turnover-linked on long-term leases to the operator of the hotels, there was little opportunity for us to influence or enhance its future operational performance. In addition, c. 70% of the hotels were more than 25 years old and the portfolio was therefore expected to require significant capex in the near future. The disposal included a deferred payment of £50m for up to two years, for which we receive an annual 6% coupon.

We also sold a retail park in Taplow for £46m and a number of smaller non-core assets for a combined £50m. Since the year-end, we have sold two further retail parks for £143m, reflecting an average net rental income yield of 6.4%, in line with book value. We expect to progress further disposals in the near future, as we continue to recycle capital out of subscale sectors and aim to monetise part of our capital employed in low-yielding pre-development assets. Over the next 2-5 years, we aim to further rebalance our portfolio mix by monetising c. £2bn of capital employed in offices.

Development and investments in existing assets

During the year, we invested £486m in capex, including £202m for our two on-site office projects in Victoria and Southwark and £85m in pre-development assets. As we plan to reduce our capital employed in pre-development assets by half over the next three years, the latter is set to reduce over time. We invested £199m in our existing portfolio, including £45m in the refurbishment of 5 New Street Square where we agreed a new 17-year lease with Taylor Wessing in 2023; £28m in repositioning traditional office space to Myo flex space, which delivers a material uplift in income; £22m in our net zero investment programme; and £14m in public realm improvements. The remainder principally relates to leasing activity and accretive investment in retail capex.

Current projects

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

The completion of Thirty High has moved out a few months, but costs remain in line with expectations. At Timber Square, building on the success at our n2 scheme in Victoria, we have added clubrooms to the original design which will be accessible to all customers. This will drive additional rent, yet combined with some design refinements and a sub-contractor insolvency, we reported at the half year that overall costs had gone up £31m and the expected gross yield on cost had reduced slightly from 7.1% to 7.0%. There have been no further changes to costs in the second half.

Table 4: Committed pipeline

Project	Sector	Size sq ft '000	Estimated completion date	Net income/ ERV £m	Market value £m	Costs to complete £m	TDC £m	Gross yield on TDC %
Thirty High, SW1	Office	299	Q4 FY26	30	352	102	418	7.2%
Timber Square, SE1	Office	383	Q4 FY26	31	292	152	442	7.0%
Total		**682**		**61**	**644**	**254**	**860**	**7.1%**

Potential future pipeline

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

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

Table 5: Pre-development assets

Project	Current capital employed £m	Proposed sq ft '000	Indicative TDC	Indicative ERV £m	Gross yield on TDC %	Potential start date	Planning status
Office-led							
Red Lion Court, SE1		250				2026	Consented
Old Broad Street, EC2		290				2026	Consented
Liberty of Southwark, SE1		220				2026	Consented
Hill House, EC4		390				2026	Consented
Southwark Bridge Road, SE1		140				2026	Consented
Nova Place, SW1		60				2027	Design
Timber Square							

Phase 2, SE1		380				2027	Design
Total	**c. 370**	**1,730**	**2.4**	**170**	**7.1**		
Residential-led[1]							
Mayfield, Manchester		1,800	0.9			2026	Consented
Finchley Road, NW3		1,400	1.2			2026	Consented
Lewisham, SE13		1,900	1.5			2027	Planning application
MediaCity Phase 2, Salford		n/m	n/m			n/m	Design
Total	**c. 260**	**5,100**	**3.6**	**200-260**	**6-7**		
Other opportunities	**c. 100**	**n/m**					Various

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

Our total capital employed in these pre-development assets is c. £730m yet the current net income yield on this is minimal at c. 1%. As there is a clear holding cost in maintaining this optionality for a prolonged period, we plan to monetise around half of our capital employed over the next 1-3 years, principally from office-led and other projects. This will add c. £15m to earnings through reduced interest costs and improve our overall ROE by c. 25-50bps, taking into account lower capitalised pre-development costs.

Post the completion of our two existing office schemes, we will reduce our office-led development activity by at least half compared to the average c. £1bn committed TDC we have had over the last five years. From 2026, we plan to shift development activity to residential, where we now have an attractive pipeline of more than 6,000 homes across three schemes in Manchester and London, which could deliver over £200m of annualised net rental income in the next decade.

The first of our main residential projects is Finchley Road, in zone two London, where we have outline consent for 1,800 homes and detailed planning consent for the first 600 homes. We expect a decision on a variation to the detailed consent in the second half of 2025. We have secured vacant possession and completed the demolition and enabling works for the first phase, which means we could start on site in late 2026. We expect a gross yield on cost of close to 6.5%, which translates into a net yield after property operating expenses of c. 4.8-5.0%, resulting in a c. 10-12% unlevered IRR.

At our residential-led scheme at Mayfield, adjacent to Manchester's main train station, we agreed with our JV partners to optimise the development strategy for this 24-acre site during the year. The site benefits from effective outline consent in the form of a strategic regeneration framework and we have submitted a detailed planning application for the first 879 homes, which we expect a decision on in the second half of this year. We are working towards the potential start of a c. £150m office block as part of the first phase of development. Office demand in Manchester remains strong, with prime rents up 13% over the past two years. Whilst we would not pursue office development in isolation, the returns on this look acceptable and, importantly, delivering this would unlock the opportunity to invest c. £1bn in delivering c. 1,700 homes across multiple phases. The first residential phase could start in late 2026 with a gross yield on cost of c. 6.5-7.0% and net yield after direct property costs of c. 5.0-5.5% is expected to deliver an unlevered IRR of c. 11-13%.

At Lewisham, south-east London, we submitted a planning application for our new masterplan, which has the potential to deliver up to 1,700 homes with a further 445 co-living homes and 660 student beds over the next decade across multiple phases. The plans have been developed after substantial consultation with local stakeholders, as a result of which our plans received ten times more letters of support than objections. We expect a decision on our application in the second half of this year. Given that we have vacant possession flexibility for the first phase, this could allow for a start on site in 2027. We expect a gross yield on cost of around 6.5%, which translates into a net yield after direct property costs of c. 4.9-5.1%, resulting in a c. 10-12% unlevered IRR.

Across London, office space under construction is stable vs March 2024 at 13m sq ft, of which c. 45% is pre-let or under offer. Whilst demand for space remains good, the build cost inflation over the past few years, continued challenges in supply chains and higher exit yields have put pressure on development returns, despite growing rents. This impacts office development more than residential, so we continue to carefully weigh risks and returns on any new schemes, but in any case, we do not plan to commit to any new speculative London office projects until we have secured the majority of the £61m ERV on our existing projects.

Portfolio valuation

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

Our Central London portfolio was up 1.0%, driven by strong 5.2% growth in ERVs, whilst valuation yields rose slightly. Developments were up 2.5% reflecting ERV growth and a de-risking of our on-site schemes. The valuation of our major retail portfolio was up 3.4%, reflecting a combination of 4.0% ERV growth and 22bps yield compression. Combined with the high income return, this again was best performing segment in our portfolio, with a 10.1% total return for the year compared with Central London at 5.2% and mixed-use at 0.1%.

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

We continue to see a steady pick-up in investor interest and activity in London and major retail. As rents for the best assets continue to grow, yields for such assets remain attractive in a historical context. Whilst we have not seen any impact on investor appetite from the recent increase in global economic uncertainty so far, we are mindful that the direction for long-term interest rates and credit spreads will likely influence the pace at which momentum continues to improve from here. As customer demand remains robust, following our 4.2% growth in overall ERVs over the past twelve months, we expect London and major retail ERVs to grow by a broadly similar rate this year as they did over the last twelve months.

Table 6: Valuation overview

	Market value £m	Surplus / (Deficit) £m	FY valuation change %	H2 valuation change %	LFL rental value change[1] %	Net initial yield %	Topped up net initial yield %	Equivalent yield %	LFL equivalent yield change bps
West End offices	3,124	17	0.6	0.5	5.2	4.6	5.4	5.4	14
City offices	1,445	20	1.4	0.0	7.5	4.2	5.1	6.2	13
Retail and other	1,022	(2)	(0.2)	0.3	0.6	4.3	4.6	4.9	(2)
Developments	1,108	27	2.5	(0.4)	n/a	0.0	0.0	5.3	n/a
Total Central London	**6,699**	**62**	**1.0**	**0.2**	**5.2**	**4.4[2]**	**5.2[2]**	**5.5**	**12**
Shopping centres	1,977	81	4.3	1.3	3.6	7.2	7.9	7.7	(31)
Outlets	626	4	0.5	0.8	5.1	6.3	6.3	6.9	(7)
Total Major retail	**2,603**	**85**	**3.4**	**1.2**	**4.0**	**7.0**	**7.6**	**7.5**	**(22)**
London	190	(18)	(8.1)	(2.7)	3.4	4.3	4.3	6.6	8
Major regional cities[3]	599	(24)	(4.0)	(1.4)	1.7	6.6	6.5	8.2	47
Total Mixed-use urban	**789**	**(42)**	**(5.0)**	**(1.7)**	**2.2**	**5.9[2]**	**5.8[2]**	**7.7**	**36**
Leisure	423	(5)	(1.2)	(0.1)	1.3	7.8	8.1	8.8	(8)
Retail parks[4]	366	19	5.4	(0.1)	1.1	6.1	6.3	6.7	(24)
Total Subscale sectors	**789**	**14**	**1.8**	**(0.1)**	**1.2**	**7.0**	**7.2**	**7.7**	**(22)**
Total Combined Portfolio	**10,880**	**119**	**1.1**	**0.3**	**4.2**	**5.4[2]**	**6.0[2]**	**6.3**	**3**

1. Rental value change excludes units materially altered during the period.
2. Excluding developments / land.
3. Includes owner-occupied property.
4. Includes non-current assets held-for-sale.

Growing in a sustainable way

We target to reduce direct and indirect greenhouse gas emissions by 47% by 2030 vs 2019/20, including all of our Scope 1 and 2 emissions and all of our reported Scope 3 emissions and reach net zero by 2040. So far, we have reduced our emissions by 33% vs our 2019/20 baseline. We also target to reduce energy intensity by 52% by 2030 vs 2019/20 and are currently on track, with a 23% reduction vs this baseline so far.

In 2021, we set out a net zero transition investment plan to ensure all our assets would meet a Minimum Energy Efficiency Standard of EPC 'B' by 2030. The cost of this is reflected in our valuations and we completed the first retro-fit of air source heat pumps in an occupied building during the year at Dashwood, so 56% of our portfolio is now rated EPC 'B' or higher, up from 49% a year ago. We also installed almost 1,300 additional solar panels at Gunwharf Quays, which combined with the already existing system will generate over 670,000 kWh per year, representing 23% of total landlord electricity demand.

We also continue to focus on reducing embodied carbon in development, with our future pipeline tracking a 41% reduction vs the standard baseline. This is principally achieved via relatively low-cost changes in design and retention of existing structures, but there is a limit to how much of a further reduction is economically achievable. Whilst there is clear evidence that energy in use is important to customers and investors, there is no evidence they are willing to pay a premium for buildings with less embodied carbon.

Finally, through our Landsec Futures programme, we continue to improve social mobility in real estate and tackle issues local to our assets. To date, this has created career pathways for 18 interns and supported 13 real estate bursaries. From our 2019/20 baseline, we have so far created £96m of social value and empowered 14,737 people towards the world of work.

Financial review

Overview

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

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

Our £23m like-for-like net rental income growth and £4m reduction in overhead costs more than offset a small rise in finance costs, the impact from net disposals during the period, and a reduction in surrender receipts, so EPRA earnings were up £3m to £374m, or 50.3 pence per share. Our total dividend for the year of 40.4 pence is up 2.0%, in line with our guidance of low single digit percentage growth, and our dividend cover of 1.25x remains comfortably within our target range of 1.2-1.3x on an annual basis.

Our successful leasing drove 4.2% growth in ERVs, which further enhances our income growth potential and underpinned a 1.1% increase in the valuation of our assets. This meant IFRS profit before tax was £393m and basic EPS was 53.3 pence, compared with a loss before tax of £341m in the prior year. EPRA NTA per share was up 1.7% to 874 pence, so including dividends, our return on equity was 6.4%.

All this remains underpinned by our clear commitment to retain a strong balance sheet. Adjusted net debt increased from £3.5bn to £4.3bn, principally due to our £455m investment in Liverpool ONE in December, but this reduces to £4.1bn pro-forma for our £159m of disposals since the year-end. Pro-forma for these, our LTV is 38.4% and our weighted average net debt/EBITDA is 7.7x and we anticipate to make further disposals in the near term. In September, we issued a £350m 10-year Green bond at a 4.625% coupon and in October we refinanced £2.25bn revolving credit facilities at stable margins, so our average debt maturity remains long, at 9.6 years. We have no need to refinance any debt until 2027 and have £1.1bn of cash and undrawn facilities.

Presentation of financial information

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

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

Measures presented on a proportionate basis are alternative performance measures as they are not defined under IFRS. This presentation provides additional information to stakeholders on the activities and performance of the Group, as it aggregates the results of all the Group's property interests which under IFRS are required to be presented across a number of line items in the statutory financial statements. For further details see table 14 in the Business analysis section.

Income statement

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

strong leasing activity delivered strong like-for-like rental income growth.

