Good morning everybody. Thanks to you all for coming up here today and taking the time out for this presentation and tour. Today’s all about Trinity Leeds. We are in a close period so I know you’ve probably got loads of questions about valuation and revenue profit and void levels - that’s sort of Group level stuff - today we can’t talk about that. We’ll update you on 15 May, so please just stick to Trinity Leeds. And with that, over to Lester.

Speaker: Lester Hampson – Head of Retail Development
Slide 2 – Welcome

Good morning, and thank you for coming to visit Trinity Leeds. We really do appreciate you giving up your time this morning. Now, I hope you'll find the day both interesting and also I hope you have a little bit of fun and maybe even a little bit of time for some shopping.

Now, I’d like to remind you of something I said last time so many of you were here. And the gist of what I said was that in the company’s retail development programme that we’re creating, we aim to create the right space in the right place and at the right time. Now, some 18 months later I’d like to revisit those words. The fact that we are so well let at opening, better than 95% either let or in solicitors’ hands, is really testimony to the fact that we absolutely had a confident and well thought out leasing strategy. The strategy made sure that we created the right space for our chosen retailers.

Now, we appreciate that it’s early days, but many of our retailers are already smashing their sales forecasts, and that’s a further proof point to the fact that we’ve created the right space. But it also leads me onto my second point which is that not only have we created the right space but we’ve created the right space in the right place.

Why do I say that? Leeds is in the centre of a strong regional economy. Today, and for the foreseeable future, Trinity will be the beating retail heart of Leeds and the region. So we have
absolutely no doubt that we are in the right location, and my proof point for this is that we are averaging about 100,000 visitors a day; just since we've opened we've had nearly 1.9, approaching two million visitors in the three weeks. We're really pleased by that number.

I also said the right time. That's maybe a little bit more difficult because times are challenging, but we have definitely developed the right scheme for our time. In a world where physical shopping is seen by some people as an unnecessary activity, we as developers, we've got to create compelling experiences that will delight our guests, the shoppers; and that will then encourage them to come back, come back again and keep coming back, and through that we will drive rental growth.

At Trinity we have approached all aspects of our development from one single point of focus and it was very simple for us, it's how do we bring a smile to the face of our shoppers? Because if they smile, whether it's due to the exceptional customer service, our great food offer, the great design, or just the sheer range of shops, they will come back, our retailers will perform well, and again, this will lead through to stronger rental growth.

I hope you'll see this morning that we are really excited about Trinity and some of our passion will hopefully rub off on you. And we look forward to telling you a little bit more about Trinity over the course of the morning and through the tour, but I hope by the end of the tour and the day that you can see why we believe that we've created something just a little bit special.

**Slide 3 – Programme & introductions**

Now, I'd like to share with you our suggested running order for the morning and introduce my fellow speakers. Now, hopefully the running order is pretty much as you anticipated, no great surprises. Gerald Jennings will kick off the presentation, followed by John Grimes, and following John will be Andrew Dudley who was responsible for delivering the project, and you'll be able to see the toll that the project has taken on Andrew when he stands up to talk to us! And finally I will conclude, prior to Q&A. So with that, can I hand over to Gerald?
Thanks, Lester, and good morning everyone, and a special welcome from me to City Exchange and to Leeds. As Lester said, my name is Gerald Jennings, I'm the Portfolio Director based in the Leeds office. I've been in Leeds for just over 28 years now and when I arrived in 1985 Leeds was very much a post-industrial northern city, and that's how it was perceived by a lot of people. And in truth, that's what Leeds was.

Fast forward a decade, 1996, Harvey Nichols arrived in Leeds city centre. It was the first Harvey Nichols outside of Knightsbridge. And that was quite game changing for the city. A year later in March 1997, we, Land Securities, opened White Rose, four miles to the southwest of the city centre.

But that was 1997, since then nothing of a game changing nature has happened in this city, until three weeks ago when Trinity Leeds opened on 21 March. And what I noticed leading up to 21 March was the sheer level of excitement that was building in the city in anticipation of a million square feet of new retail and leisure space opening. And that excitement wasn't only shared or felt by me personally and shared by all my colleagues in Land Securities, but it was clearly shared and felt by all the stakeholders in Leeds, and indeed, the wider region. And by that, I mean the business community, the consumers, the customers, the level of expectation was tremendous, and clearly also the local authority. And I truly believe we have matched that excitement in the last three weeks. And I think there's more to come.

So, what was Leeds like, and what were some of the issues, and why has Trinity Leeds in my view rectified some of the problems we had in Leeds? Leeds had this tagline of Knightsbridge of the north because Harvey Nichols came here in 1996, but in many ways it punched above its weight. Retailers here traded from compromised retail space; new retailers who wanted to come to the city couldn’t find the quality or indeed the quantity, the size of space, they wanted. Trinity Leeds has rectified that issue.
And some of our research clearly told us and evidenced to us that our own thoughts were absolutely correct, because Leeds was amongst the most in demand retail and leisure locations for all operators across the UK. It was in the top four of city’s locations that operators wanted to come, but we couldn’t match that level of demand because the supply was compromised.

As I say, Trinity Leeds has now rectified that deficit in the Leeds market, to the extent that now Leeds ranks as fifth in the top five outside of London. The spend that’s available to us, we have here as £1.2 billion, we think that’s quite a conservative estimate, we think that £1.2bn can and will be a lot higher, but that tells us the strength of available spend that’s here in the city and the region, but it’s not just about the spend, it’s about where that’s going. And what’s available to us here is a total catchment of in the order of 5.5 million people which is a massive number of people.

