

British Land at a Glance

British Land is a property investment company registered in London and listed on the London Stock Exchange, investing in prime, modern properties. The portfolio is valued at £9.6 billion: the majority is directly owned and managed; the balance is held in joint ventures and partnerships, of which British Land's share is valued at £1.4 billion.

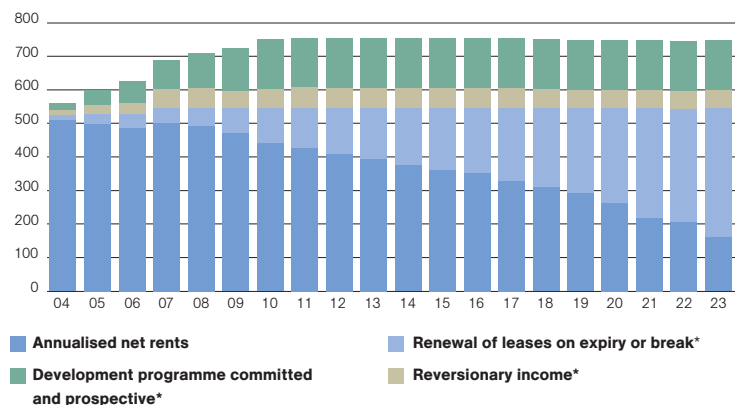
Our investment approach is to concentrate on the fundamentals of individual assets. A key criterion is a property's enduring attraction to occupiers, because of its business suitability, location and efficiency.

The portfolio continues to focus on areas where the principles of supply and demand over the long term are strong. Some 38% is invested in out of town retail properties, including Meadowhall Shopping Centre (one of only six regional centres in the UK), 93 supermarkets and 69 retail warehouses. A further 44% is invested in Central London offices, including Broadgate, the premier City office estate.

British Land continually and rigorously reviews assets for long term performance potential. Over the last five years £2.5 billion of property has been sold: on average around £500 million each year.

Rental Income Profile (assuming no rental value growth)

as at 31 March (£m)



* No rental value growth is assumed.

The graph provides a snapshot of committed income and estimated income based on ERV at 31 March 2003, including our share of joint ventures and is not a forecast.

The main assumptions which underlie the graph are outlined on page 17.

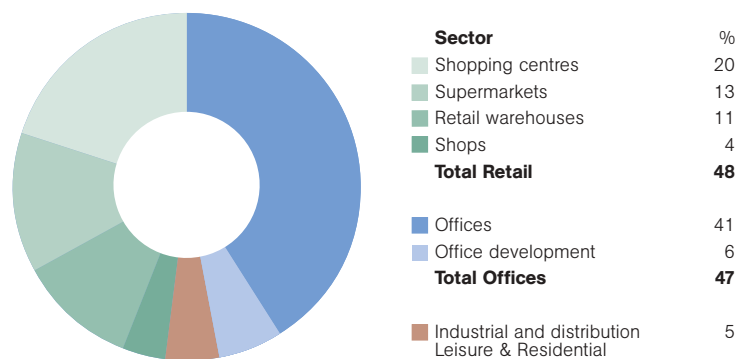
British Land has an efficient capital structure with optimal gearing to enhance returns on equity. The cost of capital is minimised as debt finance is cheaper than equity and is tax deductible.

The ratio of debt to assets is maintained at or around 50%, while maintaining a strong financial position in terms of recurring interest cover and available liquidity.

The Group's financing is risk averse with a long average debt maturity, 18 years, low average cost of debt, 6.31%, and with some 64% of debt ringfenced with no recourse for repayment to other Group companies or assets. Over the medium term, approximately 85% of debt is protected against upward movements in interest rates.

Portfolio Analysis by Value

as at 31 March 2003



The principal revenue source is rental income with current annualised net rents of £546 million.

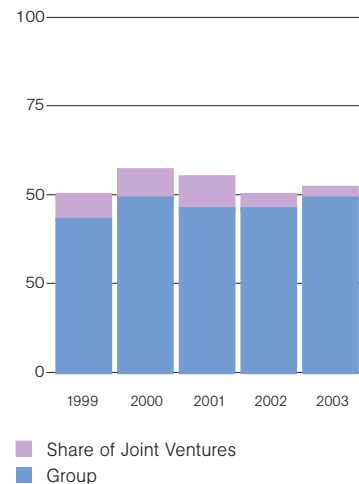
The rental income is predominantly contracted on 25 year leases with rent reviews every five years to the higher of the passing rent or the prevailing open market rent. The weighted average unexpired lease term, assuming breaks are exercised at the earliest date, is 16 years.

