

14 May 2026

**LAND SECURITIES GROUP PLC (“Landsec”)****Results for the year ended 31 March 2026**

**Rents grow at fastest pace in nearly two decades. Occupancy increases to 20-year high.  
Business now lower risk with clearer, stronger growth.**

**Mark Allan, Chief Executive of Landsec, commented:**

*“Over the past few years we have actively positioned Landsec for a higher inflation and higher interest rate world. We have focused our portfolio on the best quality locations where customer demand is highest, scaled back development, reduced our overhead costs and maintained our strong capital base.*

*Occupancy is now up to a 20-year high and rents are growing at their fastest pace in nearly two decades. As a result of our actions, our strong top line growth will increasingly flow through to an acceleration in EPS growth in the near and medium term. Despite elevated geopolitical risks, we remain confident in the potential to deliver c. 5% CAGR in EPRA EPS between now and 2030.”*

**Financial highlights**

	2026	2025		2026	2025
EPRA earnings (£m) <sup>(1)(2)</sup>	382	374	Profit before tax (£m)	346	393
EPRA EPS (pence) <sup>(1)(2)</sup>	51.4	50.3	Basic EPS (pence)	46.2	53.3
EPRA NTA per share (pence) <sup>(1)(2)</sup>	882	874	Net assets per share (pence)	882	877
Total accounting return (%) <sup>(1)(2)</sup>	5.6	6.4	Dividend per share (pence)	41.2	40.4
Group LTV ratio (%) <sup>(1)(2)</sup>	38.7	39.3	Net debt (£m)	4,234	4,341

- EPRA EPS<sup>(1)(2)</sup> at top end of guidance, up 2.2% to 51.4p, as 4.6% LFL income growth and 15% fall in overhead costs more than offset 1.8% EPS impact from sale of QAM, driving 2.0% growth in dividend
- EPRA NTA per share up 2.2% in second half and 0.9% for the full year, with strong customer demand driving an acceleration in ERV growth to 6.4% for the year, and IFRS profit before tax of £346m
- Resilience of EPRA EPS underpinned by robust capital base, with 8.6-year average debt maturity twice as long as the UK sector average, no need to refinance debt until 2028, and ND/EBITDA of 8.4x

**Guidance**

- FY27 like-for-like net rent expected to grow c. 3-5%, with no signs of slowdown in customer demand
- FY27 EPRA EPS expected to be stable vs FY26, in line with previous guidance, as growth in underlying earnings is offset by -4% EPS impact from full-year effect of sale of QAM finance lease
- FY28 EPRA EPS expected to see high single digit percentage growth, based on current positive momentum in development leasing and like-for-like income growth
- Continue to see potential for FY30 EPRA EPS to grow to c. 62 pence, underpinned by positive LFL income growth and development leasing, implying c. 5% CAGR in EPS over FY27-FY30
- Expect net debt/EBITDA to reduce to below 7x within next two years as income grows and committed development exposure comes down to c. 2% of portfolio value in next few months

### Operational highlights provide strong support for continued income growth

- LFL net rental income up 4.6%, comfortably ahead of initial c. 3-4% guidance for the year, with rental uplifts on relettings/renewals almost doubling to 15% vs 8% over prior year
- EPRA occupancy up 80bps on a LFL basis to 98.0%, the highest level in two decades
- Continued customer demand for our best-in-class locations drives acceleration in ERV growth to 6.4%, the highest level in nearly 20 years, creating further room for future income growth

### Office-led LFL income up 6.0%, as portfolio reversion rises to 17%

- LFL net rental income up 6.0%, with occupancy up 30bps to a decade-high of 98.6%, £21m lettings signed or in solicitors' hands 7% above ERV, and relettings/renewals 13% above previous rent
- ERVs up 7.1%, well ahead of guidance, representing the highest level of growth in ten years
- Reversionary potential up to 17%, underpinning low/mid-single digit LFL income growth for FY27 onwards as capturing reversion is largely reliant on lease events now that portfolio is effectively full
- Capital values -0.1%, as strong ERV growth is offset by 14bps yield softening and the 1.6% impact of higher build cost and business rates, with further mid-single digit ERV growth expected this year
- Strong leasing interest in recent developments driving ERVs up, with £45m of ERV which completed during second half of the year already 54% let, and a further £35m completing this summer
- Sold £346m of offices ahead of plan, capitalising on pick-up in investment market activity

### Retail-led LFL income up 5.5%, as rental uplifts more than double


- LFL net rental income up 5.5%, with occupancy up 100bps to a 20-year high of 97.7%, £49m lettings signed or ISH 11% above ERV, and rental uplifts on relettings/renewals more than doubling to 15%
- Retail sales up 6.3% vs 1.1% for UK average, as outperformance of our top destinations grows
- ERVs up 5.8%, comfortably ahead of guidance, representing the highest growth in two decades
- Target to deliver 4.5-7% CAGR in income from existing portfolio by FY30 via combination of capturing growing reversion, turnover income, commercialisation and small capex projects
- Values up 4.6% driven by ERV growth, with further mid-single digit ERV growth expected this year
- Selectively progressing highly accretive capex projects, with decent visibility on future acquisition opportunities expected to come to market

### Robust capital base, with £705m of disposals and net debt/EBITDA set to reduce to less than 7x

- Resilience of earnings underpinned by robust capital base, with the longest average debt maturity in the UK REIT sector at 8.6 years, 8.4x net debt/EBITDA and LTV down 60bps to 38.7%
- Expect net debt/EBITDA to reduce below 7x within next two years as reversion is captured and current developments lease up, with LTV expected to reduce to below 35% over time
- Committed development capex down to £185m and no meaningful new commitments planned in next c. 18 months, prioritising new investment in retail given high income returns and high income growth
- Sold £705m of low-returning assets, resulting in a cost to NTA of 1.1% but broadly neutral impact on EPS, aside from impact of turning residual QAM finance lease income into a capital receipt on sale

### Continued progress in preparing for medium-term residential-led opportunity

- Majority of 9,000-home pipeline now has consent following the detailed planning consent for first 879 homes at Mayfield, Manchester and outline/detailed consents for 2,800 homes at Lewisham, London
- Positive engagement with public sector partners to improve viability, but limited capex in short term
- Opportunity to build £2bn+ platform with higher income growth and lower cyclicity in medium term

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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 10.00am 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://www.investis-live.com/landsec/69e8c9d1dc51410011bf0fde/amcrt>

Conference call details:

Call title: Landsec Full Year Results 2026

United Kingdom (Local): +44 20 3936 2999

United Kingdom (Toll-Free): +44 800 358 1035

Global dial in numbers: <https://www.netroadshow.com/events/global-numbers?confld=70236>

**Access Code: 156821**

An audio recording of the conference call will be available until 27 May 2026 on:

United Kingdom: +44 20 3936 3001

**Access Code: 197256**

## 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

### Well placed to deliver acceleration in EPS growth in near and medium term

Over the last few years, we have actively repositioned Landsec for a higher inflation, higher interest rate environment. Our best-in-class portfolio, market-leading operating platforms, and strategic discipline means our performance has been strong, despite the persistently elevated levels of uncertainty and volatility in the external environment. Although the current global macro outlook is once again uncertain, we are not seeing any signs of this impacting customer demand, so the unique combination of these three factors means the outlook for Landsec remains positive.

The high quality of our portfolio and operating platforms has again been evident over the past year:

- Our EPRA occupancy is up to 98.0%, which is the highest level in two decades;
- Our like-for-like net rental income is up 4.6%, comfortably ahead of our c. 3-4% initial guidance, which means we have now delivered 4.0% CAGR in like-for-like net income over the last four years;
- Our uplifts on relettings/renewals have almost doubled to 15%, up from 8% a year ago, underlining the growing reversion and hence future income growth potential within our portfolio.

At the same time, our strategic discipline is evident in how Landsec is positioned today:

- Our speculative London office development pipeline is completing over the next few months, allowing us to capitalise on very strong leasing demand, which will drive significant income growth. This means our development exposure will be less than 2% of our portfolio in a few months' time, with no plans to add much to this in the next c. 18 months, as risks around returns on future projects are elevated;
- Our overhead costs are down to £62m, marking a reduction of 26% over the last three years. This represents the lowest level in more than 20 years and ensures our income growth flows through to earnings and dividends for shareholders effectively;
- Our 8.6-year average debt maturity is twice as long as the average for the UK REIT sector and 89% of our debt cost is fixed or hedged. Coupled with our low committed development capex of £185m, new financing requirements are modest, which protects our earnings from fluctuations in interest rates.

As a result of our actions, Landsec is now positioned with a lower risk profile and a clearer, stronger growth outlook, as continued top line income growth will increasingly flow through to an acceleration in EPS growth, both in the near and medium term:

- For FY26, our EPRA earnings were up £8m to £382m despite the -£7m impact from the sale of QAM, which turned future finance lease income into a capital receipt on sale. This earlier than expected sale was not part of our initial forecast, so adjusted for the 1.8% EPS impact of this, our 2.2% reported EPS growth for the year was at the very top end of our initial c. 2-4% guidance;
- For FY27, we expect EPRA EPS to be stable vs FY26, in line with our previous guidance, as c. 4% underlying growth is offset by the full-year impact of the sale of QAM;
- For FY28, based on current momentum, we expect EPRA EPS to grow by a high single digit percentage, driven principally by leasing up our current London office pipeline and continuing to capture the growing reversion in our existing portfolio;
- For FY30, as we set out in November, we see the potential for EPRA EPS to grow to c. 62 pence, implying c. 5% CAGR from here. Around 80% of this growth is derived from our existing portfolio and platform, as the impact of the recent rise in swap rates is largely mitigated by our long debt maturity. Naturally, we continue to explore opportunities to further improve on this growth outlook.

## Financial results

We delivered a positive set of financial results for the year to March 2026. Our 4.6% growth in like-for-like income and 15% reduction in overhead costs meant our EPRA EPS was up 2.2% to 51.4 pence, despite the 1.8% impact of the sale of QAM. This supported 2.0% growth in dividend. Our strong leasing activity drove an acceleration in ERV growth to 6.4%, yet this was partly offset by some minor yield softening and a few asset specific movements, so overall values were up 1.2% for the year. IFRS profit before tax of £346m was impacted by a £74m net loss on the sale of £705m of assets which generated little or no return, yet NTA per share was up 0.9% for the year and 2.2% in the second half. As a result, our balance sheet remains robust and with only £185m of committed development capex remaining, no plans to add any meaningful new development commitments in the next c. 18 months, and income set to grow materially, we expect our net debt/EBITDA to reduce to below 7x within the next two years.

**Table 1: Highlights**

	Mar 2026	Mar 2025	Change %
Net rental income (£m) <sup>(1)</sup>	562	552	1.8
EPRA earnings (£m) <sup>(1)</sup>	382	374	2.1
IFRS profit before tax (£m)	346	393	(2.0)
Total accounting return (%)	5.6	6.4	(0.8)
EPRA earnings per share (pence) <sup>(1)</sup>	51.4	50.3	2.2
Dividend per share (pence)	41.2	40.4	2.0
Combined portfolio (£m) <sup>(1)(2)</sup>	10,836	10,880	(0.4)
EPRA Net Tangible Assets per share (pence) <sup>(1)</sup>	882	874	0.9
Adjusted net debt (£m) <sup>(1)</sup>	4,215	4,304	(2.1)
ND/EBITDA (period end) (x) <sup>(1)</sup>	8.4	8.9	(5.6)
Group LTV ratio (%) <sup>(1)</sup>	38.7	39.3	(0.6)

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.


## Occupational markets

Occupational markets for both office and retail continue to be characterised by two well established trends: a significant concentration of demand on the very best space coupled with heavy constraints on new supply. Unsurprisingly, therefore, upward momentum in rents persists for our best-in-class portfolios.

In retail, c. 85% of our assets sit in the top 1% of retail destinations in the UK which provide brands with access to c. 31% of national in-store retail spend. Sales growth in our locations has outperformed the UK national average by 19ppt over the past four years, so these are the destinations brands continue to focus on in terms of investing in new stores. Margin pressure for brands elsewhere is only accelerating this trend. Meanwhile, new supply is zero, as replacement costs are roughly double existing values.

In office, our portfolio is similarly concentrated on the very best space. We own c. 0.5% of the c. 900m sq ft of total office space in the UK – virtually all of which is located in the two most highly valued locations in the country, the West End and the City, including Bankside. These locations tend to be highly prized by international businesses because of the depth of access they provide to the very best global talent. And even within these best locations we are outperforming, with occupancy of 98.6% versus 93.3% for the central London market as a whole. Again, new supply is constrained with build cost inflation and higher interest rates limiting development viability, so project starts are being deferred and rents are rising.

The ongoing adoption of emerging technologies such as AI seems increasingly likely to act as a further accelerant of occupiers' focus on the very best space. Whilst back office and processing roles are likely to reduce, any impact of this in high value locations in London is more than offset by the creation of new roles (or indeed new businesses) enabled by technology, and new demand from international businesses.



At our recently opened Myo Kings Cross, for example, nearly 80% of all lettings have been to AI or AI adjacent businesses and the building is on track to be virtually full only c. 9 months after opening. In retail, brands expect the rise of AI and agentic commerce to put even more focus on the value of the physical experience and consumer connection as part of a unified commerce ecosystem, which adds further weight to the ‘fewer, bigger, better stores’ trend that has been so evident over the past few years.

In an environment which is changing rapidly, our unique and irreplaceable edge remains clear: we have two market-leading platforms and our portfolio is focused firmly at the top end of the market where the demand from customers is strongest. Our portfolio is effectively full, rents are rising and our reversionary potential is growing, so the outlook for continued healthy like-for-like income growth is clear.

### Investment markets

Supported by the strong occupational outlook for best-in-class assets and a stabilisation in interest rate outlook, investment activity recovered from a low base during 2025 and accelerated towards the end of the year and into the first few months of 2026. In office, this was principally focused on core-plus or value-add assets which offer the opportunity to capture rental growth, with increasingly larger lot sizes. In major retail, investment activity started to pick up as well, but there are still over £3bn of assets in the hands of parties who are not natural long term owners which will likely come to market in the next year or two.

It is too early to assess what the longer term impact of the Middle East conflict will be on this growing momentum in investment markets, yet we are mindful that the renewed uncertainty around the outlook for global interest rates could impact investor decision making in the near term. That said, interest rates are just one factor influencing capital allocation decisions, as other factors, such as the relative return outlook vs alternative sectors such as private credit, the outlook for supply/demand, and hence the conviction in future rental growth, arguably all look more favourable than they did c. 6-12 months ago.


While portfolio rotation is an important part of our strategy, we remain disciplined on price and are not reliant on investment activity to drive growth, as we have significant embedded growth within our existing business. Equally, with committed capex now down to £185m, we are not reliant on disposals to fund any future commitments. Indeed, even without meaningful disposals or acquisitions, we could still deliver c. 80% of the potential c. 5% CAGR in EPS by FY30 and see net debt/EBITDA fall below 7x.

### Clear priorities in terms of capital allocation

As we execute our strategy, we maintain our clear framework for capital allocation decisions. Alongside our view on risk, this is based on two factors. Firstly, how our investments contribute to income and EPS growth in the near term, and secondly, how they impact our portfolio mix such that this growth can be sustained in the medium to longer term. We prioritise investments that deliver on both factors but beyond that, our decisions will always seek to enhance at least one of these, without distracting from the other.

Based on these considerations, we sold £705m of assets over the year. This included £261m of retail parks where the 6.4% income return was reasonable but income growth was limited; a £245m 1970's office block (QAM) which will be vacated in 2028 and requires wholesale redevelopment; £101m of London offices where the 4.9% income return was modest; and £72m of pre-development assets which had a negative in-place income return and would have required over £400m of capex to develop.

The clarity and focus this framework provides continues to guide our priorities for the near future. Growing our investment in major retail destinations remains our highest conviction call, given its high income yield and the attractive income growth on offer for the right assets. We looked at a few acquisition opportunities over the past twelve months and have decent visibility about future opportunities, but we remain



disciplined about quality, future capex risks and price. As such, we chose not to progress any acquisitions during the year but remain active in assessing future opportunities.