**Slide 6 – A significant & growing catchment**

Now, that population is actually growing. In the next eight years to 2021 the population of Leeds city itself, ignoring the wider region, the population is currently just over 750,000, but that’s projected to grow by almost 12% to 2021 to 840,000 people.

So it’s a growing city. Now, to help that growing city we clearly need homes, so as part of the Leeds development programme which they’re just about to formalise later on this year, it’s a 15 year development programme, they’ve projected the need for and the ability that they need to supply the land for another 70,000 homes in the next 15 years. So it’s a large city, it’s the third largest in fact in the UK as it stands at the moment, so it’s a large city, a large catchment, but it’s a growing population.

And I think it is a reasonably well known fact, hopefully to most people, that Leeds is the largest financial and legal sector outside of London. Someone mentioned to me the other day that there are about 8,000 accountants that you can actually trip over, if that’s the right phrase, on any one day in Leeds city centre. It depends on your attitude towards accountants, that’s either a good number or not such a good number. But in terms of the central business district which is just over there from where we’re sitting, no more than a five minute walk away, there’s over 110,000 office workers. And if you compare that to the number of office
workers in the City of London, there are some 240,000 I’m told, so Leeds has 50% of what’s in the City of London, and again I think that gives you the scale of the opportunity that we have here.

It’s always seemed to me that the education sector is not always seen as perhaps as important as I think it clearly is. Leeds, up until December last year, had two national universities, Leeds University and Leeds Metropolitan. There was a college called Trinity College which was given full university status in December last year, so we now have three national universities in Leeds. I don’t think we can claim any credit to Trinity College now being a university, but it’s a nice adjacency with Trinity Leeds’ scheme here. 200,000 students in Leeds, 35,000 graduates every year. A lot of those graduates continue to live and work in Leeds once they’ve graduated.

**Slide 7 – We know the Leeds shopper**

As part of our research we looked at three key ACORN classifications leading up to the development and the launch of Trinity Leeds. We identified Educated Urbanites, Wealthy Achievers and Secure Families as three key ACORN classifications that we wanted to attract. Three weeks in - and we’ve been conducting research on the malls every day for the last three weeks - three weeks in and it’s clear to us that we have achieved that aspiration, and personally walking round the scheme every day since it’s opened I see people in Leeds who I’ve never seen before and they predominantly tend to be people perhaps from the north of Leeds, the Harrogate, the Wetherby, the York and the slightly further north, who wouldn’t have really thought of coming to Leeds for a day’s shopping, a day’s leisure experience, because they still had this slight perception that we were still a post-industrial northern city. They’ve come and they’ve seen that Leeds has moved on and moved on by a long way. And that’s fantastic to see.

I talked about the office workers, as I say, five minutes that way, but I think it also surprises people to see that tourism effect. A lot of people wouldn’t see Leeds as a tourist destination, but that expenditure is worth over £0.5bn to Leeds every year, and that is set to grow when the new Leeds Arena opens in the summer of this year, and that’s five minutes just to the north of where we are at the moment. It’s a 13,500-seater state of the art arena, and *Billboard* magazine did an article last year looking at new arenas throughout the world and they identified 15 arenas as the ones to watch. The Leeds Arena was in that top 15, but it wasn’t
only in the top 15, it was the number one arena in the world to watch. So that’s going to be a further string to our bow and I think that will help the visit experience that we will see in Leeds in the months ahead.

**Slide 8 – Trinity Leeds – a strong start…**

So three weeks ago we opened on 21st March and how has it performed? As I say, we’ve been out on the malls every day, for the last 21 days, including today, talking to the visitor, the consumer. We’ve also been collecting basic stats such as footfall. In the first ten days we hit one million, as Lester mentioned earlier on, we had our one millionth visitor in ten days. Sometime during the course of today we will have our two millionth visitor, and it could be one of us as we walk into the scheme shortly, and if it is one of us a bell won’t ring, but it would be great if you could be a shopper as well as a visitor whilst you’re passing through.

So, two million - because we do have turnover leases which John will explain later on – so two million visitors today I think is a fantastic achievement, so that’s trending, again as Lester said earlier on, at around 100,000 people a day. But it’s not only 100,000 people coming into Trinity, because we’ve been sharing data with the local authority to see what’s been happening in the city centre, and they’ve noticed, and their data has recorded, that total visitors to the wider Leeds city centre has also grown. So we’re seeing people not only come to Trinity but also come to the city centre, and I think that’s hugely important.

Two other key facts I think that are really important to me in the first three weeks, is spend and dwell. So spend, we’re currently tracking at around £60 retail spend, I think in the packs it talks about £49 when you blend it with catering spend, but £60 in the first three weeks. So they’re coming in droves and they’re spending money and it’s the right sort of consumer coming. But they’re also staying when they come here. The dwell time up to this point is approximately 96 minutes, just over an hour and a half. So they’re coming in droves, they’re spending and they’re staying. And I think those three are hugely important factors just to bear in mind, because if we have that in three weeks’ time and we can ensure, and I’m sure we will, that that trend continues, Trinity Leeds will be set up for success, not only in the short term but the medium and the long term as well. And I’m absolutely confident that will be the case.
So, I think at that juncture I will hand over to John who will take us through our leasing strategy. Thank you. John?

**Speaker: John Grimes – Leasing Director**

**Slide 9 – Leasing Trinity Leeds**

Good morning. A great city and a great asset, and as Gerald said, much more to come. And it’s the scale of the opportunity, together with the strength of the catchment which has helped us to achieve real leasing success. When we opened on 21 March we were 90% let with an additional 5% in lawyers’ hands. So how did we achieve it? Over the next five minutes I’ll talk to you about our leasing strategy, the implementation of that strategy, I’ll talk to you about the new brands we’ve introduced to Leeds and then I’ll touch on overall leasing performance as we wrap up the leasing session.

