LANDSEC HALF-YEARLY RESULTS PRESENTATION TRANSCRIPT

13 November 2018

Speaker: Robert Noel – Chief Executive Officer

Slide 1 – Cover page

Good Morning everyone and welcome to our half-yearly results.

Here's our agenda – in a few minutes Martin will run through the numbers in detail before we hear from Colette and Scott on the activities in their areas.

Slide 2 – Focused on growth from a position of strength

Landsec has delivered a robust performance with strong EPS growth and we have been laying the foundations for the future, with an expanded pipeline of developments.

Our near-term positioning is unchanged even though the UK real estate market and London offices in particular with sustained occupational demand, has remained stronger than we were expecting.

This demand is focused on quality and flexibility, with take-up of second-hand space falling – and this flight to quality and flexibility will continue.

The retail market faces significant challenges with retailers and consumers under pressure, but our focus on experience led destinations makes us more resilient.

We firmly believe that the best thing is to be modestly geared at the moment - but we are building our pipeline.

We have expanded our office-led development pipeline to £2bn and, as discussed in May, we have been working on a mixed use pipeline - now £1bn and rising.

And our financial performance has been strong.

Following the actions we took last year, we have delivered another good earnings performance in the first half - and increased the dividend.

Slide 3 – Landsec portfolio – quality assets focused on the future

As I said in May, Landsec's quality assets are well placed in their markets and our customers agree, we are practically full. This is reflected in over 98% occupancy. As ever we concentrate on who the customer is, where and how they are going to occupy space and getting the customer journey right. And like everything it is increasingly about experience and convenience. It is also about striving for greater efficiency in the way we build and manage.

Slide 4 - Growing our customer proposition – striving for greater efficiency

Let me start in London and I will briefly mention three topics. First, flexible offices. We have a long history of including serviced office providers as part of the mix within our portfolio. As the changing balance between core and flex accelerates we will be adding to our offer by launching our own flexible office product in the new year. And Colette will talk more about our plans later.

Second, better facilities. Many of you will have seen our Landsec Lounge concept at our head office where all occupiers in the building have access to break out, connect, eat and relax. It's been a great success and contributed to the rapid reletting of this building over the last 12 months. Again, you will hear how we are making this a regular feature in our portfolio.

Third. We are focused on completely new, better and more sustainable ways of design and delivery of space. At the Landsec Lab in Southwark, originally set up to test apartment layouts for our Victoria schemes and then our own office space, we have been co-creating with both our supply chain and our customers on new ways of procurement and provision. We are challenging everything and anything to create faster, more accurate and more sustainable solutions. And you will hear more about this in the context of our development programme later.

Slide 5 – increasing development pipeline – c.£3bn pipeline of opportunities

Talking of development, we have added to our pipeline of future development with plans for a 530,000 square foot redevelopment at Portland House, right on top of the new access point to Victoria Station and future access to Crossrail 2. This increases our committed proposed and pre-development pipeline in London offices to 2 million square feet or £2bn TDC.

In addition to this and as indicated in May, we are also working on a mixed use pipeline at our suburban London Retail assets. These are sites we already own with the opportunity to develop

at scale in popular residential areas that enjoy high quality transport links. Our plans include over 4,000 homes, a significant proportion of which would be build to rent. A sector with deep structural and emerging planning support.

The first two significant planning applications are right on zone 2 transport nodes and will be submitted in the first half of the next calendar year and I will come back to this topic at the end of our presentation.

Slide 6 – Retail and leisure – focused on experience

Outside London it has been clear that the work we did to sell our secondary retail locations and reduce our exposure to retail parks focusing on experience led destinations has meant that we are faring relatively well operationally versus the wider market in what is generally a very difficult trading environment. Our leisure and hotels are part of this as are the outlets which are now integrated with our assets plans underway. We are both less affected by CVAs than the market as a whole and, as importantly, continuing to attract new occupiers. And you will hear more about this from Scott.

More challenging from a valuation standpoint were the six shopping centres outside London and our retail park portfolio, a market particularly affected by CVAs. Retail parks are the smallest element of our portfolio, with sales during the period in Livingstone and Selly Oak and where we will continue to be net sellers.

Slide 7 – Agenda

We are confident in our positioning with increased earnings per share, great financing and a growing pipeline of opportunity so let me now hand over to Martin to go through the numbers in detail. Martin.

Speaker: Martin Greenslade - Chief Financial Officer

Thank you Rob. Morning everyone. Our business is in a strong financial position and we have delivered good earnings growth in the first half. Our diverse income streams and low gearing give us a great platform from which to finance the next phase of development opportunities which Rob has just mentioned.

Slide 9 – Financial summary

So let's start by looking at the headline numbers. Revenue profit for the six months was £224 million, that is up 10.3% despite the disposals we made last year. The other major item was our valuation deficit of £188 million, leading to a profit before tax of £42 million. Adjusted diluted earnings per share were up 17.9% to 30.3p - now that increase is ahead of the growth in revenue profit and that is due to the reduction in the number of shares in issue following the return of capital and share consolidation that we did in September last year.

Now I know I promised never to mention the bond exchange de-recognition adjustment ever again. But I just feel compelled to confirm that it really has gone and therefore our EPRA NAV per share comes into line with our old adjusted diluted NAV per share. Now whatever you prefer to call it, it came in at £13.84, that is down 1.4% or 19p since March.

And finally, our dividend is 22.6p for the six months. That is up 14.7% in line with the increase last year.

Slide 10 – Revenue profit

Turning now to more detail on revenue profit. Revenue profit increased by £21 million to £224 million. This was driven by a £5 million increase in net rental income which I will cover in more detail in a moment. And by a £12 million reduction in net finance expense and a £4 million reduction in total indirect expenses. And that £4 million reduction shown here was mainly due to lower share-based payment charges as long-term incentives did not vest in the period.

Net finance costs decreased by £12 million to £49 million. And this was due to interest savings following the liability management exercises that we did last year and that was partly offset by a £2 million reduction in capitalised interest.

Slide 11 - Net rental income analysis

Turning now to net rental income. Here we have the changes in net rental income and split between London and Retail. Overall, net rental income increased by £5 million with the London Portfolio increasing by £11 million and the Retail Portfolio declining by £6 million. Like-for-like net rental income, that was up £8 million in total with the London Portfolio up £14 million and the Retail Portfolio declining by £6 million.

Let's look briefly at what is behind these like-for-like movements and we will start with Retail.