With £346m of disposals to date, we are ahead of plan in terms of releasing capital from offices. We will continue to look at further opportunities to recycle capital out of offices as our assets generally score well relative to current investor criteria and the upside to EPS from reinvesting this capital into retail at a c. 200bps pick-up in net effective income return and higher like-for-like income growth is meaningful.

Based on our framework, we believe that investment in major retail remains more attractive than office or residential development at this stage. Our London office development programme will complete in the next few months, with our recently completed schemes now 54% let and strong interest in the remaining space. We have no plans to commit further capital to speculative office development as things stand, so our committed development exposure will be down to £0.2bn by the end of the summer and we continue to make progress in releasing further capital from low/non-yielding pre-development assets.

On residential, engagement with our public sector partners to secure policy support for our build-to-rent projects has been encouraging with steps such as the Government's and GLA's package of acceleration measures for London now offering potential routes to improve development viability. As such, we will continue to invest time in seeking to unlock these opportunities, although capex investments will remain very limited for now and holding costs are low. If we are able to secure viable returns on these projects, lead times are such that start dates will be no earlier than late 2027 in any event. We have not assumed any upside from residential in our FY30 EPS potential, as this largely benefits growth beyond that.

Having less capital tied up in low or non-yielding assets not only benefits sustainable EPS growth, but also reduces our risk profile. As a result of this step, and based on current leasing momentum, we now expect our net debt/EBITDA to reduce to below 7x over the next two years. Maintaining our strong capital base will always remain our first priority, but as part of our capital allocation framework, we also continue to monitor the option of deploying capital in our own shares. At present, we view investment in major retail as more attractive from both a near-term and longer term perspective, but this will remain a consideration in our capital allocation decisions going forward.

## Outlook

It has never been more important to own the right real estate. Driven by the focus and dedication of our highly capable teams across our best-in-class platforms, the operational performance across our office and retail portfolios, which combined make up 91% of our overall income, remains market-leading.

This has resulted in CAGR in like-for-like net income of 4.0% over the last four years and as reversion is growing, this should continue to deliver attractive income growth in the future. With overhead cost now at a 20-year low, a material reduction in capital employed in low/non-yielding development, and an average debt maturity which is the longest in the sector, this top line growth will increasingly flow through to an acceleration in EPS growth over the coming years, principally driven by our existing portfolio and platform, which will support continued growth in dividends.

We are mindful that global macro risks have increased and that it is still difficult to assess the longer term effects of the Middle East conflict. However, the trends which have supported our strong operational performance remain very much intact. Moreover, as we are about to complete our c. £1bn London development programme and are making strong progress on leasing, our business now has a lower risk profile and a clearer, stronger growth outlook. All in all, we see the potential to deliver c. 5% CAGR in EPRA EPS over the next four years, including high single digit growth in FY28. Coming on top of our existing 5.8% income return at NTA, this will result in an attractive total return for shareholders.

## Operating and portfolio review

### Overview

We have created a unique, high-quality real estate portfolio which produces £624m of annualised rental income and offers potential for material income growth. This combined portfolio was valued at £10.8bn as of March and comprises the following segments:

- Office-led places (50% of income): our well-connected, high-quality office-led portfolio, which includes ancillary retail and other commercial space, principally focused on multi-let assets in a small number of key areas in the West End (61% of value), City & Southwark (33%) and Greater Manchester (6%).
- Retail-led destinations (41% of income): our investments in a select number of shopping centres and retail outlets, around 85% of which sit in the top 1% highest selling retail destinations in the UK.
- Residential-led places (2% of income): our investments in four future development projects in London and Greater Manchester, two of which still have a meanwhile use as retail, with planning consent or allocation for c. 9,000 new homes.
- Other assets (7% of income): assets in sectors where we have limited scale or competitive advantage and which we therefore plan to divest over time, principally comprising retail and leisure parks.

### Key objectives underpinning our strategy

Over time, income growth is the main driver of value growth in both real estate and equity markets, so the overarching objective of the strategy we announced just over a year ago is to deliver sustainable growth in income and EPS, both in the near and long term.

Supporting this are nine key objectives we set out a year ago – five for the short to medium term (i.e. 1-3 years) and four for the medium to long term (i.e. 2-5 years). The distinction between these timeframes is deliberate, as this distinguishes between what will drive EPS growth in the near term vs our objectives in terms of capital allocation which are expected to underpin growth in income and EPS in the long term. One year into this five-year plan, the momentum on delivering on our objectives is positive.

In the near term, most of our EPS growth will be driven by our existing platform and the assets we own today. This is what our first five objectives are built on and where we are well on track:

- We continue to capture the growing reversion in our office/retail portfolio, with uplifts on relettings and renewals up to 15% vs 8% in the prior year and growth in like-for-like net rental income of 4.6%;
- We reduced overhead costs by 15% to £62m, one year ahead of our initial target to reduce costs to less than £65m by FY27, marking a 26% reduction since FY23;
- We have released £72m of capital from pre-development assets and expect to make further progress towards our three-year target to release £0.3bn of capital from this in the current year;
- We have exited 33% of our retail and leisure parks, which released £261m of capital from assets which generated no real like-for-like income growth, whilst the income yield we sold at was c. 100-150bps lower than income returns for major retail destinations;
- We aim to grow our major retail platform by a further c. £1bn through c. £0.2bn of investments in our existing assets and c. £0.8bn acquisitions and, having invested £50m in high-yielding projects and consolidating ownerships over the past year, we have good visibility on new acquisition opportunities.

This means our existing portfolio and platform are well placed to drive EPS growth in the near term. As such, our decisions on development and capital recycling are about making sure that in a few years' time,

our asset mix is such that we are as confident about the income growth prospects of our portfolio then, as we are about our current portfolio today. This is what our four longer-term objectives are built on:

- Our aim to deliver low to mid-single digit like-for-like income growth p.a. is supported by an acceleration in ERV growth, as supply of high-quality retail and office space remains constrained;
- We plan to release £2bn of capital employed from offices, which we initially envisaged for FY27-FY30, yet ahead of schedule, we have already sold £346m during FY26;
- We have already reduced office-led development by c. 50%, in line with our objective, as development commitments are down from £1.1bn to £0.6bn and will come down further to c. £0.2bn by mid-2026. We do not expect to commit any meaningful further capital to development in the next c. 18 months and intend to maintain structurally lower on-balance sheet development exposure thereafter;
- We continue to make early-stage progress towards our medium-term objective of establishing a £2bn+ residential platform and we are seeing positive engagement from public sector partners on substantive plans to improve viability of the four sizeable, well-located schemes in our pipeline.

### Capturing reversion and driving like-for-like income growth

We have delivered another year of strong performance against this key objective. Like-for-like net rental income was up 4.6%, with high growth in both offices and retail. Occupancy increased 80bps on a like-for-like basis to a two-decade high of 98.0% and rental uplifts on relettings/renewals across the two main parts of our portfolio virtually doubled to 15%, up from 8% in the prior year. On a like-for-like basis, our gross to net margin was up 1.6ppt due to a continued focus on cost efficiencies. As overall ERV growth accelerated to 6.4%, up from 4.2% in the prior year, this means the potential for continued income growth in the future is clear. Given our strong leasing pipeline, we therefore expect the positive momentum across these metrics to be sustained in the year ahead.


**Table 2: Like-for-like income growth**

	Net rental income £m	LFL net rental income growth %	LFL occupancy change ppt	Gross to net margin %	LFL change in GtN margin ppt
Office-led	295	6.0	0.3	91.0	1.7
Retail-led	210	5.5	1.0	82.7	2.8
Residential-led	7	nm	3.0	nm	nm
Other assets	50	(4.4)	(1.5)	90.6	0.7
<b>Total Combined Portfolio</b>	<b>562</b>	<b>4.6</b>	<b>0.8</b>	<b>87.1</b>	<b>1.6</b>

#### Office-led places (50% of income)

Demand for high-quality office space in locations that offer the right amenities and transport connectivity remains robust, which is driving meaningful rental growth across our assets. For example, across our entire 2.3m sq ft Victoria estate we only have one 20k sq ft floor available, with rents on recent lettings now over £100psf and negotiations on the latest space we are delivering here significantly ahead of this. The upward pressure on rents is further exacerbated by meaningful amounts of office space being taken out of the market, for example for residential or hotel conversion.

Driven by the strong performance of our operations and leasing teams, our occupancy remains market-leading, up 30bps to 98.6% - the highest level in over a decade and materially outperforming the overall London office market at 93.3%. We completed 53 lettings and renewals during the year totalling £20m of rent, on average 7% ahead of ERV. As our portfolio is effectively full, we have little space to lease, yet we have a further £1m of lettings in solicitors' hands, 7% above ERV. Uplifts on relettings and renewals during the year were 14%, so alongside operating cost savings and growth in Myo income, this drove 6.0% LFL rental income growth. ERV growth increased to 7.1%, which represents the highest level in ten



years, so our reversionary potential now stands at 17%. This will support continued growth in LFL rental income in the next few years, although we expect this to be at more normalised level than over the past year, as our virtually full occupancy means capturing reversion is now chiefly reliant on lease events.

In October, we opened our seventh Myo flex office, located next to Kings Cross station. This is already 75% let, with leasing principally driven by a combination of international AI and technology-led businesses, and we expect this to be substantially full by the summer. Occupancy across our stabilised Myo portfolio is 84% and rents achieved were in line with budget. In total, Myo now makes up 5% of our income in our office-led business.

### **Retail-led places (41% of income)**

The top 1% of all UK shopping destinations provide access to c. 31% of the country's in-store, non-food retail spend, offering brands higher sales densities and productivity than other formats. Around 85% of our retail assets sit in this top 1%, which underpins their continued outperformance. Total sales across our portfolio of £2.8bn were up 6.3% vs the prior year, with footfall up 2.7% - both materially ahead of the BRC benchmarks of 1.1% and 0.1% respectively, as our locations continue to gain market share.

Since FY22, sales growth across our portfolio has outperformed the UK national average by a cumulative 19ppt and this gap continues to widen. With annual footfall of 170 million and a consumer reach of one in four people in the UK, we provide brands with access to more footfall and a larger consumer reach than any other retail platform in the UK. Supported by the unique data and insights this offers us, we continue to invest in creating the best experience, creating a virtuous circle of growing footfall driving higher sales, which in turn attract the best brands, which then attract more footfall, and so on.

The success of this translates into strong growth in income. Occupancy is up 100bps to 97.7%, which is the highest level in more than 20 years and resulting in growing rental tension. We signed 250 leases totalling £36m of rent on average 10% above ERV, which resulted in 5.8% ERV growth over the year – the highest growth in two decades. Rental uplifts vs previous passing rent on relettings and renewals more than doubled to 15%, compared to 7% for FY25 and 1% in FY24, underlining the rapidly growing reversionary potential in our portfolio. As a result, like-for-like net rental income increased by 5.5%.

We have a record leasing pipeline, with £13m of lettings in solicitors' hands on average 14% ahead of ERV and, in the case of relettings and renewals, 13% above previous passings rent. Our portfolio is nearly full and with new supply effectively non-existent, during the year we set out a target to deliver 4.5-7% CAGR in income across our existing retail platform over the coming years. This reflects a combination of capturing the growing reversion across our portfolio and growth in turnover income (3-4%), growth in commercialisation income such as digital media, events and EV charging (0.5-1%) and the investment of up to c. £200m in smaller accretive capex projects (1-2%).

### **Residential-led places (2% of income)**

The income in this part of our portfolio currently solely reflects the income on our existing retail assets at Finchley Road and Lewisham, which are managed with a view on maintaining development optionality for future residential development. Overall, net income on a like-for-like basis was flat year-on-year.

### **Other assets (7% of income)**

Having sold the majority of our retail parks during the year, LFL occupancy across our residual retail and leisure parks was down 150bps to 97.0% and, reflecting this, like-for-like income for the period was down 4.4%. This also reflects the impact of a reduction in rent on five cinema leases during the prior year, but this performance has stabilised since.

**Table 3: Operational performance**

	Annualised rental income £m	Net estimated rental value £m	EPRA occupancy <sup>(1)</sup> %	LFL occupancy change <sup>(1)</sup> ppt	WAULT <sup>(1)</sup> Years
West End offices	136	192	98.7	(0.3)	6.1
City/Southwark offices	90	113	98.9	1.9	7.9
Manchester offices	28	30	96.3	2.9	4.0
Retail and other	57	58	99.3	1.1	5.9
Developments	-	91	nm	nm	nm
<b>Total Office-led</b>	<b>311</b>	<b>484</b>	<b>98.6</b>	<b>0.3</b>	<b>6.4</b>
Shopping centres	206	214	97.6	1.1	4.6
Outlets	49	54	98.2	0.7	2.9
<b>Total Retail-led</b>	<b>255</b>	<b>268</b>	<b>97.7</b>	<b>1.0</b>	<b>4.3</b>
Developments	11	27	91.1	3.0	7.9
<b>Total Residential-led</b>	<b>11</b>	<b>27</b>	<b>91.1</b>	<b>3.0</b>	<b>7.9</b>
Retail and leisure parks	47	49	97.0	(1.5)	8.3
<b>Total Other assets</b>	<b>47</b>	<b>49</b>	<b>97.0</b>	<b>(1.5)</b>	<b>8.3</b>
<b>Total Combined Portfolio</b>	<b>624</b>	<b>828</b>	<b>98.0</b>	<b>0.8</b>	<b>5.7</b>

1. Excluding developments.

### Releasing capital from lower-returning assets

With £705m of disposals, we have made strong progress on our objective to release c. £3bn of capital over a five-year period from lower-returning offices, retail/leisure parks and pre-development assets.

Our largest disposal was the sale of Queen Anne's Mansions (QAM) for £245m. This Victoria office block has been fully let to the Government since the 1970's, but the Government intend to vacate the property once their lease expires in December 2028. Given its age, the majority of the valuation was linked to the asset's redevelopment potential, with the balance of value stepping down in line with the receipt of rental income over the remainder of the current lease. As such, this asset generated a c. 0% total return. We also sold two smaller London assets for £101m, reflecting a net effective income yield of 4.9%, and continue to explore opportunities to recycle further capital from assets where upside is modest.

Across retail and leisure parks, we sold four assets for a combined £261m, making up one-third of this portfolio. The 6.4% net rental income yield on these was reasonable, albeit c. 100-150bps below major retail destinations and LFL income growth is far lower. We expect fewer disposals from this segment in the next twelve months, as the income profile of most remaining parks is more attractive.

As part of our objective to reduce the c. £700m of capital employed in pre-development assets we had at the start of the year by around half over a three-year period, we sold two sites in Southwark, releasing £72m of capital which generated a net income yield of -0.4%. We expect to make further progress on releasing capital from this part of our portfolio over the next twelve months.

Overall, our disposals over the past year released £705m of capital from assets which generated limited or no return at a cost to overall NTA of 1.1%. The residual finance lease income on QAM which would have been received as income over FY25 and FY26 has now been received as a cash capital receipt on sale, but aside from this, the overall EPS impact of these disposals was a minimal -0.4%.

### Acquisitions

Having made £720m of acquisitions in the prior year, we invested just £80m in acquisitions over the past year. In November, we spent £48m on a newly developed office in Oval we agreed to forward-purchase in

the summer of 2021, with a further £10m consideration deferred for up to 24 months. Earlier in the year, we also increased our stake in Liverpool ONE from 93.7% to 96.5% at a cost of £15m.

### Development and investments in our existing assets

During the year we invested £445m in capex, including £217m for our on-site office developments in Victoria, Southwark and Manchester, £21m for repositioning traditional office space to MYO flex space and £48m in pre-development assets, but spend across all this will come down materially from here. We also invested £147m across the rest of our portfolio, including £64m for smaller projects, leasing and maintenance across in retail, and £74m in office, including £24m for our net zero investment programme.