So, to begin I’d like to share with you some of the leasing collateral and I’ve purposely chosen to show you the computer generated images, so the real material that we lease the scheme on the back of. And as you go out on site you can judge for yourself that it’s actually so much better than what I’m about to show you.

**Slide 10 – A thriving heart for the city – a beacon of retail excellence**

This is an image of our first floor with the roof which shows that the scheme itself is very light and airy with natural daylight. You’ve got the Everyman Cinema on the left hand side. On the right hand side you can see Holy Trinity Church, from which we take our name, and the catering core, the cluster of restaurants from Carluccio’s to Giraffe to Yo Sushi; and in the right corner you’ll see the Conran facility, D&D, where we will have lunch later.

**Slide 11 – 1m sq ft of shopping and leisure at the heart of the city**

This is an image of Commercial Street, the entrance coming in to Commercial Street and we like to say that we have two ground floor entrances, one as you see here with Marks & Spencer on the left hand side, DP [Dorothy Perkins] Burton on the right hand side and again you see Holy Trinity Church in the distance. You can see the Church from virtually every
aspect of the scheme. We also have a ground floor entrance coming in from Briggate, so hence two ground floors and a first floor.

Slide 12 – 46 new national & international brands

The entrance coming in from Briggate. We'll see some of the new brands that we've introduced, Apple on the right hand side, Urban Outfitters, Hollister. So really quite nice strong brand in terms of the overall positioning.

Slide 13 – Retailers growing into new space

The Briggate ground floor entrance Topshop/Topman on the right hand side who took 40,000 sq ft of additional space over and above what they currently had and River Island on the left hand side who took 18,000 sq ft.

Slide 14 – New restaurant quarter encouraging an evening economy

A new restaurant quarter. So here we have, as I mentioned earlier, the cluster of restaurants and the hook is the Everyman Cinema. What’s important to note here is that traditionally Leeds tended to shut down at 6pm there was no real evening economy so what we’ve managed to do and we’ll continue to do here is generate that sense of destination, something happening within the core of the city throughout the entire evening.

Slide 15 – Alongside the city’s heritage

And Boar Lane, again building alongside and respecting the city’s heritage. The Holy Trinity Church on the left hand side and the Botanist by Living Ventures, a new concept and on this stage also you can access the D&D restaurant from a scenic lift that goes straight to the facility on top.

Slide 16 – A focal point for shoppers to navigate to / from

Again an image of Boar Lane and a truly landmark building. You can see the Alchemist which sits at the very top of this building and the entire building is occupied by Urban Outfitters who
have taken 12,000 sq ft. Holy Trinity Church on the right hand side again respecting the city’s heritage.

**Slide 17 – Implementation of strategy**

So the successful implementation of our leasing strategy is key to attracting a vibrant retail mix. We did this by having a very clear sense of overall direction, by importantly drawing on our long established retailer relationships and by communicating and listening at all stages of that process with our retail occupiers. And here we have it. It seems quite simple in reality but the sense of purpose and staying true to that overall leasing strategy has provided us with clear success.

**Slide 18 – Albion Street, Briggate & Commercial Street**

We’ve introduced 46 new national and retail brands to Leeds within the scheme and we are right in the heart of the city centre with three of the busiest streets, Albion, Briggate and Commercial Street. In context, Albion Street runs through the centre of the scheme, Commercial Street here and Briggate which was traditionally prime retail within the city centre and the Holy Trinity Church is right here.

**Slide 19 – Urban lifestyle**

Urban lifestyle on Briggate, you can see Apple, Hollister, Victoria’s Secret who open in the Autumn, Superdry and our entrance we call this our Briggate level because we’re coming in here from Briggate, Topshop, and River [Island].

**Slide 20 – “Something for everyone”**

On the Commercial Street level, something for everyone, so a very strong sense of brands in terms of Next, Marks & Spencer, Primark, New Look, again Topshop and River [Island], trading up from Briggate.
Slide 21 – Food, fashion & film

Our first floor level where we have our cinema and we have our catering court. Again it works really well in terms of flows of people coming through and around to Trinity Kitchen which Andrew will touch upon later.

Slide 22 – Leasing performance and momentum

We started this project in August 2010 and we were 40% pre-let and our retailers demonstrated real confidence in our ability to deliver the right space, in the right place, at the right time. So what does leasing success look like in terms of Trinity Leeds? And here you have it. We got from 40% to 60% to 80% and today we're at 95%. Continuous momentum and progress throughout the entire leasing programme. We hit our rent levels with packages well below budget and with real pace throughout the entire programme. And with that I'll hand over to Andrew who you'll see has been in the wars.

Speaker: Andrew Dudley – Head of Retail Project Management

Slide 23 – Doing things differently

Good morning, no more reference to that I promise. My part of the presentation will pick up on those topic areas.

Slide 24 – Innovation and evolution

In touching on delivery and customer service I'll be describing more of an evolved approach rather than, I think, real innovation. But during my main section which will be on the digital and leisure I'll show you not only true innovation but also I think give a real insight into the future direction of big retail schemes. Finally, I'll touch on the importance of corporate responsibility and how we have raised the bar on Trinity Leeds.

Slide 25 – Control of scheme delivery

So, delivery. Just a couple of bits I want to pick up on, on this particular area. Firstly, unusually and particularly so in the market we had, we opted to negotiate with Laing
O'Rourke rather than put the construction works out to tender. We recognised we’d also certainly be able to procure a cheaper price if we went out to tender but having market tested the works we were keen the contractor had enough margin not to have to take a commercial stance when the inevitable change came in, as it does in all big retail schemes. We were also very keen to retain the knowledge Laing O'Rourke had built up over a number of years on what is after all a pretty complex project. We're talking about remodelling an existing, a live centre, a very extensive new-build all the while keeping those retailers we were joining into live as well and then ultimately connecting the two together.