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

Table 7: Income statement(1)

					Year ended 31 March 2025					Year ended 31 March 2024	
	Central London	**Major retail**	**Mixed-use urban**	**Subscale sectors**	**Total**	Central London	Major retail	Mixed-use urban	Subscale sectors	Total	**Change**
	£m	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m	**£m**
Gross rental income(2)	**299**	**199**	**54**	**72**	**624**	291	181	57	112	641	(17)
Net service charge expense(3)	**(2)**	**(4)**	**(4)**	**(1)**	**(11)**	(4)	(7)	(3)	(2)	(16)	5
Net direct property expenditure(3)	**(23)**	**(33)**	**(12)**	**(5)**	**(73)**	(23)	(31)	(12)	(15)	(81)	8
Net other operating income	**-**	**-**	**1**	**-**	**1**	-	-	-	-	-	1
Movement in bad/doubtful debts provisions	**1**	**4**	**4**	**2**	**11**	(1)	8	-	(1)	6	5
Segment net rental income	**275**	**166**	**43**	**68**	**552**	263	151	42	94	550	2
Net administrative expenses					**(73)**					(77)	4
EPRA earnings before interest					**479**					473	6
Net finance expense					**(105)**					(102)	(3)
EPRA earnings					**374**					371	3
Capital/other items											
Valuation surplus/(deficit)					**107**					(625)	732
Loss on disposals					**(18)**					(16)	(2)
Impairment charges					**(26)**					(12)	(13)
Fair value movement on interest rate swaps					**(38)**					(17)	(21)
Other					**(6)**					(20)	14
Profit/(loss) before tax attributable to shareholders of the parent					**393**					(319)	712
Non-controlling interests					**-**					(22)	22
Profit/(loss) before tax					**393**					(341)	734

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information above.
2. Includes finance lease interest, after rents payable.
3. Current year balances reflect a reclassification of joint venture service charge management fee income from net direct property expenditure to net service charge expense of £3m. While the comparatives have not been restated, the equivalent reclassification would have been £3m.

Net rental income

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

Reflecting the above, our overall net rental income was up £2m to £552m, although on a like-for-like basis net rental income was up £23m, or 5.0%. This was well ahead of our initial guidance for the year of similar growth as the prior period's 2.8% and above our raised guidance at the half year of growth being closer to 4%. This reflects our strong leasing, with increased occupancy, positive uplifts on relettings and renewals, and growth in turnover income, but also our focus on costs, as direct property costs reduced by £8m and net service charge expenses were down £5m. Looking ahead, we expect to like-for-like net rental income to grow by c. 3-4% in this financial year.

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

Table 8: Net rental income[1]

	£m
Net rental income for the year ended 31 March 2024	**550**
Gross rental income like-for-like movement in the period[2]:	
Increase in variable and turnover-based rents	**1**
Operational performance	**15**
Total like-for-like gross rental income	**16**
Like-for-like net service charge expense	**2**
Like-for-like net direct property expenditure	**5**
Decrease in surrender premiums received	**(14)**
Developments[2]	**12**
Acquisitions since 1 April 2023[2]	**17**
Disposals since 1 April 2023[2]	**(41)**
Movement in bad/doubtful debts	**5**
Net rental income for the year ended 31 March 2025	**552**

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

Net administrative expenses

Following a £7m reduction during the prior year, net administrative expenses were down a further £4m to £73m last year, as our continued focus on managing costs more than offset inflation, principally driven by organisational changes and procurement savings. We implemented our new data and tech systems late last year, so the material efficiency savings these will deliver will mostly benefit future years. Alongside a further streamlining of our resources and other savings, this means we expect net administrative expenses to be well below £70m for FY26 and less than £65m for FY27, despite the increase in national insurance costs and ongoing inflation.

The reduction in net administrative expenses and increase in gross to net margin resulted in a 3.3ppt improvement in our EPRA cost ratio to 21.7%, although this is not a measure which is overly useful in its own right. Assets with long leases to a single tenant naturally have lower operating costs than more operational assets such as e.g. residential or shopping centres, yet that clearly does not mean they deliver better income or total returns. For us, it is the overall net income return which matters, as that is what ultimately drives value for shareholders.

Net finance expenses

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

Non-cash finance expense, which includes the fair value movements on derivatives, caps and hedging and which is not included in EPRA earnings, increased from a net expense of £23m in the prior year to £39m this year. This is predominantly due to the fair value movements of our interest-rate swaps over the period.

Valuation of investment properties

The independent external valuation of our Combined Portfolio showed an increase in value of £119m. Our continued strong leasing activity resulted in 4.2% ERV growth, and valuations yields were stable in both the first and second half of the year. We continue to see investment activity picking up, which we expect will continue to underpin values for those assets that can generate income growth, although we are mindful that the pace at which activity recovers further from here could well be influenced by any changes in long-term interest rates.

IFRS loss after tax

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

Net assets and return on equity

Including dividends paid, our total return on equity for the year was 6.4%, compared with -4.0% for the prior year. The income component of this was 5.8%. Movements in valuation yields reduced our overall return on equity by 0.8%, but other valuation movements added 2.1%. Within this, the upside from ERV growth was offset in part by an increased level of capex on pre-development assets and a reduction in the value of QAM, as it is getting nearer the end of its lease. We also recognised an element of goodwill write-off and provisions, as detailed below, which reduced ROE by 0.7%, but these are not expected to recur. Given our attractive income return and clear income growth, we are well-placed to deliver attractive return on equity over time.

After the £297m of dividends paid, EPRA Net Tangible Assets, which reflects the value of our Combined Portfolio less adjusted net debt, increased to £6,530m, or 874 pence per share. This was up 1.7% vs the prior year. Our strong operational performance supported a £119m valuation uplift across our portfolio, yet this was partly offset by a number of items. In line with our guidance at the half year, we wrote off £22m of goodwill which principally arose from acquiring the studios business at MediaCity alongside our acquisition of the remaining 25% stake of this estate, in line with our practise to not carry any goodwill on our balance sheet. In addition, we saw a £18m loss on disposals and we made a number of other small adjustments impacting NTA in respect of certain transaction costs and property provisions totalling £23m.

Table 9: Balance sheet[1]

	31 March 2025 £m	31 March 2024 £m
Combined Portfolio	**10,880[2]**	9,963
Adjusted net debt	**(4,304)**	(3,517)
Other net assets/(liabilities)	**(46)**	(48)
EPRA Net Tangible Assets	**6,530**	6,398
Shortfall of fair value over net investment in finance leases book value	**8**	5
Other intangible assets	**2**	2
Excess of fair value over trading properties book value	**(27)**	(25)
Fair value of interest-rate swaps	**1**	22
Net assets, excluding amounts due to non-controlling interests	**6,514**	6,402
Net assets per share	**877p**	863p
EPRA Net Tangible Assets per share (diluted)	**874p**	859p

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information above.
2. Includes owner-occupied property and non-current assets held-for-sale.

Table 10: Movement in EPRA Net Tangible Assets[1]

	£m	Diluted per share pence
EPRA Net Tangible Assets at 31 March 2024	6,398	859
EPRA earnings	374	50
Like-for-like valuation movement	75	10
Development valuation movement	22	3
Impact of acquisitions/disposals[2]	22	3
Total valuation surplus	119	16
Dividends	(297)	(40)
Loss on disposals	(18)	(3)
Goodwill impairment	(22)	(4)
Other	(24)	(4)
EPRA Net Tangible Assets at 31 March 2025	**6,530**	**874**

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

Net debt and leverage

Adjusted net debt, which includes our share of JV borrowings, was flat over the first half of the year, but increased by £787m to £4,304m during the second half. We spent £702m on acquisitions, most of which was in the second half of the year, reflecting the 92% stake in Liverpool ONE and the residual 25% stake of MediaCity. We invested £486m in capex, including £202m for our two on-site London office schemes, £45m in a significant office refurbishment, £85m on pre-development assets, £28m for investments in Myo flex office space, and £22m in net-zero investments. This was partly offset by £446m of disposals, including our £400m hotel portfolio and other non-core assets.

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

The other key elements behind the increase in net debt are set out in our statement of cash flows and note 9 to the financial statements, with the main movements in adjusted net debt shown below. A reconciliation between net debt and adjusted net debt is shown in note 13 of the financial statements.

Table 11: Movement in adjusted net debt[1]

	£m
Adjusted net debt at 31 March 2024	**3,517**
Adjusted net cash inflow from operating activities	**(260)**
Dividends paid	**305**
Capital expenditure	**486**
Acquisitions	**702**
Disposals	**(446)**
Adjusted net debt at 31 March 2025	**4,304**

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

Net debt/EBITDA increased to 7.9x on a weighted average basis, which is more representative than the 8.9x year-end position, as the latter includes the full cost of the Liverpool ONE acquisition but only three months of income. We expect average net debt/EBITDA to tick up slightly in the short term, reflecting the fact that our two on-site developments are nearing the point of full capital deployment but are not yet producing income, yet we target this to be below 8x over time. All else equal, our objective to reduce our capital employed in pre-development assets by half over the next 1-3 years will reduce net debt/EBITDA by c. 0.7x.

We said at the half year that we expected our Group LTV, which includes our share of JVs, to increase temporarily as we would aim to capitalise on attractive acquisition opportunities, but to remain within our 25-40% target range. With the acquisition of Liverpool ONE, LTV ended the year at 39.3%, but as we have sold £159m of assets since the end of March, this has come down to 38.4% on a pro-forma basis since then, whilst net debt/EBITDA is down to 7.7x. We expect LTV to reduce further towards the mid 30's as we recycle further capital out of non-income producing development sites and non-core assets.

Table 12: Net debt and leverage

	31 March 2025	31 March 2024
Net debt	**£4,341m**	£3,594m
Adjusted net debt[1]	**£4,304m**	£3,517m
Interest cover ratio	**3.6x**	3.9x
Net debt/EBITDA (period-end)	**8.9x**	7.4x
Net debt/EBITDA (weighted average)	**7.9x**	7.3x
Group LTV[1]	**39.3%**	35.0%
Security Group LTV	**41.9%**	37.0%

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

Financing

We continued to strengthen our financial position during the year. In September, we issued a £350m Green Bond with a maturity of 10 years at 4.625%, representing a spread of 97bps over the reference gilt yield. In October, we put in place £2,250m of revolving credit facilities to replace facilities that were due to expire across 2025-27. The new facilities are split evenly across two tenors of 3+1+1 and 5+1+1 years, to spread refinancing dates, and on average have the same margin as the facilities they replaced.

Both transactions underline the strength of our credit profile and ensure our overall debt maturity remains long, at 9.6 years, providing clear visibility and underpinning the resilience of our attractive earnings profile. We had £1.1bn of cash and undrawn facilities at the end of March 2025, providing substantial flexibility, and no refinancing needs until FY27. Our debt is 91% fixed or hedged and our average cost of debt was up marginally to 3.4%. We expect this to increase slightly in the current year.

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

Our Security Group has a number of tiered covenants, yet below 65% LTV and above 1.45x ICR, these involve very limited operational restrictions. A default only occurs when LTV is more than 100% or the ICR falls below 1.0x. Our portfolio could withstand a c. 36% fall in value before we reach the 65% LTV threshold and c. 58% before reaching 100% LTV, whilst our EBITDA could fall by c. 60% before we reach the 1.45x ICR threshold and c. 72% before reaching 1.0x ICR.

Table 13: Available facilities[1]

	31 March 2025 £m	31 March 2024 £m
Medium Term Notes	**2,868**	2,607
Drawn bank debt	**778**	415
Outstanding commercial paper	**750**	681
Cash and available undrawn facilities	**1,101**	1,889
Total committed credit facilities	**2,590**	2,907
Weighted average maturity of debt[1]	**9.6 years**	9.5 years
Percentage of borrowings fixed or hedged[2]	**91%**	94%
Weighted average cost of debt[3]	**3.4%**	3.3%

1. Assuming the extensions on both RCF tranches are executed; 8.9 years excluding this.
2. Calculated as fixed rate debt and hedges over gross debt based on the nominal values of debt and hedges.
3. Including amortisation and commitment fees; excluding this the weighted average cost of debt is 3.3% at 31 March 2025.

Financial summary

In summary, the high quality portfolio we have created over the past few years continues to benefit from strong customer demand, so we expect our strong operational performance to persist. Reflecting this, we expect like-for-like net rental income for this year to increase by c. 3-4% and we also anticipate a further reduction in overhead cost. We expect this to more than offset an increase in interest expenses and the fact that we are unlikely to have the same benefit of the recovery of outstanding debts on assets that were previously managed externally that we had last year.

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

Principal risks and uncertainties

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

Whilst we are mindful that, in general, economic uncertainty could impact business decision-making, we are not yet seeing any signs of a slowdown in customer demand and Landsec has positioned itself strongly to take advantage of future opportunities.

future opportunities.