### Current projects

We are now close to completing our speculative London office development programme, which is seeing strong customer interest. Our Timber Square development (£33m ERV) completed recently and is 54% let to BP as their new global HQ, with active customer interest covering double the remaining space. Our new Myo in Kings Cross (£8m ERV) completed in October and is already 75% let, driven principally by various AI and technology businesses. We expect this to be substantially let by the summer. The small, newly completed office in Oval we acquired in November as part of a forward purchase agreed in 2021 (£4m ERV) is 10% let, with a further 45% in advanced negotiations.

Following the completion of Timber Square, our second major project, Thirty High, is on track for sectional completion during the summer. Given its smaller floor plates and premium tower space offer, we always envisaged that this would predominantly lease up post completion. With that date nearing, we have active customer interest covering almost 100% of the space and expect this to translate into strong leasing activity in the next couple of months. Reflecting the strength of this interest, the ERV on the project increased by 17% to £35m.

Once fully let, these four projects are expected to produce c. £63m of annualised rental income on a net effective basis. However, there is an incremental £43m of interest costs associated with the investment in these projects which will no longer be capitalised post completion, so we assume this to result in a c. £6-8m drag on earnings in our FY27 guidance. This impact is temporary, as this incremental interest expense will be more than offset by rental income once these projects are let. Given the strong interest and leasing progress to date, we remain confident our projects will lease up within c. 12 months post completion, which should drive strong growth in earnings in FY28.

Following the completion of Timber Square, our committed development exposure is down from £1.1bn to £0.6bn, in line with our strategic objective to reduce office development exposure by c. 50%. This will come down further over the next few months as after the completion of Thirty High, our only committed office project is our £154m development at Mayfield, Manchester. We are also on site with £43m of smaller, high-yielding retail projects, including the repositioning of the former House of Fraser department store at Bluewater for a new 133,000 sq ft Next store; the extension of Primark's store at White Rose, Leeds to double its footprint; and the creation of a new social eating destination at Trinity, Leeds. As a result, our total committed development capex is down to £185m.

**Table 4: Committed pipeline**

Project	Sector	Size sq ft '000	Estimated completion date	ERV £m	Market value £m	Costs to complete £m	TDC £m	Gross yield on TDC %
Thirty High, SW1	Office	299	Q2 FY27	35	436	57	446	7.8
Republic, Manchester	Office	246	Q4 FY28	13	38	107	154	8.3
Various projects	Retail	292	Various	4	N/A	21	43	9.8
<b>Total</b>		<b>837</b>		<b>52</b>		<b>185</b>	<b>643</b>	<b>8.1</b>

### Potential future pipeline

Based on our capital allocation framework, investment in major retail destinations remains most attractive in our view, both from a near as well as medium term impact on income and EPS. As such, we do not plan to commit any meaningful balance sheet capital to new development for the next c. 18 months.

For office development, we believe returns do not offer sufficient upside relative to the returns we expect on our high-quality existing office assets. Whilst higher rental growth could improve development returns, we would also benefit from this market growth via our existing £7.0bn office portfolio. Taking into account the higher level of risk in development, this means we see little upside in selling our high-quality existing offices to redeploy the same balance sheet capital into funding the development of new ones.

In residential the argument for development is more nuanced, as this would shift our portfolio mix towards the higher income growth and lower cyclicalities we are aiming for in the long run. Currently, development returns are not sufficient yet given the attractive long-term characteristics and political support towards improving viability, this remains an option we think is worth pursuing, especially as capital employed is low and capex remains limited for the time being.

During the year, we secured a resolution to grant detailed planning consent for the first phase of 879 homes at Mayfield, adjacent to Manchester's main train station, and a resolution to grant a part outline and part detailed planning consent for our 2,800 homes scheme in Lewisham, south-east London. Combined with the existing outline and part detailed consent for 1,800 homes at Finchley Road, north London and our site at MediaCity, Greater Manchester which has an allocation for 2,700 homes, we therefore now have four projects which could deliver c. 9,000 homes over the next decade.

Each of our projects benefits from strong transport connections, scale, and a demonstrable need for more housing. Encouragingly, public sector policy is becoming more supportive in terms of improving viability, e.g. with the announcement in London of a reduction in affordable housing requirements from 35% to 20%, a 50% reduction in the Community Infrastructure Levy, and less onerous design requirements. Our focus is on securing these and other policy benefits, which could lead to an improved outlook returns in the future, as this could add c. 50-75bps to current net yields on cost of c. 5.0%. Still, for now, capex spend on these projects will be very limited, as taking into account detailed design works, Building Safety Act approvals, and site preparation, the earliest starts on would not be before late 2027.

**Table 5: Pre-development assets**

Project	Current capital employed £m	Proposed sq ft '000	Proposed new homes	Indicative TDC £bn	Potential start date	Planning status
<b>Office-led</b>						
Old Broad Street, EC2					n/m	Consented
Liberty of Southwark, SE1					n/m	Consented
Hill House, EC4					n/m	Consented
Nova Place, SW1					n/m	Consented
Timber Square Phase 2, SE1					n/m	Consented
<b>Total</b>	<b>c. 250</b>	<b>1,350</b>		<b>1.9</b>		
<b>Residential-led<sup>1</sup></b>						
Mayfield, Manchester			1,700	0.9	2027	Consented
Finchley Road, NW3			1,800	1.2	2027	Consented
Lewisham, SE13			2,800	1.5	2028	Consented
MediaCity Phase 2, Salford			2,700	n/m	n/m	Design
<b>Total</b>	<b>c. 270</b>		<b>9,000</b>	<b>3.6</b>		
<b>Other opportunities</b>	<b>c. 90</b>	<b>n/m</b>	<b>n/m</b>			Various
<b>Total</b>	<b>c.610</b>					Various

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

Irrespective of sectors, we are mindful of the negative impact on our risk-profile and EPS growth of having large amounts of capital tied up in development for prolonged periods. Looking forward, we therefore plan to keep our exposure to committed development closer to about half of the c. £1bn it has been over the last five years via a mix of lower activity levels and working with capital partners on certain projects.

### External portfolio valuation

Successfully delivering sustainable income growth over time underpins longer term growth in property values, even though in the short term values will be affected by changes in valuation yields. Yields were virtually stable over the year and our strong leasing activity saw ERV growth accelerate to 6.4%, so taking into account two specific movements in our office-led portfolio, overall values were up 1.2% for the year, weighted entirely to the second half.

The valuation of our office portfolio was virtually stable, as the upside from strong 7.1% ERV growth was offset by a 14bps rise in valuation yields plus two specific factors. This includes the impact of the increase in business rates at Piccadilly Lights we highlighted at the half year, plus the impact of a rise in build cost, mostly on development assets. Combined, these two factors resulted in a 1.6% reduction in overall office-led valuations. The valuation of our retail-led portfolio was up 4.6%, with 5.8% ERV growth and valuation yields down marginally. The valuation of our future residential developments and our residual retail and leisure parks was broadly stable, at 0.1% and 1.0% respectively.

During the year, we saw a steady pick-up in investment activity in London and major retail, with growing investor interest in both. The strength in occupational demand for best-in-class assets and hence positive outlook for capturing rental growth means yields for such assets continue to look attractive relative to real interest rates, yet we are mindful that the renewed volatility in interest rates globally over the last few months could slow down investor decision making. As customer demand remains robust, we expect that ERV growth for offices and retail will be around the mid-single digits this year.

**Table 6: Valuation overview**

	Market value £m	Surplus / (Deficit) £m	Valuation change %	LFL rental value change <sup>(1)</sup> %	Net initial yield %	Topped up net initial yield %	Equivalent yield %	LFL equivalent yield change bps
West End offices <sup>2</sup>	2,930	29	1.1	7.3	3.9	5.0	5.6	15
City and Southwark offices	1,481	27	1.9	7.2	5.0	5.6	6.2	6
Manchester offices	303	6	2.0	3.3	6.9	6.9	8.2	21
Retail and other <sup>1,2</sup>	1,032	(12)	(1.2)	7.6	4.7	4.7	4.8	(14)
Developments	1,273	(57)	(4.3)	n/a	0.0	0.0	5.7	n/a
<b>Total Office-led</b>	<b>7,019</b>	<b>(7)</b>	<b>(0.1)</b>	<b>7.1</b>	<b>4.5</b>	<b>5.3</b>	<b>5.9</b>	<b>14</b>
Shopping centres	2,293	103	4.8	6.5	7.1	7.9	7.7	(7)
Outlets	662	23	3.7	3.7	6.1	6.7	6.7	(19)
<b>Total Retail-led</b>	<b>2,955</b>	<b>126</b>	<b>4.6</b>	<b>5.8</b>	<b>6.6</b>	<b>7.2</b>	<b>7.1</b>	<b>(10)</b>
Developments	318	0	0.1	1.7	4.1	4.5	6.5	n/a
<b>Total Residential-led</b>	<b>318</b>	<b>0</b>	<b>0.1</b>	<b>1.7</b>	<b>4.1</b>	<b>4.5</b>	<b>6.5</b>	<b>n/a</b>
Retail and leisure parks	544	5	1.0	6.1	7.1	7.7	8.2	7
<b>Total Other assets</b>	<b>544</b>	<b>5</b>	<b>1.0</b>	<b>6.1</b>	<b>7.1</b>	<b>7.7</b>	<b>8.2</b>	<b>7</b>
<b>Total Combined Portfolio</b>	<b>10,836</b>	<b>124</b>	<b>1.2</b>	<b>6.4</b>	<b>5.4</b>	<b>6.1</b>	<b>6.3</b>	<b>3</b>

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

2. Includes owner-occupied property.



### Growing in a sustainable way

As we grow income and EPS, it is important our growth is sustainable in all aspects. We target to reduce direct and indirect greenhouse gas emissions by 47% by 2030 vs 2019/20, including all of our Scope 1, 2 and 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 with a 7% reduction over the past twelve months, we have again made significant progress on this. As such, we remain on track vs our 2030 target, with a 27% reduction vs this baseline so far.

As part of this, we are in the process of introducing AI smart building technology across 20 of our assets to transform how they are managed and experienced. The automation and intelligent diagnostics this provides enables smarter decision-making on energy management, which has led to c. 10% reduction in energy consumption and energy costs for the eight properties where this technology is already live.

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 having finished the first retro-fit of air source heat pumps during the prior year, we completed the retro-fit of further air source heat pumps at Palace Street and One New Change last year. As such, 68% of our overall portfolio is now rated EPC 'B' or higher, up from 56% in March. In office, 73% of our portfolio is rated EPC 'B' or higher.

Our pipeline of future developments is tracking a 39% reduction in embodied carbon vs a typical development, but there is a limit to how much of a further reduction is economically achievable, as customers and investors are more focused on energy efficiency in buildings than 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 22 interns and supported 14 real estate bursaries. From our 2019/20 baseline, we have so far created £147m of social value and empowered 19,049 people towards the world of work.



## Financial review

### Overview

Our performance against our primary objective to deliver sustainable income and EPS growth has been positive. EPRA earnings are up £8m to £382m despite the -£7m impact from the sale of QAM, which turned future finance lease income into a capital receipt on sale. This earlier than expected sale was not part of our initial plan, so adjusted for the 1.8% EPS impact of this, our 2.2% reported EPRA EPS growth for the year was at the very top end of our c. 2-4% guidance.

This positive result was driven by another year of strong operational performance, with occupancy up 80bps to a two-decade high of 98.0% and rental uplifts on relettings and renewals rising to 15%, up from 8% over the prior year. As such, we delivered 4.6% growth in like-for-like net rental income, well ahead of our initial c. 3-4% guidance and resulting in a £21m increase in like-for-like income. Meanwhile, our consistent focus on driving further efficiencies meant overhead costs were down £11m, or 15%, so our overhead costs are now at the lowest level in more than 20 years. As a result, our dividend is up 2.0% to 41.2 pence, comfortably in line with our policy of a 1.2-1.3x dividend cover on an annual basis.

Our successful leasing drove 6.4% ERV growth, so our reversionary potential continues to grow, and the external valuation of our portfolio was up 1.2%. The shortfall vs book value on the sale of £705m of low-returning assets meant IFRS profit before tax was £346m yet NTA per share was up 0.9% for the year and 2.2% in the second half, which means our total accounting return for the year was 5.6%.

Customer demand for our best-in-class space remains strong, which is set to drive further income growth. Supported by our lower cost base and a reduction in capital employed in development, this consistent top line growth will increasingly flow through to an acceleration in EPS growth in the near and medium term.

For FY27, we expect EPRA EPS to be stable vs the 51.4 pence in FY26, in line with our previous guidance, as underlying growth is offset by the 4% impact of the full-year effect of the sale of QAM. For FY28, based on current momentum, we expect EPS to grow by a high single digit percentage, driven by the lease-up of our current London office pipeline and continuing to capture the growing reversion in our portfolio. Beyond that, we continue to see the potential for EPS to grow to c. 62 pence by FY30, implying c. 5% CAGR over the next four years, c. 80% of which is driven by our current portfolio and platform.

All this remains underpinned by our clear commitment to retain a strong balance sheet. We reduced our adjusted net debt by £89m to £4.2bn over the year, so our LTV is down 60bps to 38.7% and our current net debt / EBITDA is 8.4x. We also decided to move to a structurally lower level of development activity in the future and are not planning to start any meaningful new developments for the next c. 18 months. As such, our committed development exposure is set to reduce to less than 2% of our portfolio value in a few months' time, down from 8% a year ago. Moreover, as our recent projects start to produce income, we expect net debt / EBITDA to reduce to below 7x within the next two years and we expect our LTV to reduce to below 35% over time. With an average debt maturity of 8.6 years, modest £185m committed development capex, and no need to refinance any debt until 2028, this means our capital base remains strong.

### 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 £10.8bn, 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

We delivered good progress on our objective to deliver sustainable income and EPS growth. Net rental income was up £10m, as strong like-for-like growth across our best-in-class portfolio more than offset the fact that the recovery of bad/doubtful debt provisions was £9m lower than in the prior period. Net finance expenses increased in line with the increase in average borrowings, but this was offset by a reduction in administrative expenses so EPRA earnings of £382m were £8m ahead of the prior period, despite the £7m impact from the sale of QAM.

**Table 7: Income statement<sup>(1)</sup>**

	Year ended 31 March 2026					Year ended 31 March 2025					Change £m
	Office- led £m	Retail- led £m	Residential- led £m	Other assets £m	Total £m	Office- led £m	Retail- led £m	Residential- led £m	Other assets £m	Total £m	
Gross rental income <sup>(2)</sup>	324	255	12	53	644	323	215	12	74	624	20
Net service charge expense	-	(4)	(1)	(1)	(6)	(4)	(5)	-	(2)	(11)	5
Net direct property expenditure	(29)	(40)	(4)	(4)	(77)	(26)	(37)	(2)	(8)	(73)	(4)
Net other operating income	(1)	-	-	-	(1)	1	-	-	-	1	(2)
Movement in bad/doubtful debts provisions	1	(1)	-	2	2	1	7	1	2	11	(9)
Segment net rental income	295	210	7	50	562	295	180	11	66	552	10
Net administrative expenses					(62)					(73)	11
EPRA earnings before interest					500					479	21
Net finance expense					(118)					(105)	(13)
<b>EPRA earnings</b>					<b>382</b>					<b>374</b>	<b>8</b>
Capital/other items											
Valuation surplus <sup>(3)</sup>					122					107	15
Loss on disposals					(105)					(18)	(87)
Impairment charges					(3)					(26)	23
Fair value movement on derivatives					(9)					(38)	29
Other					(40)					(6)	(34)
Profit before tax attributable to shareholders of the parent					345					393	(46)
Non-controlling interests					1					-	1
<b>Profit before tax</b>					<b>346</b>					<b>393</b>	<b>(47)</b>

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. Excludes valuation surplus on owner-occupied property which is recognised within Other comprehensive income.