The decision to negotiate gave us leverage when the inevitable change came and there was quite a bit of it. We had quite a lot of retailer change, as you do in these circumstances of retailer-friendly environment. We also added a two-storey rooftop restaurant. We added a floor to accommodate Primark and we've remodelled extensively to accommodate Trinity Kitchen. That we completed on time, within budget, and standing here today and in fact before opening, we were able to close out our final account I think gives weight to the strength of that decision.

Slide 26 – Putting the shopper first

So customer service. In retail terms, of course, the benefits of customer service are pretty obvious, we were keen to extend the good customer service so we could not only provide what the internet cannot but also provide a key point of differentiation from other schemes.

We have deliberately recruited our people as much for their attitude as for their experience. We've also made a very significant investment into the training, to reinforce the behaviours we have to have to provide exceptional personal service.

Slide 27 – Putting the shopper first

For the first time in one of our schemes we've provided a customer service lounge. The lounge gives our customers a really high quality environment to take a break from their shopping and we expect that this will increase dwell times. It will also significantly enhance the services we can offer our shoppers. Those include a concierge service, a shop and drop point, wheelchair provision, access to iPads to link to the welcome app which in turn accesses
information about our retailers and the restaurants as well as the centre’s facilities and our events programme.

**Slide 28 – Car park**

With our location next to the train station, close to the bus links and very close to the office quarter as has been described and being bang in the heart of the city centre, we always knew Trinity would be successful without a car park.

We were also aware there would be a benefit to controlling more of the customer journey, so in the last month we have completed the purchase of the 635 space Boar Lane car park. These are not new spaces to the city but controlling the tariff will allow us to turn it into a shoppers’ car park. Boar Lane is the best quality car park in the city centre and it’s only 75 metres away from our doorstep.

We won’t brand it as Trinity until it is fully refurbished and we are happy that the standard is appropriate for the Trinity scheme. Once we’ve carried out the works the car park will offer enhanced services including shop and drop, carry to car, possibly click and collect, but also we’ll include a loyalty scheme linked into people using the restaurants and the cinema as well as a cheaper evening tariff.

**Slide 29 – The most digitally enabled scheme**

The most digitally enabled scheme. For us digital has two main drivers, firstly to help our retailers communicate with the shoppers but also to help our customers experience the centre. Of course it has the added benefit of bringing in additional income.

As of today we’re absolutely confident Trinity Leeds is the most digitally enabled retail scheme delivered in the UK. The digital experience includes an embedded customer relationship system to personalise communication with our shoppers, a new mobile app, free Wi-Fi, Google product search, as well as giving shoppers a service team equipped with iPads and a unique service app. This will allow further opportunities to interact with our shoppers. The unique network of digital screens will also allow brand immersion and be part of the Trinity voice.
Slide 30 – Creating the experience

So the real key bit, the leisure and the food. As John’s already described the retail offer at Trinity Leeds is unashamedly high street/aspirational. Brand perception is undoubtedly driven by other factors and those include the quality of the design and the space, the quality of the retailer fit outs, and finally, most importantly, the quality and variety of the leisure offer and restaurant offer.

Very simply, we’re convinced that what we’ve put together is the best offer delivered so far in the UK. We have an excellent casual dining offer, already mentioned, including Carluccio’s, TGI’s, Nando’s, Yo! Sushi, as well as local independent Cielo Blanco, and whilst in itself that’s not particularly unusual, the environment we’ve provided and the quality of fit outs and space that they’ve delivered is.

Where we have really pushed the boundaries is with our high end offer and also with the sheer diversity, our absolutely on trend Trinity Kitchen concept will bring.

Slide 31 – Alchemist

At the higher end Living Ventures have brought the hugely successful and absolutely on trend Alchemist and Botanist offers into the scheme. And in addition D&D have brought two rooftop restaurants Crathouse and Angelica.

Crathouse is a white linen, fine dining offer and they’ve taken a chef from Pont de la Tour in London.

Slide 32 – Angelica

Angelica is the more casual cocktail bar and bistro restaurant, where incidentally we’ll be having lunch today and in terms of variety we’ve brought Trinity Kitchen.
Slide 33 – Trinity Kitchen

Trinity Kitchen is our urban social dining offer. It has really edgy designs. It will be home to seven independents, six of whom are taking their first operations outside of London and just by way of example those include Pho, PizzaLuxe and Notes.

Trinity Kitchen will also have space for five street food trucks. We’ll rotate those on a monthly basis to keep the offer really fresh and dynamic. Trinity Kitchen will bring our total leisure offer to 24% of the scheme. You’re already really well aware of the reasons for this increase. A good F&B increases dwell times, extends the shopping day, and of course F&B sales are growing and continue to grow when the rest of the retail market is pretty flat.

But more than that, restaurants take units where they can be successful but wouldn’t work for other retail. What they’re doing is creating destinations in those trickier locations. D&D was additional space created at rooftop level. The Botanist is semi-basement space accessed behind the Church. Wasabi on Albion Street is basement space with only a relatively small street level access. And then you've got Trinity Kitchen. We did actually have a pretty good retail offer on this MSU but we really wanted to accommodate the street food and bring the independents into the scheme, and the real key was to create a destination in this part of the scheme. It allowed us to really change the look of that particular corner of the sight, add visual drama, and of course tap into those 110,000 office workers right on our doorstep.