Slide 12 – Like-for-like net rental income analysis – Retail Portfolio

The impact of voids, re-lettings and rent reviews, those broadly balanced out. Then come two items related to retailer difficulties. We lost £1 million pounds of income from retailers who have gone into administration or CVAs. Most of the impact was from those that occurred in the last financial year, in particular Maplin and Toys-R-Us even though they did continue to pay us rent for part of the period until the closure of their stores.

There have been few significant administrations this year, except House of Fraser, where the Administrator continues to pay the rent on our only store. And when it comes to CVAs, the impact on rental income this period is limited due to timing and because most of our units are in the top classification where rental income is unchanged. However, taking into account the timing of store closures and changes to rents, I would expect the second half decline to be around £2 million, possibly £3 million, depending on how quickly we can re-let any returned units. There is more information on CVAs in the Appendices.

The largest movement in the like-for-like net rental income was due to bad debts. And here you can see the £4 million reduction is almost entirely due to provisions against existing tenant incentives. Here £1 million was normal course of business. £1 million relates to current CVAs and £2 million is what I would call 'future looking'. It relates to tenants at risk of CVA where we are being prudent about whether the lease will run to full term at full rent. And the other category shown here relates to non-administration voids and increased professional fees as we work to re-let space.

Slide 13 – Like-for-like net rental income analysis – London Portfolio

So back to the net rental income slide, and onto the London like-for-like movement of £14 million. Rent reviews and void lettings contributed a £6 million increase, a further £5 million comes from the refurbished screens at Piccadilly Lights which was out of action last year. And we have a £2 million benefit by not having the bad debt write off that we had last time.

Slide 14 – Net rental income analysis

So now back to the remaining elements of the movement in net rental income. With Westgate Oxford, over 95% let, we now include it in completed developments where both it and Nova were behind the £10 million increase in rents. The three outlets acquired in May last year contributed an additional £2 million of rental income this period, but this was more than offset by a reduction in net rental income of £13 million from last year's disposals. And that was principally 20 Fenchurch Street and the Ibis Hotel in Euston. And finally, the reduction in non-property related income largely relates to reduced development fee income.

So let's now look at the valuation.

Slide 15 – Combined Portfolio valuation

Set out here is our combined portfolio of £14 billion split into various asset classes. Overall our assets reduced in value by 1.4%. But that total hides a split in the portfolio. Two-thirds of our Portfolio saw values in the plus or minus 1% range, so either up or down slightly. Not all of these assets were in London. In fact, almost half of our retail assets fall into this category, demonstrating the diversity of income in that portfolio. Office values were up slightly with a stronger performance in mid-town and the City and a small decline in Victoria on the back of yield shift. One-third of the portfolio saw valuations decline by more than 1%. Central London Retail was down 2.9%, but that was driven by Piccadilly Lights, down 7.4%. Here, following the refurbishment, the screen is now divided into three medium term lets and three sections which are let for shorter term advertising campaigns. And the resulting less certain income, which is also not yet proven over a sustained period, that has led to the fall in value.

Both shopping centres (which here excludes outlets) and retail parks, are down 4.5%. In shopping centres where yields have moved out on average by around 9 basis points, the best performer was Buchanan Street in Glasgow, down 1.3% with the largest reduction at St David's in Cardiff down 7.1%. St David's, like White Rose and Trinity Leeds, saw yields move out by 15 basis points. But St David's also felt a greater impact from CVAs and a higher assumed void rate.

In retail parks there was a wide range of valuation movements, from properties where the valuation was unchanged to those down more significantly like Poole and Lakeside Retail Park, which were affected by yield shift and the impact of CVAs.

And finally, it is worth saying that despite everything you hear about the retail sector, around £1.5 billion worth of our retail and leisure assets actually went up in value over the six months and that does not include our hotels.

So onto development expenditure.

Slide 16 – Development expenditure – significant capacity to develop and invest

Shortly, you'll hear more from Rob about the increased development opportunities within our portfolio, both in London offices and on our suburban London retail assets. What I've done on this slide is to give you a very high-level view of the earliest estimated expenditure on these schemes over the next 5 years. As you can see, the total funding required over this period is

approximately £1.5 billion and our LTV based on current values would only rise to 33% were we to fund all of this from debt. So there is plenty of potential in our portfolio and there is plenty of balance sheet capacity to finance it as well as other investments.

Slide 17 – Financing

So now a brief look at that financing. With our adjusted net debt virtually unchanged over the period, the £188 million valuation deficit is behind the 0.4 percentage point increase in our LTV to 26.2% at 30 September. With no significant debt issuance in the period, our weighted average maturity of debt reduced by half a year over the period, but it still remains long at 12.6 years. And our cost of debt was unchanged and low at 2.6%. We have got £1.1 billion of fire power and as we have previously demonstrated, we have the ability to issue bonds at very short notice.

Slide 18 – Financial summary

So let me summarise. We have continued to grow earnings. We have a diverse income stream and a very strong balance sheet with plenty of capacity for the next phase of investment.

So now for news of the London Portfolio, let me hand you over to Colette.

Speaker - Colette O'Shea, Managing Director – London Portfolio

Slide 19 – Title slide

Thank you, Martin. Good morning everyone. Rob has already talked about how we are growing our pipeline of development opportunities and laying the foundations for future growth. Let me put more flesh on the bones for London. I am really pleased with where the Portfolio is.

Slide 20 – London Portfolio – well positioned for today and the future

Here are the headlines. We are at 99% occupancy and letting activity in the period was £6 million. We have got 2 million square feet of development opportunities with a TDC of £2 billion and an estimated rental value of £130 million.

So, you can see how well positioned we are today. I want to talk more this morning about how well positioned we are for the future. But let me start by updating you on progress in the flexible office space. This is a growing trend, here for the long-term, but also importantly, we think there is a gap in the space which is ours to fill.

Remember, we have a long history of providing flexibility for our customers.

Slide 21 – Flexible office space – targeted specialist providers

We began with flexible office providers, including LEO and TOG who now represent 3% of the Portfolio. They clearly add to our customer offer and help us achieve our high occupancy rates.

