

Press Release

16 May 2017

Land Securities Group PLC (“Land Securities”)

Land Securities has acquired a portfolio of three outlet centres from Hermes Investment Management for £332.5 million, generating annualised net rental income⁽¹⁾ of £21.6 million.

The acquisition follows the recent disposals of The Printworks in Manchester and The Cornerhouse in Nottingham and is in line with the company’s strategy of recycling capital into family focused retail and leisure destinations.

The portfolio comprises Freeport Braintree in Essex, Clarks Village in Street, Somerset and J32 in Castleford, Yorkshire, and now establishes Land Securities as the leading owner-manager of outlets in the UK.

Scott Parsons, Managing Director Retail at Land Securities, said: “Our Retail strategy is focused on the destinations that offer the most vibrant and engaging experiences for retailers and consumers alike. Following our disposal of The Printworks and The Cornerhouse, this acquisition adds three new destinations to our portfolio, where we see potential for growth.”

Chris Taylor, Head of Private Markets at Hermes Investment Management, said: “The sale of the portfolio is an excellent result for the fund and allows us to redeploy capital into markets where we have best-in-class asset management capabilities.”

1. Annualised net passing rent at 31 March 2017

-Ends-

Notes to editors:

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Land Securities

Land Securities is the UK's largest listed commercial real estate company. Our £14.5 billion portfolio totals 23.6 million sq ft and includes some of London's most desirable office buildings and the UK's most successful shopping and leisure destinations.

In London, we own and manage a portfolio totalling more than £8.2 billion. Our relentless customer focus delivers vibrant working environments, both in our developments and through thoughtful asset management, which resonate strongly with businesses looking to attract and retain top talent. In the City, our 1.7 million sq ft of real estate includes the award-winning New Ludgate scheme, and the landmark 20 Fenchurch Street. In the West End, our expertise in placemaking and public realm has seen the transformation of Victoria, SW1 into a vibrant destination that is attracting global businesses and visitors alike.

In Retail, our commitment to creating an outstanding consumer experience, combined with the strength and resilience of our 17.5 million sq ft of assets, means we provide the space where consumers want to shop and retailers want to be, both now and in the future. Our focus on collaborating with our retailers and anticipating consumer needs not only delivers an unrivalled experience for our customers, but our footfall and sales figures consistently outperform the industry benchmarks.

Whether in offices or retail, sustainability is key to everything we do. For us, being a sustainable business means ensuring Land Securities remains healthy and successful for years to come. To achieve this we need the support of our customers, communities, partners and employees. That's why we lead the way on sustainability in the UK listed real estate sector by focusing on three key areas: creating jobs and opportunities through our award-winning Community Employment Strategy, which has put over 800 disadvantaged people into employment since 2011; efficient use of natural resources; and sustainable design and innovation.

Land Securities delivers value for our shareholders, great space for our customers and positive change for our communities.

Hermes Investment Management

We are an asset manager with a difference. We believe that, while our primary purpose is helping beneficiaries retire better by providing world class active investment management and stewardship services, our role goes further. We believe we have a duty to deliver holistic returns – outcomes for our clients that go far beyond the financial and consider the impact our decisions have on society, the environment and the wider world.

Our goal is to help people invest better, retire better and create a better society for all.

We offer clients access to a broad range of specialist, high conviction investment teams with £30.6 billion* assets under management. In Hermes EOS, we have the industry's leading engagement resource, advising on £264.2 billion* of assets.

Hermes' investment solutions include:

- Private markets – Infrastructure, private debt, private equity and real estate
- High active share equities - Asia, global emerging markets, Europe, US, global, and small and mid cap
- Credit - Absolute return, global high yield, multi strategy and global investment grade
- Multi asset - Multi asset inflation
- Stewardship – Active engagement, intelligent voting, sustainable development and advocacy

*Please note the total AUM figure includes £6bn of assets managed or under an advisory agreement by Hermes GPE LLP (“HGPE”), a joint venture between Hermes Fund Managers Limited (“HFM”) and GPE Partner Limited. HGPE is an independent entity and not part of the Hermes group. £0.1bn of total group AUM figure represents HFM mandates under advice. Source: Hermes as at 31 March 2017 with the exception of 19 portfolios using values totalling £8.2bn as at 31 December 2016.