Slide 34 – Everyman

If you throw into the mix boutique Everyman cinema, with their first operation outside of the southeast, this is far and away their most ambitious operation, really impressive offering, and I’m hoping we’ll get a chance to stick our nose in as we go on the tour, providing a real point of differentiation for Trinity, both in terms of prominence and quality.

Slide 35 – A wider responsibility

And finally from me, our wider responsibilities. Not only is pushing the boundaries of CR the right thing to do, for us it’s good economics. As we’ve said before on a number of occasions, being seen by the local authorities we work with, or want to work with, as good people just
makes good sense. In retail in particular the planning dialogue is continual through the life of a project and being able to establish wider relationships and provide continual good news is extremely helpful.

In Leeds, not surprisingly, we’ve found the overwhelming issues of concern to the local authority were employment and training, and in particular local employment and training.

What’s given there is just a sample of all of the measures we set at the outset on the scheme. We were able to achieve over three quarters of the measures we targeted; the first time we’ve done it in this amount of detail, the first time we’ve actually measured where people working on the scheme live and come from, and the first time we’ve measured where the businesses involved in the scheme are based. So you can really track the impact on the local economy.

Whilst we were able to facilitate all the school and college visits, provide a community fund, invest in public art, it was the measurement of, and proof of, facilitation of people in work and training that really paid strong dividends for us. Over 1,000 construction jobs at peak on the scheme, and a very conservative 3,000 retailer jobs now we’ve completed.

That’s pretty much it from me. I think that’s time to hand over to Lester to look at the numbers. Thank you.

Speaker: Lester Hampson – Head of Retail Development
Slide 36 – Development metrics

Thanks Andrew. I think so far our presentation has focused upon what we’ve done as opposed to how we have done. I’m pleased by so much of what we’ve done on our innovation, our focus on the shopper, but I’m particularly pleased about the strong financial returns that we’ve been able to generate from this project.

Slide 37 – Trinity Leeds – strong returns

These strong returns are perhaps exemplified by the development yield of 7.8%. But in addition to these day one returns I think that the successful execution of our leasing strategy
has meant that we’ve developed a centre with sustainable returns, because we have secure long lease terms, as this next slide will demonstrate.

**Slide 38 – Secure income stream**

As you can see, more than 80% of our income is secured for ten years or longer. Now we are pleased that in securing this lease length profile we have not had to overindulge our retailers with excessively generous packages.

**Slide 39 – Rents and incentives**

Now, you won’t find this next slide in your pack as we’re trying to give you the most up to date numbers, but on here. Now, based upon our appraisal, and for those that are now furiously trying to work out the impact of the numbers on our revenue profit, let me help you a little bit.

The incentives were split 25% rent free and 75% capital, and approximately 78% of our capital contributions will be capitalised. And on top of that we’re amortising £6.8m of letting agent fees. And for the avoidance of doubt and clarity, the amortised amounts are actually embedded within the appraisal.

Now, we are encouraged by the average lease lengths, and also the fact that the incentive packages are coming in ever so slightly within our budget allowances. Now there are several possible explanations for this, and to some extent the presentation has already touched upon it. Leeds is a strong city. We were undersupplied as a city with the right space, which improved our negotiating position with our retailers. But what is important though is our rental levels are such that they are affordable for our retailers, and there’s room for rental growth as the next couple of slides will demonstrate.

**Slide 40 – Affordable rental level**

The important thing to notice about this slide is it’s based upon forecasts. But they do indicate that the base rent to sales ratios for a prime centre should be very affordable, and if we are right in this forecast there should be room for rental growth.
But growth can come from many aspects; more people visiting the centre as it becomes dominant, and from the population growth within the city’s catchment that Gerald has already alluded to.

We believe that Leeds is set to enjoy population growth. And our assertion is that as customers’ behaviours change the better centres will have an almost disproportionate gravitational pull, offering shoppers greater choice, better customer service, a wider range of shops, leisure and restaurant offers. In summary, prime centres such as Trinity will provide a better experience than shopping from your front room.

Trinity is in the heart of the city and we believe the centre will attract a disproportionate share of this additional spend generated by a population growth, and this also will lead through to stronger rental growth.

Shortly we’re going to embark on a tour of the centre, but prior to doing so I thought I should share a few before and after images, and also please note some of the Tweets and comments that we’ve embedded into some of these images.

So this was our raw material for the development team; this is what we started with. I quite like this one, it means that we’re retaining shoppers from going to Sheffield back to Leeds, so that’s quite good.

Again our raw material. We can just see how bad the Leeds offer was before we started Trinity.

And again it’s a CGI and I think the reality is even better, and you’ll see in a minute. But it’s nice that our tenant mix includes the little bit of delight of an ice-cream shop.

This was our sort of roofscape before we started, where you can see the church dominant in the foreground. This is now how Trinity fits within the centre of Leeds, you can see it fits almost sort of seamlessly.
I think the last person I heard say, “I will be back,” was the Terminator, and with that I think that’s a bit of a clue for me to sort of draw our presentation to a close. But before our site tour, and before we have Q&A, I would like to make a few closing points.

Perhaps start with a question. Have we created the right space in the right place and at the right time? We absolutely believe that we have. And the reason why, I think the next slide demonstrates it.

**Slide 42 – Trinity Leeds**

This photo is at 11 o’clock on our opening day, and I can assure you in the seven years that we’ve worked on the project that this is my most stressful day, just because of the sheer volume of people. Well you just need to see it; it was just phenomenal.

Now, we believe that we have created a centre which will address many of the challenges that the digital age confronts us with. We know our customers, we know how to make them smile, and we know how to talk to them. We have created a centre which few locations in the UK can better. It’s a centre that we believe will perform strongly.

We would like to move to Q&A and before we do so, if my colleagues could bring your chairs out.