Slide 22 – Landsec Lounge – providing informal work areas and meeting space

We also introduced a concept, Landsec Lounge, into our offices in Cardinal Place and Eastbourne Terrace. As well as an attractive food and beverage offering, it gives our occupiers extra informal work areas and meeting space. The capital expenditure is small and yet it has been hugely popular with everyone including us. And it is also part of the draw for new customers. All in all a great success. We are now rolling out Landsec Lounges at New Street Square, Dashwood House, 62 Buckingham Gate and One New Change. And it doesn't stop there. We want to ensure that across our portfolio, we can meet the needs of a wide range of customers.

Slide 23 – Landsec Lounge expansion – meeting our customers' needs

And we think there is currently a part of the market that is not being well served. These are high growth businesses of 15-80 people who want fully serviced flexible office space, but also the ability to customise and make it their own.

So, we're launching our own flexible office product to serve exactly these types of customers – it will be hassle free, managed space, but importantly, customers can select the look and feel of their offices that reflects their own aspirations and culture.

We also like this particular segment because it plays to our strength of building long-term relationships with customers. We believe it is a great opportunity to accommodate these businesses within our own portfolio as they grow.

Slide 24 – Landsec flexible offer – launching new brand in January

We are starting with 36,000 square feet in 123 Victoria Street. It will have its own brand which we are launching in January. And we are already talking to a number of businesses and the responses have been very positive. I will update you on progress in May.

Slide 25 – Progressing 2m sq ft pipeline of development opportunities

Now to development. As you can see our pipeline has grown since I first showed you this chart with the addition of Portland House, where we see a great opportunity, but more on that in a moment. That means today we are working on 2 million square feet which is comparable in scale to our completed Victoria programme. It will have a total development cost of around £2 billion and a potential ERV of £130 million over the next 5 years.

Slide 26 – Nova East – refining structure and design, improving returns

Starting in the West End and our second phase of Nova. We have refined the structure and design of our consented scheme to increase the floor area by 19% with a knock-on improvement to returns. We are now getting the requisite approvals from Westminster City Council and TfL, ready to start on site next April.

Slide 27 – 1 Sherwood Street – new mixed use building at iconic London site

And at 1 Sherwood Street, our 144,000 square foot development behind Piccadilly Lights, we are creating an office and retail product at one of the most iconic locations in the world. The 111,000 square feet of offices will have large, open but flexible floor plates capable of accommodating a diversity of work places.

Slide 28 – 1 Sherwood Street – flexibility, wellness experience, and sense of community

Wellness is at the heart of the design. There is a central atrium and winter garden to enhance natural light along with private terraces and cycling and changing facilities. We will have a Landsec Lounge on the first floor as well as an exciting rooftop restaurant. And, of course, there will be retail on the ground floor. All in all, 1 Sherwood Street, or perhaps 1 Piccadilly Lights, is going to be a great new destination in the heart of the West End.

Slide 29 – Southwark estate – two developments

In Southwark we own 4 buildings totalling 227,000 square feet and are progressing two schemes, 105 Sumner Street and Red Lion Court.

Slide 30 – Sumner Street – opportunity to use off-site manufacture techniques

At Sumner Street we have consent for 135,000 square feet in two buildings. The rectangular geometry of the design gives us an opportunity to use a modern kit building approach where parts are manufactured off site and arrive ready to be assembled, a bit like Lego. This is already

done in car manufacturing and many residential schemes and could dramatically reduce waste, time, cost and be more environmentally friendly.

Slide 31 – Landsec Lab – challenging new ways of working

As you can see we are constantly challenging ourselves to find new ways of working. While we have been working up our plans for Sumner street, we have been using the existing building as a Landsec Lab for the last few years. Here we successfully tested prototypes for the Nova residential and our own office fit-out. In April, the Lab became a vibrant hub where businesses, including us, can challenge established thinking and generate and test new ideas. We expect some innovate ideas to emerge which will help the industry as a whole. As an example, in the coming months we will be using the Lab to experiment with technology and its application within intelligent buildings.

Slide 32 – Red Lion Court – a riverside destination

At Red Lion Court on the river, we have finished the feasibility stage for a 324,000 square foot office building which will deliver dynamic, connected and flexible work spaces with fantastic views and a great new public realm onto the river. The design ethos is to create an ecosystem to support businesses from start-ups to global brands and we are now progressing with planning.

Slide 33 – Portland House – a new tower concept for the West End

At Portland House we are in the feasibility stage for a 530,000 square foot office building, starting in 2020. Our plan is to increase the floor area whilst maintaining a similar height building. We will be extending the public realm with a large open space linking our whole Victoria estate. One of the complexities of this development is demolishing the existing building at speed in this very tight site. We are working with specialist demolition contractors who have experience with this kind of challenge. This new tower for the West End will require a significant amount of affordable housing to comply with planning policy. Over the summer we have obtained planning for 86 affordable units are nearby Castle Lane. We are now talking to affordable housing providers to partner with us.

So there is an exciting future ahead.

Slide 34 – 21 Moorfields – de-risking the development

But now back to the present where we are making great progress at 21 Moorfields. Our deal with Deutsche is now unconditional. We have successfully completed the test piles. We have

tendered the main contract within the projected £580 million TDC. And we are using a new approach to procurement and utilising technology.

Slide 35 – 21 Moorfields – new approach to procurement

Let me explain what we have done differently. We did a huge amount before approaching the main contractor. We spent a year working with four specialists to give us much greater insight into the design and cost of 70% of the project. This gave the main contractor far more information and resulted in a tender with no cost or programme surprises.

Slide 36 – Building Information Modelling (BIM) – upping the tech

And we have upped the tech. We have been using building information modelling, BIM, to create a 3D model of the whole building right down to the last pipe and wire. What this means is that we get it right first time, avoiding delays on site, saving money.

BIM has been around for many years, but has not been universally adopted by our sector. We have had to support our suppliers so they could comprehensively adopt it at Moorfields. We are already seeing huge benefits and it is our intention to do this on all future projects.

Slide 37 – Investment – actively pursuing £1.4bn of assets

On the Investment side we have seen a shift in the gap in our underwriting from 20-30% below pricing 12 months ago to around 10-15% today. We are actively looking at £1.4 billion of assets and made £0.3 billion of bids for development and refurbishment opportunities.

Slide 38 – Quality and resilience – reflected in 99% occupancy

Onto our portfolio activity. We are virtually full with voids of only 0.7%, a long WAULT of 9 years and reversionary potential of £16 million or 5% of passing rent over the next 5 years.

We have achieved £6 million of letting activity including letting the last space at The Zig Zag Building and a number of lettings at Eastbourne Terrace. The lettings were to a range of occupiers which continue to add diversity to the portfolio.