Risk description	Change in year
Macroeconomic outlook	⬄
Changes in the macro-economic environment result in reduction in demand for space or deferral of decisions by retail and office occupiers. Due to the length of build projects, the prevailing economic climate at initiation may be vastly different from that at completion.	We are mindful of the disruption to global economic conditions caused by the imposition of US trade tariffs in recent months, and the overall risk remains high. However, as a purely UK-focused business, with a strong customer base, we have yet to see any impact to our operational performance. Long-term interest rates and higher finance costs will remain a risk area for our business, but we maintain a positive outlook for our operational performance, and this should drive earnings growth and underpin valuations going forward. The risk score has remained stable over the period and continues to be within the defined risk appetite.
Office occupier market	⇧
Structural changes in customer expectations leading to changes in demand for office space and the consequent impact on income and asset values. Further, the risk encompasses the inability to identify or adapt to changing markets in a timely manner.	The office occupancy market outlook remains positive, supported by robust demand in a constrained market and an increasing social preference for office working. However, we are mindful of the significant leasing activity associated with our two existing office projects due to complete within the next twelve months. We would expect leasing activity to increase as we approach the completion date of these developments. As a result, whilst the gross risk has remained stable, the net risk is assessed to have risen at year-end. Nevertheless, the residual risk remains within the defined risk appetite.
Retail and hospitality occupier market	⬄
Structural changes in customer expectations leading to changes in demand for retail or hospitality space and the consequent impact on income and asset values.	We are mindful that the macroeconomic environment continues to be challenging for the wider retail and hospitality market. However, our strategy focuses on the best quality assets in the strongest locations for which the outlook remains positive. Our Strategic Plan and Business Plans outline initiatives to invest across our existing portfolio and continue to grow our like-for-like net rental income, with the expectation that we will bring the risk within appetite.
Capital allocation	⇧
Capital allocated to specific assets, sectors or locations does not yield the expected returns i.e. we are not effective in placing capital or recycling.	Following the acquisition of Liverpool ONE, leverage is towards the top end of our target range and our continued focus on disposal activity - including £0.8bn of non-core assets - is expected to reduce it in line with our Strategic and Business Plans. As these disposals take place the net risk is expected to reduce. Nevertheless, the residual risk remains within the defined risk appetite.
Development	⇧
We may be unable to generate expected returns as a result of changes in the occupier market for a given asset during the course of the development, or cost or time overruns on the scheme.	The market risk is considered to have marginally increased during the year due to the persistence of build cost inflation, continued challenges in supply chains and an increase in exit yields in recent years which are putting pressure on development returns. However, as the majority of the development costs of our committed schemes are fixed and/or nearing completion, this risk is primarily a consideration for our future development projects where we have the flexibility to manage the scale and timing of our activity. The risk is considered to be within risk appetite.
Information security and cyber threat	⬄
Data loss or disruption to business processes, corporate systems or building-	The cyber threat landscape is always evolving, with sophisticated ransomware attacks, data breaches, and AI-

management systems resulting in a negative reputational, operational, regulatory or financial impact.	driven scams becoming increasingly common. With hackers exploiting vulnerabilities in cloud systems, supply chains and employee behaviours, Landsec must remain vigilant, and we continue to focus on investing in operational strengthening to improve processes and controls in this area. The net risk remains within the overall Cautious risk appetite alignment for operational risks.
Change projects	⇔
Landsec is engaging in a number of important internal change programmes. These projects aim to deliver important benefits, both operationally and culturally. There is a risk that these projects fail to deliver the benefits identified in a timely manner and to budget.	Following the implementation of two major change projects during the year - including the upgrade and improvement of our financial system, the gross risk is considered to have reduced as our focus shifts to embedding and optimising these change programmes within our structure. The net risk has remained stable and within our Cautious risk appetite alignment for operational risks.
Health and safety	⇔
Failure to identify, mitigate or react effectively to major health or safety incidents, leading to: - Serious injury, illness or loss of life - Criminal/civil proceedings - Loss of stakeholder confidence - Delays to building projects and access restrictions to our properties resulting in loss of income - Inadequate response to regulatory changes - Reputational impact	This year, we successfully maintained our ISO45001 and BS 9997 certifications through independent audits, reflecting our commitment to safety and compliance. Our focus remained on reducing significant occupational-safety risks and prioritising fire safety to meet legislative requirements, including the Building Safety Act. The likelihood of a major health, safety or security incident has remained constant throughout the year and within appetite.
People and skills	⇧
Inability to attract, retain and develop the right people and skills to meet our strategic objectives, grow enterprise value and meet shareholder expectations.	It is considered that this risk has temporarily increased following the integration of Liverpool ONE and Media City and the evolution of our strategy, however it is expected to return to 2024 levels as our Strategy and Business Plans are embedded during the financial year. The risk remains within our risk appetite.
Climate-change transition	⇔
Climate change risk has two elements: - Our near and long-term science-based carbon reduction targets by 2030 and 2040 are not met in time or are achieved at a significantly higher cost than expected, leading to regulatory, reputational and commercial impact. - Failure to ensure all new developments are net zero in construction and operation, as defined by the emerging net zero standard for assets, leads to an inability to service market demand for high-quality assets that meet the highest environmental and wellbeing standards.	Despite no change in the net risk position, gross risk has decreased due to targeted portfolio improvements, such as air source heat pump feasibility studies and our plans to scale down office developments which we anticipate will reduce our exposure to embodied carbon. Operational and supply chain challenges affecting sustainable resources remain under review, with the net risk position stable and just below our Cautious risk appetite target.

Statement of Directors' Responsibilities

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

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

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

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

- select suitable accounting policies in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- in respect of the Group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 (and UK adopted international accounting standards) have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Company financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements of UK adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and performance; and
- prepare the Group's and Company's financial statements on a going concern basis, unless it is inappropriate to do so.

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

Directors' responsibility statement under the Disclosure and Transparency Rules

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

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

Directors' statement under the UK Corporate Governance Code

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

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

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

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

*Non-executive Directors

The Statement of Directors' Responsibilities was approved by the Board of Directors on 15 May 2025 and is signed on its behalf by:

Mark Allan
Chief Executive

Vanessa Simms
Chief Financial Officer

Financial statements

Income statement				**Year ended 31 March 2025**			Year ended 31 March 2024
	Notes	**EPRA earnings £m**	**Capital and other items £m**	**Total £m**	EPRA earnings £m	Capital and other items £m	Total £m
Revenue	5	**797**	**45**	**842**	766	58	824
Costs	6	**(352)**	**(77)**	**(429)**	(325)	(84)	(409)
		445	**(32)**	**413**	441	(26)	415
Share of post-tax profit/(loss) from joint ventures	12	**23**	**14**	**37**	21	(19)	2
Loss on disposal of investment properties		**-**	**(15)**	**(15)**	-	(16)	(16)
Net surplus/(deficit) on revaluation of investment properties	10	**-**	**91**	**91**	-	(628)	(628)
Operating profit/(loss)		**468**	**58**	**526**	462	(689)	(227)
Finance income	7	**15**	**-**	**15**	11	1	12
Finance expense	7	**(109)**	**(39)**	**(148)**	(102)	(24)	(126)
Profit/(loss) before tax		**374**	**19**	**393**	371	(712)	(341)
Taxation				**3**			-
Profit/(loss) for the year				**396**			(341)
Attributable to:							
Shareholders of the parent				**396**			(319)
Non-controlling interests				**-**			(22)
				396			(341)
Profit/(loss) per share attributable to shareholders of the parent:							
Basic earnings/(loss) per share	4			**53.3p**			(43.0)p
Diluted earnings/(loss) per share	4			**53.0p**			(43.0)p

Statement of comprehensive income	**Year ended 31 March 2025 Total £m**	Year ended 31 March 2024 Total £m
Profit/(loss) for the year	**396**	(341)
Items that may be subsequently reclassified to the income statement:		
Movement in cash flow hedges	**-**	(1)
Net surplus on revaluation of owner-occupied property	**12**	-
Deferred tax charge on owner-occupied property revaluation surplus	**(3)**	-
Items that will not be subsequently reclassified to the income statement:		
Net remeasurement loss on defined benefit pension scheme	**-**	(5)
Deferred tax credit on remeasurement above	**-**	4
Other comprehensive income/(loss) for the year	**9**	(2)
Total comprehensive income/(loss) for the year	**405**	(343)
Attributable to:		
Shareholders of the parent	**405**	(321)
Non-controlling interests	**-**	(22)
	405	(343)

Balance sheet

	Notes	2025 £m	2024 £m
Non-current assets			
Investment properties	10	**10,034**	9,330
Property, plant and equipment		**42**	7
Intangible assets		**3**	3
Net investment in finance leases		**19**	21
Investments in joint ventures	12	**551**	529
Investments in associates		**-**	-
Trade and other receivables		**229**	159
Other non-current assets		**22**	41
Total non-current assets		**10,900**	10,090
Current assets			
Trading properties	11	**81**	100
Trade and other receivables		**467**	379
Monies held in restricted accounts and deposits	15	**20**	6
Cash and cash equivalents	16	**39**	78
Other current assets		**4**	11
Non-current asset held for sale	17	**110**	-
Total current assets		**721**	574
Total assets		**11,621**	10,664
Current liabilities			
Borrowings	14	**(752)**	(975)
Trade and other payables		**(406)**	(348)
Provisions		**(44)**	(30)
Other current liabilities		**(6)**	-
Total current liabilities		**(1,208)**	(1,353)
Non-current liabilities			
Borrowings	14	**(3,802)**	(2,805)
Trade and other payables		**(44)**	(4)
Provisions		**(30)**	(42)
Other non-current liabilities		**(5)**	(13)
Total non-current liabilities		**(3,881)**	(2,864)
Total liabilities		**(5,089)**	(4,217)
Net assets		**6,532**	6,447
Equity			
Capital and reserves attributable to shareholders			
Ordinary shares		**80**	80
Share premium		**319**	319
Other reserves		**30**	23
Retained earnings		**6,085**	5,980
Equity attributable to shareholders of the parent		**6,514**	6,402
Equity attributable to non-controlling interests		**18**	45
Total equity		**6,532**	6,447

The financial statements on pages 29 to 50 were approved by the Board of Directors on 15 May 2025 and were signed on its behalf by:

Mark Allan **Vanessa Simms**
Directors

Statements of changes in equity

		Attributable to shareholders of the parent						
		Ordinary shares	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Notes	£m	£m	£m	£m	£m	£m	£m
At 1 April 2023		80	318	13	6,594	7,005	67	7,072

Total comprehensive loss for the financial year		-	-	-	(321)	(321)	(22)	(343)
Transactions with shareholders of the parent:								
Share-based payments		-	1	10	(2)	9	-	9
Dividends paid to shareholders of the parent	8	-	-	-	(291)	(291)	-	(291)
Total transactions with shareholders of the parent		-	1	10	(293)	(282)	-	(282)
At 31 March 2024		80	319	23	5,980	6,402	45	6,447
Total comprehensive income for the financial year		**-**	**-**	**-**	**405**	**405**	**-**	**405**
Transactions with shareholders of the parent:								
Share-based payments		**-**	**-**	**7**	**(3)**	**4**	**-**	**4**
Dividends paid to shareholders of the parent	8	**-**	**-**	**-**	**(297)**	**(297)**	**-**	**(297)**
Acquisition of non-controlling interests		**-**	**-**	**-**	**-**	**-**	**(56)**	**(56)**
Total transactions with shareholders of the parent		**-**	**-**	**7**	**(300)**	**(293)**	**(56)**	**(349)**
Dividends paid to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Issued share capital		**-**	**-**	**-**	**-**	**-**	**12**	**12**
Acquisition of subsidiaries		**-**	**-**	**-**	**-**	**-**	**18**	**18**
Total transactions with shareholders		**-**	**-**	**7**	**(300)**	**(293)**	**(27)**	**(320)**
At 31 March 2025		**80**	**319**	**30**	**6,085**	**6,514**	**18**	**6,532**

Statements of cash flows

	Notes	2025 £m	2024 £m
Cash flows from operating activities			
Net cash generated from operations	9	**381**	429
Interest received		**23**	24
Interest paid		**(144)**	(101)
Rents paid		**(12)**	(14)
Capital expenditure on trading properties		**(8)**	(19)
Disposal of trading properties		**13**	18
Other operating cash flows		**3**	1
Net cash inflow/(outflow) from operating activities	9	**256**	338
Cash flows from investing activities			
Investment property development expenditure		**(293)**	(202)
Other investment property related expenditure		**(163)**	(126)
Acquisition of investment properties, net of cash acquired		**(325)**	(137)
Acquisition of subsidiaries, net of cash acquired		**(18)**	-
Disposal of investment properties		**404**	176
Cash distributions from joint ventures	12	**12**	17
Net cash outflow from investing activities		**(383)**	(272)
Cash flows from financing activities			
Net proceeds from new borrowings (net of finance fees)	14	**963**	708
Net repayment of borrowings	14	**(562)**	(427)
Net cash outflow from derivative financial instruments	14	**(6)**	(18)
Proceeds from non-controlling interest share capital issuance		**12**	-
Dividends paid to shareholders of the parent		**(305)**	(291)
Dividends paid to non-controlling interests		**(1)**	-
Increase in monies held in restricted accounts and deposits		**(14)**	(2)
Other financing cash flows		**1**	1
Net cash inflow/(outflow) from financing activities		**88**	(29)
(Decrease)/increase in cash and cash equivalents for the year		**(39)**	37
Cash and cash equivalents at the beginning of the year		**78**	41
Cash and cash equivalents at the end of the year	16	**39**	78

Notes to the financial statements

1. Basis of preparation and consolidation

Basis of preparation

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

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

On 15 May 2 025, the consolidated financial statements of the Group and this preliminary announcement were authorised for issue in accordance with a resolution of the Directors and will be delivered to the Registrar of Companies following the Group's Annual General Meeting. Statutory accounts for the year ended 31 March 2024 have been filed unqualified and do not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006. The annual financial information presented in this preliminary announcement for the year ended 31 March 2025 is based on, and consistent with, the financial information in the Group's audited financial statements for the year ended 31 March 2024. The audit report on these financial statements is unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. This preliminary announcement does not constitute statutory financial statements of the Group within the meaning of Section 435 of the Companies Act 2006. While the information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain sufficient information to comply with IFRS.

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

Going concern

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

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

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

Key metrics	**31 March 2025**	Mitigated downside scenario 30 September 2026
Security Group LTV	**41.9%**	45.8%
Adjusted net debt	**£4,304m**	£4,769m
EPRA net tangible assets	**£6,530m**	£5,940m
Available financial headroom	**£1.1bn**	£0.7bn

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

The Security Group also requires earnings before interest of at least £259m in the full year ending 31 March 2026 and at least £146m in the six month period ending 30 September 2026 for interest cover to remain above 1.45x in the mitigated downside scenario, which would ensure compliance with the Group's covenant through to the end of the going concern assessment period. Security Group earnings post year end 31 March 2025 are well above the level required to meet the interest cover covenant for the year ended 31 March 2026. The Directors do not anticipate a reduction in Security Group earnings over the period ending 30 September 2026 to a level that would result in a breach of the interest cover covenant.