If I could just introduce Alison Niven, who’s heading up as Operations Centre Director for the region. So who’d like to start with a question?
Question 1

Chris Freemantle, Morgan Stanley

I just have two questions, one on the leisure, food and beverage. Can you just clarify firstly what the share of total is for leisure, food and beverage, the total rent roll? And can you just explain how those tenants are paying per square foot compares to the more traditional retailers. So any sort of indication of how that compares on a per square foot basis would be helpful.

And then finally, just on Land Securities’ Leeds investment overall, what impact has this had on the White Rose in terms of footfall, rental tone, tenant sales, any commentary on that would be very helpful.

Answer: Lester Hampson – Head of Retail Development

I thought that was three questions!

If we just take them in order. We’ll ask Gerald to talk about White Rose, John to talk about the A3 element. But about 23%, 24% of our total space is on A3, so we view it as a very important aspect of our tenant mix. But John, rental terms?

Answer: John Grimes – Leasing Director

We started leasing our F&B at £25/foot and such was the demand for F&B that we rapidly got to £40/foot. They are all base and turnover. The turnover on F&B carries on throughout the entire period of the lease, and yes, it would, as Lester says, amount to 24% in terms of unit numbers.

Further question

We’ve done better than £40/foot then?

Answer: John Grimes – Leasing Director

Latterly we have. But in general terms £40 psf. Some of the later deals are well in excess of £40 psf.

Answer: Gerald Jennings – Portfolio Director

In terms of White Rose, clearly we were conscious that there might be an impact, so in the same way we’ve been tracking what’s been happening here since opening, we’ve been
tracking very similarly what’s been happening at White Rose. And it’s been slightly difficult for us to be precise about it because of the weather, Easter has fallen on a different week, so an actual like-for-like to be precise is quite difficult. But in our view over the last three weeks there’s actually been no discernible difference in footfall or tenant performance. And an anecdotal piece of information just to sort of evidence that, which I picked up earlier this week was in respect of Debenhams. Debenhams have a store directly opposite the Briggate entrance to our scheme here. They’ve seen an uplift in their trading performance since Trinity has opened, which is great. But at the same time they’ve reported that White Rose has continued to perform to the same level. So they’ve seen no current deflection of trade. And if Debenhams are telling us that, and as a result of the information we’ve been garnering over the three weeks, that tells us the same thing, I think that gives us confidence that they’re trading perfectly well alongside each other.

**Question 2**

**Hugo Machin, AMP Capital**

I’ve just got a quick one on the development yield. Is that yield reflective of the in-place rents at the moment or is it reflective of when those incentives burn off?

**Answer: Lester Hampson – Head of Retail Development**

That will be once the incentives have burnt off. So that’s the gross rent from the scheme divided by the total development cost.

**Further question**

What’s the in-place development yield at the moment? So with the in-place, the passing rents, at the moment?

**Answer: Lester Hampson – Head of Retail Development**

Because we’re at 95% let, or just 90 plus 95, so we’ll be 95% on the 7.8 with the burn-off to come.

**Further question**

The next question, and this is only going to be two questions, how does it work in terms of your sort of traditional anchors? Or is that something that is kind of being phased out? Do you
not have to provide big giveaways for the big stores any more in a scheme like this? Can you just give a sense of how you’ve put the scheme together with the big tenants from a pricing perspective?

**Answer: John Grimes – Leasing Director**
The nice part about the scheme is that we had the three anchors already in place, so right beside Briggate, right opposite our entrance, you’ve got Harvey Nichols, you’ve got House of Fraser and you’ve got Debenhams. They’re here already, it’s quite unique, a nice place to be.

**Question 3**
**Hemant Kotak, Green Street Advisors**
Can you give us a sense of the total square footage for all the good quality space in Leeds, so that includes things like Briggate, Albion Place, Commercial Street, Victoria Court, and anything else you want to include please?

**Answer: Gerald Jennings – Portfolio Director**
Anything else we want to include. I don’t know how far you want to draw that map out?

**Further question**
Just good quality sort of space.

**Answer: Gerald Jennings – Portfolio Director**
It would be in the order of 2.5 million square feet of prime retail in the absolute core of Leeds. If you draw the map a little bit wider it’s going closer to 4 million [sq ft].

**Further question**
Okay, so let’s just take the 2.5 million [sq ft]. If Hammerson builds out its Eastgate scheme, which I think they’ve renamed Victoria Gate, there’s two phases: there’s the first phase, which I think is about 450,000 square feet, and then the second phase which is that much more into the future, which is something like 600,000 to 900,000 square feet, which is over a million square feet. What’s the impact of each one of those phases to Trinity Leeds, which obviously is a great scheme in itself; what’s the future impact if Hammerson builds out these?
You start the word with ‘if’ so I think that’s worth remembering, if they do it. If Hammerson do build out the first phase and bring John Lewis to Leeds we’re really pleased, because it extends the catchment, brings in some additional shoppers that Trinity won’t reach. So from our perspective that would be good news. Will they build out a phase two? Well, that’s an even bigger if I think. But, Gerald, any comment?

Answer: Gerald Jennings – Portfolio Director

Well I’d just reinforce the comment, I think John Lewis coming into the city, it’s an obvious gap in the city’s retail armoury, so I think this and Oxford are the two cities that JL have prioritised for a main store. It would be hugely beneficial, there’s a big catchment, it would bring more from that catchment into Leeds. My understanding is the phase one, they’ve actually renamed Victoria Court to Victoria Gate, it’s just that section; Eastgate phase one I think will still be called Eastgate. And, yes, with a John Lewis and with 30 shops, as I understand it, it’ll be around 350,000 square feet. The benefit to Leeds, I think, of that is undeniable. I don’t think it will adversely affect Trinity at all; I think it will benefit the whole city so it will benefit ourselves because their target market will be much higher end. My understanding is they’re looking to North American and European retailers that already aren’t in Leeds or certain perhaps even the UK; so they are going for a different target audience. And if they achieve that again I think Leeds will benefit and the whole city will benefit.

