

Valuation Certificate

The Directors

The British Land Company PLC

10 Cornwall Terrace, Regent's Park,
London NW1 4QP

Dear Sirs,

UK Portfolio Valuation 31 March 2003

In accordance with your instructions we have carried out a valuation of certain freehold, heritable, and leasehold properties in the United Kingdom owned by The British Land Company PLC or its wholly owned subsidiaries in order to advise as to the open market value for balance sheet purposes of these property assets as at 31 March 2003.

We are of the opinion that the total of the open market values of the properties listed on the attached schedules and owned by the Company as at that date is in the sum of:

£8,005,352,417

(Eight billion, five million, three hundred and fifty two thousand, four hundred and seventeen pounds)

The above figures represent the aggregate of the values attributable to the individual properties, and should not be regarded as a valuation of the portfolio as a whole in the context of a sale as a single lot.

Certain properties within the group are held on 999 year or similar length leases, some with the option to purchase the freehold for £1. Others are held predominantly on a freehold basis but include parts held on a long leasehold basis at a peppercorn or nominal ground rent. In calculating the apportionments between tenure types above, we have included these in the freehold category. Short leasehold properties are classified as having less than 50 years unexpired.

Basis of Valuation

The properties have been valued on an open market basis with the exception of the owner occupied properties at Cornwall Terrace, the Company's headquarters, which has been valued on an existing use basis. Open market value is an opinion of the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a a willing seller;
- b that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms, and for the completion of the sale;
- c that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- e that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

	Freehold	Long Leasehold	Short Leasehold
A Held as investments	£7,002,787,025	£467,917,000	£1,000,000
B Held for development	£63,433,392		
C Owner occupied		£13,675,000	
D In the course of development	£456,540,000		
Total value	£7,522,760,417	£481,592,000	£1,000,000

We would draw your attention to paragraph (b) of the above definition of open market value. Given market conditions as at the valuation date, a period of three to six months can be considered a reasonable time in which to effect a sale of any individual property. Our valuation does, however, assume that any sale would be as part of an orderly disposal of such assets and that the market would not be adversely affected by an attempt to dispose of a significant holding over a short period.

Existing use value means an opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a a willing seller;
- b that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- c that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d that no account is taken of any additional bid by a prospective purchaser with a special interest;
- e that both parties to the transaction had acted knowledgeably, prudently, and without compulsion;
- f the property can be used for the foreseeable future only for the existing use; and
- g that vacant possession is provided on completion of the sale of all parts of the property occupied by the business.

This certificate and valuation and the detailed reports attached have been prepared in accordance with the current edition of the Appraisal and Valuation Manual (The Red Book) issued by The Royal Institution of Chartered Surveyors.

Whilst we have not examined the title documents themselves, we have in all but a very few cases seen your solicitors reports on title and, we have therefore, assumed that, unless stated otherwise, the interests are not subject to any onerous restrictions, to the payment of any unusual outgoings or to any charges, or rights of way or easements, other than those to which we have referred. We have assumed that any outstanding requirements of the various repairing covenants will be met.

Properties and accommodation occupied by the company or subject to inter-company leases have been valued assuming vacant possession.

The properties included in this report were inspected between March 2002 and March 2003, and were measured in accordance with The Royal Institution of Chartered Surveyors Code of Measuring Practice. As has been agreed, in some cases areas are as provided by the Company. Otherwise the floor areas given are derived from measurements taken on site or have been scaled from the drawings supplied and checked by sample measurements on site.

Valuation Procedure and Assumptions – Property

Surveys and enquiries upon which all of our valuations are based are carried out by general practice surveyors making appropriate investigations having regard to the purpose of the valuation. Our reports and valuations are prepared in accordance with the current edition of the RICS Appraisal and Valuation Manual (the new Red Book). The valuers responsible for the work are qualified asset valuers as defined in the Red Book. Our work is on the basis set out below, unless specifically varied by our report:

Condition and pollution hazards

Unless specifically instructed to carry out a structural survey, test of service installations, site investigation or environmental survey, our valuations assume:

- i That no materials have been used in the construction of the buildings which are deleterious, hazardous or likely to give rise to structural defects.
- ii That all relevant statutory requirements have been complied with.
- iii That the site is physically capable of development or redevelopment, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure.
- iv That the property is not adversely affected by any form of pollution.
- v That there are no archeological remains on or under the land which could adversely impact on value.
- vi That any building services which incorporate electronic devices necessary for their proper functioning, and the software which operates such devices, are Millennium compliant, or can be rendered so compliant at no significant cost.

