

## **Broadgate Financing PLC**

*£225,000,000 Class A1 Floating Rate Bonds due 2032*  
*£315,000,000 Class A2 4.949 per cent. Bonds due 2031*  
*£175,000,000 Class A3 4.851 per cent. Bonds due 2033*  
*£400,000,000 Class A4 4.821 per cent. Bonds due 2036*  
*£365,000,000 Class B 4.999 per cent. Bonds due 2033*  
*£235,000,000 Class C1 Floating Rate Bonds due 2022*  
*£215,000,000 Class C2 5.098 per cent. Bonds due 2035*  
*£150,000,000 Class D Floating Rate Bonds due 2025*

### **Semi-Annual Update as at 30<sup>th</sup> September 2006**

**30 November 2006**

This semi-annual update is not, and is not accompanied by, an invitation to underwrite, subscribe or otherwise acquire or dispose of any investment, and does not advise any person to engage in one of those activities.

This semi-annual update does not, and is not accompanied by, an invitation to effect any transaction with any person, or make use of any services provided by any person.

This semi-annual update is not, and is not accompanied by, any inducement.

This semi-annual update does not refer to, and is not accompanied by, a reference to any price of any investments or any yield on any such investments.

## Overview

Broadgate is the premier City of London estate. It is 100% owned by British Land. It comprises 15 office buildings and related retail, leisure and ancillary space totalling over four million sq ft of space.

Further details on the estate itself can be found at [www.britishland.com](http://www.britishland.com)

## Quarterly Report

Quarterly reports giving details of payments of principal interest together with calculations of gross and net coverage ratios are provided on the British Land website.

## Asset Performance

For half-year ended:	30 <sup>th</sup> September 2006
Valuation:	£3.44 billion
Net initial yield:	5.0% <sup>1</sup>
Rent per annum:	£149.4m
Contracted Reversionary Income per annum:	£178.7m
Average contracted rent p.s.f. (office space/ excluding vacancies):	£46.92
Average headline ERV p.s.f. (office space):	£40.00-£50.00
Vacancy rate:	2.0%

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<sup>1</sup> Assumes top up of rent free periods and guaranteed minimum uplifts to first review

## Rent Reviews

6 rent reviews were settled during the six months to 30<sup>th</sup> September 2006 on 324,294 sq ft, with a combined rent of £17.5m on offices.

Principal rent reviews settled were:

Building	Tenant	Sq Ft	New Rent psf	Old Rent psf
Exchange House	Herbert Smith	230,262	£54.80	£54.80
155 Bishopsgate	Bank Of Scotland	38,449	£50.63	£50.63
6 Broadgate	Williams de Broe	23,134	£46.54	£46.54

No office reviews were outstanding at 30 September 2006.

## Lease Renewals/ Breaks

In April 2006 Baring Investment Services surrendered a lease over 38,040sq ft at 155 Bishopsgate. A premium of £8.1m was received in respect of this surrender, this amount is retained in the rental receipts account and is released in line with the amount of rent which would have been payable under the lease. This accommodation is in process of being refurbished prior to re-letting.

## New Lettings

During the six months to 30 September 2006, a new letting totalling 6,790 sq ft was concluded with Legg Mason at 10 Exchange Square.

## Financial Summary

Market Value of Mortgaged Properties <sup>1</sup>	£3,440m
Net Annual Rents receivable <sup>1</sup>	£149.4m

## Debt Outstanding<sup>2</sup>

	£'m
AAA	1,104.2
AA	365.0
A	450.0
BBB	144.75
Total	<b>2,063.95</b>

## Interest Payable<sup>3</sup>

	£'m
AAA	54.1
AA	18.2
A	23.6
BBB	8.3
Total	<b>104.2</b>

## Amortisation Payable<sup>3</sup>

	£'m
AAA	6.4
AA	-
A	-
BBB	3.0
Total	<b>9.4</b>

## Interest Cover Ratios<sup>3</sup>

AAA	2.71
AA	2.04
A	1.54
Total	<b>1.42</b>

## DSCR Ratios<sup>3</sup>

AAA	2.43
AA	1.87
A	1.45
Total	<b>1.30</b>

## LTV Ratios

AAA	32.10%
AA	42.71%
A	55.79%
Total	60.00%

1. Market values and net annual rents receivable are as at 30<sup>th</sup> September 2006 and are provided by Knight Frank.
2. Debt outstanding is at 5<sup>th</sup> October 2006, the last interest payment date.
3. Interest in respect of Fixed Rate Bonds is annualised based on interest paid on the next interest payment date, 5<sup>th</sup> October 2006.

Interest in respect of Floating Rate Bonds is calculated using the closing balance (after amortisation) on the last interest payment and fixed annual interest rate payable under the interest rate swap transactions which protect against interest rate risk arising from those Floating Rate Bonds.

Amortisation for all bonds is annualised based on amortisation paid on last interest payment date, 5<sup>th</sup> October 2006.