I think I would also reinforce Lester’s comment that locally, if I can say this, there are not many people expecting phase two to be delivered in the way that it was conceived all those years ago.

Further question

Thank you. I think it’s clear to see that it will benefit Leeds overall. Just one last follow-up question please. Slide 40, extremely useful numbers there; the £325 million total sales that you have there, will that get diluted because of phase one for Hammerson’s scheme? If so, potentially how much would you think that would be?

Answer: Lester Hampson – Head of Retail Development

The £325m is our estimate, and that’s before we’ve opened Trinity. I think we need to come back to you once the trading has settled down probably post Christmas we can give you
some better numbers, because Victoria’s Secret opens, Primark opens so we’ll get better
data, rather than just answering on the basis of a forecast.
But if you come back slightly to what Gerald has said, if JLP come we think it will extend the
catchment and actually bring further expenditure into the city. So the dilution I think is forecast
on a forecast but I would expect JLP to actually bring more money into the city.

**Answer: Gerald Jennings – Portfolio Director**
I wouldn’t expect any dilution of those numbers actually.

**Question 4**
**Alan Carter, Investec**
Can I just ask if the average tenant incentive is roughly 16.5 months does that imply therefore
that if the balance of the scheme is let up within the current calendar year that the £29.5
million of ERV will be the full cashflow figure if we move ahead 18 months or so?

**Answer: Lester Hampson – Head of Retail Development**
Yes.

**Further question**
And secondly, within that ERV figure roughly what percentage is dependent upon turnover
rent?

**Answer: Lester Hampson – Head of Retail Development**
The £29.5m excludes all turnover rent; so that could be something to come. And the £29.5m,
if we achieve the 100% in the year that you forecast, it would be the full £29.5m.

**Question 5**
**John Hammond, Deutsche Alternative Asset Management**
What have you learnt in the three weeks that you’ve been open, and what are you going to
adjust and change? Because some of the social media, for example, the Wi-Fi I don’t think
has been phenomenally successful; and there seems to be a lot of people complaining it’s
very cold.
Answer: Lester Hampson – Head of Retail Development
I’ll ask perhaps Alison to comment upon that in a moment. But the bit I always think about when we launch a scheme, the analogy I always use within our office, it’s a bit like launching a liner – a sea liner – we’re now on sea trials. We won’t have got everything 100% right; and there will be things that we’ll tweak to make it actually 100% right. But so far I think the feedback has been pretty positive, especially from our retailers and our consumers which you’ll see from the sales figures which are coming through.

Answer: Alison Niven – Retail Operations Director, North & Scotland
We have had great feedback from retailers so far. We’ve worked hard to get that rapport with them to understand their needs very quickly. And bar none, no one is knowing a plainer way to say what else they can do for us.

The other bit that we had particularly good feedback on is things like the service interaction comments on the mall, and service in the customer service lounge as well. Typically a scheme of this size is a challenge on the signage. And shoppers are saying we can find our way in, we can find the stores we want, we can find the restaurants; and we have an ease of flow in and out. So, there is nothing at the minute that is flagging up concern.

Answer: Gerald Jennings – Portfolio Director
I just picked up one interesting fact actually: someone said we didn’t have enough bins; so I’ve actually just signed an authorisation to buy 29 extra bins the other day. So, I just thought that was quite interesting to share with you. So, something fairly simple but actually quite important to the consumer.

Further question
Although it’s public it’s quite open?

Answer: Gerald Jennings – Portfolio Director
I think there was an issue there, and if we can just address that one. People’s expectation I think was that we were creating an enclosed environmentally controlled shopping centre; a bit like the old spaceship internally facing. Some people didn’t quite understand, and perhaps we didn’t quite get that messaging 100% correct to the consumer, that it was more of an open
streetscape building on the arcade theme in Leeds. So subconsciously I think when some people came they said: where’s the heating; where are the doors? They didn’t quite get what we were delivering. And I think some of that consumer feedback is as a result of that.

But talking to people, and when you explain what we’ve actually delivered, they get it. But I think that initial feedback was as a result of their subconscious approach and understanding of what they thought we were delivering. So there’s perhaps a little bit of a message there for us in terms of how we get the message out.

Further question
And the Wi-Fi is working?

Answer: Sean Curtis – Head of Business to Business marketing, Retail Portfolio
We announced last year that we were rolling free Wi-Fi out, because frankly it’s a basic human right now in the eyes of the consumer. We did a deal with the Cloud; we’re the first landlord that have rolled it out. Trinity now completes that for all of our key assets across the UK. The biggest problem we had on launch day was that everyone in that photo tried to log on to the system at the same time. So, yes, I think the lesson learned is that we need more nodes within the scheme but the Cloud are already conducting a review. And if that means we need more to deliver that service then they’ll go in.

Further comment: Lester Hampson – Head of Retail Development
Sean, can we just have our Facebook likes, which for those who aren’t on Facebook it seems to be quite a phenomenal statistic?

