

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 March 2014

04 June 2014

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.

Background

On 2 March 2005 Broadgate Financing PLC issued £2.080 billion of bonds (of which £1.754 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.

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/overview/joint-ventures-funds/broadgate-financing-plc.aspx>

Asset Performance

| | |
|---|-------------------|
| For period ended: | 31 March 2014 |
| Valuation: | £2.922 billion |
| Net Initial Yield (topped up): | 5.9% ¹ |
| Gross Passing Rent per annum: | £168.3m |
| Gross Contracted Rent per annum: | £177.2m |
| Average contracted rent psf (office space/ excluding vacancies): | £47.73 psf |
| Average headline ERV psf (office space): | £49.11 psf |
| Vacancy rate: | 3.3% |

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

Overview of the six month period to 31 March 2014

New Lettings

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.

Adapt have taken 4,776 sq ft on part level 18 at Broadgate Tower at £60.72 per sq ft on a 10 year lease, 5 year break and 12 months' rent free.

ETC Venues have taken a sublease and reversionary lease on 20,894 sq ft at part level 1 of 155 Bishopsgate at a reversionary rent of £41.50 per sq ft from 2019 to 2025, subject to no rent free from the landlord.

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

UBS rent reviews at 8-10 Broadgate and 100 Liverpool Street were settled at nil uplift.

Virgin active rent review at 1 Appold Street settled at £1,048,990 p.a. (equivalent to a 20% increase in passing rent) reflecting the minimum uplift as at 8th June 2013.

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'.

Following discussions with the relevant parties it was agreed that no further action was required, with the situation continuing to be monitored.

Financial Summary

| | |
|---|---------|
| Market Value of Mortgaged Properties ¹ | £2,922m |
| Annual Rents receivable ¹ | £168.3m |

Debt Outstanding²

| Class | £'m |
|--------------|-----------------|
| A | 1,032.79 |
| B | 365.00 |
| C | 327.60 |
| D | 28.50 |
| Total | 1,753.89 |

Interest Payable^{3, 4}

| | £'m |
|--------------|-------------|
| A | 50.6 |
| B | 18.2 |
| C | 17.0 |
| D | 1.6 |
| Total | 87.5 |

Amortisation Payable³

| | £'m |
|--------------|-------------|
| A | 24.0 |
| B | 0.0 |
| C | 22.4 |
| D | 3.0 |
| Total | 49.5 |

Interest Cover Ratios^{3, 4}

| | |
|--------------|-------------|
| A | 3.30 |
| B | 2.43 |
| C | 1.95 |
| Total | 1.92 |

DSCR Ratios^{3, 4}

| | |
|--------------|-------------|
| A | 2.24 |
| B | 1.81 |
| C | 1.27 |
| Total | 1.23 |

LTV Ratios

| | |
|--------------|---------------|
| A | 35.43% |
| B | 47.83% |
| C | 59.04% |
| Total | 60.02% |

1. Market values and annual rents receivable are as at 31 March 2014. Market values are provided by Knight Frank, external valuer to Broadgate Financing PLC.
2. Debt outstanding is at 5 April 2014, 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 April 2014.

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 April 2014 interest payment.

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