

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 September 2013

04 December 2013

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.

Background

On 2 March 2005 Broadgate Financing PLC issued £2.080 billion of bonds (of which £1.777 billion is currently outstanding) backed by the rental income from Broadgate, the premier City of London estate.

On 3 November 2009 The British Land Company PLC (“British Land”) formed a joint venture, Bluebutton Properties Limited (“Bluebutton”), with Blackstone Group LP funds to hold the Broadgate Estate, including the currently securitised assets.

As a consequence of the transaction, Broadgate Financing PLC is now an indirect subsidiary of Bluebutton.

Further details on the estate itself can be found on the British Land website at <http://www.britishland.com/our-properties/offices.aspx#/featured/BROAD>

Quarterly Report

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

<http://www.britishland.com/investors/overview/joint-ventures-funds/broadgate-financing-plc.aspx>

Asset Performance

For period ended:	30 September 2013
Valuation:	£2.793 billion
Net Initial Yield (topped up):	6.2% ¹
Gross Passing Rent per annum:	£154.3m
Gross Contracted Rent per annum:	£177.7m
Average contracted rent psf (office space/ excluding vacancies):	£47.80 psf
Average headline ERV psf (office space):	£45.95 psf
Vacancy rate:	3.2%

¹ Assumes top up of rent free periods, after purchasers' costs.

Overview of the six month period to 30 September 2013

New Lettings

Dorsey & Whitney have taken 10,813 sq ft on Level 10 at 199 Bishopsgate at £49.50 psf, with a 17 months' initial rent free period on a 10 year lease with 7 year break (plus a further 7 months' rent free if the break is not exercised).

SAS Software have taken 14,427 sq ft on Level 7 at 199 Bishopsgate at £48.50 psf, with 12 months' initial rent free on a 10 year lease with 5 year break (plus a further 12 months' rent free if the break is not exercised).

RBB Economics have taken 9,211 sq ft on Level 11 at 199 Bishopsgate at £52.50 psf with 26 months' rent free on a 10 year lease.

SOM have taken 11,271 sq ft on Level 4 at Broadgate Tower at £40.00 psf with 12 months' initial rent free, 10 year lease with 5 year break (plus additional 12 months' rent free if break not exercised).

ETX Capital have taken 9,066 sq ft of un-refurbished space on part ground floor at 1 Broadgate at £30.00 psf, with a 15m rent free period, and 5.5 year term certain coterminous with until January 2019.

Royal Mail have taken 46,138 sq ft of un-refurbished space on Level 1 at 1 Broadgate at £32.50 psf, with a 12m rent free period, and 5.5 year term certain until January 2019.

Precise Media have taken 25,360 sq ft of un-refurbished space on Part Level 2 at 1 Broadgate at an average rent of £29.50 psf, with 18 months' rent free, 5.5 year term until January 2019.

GF Securities have taken 7,743 sq ft of un-refurbished space on part Ground Floor at 1 Broadgate at £31.50 psf, 13.5 months' rent free, 5.5 year term certain until January 2019.

Oliver Bonas have taken 1,541 sq ft at Units 5 and 6, 100 Liverpool Street at £150,000 pa with 3 months' rent free on a 5 year lease with mutual rolling break in year 3.

Monsoon have taken a lease renewal of 2,267 sq ft at Unit 1, 100 Liverpool Street at £200,000 pa for year one, subject to a turnover rent thereafter. This is for a 5 year term subject to break at year 3.

Lease Restructurings

Allianz have taken 28,907 sq ft on Levels 5 and 6 at 199 Bishopsgate on 15 year lease terms from 1 January 2014 at £54.00 psf with no initial rent free, subject to the simultaneous surrender of the RCM (UK) Limited lease at Part Level 1, 155 Bishopsgate.

Rent Reviews

Nil uplifts have been agreed on rent reviews with Mayer Brown, LBBW, Deutsche Bank, Herbert Smith Freehills and UBS.

Additional Information

On the 7 November 2013, Standard & Poor's lowered its long and short term counterparty credit ratings on the National Westminster Bank PLC, the Account Bank, from 'A/A-1' to 'A-/A-2'.

On the 7 November 2013, Standard & Poor's lowered its long and short term counterparty credit ratings on The Royal Bank of Scotland PLC (RBS), the Liquidity Bank, from 'A/A-1' to 'A-/A-2'.

Discussions are being held with the relevant parties to agree on the required course of action for both bank downgrades.

Financial Summary

Market Value of Mortgaged Properties ¹	£2,793m
Annual Rents receivable ¹	£154.3m

Debt Outstanding²

Class	£'m
A	1,044.58
B	365.00
C	337.40
D	30.00
Total	1,776.98

Interest Payable^{3, 4}

	£'m
A	51.2
B	18.2
C	17.6
D	1.7
Total	88.7

Amortisation Payable³

	£'m
A	23.7
B	0.0
C	21.0
D	3.0
Total	47.7

Interest Cover Ratios^{3, 4}

A	2.99
B	2.21
C	1.77
Total	1.73

DSCR Ratios^{3, 4}

A	2.05
B	1.65
C	1.17
Total	1.13

LTV Ratios

A	37.40%
B	50.47%
C	62.55%
Total	63.63%

1. Market values and annual rents receivable are as at 30 September 2013. Market values are provided by Knight Frank, external valuer to Broadgate Financing PLC.
2. Debt outstanding is at 5 October 2013, the last interest payment date.
3. Interest in respect of Fixed Rate Bonds is annualised based on interest paid on the last interest payment date, 5 October 2013.

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 the bonds represents the actual amortisation to be paid over the four interest payments dates subsequent to the 5 October 2013 interest payment.

4. Step-up Margins are excluded from interest calculations.