

Press Release

22 July 2011

Land Securities Group PLC (“Land Securities”)

Joint statement

JOHN LEWIS TO OPEN FIRST FLEXIBLE FORMAT DEPARTMENT STORE WITH LAND SECURITIES

John Lewis has today announced it will open the first of its new flexible format department stores in Exeter city centre. A much bigger shop than the originally planned John Lewis at home, John Lewis Exeter will be located on the Sidwell Street site, owned by Land Securities, and will be open by late 2012.

John Lewis Exeter will offer the full John Lewis assortment, including fashion, beauty, electronics and nursery. The John Lewis shop will boost local employment with the creation of around 300 new jobs, 120 more than originally planned and investment in the city is also set to increase significantly, now standing at almost double the initial estimate.

Speaking about the deal Land Securities’ Development Director, Nick Davis, said: “The new John Lewis department store will significantly strengthen the city’s retail offer, improve people’s shopping experience and add vibrancy to the high street. Our strong partnership with John Lewis and Exeter City Council will benefit residents and visitors to the city and will lead to further inward investment into the city centre.”

Tim Harrison, Head of Format Development at John Lewis said, “When our landlord, Land Securities, was recently granted planning permission to release further space at the Sidwell Street site for retail use, the site matched our needs exactly for our new flexible format. We’re excited to be opening the first of these bespoke department stores in Exeter and providing shoppers in Devon and the South West with access to the full John Lewis assortment including fashion, beauty and nursery.”

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The new plans will further regenerate Exeter's city centre with John Lewis now occupying all eleven floors of the Sidwell Street site. The selling space will total 65,000 sq ft over five floors and plans include a cafe.

Andy Street, Managing Director, John Lewis said, "There is huge potential, and a clear demand from customers, for John Lewis to expand into more locations across the UK. A flexible approach to the size of the shops we open not only provides us with the opportunity to open a flagship shop in more towns and cities across the UK, but enables us to deliver the very best retail offer to each catchment, providing our customers more convenient access to a broader range of John Lewis products.

The flexible department store format is part of John Lewis's intention to significantly increase brand presence in the UK. On average John Lewis department stores have a selling space of 130,000 sq ft and 'at home' shops, around 40,000 sq ft. A more efficient shop footprint, the new format will average 65,000 to 100,000 sq ft and will allow the retailer to consider opening in locations that had not been seen to be suitable for a large traditional John Lewis branch. The retailer believes there are approximately ten locations across the UK which would support these bespoke department stores.

Reacting to the news, Exeter City Council Leader Pete Edwards, said: "This is fantastic news and a real endorsement for Exeter as the first city in the country to get John Lewis' flexible department store format. The increased investment and job creation John Lewis will bring to Exeter is tremendous and I'm sure this news will be well received not only throughout the city but across the region, further strengthening Exeter's reputation as a premier regional shopping destination."

Welcoming the news Derek Phillips, Vice President of Exeter Chamber of Commerce, said, "The significant level of job creation for Exeter's economy is outstanding news and a real boost for the city. Land Securities have remained committed to bringing investment and top brand names to Exeter and once complete, John Lewis will act as a massive draw for shoppers from across the South West."

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Land Securities has remained committed to investing in Exeter following the successful delivery of the award winning Princesshay Shopping Centre in 2007.

National statement

JOHN LEWIS ACCELERATES GROWTH PLANS WITH A NEW FLEXIBLE FORMAT

John Lewis has today announced its intention to increase its department stores' presence in the UK significantly with plans for a new, flexible format. Leveraging the business' strength as a multi channel retailer, the new format will offer a full John Lewis assortment - tailored for individual locations and complemented by its comprehensive on-line operation. The first planned shop to benefit from this, located in Exeter city centre, will open in 2012 and marks the start of an exciting new phase in the retailer's accelerated growth strategy.

This flexible department store concept will provide John Lewis with another option for showcasing a range of John Lewis products in locations throughout the country, with shops averaging 65,000 to 100,000 sq ft. The retailer has identified at least ten locations across the UK which could support these bespoke department stores.

On average, John Lewis major department stores have a selling space of 132,000 sq ft, and 'at home' shops an approximate 40,000 sq ft. The new concept model will sit between these and will allow the business to consider opening in locations that had not previously been seen to be suitable for a large traditional John Lewis branch.

The new department store in Exeter will highlight Fashion, Home and Consumer Electronics' concepts in an inspiring and contemporary setting. The flexible concept will be designed to maximise the opportunity for multi channel shopping whilst ensuring customers have access to a comprehensive John Lewis assortment in the branch.

Andy Street, Managing Director John Lewis comments, "There is a huge potential, and a clear demand from customers, for John Lewis to expand into more key locations in the UK. This new flexible approach to the size of our shops allows us to forge ahead with our growth plans

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to introduce John Lewis branches and our full-line assortment to cities and towns where we have long wanted to have a presence.”

“By bringing these growth opportunities into communities, we will be creating thousands of new jobs throughout the country. Starting early next year with the recruitment of 300 Partners (staff) for the new Exeter branch, similar numbers will be recruited at each of the ten identified locations going forward resulting in around 3,000 jobs for new Partners being created through the development of our new, flexible format.”

Street continues, “The introduction of new, flexible format branches is in addition to our 'at home' format and we aspire to have ten of these open by the end of 2012. Only recently we announced that we had plans to build an 'at home' in Ashford, Kent, to be open in autumn next year. We also remain focussed on pushing forward with our plans to open more full line department stores in new regions across the UK .”

“John Lewis is committed to continuing to invest in 'bricks and mortar', particularly as we know that new shops stimulate our brand presence and online sales in areas where we trade.”

Tim Harrison, head of format development for John Lewis says, “The concept of a flexible department store format allows us to target developments that may not have been seen previously as viable. Crucially our new approach will mean that the full John Lewis product assortment will be available to customers in many more towns and cities across the UK.”

John Lewis Exeter will open in late 2012 on the Sidwell Street site, owned by Land Securities. John Lewis initially announced plans to open an ‘at home’ shop in Exeter, but has worked with Land Securities to negotiate releasing more selling space to enable the first bespoke John Lewis department store.

Richard Akers, Land Securities’ Managing Director for Retail, says, “We're proud to have worked with John Lewis to launch this new format. It is a significant development for John Lewis, for Exeter and for the whole retail sector.”

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John Lewis is on track to open three shops in 2011, including John Lewis Stratford City in September and John Lewis 'at home' shops in Chester and Tamworth.

Ends

Notes to Editors

- A CGI is available on request.

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Land Securities is the UK's largest commercial property company and a member of the FTSE 100. The company owns and manages more than 29 million sq ft of property, from shopping centres to offices. For more information see www.landsecurities.com