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

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

Basis of consolidation and presentation of results

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

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

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

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

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

Our property portfolio is a combination of properties that are wholly owned by the Group, part owned through joint arrangements and properties owned by the Group but where a third party holds a non-controlling interest. Internally, management review the results of the Group on a basis that adjusts for these different forms of ownership to present a proportionate share. The Combined Portfolio, with assets totalling **£10.9bn**, is an example of this approach, reflecting the economic interest we have in our properties regardless of our ownership structure. The Combined Portfolio comprises the investment properties, owner-occupied property and non-current assets held for sale of the Group's subsidiaries, on a proportionately consolidated basis when not wholly owned, together with our share of investment properties held in our joint ventures. We consider this presentation provides further understanding to stakeholders of the activities and performance of the Group, as it aggregates the results of all of the Group's property interests which under IFRS are required to be presented across a number of line items in the statutory financial statements.

The same principle is applied to many of the other measures we discuss and, accordingly, 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.

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

2. Changes in accounting policies and standards

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

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

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

Amendments to IFRS

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the Group as listed below:

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

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

3. Segmental information

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

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

Management has determined the Group's operating segments based on the information reviewed by Senior Management to make strategic decisions. The chief operating decision maker is the Executive Leadership Team (ELT), comprising the Executive Directors and the Managing Directors. The information presented to ELT 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 EPRA earnings. However, Segment net rental income is the lowest level to which the profit arising from the ongoing operations of the Group is analysed between the four segments. The administrative costs, which are predominantly staff costs for centralised functions, are all treated as administrative expenses and are not allocated to individual segments.

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

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

Segmental results

					2025					2024(2)
EPRA earnings	**Central London**	**Major retail**	**Mixed-use urban**	**Subscale sectors**	**Total**	Central London	Major retail	Mixed-use urban	Subscale sectors	Total
	£m	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m
Rental income	**302**	**207**	**54**	**72**	**635**	294	188	58	112	652
Finance lease interest	**-**	**-**	**-**	**1**	**1**	-	-	-	1	1
Gross rental income (before rents payable)	**302**	**207**	**54**	**73**	**636**	294	188	58	113	653
Rents payable(1)	**(3)**	**(8)**	**-**	**(1)**	**(12)**	(3)	(7)	(1)	(1)	(12)
Gross rental income (after rents payable)	**299**	**199**	**54**	**72**	**624**	291	181	57	112	641
Service charge income(3)	**67**	**70**	**18**	**10**	**165**	59	53	11	-	123
Service charge expense	**(69)**	**(74)**	**(22)**	**(11)**	**(176)**	(63)	(60)	(14)	(2)	(139)
Net service charge expense	**(2)**	**(4)**	**(4)**	**(1)**	**(11)**	(4)	(7)	(3)	(2)	(16)
Other property related income(3)	**23**	**8**	**4**	**1**	**36**	20	11	4	3	38
Direct property expenditure	**(46)**	**(41)**	**(16)**	**(6)**	**(109)**	(43)	(42)	(16)	(18)	(119)
Other operating income	**-**	**-**	**10**	**-**	**10**	-	-	-	-	-
Other operating expense	**-**	**-**	**(9)**	**-**	**(9)**	-	-	-	-	-
Movement in bad and doubtful debts provision	**1**	**4**	**4**	**2**	**11**	(1)	8	-	(1)	6
Segment net rental income	**275**	**166**	**43**	**68**	**552**	263	151	42	94	550
Other income					**1**					1
Administrative expense					**(71)**					(74)
Depreciation					**(3)**					(4)
EPRA earnings before interest					**479**					473
Finance income					**15**					11
Finance expense					**(109)**					(102)
Joint venture net finance expense					**(11)**					(11)
EPRA earnings attributable to shareholders of the parent					**374**					371

1. Included within rents payable is lease interest payable of **£8m** (2024: £4m) across the four segments.
2. A reconciliation from the Group income statement to the information presented in the segmental results table for the year ended 31 March 2024 is included in table 26.
3. Current year balances reflect a reclassification of joint venture service charge management fee income from other property related income to service charge income of £3m. While the comparatives have not been restated, the equivalent reclassification would have been £3m.

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

Reconciliation of segmental information note to statutory reporting

	Group income statement £m	Joint ventures[1] £m	Adjustment for non-wholly owned subsidiaries[2] £m	Total £m	EPRA earnings £m	Capital and other items £m
					Year ended 31 March 2025	
Rental income	600	39	(4)	635	635	-
Finance lease interest	1	-	-	1	1	-
Gross rental income (before rents payable)	**601**	**39**	**(4)**	**636**	**636**	**-**
Rents payable	(11)	(1)	-	(12)	(12)	-
Gross rental income (after rents payable)	**590**	**38**	**(4)**	**624**	**624**	**-**
Service charge income[4]	155	11	(1)	165	165	-
Service charge expense	(165)	(12)	1	(176)	(176)	-
Net service charge expense	(10)	(1)	-	(11)	(11)	-
Other property related income[4]	35	2	(1)	36	36	-
Direct property expenditure	(104)	(6)	1	(109)	(109)	-
Other operating income	10	-	-	10	10	-
Other operating expense	(9)	-	-	(9)	(9)	-
Movement in bad and doubtful debts provision	9	2	-	11	11	-
Segment net rental income	**521**	**35**	**(4)**	**552**	**552**	**-**
Other income	1	-	-	1	1	-
Administrative expenses	(71)	-	-	(71)	(71)	-
Depreciation, including amortisation of software	(3)	-	-	(3)	(3)	-
EPRA earnings before interest	**448**	**35**	**(4)**	**477**	**479**	**-**
Share of post-tax profit/(loss) from joint ventures	37	(37)	-	-	-	-
(Loss)/profit on disposal of investment properties[3]	(15)	3	-	(12)	-	(12)
Loss on disposal of trading properties	(6)	-	-	(6)	-	(6)
Net surplus on revaluation of investment properties	91	13	3	107	-	107
Net development contract and transaction income/ (expenditure)	3	(2)	-	1	-	1
Reversal of impairment of amounts due from joint ventures	1	-	-	1	-	1
Impairment of goodwill	(22)	-	-	(22)		(22)
Impairment of trading properties	(4)	-	-	(4)	-	(4)
Depreciation	(1)	-	-	(1)	-	(1)
Other costs	(6)	(1)	-	(7)	-	(7)
Operating profit/(loss)	**526**	**11**	**(1)**	**536**	**479**	**57**
Finance income	15	-	-	15	15	-
Finance expense	(148)	(11)	1	(158)	(120)	(38)
Profit before tax	**393**	**-**	**-**	**393**	**374**	**19**
Taxation	3	-	-	3		
Profit for the year	**396**	**-**	**-**	**396**		

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

4. Performance measures

In the tables below, we present earnings per share attributable to shareholders of the parent, calculated in accordance with IFRS, and net assets per share attributable to shareholders of the parent together with certain measures defined by the European Public Real Estate Association (EPRA), which have been included to assist comparison between European property companies. Three of the Group's key financial performance measures are EPRA earnings per share, EPRA Net Tangible Assets per share and Total return on equity. Refer to table 14 in the Business Analysis section for further details on these alternative performance measures.

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

Earnings per share		**Year ended 31 March 2025**		Year ended 31 March 2024
	Profit for the year £m	**EPRA earnings £m**	Loss for the year £m	EPRA earnings £m
Profit/(loss) attributable to shareholders of the parent	**396**	**396**	(319)	(319)
Valuation and loss on disposals	**-**	**(84)**	-	650
Net finance expense (excluded from EPRA earnings)	**-**	**39**	-	20
Impairment of goodwill	**-**	**22**	-	1
Taxation	**-**	**(3)**	-	-
Other	**-**	**4**	-	19
Profit/(loss) used in per share calculation	**396**	**374**	(319)	371
	IFRS	**EPRA**	IFRS	EPRA
Basic earnings/(loss) per share	**53.3p**	**50.3p**	(43.0)p	50.1p
Diluted earnings/(loss) per share[1]	**53.0p**	**50.1p**	(43.0)p	50.1p

1. In the year ended 31 March 2024, share options are excluded from the weighted average diluted number of shares when calculating IFRS and EPRA diluted (loss)/earnings per share because they are not dilutive.

Net assets per share			**31 March 2025**			31 March 2024
	Net assets £m	**EPRA NDV £m**	**EPRA NTA £m**	Net assets £m	EPRA NDV £m	EPRA NTA £m
Net assets attributable to shareholders of the parent	**6,514**	**6,514**	**6,514**	6,402	6,402	6,402
Shortfall of fair value over net investment in finance leases book value	**-**	**(8)**	**(8)**	-	(5)	(5)
Other intangible asset	**-**	**-**	**(2)**	-	-	(2)
Fair value of interest-rate swaps	**-**	**-**	**(1)**	-	-	(22)
Excess of fair value of trading properties over book value	**-**	**27**	**27**	-	25	25
Shortfall of fair value of debt over book value (note 14)	**-**	**334**	**-**	-	313	-
Net assets used in per share calculation	**6,514**	**6,867**	**6,530**	6,402	6,735	6,398
	IFRS	**EPRA NDV**	**EPRA NTA**	IFRS	EPRA NDV	EPRA NTA
Net assets per share	**877p**	**n/a**	**n/a**	863p	n/a	n/a
Diluted net assets per share	**872p**	**919p**	**874p**	859p	904p	859p

Number of shares		**2025**		2024
	Weighted average million	**31 March million**	Weighted average million	31 March million
Ordinary shares	**752**	**752**	751	752
Treasury shares	**(7)**	**(7)**	(7)	(7)
Own shares	**(2)**	**(2)**	(3)	(3)
Number of shares - basic	**743**	**743**	741	742
Dilutive effect of share options	**4**	**4**	3	3
Number of shares - diluted	**747**	**747**	744	745

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

Total return on equity based on EPRA NTA	**Year ended 31 March 2025 pence**	Year ended 31 March 2024 pence
Increase/(decrease) in EPRA NTA per share	**15**	(77)
Dividend paid per share in the year (note 8)	**40**	39
Total return (a)	**55**	(38)
EPRA NTA per share at the beginning of the year (b)	**859**	936
Total return on equity (a/b)	**6.4%**	(4.0)%

5. Revenue

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

			2025			2024
	EPRA earnings £m	**Capital and other items £m**	**Total £m**	EPRA earnings £m	Capital and other items £m	Total £m
Rental income (excluding adjustment for lease incentives)	**563**	**4**	**567**	598	8	606
Adjustment for lease incentives	**33**	**-**	**33**	16	-	16
Rental income	**596**	**4**	**600**	614	8	622
Service charge income[1]	**154**	**1**	**155**	115	2	117
Trading property sales proceeds	**-**	**22**	**22**	-	26	26
Other property related income[1]	**34**	**1**	**35**	35	-	35
Finance lease interest	**1**	**-**	**1**	1	-	1
Development contract and transaction income	**-**	**17**	**17**	-	22	22
Other operating income	**10**	**-**	**10**	-	-	-
Other income	**2**	**-**	**2**	1	-	1
Revenue per the income statement	**797**	**45**	**842**	766	58	824

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

				2025				2024
	Group £m	**Joint ventures £m**	**Adjustment for non-wholly owned subsidiaries £m**	**Total £m**	Group £m	Joint ventures £m	Adjustment for non-wholly owned subsidiaries £m	Total £m
Rental income	**600**	**39**	**(4)**	**635**	622	38	(8)	652
Service charge income[1]	**155**	**11**	**(1)**	**165**	117	8	(2)	123
Other property related income[1]	**35**	**2**	**(1)**	**36**	35	3	-	38
Finance lease interest	**1**	**-**	**-**	**1**	1	-	-	1
Other operating income	**10**	**-**	**-**	**10**	-	-	-	-
Other income	**2**	**-**	**(1)**	**1**	1	-	-	1
Revenue in the segmental information note	**803**	**52**	**(7)**	**848**	776	49	(10)	815
Development contract and transaction income	**17**	**-**	**-**	**17**	22	-	-	22
Trading property sales proceeds	**22**	**-**	**-**	**22**	26	-	-	26
Revenue including Capital and other items	**842**	**52**	**(7)**	**887**	824	49	(10)	863

1. Current year balances reflect a reclassification of joint venture service charge management fee income from other property related income to service charge income of £3m. While the comparatives have not been restated, the equivalent reclassification would have been £3m.