Slide 39 – Rent reviews – at 30 September 2018

We completed £20 million of rent reviews above ERV increasing the passing rent by 19%. The most significant of these was at New Street Square where the impact was a valuation increase

of 5% or £39 million to the whole of the New Street Square estate showing the continued attractiveness of it.

Slide 40 – Bridge at New Street Square – future proofing space

Our main customer Deloitte continues to invest in their campus. We have just completed an agreement enabling them to construct two bridges that will link 1 and 2 New Street Square, giving them even greater flexibility across their 700,000 square feet, helping to future proof their space for the next 15 years.

Slide 41 – Portfolio in great shape – strong pipeline

So in summary, we have a great portfolio with bags of potential. We have a diverse mix of customers, good reversionary potential, a long office WAULT at 9.1 years and we are full. We are actively looking to add to it with new acquisitions. We are expanding our flexible office offering to meet an underserved gap in the market. We are getting cleverer at deploying technology. The occupier of the future is not the occupier of the past, so our focus reaches beyond glass and steel to knowledge, research and thought leadership as we progress our 2 million square feet of developments.

Thank you and I will now hand over to Scott.

Speaker – Scott Parsons, Managing Director – Retail Portfolio

Slide 42 – Title slide

Thanks Colette and good morning everyone. In a challenging market I am pleased with the resilient performance our portfolio has delivered over the first six months. Although it is tough out there, our team has been a hive of activity with a wealth of new lettings, profitable development projects, good progress on mixed use densification opportunities and some exciting innovation.

Besides the usual stats I will give you a bit more insight into our sub-markets, how they performed and where we see them heading.

Slide 43 – Well positioned portfolio – experience-led and diversified

Now as you know, our strategy is focused on experienced-based destinations. And that is why we sold our secondary shopping centres and about half of our retail parks and invested in

leisure and outlets. And as I said back in May we are not just a retail business. And if you look at the make-up of our contracted rent, we have got by far the most diverse income base in the sector. So while it is a challenging environment, our portfolio is well positioned and our performance has been robust.

Slide 44 – Performance summary – robust performance in challenging markets

Nationally footfall is down 3%, reflecting consumer caution in the current economic environment. But our portfolio outperformed the national benchmark by 70 basis points. Same centre sales also outperformed the benchmark by 70 basis points. And our portfolio remains almost full with like-for-like voids at just 3%. Administrations are flat at 0.7%. And letting activity remains healthy, demonstrating that the best destinations continue to attract occupiers. We have exchanged 82 lettings encompassing £6.4 million during the period with a further £7 million in solicitors' hands.

As Martin said earlier, from a valuation point of view, our hotels, our leisure, our outlets and our suburban London assets have held their own, while our regional shopping centres and retail parks have had a more challenging time. And that has been driven by the recent CVA activity and its knock-on impact on sentiment.

Now we've looked at those CVAs in detail, analysing the degree to which they impacted Landsec compared to the wider market. And what we found is that when occupiers have to make a choice, they are more likely to stay in a Landsec destination. 60% of our units in CVA remained on full rent. And that is outperforming the market by half. There is more details on CVAs in the Appendices.

Slide 45 – Regional shopping centres – best destinations attracting occupiers

Now let's take a look at each of our six sub-markets starting with our six regional shopping centres. Our centres continue to attract occupiers and in line with our long-term trend, occupancy levels are in excess of 97% and that is ahead of the IPD benchmark for shopping centres of 92%. Getting deals over the line is taking a little bit longer and bigger occupiers are driving some tough negotiations, but they continue to value their physical stores in the best destinations and we have a strong pipeline of deals in the works.

At Blue Water, combining the physical and the digital, BMW opened their Urban Store, a first for the UK. And Apple's 8,600 square foot upsize is drawing in the crowds. JD Sports and Tag Heuer are fitting out their upsizes and the new 60,000 square foot Primark unit has reached practical completion.

And at Westgate, we have completed the brilliant line-up with lettings to Zara, Mango, Urban Outfitters and Flannels. We are constantly innovating with our customers, consumers and the environment in mind to keep our visitors coming back.

Slide 46 – Regional shopping centres – adapting to change through innovation

At Trinity we are teaming up with the British Fashion Council and Black Box Revolution to take brand curation to a whole new level with units for emerging brands that haven't used physical space before. Now we can rotate these brands quickly and easily and innovative tech will give us data on how consumers are shopping to drive more sales.

We are completing trials at Gunwharf for our new car park app designed in-house to make the customer journey seamless from car park to shop and back again. Our portfolio-wide Refill Me! Campaign has made a big impact reducing the use of disposable water bottles. And our solar panels at White Rose benefit our customers service charge by producing 22% of the centre's communal energy.

Slide 47 – Retail Parks – Selly Oak de-risked and profitable

Moving onto retail parks. As you know, over the past few years we sold around half our retail parks and into a much stronger investment market than the current one. We sold Livingstone, our last retail park in Scotland during the first half and also forward sold our mix use development in Selly Oak Birmingham: the retail element to M&G, and the student block to Unite. The final phase of construction completes in mid-2019 and will generate an IRR in excess of 40%.

Slide 48 – Hotels – steady income growth

On the hotel front, our 29 hotels, a mix of a core and other brands within our leisure assets, have produced relative steady and resilient rental income for us with growth of 30% since 2010. Now our portfolio is positioned in the budget and mid-market sectors and in these markets the best locations aren't as impacted by cyclical downturns and we anticipate income growth to continue. And remember vacant possession values are 35% higher than their £580 million book value, demonstrating their underlying value.

Slide 49 – Leisure – spend continues to grow

Our Leisure also defied the gloom. In this age of Netflix, people are still going to the cinema. Now we are constantly engaging with our cinema customers to invest in experience and technology. We completed two more cinema regears in the first half and at White Rose we

unveiled the first multi-projection immersive Cine Screen X outside London with a further 8 upgrades committed. The attraction of leisure and propensity to spend in this sector is set to continue with a 31% increase in forecast leisure spend for the next 5 years. Not surprising that our leisure has consistently been full. And with a third of our rents indexed or with minimum uplifts, the portfolio delivers a strong and resilient income stream. Now while there are clearly challenges facing the food and beverage operators, we believe that for the most part these aren't structural issues, but rather issues of over-supply in certain locations. The macro trends for F&B look good with a 14% 5-year growth forecast and our leisure destinations are not over supplied. And since we bought X-Leisure, rental growth has been steady, and yields have sharpened thereby delivering us a property return of 11.5% per annum.

