

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 2011

1 December 2011

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 £1.870 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/index.asp?pageid=157>

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.

Asset Performance

| | |
|---|----------------------|
| For period ended: | 30 September 2011 |
| Valuation: | £2.650 billion |
| Net Initial Yield (topped up): | 6.4% ^{1, 2} |
| Gross Passing Rent per annum: | £166.0m |
| Gross Contracted Rent per annum ¹ : | £172.9m |
| Average contracted rent psf (office space/ excluding vacancies): | £47.65 psf |
| Average headline ERV psf (office space): | £44.35 psf |
| Vacancy rate: | 2.4% |

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

² For Standing Investments, thus excludes 199 Bishopsgate - currently under refurbishment.

Overview of the six month period to 30 September 2011

New Lettings

William Blair International have taken level 17 at the Broadgate Tower amounting to 12,993 sq ft on a new 10.5 year lease with a break after year 5, paying a headline rent of £701,622 per annum.

Alpari have taken level 5 west at 201 Bishopsgate amounting to 10,118 sq ft on a 12.3 year lease with a 8.3 year break paying a headline rent of £435,074 per annum.

The Coffeesmith Collective have taken 704 sq ft of retail space in Unit 8&9 at 201 Bishopsgate paying a rent of £25,000 pa on a 15 year lease with a break after year 5.

Lease Restructurings

A number of lease variations were completed with UBS when conditional contracts were exchanged to construct UBS a new building known as 5 Broadgate, comprising a total of c.700,000 sq ft. The material amendments were the extensions of the terms certain of the leases at 100 Liverpool St and 8-12 Broadgate from September 2013 to September 2015. However, if the conditions precedent of the agreement for leases for 5 Broadgate are satisfied, then the terms certain of the leases at 1-2 Finsbury Avenue and 100 Liverpool St and 8-12 Broadgate will be extended until at least 18 months after the new building's readiness date.

In addition, subsequent to the agreement for leases exchanging for UBS at 5 Broadgate, a further lease re-structuring has been completed at 3 Finsbury Avenue. This involved the removal of the UBS break option in September 2015, providing an additional 3 years' term certain until the next break in September 2018 and the June 2017 rent review being waived should UBS exercise their 2018 break. The rent is to be reduced by £70,000 per annum to account for the part surrender of the ground floor for a new retail unit. A market incentive was paid.

Sumitomo have surrendered 21,000 sq ft on level 3 of 155 Bishopsgate with their subtenant Tullet Prebon taking a direct relationship with the landlord resulting in an increase in rent of £176,405 per annum to lease expiry in Jul 2019. A market incentive was paid to Sumitomo to surrender their interest.

Rent Reviews

During the 6 months to 30 September 2011, rent reviews have been completed at Exchange House with Herbert Smith and Societe Generale as well as at 10 Exchange Square with Close Asset Management and Legg Mason at 10 Exchange Square. All are at nil increase.

Additional Information

On 13 October 2011 the long-term Issuer Default Rating and Senior Unsecured Debt rating of The Royal Bank of Scotland plc (RBS), the Liquidity Bank, were downgraded by Fitch from AA- to A, and the short-term Issuer Default Rating was downgraded from F1+ to F1.

Fitch's Counterparty Criteria for Structured Finance Transactions states that a counterparty with ratings of at least 'A'/F1' is generally eligible to support the ratings of transactions up to 'AAAsf'.

On 11 November 2011 Fitch reported that it does not expect to take rating action on Broadgate Financing plc following the downgrade of RBS.

On 29 November 2011 the long-term ratings of The Royal Bank of Scotland plc (RBS), the Liquidity Bank, were downgraded by Standard & Poors (S&P) from A+ to A. The short-term rating was unchanged, at A-1. The Issuer highlights that under S&P's revised Counterparty Criteria (6 December 2010, effective 17 January 2011), transactions up to an AAA rating are able to be supported by an 'A' long term rating with an 'A-1' short term rating.

On 29 November 2011 the long-term ratings of National Westminster Bank plc (NatWest), the Account Bank, were downgraded by Standard & Poors from A+ to A. The short-term rating was unchanged, at A-1. The Issuer highlights that under S&P's revised Counterparty Criteria (6 December 2010, effective 17 January 2011), transactions up to an AAA rating are able to be supported by an 'A' long term rating with an 'A-1' short term rating.

Financial Summary

| | |
|---|---------|
| Market Value of Mortgaged Properties ¹ | £2,650m |
| Annual Rents receivable ¹ | £166.0m |

Debt Outstanding²

| Class | £'m |
|-------|-----------------|
| A | 1,066.48 |
| B | 365.00 |
| C | 376.56 |
| D | 62.25 |
| Total | 1,870.29 |

Interest Payable³

| | £'m |
|-------|-------------|
| A | 52.3 |
| B | 18.2 |
| C | 19.7 |
| D | 3.6 |
| Total | 93.8 |

Amortisation Payable³

| | £'m |
|-------|-------------|
| A | 8.6 |
| B | 0.0 |
| C | 19.6 |
| D | 18.0 |
| Total | 46.2 |

Interest Cover Ratios³

| | |
|-------|-------------|
| A | 3.15 |
| B | 2.34 |
| C | 1.83 |
| Total | 1.76 |

DSCR Ratios³

| | |
|-------|-------------|
| A | 2.71 |
| B | 2.09 |
| C | 1.4 |
| Total | 1.18 |

LTV Ratios

| | |
|-------|--------|
| A | 40.24% |
| B | 54.02% |
| C | 68.23% |
| Total | 70.57% |

1. Market values and annual rents receivable are as at 30 September 2011. Market values are provided by Knight Frank, external valuer to Broadgate Financing PLC.
2. Debt outstanding is at 5 October 2011, 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 2011.

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 2011.