Further answer: Sean Curtis – Head of Business to Business marketing, Retail Portfolio
Yes, I think we set ourselves some metrics when we were starting to launch this scheme, and I was looking at them the other week. We conservatively hoped to launch to 25,000 Facebook fans. Because there’s always an argument: does somebody want to be friends with a shopping centre? The answer is yes: as of today 82,500 people want to be friends with Trinity Leeds. It’s the biggest social media network in the city. If you put that in comparison: Westfield Stratford, has been open coming up for two years now, has 120,000. So, we’ve delivered two thirds of that in two weeks. So I think that’s incredibly powerful. When Trinity
opened it was trending number four worldwide on Twitter in terms of topics. So from a social media point of view we think we’ve got that continuation of a conversation with customers. And that ties very much into the digital strategy.

**Question 6**
**Harm Meijer, JP Morgan Cazenove**

Just a couple of questions, please. You were mentioning a Twitter comment with impact on Meadowhall. Can you comment a little bit on that, on the impact on centres like Meadowhall, Arndale and Trafford? Would you see a significant impact or just a little bit maybe just some colour on that?

**Answer: Lester Hampson – Head of Retail Development**

I’ve got a couple of – we have these updates on trading performance from the various retailers and for the weeks 1st April and 25th March – a significant number of these retailers talk about how well Trinity is outperforming Meadowhall. So when it comes back to where do we think rental growth is going to come from, we think Trinity is going to claw back customers and shoppers that have been going to the other centres. And it’s just great news for Trinity.

**Further question**

Any kind of numbers on that? Any more feeling on that? Are we talking really about massive sales been withdrawn from some of these centres? Is it 2%, 3%?

**Answer: Alison Niven – Retail Operations Director, North & Scotland**

In a couple of weeks' time we’ll do a full research that we do across our UK portfolio, and we’ll do that here as well, and we’ll ask some of these types of questions. We’ll find out where the shopper came from. And then probably towards the end of the summer we’ll have concrete data on where the shoppers are coming from.

**Answer: Lester Hampson – Head of Retail Development**

I don’t think we’re going to kill off Meadowhall or Trafford Centre with this.
Further question
I do have to ask, White Rose: shouldn’t you have sold this asset? You see the great success of Trinity; can White Rose keep up with this kind of performance that you’re going to generate? We don’t think so, so shouldn’t you have sold it because it looks like to be an underperforming asset I think in the coming years in your portfolio. I’m pushing here the angle up a bit.

Answer: Lester Hampson – Head of Retail Development
This is a presentation by the development team on Trinity. Richard, did you have a comment on that?

Answer: Richard Akers – Executive Director
I do have a comment on that. As you know, we’re always prepared to sell assets if we think they’re not going to perform. We don’t agree with you. We talked about the catchment for Leeds here, and the potential spend in the Leeds catchment and how Trinity will be retaining more of the Leeds spend within the city centre. We never thought there would be a major impact on White Rose, which has a very defined catchment and type of shopper and is very successful in that sphere. There’s a big enough pool of expenditure in Leeds to support more than one really good centre; and we own the two best shopping centres in Leeds. So we think White Rose has the potential for more performance. We submitted a planning application yesterday for more retail space, for cinema and for some restaurants we think that will take the centre forward.

Interestingly a lot of the new retail space is to expand existing retailers there. The fact that Debenhams, Primark, Marks & Spencer and Next all want more space at the White Rose centre, irrespective of what’s happened in the centre of Leeds, is testament to the fact that it’s performing well for the retailers. The rent to sales ratios are adequate or strong and we think there’s potential for growth there. So we don’t agree with you we think it’s an asset that will continue to perform.

Further question
Maybe just a last one on Trinity then and we’ll stop the debate. Just a bit of colour on evening trading, because you are now have longer opening hours trying to get this going; what is happening in the evening here that we see today?
Answer: Alison Niven – Retail Operations Director, North & Scotland
The evening trade has been particularly recent, because whilst we felt that there wasn’t an evening economy, other than the vertical drinking one at this end of the city, what we’ve actually delivered has proven that that’s been the case. Typically the evening bit is really difficult to establish in a city centre scheme. But the restaurants are telling us that the hours of eight until they then close at 11pm or beyond they are seeing covers in excess of what they would have expected. And that’s not just particular to one restaurant that’s across the whole thing. We would normally see something like 10% footfall we’re seeing anything 15%, 16%, 17% for days within that 5pm to 11pm window. And that’s of course before we open Everyman. And we know that the link between cinema and restaurant is strong one so we can only assume that that will continue to grow. And the obviously we’ve still got Trinity Kitchen to come as well. So we’re really pleased with the evening economy.

Comment: Lester Hampson – Head of Retail Development
And can I just say, on this project we came in under budget: we came in actually bang on ten o’clock when we said we were going to open it. We’re 15 minutes in delay now, so could we take the last question.

Question 7
Ryan Palecek, Kempen & Co
If I could just ask one more question about White Rose? Could you make us perhaps privy to your conversations that you would have had with your appraisers leading up to the opening of Trinity Leeds in terms of there being any downward pressure on the valuation? You could tell us what kinds of moves in valuations there were in that centre? Or if your appraisers just had a kind of wait and see attitude there?

Answer: Richard Akers – Executive Director
I think Ed very clearly said at the beginning that we are in a close period; we’re not going to talk about valuations other than Trinity.
Further question
But in terms of looking back before the close period. In terms of what they were saying a year ago as to where they were thinking: to what extent do your appraisers react to this in advance or is it something that they just say wait and see? So, what would you have said a year ago?

Answer: Richard Akers – Executive Director
Well, I’m about to tell you exactly what I did say six months ago at our interims, and that is that the White Rose did fall in value and our valuers were concerned about the impact of competition. So that has happened. And obviously what happens in the future is what I was talking about; we’re confident from where it is it will perform well for us.

Concluding comments: Lester Hampson – Head of Retail Development
Can I just reiterate: thanks from our development team, all our colleagues, for you actually giving up so much of your time to come here today.

- End -

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