Slide 50 – Outlets – retail sales density at Gunwharf Quays

Now let's take a look at our outlets. So to add some colour to our rationale for investing in outlets I would like to take you through what we have done at Gunwharf over the last few years. Now outlets offer greater landlord control over tenant mix. And if they are not performing, we can quickly remove them to bring in new brands with greater appeal. By carefully and dynamically curating our mix of brands we have driven retail sales densities at Gunwharf up from £448 per square foot in 2010 to over £720 per square foot today. And as our income is a mix of base and turnover rents, this has really paid off.

Slide 51 – Outlets – curating brand mix to drive growth in sales densities

Now this is our business plan for the three outlets we acquired last year where sales densities today averaged £380 per square foot and have a lot of room for growth. And to give you a feel for the impact we can make, if we boosted average densities at Braintree for example by just £100 per square foot our income would increase by 20% which at constant yields would deliver a valuation impact of over *(correction)* £20m. And we are pushing ahead with those plans. Last month we opened a new Polo Ralph Lauren store at Braintree and naturally this has fuelled lots of conversations with other brands who will help drive sales densities higher. We will soon be submitting planning applications to improve the physical environments at all three destinations and have started to implement our brand churn strategy.

Slide 52 – Suburban London – planning submissions for mixed use densification

Finally, in suburban London, as I said back in May, we look at our suburban London assets as income producing development sites. With Finchley Road's huge surface car park, W12's location opposite Westfield London and Lewisham's position at the heart of this transforming neighbourhood, all offering great potential for mixed used densification in the next few years. These, along with a number of other opportunities we are exploring are all in great locations

where people want to live. We are really excited by their potential and Rob will talk more about these in a moment.

Slide 53 – Summary – Well positioned diversified portfolio

And so to summarise, pressure on consumer spend and retailer performance will persist, but our well positioned and diverse portfolio is experience led and continues to attract consumers and occupiers. And because of the strength of our destinations, our occupancy is high. We are faring better than the wider market on CVAs. Our letting activity remains healthy and a steady flow of upsizes and new brands arriving demonstrates the ongoing demand for the best physical space.

We are innovating, so our regional shopping centres stay fresh and exciting, adapting to the changing market dynamics. We are confident that our hotels and leisure will continue to outperform. We are making good progress in capturing the potential of our outlets and we are advancing the redevelopment plans for our London suburban centres.

And on that note I will hand you back to Rob. Many thanks.

Speaker: Robert Noel – Chief Executive Officer

Slide 54 – Cover page

Thanks very much Scott. I would just like to expand on these mixed use sites. Emerging support from the planning system provides an opportunity for us at a number of assets both in the near and longer term where we have the ability to significantly increase development density when compared to existing uses and develop mixed use destinations of scale.

Slide 55 – Mixed use development – Finchley Road, NW3

Turning to the near turn, our first site is at Finchley Road. Now you will remember that we acquired the leasehold O2 Centre in 2010. We acquired the freehold two years later. The site is currently a surface car park and a Homebase and comprises 5 of the 7 acres in total. As you can see the site has amazing transport connectivity and we are working up a scheme which includes over 1,000 homes and aim to submit the planning application in the summer. The earliest start on site is February 2021.

Slide 56 – Mixed use development – West 12 shopping centre

In Shepherds Bush, on land which includes an inefficient and underused multi-storey car park we are working on a scheme which includes 700 homes right on the Central Line and Overground and immediately to the south of Westfield London. We aim to submit a planning application in the spring, again with a start on site in late 2021.

Slide 57 – Mixed use development – further potential

Looking beyond these two, we are working on feasibility for a number of sites in London including large scale potential at Lewisham. As you can see here, we own the core 8.3 acres of Lewisham town centre which is served by Overground and DLR lines and where the planned extension to the Bakerloo Line will terminate.

We have a deep and rich experience of working with local stakeholders on great place making as you have seen in Leeds, Oxford and Victoria in recent years.

Slide 58 – Addressing key market forces and embracing opportunities

The actions and plans we have described today reflect how we are looking forwards embracing two key areas. The first is how customers use buildings. People want to be more nimble and try new things so the boundaries between homework and leisure are disappearing. And this means that uses are interconnected and interdependent. You can no longer just think of property as an office or shop or a distribution unit or a home.

The second area is sustainability where there are two points I wish to make as they play to our strengths. First the unsustainable use of our planet's resources means we require better performance from buildings - from the way we design and build them; to the way we use and manage them, right the way through the entire life cycle.

Second, there is huge change in attitudes towards inequality including access to housing, access to opportunity, wellbeing, lack of diversity both in and outside the workplace. Real estate companies must address these issues with their product and their way of doing business. We are the leader in our sector in sustainability and we take great pride in being top ranked UK listed business by both the Dow Jones Sustainability Index and GRESB this year with specific recognition of our science-based approach to carbon reduction and the amazing work our teams do in the community, particularly in respect of our community employment programme. This is important for shareholders as it sets us apart in the communities in which we seek to operate.

Slide 59 – Outlook – appropriately positioned today and excited about the future

So turning to the second half. Today our business is prepared for whatever happens in the near term as the UK addresses its exit from the EU. We are pretty much fully occupied, our £581 million of committed development is mostly pre-let with an estimated yield on cost in the high 6's. And we have relatively low levels, and cost, of debt with good duration and great flexibility. We have a very high quality portfolio and will continue to make it better. We remain confident in our view that London is a global city with good long-term potential and we will be widening our offer to customers in London with the launch of our flexible office product in the new year.

The retail market is tough, but our destinations are the best place to be. We will continue to ensure they deliver the space, service and experience that our customers demand. We will continue to reduce exposure to assets which are not themselves, or part of, great sustainable destinations and will continue to work up our increasing pipeline of development opportunities, already approaching the size of our 2010 programme. Put simply, this is a business which is realistic about the present and excited about the future.

And with that, I am going to hand over to you for questions.

Question and Answer Session

Question 1
Hemant Kotak, Green Street Advisors
Good morning, Hemant Kotak from Green Street Advisors. Thank you for the very informative presentation. I have got a couple of questions for Scott, maybe if I just read them out first and just give you a chance to think about them. And then the big picture question on capital allocation.

