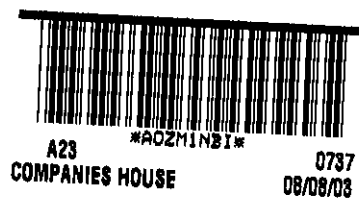


Company No. 3934761

LAND SECURITIES TRADING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2002 TO 31 MARCH 2003



LAND SECURITIES TRADING LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD FROM 1 APRIL 2002 TO 31 MARCH 2003

The directors present their report with the financial statements for the year ended 31 March 2003.

ACTIVITIES

The company has not carried out any activities during the period and has not incurred any liabilities.

DIRECTORS

The following were directors during the period:

P Cleary
N W Johnson
M McGuinness
R Nevett
F Salway (appointed 8.7.2002)
A R Strange
M R Griffiths (resigned 8.7.2002)

The interests of the directors at 31 March 2003 in the shares of the company were nil.

F Salway is a director of Land Securities Group PLC, the ultimate holding company, and his interests in that company are shown in its Report and Financial Statements for the year ended 31 March 2003.

The ultimate holding company's Register of Directors' Share and Debenture interests, which is open to inspection at its registered office, contains full details of directors' shareholdings and options.

The beneficial interests of the directors in the shares of Land Securities Group PLC and their holdings of options over shares in that company are as set out below and on page 3.

| | Interests in Ordinary Shares | | Interests in B Shares | |
|--------------|------------------------------|----------|-----------------------|----------|
| | 31.3.2003 | 1.4.2002 | 31.3.2003 | 1.4.2002 |
| P Cleary | 6974 | 5609 | 4704 | nil |
| N Johnson | 440 | 3825 | 2150 | nil |
| M McGuinness | 7158 | 7485 | 1240 | nil |
| R Nevett | 16923 | 15071 | 1481 | nil |
| A R Strange | 16386 | 18023 | 16859 | nil |

LAND SECURITIES TRADING LIMITED

**REPORT OF THE DIRECTORS FOR
THE PERIOD FROM 1 APRIL 2002 TO 31 MARCH 2003 continued**

DIRECTORS' RESPONSIBILITIES

It is the responsibility of the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss for that period. The directors are responsible for ensuring that applicable accounting standards have been followed and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements. It is also the responsibility of the directors to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

AUDITORS

The company has exercised its entitlement under the Companies Act 1985 to exempt itself from the provisions of the Act relating to the audit of accounts.

By Order of the Board



P M Dudgeon
Secretary

5 Strand
London WC2N 5AF
23 May 2003

LAND SECURITIES TRADING LIMITED
 REPORT OF THE DIRECTORS FOR
 THE PERIOD 1 APRIL 2002 TO 31 MARCH 2003

DIRECTORS (continued)

| Options over Ordinary Shares | Granted during period or since the date of appointment | | Exercised/lapsed during period or since the date of appointment | | Options at 31 March 2003 | | Exercisable dates |
|------------------------------|--|---------------------|---|------------------------|--------------------------|------------------------|-------------------|
| | No. | Grant Price (Pence) | No. | Exercise Price (Pence) | No. | Exercise Price (Pence) | |
| P Cleary | 35,000 | 812.0 | 1,232 | 672.0 | 43,000 | 835.6* | 07/2003-07/2012 |
| | 2,335 | 650.0 | 166 | 656.0 | | | |
| N W Johnson | 28,500 | 812.0 | 232 | 504.0 | 1,813 | 694.4* | 07/2003-08/2005 |
| | 2,756 | 650.0 | 1,540 | 672.0 | 33,500 | 831.2* | 09/2003-09/2012 |
| M McGuinness | 44,750 | 812.0 | | | 1,860 | 671.6* | 07/2003-07/2006 |
| | 1,640 | 650.0 | | | 54,750 | 798.4* | 07/1997-07/2012 |
| R Nevelt | 45,000 | 812.0 | | | 2,403 | 708.7* | 07/2003-08/2007 |
| | 5,236 | 650.0 | 2,321 | 504.0 | 50,000 | 847.5* | 09/2003-07/2012 |
| A R Strange | 52,250 | 812.0 | | | 4,021 | 646.7* | 07/2004-07/2009 |
| | 2,332 | | | | 58,250 | 791.6* | 07/1997-07/2012 |
| | | | | | 2,332 | 683.6* | 07/2004-07/2005 |

* weighted average exercise price

The range of closing middle market prices for Land Securities Group PLC shares during the period was 679.5p to 984.0p. The middle market price at 31 March 2003 was 732.5p.

The share options held under the 1984 and 2000 Executive Share Option Schemes, except for those shown in bold which are held under the 1983 and 1999 Savings Related Share Option Schemes. The 1984 Executive Share Option Scheme expired on 24 April 1995.

Options granted under the savings related share option scheme are exercisable at prices between 504p and 736p after three, five or seven years from the date of grant.

LAND SECURITIES TRADING LIMITED

BALANCE SHEET – 31 MARCH 2003

| | <u>2003</u> | <u>2002</u> |
|--|-------------|-------------|
| CURRENT ASSETS | £ | £ |
| Debtor | | |
| Amount owed by a group undertaking Having no fixed repayment date | <u>2</u> | <u>2</u> |
| NET CURRENT ASSETS | <u>2</u> | <u>2</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | | |
| Authorised: £1,000 divided into 1,000 ordinary shares of £1 each | | |
| Allotted and fully paid: 2 ordinary shares of £1 each | 2 | <u>2</u> |
| Equity Shareholders' Funds | <u>2</u> | <u>2</u> |

For the period ended 31 March 2003 the company was entitled exemptions under section 249AA(1) of the Companies Act 1985.

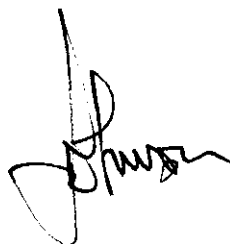
Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- i ensuring the company keeps accounting records which comply with section 221; and
- ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

DIRECTORS

N W Johnson



Approved by the Board on 23 May 2003

LAND SECURITIES TRADING LIMITED

PROFIT AND LOSS ACCOUNT

During the period the company did not trade and received no income and incurred no expenditure. Consequently, during that period the company made neither a profit nor a loss.

NOTES TO THE ACCOUNTS – 31 MARCH 2003

1. The ultimate holding company is Land Securities Group PLC which is registered in England.
2. The directors received no emoluments in respect of their services to the Company.