## Net rental income

Our gross rental income was up £20m to £644m, principally driven by like-for-like growth. This was partly offset by the sale of QAM in December, which reduced income for the year by £10m and will impact FY27 income by a further £22m. The principal reason for this is that we received the residual finance lease income that runs until December 2026 as a capital receipt on sale, rather than as income across the rest of 2025 and 2026. Still, overall cash proceeds are effectively the same and the sale released £245m of capital which effectively generated zero total return, as the value of the building reduced in line with the receipt of every remaining rental payment until it is vacated in late 2028.

Gross rental income included £4m of surrender receipts, which was slightly below the £6m in the prior year. In line with the expectation we set out at the start of the year, the release of bad and doubtful debt provisions was down to £2m, as the prior year saw a £5m increase in this figure, principally related to the recovery of outstanding debts on assets that had previously been managed externally and we had started to manage in house.

Reflecting the above, our overall net rental income was up £10m to £562m, yet on a like-for-like basis net rent was up £21m, or 4.6%. This was well ahead of our initial c. 3-4% guidance for the year and in line with our increased guidance of c. 4-5% growth at the half year, reflecting our strong leasing, with increased occupancy, positive uplifts on relettings and renewals, and growth in turnover income. Our focus on costs meant net service charge expenses and direct property expenditure were down £1m, even though top-line income was up £20m. Adjusted for movements in the recovery of bad and doubtful debt provisions, this meant our gross to net margin improved by 0.6ppt to 87.1%.

As the outlook for customer demand remains positive, reflected in our growing reversionary potential, we expect like-for-like net rental income to grow by a further c. 3-5% this financial year. As our office portfolio is 99% full, like-for-like growth in this part of our portfolio is expected to moderate vs last year's 6.0%, as capturing reversion is now effectively reliant on lease events, yet we expect like-for-like growth in retail to remain in the mid-single digits.

**Table 8: Net rental income<sup>(1)</sup>**


	£m
<b>Net rental income for the year ended 31 March 2025</b>	<b>552</b>
Gross rental income like-for-like movement in the period <sup>(2)</sup> :	
Increase in variable and turnover-based rents	7
Operational performance	7
Total like-for-like gross rental income	14
Like-for-like net service charge expense	6
Like-for-like net direct property expenditure	1
Decrease in surrender premiums received	(2)
Developments <sup>(2)</sup>	(2)
Acquisitions since 1 April 2024 <sup>(2)</sup>	32
Disposals since 1 April 2024 <sup>(2)</sup>	(30)
Movement in bad/doubtful debts	(9)
<b>Net rental income for the year ended 31 March 2026</b>	<b>562</b>

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

We reduced net administrative expenses by a further £11m to £62m. This was well ahead of our guided cost reduction for the year of costs below £70m and, in fact, already below the target we set a year ago



for overhead costs to reduce to less than £65m by FY27. As a result, our overhead costs are now at the lowest level in 20 years and down 26% since FY23.

The material reduction in costs principally reflects the benefits of the new data and tech systems we implemented towards the end of FY25. Over the past year, we have started to see significant efficiencies across several core business processes as a result, e.g. by automating the legal lease contract to billing process, and automating and enhancing internal reporting. The latter provides us with more detailed insights and financial planning opportunities, which we expect to drive further value in the future. Linked to this, we also made several organisational changes. We expect further efficiencies to offset inflation, hence we expect overhead to remain in the low £60m's, which equates to c. 55bps of our portfolio value and benchmarks well versus the wider UK REIT sector.

The reduction in net administrative expenses and improvement in gross to net margin during the year resulted in a 0.9ppt improvement in our EPRA cost ratio to 20.8%, although we remain of the view that 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 does not mean they deliver better income returns or higher income growth. For us, the only thing which matters is the overall net income return, as that is what drives value for shareholders.

### Net finance expenses

Net interest costs increased by £13m to £118m, which principally reflects the higher average level of net debt following the acquisitions of the final stake of MediaCity and Liverpool ONE in the second half of the prior year. We expect net debt to reduce over the next 12-18 months due to our planned capital recycling, but the benefit of this in terms of net finance expense to be offset by a reduction in capitalised interest following the completion of our London office developments.

Finance expense movements in Capital/other items include the fair value movements on derivatives, caps and hedging and which is not included in EPRA earnings, decreased from a net expense of £39m in the prior period to a net expense of £9m over the last twelve months. 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 was up 1.2%, resulting in a £124m increase in value. Our strong leasing activity across our high-quality assets resulted in 6.4% ERV growth, but the upside from this was partly offset by some yield softening in offices and two specific factors related to business rates and build costs in our office-led portfolio, which reduced the valuation growth across our overall portfolio by 1.1%.

As we highlighted in November, the shortfall vs book value on disposals which we agreed in the first half and which completed in the second half has moved from being recorded as a valuation deficit in our half year accounts to a loss on disposal in our full year accounts. This now also reflects £22m for the ongoing unwind of the value of QAM, which at the half year was still reflected as a valuation deficit. These movements are the principal reason losses on disposals are up £50m since the first half, but are fully offset by the commensurate increase in valuation surplus, so had no impact on IFRS profit or net assets.

### IFRS profit after tax

Substantially all our activity during the period was covered by UK REIT legislation, which means our tax charge for the period remained minimal. The IFRS profit after tax of £344m reflects our growing EPRA

earnings and £122m valuation surplus (excluding surplus on owner-occupied property), partly offset by one-off other costs described in the section below and the shortfall vs book value on a number of low-returning assets we sold during the year. This shortfall is also the principal reason IFRS profit after tax was below the £396m for the prior year.

### Net assets and total accounting return

Including dividends paid, our total accounting return for the year was 5.6%, compared with 6.4% for the prior year. The main difference was due to the shortfall vs book value on the sale of a select number of assets which generated little or no return. The income return on NTA we generated was 5.8%.

After the £303m of dividends paid, EPRA Net Tangible Assets, which reflects the value of our Combined Portfolio less adjusted net debt, increased to £6,574m, or 882 pence per share. This was up 0.9% over the year and 2.2% since September, as growth was partly offset by the sale of £705m of low-returning assets which came at a cost to NTA of 1.1%, excluding the regular QAM value unwind. In addition, we recognised £12m of restructuring and integration costs; wrote off £12m of WIP on a potential future development opportunity; and made a number of other small adjustments impacting NTA in respect of certain property provisions totalling £3m.

**Table 9: Balance sheet<sup>(1)</sup>**

	31 March 2026	31 March 2025
	£m	£m
Combined Portfolio <sup>(2)</sup>	10,836	10,880
Adjusted net debt	(4,215)	(4,304)
Other net liabilities	(47)	(46)
<b>EPRA Net Tangible Assets</b>	<b>6,574</b>	<b>6,530</b>
Shortfall of fair value over net investment in finance leases book value	6	8
Other intangible assets	1	2
Excess of fair value over trading properties book value	(48)	(27)
Fair value of interest-rate swaps	4	1
<b>Net assets, excluding amounts due to non-controlling interests</b>	<b>6,537</b>	<b>6,514</b>
Net assets per share	882p	877p
EPRA Net Tangible Assets per share (diluted)	882p	874p

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<sup>(1)</sup>**

	£m	Diluted per share pence
EPRA Net Tangible Assets at 31 March 2025	6,530	874
EPRA earnings	382	51
Valuation surplus <sup>(2)</sup>	124	17
Dividends	(303)	(41)
Loss on disposals	(105)	(13)
Movement in own shares	(27)	(3)
Other	(27)	(3)
<b>EPRA Net Tangible Assets at 31 March 2026</b>	<b>6,574</b>	<b>882</b>

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

### Net debt and leverage

Adjusted net debt, which includes our share of JV borrowings, reduced by £89m to £4,215m during the year. We spent £80m on acquisitions and invested £486m in capex, including £247m for our on-site development schemes, with the remainder principally comprising pre-development capex; a number of

accretive smaller projects and leasing capex in retail; and investments in our office portfolio, including the creation of new Myo flex office space and our net-zero investment programme. This was partly offset by £684m of disposal receipts during the year.

We have £185m of committed capex left on our committed developments, of which £135m is expected to be spent this financial year. As we prioritise investment in major retail and retaining our balance sheet strength, we do not intend to commit to any meaningful capital to new developments for the next c. 18 months. Meanwhile, future capex on pre-development assets will be minimal pending visibility on the potential for public sector support to improve the return prospects for our residential schemes.

The other key elements behind the reduction 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<sup>(1)</sup>**

	£m
<b>Adjusted net debt at 31 March 2025</b>	<b>4,304</b>
Adjusted net cash inflow from operating activities <sup>(2)(3)</sup>	(303)
Dividends paid	290
Capital expenditure <sup>(2)</sup>	486
Acquisitions	80
Disposals <sup>(3)</sup>	(684)
Other	42
<b>Adjusted net debt at 31 March 2026</b>	<b>4,215</b>

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

2. Adjusted for interest capitalised in relation to properties under development.

3. Adjusted for movements in deferred consideration amounts during the year.

Our longstanding operating guidelines are to have an LTV within a 25-40% range, a net debt/EBITDA of less than 8x, and an ICR of at least 3x. Maintaining our strong capital base remains a key priority for us and we would expect these levels to be commensurate with AA credit ratings.

In line with our guidance, average net debt/EBITDA increased due to the fact that our two major on-site developments in London are now at or near the point of full capital deployment but did not produce any income during the year. As such, net debt/EBITDA came out at 8.6x for the year, or 8.4x based on the current position, yet this will reduce meaningfully as these projects now start to produce income.

As we move to a structurally lower level of development activity in the future, this means we now expect net debt/EBITDA to reduce below 7x. We expect to achieve this within the next two years without having to rely on material disposals given the strong momentum in development leasing and continued like-for-like income growth. Our LTV reduced 60bps during the year to 38.7% and we expect this to reduce further to below 35% over time.

**Table 12: Net debt and leverage**

	31 March 2026	31 March 2025
Net debt	£4,234m	£4,341m
Adjusted net debt <sup>(1)</sup>	£4,215m	£4,304m
Interest cover ratio	3.1x	3.6x
Net debt/EBITDA (period-end)	8.4x	8.9x
Net debt/EBITDA (weighted average)	8.6x	7.9x
Group LTV <sup>(1)</sup>	38.7%	39.3%

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

## Financing

Our financial position remains strong. In October, we agreed the first one-year extension option of the full £2,250m of revolving credit facilities we signed the prior year. As a result, our overall debt maturity remains long, at 8.6 years, which is twice as long as the average for the UK REIT sector. This provides us with clear visibility and underpins the resilience of our attractive earnings profile. We had £1.3bn of cash and undrawn facilities at the end of March, providing substantial flexibility, and no need to undertake any refinancing activity until 2028. Our debt is 89% fixed or hedged and in line with the guidance for a slight increase we provided at the start of the year, our average cost of debt was up slightly to 3.6%.

Our gross borrowings of £4,360m are diversified across various sources, including £2,870m of Medium Term Notes (MTNs), £746m of syndicated and bilateral bank loans and £744m 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 £10.4bn. This structure provides flexibility to include or exclude assets, and an attractive cost of funding. Our MTNs are currently rated AA and A+ 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. 54% before we reach the 1.45x ICR threshold and c. 68% before reaching 1.0x ICR.

**Table 13: Available facilities<sup>(1)</sup>**

	31 March 2026 £m	31 March 2025 £m
Medium Term Notes	2,870	2,868
Drawn bank debt	746	778
Outstanding commercial paper	744	750
Cash and available undrawn facilities	1,266	1,101
Total committed credit facilities	2,650	2,590
Weighted average maturity of debt <sup>(1)</sup>	8.6 years	9.6 years
Percentage of borrowings fixed or hedged <sup>(2)</sup>	89%	91%
Weighted average cost of debt <sup>(3)</sup>	3.6%	3.4%

1. Assuming all extensions on the bank facilities are executed,; 8.3 years excl. the remaining extension on the RCFs.

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

3. Including upfront fees amortisation and commitment fees; excluding this the weighted average cost of debt is 3.4% at 31 March 2026.

## Financial summary

Reflecting the actions we have taken in recent years, the outlook for Landsec remains positive. Customer demand for our best-in-class office and retail space, which make up 91% of our overall income, remains strong. This persistent trend supported CAGR in like-for-like net income of 4.0% over the last four years and as reversion is growing, should continue to support attractive income growth in the future.

As our overhead cost are down to a 20-year low and capital employed in low/non-yielding development is down materially, this continued top line growth will increasingly start to flow through to an acceleration in EPS growth. We therefore continue to see the potential to deliver c. 5% CAGR in EPRA EPS over the next four years, including high single digit growth in FY28, which remains underpinned by our robust capital base, with net debt / EBITDA expected to reduce to below 7x within the next two years.

## 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 nine 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 nine principal risks, with explanations of changes in the risk profile across the year.

Landsec's overall risk profile saw a reduction over the year, principally due to a reduction in development risk. Our speculative London office development pipeline is set to complete in full by the summer, whilst the schemes we completed in the second half of the year are already over 50% let. We are not planning to commit any meaningful capital to new development starts in the next c. 18 months and customer interest for our current schemes is strong, so development risk will reduce further in the near future. With only £185m of committed development capex left to spend, we do not rely on disposals to fund future commitments, which has reduced our capital allocation risk. Whilst the global macro environment remains volatile, we have continued to manage our interest rate risk, such that our weighted average debt maturity is twice as long as the UK REIT sector average. Also, customer demand across our key markets remains strong, so overall occupancy is up to a two-decade high and like-for-like net income continues to grow.

Risk description	Change in year
<b>Macroeconomic outlook</b>	↔
Changes in the macroeconomic 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.	<p>Uncertainty around the UK fiscal outlook and the continued elevation of geopolitical tensions persist and are under continuous review, however they are not currently considered significant enough factors to increase the risk score.</p> <p>Long-term interest rates and higher finance costs will remain a risk area for our business going forward.</p> <p>The risk score continues to be within the defined risk appetite</p>
<b>Office occupier market</b>	↔
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.	<p>The office occupancy market outlook remains positive, supported by robust demand in a constrained market focusing on high quality assets in the best-connected locations.</p> <p>This is demonstrated through active interest across our two new developments, and as a result, the net risk is considered to be stable at year-end and remains within the defined risk appetite.</p>

<b>Retail and hospitality occupier market</b>	↔
Structural changes in customer expectations leading to changes in demand for retail or hospitality space and the consequent impact on income and asset values.	<p>We are mindful that the macroeconomic environment continues to be challenging, with low growth in consumer spending 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.</p> <p>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.</p>
<b>Capital allocation</b>	↓
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.	<p>We continue to review the momentum of capital markets and their impact on our ability to maintain an appropriate pace of capital recycling to support delivery of our plan.</p> <p>While geo-political uncertainty is currently considered to be having a downward impact on investment markets and moderating the pace of execution, the overall risk has reduced in the period, reflecting a lower requirement to recycle capital to fund our committed capex.</p> <p>The residual risk remains within the defined risk appetite.</p>
<b>Development</b>	↓
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.	<p>This risk is considered to have decreased in consideration of the progress during the year to complete two of our major projects.</p> <p>As the majority of the development costs of our committed schemes is already fixed, and no new development commitments are planned in the near future, we have the flexibility to manage the scale and timing of our activity and risk exposure. As such, it was determined at our interim review to reduce our appetite for risk in development to cautious/minimalist.</p> <p>The risk is considered to be within risk appetite.</p>
<b>Information security and cyber threat</b>	↑
Data loss or disruption to business processes, corporate systems or building-management systems resulting in a negative reputational, operational, regulatory or financial impact.	<p>The cyber threat landscape is always evolving, with a significant increase in cyber incidents in the UK over the past year as the sophistication and nature of ransomware attacks, data breaches and AI-driven scams continue to evolve. Landsec must remain vigilant, and we continue to focus on investing in operational strengthening to improve processes and controls in this area.</p> <p>The net risk remains within the overall Cautious risk appetite alignment for operational risks.</p>

