

## **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*

### **Annual Update as at 31<sup>st</sup> March 2005**

**25<sup>th</sup> May 2005**

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

This 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.

In February 2005, Broadgate Financing PLC issued £2.08 billion of bonds backed by the 15 properties comprised in the estate.

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 year ended:	31 <sup>st</sup> March 2005
Valuation:	£2,838 billion
Net initial yield:	5.85%*
Rent per annum:	£150.9m
Contracted Reversionary Income per annum:	£177.3m
Average contracted rent p.s.f. (office space/ excluding vacancies):	£46.75
Average ERV p.s.f. (office space):	£37.50
Vacancy rate:	2.7%

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\* Excluding 10 Exchange Square which was recently completed and is valued on an equivalent yield basis due to vacant space

## Rent Reviews

8 rent reviews were settled during the year on 976,000 sq ft, with a combined rent of £42.7m at no uplift.

Principal rent reviews settled were:

Building	Tenant	Sq Ft	New Rent psf	Old Rent psf
100 Liverpool Street	UBS	242,000	£44.97	£44.97
8 Broadgate	UBS	112,500	£44.92	£44.92
135 Bishopsgate	Natwest/ RBS	324,000	£42.50	£42.50
Broadwalk House	Credit Lyonnais	159,000	£42.62	£42.62
6 Broadgate	Lehman Bros	89,000	£44.14-£44.75	£44.14-£44.75

11 office reviews are outstanding on 313,000 sq ft, with an average passing rent of £42.77 psf.

Principal reviews outstanding are:

Building	Tenant	Sq Ft	Passing Rent psf
Broadwalk House	Ashurst Morris Crisp	116,000	£38.67 - £40.00
Broadwalk House	Prebone Marshall	43,900	£43.54
155 Bishopsgate	Sumitomo	48,900	£44.00

## Lease Renewals/ Breaks

In August 2004, the lease renewal with Foreign and Colonial at Exchange House was concluded with the lease extended to December 2020 in return for a rent-free period

## New Lettings

During the year new lettings were concluded with Ambac at 6 Broadgate (12,600 sq ft), HBOS at 155 Bishopsgate (38,600 sq ft) and Western Asset Management at 10 Exchange Square (25,200 sq ft).

## Financial Summary

Market Value of Mortgaged Properties <sup>1</sup>	£2,838m
Net Annual Rents receivable <sup>1</sup>	£150.9m

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

	£'m
AAA	1113.5
AA	365.0
A	450.0
BBB	149.2
Total	<b>2,077.7</b>

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

	£'m
AAA	54.5
AA	18.2
A	23.6
BBB	8.5
Total	<b>104.8</b>

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

	£'m
AAA	5.9
AA	-
A	-
BBB	3.0
Total	<b>8.9</b>

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

AAA	2.72
AA	2.05
A	1.55
Total	<b>1.43</b>

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

AAA	2.46
AA	1.90
A	1.46
Total	<b>1.32</b>

## LTV Ratios

AAA	39.24%
AA	52.10%
A	67.5%
Total	<b>73.21%</b>

1. Market values and net annual rents receivable are as at 31<sup>st</sup> March 2005 and are provided by ATIS Weatherall.
2. Debt outstanding is at 5<sup>th</sup> March 2005, the last interest payment date.
3. Interest in respect of Fixed Rate Bonds is annualised based on interest expected to be paid on the next interest payment date, 5<sup>th</sup> June 2005.

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> March 2005.