6. Costs

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

	2025			2024		
	EPRA earnings £m	**Capital and other items £m**	**Total £m**	EPRA earnings £m	Capital and other items £m	Total £m
Rents payable	**11**	**-**	**11**	11	-	11
Service charge expense	**164**	**1**	**165**	130	3	133
Direct property expenditure	**103**	**1**	**104**	113	1	114
Movement in bad and doubtful debts provision	**(9)**	**-**	**(9)**	(6)	-	(6)
Administrative expenses	**71**	**-**	**71**	73	-	73
Impairment of trading properties	**-**	**4**	**4**	-	11	11
Cost of trading property disposals	**-**	**28**	**28**	-	26	26
Development contract and transaction expenditure	**-**	**14**	**14**	-	40	40
Depreciation, including amortisation of software	**3**	**1**	**4**	4	2	6
(Reversal)/impairment of amounts due from joint ventures	**-**	**(1)**	**(1)**	-	2	2
Impairment of goodwill	**-**	**22**	**22**	-	1	1
Fair value gain on remeasurement of investment	**-**	**-**	**-**	-	(3)	(3)
Other operating expense	**9**	**-**	**9**	-	-	-
Other costs	**-**	**7**	**7**	-	1	1
Total costs per the income statement	**352**	**77**	**429**	325	84	409

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

	2025				2024			
	Group £m	**Joint ventures £m**	**Adjustment for non-wholly owned subsidiaries £m**	**Total £m**	Group £m	Joint ventures £m	Adjustment for non-wholly owned subsidiaries £m	Total £m
Rents payable	**11**	**1**	**-**	**12**	**11**	1	-	12
Service charge expense	**165**	**12**	**(1)**	**176**	**133**	9	(3)	139
Direct property expenditure	**104**	**6**	**(1)**	**109**	**114**	6	(1)	119
Administrative expenses	**71**	**-**	**-**	**71**	**73**	1	-	74
Depreciation, including amortisation of software	**3**	**-**	**-**	**3**	**4**	-	-	4
Movement in bad and doubtful debts provision	**(9)**	**(2)**	**-**	**(11)**	**(6)**	-	-	(6)
Costs in the segmental information note	**345**	**17**	**(2)**	**360**	**329**	17	(4)	342
Impairment of trading properties	**4**	**-**	**-**	**4**	**11**	-	-	11
Cost of trading property disposals	**28**	**-**	**-**	**28**	**26**	-	-	26
Development contract and transaction expenditure	**14**	**2**	**-**	**16**	**40**	-	-	40
Depreciation	**1**	**-**	**-**	**1**	**2**	-	-	2
(Reversal)/impairment of amounts due from joint ventures	**(1)**	**-**	**-**	**(1)**	**2**	-	-	2
Impairment of goodwill	**22**	**-**	**-**	**22**	**1**	-	-	1
Fair value gain on remeasurement of investment	**-**	**-**	**-**	**-**	**(3)**	-	-	(3)
Other operating expense	**9**			**9**				
Other costs	**7**	**-**	**-**	**7**	**1**	-	-	1
Costs including Capital and other items	**429**	**19**	**(2)**	**446**	**409**	17	(4)	422

7. Net finance expense

	2025			2024		
	EPRA earnings £m	**Capital and other items £m**	**Total £m**	EPRA earnings £m	Capital and other items £m	Total £m
Finance income						
Interest receivable from joint ventures	**11**	**-**	**11**	11	-	11
Other interest receivable	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Other interest receivable	**4**	**-**	**4**	-	1	1
	15	**-**	**15**	11	1	12
Finance expense						
Bond and debenture debt	**(101)**	**-**	**(101)**	(85)	-	(85)
Bank and other short-term borrowings	**(36)**	**(5)**	**(41)**	(35)	(2)	(37)
Fair value movement on derivatives	**-**	**(34)**	**(34)**	-	(22)	(22)
Other interest payable	**-**	**-**	**-**	(1)	-	(1)
	(137)	**(39)**	**(176)**	(121)	(24)	(145)
Interest capitalised in relation to properties under development	**28**	**-**	**28**	19	-	19
	(109)	**(39)**	**(148)**	(102)	(24)	(126)
Net finance expense	**(94)**	**(39)**	**(133)**	(91)	(23)	(114)
Joint venture net finance expense	**(11)**			(11)		
Net finance expense included in EPRA earnings	**(105)**			(102)		

Lease interest payable of **£8m** (2024: £4m) is included within rents payable as detailed in note 3.

8. Dividends

Dividends paid					**Year ended 31 March**	
		Pence per share			**2025**	2024
	Payment date	**PID**	**Non-PID**	**Total**	**£m**	£m
For the year ended 31 March 2023:						
Third interim	6 April 2023	9.00	-	9.00		67
Final	21 July 2023	12.00	-	12.00		89
For the year ended 31 March 2024:						
First interim	6 October 2023	9.00	-	9.00		67
Second interim	2 January 2024	9.20	-	9.20		68
Third interim	**12 April 2024**	**9.30**	**-**	**9.30**	**69**	
Final	**26 July 2024**	**12.10**	**-**	**12.10**	**90**	
For the year ended 31 March 2025:						
First interim	**4 October 2024**	**9.20**	**-**	**9.20**	**68**	
Second interim	**8 January 2025**	**-**	**9.40**	**9.40**	**70**	
Gross dividends					**297**	291
Dividends in the statement of changes in equity					**297**	291
Timing difference on payment of withholding tax					**8**	-
Dividends in the statement of cash flows					**305**	291

The third quarterly interim dividend of **9.5p** per ordinary share, or **£71m** in total (2024: 9.3p or £69m in total), was paid on 11 April 2025 as a Property Income Distribution (PID). The Board has recommended a final dividend for the year ended 31 March 2025 of **12.3p** per ordinary share (2024: 12.1p) to be paid as a PID. This final dividend will result in a further estimated distribution of **£92m** (2024: £90m). Subject to shareholders' approval at the Annual General Meeting, the final dividend will be paid on 25 July 2025 to shareholders registered at the close of business on 13 June 2025.

The total dividend paid and recommended in respect of the year ended 31 March 2025 is **40.4p** per ordinary share (2024: 39.6p) resulting in a total estimated distribution of **£301m** (2024: £294m).

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

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

9. Net cash generated from operations

Reconciliation of operating profit/(loss) to net cash generated from operations	**2025**	2024
	£m	£m
Operating profit/(loss)	**526**	(227)

Adjustments for:		
Net (surplus)/deficit on revaluation of investment properties	**(91)**	628
Loss on disposal of trading properties	**6**	-
Loss on disposal of investment properties	**15**	16
Share of profit from joint ventures	**(37)**	(2)
Share-based payment charge	**6**	8
Impairment of goodwill	**22**	1
(Reversal)/impairment of amounts due from joint ventures	**(1)**	2
Fair value gain on remeasurement of investment	**-**	(3)
Non-cash development contract and transaction expenditure	**1**	26
Rents payable	**11**	11
Depreciation and amortisation	**4**	4
Impairment of trading properties	**4**	11
	466	475
Changes in working capital:		
Increase in receivables	**(128)**	(32)
Increase/(decrease) in payables and provisions	**43**	(14)
Net cash generated from operations	**381**	429

Reconciliation to adjusted net cash inflow from operating activities

	2025 £m	2024 £m
Net cash inflow from operating activities	**256**	338
Joint ventures net cash inflow from operating activities	**4**	15
Adjusted net cash inflow from operating activities[(1)]	**260**	353

1. Includes cash flows relating to the interest in Liverpool ONE (2024: MediaCity) which is not owned by the Group but is consolidated in the Group numbers.

10. Investment properties

	2025 £m	2024 £m
Net book value at the beginning of the year	**9,330**	9,658
Acquisitions of investment properties	**642**	144
Capital expenditure	**473**	374
Capitalised interest	**27**	19
Net movement in head leases capitalised[(1)]	**86**	(30)
Disposals[(2)]	**(479)**	(207)
Net surplus/(deficit) on revaluation of investment properties	**91**	(628)
Transfer to property, plant and equipment	**(26)**	-
Transfer to assets held for sale (note 17)	**(110)**	-
Net book value at the end of the year	**10,034**	9,330

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

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

			2025					2024
	Group £m	**Joint ventures[(1)] £m**	**Adjustment for non-wholly owned subsidiaries £m**	**Combined Portfolio £m**	Group £m	Joint ventures[(1)] £m	Adjustment for non-wholly owned subsidiaries £m	Combined Portfolio £m
Market value	**10,125**	**636**	**(33)**	**10,728**	9,465	616	(118)	9,963
Less: properties treated as finance leases	**(12)**	**-**	**-**	**(12)**	(18)	-	-	(18)
Plus: head leases capitalised	**158**	**1**	**-**	**159**	77	1	-	78
Less: tenant lease incentives	**(237)**	**(29)**	**-**	**(266)**	(194)	(32)	-	(226)

incentives								
Net book value	**10,034**	**608**	**(33)**	**10,609**	9,330	585	(118)	9,797
Net surplus/(deficit) on revaluation of investment properties	**91**	**13**	**3**	**107**	(628)	(19)	22	(625)

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

The net book value of leasehold properties where head leases have been capitalised is **£1,761m** (2024: £1,604m).

Investment properties include capitalised interest of **£317m** (2024: £290m). The average rate of interest capitalisation for the year is **4.8%** (2024: 4.8%). The gross historical cost of investment properties is **£9,136m** (2024: £8,502m).

11. Trading properties

	Development land and infrastructure £m	Residential £m	Total £m
At 1 April 2023	98	20	118
Capital expenditure	6	7	13
Capitalised interest	-	1	1
Disposals	(21)	-	(21)
Impairment provision	(11)	-	(11)
At 31 March 2024	72	28	100
Acquisitions	**10**	**-**	**10**
Capital expenditure	**5**	**6**	**11**
Capitalised interest	**-**	**1**	**1**
Disposals	**(19)**	**(7)**	**(26)**
Impairment provision	**(4)**	**-**	**(4)**
Transfer to development contract and transaction expenditure	**(11)**	**-**	**(11)**
At 31 March 2025	**53**	**28**	**81**

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

12. Joint arrangements

The Group's principal joint arrangements are described below:

Joint ventures	Percentage owned & voting rights(1)	Business segment	Year end date(2)	Joint venture partner
Held at 31 March 2025				
Nova, Victoria(3)	50%	Central London	31 March	Suntec Real Estate Investment Trust
Southside Limited Partnership	50%	Major retail	31 March	Invesco Real Estate European Fund
Westgate Oxford Alliance Limited Partnership	50%	Major retail, Subscale sectors	31 March	The Crown Estate Commissioners
Harvest(4)	50%	Subscale sectors	31 March	J Sainsbury plc
The Ebbsfleet Limited Partnership(6)	50%	Subscale sectors	31 March	Ebbsfleet Property Limited
West India Quay Unit Trust(6)	50%	Subscale sectors	31 March	Schroder UK Real Estate Fund
Mayfield(5)(6)	50%	Mixed-use urban	31 March	LCR Limited, Manchester City Council, Transport for Greater Manchester
Curzon Park Limited(6)	50%	Subscale sectors	31 March	Derwent Developments (Curzon) Limited
Landmark Court Partnership Limited(6)	51%	Central London	31 March	TTL Landmark Court Properties Limited

Opportunities for Sittingbourne Limited[6]	50%	Mixed-use urban	31 March	Swale Borough Council
Cathedral (Movement, Greenwich) LLP[6]	52%	Mixed-use urban	31 March	Mr Richard Upton
Circus Street Developments Limited[6]	50%	Mixed-use urban	31 March	High Wire Brighton Limited

Joint operation	Ownership interest	Business segment	Year end date[2]	Joint operation partners
Held at 31 March 2025				
Bluewater, Kent	66.25%	Major retail	31 March	M&G Real Estate, Royal London Asset Management, Aberdeen Standard Investments

1. Investments under joint arrangements are not always represented by an equal percentage holding by each partner. In a number of joint ventures that are not considered principal joint ventures and therefore not included in the table above, the Group holds a majority shareholding but has joint control and therefore the arrangement is accounted for as a joint venture.
2. The year end date shown is the accounting reference date of the joint arrangement. In all cases, the Group's accounting is performed using financial information for the Group's own reporting year and reporting date.
3. Nova, Victoria includes the Nova Limited Partnership, Nova Residential Limited Partnership, Nova GP Limited, Nova Business Manager Limited, Nova Residential (GP) Limited, Nova Residential Intermediate Limited, Nova Estate Management Company Limited, Nova Nominee 1 Limited and Nova Nominee 2 Limited.
4. Harvest includes Harvest 2 Limited Partnership, Harvest Development Management Limited, Harvest 2 Selly Oak Limited, Harvest 2 GP Limited and Harvest GP Limited.
5. Mayfield includes Mayfield Development Partnership LP and Mayfield Development (General Partner) Limited.
6. Included within Other in subsequent tables.

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

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

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

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

Joint ventures						**Year ended 31 March 2025**
Comprehensive income statement	**Nova, Victoria 100%**	**Southside Limited Partnership 100%**	**Westgate Oxford Alliance Partnership 100%**	**Other 100%**	**Total 100%**	**Total Group share**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue[1]	**49**	**17**	**35**	**3**	**104**	**52**
Gross rental income (after rents payable)	**35**	**13**	**26**	**3**	**77**	**38**
Net rental income	**35**	**11**	**21**	**3**	**70**	**35**
EPRA earnings before interest	**33**	**11**	**21**	**3**	**68**	**34**
Finance expense	(15)	(6)	-	-	(21)	(11)
Net finance expense	**(15)**	**(6)**	**-**	**-**	**(21)**	**(11)**
EPRA earnings	**18**	**5**	**21**	**3**	**47**	**23**

Capital and other items

Capital and other items						
Net surplus on revaluation of investment properties	**22**	**2**	**3**	**-**	**27**	**13**
Profit on disposal of investment properties	**-**	**-**	**-**	**5**	**5**	**3**
Net development contract expenditure	**-**	**-**	**-**	**(4)**	**(4)**	**(2)**
Profit before tax	**40**	**7**	**24**	**4**	**75**	**37**
Post-tax profit	**40**	**7**	**24**	**4**	**75**	**37**
Total comprehensive income	**40**	**7**	**24**	**4**	**75**	**37**
Group share of profit before tax	**20**	**3**	**12**	**2**	**37**	
Group share of post-tax profit	**20**	**3**	**12**	**2**	**37**	
Group share of total comprehensive income	**20**	**3**	**12**	**2**	**37**	

Joint ventures — **Year ended 31 March 2024**

Comprehensive income statement	**Nova, Victoria 100%**	**Southside Limited Partnership 100%**	**Westgate Oxford Alliance Partnership 100%**	**Other 100%**	**Total 100%**	**Total Group share**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue(1)	49	11	35	5	100	49
Gross rental income (after rents payable)	34	11	26	5	76	37
Net rental income	34	10	22	1	67	33
EPRA earnings before interest	32	9	21	1	63	32
Finance expense	(16)	(6)	-	-	(22)	(11)
Net finance expense	(16)	(6)	-	-	(22)	(11)
EPRA earnings	16	3	21	1	41	21
Capital and other items						
Net deficit on revaluation of investment properties	(24)	(3)	(1)	(9)	(37)	(19)
(Loss)/profit before tax	(8)	-	20	(8)	4	2
Post-tax (loss)/profit	(8)	-	20	(8)	4	2
Total comprehensive (loss)/income	(8)	-	20	(8)	4	2
Group share of (loss)/profit before tax	(4)	-	10	(4)	2	
Group share of post-tax (loss)/profit	(4)	-	10	(4)	2	
Group share of total comprehensive (loss)/income	(4)	-	10	(4)	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.

