

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 2015

04 December 2015

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 £1.679 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 became an indirect subsidiary of Bluebutton.

On 24 December 2013 British Land and GIC, Singapore’s sovereign wealth fund, announced a strategic partnership for Bluebutton. This follows GIC’s agreement to acquire the 50% interest in Bluebutton owned by Blackstone Real Estate Partners Europe III and Blackstone Real Estate Partners VI which completed on 14th February 2014.

On 24 March 2015, British Land and GIC, the 50:50 owners of Broadgate, announced the establishment of Broadgate REIT Limited, a real estate investment trust as the new holding company for their joint venture. This will not involve any change to either party's economic interest in Broadgate (or the joint venture).

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

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/strategic-partnerships/broadgate-financing-plc.aspx>

Asset Performance

For period ended:	30 September 2015
Valuation:	£3.615 billion
Net Initial Yield (topped up):	4.9% ¹
Gross Passing Rent per annum:	£176.9m
Gross Contracted Rent per annum:	£184.9 m
Average contracted rent psf (office space/ excluding vacancies):	£47.91 psf
Average headline ERV psf (office space):	£59.03 psf
Vacancy rate:	0.7%

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

Overview of the six month period to 30 September 2015

New Lettings

During the period, three retail kiosks at 1-2 Broadgate were let to Press, Wasabi and EAT at rents of £27,500 pa, £100,000 pa and £85,000 pa respectively. All three are now on leases to January 2019.

Kiosk 2 at Broadgate Circle was let during the period to Street Kitchen at £75,000 pa on a 7 year lease together with 7 months' rent free.

There were no completed office lettings in the period.

Lease Restructurings

The lease to the Geronimo Inns public house at 1 Appold Street was restructured during the period. The rent increased to £195,000 pa (an uplift of £62,500 pa) and the leases extended to expire in December 2023, rather than February 2018.

Rent Reviews

The outstanding rent reviews with Regus on Level 12 and Liquidnet on Level 21 at Broadgate Tower were both settled at £49 psf (£636,412 pa and £593,635 pa respectively).

Additional Information

At 100 Liverpool Street, we already have planning permission for a 517,000 sq ft redevelopment, but are looking to enhance the design with additional retail, food and beverage space.

We have received a resolution to grant planning consent on 1 Finsbury Avenue for a 303,000 sq ft redevelopment including 20,000 sq ft of retail at ground level.

We are also looking at the potential to further extend and enhance 2-3 Finsbury Avenue.

Financial Summary

Market Value of Mortgaged Properties ¹	£3,615m
Annual Rents receivable ¹	£176.9m

Debt Outstanding²

Class	£'m
A	996.5
B	365.0
C	293.9
D	24.0
Total	1,679.4

Interest Payable^{3, 4}

	£'m
A	48.8
B	18.2
C	15.3
D	1.4
Total	83.7

Amortisation Payable³

	£'m
A	25.0
B	0.0
C	22.4
D	3.0
Total	50.4

Interest Cover Ratios^{3, 4}

A	3.60
B	2.62
C	2.14
Total	2.10

DSCR Ratios^{3, 4}

A	2.38
B	1.91
C	1.36
Total	1.32

LTV Ratios

A	27.57%
B	37.67%
C	45.80%
Total	46.46%

1. Market values and annual rents receivable are as at 30 September 2015. Market values are provided by Knight Frank, external valuer to Broadgate Financing PLC.
2. Debt outstanding is at 5 October 2015, 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 2015.

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 2015 interest payment.

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