So Scott, in terms of the Intu deal that might or might not happen, I am really thinking about this as a comp and what it means for the market and how you are thinking about it. So if a deal happens at £2.10 a share, what does that mean for market pricing? Because it obviously impacts you and the wider market. And if a deal doesn't happen what does that mean for valuations?

And then just the other question with regard to CVAs, can you just give us a sense as to whether you are seeing any trends in terms of the spread between prime and secondary, north and south, just what trends you might be seeing there?

And also on CVAs just with respect to post-Christmas, if you expect a material rise given you have the Brexit uncertainty there as well?

And then a question for Rob, just bigger picture please. So you have talked about expanding the development pipeline, you have talked about small number of acquisitions that you are looking at, what about sales because obviously you are trading at a very wide discount. Can you talk about your sales strategy and helping funding this pipeline please?

Answer: Robert Noel

Why don't I address that first and also I would like to answer the Intu question and then perhaps Scott can talk about the CVAs if that is okay. So we are expanding the development pipeline but we have always been working on developments, right through the last couple of years, even though we haven't been starting speculative schemes. If you remember a few years ago I said that when our 2016/17 programme was finished, any new starts were likely to be pre-lets and that is exactly what we have done with 21 Moorfields. We will start developing again speculatively but we won't be starting before the UK has exited the EU, so we don't know what the landscape is. But we have got a pipeline coming through.

In terms of sales, we have done the sales we wanted to do. We have got our portfolio in great shape, great quality. We have got our gearing where we want it to be. No asset is sacrosanct as I have always said. And if we get given a bid that we think we want to take, we will take it. But at the moment we are very relaxed and I don't see any more sales other than the continued drip feed of our retail warehouses.

Just moving onto the Intu deal, I think it is really difficult for us to comment on this. Intu is a totally different business from Landsec with a totally different capital structure and a totally different shareholder base and whatever happens there will happen there, and I don't think it will make any difference to our position.

Answer: Scott Parsons

You asked about the trends and the spread between prime and secondary and whether I expected a post-Christmas rise. I will answer the post-Christmas rise question first. The answer is yes because typically retailers will hang on and secure Christmas sales to last as long as they can and make as much money as they can and typically there is a slight rise after Christmas at around about February.

But that leads on to the answer to your first question about the trend spread between prime and secondary. And if you look at the 2,500 odd units in CVA in the United Kingdom, for Landsec where we've got prime destinations, about 60% of those are completely unaffected. That compares to 40% for the wider market and I think that is broadly reflecting the spread between prime and secondary and I expect that to continue.

Further question

Just a quick follow-up on the post-Christmas. So clearly it picks up post Christmas, right? I think everyone knows that. My question is, do you expect it to pick up that much more because of the fact that there is still some uncertainty around Brexit, even if we get some more clarity in the coming week or so, there will still continue to be uncertainty.

Answer: Scott Parsons

It's a good question. I think while there is uncertainty in the market around Brexit, it impacts business, so retailers are facing uncertainty and consumers are a little bit more conservative with their spend. I think it is inevitable it has an impact.

Question 2

Max Nimmo, Kempen

Hi, Max Nimmo from Kempen. Just on the flex offices, can we have a bit more information on the lease structures? It sounds like if you are targeting 15-80 people, 80 is quite a lot on quite a short lease, how are you going to compensate for that sort of risk there? Is it actually slightly longer leases or how do you look at that?

And secondly, just on the PRS, you are talking about local stakeholders, is that partnering with local councils or others there? Thanks.

Answer: Robert Noel

Let me talk about the PRS and then Colette perhaps you can talk about the lease structures on the flexible offer. And we have got a question on the webcast so I am going to answer this at the same time because it leads into the BTR question. It says, "if Landsec is promising to build over 1,700 new residential homes, does this mean the Company is hedging its bets for the post Brexit market? And can the panel say if this marks a greater shift into the residential landlord market?" So I will cover that and the local stakeholders at the same time.

The local stakeholder comment is explaining that Landsec is used to, and very good at, dealing with complex situations which involve a load of local stakeholders. It is not about partnership with local stakeholders in building residential. In terms of the build to rent and the residential schemes we have been talking about, quite where this lands we will have to wait until the planning consent comes through, but we believe that these are brilliant locations for an emerging market which is going to be large in this country, and I have spoken about it before. The way people live is changing. The new cohort of people coming out of student accommodation are looking for community-based living. And this is a huge market and we think we can deliver some really quite exciting schemes on what is at the moment surplus land. And it is nothing to do with hedging our bets post Brexit, it is about the best use and the most profitable use for the surplus land at these sites. Colette the service offices?

Answer: Colette O'Shea

Yes, so we've particularly targeted that segment because we think there is a great opportunity to ultimately grow those businesses into our own portfolio. And you are quite right, the nature of them means that what they are telling us is that the lease length they are typically going to be looking for are 12 months to 3 years.

Question 3

Michael Burt, Exane BNP Paribas

Michael Burt, Exane BNP Paribas. The first question is just on the development pipeline that you cast forward for us in terms of potential capex. When you finished your previous speculative schemes, you said it was because there was more supply coming onto the market and essentially there was less incentive for you to take risk. If I look at the pipeline chart in the Appendices, there is actually still quite a lot of supply that looks like it might be delivered in 2020 to 2022. So what has changed now, given that the macro cycle is more mature, to give you confidence that you might want to re-enter the spec market?

Answer: Robert Noel

So let me answer that question. You are absolutely right. There has been above average delivery, but there has also been above average demand. And we have been surprised by the strength of demand over the last couple of years. And what we are seeing at the moment is a shift towards quality and flexibility. As I said earlier, it is the second-hand space that is really suffering at the moment. And what that means is that we think as long as we build the right product and as long as there are enough customers for that product, we will let it. Now the decision on timing of the start we will take after the UK has come out of the EU, we will see what the landscape looks like. And as I said in 2010, it is not about when you start, it is about when you deliver. And we will time each scheme as we think the right time to deliver is.

But just to be very clear about this, these are all schemes that are likely to be speculative schemes, they are not schemes that you would pre-let. So they will be speculative, the timing will be determined when we think the timing is right.

Further question

And just a second one on the Retail Portfolio. It is very clear you are looking to gradually exit the retail parks portfolio. If I look at the shopping centre portfolio, we are seeing similar trends in ERVs actually at the moment between shopping centres and retail parks. Yields are a bit lower as well on the shopping centres. So could you just give a sense of why you have that much more commitment to shopping centres as opposed to the retail park assets?