<b>Health and safety</b>	↔
<p>Failure to identify, mitigate or react effectively to major health or safety incidents, leading to:</p> <ul style="list-style-type: none"> <li>- Serious injury, illness or loss of life</li> <li>- Criminal/civil proceedings</li> <li>- Loss of stakeholder confidence</li> <li>- Delays to building projects and access restrictions to our properties resulting in loss of income</li> <li>- Inadequate response to regulatory changes</li> <li>- Reputational impact</li> </ul>	<p>This year, we successfully maintained our ISO 45001 and BS 9997 certifications through independent audits, reflecting our commitment to safety and compliance.</p> <p>Our focus remained on reducing significant occupational-safety risks and prioritising fire safety to meet legislative requirements, with a particular focus on delivering our Building Safety Cases.</p> <p>The likelihood of a major health, safety or security incident has remained constant throughout the year and within appetite.</p>
<b>People and skills</b>	↔
<p>Inability to attract, retain and develop the right people and skills to meet our strategic objectives, grow enterprise value and meet shareholder expectations.</p>	<p>It is considered that this risk has remained stable as we continue to monitor engagement and retention risks following the evolution of our strategy and the impact of the restructure.</p> <p>The risk remains within our risk appetite.</p>
<b>Climate-change transition</b>	↑
<p>Climate change risk has two elements:</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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 sustainability standards.</li> </ul>	<p>Operational and supply chain challenges affecting the costs of sustainable resources, and a restructure of our internal team have led to an increase in the net risk, which is within our Cautious risk appetite target.</p>

## Financial statements

Income statement	Notes	Year ended 31 March 2026			Year ended 31 March 2025		
		EPRA earnings £m	Capital and other items £m	Total £m	EPRA earnings £m	Capital and other items £m	Total £m
Revenue	5	860	32	892	797	45	842
Costs	6	(393)	(79)	(472)	(352)	(77)	(429)
		467	(47)	420	445	(32)	413
Share of post-tax profit from joint ventures	12	25	27	52	23	14	37
Loss on disposal of investment properties		-	(103)	(103)	-	(15)	(15)
Net surplus on revaluation of investment properties	10	-	96	96	-	91	91
<b>Operating profit</b>		<b>492</b>	<b>(27)</b>	<b>465</b>	468	58	526
Finance income	7	14	-	14	15	-	15
Finance expense	7	(124)	(9)	(133)	(109)	(39)	(148)
<b>Profit before tax</b>		<b>382</b>	<b>(36)</b>	<b>346</b>	374	19	393
Taxation				(2)			3
<b>Profit for the year</b>				<b>344</b>			396

### Attributable to:

Shareholders of the parent				343			396
Non-controlling interests				1			-
				<b>344</b>			396

### Profit per share attributable to shareholders of the parent:

Basic earnings per share	4			46.2p			53.3p
Diluted earnings per share	4			45.9p			53.0p

Statement of comprehensive income	Year ended 31 March 2026		Year ended 31 March 2025	
	Total £m	Total £m	Total £m	Total £m
<b>Profit for the year</b>	<b>344</b>			396
<b>Items that may be subsequently reclassified to the income statement:</b>				
Net surplus on revaluation of owner-occupied property	2			12
Deferred tax charge on owner-occupied property revaluation surplus	-			(3)
<b>Other comprehensive income for the year</b>	<b>2</b>			9
<b>Total comprehensive income for the year</b>	<b>346</b>			405
<b>Attributable to:</b>				
Shareholders of the parent	345			405
Non-controlling interests	1			-
	<b>346</b>			405

**Balance sheet**

	Notes	2026 £m	2025 £m
<b>Non-current assets</b>			
Investment properties	10	10,018	10,034
Property, plant and equipment		42	42
Intangible assets		3	3
Net investment in finance leases		20	19
Investments in joint ventures	12	593	551
Trade and other receivables		148	229
Other non-current assets		45	22
<b>Total non-current assets</b>		<b>10,869</b>	<b>10,900</b>
<b>Current assets</b>			
Trading properties	11	56	81
Trade and other receivables		491	467
Monies held in restricted accounts and deposits		11	20
Cash and cash equivalents		106	39
Other current assets		7	4
Non-current asset held for sale		-	110
<b>Total current assets</b>		<b>671</b>	<b>721</b>
<b>Total assets</b>		<b>11,540</b>	<b>11,621</b>
<b>Current liabilities</b>			
Borrowings	14	(746)	(752)
Trade and other payables		(363)	(406)
Provisions	15	(41)	(44)
Other current liabilities		(18)	(6)
<b>Total current liabilities</b>		<b>(1,168)</b>	<b>(1,208)</b>
<b>Non-current liabilities</b>			
Borrowings	14	(3,749)	(3,802)
Trade and other payables		(40)	(44)
Provisions	15	(23)	(30)
Other non-current liabilities		(22)	(5)
<b>Total non-current liabilities</b>		<b>(3,834)</b>	<b>(3,881)</b>
<b>Total liabilities</b>		<b>(5,002)</b>	<b>(5,089)</b>
<b>Net assets</b>		<b>6,538</b>	<b>6,532</b>
<b>Equity</b>			
<b>Capital and reserves attributable to shareholders</b>			
Ordinary shares		80	80
Share premium		320	319
Other reserves		29	30
Merger reserve		-	-
Retained earnings		6,108	6,085
<b>Equity attributable to shareholders of the parent</b>		<b>6,537</b>	<b>6,514</b>
Equity attributable to non-controlling interests		1	18
<b>Total equity</b>		<b>6,538</b>	<b>6,532</b>

The financial statements on pages 26 to 43 were approved by the Board of Directors on 13 May 2026 and were signed on its behalf by:

**Mark Allan**                      **Vanessa Simms**  
Directors

Statements of changes in equity	Notes	Attributable to shareholders of the parent					Non-controlling interests	Total equity
		Ordinary shares	Share premium	Other reserves <sup>(1)</sup>	Retained earnings	Total		
		£m	£m	£m	£m	£m	£m	£m
At 1 April 2024		80	319	23	5,980	6,402	45	6,447
Total comprehensive income for the financial year		-	-	-	405	405	-	405
<b>Transactions with shareholders of the parent:</b>								
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)
<b>Total transactions with shareholders of the parent</b>		-	-	7	(300)	(293)	(56)	(349)
Dividends paid to non-controlling interests		-	-	-	-	-	(1)	(1)
Issued share capital		-	-	-	-	-	12	12
Acquisition of subsidiaries		-	-	-	-	-	18	18
<b>Total transactions with shareholders</b>		-	-	7	(300)	(293)	(27)	(320)
At 31 March 2025		80	319	30	6,085	6,514	18	6,532
Total comprehensive income for the financial year		-	-	2	343	345	1	346
Transfer to revaluation surplus reserve		-	-	12	(12)	-	-	-
<b>Transactions with shareholders of the parent:</b>								
Share-based payments		-	1	(15)	(3)	(17)	-	(17)
Dividends paid to shareholders of the parent	8	-	-	-	(303)	(303)	-	(303)
<b>Total transactions with shareholders of the parent</b>		-	1	(15)	(308)	(322)	-	(340)
Dividends paid to non-controlling interests		-	-	-	-	-	(2)	(2)
Recognition of redemption liability <sup>(2)</sup>		-	-	-	(2)	(2)	(16)	(18)
<b>Total transactions with shareholders</b>		-	1	(15)	(308)	(322)	(18)	(340)
<b>At 31 March 2026</b>		<b>80</b>	<b>320</b>	<b>29</b>	<b>6,108</b>	<b>6,537</b>	<b>1</b>	<b>6,538</b>

1. Included within other reserves is a revaluation surplus reserve of £14m pertaining to owner-occupied property.

2. On 8 September 2025, the Group granted a put option to the non-controlling interest in Liverpool ONE that has been recognised as a redemption liability at 31 March 2026.

**Statements of cash flows**

	Notes	2026 £m	2025 £m
<b>Cash flows from operating activities</b>			
Net cash generated from operations	9	353	381
Interest received		47	23
Interest paid		(180)	(144)
Rents paid		(13)	(12)
Capital expenditure on trading properties		(6)	(8)
Disposal of trading properties		13	13
Other operating cash flows		-	3
<b>Net cash inflow/(outflow) from operating activities</b>	9	<b>214</b>	256
<b>Cash flows from investing activities</b>			
Investment property development expenditure		(298)	(293)
Other investment property related expenditure		(147)	(163)
Acquisition of investment properties, net of cash acquired		(84)	(325)
Acquisition of subsidiaries, net of cash acquired		-	(18)
Disposal of investment properties		734	404
Cash distributions from joint ventures	12	11	12
<b>Net cash inflow/(outflow) from investing activities</b>		<b>216</b>	(383)
<b>Cash flows from financing activities</b>			
Net proceeds from new borrowings (net of finance fees)	14	300	963
Net repayment of borrowings	14	(338)	(562)
Net cash outflow from derivative financial instruments	14	(16)	(6)
Acquisition of own shares		(27)	-
Proceeds from non-controlling interest share capital issuance		-	12
Dividends paid to shareholders of the parent	8	(290)	(305)
Dividends paid to non-controlling interests		(2)	(1)
Decrease/(increase) in monies held in restricted accounts and deposits		9	(14)
Other financing cash flows		1	1
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(363)</b>	88
Increase/(decrease) in cash and cash equivalents for the year		67	(39)
Cash and cash equivalents at the beginning of the year		39	78
<b>Cash and cash equivalents at the end of the year</b>		<b>106</b>	39

# 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 13 May 2026, 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 2025 have been filed unqualified and do not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006. The annual financial information presented in this preliminary announcement for the year ended 31 March 2026 is based on, and consistent with, the financial information in the Group's audited financial statements for the year ended 31 March 2025. 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 2025 can be found on the website at [landsec.com/investors](http://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 2026. The Group's going concern assessment considers changes in the Group's principal risks (see pages 23-25) 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 macroeconomic 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 2027, are shown below alongside the actual position at 31 March 2026.

Key metrics	Mitigated downside scenario	
	31 March 2026	30 September 2027
Security Group LTV	41.6%	46.6%
Adjusted net debt	£4,215m	£4,608m
EPRA net tangible assets	£6,574m	£5,768m
Available financial headroom	£1.3bn	£0.4bn

In our mitigated downside scenario, the Group has sufficient financial headroom, 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 28% from the sensitised values forecasted at 30 September 2027 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 2026 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 £277m in the full year ending 31 March 2027 and at least £156m in the six month period ending 30 September 2027 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 2026 are tracking well above the level required to meet the interest cover covenant for the year ended 31 March 2027. The Directors do not anticipate a reduction in Security Group earnings over the period ending 30 September 2027 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 2026.

## Basis of consolidation and presentation of results

The consolidated financial statements for the year ended 31 March 2026 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 statement of changes in equity or the income statement. Movements are recognised in the statement of changes in equity if the option holder holds a non-controlling interest.

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 **£10.8bn**, 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

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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 21 – Lack of exchangeability

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:

- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to IFRS 7 and IFRS 9 – Classification and measurement of financial instruments and for contracts referencing nature-dependent electricity
- Annual Improvements to IFRS Accounting Standards (Volume 11)

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 Office-led, Retail-led, Residential-led and Other assets.

The Office-led segment includes all operating or under development office assets in London and the regions as well as the associated retail and other premises in proximity to these assets. The Retail-led segment includes all the shopping centres and outlets in our portfolio. The Residential-led segment includes our residential developments and the Other assets segment mainly includes assets that will not be a focus for capital investment and consists of our retail and leisure park assets.

In previous financial periods, our segmental reporting reflected that our operations were organised into Central London, Major retail destinations (Major retail), Mixed-use urban neighbourhoods (Mixed-use urban) and Subscale sectors. As noted in the Group's Annual Report for the year ended 31 March 2025, the Group has aligned its financial reporting to reflect its updated strategy and operating model and consequently, comparatives have been restated.

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

EPRA earnings	2026					2025 <sup>(1)</sup>				
	Office-led £m	Retail-led £m	Residential-led £m	Other assets £m	Total £m	Office-led £m	Retail-led £m	Residential- led £m	Other assets £m	Total £m
Rental income	327	264	12	52	655	327	222	12	74	635
Finance lease interest	-	-	-	1	1	-	-	-	1	1
<b>Gross rental income (before rents payable)</b>	<b>327</b>	<b>264</b>	<b>12</b>	<b>53</b>	<b>656</b>	<b>327</b>	<b>222</b>	<b>12</b>	<b>75</b>	<b>636</b>
Rents payable <sup>(2)</sup>	(3)	(9)	-	-	(12)	(4)	(7)	-	(1)	(12)
<b>Gross rental income (after rents payable)</b>	<b>324</b>	<b>255</b>	<b>12</b>	<b>53</b>	<b>644</b>	<b>323</b>	<b>215</b>	<b>12</b>	<b>74</b>	<b>624</b>
Service charge income <sup>(3)</sup>	85	99	5	11	200	77	75	5	8	165
Service charge expense <sup>(3)</sup>	(85)	(103)	(6)	(12)	(206)	(81)	(80)	(5)	(10)	(176)
Net service charge expense	-	(4)	(1)	(1)	(6)	(4)	(5)	-	(2)	(11)
Other property related income	22	8	1	3	34	23	8	2	3	36
Direct property expenditure	(51)	(48)	(5)	(7)	(111)	(49)	(45)	(4)	(11)	(109)
Other operating income	22	-	-	-	22	10	-	-	-	10
Other operating expense	(23)	-	-	-	(23)	(9)	-	-	-	(9)
Movement in bad and doubtful debts provision	1	(1)	-	2	2	1	7	1	2	11
<b>Segment net rental income</b>	<b>295</b>	<b>210</b>	<b>7</b>	<b>50</b>	<b>562</b>	<b>295</b>	<b>180</b>	<b>11</b>	<b>66</b>	<b>552</b>
Other income					1					1
Administrative expense					(61)					(71)
Depreciation					(2)					(3)
<b>EPRA earnings before interest</b>					<b>500</b>					<b>479</b>
Finance income					14					15
Finance expense					(124)					(109)
Joint venture net finance expense					(8)					(11)
<b>EPRA earnings attributable to shareholders of the parent</b>					<b>382</b>					<b>374</b>
Capital/other items					(36)					19
<b>Profit before tax</b>					<b>346</b>					<b>393</b>
Taxation					(2)					3
<b>Profit for the year</b>					<b>344</b>					<b>396</b>

1. Restated for changes in the Group's operating segments as outlined in the note narrative above.

2. Included within rents payable is lease interest payable of £7m (2025: £8m) across the four segments.

3. Current year balances reflect a reclassification of service charge management fees from service charge expense to service charge income of £11m. While the comparatives have not been restated, the equivalent reclassification would have been £8m.

#### 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 accounting return. 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 2026		Year ended 31 March 2025	
	Profit for the year £m	EPRA earnings £m	Profit for the year £m	EPRA earnings £m
Profit attributable to shareholders of the parent	343	343	396	396
Valuation and loss on disposals <sup>(1)</sup>	-	(17)	-	(84)
Net finance expense (excluded from EPRA earnings)	-	9	-	39
Impairment of goodwill	-	-	-	22
Taxation	-	2	-	(3)
Net development contract and transaction expenditure	-	30	-	(3)
Restructuring, integration and other costs	-	15	-	7
<b>Profit used in per share calculation</b>	<b>343</b>	<b>382</b>	<b>396</b>	<b>374</b>
	IFRS	EPRA	IFRS	EPRA
<b>Basic earnings per share</b>	<b>46.2p</b>	<b>51.4p</b>	<b>53.3p</b>	<b>50.3p</b>
<b>Diluted earnings per share</b>	<b>45.9p</b>	<b>51.1p</b>	<b>53.0p</b>	<b>50.1p</b>

1. Whilst the Group's accounting policy is to recognise the profit/(loss) on disposal of investment properties with reference to the asset's carrying amount at the beginning of the accounting period, £22m of the balance pertains to revaluation movements arising from rental income received from 1 April 2025 to the date of disposal on the Queen Anne's Mansions office block.