The portfolio has significant further income growth potential from both investment properties where current rents are below market levels and new rents from committed developments. These currently aggregate a further £101 million pa, of which £41 million is already contracted. Prospective development projects could provide an additional income of £104 million, if developed and let. These are ready to be progressed when pre-lets are agreed or when market conditions are right.

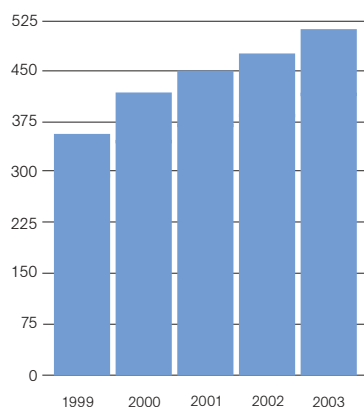
Our high quality properties, balanced portfolio and long lease profile have secured IPD upper quartile performance with total compound property returns of 12.7% per annum over the last 10 years.

Financing

as at 31 March
% Mortgage Ratio

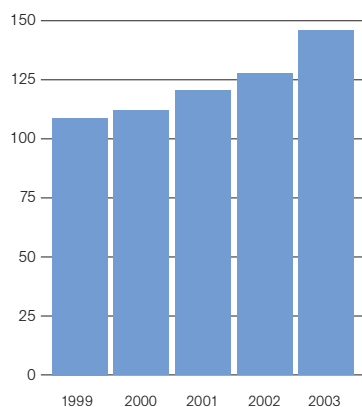


Net Rental Income*
year ended 31 March
£m

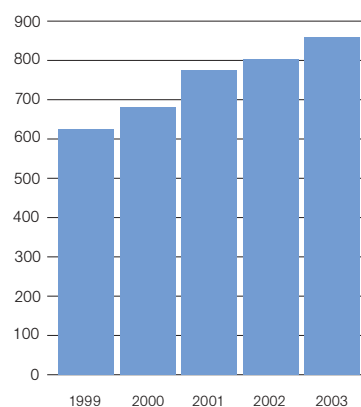


* Including Share of Joint Ventures

Underlying Profit before Tax
year ended 31 March
£m

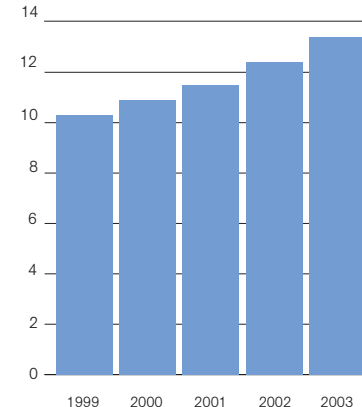


Net Asset Value per Share†
as at 31 March
Pence



† adjusted, diluted

Dividends per Share
year ended 31 March
Pence



Total Return

Over	1yr	2yrs	3yrs	4yrs	5yrs	6yrs	7yrs	8yrs	9yrs	10yrs
Compound Total Return pa	8.8%	7.0%	9.6%	9.8%	9.2%	11.7%	12.0%	10.8%	9.8%	12.8%

Net Rental Income

Total net rental income rose by 7.6% (£36.4 million) to £513.3 million (2002: £476.9 million), mainly as a result of increased rents achieved from rent reviews and new lettings.

Underlying Profit before Tax

Profit before tax, excluding gains from asset disposals of £26.7 million, was £145.7 million (2002: £127.5 million). This was 14.3% higher than last year, driven by the increase in net rental income, while interest costs grew by only 2.7%.

Total Return

The total return on adjusted diluted net assets per share was 8.8% for the year. Over the last ten years, British Land has produced a compound total return of 12.8% per annum.

Net Asset Value per Share

Adjusted diluted net asset value per share rose since 31 March 2002 by 7.1% (57 pence) from 803 pence to 860 pence.

The key drivers of this increase are the revaluation surplus, which contributed 10 pence (like-for-like valuation up 0.7%), retained earnings 14 pence and share repurchases 34 pence (including redemption of Convertible Bonds).

Dividends per Share

In line with our continuing policy of progressive dividend growth, the dividend per share is 13.4 pence (2002: 12.4 pence), an increase of 8.1% over 2002.

The dividend payment of £65.9 million is covered 2.1 times by the profits for the year.