Answer: Robert Noel

Well as you know what we have done is repositioned our portfolio away from secondary shopping centres and into prime destinations, we have been doing that over the last few years. We have ended up with 6 regional shopping centres, the London shopping centres as you know we regard as redevelopment sites as Scott has explained earlier on. We have got 6 regional shopping centres. We are in a difficult market, we weren't expecting the UK to vote to leave the EU, we weren't expecting a drop in the pound. We weren't expecting consumer pressure and we have got it. And that is just tough, but we have got great destinations and so I am happy that they are resilient.

Question 4

David Brockton, Liberum

Good morning, it's David Brockton from Liberum, can I ask two please on the Retail Portfolio? You are working forward plans for mixed use within suburban London, I just wondered if you could talk about the opportunity for residential and alternative use on the assets outside of London and if you are not progressing it to date what you would need to see to work that forward? That is the first question.

The second question relates to the bad debt provision. I just wondered if you can give a bit more context around how you have derived that? Is that a small number of retailers? Is it a large number of retailers? What reassurance can you give that that provision is adequate?

Answer: Robert Noel

Sure, thank you. So let me answer the first question first and then Martin perhaps you could take on the bad debt provision.

So outside London we are not doing that much work at the moment, we have got two very big sites, one around Ebbsfleet Station and the other is a few thousand acres outside Stansted Airport. The Stansted Airport site has just been incorporated into the local plan for the provision of 10,000 homes. So that is the emerging local plan, it hasn't been signed off yet. So this is way into the future. Ebbsfleet International we are looking at, (this is aside from Eastern Quarry which is the land we sold). This is the land right round the station which we own with Lafarge, that is longer term, but presents a great land opportunity for a new sort of town centre there or new work centre in due course. But these plans are sort of quite some way off.

Beyond that in the shopping centres outside London we have done very little work. I think this is a sort of side show really compared to the London stuff which is really quite large.

Sorry and then onto the bad debt provision question.

Answer: Martin Greenslade

So on the bad debts, broadly these are provisions against the incentive balances, the SIC 15 balances that are there. £2 million of that relates to retailers largely that have either gone in through a CVA process or administration. So those are current. What we do is we look at, if there is a rent change and then we look at the incentive balance and say okay let's amend that balance to reflect the new rents that are coming through. So I think that is fairly easy to understand.

And then the look forward, I think is your key question. And so there, there are two large balances in particular where we know, (one of them is well mentioned in the press,) there is speculation around some of these retailers and if we have a strong sense that that unit or units are ones that in some way we may have to compromise on the rent or take back and adjust or whatever, we will look at the incentive balance and provide what we think is an appropriate amount against it. So we are taking a view on the recoverability of other balances.

Is it enough for all the events that may occur in the future after Christmas? I have no idea and that will really depend on other retailers and other potential CVAs that occur. But for now, I would say our general stance is to be prudent around this.

Question 5

Chris Fremantle, Morgan Stanley

Chris Fremantle from Morgan Stanley. One general question and one specific one, the specific one on Portland House. Can you just explain, I think in the past you have thought about that as a residential scheme. I just want to understand the dynamics of why you are choosing to go down an office route please and the value considerations you are making there?

And then more generally can you talk about, there has been no mention of capital return despite the yawning gap between your share price and your NAV. Should we consider that off the table broadly speaking? You made a lot of play about going into development and spending money, using capital on development, but is capital return off the table?

Answer: Robert Noel

Let me talk about capital return and then perhaps Colette you can talk about Portland House.

Capital return for us is just one form of investment. We completely appreciate that all shares in the sector are trading at a discount at the moment. It is highly unlikely that we will enter into a capital return prior to March in any event. And after that, when we start investing again, we will consider the value of our shares versus the value of what we are buying in the market - it is as simple as that. We have never really wavered from that. And that is all I can say on this issue.

Colette, Portland House?

Answer: Colette O'Shea

Portland House, you are quite right, we have actually still got a residential consent, so we could go out and implement that tomorrow if we chose to. So we would create a sort of optionality there. But at the moment we believe that it has great potential as an office building as we are seeing this flight to quality. In terms of value consideration, I mean it is too early to talk about that because we are in the feasibility stage. But it is a building that has huge potential. I mean it has been a very attractive product for us to date and improving the quality of the floor plates through a redevelopment we think will offer a great opportunity in the future. So I should be able to give you more on that in May as we work through the feasibility.

Martin Greenslade

A question from the webcast, a Mr or Mrs anonymous has put in a question for Martin. "You have done a lot of excellent work getting Landsec's gearing down," I didn't write this honestly! "does Brexit hold any foreseeable problems with this process and are you making plans which could mean Landsec debt gearing is hit?" Right not entirely sure I understand the question, so I think the question is basically around Brexit and then our plans on gearing.

I am not sure how Brexit affects our gearing other than through valuation. So broadly what we have done with our debt is that we have brought it down and now we have been fairly stable at this level of debt. It is true as you look out further towards the development schemes that if we fund those from debt that our gearing will rise and that is what the slide was about. I think that is perfectly reasonable. There will be times where we want to increase our operational and financial gearing and there will be times when we want to take that off. Right now, we have very limited operational and financial gearing. That is a great place to be. Let's get through this Brexit process and then let's reassess when it comes to next year, the sort of May point that Colette spoke about. Let's assess then whether or not we do these schemes, we push the button there and then and how we fund those.

Question 6

Osmaan Malik, UBS

Morning, Osmaan Malik from UBS. Colette you made an interesting point on one of your slides, page 37, when you said the gap in underwriting has narrowed to 15-20% from 20-30%. Could you elaborate a little bit around what has been the moving parts in that equation, we certainly haven't seen IPD coming off for example?

And then secondly just on flexible space, you talked about a specific gap in the market. Is that where you will focus your flexible office efforts, or will you broaden them out? Maybe to answer

that question you could give us a signpost over say 3-5 years how much of the office portfolio could be flexible terms? Thank you.

Answer: Colette O'Shea

Okay, so the gap in the underwriting. Just to be clear the point I am making there was about the specific types of assets we are looking at which is very much the refurbishment development type of thing. So more of the 21 Moorfields it is the sorts of things that would go into the development programme. And what we are seeing there is effectively people's appetite for risk. Vendors had things on the market, maybe 6-12 months ago that we were looking at. They did not reach their pricing aspirations, so they withdrew them over that period of time. Income is running out, planning environment is becoming quite complex, very political. And so they are coming back to the market and I would say their pricing aspirations have adjusted which means that things are becoming more palatable for us and that is why we are actually putting bids in. So that is it really on the investment side.