Net assets per share	31 March 2026			31 March 2025		
	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	6,537	6,537	6,537	6,514	6,514	6,514
Shortfall of fair value over net investment in finance leases book value	-	(6)	(6)	-	(8)	(8)
Other intangible asset	-	-	(1)	-	-	(2)
Fair value of interest-rate swaps	-	-	(4)	-	-	(1)
Excess of fair value of trading properties over book value	-	48	48	-	27	27
Shortfall of fair value of debt over book value (note 14)	-	359	-	-	334	-
<b>Net assets used in per share calculation</b>	<b>6,537</b>	<b>6,938</b>	<b>6,574</b>	<b>6,514</b>	<b>6,867</b>	<b>6,530</b>
	IFRS	EPRA NDV	EPRA NTA	IFRS	EPRA NDV	EPRA NTA
<b>Net assets per share</b>	<b>882p</b>	<b>n/a</b>	<b>n/a</b>	<b>877p</b>	<b>n/a</b>	<b>n/a</b>
<b>Diluted net assets per share</b>	<b>877p</b>	<b>931p</b>	<b>882p</b>	<b>872p</b>	<b>919p</b>	<b>874p</b>

Number of shares	2026		2025	
	Weighted average million	31 March million	Weighted average million	31 March million
Ordinary shares	752	752	752	752
Treasury shares	(7)	(7)	(7)	(7)
Own shares	(2)	(4)	(2)	(2)
<b>Number of shares – basic</b>	<b>743</b>	<b>741</b>	<b>743</b>	<b>743</b>
Dilutive effect of share options	4	4	4	4
<b>Number of shares – diluted</b>	<b>747</b>	<b>745</b>	<b>747</b>	<b>747</b>

Total accounting return 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 accounting return over the year.

Total accounting return based on EPRA NTA	Year ended 31 March 2026		Year ended 31 March 2025	
	Pence		Pence	
Increase in EPRA NTA per share	8		15	
Dividend paid per share in the year (note 8)	41		40	
<b>Total return (a)</b>	<b>49</b>		<b>55</b>	
EPRA NTA per share at the beginning of the year (b)	874		859	
<b>Total accounting return (a/b)</b>	<b>5.6%</b>		<b>6.4%</b>	

## 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.

	2026		2025			
	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)	593	2	595	563	4	567
Adjustment for lease incentives	23	-	23	33	-	33
<b>Rental income</b>	<b>616</b>	<b>2</b>	<b>618</b>	596	4	600
Service charge income <sup>(1)</sup>	190	-	190	154	1	155
Trading property sales proceeds	-	30	30	-	22	22
Other property related income	30	-	30	34	1	35
Finance lease interest	1	-	1	1	-	1
Development contract and transaction income	-	-	-	-	17	17
Other operating income	22	-	22	10	-	10
Other income	1	-	1	2	-	2
<b>Revenue per the income statement</b>	<b>860</b>	<b>32</b>	<b>892</b>	797	45	842

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

	2026				2025			
	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	618	39	(2)	655	600	39	(4)	635
Service charge income <sup>(1)</sup>	190	10	-	200	155	11	(1)	165
Other property related income	30	4	-	34	35	2	(1)	36
Finance lease interest	1	-	-	1	1	-	-	1
Other operating income	22	-	-	22	10	-	-	10
Other income	1	-	-	1	2	-	(1)	1
<b>Revenue in the segmental information note</b>	<b>862</b>	<b>53</b>	<b>(2)</b>	<b>913</b>	803	52	(7)	848
Development contract and transaction income	-	-	-	-	17	-	-	17
Trading property sales proceeds	30	-	-	30	22	-	-	22
<b>Revenue including Capital and other items</b>	<b>892</b>	<b>53</b>	<b>(2)</b>	<b>943</b>	842	52	(7)	887

1. Current year balances reflect a reclassification of service charge management fees from service charge expense to service charge income of £11m. While the comparatives have not been restated, the equivalent reclassification would have been £8m.

## 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.

	2026		2025			
	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 <sup>(1)</sup>	194	-	194	164	1	165
Direct property expenditure	104	-	104	103	1	104
Movement in bad and doubtful debts provision	(2)	-	(2)	(9)	-	(9)
Administrative expenses	61	2	63	71	-	71
Impairment of trading properties	-	3	3	-	4	4
Cost of trading property disposals	-	31	31	-	28	28
Development contract and transaction expenditure	-	30	30	-	14	14
Depreciation, including amortisation of software	2	1	3	3	1	4
Reversal of impairment of amounts due from joint ventures	-	-	-	-	(1)	(1)
Impairment of goodwill	-	-	-	-	22	22
Fair value gain on remeasurement of investment	-	(2)	(2)	-	-	-
Other operating expense	23	-	23	9	-	9
Restructuring, integration and other costs	-	14	14	-	7	7
<b>Total costs per the income statement</b>	<b>393</b>	<b>79</b>	<b>472</b>	<b>352</b>	<b>77</b>	<b>429</b>

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

	2026				2025			
	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 <sup>(1)</sup>	194	13	(1)	206	165	12	(1)	176
Direct property expenditure	104	7	-	111	104	6	(1)	109
Administrative expenses	61	-	-	61	71	-	-	71
Depreciation, including amortisation of software	2	-	-	2	3	-	-	3
Movement in bad and doubtful debts provision	(2)	-	-	(2)	(9)	(2)	-	(11)
Other operating expense	23	-	-	23	9	-	-	9
<b>Costs in the segmental information note</b>	<b>393</b>	<b>21</b>	<b>(1)</b>	<b>413</b>	<b>354</b>	<b>17</b>	<b>(2)</b>	<b>369</b>
Impairment of trading properties	3	-	-	3	4	-	-	4
Cost of trading property disposals	31	-	-	31	28	-	-	28
Administrative expenses	2	-	-	2	-	-	-	-
Development contract and transaction expenditure	30	-	-	30	14	2	-	16
Depreciation	1	-	-	1	1	-	-	1
Reversal of impairment of amounts due from joint ventures	-	-	-	-	(1)	-	-	(1)
Fair value gain on remeasurement of investment	(2)	-	-	(2)	-	-	-	-
Impairment of goodwill	-	-	-	-	22	-	-	22
Restructuring, integration and other costs	14	-	-	14	7	-	-	7
<b>Costs including Capital and other items</b>	<b>472</b>	<b>21</b>	<b>(1)</b>	<b>492</b>	<b>429</b>	<b>19</b>	<b>(2)</b>	<b>446</b>

1. Current year balances reflect a reclassification of service charge management fees from service charge expense to service charge income of £11m. While the comparatives have not been restated, the equivalent reclassification would have been £8m.

**7. Net finance expense**

			2026			2025	
	EPRA earnings	Capital and other items	Total	EPRA earnings	Capital and other items	Total	
	£m	£m	£m	£m	£m	£m	
<b>Finance income</b>							
Interest receivable from joint ventures	9	-	9	11	-	11	
Other interest receivable	5	-	5	4	-	4	
	<b>14</b>	<b>-</b>	<b>14</b>	<b>15</b>	<b>-</b>	<b>15</b>	
<b>Finance expense</b>							
Bond and debenture debt	(105)	-	(105)	(101)	-	(101)	
Bank and other short-term borrowings	(59)	-	(59)	(36)	(5)	(41)	
Fair value movement on derivatives	-	(9)	(9)	-	(34)	(34)	
Other interest payable	(2)	-	(2)	-	-	-	
	<b>(166)</b>	<b>(9)</b>	<b>(175)</b>	<b>(137)</b>	<b>(39)</b>	<b>(176)</b>	
Interest capitalised in relation to properties under development	42	-	42	28	-	28	
	<b>(124)</b>	<b>(9)</b>	<b>(133)</b>	<b>(109)</b>	<b>(39)</b>	<b>(148)</b>	
<b>Net finance expense</b>	<b>(110)</b>	<b>(9)</b>	<b>(119)</b>	<b>(94)</b>	<b>(39)</b>	<b>(133)</b>	
Joint venture net finance expense	(8)			(11)			
<b>Net finance expense included in EPRA earnings</b>	<b>(118)</b>			<b>(105)</b>			

Lease interest payable of **£7m** (2025: £8m) is included within rents payable as detailed in note 3.

**8. Dividends**

Dividends paid	Payment date	Pence per share			Year ended 31 March	
		PID	Non-PID	Total	2026	2025
					£m	£m
For the year ended 31 March 2024:						
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
Third interim	<b>11 April 2025</b>	<b>9.50</b>	-	<b>9.50</b>	<b>71</b>	
Final	<b>25 July 2025</b>	<b>12.30</b>	-	<b>12.30</b>	<b>91</b>	
For the year ended 31 March 2026:						
Interim	<b>9 January 2026</b>	<b>13.60</b>	<b>5.40</b>	<b>19.00</b>	<b>141</b>	
<b>Gross dividends</b>					<b>303</b>	297
<b>Dividends in the statement of changes in equity</b>					<b>303</b>	297
Timing difference on payment of withholding tax					<b>(13)</b>	8
<b>Dividends in the statement of cash flows</b>					<b>290</b>	305

The Board has recommended a final dividend for the year ended 31 March 2026 of **22.2p** per ordinary share (2025: 12.3p) to be paid as a PID. This final dividend will result in a further estimated distribution of **£164m** (2025: £92m). Subject to shareholders' approval at the Annual General Meeting, the final dividend will be paid on 24 July 2026 to shareholders registered at the close of business on 19 June 2026.

The total dividend paid and recommended in respect of the year ended 31 March 2026 is **41.2p** per ordinary share (2025: 40.4p) resulting in a total estimated distribution of **£305m** (2025: £301m).

For the year ending 31 March 2027, the Group will pay two half-yearly dividends, likely to be in January 2027 and July 2027.

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 3 July 2026.

**9. Net cash generated from operations**

<b>Reconciliation of operating profit to net cash generated from operations</b>		
	<b>2026</b>	2025
	£m	£m
<b>Operating profit</b>	<b>465</b>	526
<b>Adjustments for:</b>		
Net surplus on revaluation of investment properties	(96)	(91)
Loss on disposal of trading properties	1	6
Loss on disposal of investment properties	103	15
Share of profit from joint ventures	(52)	(37)
Share-based payment charge	9	6
Impairment of goodwill	-	22
Reversal of amounts due from joint ventures	-	(1)
Non-cash development contract and transaction expenditure	29	1
Rents payable	11	11
Depreciation and amortisation	2	4
Fair value gain on remeasurement of investment	(2)	-
Impairment of trading properties	3	4
Non-cash restructuring, integration and other costs	7	-
	<b>480</b>	466
<b>Changes in working capital:</b>		
Increase in receivables	(56)	(128)
(Decrease)/increase in payables and provisions	(71)	43
<b>Net cash generated from operations</b>	<b>353</b>	381
<b>Reconciliation to adjusted net cash inflow from operating activities</b>		
	<b>2026</b>	2025
	£m	£m
Net cash inflow from operating activities	214	256
Joint ventures net cash inflow from operating activities	6	4
<b>Adjusted net cash inflow from operating activities<sup>(1)</sup></b>	<b>220</b>	260

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

**10. Investment properties**

	2026 £m	2025 £m
<b>Net book value at the beginning of the year</b>	<b>10,034</b>	9,330
Acquisitions of investment properties <sup>(1)</sup>	<b>75</b>	642
Capital expenditure	<b>443</b>	473
Capitalised interest	<b>41</b>	27
Net movement in head leases capitalised <sup>(2)</sup>	<b>(2)</b>	86
Disposals <sup>(3)(4)</sup>	<b>(669)</b>	(479)
Net surplus on revaluation of investment properties <sup>(4)</sup>	<b>96</b>	91
Transfer to property, plant and equipment	<b>-</b>	(26)
Transfer to assets held for sale	<b>-</b>	(110)
<b>Net book value at the end of the year</b>	<b>10,018</b>	10,034

- Adjusted downward by **£17m** of transaction and contract related provisions utilised in the year (see note 15).
- 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.
- Includes impact of disposals of finance leases.
- Whilst the Group's accounting policy is to recognise the profit/(loss) on disposal of investment properties with reference to the asset's carrying amount at the beginning of the accounting period, **£22m** of the balance pertains to revaluation movements arising from rental income received from 1 April 2025 to the date of disposal on the Queen Anne's Mansions office block.

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.

	2026				2025			
	Group £m	Joint ventures £m	Adjustment for non-wholly owned subsidiaries £m	Combined Portfolio £m	Group £m	Joint ventures <sup>(1)</sup> £m	Adjustment for non- wholly owned subsidiaries £m	Combined Portfolio £m
Market value	10,154	661	(20)	10,795	10,125	636	(33)	10,728
Less: properties treated as finance leases	(13)	-	-	(13)	(12)	-	-	(12)
Plus: head leases capitalised	135	1	-	136	158	1	-	159
Less: tenant lease incentives	(258)	(26)	-	(284)	(237)	(29)	-	(266)
<b>Net book value</b>	<b>10,018</b>	<b>636</b>	<b>(20)</b>	<b>10,634</b>	<b>10,034</b>	<b>608</b>	<b>(33)</b>	<b>10,609</b>
<b>Net surplus/(deficit) on revaluation of investment properties</b>	<b>96</b>	<b>27</b>	<b>(1)</b>	<b>122</b>	<b>91</b>	<b>13</b>	<b>3</b>	<b>107</b>

The net book value of leasehold properties where head leases have been capitalised is **£1,438m** (2025: £1,761m).

Investment properties include capitalised interest of **£358m** (2025: £317m). The average rate of interest capitalisation for the year is **4.7%** (2025: 4.8%). The gross historical cost of investment properties is **£8,941m** (2025: £9,136m).

**11. Trading properties**

	Development land and infrastructure £m	Residential £m	Total £m
At 1 April 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
<b>Capital expenditure</b>	<b>4</b>	<b>3</b>	<b>7</b>
<b>Capitalised interest</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Disposals</b>	<b>-</b>	<b>(30)</b>	<b>(30)</b>
<b>Impairment provision</b>	<b>(3)</b>	<b>-</b>	<b>(3)</b>
<b>At 31 March 2026</b>	<b>54</b>	<b>2</b>	<b>56</b>

The cumulative impairment provision at 31 March 2026 in respect of Development land and infrastructure was **£34m** (2025: £31m); and in respect of Residential was **£nil** (2025: £nil).

## 12. Joint arrangements

The Group's principal joint arrangements are described below:

Joint ventures	Percentage owned & voting rights <sup>(1)</sup>	Business segment	Year end date <sup>(2)</sup>	Joint venture partner
<b>Held at 31 March 2026</b>				
Nova, Victoria <sup>(3)</sup>	50%	Office-led	31 March	Suntec Real Estate Investment Trust
Southside Limited Partnership	50%	Retail-led	31 March	Invesco Real Estate European Fund
Westgate Oxford Alliance Limited Partnership	50%	Retail-led	31 March	The Crown Estate Commissioners
Harvest <sup>(4)(6)</sup>	50%	Other assets	31 March	J Sainsbury plc
The Ebbsfleet Limited Partnership <sup>(6)</sup>	50%	Other assets	31 March	Ebbsfleet Property Limited
West India Quay Unit Trust <sup>(6)</sup>	50%	Other assets	31 March	Schroder UK Real Estate Fund
Mayfield <sup>(5)(6)</sup>	50%	Residential-led	31 March	LCR Limited, Manchester City Council, Transport for Greater Manchester
Curzon Park Limited <sup>(6)</sup>	50%	Other assets	31 March	Derwent Developments (Curzon) Limited
Landmark Court Partnership Limited <sup>(6)</sup>	51%	Office-led	31 March	TTL Landmark Court Properties Limited
Opportunities for Sittingbourne Limited <sup>(6)</sup>	50%	Other assets	31 March	Swale Borough Council
Cathedral (Movement, Greenwich) LLP <sup>(6)</sup>	52%	Other assets	31 March	Mr Richard Upton
Circus Street Developments Limited <sup>(6)</sup>	50%	Other assets	31 March	High Wire Brighton Limited
Joint operation	Ownership interest	Business segment	Year end date <sup>(2)</sup>	Joint operation partners
<b>Held at 31 March 2026</b>				
Bluewater, Kent	64%	Retail-led	31 March	M&G Real Estate, Royal London Asset Management, Schrodgers Capital Real Estate

- 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.
- 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.
- 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.
- Harvest includes Harvest 2 Limited Partnership, Harvest Development Management Limited, Harvest 2 Selly Oak Limited, Harvest 2 GP Limited and Harvest GP Limited.
- Mayfield includes Mayfield Development Partnership LP and Mayfield Development (General Partner) Limited.
- 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 were previously or 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.