Joint ventures — **31 March 2025**

Balance sheet	**Nova, Victoria 100%**	**Southside Limited Partnership 100%**	**Westgate Oxford Alliance Partnership 100%**	**Other 100%**	**Total 100%**	**Total Group share**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Investment properties(1)	**753**	**138**	**229**	**96**	**1,216**	**608**
Non-current assets	**753**	**138**	**229**	**96**	**1,216**	**608**
Cash and cash equivalents	**28**	**5**	**11**	**5**	**49**	**24**

Other current assets	59	5	14	90	168	84
Current assets	**87**	**10**	**25**	**95**	**217**	**108**
Total assets	**840**	**148**	**254**	**191**	**1,433**	**716**
Trade and other payables and provisions	(33)	(6)	(14)	(58)	(111)	(55)
Current liabilities	**(33)**	**(6)**	**(14)**	**(58)**	**(111)**	**(55)**
Non-current liabilities	(78)	(148)	-	-	(226)	(113)
Non-current liabilities	**(78)**	**(148)**	**-**	**-**	**(226)**	**(113)**
Total liabilities	**(111)**	**(154)**	**(14)**	**(58)**	**(337)**	**(168)**
Net assets/(liabilities)	**729**	**(6)**	**240**	**133**	**1,096**	**548**
Comprised of:						
Net assets	**729**	**-**	**240**	**133**	**1,102**	**551**
Accumulated losses recognised as net liabilities(2)	**-**	**(6)**	**-**	**-**	**(6)**	**(3)**
Market value of investment properties(1)	**802**	**139**	**235**	**96**	**1,272**	**636**
Net cash (3)	**28**	**5**	**11**	**5**	**49**	**24**

Joint ventures — 31 March 2024

Balance sheet	Nova, Victoria 100% £m	Southside Limited Partnership 100% £m	Westgate Oxford Alliance Partnership 100% £m	Other 100% £m	Total 100% £m	Total Group share £m
Investment properties(1)	727	130	223	91	1,171	585
Non-current assets	727	130	223	91	1,171	585
Cash and cash equivalents	32	4	21	4	61	31
Other current assets	58	7	11	85	161	80
Current assets	90	11	32	89	222	111
Total assets	817	141	255	180	1,393	696
Trade and other payables and provisions	(23)	(6)	(16)	(35)	(80)	(40)
Current liabilities	(23)	(6)	(16)	(35)	(80)	(40)
Non-current liabilities	(104)	(147)	-	(19)	(270)	(135)
Non-current liabilities	(104)	(147)	-	(19)	(270)	(135)
Total liabilities	(127)	(153)	(16)	(54)	(350)	(175)
Net assets/(liabilities)	690	(12)	239	126	1,043	521
Comprised of:						
Net assets	690	-	239	130	1,059	529
Accumulated losses recognised as net liabilities(2)	-	(12)	-	(4)	(16)	(8)
Market value of investment properties(1)	780	131	230	91	1,232	616
Net cash (3)	32	4	21	4	61	31

1. The difference between the book value and the market value of investment properties is the amount recognised in respect of lease incentives, head leases capitalised and properties treated as finance leases, where applicable.
2. The Group's share of accumulated losses of a joint venture interest are recognised as net liabilities where there is an obligation to provide for these losses.
3. Excludes funding provided by the Group and its joint venture partners.

Joint ventures

Net investment	**Nova, Victoria Group share £m**	**Southside Limited Partnership Group share £m**	**Westgate Oxford Alliance Partnership Group share £m**	**Other Group share £m**	**Total Group share £m**
At 1 April 2023	348	(5)	124	61	528
Total comprehensive (loss)/income	(4)	-	10	(3)	3
Cash and other distributions	-	-	(12)	(5)	(17)

Other non-cash movements	-	-	(1)	8	7
At 31 March 2024	344	(5)	121	61	521
Total comprehensive (loss)/income	**20**	**3**	**12**	**2**	**37**
Cash and other distributions	**-**	**-**	**(11)**	**(1)**	**(12)**
Other non-cash movements	**1**	**(1)**	**(2)**	**4**	**2**
At 31 March 2025	**365**	**(3)**	**120**	**66**	**548**
Comprised of:					
At 31 March 2024					
Non-current assets	344	-	121	64	529
Non-current liabilities[1]	-	(5)	-	(3)	(8)
At 31 March 2025					
Non-current assets	**365**	**-**	**120**	**66**	**551**
Non-current liabilities[1]	**-**	**(3)**	**-**	**-**	**(3)**

1. The Group's share of accumulated losses of a joint venture interest are recognised as net liabilities where there is an obligation to provide for these losses.

13. Capital structure

				2025				2024
	Group	**Joint ventures**	**Adjustment for non-wholly owned subsidiaries**	**Combined**	Group	Joint ventures	Adjustment for non-wholly owned subsidiaries	Combined
	£m	**£m**	**£m**	**£m**	£m	£m	£m	£m
Property portfolio								
Market value of non-current property assets[1]	**10,277**	**636**	**(33)**	**10,880**	9,465	616	(118)	9,963
Trading properties and long-term contracts	**81**	**-**	**-**	**81**	100	-	-	100
Total property portfolio (a)	**10,358**	**636**	**(33)**	**10,961**	9,565	616	(118)	10,063
Net debt								
Borrowings	**4,396**	**-**	**(15)**	**4,381**	3,703	-	(73)	3,630
Monies held in restricted accounts and deposits	**(20)**	**-**	**1**	**(19)**	(6)	-	-	(6)
Cash and cash equivalents	**(39)**	**(24)**	**-**	**(63)**	(78)	(31)	4	(105)
Fair value of interest-rate swaps	**(1)**	**-**	**-**	**(1)**	(23)	-	2	(21)
Fair value of foreign exchange swaps and forwards	**5**	**-**	**-**	**5**	(2)	-	-	(2)
Net debt (b)	**4,341**	**(24)**	**(14)**	**4,303**	3,594	(31)	(67)	3,496
Add/(less): Fair value of interest-rate swaps	**1**	**-**	**-**	**1**	23	-	(2)	21
Adjusted net debt (c)	**4,342**	**(24)**	**(14)**	**4,304**	3,617	(31)	(69)	3,517
Adjusted total equity								
Total equity (d)	**6,532**	**-**	**(18)**	**6,514**	6,447	-	(45)	6,402
Fair value of interest-rate swaps	**(1)**	**-**	**-**	**(1)**	(23)	-	2	(21)
Adjusted total equity (e)	**6,531**	**-**	**(18)**	**6,513**	6,424	-	(43)	6,381
Gearing (b/d)	**66.5%**			**66.1%**	55.7%			54.6%
Adjusted gearing (c/e)	**66.5%**			**66.1%**	56.3%			55.1%
Group LTV (c/a)	**41.9%**			**39.3%**	37.8%			35.0%
EPRA LTV[2]				**41.0%**				36.3%
Security Group LTV	**41.9%**				37.0%			
Weighted average cost of debt	**3.4%**			**3.4%**	3.3%			3.3%

1. Includes owner-occupied property and non-current assets held-for-sale.
2. EPRA LTV differs from Group LTV as it includes net payables and receivables, and includes trading properties at fair value and debt instruments at nominal value rather than book value. Group LTV remains our core performance measure used by external investors and lenders.

14. Borrowings

	Secured/ unsecured	Fixed/ floating	Effective interest rate %	2025 Nominal/ notional value £m	2025 Fair value £m	2025 Book value £m	2024 Nominal/ notional value £m	2024 Fair value £m	2024 Book value £m
Current borrowings									
Commercial paper									
Sterling	Unsecured	Floating	Various(1)	**270**	**270**	**270**	15	15	15
Euro	Unsecured	Floating	Various(1)	**310**	**310**	**310**	518	518	518
US Dollar	Unsecured	Floating	Various(1)	**170**	**170**	**170**	148	148	148
Syndicated and bilateral bank debt	Secured	Floating	SONIA + margin	**-**	**-**	**-**	292	292	292
Total current borrowings				**750**	**750**	**750**	973	973	973
Amounts payable under head leases				**2**	**2**	**2**	2	2	2
Total current borrowings including amounts payable under head leases				**752**	**752**	**752**	975	975	975
Non-current borrowings									
Medium term notes (MTN)									
A5 5.391% MTN due 2027	Secured	Fixed	5.4	**-**	**-**	**-**	87	86	87
A16 2.375% MTN due 2029	Secured	Fixed	2.5	**350**	**333**	**349**	350	325	349
A6 5.376% MTN due 2029	Secured	Fixed	5.4	**65**	**65**	**65**	65	66	65
A13 2.399% MTN due 2031	Secured	Fixed	2.4	**300**	**274**	**300**	300	270	299
A7 5.396% MTN due 2032	Secured	Fixed	5.4	**77**	**78**	**77**	77	78	77
A18 4.750% MTN due 2033	Secured	Fixed	4.9	**300**	**294**	**295**	300	299	297
A17 4.875% MTN due 2034	Secured	Fixed	5.0	**400**	**393**	**396**	400	403	393
A11 5.125% MTN due 2036	Secured	Fixed	5.1	**50**	**47**	**50**	50	48	50
A19 4.625% MTN due 2036	Secured	Fixed	4.9	**350**	**330**	**346**	-	-	-
A14 2.625% MTN due 2039	Secured	Fixed	2.6	**500**	**371**	**495**	500	387	495
A15 2.750% MTN due 2059	Secured	Fixed	2.7	**500**	**275**	**495**	500	309	495
				2,892	**2,460**	**2,868**	2,629	2,271	2,607
Syndicated and bilateral bank debt	Secured	Floating	SONIA + margin	**778**	**778**	**778**	123	123	123
Total non-current borrowings				**3,670**	**3,238**	**3,646**	2,752	2,394	2,730
Amounts payable under head leases	Unsecured	Fixed	4.0	**156**	**230**	**156**	75	98	75
Total non-current borrowings including amounts payable under head leases				**3,826**	**3,468**	**3,802**	2,827	2,492	2,805
Total borrowing including amounts payable under head leases				**4,578**	**4,220**	**4,554**	3,802	3,467	3,780
Total borrowings excluding amounts payable under head leases				**4,420**	**3,988**	**4,396**	3,725	3,367	3,703

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

Reconciliation of the movement in borrowings	**2025 £m**	2024 £m
At the beginning of the year	**3,780**	3,538
Net proceeds from ECP issuance	**69**	378
Net proceeds from bank debt	**538**	33
Repayment of bank debt	**(475)**	-
Net facilities acquired	**300**	-
Repayment of MTNs	**(87)**	(427)
Issue of MTNs (net of finance fees)	**346**	297
Foreign exchange movement on non-Sterling borrowings	**2**	(9)
Movement in amounts payable under head leases	**81**	(30)
At 31 March	**4,554**	3,780

Reconciliation of movements in liabilities arising from financing activities						**2025**
			Non-cash changes			
	At the beginning of the year	**Cash flows**	**Foreign exchange movements**	**Other changes in fair values**	**Other changes**	**At the end of the year**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Borrowings	**3,780**	**401**	**2**	**(10)**	**381**	**4,554**
Derivative financial instruments	**(25)**	**(6)**	**11**	**23**	**1**	**4**
	3,755	**395**	**13**	**13**	**382**	**4,558**
						2024
Borrowings	3,538	281	(9)	-	(30)	3,780
Derivative financial instruments	(38)	(18)	10	21	-	(25)
	3,500	263	1	21	(30)	3,755

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

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

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

Syndicated and bilateral bank debt		**Authorised**		**Drawn**		**Undrawn**	
	Maturity as at 31 March 2025	**2025**	2024	**2025**	2024	**2025**	2024
		£m	£m	**£m**	£m	**£m**	£m
Syndicated debt	**2026-29**	**2,490**	2,682	**778**	415	**1,712**	2,267
Bilateral debt	**2026**	**100**	225	**-**	-	**100**	225
		2,590	2,907	**778**	415	**1,812**	2,492

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

During the year ended 31 March 2025, the amounts drawn under the Group's facilities increased by **£363m**. The MediaCity bank facility was successfully refinanced on 13 June 2024 to £195m and subsequently fully repaid and closed on 6 November 2024 (2024: £292m drawn). Also during the year, the Liverpool ONE shopping centre was acquired with a fully drawn £300m secured bank facility. On 27 January 2025, £60m of this facility was repaid.

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

15. Monies held in restricted accounts and deposits

	2025	2024
	£m	£m
Short-term deposits	**15**	6
Cash at bank and in hand	**5**	-
	20	6

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

	2025 £m	2024 £m
Counterparties with external credit ratings		
AAA	**8**	-
A+	**12**	6
	20	6

16. Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	**30**	78
Short-term deposits	**9**	-
	39	78

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

	2025 £m	2024 £m
Counterparties with external credit ratings		
AAA	**4**	-
A+	**30**	78
A	**3**	-
A-	**1**	-
BBB+	**1**	-
	39	78

			2025			2024
	Gross amounts of financial assets	**Gross amounts of financial liabilities**	**Net amounts recognised in the balance sheet**	Gross amounts of financial assets	Gross amounts of financial liabilities	Net amounts recognised in the balance sheet
	£m	**£m**	**£m**	£m	£m	£m
Assets						
Cash and cash equivalents	**140**	**(101)**	**39**	230	(152)	78
	140	**(101)**	**39**	230	(152)	78

17. Assets held for sale

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

18. Events after the reporting period

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

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

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

Subsequent to the year end, the Group also exchanged or completed on disposals of properties totalling £45m in value.

No other significant events occurred after the reporting period but before the financial statements were authorised for

No other significant events occurred after the reporting period but before the financial statements were authorised for issue.

