

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 2009

4 December 2009

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

On 2 March 2005 Broadgate Financing PLC issued £2.080 billion of bonds backed by the rental income from Broadgate, the premier City of London estate. This semi-annual report covers the six month period to 30 September 2009.

Further details on the estate itself can be found on the British Land website at http://www.britishland.com/property/london_offices/broadgate

Joint Venture

On 3 November 2009 The British Land Company PLC ("British Land") completed on the formation of a joint venture with Blackstone Group LP for its holdings in Broadgate, including the currently securitised assets. Under the terms of the joint venture BRE/Brick Limited, which is owned by Blackstone Real Estate Partners Europe III and Blackstone Real Estate Partners VI, acquired a 50% indirect interest in British Land Broadgate 2005 Limited.

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 period ended:	30 September 2009
Valuation:	£1.732 billion
Top up Net initial yield:	8.31% ¹
Passing Rent per annum:	£150.3m
Contracted Rent per annum (including fixed uplifts):	£151.0m
Average contracted rent p.s.f. (office space/ excluding vacancies):	£46.80 psf
Average headline ERV p.s.f. (office space):	£37.09 psf
Vacancy rate:	7.21%
Eligible investments held:	£229.0m
Lease surrender deposit:	£16.7m

¹ Assumes top up of rent free periods and guaranteed minimum uplifts to first review after purchasers' costs.

Rent Reviews

During the 6 month period to 30 September 2009, three rent reviews to Ashurst were settled with a minimum uplift in rent of £500,000. Ashurst LLP occupy 78,654 sq ft, at Broadwalk House and agreed to the minimum uplift in lieu of assigning their leases to the Ashurst LLP.

Additionally, six office and two retail rent reviews were settled at a nil increase.

3 office reviews are outstanding as at 30 September 2009 on 708,162 sq ft of accommodation, with a passing rent of £30,051,556 per annum equating to an overall office rent of circa £42.44 per sq ft. The salient details of the outstanding reviews are outlined below:

Property/Tenant	Rent Review Date	Passing Rent	Net Effective ERV (at Rent Review Date)
100 Liverpool St UBS	30.12.2008	£11,061,110	£9,812,655
8-10 Broadgate UBS	30.12.2008	£5,136,303	£4,511,181
135 Bishopsgate RBS	10.02.2009	£13,854,143	£13,283,861

Lease Renewals

Three retail lease renewals transacted in the past six months, providing a renewed rent of £66,667 per annum, which is an uplift of £4,167 per annum.

New Lettings

Regus have taken the remaining vacant office space inherited from Lehmans at 1 Broadgate, amounting to 7,437 sq ft with a further 5,905 sq ft under option. Regus are paying a headline rent of £118,992 per annum. The Swatch Group have taken 194 sq ft of retail space in Unit 3 of 100 Liverpool Street for a 10 year term (with a break option after the 5th year) at a rent of £45,000 per annum.

Additionally, eight temporary lettings have been agreed on part 3rd floor of 4 Broadgate. The lettings total 16,666 sq ft and have a combined net rent of £271,275 per annum. Another tenant is under offer on 2,086 sq ft of space on the 3rd floor of 4 Broadgate at a net rent of £33,376 per annum.

Financial Summary

Market Value of Mortgaged Properties ¹	£1,732m
Net Annual Rents receivable ¹	£150.3m
Cash collateral ⁴	£229.0m
Cash collateral release ⁴	£19.4m
Lease surrender deposit ⁵	£16.7m
Lease surrender deposit release ⁵	£8.4m

Debt Outstanding²

	£'m
AAA	1,082.91
AA	365.00
A	415.73
BBB	98.25
Total	1,961.89

Interest Payable³

	£'m
AAA	53.1
AA	18.2
A	21.8
BBB	5.6
Total	98.7

Amortisation Payable³

	£'m
AAA	7.7
AA	0.0
A	19.6
BBB	18.0
Total	45.3

Interest Cover Ratios^{3,4,5}

AAA	3.32
AA	2.48
A	1.90
Total	1.79

DSCR Ratios^{3,4,5}

AAA	2.90
AA	2.24
A	1.47
Total	1.23

LTV Ratios^{4,5}

AAA	48.34%
AA	69.41%
A	93.41%
Total	99.09%

1. Market values and net annual rents receivable are as at 30 September 2009. Market values are provided by Knight Frank, external valuer to Broadgate Financing PLC.
2. Debt outstanding is at 5 October 2009, 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 2009.

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 October 2009.

4. Cash collateral held at 5 October 2009. Cash collateral release is the amount scheduled to be released from the collateral on the next four interest payment dates. Interest cover, DSCR and LTV ratios include the value of cash collateral/release.
5. Henderson surrender cash deposit held at 5 October 2009. Cash is released in accordance with amounts which would have been payable under the terms of Henderson's lease absent the surrender. Interest cover, DSCR and LTV ratios include value of cash collateral/release.