**12. Joint arrangements continued****Joint ventures**

<b>Net investment</b>	<b>Nova, Victoria</b>	<b>Southside Limited Partnership</b>	<b>Westgate Oxford Alliance Partnership</b>	<b>Other</b>	<b>Total</b>
	<b>Group share</b>	<b>Group share</b>	<b>Group share</b>	<b>Group share</b>	<b>Group share</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
At 1 April 2024	344	(5)	121	61	521
Total comprehensive 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
<b>Total comprehensive income</b>	<b>28</b>	<b>3</b>	<b>14</b>	<b>7</b>	<b>52</b>
<b>Cash and other distributions</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>(11)</b>
<b>Other non-cash movements</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>4</b>
<b>At 31 March 2026</b>	<b>395</b>	<b>-</b>	<b>123</b>	<b>75</b>	<b>593</b>
Comprised of:					
At 31 March 2025					
Non-current assets	365	-	120	66	551
Non-current liabilities <sup>(1)</sup>	-	(3)	-	-	(3)
<b>At 31 March 2026</b>					
<b>Non-current assets</b>	<b>395</b>	<b>-</b>	<b>123</b>	<b>75</b>	<b>593</b>
<b>Non-current liabilities<sup>(1)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	2026				2025			
	Group £m	Joint ventures £m	Adjustment for non-wholly owned subsidiaries £m	Combined £m	Group £m	Joint ventures £m	Adjustment for non-wholly owned subsidiaries £m	Combined £m
<b>Property portfolio</b>								
Market value of non-current property assets <sup>(1)</sup>	10,195	661	(20)	10,836	10,277	636	(33)	10,880
Carrying value of trading properties	56	-	-	56	81	-	-	81
<b>Total property portfolio (a)</b>	<b>10,251</b>	<b>661</b>	<b>(20)</b>	<b>10,892</b>	<b>10,358</b>	<b>636</b>	<b>(33)</b>	<b>10,961</b>
<b>Net debt</b>								
Borrowings	4,360	-	-	4,360	4,396	-	(15)	4,381
Monies held in restricted accounts and deposits	(11)	-	-	(11)	(20)	-	1	(19)
Cash and cash equivalents	(106)	(25)	1	(130)	(39)	(24)	-	(63)
Fair value of interest-rate swaps	(5)	-	-	(5)	(1)	-	-	(1)
Fair value of foreign exchange swaps and forwards	(4)	-	-	(4)	5	-	-	5
<b>Net debt (b)</b>	<b>4,234</b>	<b>(25)</b>	<b>1</b>	<b>4,210</b>	<b>4,341</b>	<b>(24)</b>	<b>(14)</b>	<b>4,303</b>
Add: Fair value of interest-rate swaps	5	-	-	5	1	-	-	1
<b>Adjusted net debt (c)</b>	<b>4,239</b>	<b>(25)</b>	<b>1</b>	<b>4,215</b>	<b>4,342</b>	<b>(24)</b>	<b>(14)</b>	<b>4,304</b>
<b>Adjusted total equity</b>								
Total equity (d)	6,538	-	(1)	6,537	6,532	-	(18)	6,514
Fair value of interest-rate swaps	(5)	-	-	(5)	(1)	-	-	(1)
<b>Adjusted total equity (e)</b>	<b>6,533</b>	<b>-</b>	<b>(1)</b>	<b>6,532</b>	<b>6,531</b>	<b>-</b>	<b>(18)</b>	<b>6,513</b>
<b>Gearing (b/d)</b>	<b>64.8%</b>			<b>64.4%</b>	66.5%			66.1%
<b>Adjusted gearing (c/e)</b>	<b>64.9%</b>			<b>64.5%</b>	66.5%			66.1%
<b>Group LTV (c/a)</b>	<b>41.4%</b>			<b>38.7%</b>	41.9%			39.3%
<b>EPRA LTV<sup>(2)</sup></b>				<b>40.4%</b>				41.0%
<b>Security Group LTV</b>	<b>41.6%</b>			-	41.9%			
<b>Weighted average cost of debt</b>	<b>3.6%</b>			<b>3.6%</b>	3.4%			3.4%

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.

## 14. Borrowings

				2026			2025		
	Secured/ unsecured	Fixed/ floating	Effective interest rate %	Nominal/ notional value £m	Fair value £m	Book value £m	Nominal/ notional value £m	Fair value £m	Book value £m
<b>Current borrowings</b>									
<b>Commercial paper</b>									
Sterling	Unsecured	Floating	Various <sup>(1)</sup>	228	228	228	270	270	270
Euro	Unsecured	Floating	Various <sup>(1)</sup>	270	270	270	310	310	310
US Dollar	Unsecured	Floating	Various <sup>(1)</sup>	246	246	246	170	170	170
<b>Total current borrowings</b>				<b>744</b>	<b>744</b>	<b>744</b>	<b>750</b>	<b>750</b>	<b>750</b>
Amounts payable under head leases				2	2	2	2	2	2
<b>Total current borrowings including amounts payable under head leases</b>				<b>746</b>	<b>746</b>	<b>746</b>	<b>752</b>	<b>752</b>	<b>752</b>
<b>Non-current borrowings</b>									
<b>Medium term notes (MTN)</b>									
A16 2.375% MTN due 2029	Secured	Fixed	2.5	350	340	350	350	333	349
A6 5.376% MTN due 2029	Secured	Fixed	5.4	65	65	65	65	65	65
A13 2.399% MTN due 2031	Secured	Fixed	2.4	300	278	300	300	274	300
A7 5.396% MTN due 2032	Secured	Fixed	5.4	77	77	77	77	78	77
A18 4.750% MTN due 2033	Secured	Fixed	4.9	300	293	297	300	294	295
A17 4.875% MTN due 2034	Secured	Fixed	5.0	400	391	395	400	393	396
A11 5.125% MTN due 2036	Secured	Fixed	5.1	50	48	50	50	47	50
A19 4.625% MTN due 2036	Secured	Fixed	4.9	350	328	346	350	330	346
A14 2.625% MTN due 2039	Secured	Fixed	2.6	500	367	495	500	371	495
A15 2.750% MTN due 2059	Secured	Fixed	2.7	500	255	495	500	275	495
				<b>2,892</b>	<b>2,442</b>	<b>2,870</b>	<b>2,892</b>	<b>2,460</b>	<b>2,868</b>
Syndicated and bilateral bank debt	Secured	Floating	SONIA + margin	746	746	746	778	778	778
<b>Total non-current borrowings</b>				<b>3,638</b>	<b>3,188</b>	<b>3,616</b>	<b>3,670</b>	<b>3,238</b>	<b>3,646</b>
Amounts payable under head leases	Unsecured	Fixed	5.2	133	202	133	156	230	156
<b>Total non-current borrowings including amounts payable under head leases</b>				<b>3,771</b>	<b>3,390</b>	<b>3,749</b>	<b>3,826</b>	<b>3,468</b>	<b>3,802</b>
<b>Total borrowing including amounts payable under head leases</b>				<b>4,517</b>	<b>4,136</b>	<b>4,495</b>	<b>4,578</b>	<b>4,220</b>	<b>4,554</b>
<b>Total borrowings excluding amounts payable under head leases</b>				<b>4,382</b>	<b>3,932</b>	<b>4,360</b>	<b>4,420</b>	<b>3,988</b>	<b>4,396</b>

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

## Reconciliation of movements in liabilities arising from financing activities

	2026						At the end of the year £m
	At the beginning of the year £m	Cash flows £m	Foreign exchange movements £m	Non-cash changes			
				Other changes in fair values £m	Other changes £m		
Borrowings	4,554	(38)	2	-	(23)		4,495
Derivative financial instruments	4	(16)	(2)	11	(6)		(9)
Redemption liability	-	-	-	-	18		18
	<b>4,558</b>	<b>(54)</b>	<b>-</b>	<b>11</b>	<b>(11)</b>		<b>4,504</b>
							2025
Borrowings	3,780	401	2	(10)	381		4,554
Derivative financial instruments	(25)	(6)	11	23	1		4
	<b>3,755</b>	<b>395</b>	<b>13</b>	<b>13</b>	<b>382</b>		<b>4,558</b>

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 **£10.4bn** at 31 March 2026 (2025: £10.0bn). 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.

**14. Borrowings continued**

Syndicated and bilateral bank debt	Maturity as at 31 March 2026	Authorised		Drawn		Undrawn	
		2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m
Syndicated debt	2027-30	2,550	2,490	746	778	1,804	1,712
Bilateral debt	2026	100	100	-	-	100	100
		<b>2,650</b>	2,590	<b>746</b>	778	<b>1,904</b>	1,812

On 2 May 2025, the Group put in place a new £300m bank facility with a final maturity of November 2027. On 13 October 2025, the Group exercised extension options on the existing syndicated facilities extending maturity dates to 2028 and 2030 on the same terms. During the year ended 31 March 2026, the amounts drawn under the Group's facilities decreased by **£32m**. At 31 March 2026, the Group's committed facilities totalled **£2,650m** (2025: £2,590m). All the committed syndicated and bilateral facilities are secured on the assets of the Security Group.

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. The available financial headroom, being the total amount of cash and available undrawn facilities, net of commercial paper, at 31 March 2026 was **£1,266m** (2025: £1,101m).

**15. Provisions**

	Building and fire safety remediation £m	Transaction and contract related £m	Total £m
At 1 April 2025	23	51	74
Charge for the year	10	4	14
Utilised during the year	(1)	(20)	(21)
Reversed during the year	(3)	-	(3)
<b>At 31 March 2026</b>	<b>29</b>	<b>35</b>	<b>64</b>
Current	29	12	41
Non-current	-	23	23
<b>At 31 March 2026</b>	<b>29</b>	<b>35</b>	<b>64</b>

**16. Events after the reporting period**

On 14 April 2026, the Group restructured its £300m syndicated term loan facility on substantially the same terms and extended the final maturity to November 2028.

On 1 May 2026, the Group cancelled its undrawn £100m revolving bilateral debt facility that was due to mature in November 2026.

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 accounting return	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 2026		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
Net assets attributable to shareholders	6,537	6,537	6,537
Shortfall of fair value over net investment in finance lease book value	(6)	(6)	(6)
Other intangible asset	-	(1)	-
Fair value of interest-rate swaps	(4)	(4)	-
Shortfall of fair value of debt over book value (note 14)	-	-	359
Excess of fair value of trading properties over book value	48	48	48
Purchasers' costs <sup>(1)</sup>	640	-	-
<b>Net assets used in per share calculation</b>	<b>7,215</b>	<b>6,574</b>	<b>6,938</b>

	EPRA NRV	EPRA NTA	EPRA NDV
<b>Diluted net assets per share</b>	<b>968p</b>	<b>882p</b>	<b>931p</b>

	31 March 2025		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £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 <sup>(1)</sup>	668	-	-
<b>Net assets used in per share calculation</b>	<b>7,200</b>	<b>6,530</b>	<b>6,867</b>

	EPRA NRV	EPRA NTA	EPRA NDV
<b>Diluted net assets per share</b>	<b>964p</b>	<b>874p</b>	<b>919p</b>

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 2026	
Measure	Definition for EPRA measure	Notes	EPRA measure
EPRA earnings	Recurring earnings from core operational activity	4	£382m
EPRA earnings per share	EPRA earnings per weighted number of ordinary shares	4	51.4p
EPRA diluted earnings per share	EPRA diluted earnings per weighted number of ordinary shares	4	51.1p
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	£6,574m
EPRA Net Tangible Assets per share	Diluted Net Tangible Assets per share	4	882p
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	£6,938m
EPRA net disposal value per share	Diluted net disposal value per share	4	931p
EPRA loan-to-value (LTV) <sup>(1)</sup>	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	40.4%
<b>Table</b>			
Voids/vacancy rate	ERV of vacant space as a % of ERV of Combined Portfolio excluding the development programme <sup>(2)</sup>	17	2.0%
Net initial yield (NIY)	Annualised rental income less non-recoverable costs as a % of market value plus assumed purchasers' costs <sup>(3)</sup>	19	5.4%
Topped-up NIY	NIY adjusted for rent free periods <sup>(3)</sup>	19	6.1%
Cost ratio <sup>(4)</sup>	Total costs as a percentage of gross rental income (including direct vacancy costs) <sup>(4)</sup>	20	20.8%
	Total costs as a percentage of gross rental income (excluding direct vacancy costs) <sup>(4)</sup>	20	16.0%

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 2026	
		£m	
ERV of vacant properties			14
ERV of Combined Portfolio excluding properties under development			700
<b>EPRA vacancy rate (%)</b>			<b>2.0</b>

**Table 18: Change in net rental income from the like-for-like portfolio<sup>(1)</sup>**

	2026	2025 <sup>(2)</sup>	Change	
	£m	£m	£m	%
Office-led	262	247	15	6%
Retail-led	171	162	9	6%
Residential-led	8	8	-	-
Other assets	42	45	(3)	(4%)
	<b>483</b>	<b>462</b>	<b>21</b>	<b>5%</b>

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

2. Restated for changes in the Group's operating segments as outlined in note 3.

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

	31 March 2026
	£m
Combined Portfolio <sup>(1)</sup>	10,836
Trading properties	122
Less: Properties under development, trading properties under development and land	(1,309)
<b>Like-for-like investment property portfolio, proposed and completed developments, and completed trading properties</b>	<b>9,649</b>
Plus: Allowance for estimated purchasers' costs	573
<b>Grossed-up completed property portfolio valuation (a)</b>	<b>10,222</b>
EPRA annualised cash passing rental income <sup>(2)</sup>	635
Net service charge expense <sup>(3)</sup>	(6)
Void costs and other deductions	(73)
<b>EPRA Annualised net rent<sup>(2)</sup> (b)</b>	<b>556</b>
Plus: Rent-free periods and other lease incentives (annualised)	60
<b>Topped-up annualised net rents (c)</b>	<b>616</b>
<b>EPRA NIY (b/a)</b>	<b>5.4%</b>
<b>EPRA Topped-up NIY (c/a)</b>	<b>6.1%</b>

1. Includes owner-occupied property.

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**

	Total £m	2026 Cost ratio % <sup>(1)</sup>	Total £m	2025 Cost ratio % <sup>(1)</sup>
<b>Gross rental income (before rents payable)</b>	<b>656</b>		636	
Rents payable	(12)		(12)	
<b>Gross rental income (after rents payable)</b>	<b>644</b>		624	
Net service charge expense	(6)		(11)	
Net direct property expenditure	(77)		18	
Net other operating income	(1)		42	
Movement in bad and doubtful debts provision	2		6	
<b>Segment net rental income</b>	<b>562</b>		70	
Net indirect expenses	(62)		144	
<b>Segment profit before finance expense</b>	<b>500</b>		145	
Net finance expense - Group	(110)		133	21.7
Net finance expense - joint ventures	(8)		(18)	
<b>EPRA earnings</b>	<b>382</b>		115	18.8

<b>Gross rental income (before rents payable)</b>	<b>656</b>		636	
Costs recovered through rents but not separately invoiced	(13)		(12)	
<b>Adjusted gross rental income</b>	<b>643</b>		624	
Rents payable	(12)		(12)	
<b>EPRA gross rental income</b>	<b>631</b>		612	
<b>Direct property costs</b>	<b>£82m</b>		20	
Managed operations	10		(11)	
Tenant default	(2)		18	
Void related costs	30		42	
Other direct property costs	40		6	
<b>Net indirect expenses</b>	<b>£62m</b>		70	
Development expenditure	5		144	
Asset management, administration and compliance	61		133	21.7
<b>Total (incl. direct vacancy costs)</b>	<b>144</b>		145	
Costs recovered through rents	(13)		133	21.7
<b>EPRA costs (incl. direct vacancy costs)</b>	<b>131</b>	<b>20.8</b>	133	21.7
Less: Direct vacancy costs	(30)		(18)	
<b>EPRA (excl. direct vacancy costs)</b>	<b>101</b>	<b>16.0</b>	115	18.8