On the flexible, as I said, this is an area we think is great for our portfolio because we can potentially grow it. We are hearing these types of business want more customisation. Again that sort of thing that I believe we are quite good at because our skills through the development and refurbishment side of our activities. In terms of where we sit in 3-5 years, it is actually very hard to say. But the model that we are looking at, a bit like the Landsec Lounges, you could rollout across a strata of the buildings. Equally it is something I could see working operating in a building in its entirety. So we are currently at 3% of our income in the flexible office space. That could grow, what it will grow to I couldn't say at the moment.

Question 7

Ben Richford, Credit Suisse

Good morning, Ben Richford from Credit Suisse, just a couple of questions. The vacant possession opportunity in the hotels, 30% it seems like some large potential upside, how can you accelerate gathering that upside?

Answer: Robert Noel

So this is a perennial question that we are faced with. It is the reason we own the hotels, they are effectively income producing future development sites, but most of them are on long leases. We would love to have the keys back and so when they give us the keys back we will develop them, otherwise we will sit on the income knowing that they are as resilient as anything we have got.

Further question

Thank you and the second question, Lewisham. I have been to Lewisham and I wondered why Landsec owned a centre like Lewisham. Is there a big potential here to sort of start again? Can

you take the whole centre away and replace it with quite a bit of real estate? Is that the size of the opportunity at Lewisham?

Answer: Robert Noel

The answer is potentially yes and this, as I said in the presentation, is more longer term, but it is a very exciting prospect because this is a part of London which will take a lot more density.

Further question

And the final question. The other residential schemes that you are advancing and putting in applications for, what are the expected development yields or profit on cost?

Answer: Robert Noel

It is a great question. We won't know that until we get our planning consents and we know the extent of the permission that we will get. But where we are targeting is a gross yield of around 8% and that will net down, obviously with costs, to around 6% which is slightly lower than you get from our commercial developments, but it is a different life cycle etc. So quite exciting.

Question 8

Keith Crawford, Peel Hunt

I would just like to have your thinking a little bit about this SW1 Estate you have which is gigantic. Because now you have got more capital to be going in, you have two further substantial development possibilities. I know the timing is quite long. But in the wings are these Far Eastern buyers who appear to be relatively frenzied, possibly paying below 4% to buy. Will you consider over a period of time rotation of some of this capital because the capital commitments will be large, the assets will be bid well. Your dividend yield is over 5%. And that goes back to what Mr Fremantle was saying over there about the flexibility that would provide you in terms of returns to investors.

Robert Noel

Any more questions Keith?

Further question

Yes the other one is very simple. Just London shops. London retail which has fallen slightly in value, I was interested in why actually as it is rather wonderful. Is that just a yield shift, is that the reason?

Answer: Robert Noel

So let me answer both those, it is very simple. The two developments we have got in Victoria we are very excited about. This is an area we have completely transformed. We still think there is plenty to go in rents in Victoria so we are happy to hold onto stuff. As I always say, no asset

is sacrosanct. So if someone comes riding over the hill and offers a price that we feel we can't turn down, we will take it, but we are very happy with our Victoria holdings.

Second on London shops. Our London shops are really in three locations. They are Cardinal Place in Victoria, flat. One New Change down a little bit with two CVAs and one in administration there in particular, and Piccadilly Lights, that is it in our London retail. Piccadilly Lights has gone down and that is why you see the decline as Martin said.

Question 9

Paul May, Barclays

Hi, Paul May from Barclays, just a couple of questions on retail and then a couple on development. Just on the retail, are you able to say whether the valuers are reflecting negative sentiment as happened in one of your peers? Just given the illiquidity in the market and whether you believe a sub-5% yield is actually realisable in the current market?

And a couple on the developments. Just on the timing on the 4,000 homes. I mean these schemes are typically sort of 10, 15, 20 years plus. I just wondered if you could give any colour on that?

And what is the current passing rent on the pipeline schemes?

Answer: Robert Noel

So I am going to ask Martin to talk about the retail values as he is in charge of the valuation. On the passing rental in the pipeline schemes I am not sure I can tell you today, have we got that or not Martin? We may have to come back to you on that.

Martin Greenslade

I can dig that out.

Answer: Robert Noel

So let me answer the 4,000 homes while Martin is looking at that. Of the 4,000, that is in three locations okay, which is Lewisham, O2 and W12. O2 and W12 we can get on site in 2021 and that will probably be by then a two-year build programme by the time we have got the right construction methodology. So that will be delivery in 2023, that is if everything goes well.

So Martin the valuers and retail. Our valuer is here so we might get him to talk about that!

Answer: Martin Greenslade

Just in terms of yields, we are high 4s now, low 5s, they are slightly higher for Buchanan Galleries. Well I think you have to look at transactions, there aren't many. But High Cross has

traded. So I think broadly there are never that many transactions in the shopping centre arena but absolutely I think this is an appropriate level of valuation. And it is something that our valuers. I think you know that our valuers were onto this quite early in terms of the shift of values on Bluewater. I think again a 15 basis point shift in the three centres that I mentioned, White Rose, Trinity and St David's I think is appropriate. At the end of the day we are relying on what the external valuer believes and it is a spot point in time. It is not a forward looking one. And they have taken into account as well I think some very realistic costs around what you need to do to units that come back to you as a result of administration and so on. So it is not just yield shift, it is also other shift within, there are also other costs that have been baked into the valuations.

And just in terms of the ERVs, the ERVs on the proposed schemes that we have currently got is about £4 million so it is very low. The only other one that is not included in there because it is not yet a proposed development is Portland House where I am not entirely sure what the ERV is, but we can come back to you on that.

Robert Noel

So I have got one question on the screen here. Landsec have already ploughed a lot of money into 21 Moorfields, given that the intended tenant is a European based bank, do you have any guarantee that Brexit won't mean that the potential tenant pulls out?

Answer

So as Colette said, the contract with Deutsche Bank AG is unconditional. They are taking a 25 year lease when we deliver the building in 2021. We have got a net income ERV of £38 million on that site with a total development cost of £581 million and we are very confident that it will be an amazing building.

Robert Noel

Looks like we are done if there are no more questions. Thank you very much and we will see you in May.

End

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