We do however reflect the general condition of the premises evident from our inspection and any defects of which we are made aware as summarised in our report.

Tenure and tenancies

We rely upon information supplied as to the property, tenure, tenancies, permitted uses and related matters. We assume such information to be accurate, up-to-date and complete. We assume that your solicitors are able to confirm the accuracy of these details as set out in our report, and that the interest being valued is in all respects good and marketable. We would welcome the opportunity to consider your solicitor's report on title and to advise whether or not this affects our valuation.

We do not examine the title documents and, therefore, assume that apart from any matters mentioned in our report, the interest is not subject to any onerous restrictions, to the payment of any unusual outgoing or to any charges, easements or rights of way. We assume that any outstanding requirements of repairing covenants will be met.

Planning and highway enquiries

We make only oral enquiries of the local planning and highway authorities and the information obtained is assumed to be correct. No formal searches are instigated. Except where stated to the contrary, we are informed that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.

Floor areas

All measurements are in accordance with the Royal Institution of Chartered Surveyors Code of Measuring Practice. The floor areas given are derived from measurements taken on site or have been scaled from the drawings supplied and checked by sample measurements on site.

Tenant status

Although we reflect our general understanding of a tenant's status in our valuation, we make no enquiries about the financial status of tenants, and rely upon you to advise us if tenants are in default of rental payments, or where there appear grounds for concern. We assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to tenants to assign or underlet.

Plant and machinery

We include in our valuations those items of plant and machinery normally considered to be part of the building service installations and which would pass with the property on a sale or letting. We exclude all items of process plant and machinery and equipment, together with their special foundations and supports, furniture and furnishings, vehicles, stock and loose tools, and tenants fixtures and fittings.

Development properties

For properties in course of development, we reflect the stage reached in construction and the costs already incurred and those remaining to be spent at the date of valuation. We have regard to the contractual liabilities of the parties involved in the development and any cost estimates which have been prepared by the professional advisers to the project.

For recently completed developments we take no account of any retentions, nor do we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

Valuation date

Property values may change substantially over a relatively short period. If you wish to dispose of this property or part thereof, or to accept a charge over it as security for a loan after the valuation date, we strongly advise a further consultation with us.

Costs of realisation

No allowance is made in our valuations for the costs of realisation, any liability for tax which might arise in the event of disposal or for any mortgage or similar financial encumbrance over the property. Our valuations exclude VAT.

This valuation is provided for the stated purposes and is for the use only of those to whom it is addressed. No responsibility is accepted to any other party.

No part of this certificate may be reproduced, or reference made to it, without our prior written approval. Furthermore, no reference may be made to the certificate in any other publication without our written approval.

Yours faithfully

ATIS REAL Weatheralls Limited

Norfolk House
31 St. James's Square
London SW1Y 4JR

30 April 2003

Instruction to Valuers**ATIS REAL Weatheralls Limited**

Norfolk House, 31 St. James's Square,
London SW1Y 4JR

Dear Sirs,

Valuations for the year ending 31 March 2003.**The British Land Company PLC
and various Joint Venture Companies**

I confirm our instructions to prepare reports and valuations, for inclusion in the year end Report and Accounts, in respect of the properties owned by the above in the United Kingdom. For this purpose, tenancy schedules have been provided to you and will be updated through to 31 March.

Your valuation certificates are to include a schedule with all relevant information for each property.

Your valuations are to be prepared on an open market basis in accordance with the current Appraisal and Valuation Manual (The Red Book) published by The Royal Institution of Chartered Surveyors, which, inter alia, states that the surveyors undertaking the work are to be appropriately qualified. In accordance with usual market practice, your valuations are to be reported net after the deduction of the prospective purchaser's costs, including stamp duty.

You will conduct appropriate inspections of each of the properties and measure, in those cases where you have not been provided with floor areas, as agreed between the landlord and tenant at the time of rent review or the initial letting. In respect of planning, your surveyors will make their own enquiries of the various planning authorities. You will also refer to title reports and leases either in your possession or made available to you.

These instructions are given on the basis, as previously, that your professional indemnity policy is in place and sufficient on a per claim basis to cover this instruction.

Yours faithfully

for and on behalf of The British Land Company PLC

M.I. Gunston, FRICS

Chief Surveyor

30 January 2003