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

**Table 21: Acquisitions, disposals and capital expenditure**

				Year ended 31 March 2026	Year ended 31 March 2025
Investment properties	Group £m	Joint ventures £m	Adjustment for non-wholly owned subsidiaries <sup>(1)</sup> £m	Combined Portfolio £m	Combined Portfolio £m
<b>Net book value at the beginning of the year</b>	<b>10,034</b>	<b>608</b>	<b>(33)</b>	<b>10,609</b>	9,797
Acquisitions	75	-	-	75	724
Capital expenditure	443	2	(1)	444	486
Capitalised interest	41	-	-	41	27
Net movement in head leases capitalised	(2)	-	-	(2)	86
Disposals	(669)	-	-	(669)	(482)
Net surplus on revaluation of investment properties <sup>(2)</sup>	96	27	(1)	122	107
Transfer to non-current assets held for sale	-	-	-	-	(110)
Transfer to property, plant and equipment	-	-	-	-	(26)
<b>Net book value at the end of the year</b>	<b>10,018</b>	<b>637</b>	<b>(35)</b>	<b>10,620</b>	10,609
<b>Loss on disposal of investment properties</b>	<b>(103)</b>	<b>(1)</b>	<b>-</b>	<b>(104)</b>	(12)
<b>Trading properties</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Net book value at the beginning of the year</b>	<b>81</b>	-	-	<b>81</b>	100
Transfer to trade and other receivables	-	-	-	-	(11)
Acquisitions	-	-	-	-	10
Capital expenditure	7	-	-	7	11
Capitalised interest	1	-	-	1	1
Disposals	(30)	-	-	(30)	(26)
Movement in impairment	(3)	-	-	(3)	(4)
<b>Net book value at the end of the year</b>	<b>56</b>	-	-	<b>56</b>	81
<b>Loss on disposal of trading properties</b>	<b>(1)</b>	-	-	<b>(1)</b>	(6)
		Investment properties <sup>(3)</sup> £m	Trading properties £m	Combined Portfolio £m	Combined Portfolio £m
<b>Acquisitions, development and other capital expenditure</b>					
Acquisitions <sup>(4)</sup>		75	-	75	734
Development capital expenditure <sup>(5)</sup>		298	-	298	318
Other capital expenditure		145	7	151	179
Capitalised interest		41	1	42	28
<b>Acquisitions, development and other capital expenditure</b>		<b>559</b>	<b>8</b>	<b>566</b>	<b>1,259</b>
<b>Disposals</b>				<b>£m</b>	<b>£m</b>
Net book value – investment property disposals				<b>669</b>	482
Net book value – trading property disposals				<b>30</b>	26
Net book value – other net assets				<b>(21)</b>	(1)
Loss on disposal – investment properties				<b>(104)</b>	(15)
Loss on disposal – trading properties				<b>(2)</b>	(6)
Other				-	61
<b>Total disposal proceeds</b>				<b>572</b>	547

1. This represents the interest in Liverpool ONE that is not owed by the Group but is consolidated in the Group financial statements.

2. Whilst the Group's accounting policy is to recognise the profit/(loss) on disposal of investment properties with reference to the asset's carrying amount at the beginning of the accounting period, £22m of the balance pertains to revaluation movements arising from rental income received from 1 April 2025 to the date of disposal on the Queen Anne's Mansions office block.

3. See EPRA analysis of capital expenditure table 22 for further details.

4. Properties acquired in the year includes £14m for the acquisition of an additional 2.78% stake in Liverpool ONE through accretive debt repayment.

5. Development capital expenditure for investment properties comprises expenditure on the development pipeline and completed developments.

Table 22: EPRA analysis of capital expenditure

	Year ended 31 March 2026											
	Acquisitions <sup>(1)</sup>	Development capital expenditure <sup>(2)</sup>	Other capital expenditure				Total	Capitalised interest	Total capital expenditure – Combined Portfolio	Total capital expenditure – joint ventures (Group share)	Adjustment for non-wholly owned subsidiaries	Total capital expenditure – Group
			Incremental lettable space <sup>(3)</sup>	No incremental lettable space	Tenant improvements	£m						
<b>Office-led</b>												
West End offices	-	5	-	31	1	32	1	38	(1)	-	39	
City and Southwark offices	-	4	-	29	-	29	2	35	-	-	35	
Manchester offices	-	-	-	3	-	3	-	3	-	-	3	
Retail and other	-	-	-	8	2	10	-	10	-	-	10	
Developments	63	245	-	-	-	-	35	343	-	-	343	
<b>Total Office-led</b>	<b>63</b>	<b>254</b>	<b>-</b>	<b>71</b>	<b>3</b>	<b>74</b>	<b>38</b>	<b>429</b>	<b>(1)</b>	<b>-</b>	<b>430</b>	
<b>Retail-led</b>												
Shopping centres	-	3	7	33	12	52	1	56	2	(12)	66	
Outlets	-	-	-	11	1	12	-	12	-	-	12	
<b>Total Retail-led</b>	<b>-</b>	<b>3</b>	<b>7</b>	<b>44</b>	<b>13</b>	<b>64</b>	<b>1</b>	<b>68</b>	<b>2</b>	<b>(12)</b>	<b>78</b>	
<b>Residential-led</b>												
Developments	-	41	-	-	-	-	2	43	1	-	42	
<b>Total Residential-led</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>43</b>	<b>1</b>	<b>-</b>	<b>42</b>	
<b>Other assets</b>												
Retail and leisure parks	28	-	-	2	7	9	-	37	-	-	37	
Other	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Other assets</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>37</b>	
<b>Total capital expenditure</b>	<b>91</b>	<b>298</b>	<b>7</b>	<b>117</b>	<b>23</b>	<b>147</b>	<b>41</b>	<b>577</b>	<b>2</b>	<b>(12)</b>	<b>587</b>	
Timing difference between accrual and cash basis								(42)	3	12	(57)	
<b>Total capital expenditure on a cash basis</b>								<b>535</b>	<b>5</b>	<b>-</b>	<b>530</b>	

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 2026**

	<b>% of Group rent<sup>(1)</sup></b>
Deloitte	2.2%
BBC	2.0%
Taylor Wessing	1.7%
Qube Research & Technologies	1.6%
Inditex UK	1.6%
Verition Advisors UK	1.2%
Boots UK	1.1%
Q Park	1.1%
Cineworld	1.0%
Primark	0.9%
JD Sports Fashion	0.9%
Marks & Spencer	0.9%
	<b>16.2%</b>

1. On a proportionate basis.

**Table 24: Combined Portfolio analysis**  
**Total portfolio analysis**

	Market value <sup>(1)</sup>		Valuation movement <sup>(1)</sup>		Rental income <sup>(1)</sup>		Annualised rental income <sup>(2)</sup>		Net estimated rental value <sup>(3)</sup>	
	31 March 2026	31 March 2025 <sup>(4)</sup>	Surplus/ (deficit)	Surplus/ (deficit)	31 March 2026	31 March 2025 <sup>(4)</sup>	31 March 2026	31 March 2025 <sup>(4)</sup>	31 March 2026	31 March 2025 <sup>(4)</sup>
	£m	£m	£m	%	£m	£m	£m	£m	£m	£m
<b>Office-led</b>										
West End offices	2,930	3,124	29	1.1	152	162	136	164	192	202
City and Southwark offices	1,481	1,445	27	1.9	89	80	90	85	113	111
Manchester offices	303	258	6	2.0	25	24	28	22	30	28
Retail and other <sup>(9)</sup>	1,032	1,139	(12)	(1.2)	60	59	57	60	58	60
Developments <sup>(5)</sup>	1,273	1,108	(57)	(4.3)	1	2	-	-	91	85
<b>Total Office-led</b>	<b>7,019</b>	<b>7,074</b>	<b>(7)</b>	<b>(0.1)</b>	<b>327</b>	<b>327</b>	<b>311</b>	<b>331</b>	<b>484</b>	<b>486</b>
<b>Retail-led</b>										
Shopping centres	2,293	2,132	103	4.8	211	171	206	200	214	205
Outlets	662	627	23	3.7	53	51	49	48	54	52
<b>Total Retail-led</b>	<b>2,955</b>	<b>2,759</b>	<b>126</b>	<b>4.6</b>	<b>264</b>	<b>222</b>	<b>255</b>	<b>248</b>	<b>268</b>	<b>257</b>
<b>Residential-led</b>										
Developments <sup>(5)</sup>	318	275	0.3	0.1	12	12	11	11	27	14
<b>Total Residential-led</b>	<b>318</b>	<b>275</b>	<b>0.3</b>	<b>0.1</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>27</b>	<b>14</b>
<b>Other assets</b>										
Retail and leisure parks	544	772	5	1.0	53	73	47	67	49	66
Other	-	-	-	-	-	2	-	-	-	-
<b>Total Other assets</b>	<b>544</b>	<b>772</b>	<b>5</b>	<b>1.0</b>	<b>53</b>	<b>75</b>	<b>47</b>	<b>67</b>	<b>49</b>	<b>66</b>
<b>Combined Portfolio</b>	<b>10,836</b>	<b>10,880</b>	<b>124</b>	<b>1.2</b>	<b>656</b>	<b>636</b>	<b>624</b>	<b>657</b>	<b>828</b>	<b>823</b>
Properties treated as finance leases	-	-	-	-	(1)	(1)				
<b>Combined Portfolio</b>	<b>10,836</b>	<b>10,880</b>	<b>124</b>	<b>1.2</b>	<b>655</b>	<b>635</b>				
<b>Represented by:</b>										
Investment portfolio	10,175	10,244	98	1.0	569	585	539	575	736	735
Share of joint ventures	661	636	26	4.3	86	50	85	82	92	88
<b>Combined Portfolio</b>	<b>10,836</b>	<b>10,880</b>	<b>124</b>	<b>1.2</b>	<b>655</b>	<b>635</b>	<b>624</b>	<b>657</b>	<b>828</b>	<b>823</b>

## Total portfolio analysis

	Net initial yield <sup>(6)</sup>		Equivalent yield <sup>(7)</sup>	
	31 March 2026	Movement in like-for-like <sup>(8)</sup>	31 March 2026	Movement in like-for-like <sup>(8)</sup>
	%	bps	%	bps
<b>Office-led</b>				
West End offices	3.9	15	5.6	15
City and Southwark offices	5.0	76	6.2	6
Manchester offices	6.9	37	8.2	21
Retail and other <sup>(9)</sup>	4.7	31	4.8	(14)
Developments <sup>(5)</sup>	0.0	n/a	5.7	n/a
<b>Total Office-led</b>	<b>4.5</b>	<b>40</b>	<b>5.9</b>	<b>14</b>
<b>Retail-led</b>				
Shopping centres	7.1	(8)	7.7	(7)
Outlets	6.1	(20)	6.7	(19)
<b>Total Retail-led</b>	<b>6.6</b>	<b>(7)</b>	<b>7.1</b>	<b>(10)</b>
<b>Residential-led</b>				
Developments <sup>(5)</sup>	4.1	n/a	6.5	n/a
<b>Total Residential-led</b>	<b>4.1</b>	<b>n/a</b>	<b>6.5</b>	<b>n/a</b>
<b>Other assets</b>				
Retail and leisure parks	7.1	(44)	8.2	7
<b>Total Other assets</b>	<b>7.1</b>	<b>(49)</b>	<b>8.2</b>	<b>7</b>
<b>Combined Portfolio</b>	<b>5.4</b>	<b>15</b>	<b>6.3</b>	<b>3</b>
<b>Represented by:</b>				
Investment portfolio	5.3	n/a	6.5	n/a
Share of joint ventures	5.9	n/a	6.2	n/a
<b>Combined Portfolio</b>	<b>5.4</b>	<b>n/a</b>	<b>6.3</b>	<b>n/a</b>

## 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. Restated for changes in the Group's operating segments as outlined in note 3.
5. Comprises the development pipeline – refer to Glossary for definition.
6. Net initial yield – refer to Glossary for definition. This calculation includes all properties including those sites with no income.
7. Equivalent yield – refer to Glossary for definition. Future developments are excluded from the calculation of equivalent yield on the Combined Portfolio.
8. The like-for-like portfolio – refer to Glossary for definition.
9. Includes owner-occupied property.

**Table 25: Floor Areas<sup>(1)</sup>**

	<b>31 March 2026</b>
	<b>Million sq ft</b>
<b>Office-led</b>	
West End offices	2.4
City and Southwark offices	1.5
Manchester offices	0.9
Retail and other	1.0
Developments	0.3
<b>Total Office-led</b>	<b>6.1</b>
<b>Retail-led</b>	
Shopping centres	10.4
Outlets	1.1
<b>Total Retail-led</b>	<b>11.5</b>
<b>Residential-led</b>	
Developments	1.0
<b>Total Residential-led</b>	<b>1.0</b>
<b>Other assets</b>	
Retail and leisure parks	3.5
<b>Total Other assets</b>	<b>3.5</b>
<b>Total</b>	<b>22.1</b>

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

**Table 26: Property Income Distribution (PID) calculation**

	Year ended 31 March 2026	Year ended 31 March 2025
	£m	£m
Profit before tax per income statement	346	393
Accounting profit on residual operations	32	45
<b>Profit/(loss) attributable to tax-exempt operations</b>	<b>378</b>	<b>438</b>
<b>Adjustments</b>		
Capital allowances	(84)	(56)
Capitalised interest	(42)	(29)
Revaluation deficit/(surplus)	(122)	(117)
Tax exempt disposals	5	(18)
Capital expenditure	5	5
Other tax adjustments	113	6
REIT dividends received	(10)	(11)
<b>Estimated tax-exempt income for the year</b>	<b>243</b>	<b>218</b>
PID thereon (90%)	218	197
REIT dividends received (100%)	10	11
<b>Minimum PID to be paid</b>	<b>228</b>	<b>208</b>

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 **£2m** current tax charge (2025: £3m credit).

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 2026.

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 2026 and 31 March 2025:

	PID allocation			Dividends in excess of minimum PID	Total dividend
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Pre-31 March 2025 £m		
Dividends paid in year to 31 March 2025	-	208	-	89	297
Dividends paid in year to 31 March 2026	228	-	-	35	263
Minimum PID to be paid by 31 March 2027	-	-	n/a	n/a	-
<b>Total PID required</b>	<b>228</b>	<b>208</b>			

The Group has met all the REIT requirements, including the payment by 31 March 2026 of the minimum Property Income Distribution (PID) for the year ended 31 March 2025. The forecast minimum PID for the year ended 31 March 2026 is £228m, which must be paid by 31 March 2027. The Group has already made PID dividends relating to 31 March 2026 of £228m.

Our latest tax strategy can be found on our corporate website. In the year, the total taxes we incurred and collected were £161m (2025: £135m), of which £46m (2025: £36m) was directly borne by the Group including environmental taxes, business rates and stamp duty land tax.

# Investor information

## 1. Company website: [landsec.com](http://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 Limited  
Highdown House  
Yeoman Way  
Worthing  
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 2026 of **22.2p** 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 24 July 2026 to shareholders registered at the close of business on 19 June 2026. The last date for Dividend Reinvestment Plan (DRIP) elections will be 03 July 2026. The total dividend paid and payable in respect of the year ended 31 March 2026 is **41.2p** (2025: 40.4p).

For the year ending 31 March 2027, the Group will pay two half-yearly dividends, likely to be in January 2027 and July 2027.

## 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: <https://www.landsec.com/en/investors/investors-overview> 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.

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](http://www.shareview.co.uk).

## 7. Financial reporting calendar

	<b>2026</b>
Financial year end	31 March
Preliminary results announcement	14 May
Annual General Meeting	09 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](mailto: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 20.

## **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 accounting return (previously 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.