Alternative performance measures

Table 14: Alternative performance measures

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

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

Alternative performance measure	Nearest IFRS measure	Reconciliation
EPRA earnings	Profit/loss before tax	Note 3
EPRA earnings per share	Basic earnings/loss per share	Note 4
EPRA diluted earnings per share	Diluted earnings/loss per share	Note 4
EPRA Net Tangible Assets	Net assets attributable to shareholders	Note 4
EPRA Net Tangible Assets per share	Net assets attributable to shareholders	Note 4
Total return on equity	n/a	Note 4
Adjusted net cash inflow from operating activities	Net cash inflow from operating activities	Note 9
Combined Portfolio	Investment properties	Note 10
Adjusted net debt	Borrowings	Note 13
Group LTV	n/a	Note 13
EPRA LTV	n/a	Note 13

EPRA disclosures

Table 15: EPRA net asset measures

EPRA net asset measures		**31 March 2025**	
	EPRA NRV	**EPRA NTA**	**EPRA NDV**
	£m	**£m**	**£m**
Net assets attributable to shareholders	**6,514**	**6,514**	**6,514**
Shortfall of fair value over net investment in finance lease book value	**(8)**	**(8)**	**(8)**
Other intangible asset	**-**	**(2)**	**-**
Fair value of interest-rate swaps	**(1)**	**(1)**	**-**
Shortfall of fair value of debt over book value (note 14)	**-**	**-**	**334**
Excess of fair value of trading properties over book value	**27**	**27**	**27**
Purchasers' costs[(1)]	**668**	**-**	**-**
Net assets used in per share calculation	**7,200**	**6,530**	**6,867**

	EPRA NRV	**EPRA NTA**	**EPRA NDV**
Diluted net assets per share	**964p**	**874p**	**919p**

		31 March 2024	
	EPRA NRV	EPRA NTA	EPRA NDV
	£m	£m	£m
Net assets attributable to shareholders	6,402	6,402	6,402
Shortfall of fair value over net investment in finance lease book value	(5)	(5)	(5)
Other intangible asset	-	(2)	-
Fair value of interest-rate swaps	(22)	(22)	-
Shortfall of fair value of debt over book value (note 14)	-	-	313
Excess of fair value of trading properties over book value	25	25	25
Purchasers' costs[(1)]	605	-	-
Net assets used in per share calculation	7,005	6,398	6,735

EPRA NRV EPRA NTA EPRA NDV

	EPRA NRV	EPRA NTA	EPRA NDV
Diluted net assets per share	940p	859p	904p

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

Table 16: EPRA performance measures

			31 March 2025
Measure	**Definition for EPRA measure**	**Notes**	**EPRA measure**
EPRA earnings	Recurring earnings from core operational activity	4	**£374m**
EPRA earnings per share	EPRA earnings per weighted number of ordinary shares	4	**50.3p**
EPRA diluted earnings per share	EPRA diluted earnings per weighted number of ordinary shares	4	**50.1p**
EPRA Net Tangible Assets (NTA)	Net assets adjusted to exclude the fair value of interest-rate swaps, intangible assets and excess of fair value over net investment in finance lease book value	4	**£6,530m**
EPRA Net Tangible Assets per share	Diluted Net Tangible Assets per share	4	**874p**
EPRA net disposal value (NDV)	Net assets adjusted to exclude the fair value of debt and goodwill on deferred tax and to include excess of fair value over net investment in finance lease book value	4	**£6,867m**
EPRA net disposal value per share	Diluted net disposal value per share	4	**919p**
EPRA loan-to-value (LTV) (1)	Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage	13	**41.0%**
		Table	
Voids/vacancy rate	ERV of vacant space as a % of ERV of Combined Portfolio excluding the development programme(2)	17	**2.8%**
Net initial yield (NIY)	Annualised rental income less non-recoverable costs as a % of market value plus assumed purchasers' costs(3)	19	**5.4%**
Topped-up NIY	NIY adjusted for rent free periods(3)	19	**6.0%**
Cost ratio(4)	Total costs as a percentage of gross rental income (including direct vacancy costs)(4)	20	**21.7%**
	Total costs as a percentage of gross rental income (excluding direct vacancy costs)(4)	20	**18.8%**

1. EPRA LTV differs from the Group LTV presented in note 13 as it includes net payables and receivables and includes trading properties at fair value and debt instruments at nominal value rather than book value.
2. This measure reflects voids in the Combined Portfolio excluding only properties under development.
3. This measure relates to the Combined Portfolio, excluding properties currently under development, and are calculated by our external valuer. Topped-up NIY reflects adjustments of £60m.
4. This measure is calculated based on gross rental income after rents payable and excluding costs recovered through rents but not separately invoiced of £12m.

Table 17: EPRA vacancy rate

The EPRA vacancy rate is based on the ratio of the estimated market rent for vacant properties versus total estimated market rent, for the Combined Portfolio excluding properties under development. There are no significant distorting factors influencing the EPRA vacancy rate.

	31 March 2025 £m
ERV of vacant properties	**20**

ERV of Combined Portfolio excluding properties under development	**711**
EPRA vacancy rate (%)	**2.8**

Table 18: Change in net rental income from the like-for-like portfolio[1]

	2025	2024	Change	
	£m	£m	**£m**	**%**
Central London	**244**	229	**15**	**6.6%**
Major retail	**144**	137	**7**	**5.1%**
Subscale sectors	**60**	60	**-**	**0.0%**
Mixed-use	**37**	36	**1**	**2.8%**
	485	462	**23**	**5.0%**

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

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

	31 March 2025 £m
Combined Portfolio[1]	10,880
Trading properties	108
Less: Properties under development, trading properties under development and land	(1,283)
Like-for-like investment property portfolio, proposed and completed developments, and completed trading properties	**9,705**
Plus: Allowance for estimated purchasers' costs	575
Grossed-up completed property portfolio valuation (a)	**10,280**
EPRA annualised cash passing rental income[2]	634
Net service charge expense[3]	(11)
Void costs and other deductions	(71)
EPRA Annualised net rent[2] (b)	**552**
Plus: Rent-free periods and other lease incentives (annualised)	60
Topped-up annualised net rents (c)	**612**
EPRA NIY (b/a)	**5.4%**
EPRA Topped-up NIY (c/a)	**6.0%**

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

Table 20: Cost analysis

				2025 Total £m	**2025 Cost ratio %(1)**	2024 Total £m	2024 Cost ratio %(1)
			Gross rental income (before rents payable)	**636**		653	
			Costs recovered through rents but not separately invoiced	(12)		(9)	
			Adjusted gross rental income	**624**		644	
	£m		Rents payable	(12)		(12)	
Gross rental income (before rents payable)	**636**		**EPRA gross rental income**	**612**		632	
Rents payable	(12)						
Gross rental income (after rents payable)	**624**	**Direct property costs**	Managed operations	**20**		10	
Net service charge expense	(11)		Tenant default	**(11)**		(6)	
Net direct property expenditure	(73)		Void related costs	**18**		30	

Net other operating income	1
Movement in bad and doubtful debts provision	11
Segment net rental income	552
Net indirect expenses	**(73)**
Segment profit before finance expense	479
Net finance expense - Group	**(94)**
Net finance expense - joint ventures	(11)
EPRA earnings	374

£72m

Net indirect expenses

£73m

Other direct property costs	**42**		54	
Development expenditure	**6**		9	
Asset management, administration and compliance	**70**		70	
Total (incl. direct vacancy costs)	**145**		167	
Costs recovered through rents	(12)		(9)	
EPRA costs (incl. direct vacancy costs)	**133**	**21.7**	158	25.0
Less: Direct vacancy costs	(18)		(30)	
EPRA (excl. direct vacancy costs)	**115**	**18.8**	128	20.3

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

Table 21: Acquisitions, disposals and capital expenditure

				Year ended 31 March 2025	Year ended 31 March 2024
Investment properties	**Group (excl. joint ventures) £m**	**Joint ventures £m**	**Adjustment for non-wholly owned subsidiaries[1] £m**	**Combined Portfolio £m**	Combined Portfolio £m
Net book value at the beginning of the year	**9,330**	**585**	**(118)**	**9,797**	10,120
Acquisitions	642	-	82	**724**	144
Capital expenditure	473	13	-	**486**	376
Capitalised interest	27	-	-	**27**	19
Net movement in head leases capitalised	86	-	-	**86**	(30)
Disposals	(479)	(3)	-	**(482)**	(207)
Net surplus/(deficit) on revaluation of investment properties	91	13	3	**107**	(625)
Transfer to non-current assets held for sale	(110)	-	-	**(110)**	-
Transfer to property, plant and equipment	(26)	-	-	**(26)**	-
Net book value at the end of the year	**10,034**	**608**	**(33)**	**10,609**	9,797
(Loss)/profit on disposal of investment properties	**(15)**	**3**	**-**	**(12)**	(16)

Trading properties	**£m**	**£m**	**£m**	**£m**	£m
Net book value at the beginning of the year	**100**	**-**	**-**	**100**	118
Transfer to trade and other receivables	(11)	-	-	**(11)**	-
Acquisitions	10	-	-	**10**	-
Capital expenditure	11	-	-	**11**	13
Capitalised interest	1	-	-	**1**	1
Disposals	(26)	-	-	**(26)**	(21)
Movement in impairment	(4)	-	-	**(4)**	(11)
Net book value at the end of the year	**81**	**-**	**-**	**81**	100
Loss on disposal of trading properties	**(6)**	**-**	**-**	**(6)**	-

Acquisitions, development and other capital expenditure	**Investment properties[2] £m**	**Trading properties £m**	**Combined Portfolio £m**	Combined Portfolio £m
Acquisitions[3]	724	10	**734**	144
Development capital expenditure[4]	312	6	**318**	226
Other capital expenditure	174	5	**179**	163

Other capital expenditure	174	5	**179**	163
Capitalised interest	27	1	**28**	20
Acquisitions, development and other capital expenditure	**1,237**	**22**	**1,259**	553

Disposals	**£m**	£m
Net book value - investment property disposals	**482**	207
Net book value - trading property disposals	**26**	21
Net book value - other net assets	**(1)**	3
Loss on disposal - investment properties	**(15)**	(16)
Profit on disposal - trading properties	**(6)**	-
Other	**61**	1
Total disposal proceeds	**547**	216

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

Table 22: EPRA analysis of capital expenditure

			Other capital expenditure					
	Acquisitions[1] £m	Development capital expenditure[2] £m	Incremental lettable space[3] £m	No incremental lettable space £m	Tenant improvements £m	Total £m	Capitalised interest £m	Tot capit expenditu - Combine Portfol £
Central London								
West End offices	**-**	**8**	-	19	3	**22**	**-**	3
City offices	**-**	**-**	-	70	-	**70**	**2**	7
Retail and other	**-**	**-**	-	16	-	**16**	**-**	1
Developments	**-**	**272**	-	-	-	**-**	**25**	**29**
Total Central London	**-**	**280**	**-**	**105**	**3**	**108**	**27**	**41**
Major retail								
Shopping centres	**630**	**-**	5	21	6	**32**	**-**	**66**
Outlets	**-**	**-**	-	15	2	**17**	**-**	1
Total Major retail	**630**	**-**	**5**	**36**	**8**	**49**	**-**	**67**
Mixed-use urban								
London	**2**	**17**	-	-	-	**-**	**-**	1
Other cities	**92**	**15**	-	8	-	**8**	**-**	**11**
Total Mixed-use urban	**94**	**32**	**-**	**8**	**-**	**8**	**-**	**13**
Subscale sectors								
Leisure	**-**	**-**	-	1	6	**7**	**-**	
Hotels	**-**	**-**	-	-	-	**-**	**-**	
Retail parks	**-**	**-**	2	-	-	**2**	**-**	
Total Subscale sectors	**-**	**-**	**2**	**1**	**6**	**9**	**-**	
Total capital expenditure	**724**	**312**	**7**	**150**	**17**	**174**	**27**	**1,23**
Timing difference between accrual and cash basis								(48
Total capital								**74**

expenditure on a cash basis

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

Table 23: Top 12 occupiers at 31 March 2025

	% of Group rent[1]
Central Government	5.2%
Deloitte	2.1%
BBC	1.5%
ITX	1.5%
Taylor Wessing	1.5%
Cineworld	1.4%
Boots	1.3%
Qube RT	1.1%
M&S	1.0%
H&M	0.9%
Q Park Limited	0.9%
Sainsburys	0.9%
	19.3%

1. On a proportionate basis.

Table 24: Combined Portfolio analysis

Total portfolio analysis

	Market value[1]		**Valuation movement[1]**		**Rental income[1]**		**Annualised rental income[2]**		**Net estimated rental value[3]**	
	31 March 2025 £m	31 March 2024 £m	**Surplus/ (deficit) £m**	**Surplus/ (deficit) %**	**31 March 2025 £m**	31 March 2024 £m	**31 March 2025 £m**	31 March 2024 £m	**31 March 2025 £m**	31 March 2024 £m
Central London										
West End offices	**3,124**	3,109	**17**	**0.6**	**162**	148	**164**	160	**202**	186
City offices	**1,445**	1,192	**20**	**1.4**	**80**	68	**85**	70	**111**	93
Retail and other[11]	**1,022**	991	**(2)**	**(0.2)**	**58**	58	**58**	58	**54**	55
Developments[6]	**1,108**	926	**27**	**2.5**	**2**	20	**-**	8	**85**	93
Total Central London	**6,699**	6,218	**62**	**1.0**	**302**	294	**307**	296	**452**	427
Major retail										
Shopping centres	**1,977**	1,226	**81**	**4.3**	**156**	131	**186**	121	**188**	122
Outlets	**626**	605	**4**	**0.5**	**51**	57	**48**	48	**52**	49
Total Major retail	**2,603**	1,831	**85**	**3.4**	**207**	188	**234**	169	**240**	171
Mixed-use urban										
London	**190**	191	**(18)**	**(8.1)**	**11**	17	**10**	11	**14**	16
Major regional cities[9]	**599**	510	**(24)**	**(4.0)**	**43**	41	**37**	37	**49**	38
Total Mixed-use urban[8]	**789**	701	**(42)**	**(5.0)**	**54**	58	**47**	48	**63**	54
Subscale sectors										
Leisure	**423**	423	**(5)**	**(1.2)**	**44**	48	**44**	46	**41**	42
Hotels	**-**	400	**-**	**-**	**2**	35	**-**	35	**-**	29
Retail parks[10]	**366**	390	**19**	**5.4**	**27**	30	**25**	27	**27**	29
Total Subscale sectors	**789**	1,213	**14**	**1.8**	**73**	113	**69**	108	**68**	100
Combined Portfolio	**10,880**	9,963	**119**	**1.1**	**636**	653	**657**	621	**823**	752
Properties treated as finance leases	**-**	-	**-**	**-**	**(1)**	(1)				
Combined Portfolio	**10,880**	9,963	**119**	**1.1**	**635**	652				
Represented by:										
Investment portfolio	**10,244**	9,347	**106**	**1.1**	**585**	613	**575**	584	**735**	712

