

Highlights

“Notwithstanding the challenging conditions which emerged in the UK property market in the second half of 2007, Liberty International has fared extremely well with record occupancy levels at our UK regional shopping centres and a tremendous contribution from our non-shopping centre business which has been completely transformed over the last 18 months and now includes such prime assets as the Covent Garden Estate in London’s West End.

We have a business of exceptional quality; a high degree of specialisation on prime retail which constitutes nearly 90 per cent of our assets; the benefits of scale; and financial strength, with a 42 per cent debt to assets ratio and long-term fixed rate debt.

The results for the year, including a 6 per cent increase in underlying profit before tax to £129 million, confirm the defensive merits of our UK regional shopping centres with resilient income streams and relatively undemanding valuation yields.

We are well placed to continue the measured growth of this high quality company.”

Sir Robert Finch
Chairman

		Year ended 31 December 2007	Year ended 31 December 2006
Net rental income	+10%	£374m	£341m
Profit before tax (underlying)*	+6%	£129m	£122m
(Deficit)/gain on revaluation and sale of investment properties		£(279)m	£587m
(Loss)/profit before tax		£(125)m	£903m
Total properties		£8,666m	£8,232m
Net debt		£3,668m	£3,063m
Net assets (diluted, adjusted)		£4,757m	£5,002m
Adjusted earnings per share	+6%	36.0p	33.9p
Dividend per share	+10%	34.1p	31.0p
Net assets per share (diluted, adjusted)**	-5%	1264p	1327p

* Before property trading, valuation and exceptional items.

** Net assets per share (diluted, adjusted) would increase by 104p per share to 1368p at 31 December 2007 (31 December 2006 – by 98p to 1425p) if adjusted for notional acquisition costs amounting to £390 million (31 December 2006 – £370 million).

Highlights (continued)

- Stability and resilience of CSC's £6.5 billion prime UK regional shopping centres
 - like-for-like net rental income growth of 3.5 per cent
 - high occupancy level of 98.7 per cent
 - 138 tenancy changes in year increasing rent roll by £7 million per annum

- Dynamic realignment of non-shopping centres and international business with £2.2 billion investment properties, including Central London ownership increased to £1.4 billion
 - consolidation of Covent Garden ownership to £664 million
 - formation of Great Capital Partnership, now with £654 million of assets (50 per cent owned)
 - £375 million Earls Court and Olympia acquisition (50 per cent owned)

- Strong relative valuation performance of Liberty International on a like-for-like basis as set out below:

	Year ended 31 December 2007	Nine months ended 30 September 2007	Six months ended 31 December 2007
– UK regional shopping centres	-3.9%	+1.7%	+2.6%
– UK non-shopping centre properties	-0.2%	+3.1%	+3.2%
– USA	+6.5%	+6.5%	+3.7%

By comparison, IPD monthly index capital returns for 2007 were minus 10.0 per cent All Property and minus 11.8 per cent Retail

- Approximately 25 basis points upward shift in valuation yields (like-for-like assets) in final quarter of 2007:

	As at 31 December 2007	As at 30 September 2007	As at 30 June 2007	As at 31 December 2006
– UK regional shopping centres	5.07%	4.82%	4.77%	4.84%
– UK non-shopping centre properties	5.18%	4.94%	4.95%	4.89%

- Net asset value per share (diluted, adjusted) reduced by 5 per cent from 1327p to 1264p, equivalent to 1368p (2006 – 1425p) adjusted for notional acquisition costs

- Total return for the year including dividends of minus 2.2 per cent

- Ten year total return (NAV increase plus dividends) of 12.4 per cent per annum compound (2006 – 15.1 per cent)

- Committed expenditure to complete current development programme around £300 million, including
 - St David's 2, Cardiff, opening Autumn 2009
 - Eldon Square South, Newcastle, opening Spring 2010

- Disposals of £340 million at £37 million surplus over 31 December 2006 book values; also, CSC's interest in MetroCentre, Gateshead reduced by 40 per cent for £426 million consideration, a £16 million surplus

- Robust financial position
 - 42 per cent debt to assets ratio
 - over £725 million cash and undrawn committed facilities
 - no significant debt maturities before 2011
 - debt mostly fixed rate and asset specific