Investment portfolio	**10,244**	9,347	**106**	**1.1**	**585**	613	**575**	584	**735**	712
Share of joint ventures	**636**	616	**13**	**2.2**	**50**	39	**82**	37	**88**	40
Combined Portfolio	**10,880**	9,963	**119**	**1.1**	**635**	652	**657**	621	**823**	752

Total portfolio analysis

	Net initial yield[4]		**Equivalent yield**[5]	
	31 March 2025	Movement in like-for-like[7]	**31 March 2025**	Movement in like-for-like[7]
	%	bps	**%**	bps
Central London				
West End offices	**4.6**	36	**5.4**	14
City offices	**4.2**	89	**6.2**	13
Retail and other	**4.3**	(11)	**4.9**	(2)
Developments[6]	**0.0**	n/a	**5.3**	n/a
Total Central London	**4.4**	40	**5.5**	12
Major retail				
Shopping centres	**7.2**	(51)	**7.7**	(31)
Outlets	**6.3**	-	**6.9**	(7)
Total Major retail	**7.0**	(33)	**7.5**	(22)
Mixed-use urban				
London	**4.3**	18	**6.6**	8
Major regional cities[9]	**6.6**	7	**8.2**	47
Total Mixed-use urban[8]	**5.8**	8	**7.7**	36
Subscale sectors				
Leisure	**7.8**	(94)	**8.8**	(8)
Retail parks	**6.1**	9	**6.7**	(24)
Total Subscale sectors	**7.0**	(51)	**7.7**	(22)
Combined Portfolio	**5.4**	14	**6.3**	3
Represented by:				
Investment portfolio	**5.4**	n/a	**6.3**	n/a
Share of joint ventures	**5.8**	n/a	**6.2**	n/a
Combined Portfolio	**5.4**	n/a	**6.3**	n/a

Notes:

1. Refer to Glossary for definition.
2. 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.
3. Net estimated rental value is gross estimated rental value, as defined in the Glossary, after deducting expected rent payable.
4. Net initial yield - refer to Glossary for definition. This calculation includes all properties including those sites with no income.
5. Equivalent yield - refer to Glossary for definition. Future developments are excluded from the calculation of equivalent yield on the Combined Portfolio.
6. Comprises the development pipeline - refer to Glossary for definition.
7. The like-for-like portfolio - refer to Glossary for definition.
8. The prior year data has been represented to align with the updated categories disclosed.
9. Includes owner-occupied property.
10. Includes non-current assets held-for-sale.
11. Short-term commercialisation income from Piccadilly Lights has been included in the current year disclosure and to ensure year-on-year alignment the comparatives have been updated by £15m.

Table 25: Floor Areas[1]

	31 March 2025
	Million sq ft
Central London	
West End offices	2.7
City offices	1.7
Retail and other	0.9
Total Central London	**5.3**
Major retail	
Shopping centres	9.4
Outlets	1.0
Total Major retail	**10.4**
Mixed-use urban	
London	0.8
Major regional cities	2.1
Total Mixed-use urban	**2.9**
Subscale sectors	
Leisure	3.3
Retail parks	1.6
Total Subscale sectors	**4.9**
Total	**23.5**

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

Table 26: Reconciliation of segmental information note to statutory reporting for the year ended 31 March 2024

	Year ended 31 March 2024					
	Group income statement £m	**Joint ventures(1) £m**	**Adjustment for non-wholly owned subsidiaries(2) £m**	**Total £m**	**EPRA earnings £m**	**Capital and other items £m**
Rental income	622	38	(8)	652	652	-
Finance lease interest	1	-	-	1	1	-
Gross rental income (before rents payable)	**623**	**38**	**(8)**	**653**	**653**	**-**
Rents payable	(11)	(1)	-	(12)	(12)	-
Gross rental income (after rents payable)	**612**	**37**	**(8)**	**641**	**641**	**-**
Service charge income	117	8	(2)	123	123	-
Service charge expense	(133)	(9)	3	(139)	(139)	-
Net service charge expense	(16)	(1)	1	(16)	(16)	-
Other property related income	35	3	-	38	38	-
Direct property expenditure	(114)	(6)	1	(119)	(119)	-
Movement in bad and doubtful debt provision	6	-	-	6	6	-
Segment net rental income	**523**	**33**	**(6)**	**550**	**550**	**-**
Other income	1	-	-	1	1	-
Administrative expenses	(73)	(1)	-	(74)	(74)	-
Depreciation, including amortisation of software	(4)	-	-	(4)	(4)	-
EPRA earnings before interest	**447**	**32**	**(6)**	**473**	**473**	**-**
Share of post-tax loss from joint ventures	2	(2)	-	-	-	-
Loss on disposal of investment properties(1)	(16)	-	-	(16)	-	(16)
Net deficit on revaluation of investment properties	(628)	(19)	22	(625)	-	(625)
Net development contract and transaction expenditure	(18)	-	-	(18)	-	(18)
Fair value gain on remeasurement of investment	3	-	-	3	-	3
Impairment of amounts due from joint ventures	(2)	-	-	(2)	-	(2)
Impairment of goodwill	(1)	-	-	(1)	-	(1)
Impairment of trading properties	(11)	-	-	(11)	-	(11)
Depreciation	(2)	-	-	(2)	-	(2)
Other costs	(1)	-	-	(1)	-	(1)
Operating (loss)/profit	**(227)**	**11**	**16**	**(200)**	**473**	**(673)**
Finance income	12	-	-	12	11	1
Finance expense	(126)	(11)	6	(131)	(113)	(18)
(Loss)/profit before tax	**(341)**	**-**	**22**	**(319)**	**371**	**(690)**
Taxation	-	-	-	-		
(Loss)/profit for the year	**(341)**	**-**	**22**	**(319)**		

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

2. Removal of the non-wholly owned share of results of the Group's subsidiaries. The non-wholly owned subsidiaries are consolidated at 100% in the Group's income statement, but only the Group's share is included in EPRA earnings reported in the segmental results table. The non-owned element of the Group's subsidiaries are included in the 'Capital and other items' column presented in the Group's income statement, together with items not directly related to the underlying rental business such as investment properties valuation changes, profits or losses on the disposal of investment properties, the proceeds from, and costs of, the sale of trading properties, income from and costs associated with development contracts, amortisation and impairment of intangibles, and other attributable costs, arising on business combinations.

3. Included in the loss on disposal of investment properties is a £2m charge related to the provision for fire safety remediation works on properties no longer owned by the Group but for which the Group is responsible for remediating under the Building Safety Act 2022.

Table 27: Property Income Distribution (PID) calculation

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Profit/(loss) before tax per income statement	**393**	(341)
Accounting profit/(loss) on residual operations	**45**	(23)
Profit/(loss) attributable to tax-exempt operations	**438**	(364)

Profit/(loss) attributable to tax exempt operations	[illegible]	[illegible]
Adjustments		
Capital allowances	**(56)**	(55)
Capitalised interest	**(29)**	(20)
Revaluation deficit/(surplus)	**(117)**	649
Tax exempt disposals	**(18)**	12
Capital expenditure	**5**	6
Other tax adjustments	**6**	(9)
REIT dividends received	**(11)**	(10)
Estimated tax-exempt income for the year	**218**	209
PID thereon (90%)	**197**	188
REIT dividends received (100%)	**11**	10
Minimum PID to be paid	**208**	198

As a REIT, our income and capital gains from qualifying activities are exempt from corporation tax. 90% of this income must be distributed as a Property Income Distribution and is taxed at the shareholder level to give a similar tax position to direct property ownership. Non-qualifying activities, such as sales of trading properties, are subject to corporation tax. This year, there was a £3m current tax credit (2024: £nil).

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

The Company has 12 months after the year end to make the minimum distribution. Accordingly, PID dividends paid in the year may relate to the distribution requirements of previous periods. The table below sets out the dividend allocation for the years ended 31 March 2025 and 31 March 2024:

	PID allocation			**Dividends in excess of minimum PID**	**Total dividend**
	Year ended 31 March 2025	Year ended 31 March 2024	Pre-31 March 2024		
	£m	£m	£m	£m	£m
Dividends paid in year to 31 March 2024	-	198	63	30	291
Dividends paid in year to 31 March 2025	208	-	-	89	297
Minimum PID to be paid by 31 March 2026	-	-	n/a	n/a	-
Total PID required	**208**	198			

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

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

Investor information

1. Company website: landsec.com

The Group's half-yearly and annual reports to shareholders, results announcements and presentations, are available to view and download from the Company's website. The website also provides details of the Company's current 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:

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

Correspondence address:

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

Information on how to manage your shareholding can be found at https://help.shareview.co.uk. 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 Landsec 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 the Registrar), please email Investor Relations (see details in 8. below).

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

The Company's shares can be traded through most banks, building societies and stockbrokers. They can also be traded through Equiniti. To use their service, shareholders should contact Equiniti: 0345 603 7037 from the UK. Lines are ordinarily open Monday to Friday 08:00 to 16:30 for dealing and until 18:00 for enquiries, excluding UK public holidays.

5. Dividends

The Board has recommended a final dividend for the year ended 31 March 2025 of **12.3p** per ordinary share to be paid as a Property Income Distribution (PID). Subject to shareholders' approval at the Annual General Meeting, the final dividend will be paid on 25 July 2025 to shareholders registered at the close of business on 13 June 2025. The last date for Dividend Reinvestment Plan (DRIP) elections will be 27 June 2025. The total dividend paid and payable in respect of the year ended 31 March 2025 is **40.4p** (2024: 39.6p).

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

6. Dividend related services

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

Dividend payments to overseas shareholders - Overseas Payment Service (OPS)
Dividends are no longer paid by cheque. Shareholders need to request that their dividends be paid directly to a personal bank account overseas. For more information, please contact Equiniti or download an application form online at https://shareview.co.uk.

Dividend Reinvestment Plan (DRIP)
A DRIP is available from Equiniti. 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 the Company's shares and these will be purchased on your behalf in the market on, or as soon as practical after, the dividend payment date.

on your behalf in the market on, or as soon as practical after, the dividend payment date.

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

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

7. Financial reporting calendar

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

8. Investor relations enquiries

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

Glossary

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

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

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

Developments/development pipeline
Development pipeline consists of future developments, committed developments, projects under construction and developments which have reached practical completion within the last two years but are not yet 95% let.

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

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

EPRA loan-to- value (LTV)
Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage. The calculation includes trading properties at fair value and debt at nominal value.

EPRA net disposal value (NDV) per share
Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of deferred tax, and to include the difference between the fair value and the book value of the net investment in tenant finance leases and fixed interest rate debt.

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 valuer.

EPRA Net Reinstatement Value (NRV) per share

Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of deferred tax on intangible assets and to include the difference between the fair value and the book value of the net investment in tenant finance leases and add back purchasers' costs.

EPRA Net Tangible Assets (NTA) per share

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

Equivalent yield

Calculated by the Group's external valuer, 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 valuer. For investment properties in the development programme, which have not yet reached practical completion, the ERV represents management's view of market rents.

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 13.

Gross market value

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

Interest Cover Ratio (ICR)

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

Investment portfolio

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

Lease incentives

Any incentive offered to occupiers to enter into a lease. Typically, the incentive will be an initial 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.

Like-for-like portfolio

The like-for-like portfolio includes all properties which have been in the portfolio since 1 April 2023 but excluding those which are acquired or sold since that date. Properties in the development pipeline and completed developments are also excluded.

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 valuer, 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.

Net initial yield

Net initial yield is a calculation by the Group's external valuer 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 rent payable 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.

Net zero carbon building

A building for which an overall balance has been achieved between carbon emissions produced and those taken out of the atmosphere, including via offset arrangements. This relates to operational emissions for all buildings while, for a new building, it also includes supply-chain emissions associated with its construction.

Passing rent

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

Property Income Distribution (PID)

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

Rental income

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

Reversionary or under-rented

Space where the passing rent is below the ERV.

Reversionary yield

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

Security Group

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

Topped-up net initial yield

Topped-up net initial yield is a calculation by the Group's external valuer. It is calculated by 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 return on equity

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

Total cost ratio

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

Total development cost (TDC)

Total development cost refers to the book value of the site at the commencement of the project, 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.

Trading properties

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

Vacancy rates

Vacancy rates are expressed as a percentage of ERV and represent all unlet space, including vacant properties where refurbishment work is being carried out and vacancy in respect of pre-development properties, unless the scale of refurbishment is such that the property is not deemed lettable. The screen at Piccadilly Lights, W1 is excluded from the vacancy rate calculation as it will always carry advertising although the number and duration of our agreements with advertisers will vary.

Valuation surplus/deficit

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

Voids

Voids are expressed as a percentage of ERV and represent all unlet space, including voids where refurbishment work is being carried out and voids in respect of pre-development properties. Temporary lettings for a period of one year or less are also treated as voids. The screen at Piccadilly Lights, W1 is excluded from the void calculation as it will always carry advertising although the number and duration of our agreements with advertisers will vary. Commercialisation lettings are also excluded from the void calculation.

Weighted average unexpired lease term

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

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