

The Directors
The British Land Company PLC
10 Cornwall Terrace
Regent's Park
London
NW1 4QP

Dear Sirs,

The British Land Company PLC
Valuation as at 31 March 2005

Basis of instructions

In accordance with the terms of our appointment as Independent Valuers to The British Land Company PLC, we have valued the freehold and leasehold properties detailed below, as at 31 March 2005, for balance sheet purposes and inclusion in your annual accounts. The properties are predominantly held for investment and in some instances held for development or in the course of development.

These valuations have been prepared in accordance with the 5th Edition of the RICS Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors, (the "Red Book"). The extent of our investigations and the sources of information on which we have relied are as described in Section 4 – Valuation Procedures and Assumptions.

These valuations have been undertaken under the overall supervision of the undersigned.

Compliance and independence

In accordance with the latest RICS regulations we can confirm that:

- Graham Spoor has supervised the regular valuation of the British Land Main Fund portfolio since September 1999. Weatherall Green and Smith (now ATIS REAL Weatheralls) have been your valuers since 1985. Our policy is that, even though all valuations are assessed by the panel as described below, we will change the authorised signatory at least every seven years, as recommended by the Carsberg Committee and in the RICS response to this.
- As part of our Quality Assurance procedures all of the regular valuations we prepare, for any client, with a capital value of £10m or greater are subject to an independent review from a Valuation Director with no direct involvement in that valuation exercise.
- The total fees earned in our latest financial year from The British Land Company PLC and its joint venture partners amounted to substantially less than 5% of our Company turnover.
- We do not carry out any non-valuation fee earning work for British Land.

We can also confirm that we do not have any material interest in any of the properties and that we have undertaken these valuations in the capacity of Independent Valuers.

Valuation

Our valuations are prepared on the basis of Market Value. This is an internationally recognised basis and is defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We are of the opinion that the aggregate Market Value of your interests in these properties, as at 31 March 2005, is:

£10,801,693,948
(Ten billion, eight hundred and one million, six hundred and ninety three thousand, nine hundred and forty eight pounds)

In our full report the valuations are categorised as follows:

	Freehold	Long leasehold	Part freehold/ part leasehold	Short leasehold
A Held as investments	9,790,949,848	561,850,000	33,990,000	9,085,200
B Held for development	146,705,900	31,650,000		
C Owner occupied		32,575,000		
D In the course of development	194,888,000			
Total value	10,132,543,748	626,075,000	33,990,000	9,085,200

This aggregate figure makes no allowance for any effect that placing the whole portfolio on the market contemporaneously may have on the overall realisation. The Market Value of the portfolio sold as a single entity would not necessarily be the same as the aggregate figure reported.

Included within the aggregate are a number of negative values, amounting in total to minus £740,000 (seven hundred and forty thousand pounds). These have been deducted from the positive values to arrive at a net aggregate figure.

Certain properties are held on very long leases, approximately 999 years at fixed peppercorn or nominal rents. 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.

Property values may change significantly over a relatively short period. Consequently our valuations are only valid on the date of valuation.

Valuation procedure and assumptions

The properties were all inspected both internally and externally by us between March 2004 and March 2005. In preparing our valuations we have taken into account market trends in the locality and except where you have advised us to the contrary, or our other enquiries have alerted us to this, we have assumed that there has been no material change to any of the properties or their surroundings that might have a material effect on value, since the time of our inspections.

The valuations have all been prepared by qualified and experienced valuers and then, as part of our standard procedure, been considered and agreed by a panel of senior Directors in the Valuation Department.

Details of the nature and extent of the properties, the terms under which they are held, and of any sublettings, permitted uses and related matters, have been supplied by you or your managing agents. Where possible this information has been confirmed at our inspections.

We have considered title documents in our possession or made available to us.

Unless stated in our individual reports and therefore reflected in our valuations, we have assumed 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.

We have relied upon information supplied by you relating to tenure and related matters and have not commissioned formal legal searches. We have therefore assumed the information provided to be accurate, up-to-date and complete.

As agreed, our valuations are based on measurements provided by you and carried out in accordance with The Royal Institution of Chartered Surveyors Code of Measuring Practice. In many cases the areas provided are as calculated following a rent review or letting and agreed between the agents involved. Where appropriate, these have been supplemented by our sample check measurements.

Our valuations are based on the assumption:

- i That except for any defects specifically noted in our report, the property is in good condition.
- ii That no construction materials have been used that are deleterious, or likely to give rise to structural defects.
- iii That no hazardous materials are present.
- iv That all relevant statutory requirements relating to use or construction have been complied with.
- v That any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction.

We have, however, reflected the general condition noted during the course of our valuation inspections and any defects or hazards of which we became aware in the course of our investigations. Any matters that were considered material to the valuation are referred to in our reports.

Unless provided with information to the contrary our valuations assume:

- i That the sites are physically capable of development or redevelopment, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure.
- ii That there are no archaeological remains on or under land which could adversely impact on value.
- iii That the properties are not adversely affected by any form of pollution or contamination.
- iv That there are no abnormal risks of flooding.

We have, however, commented on anything discovered during the course of our valuation enquiries that in our opinion might impact upon value.

We have made informal enquiries of the local planning and highway authorities and may have relied on information that is publicly published or available free of charge. Any information obtained is assumed to be correct. No local searches have been instigated. Except where stated to the contrary, we have assumed 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.

We have included in our valuations those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the property on a sale or letting. We have excluded 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.

Although we have reflected our general understanding of a tenant's status in our valuation, we have made no detailed enquiries about the financial status of tenants. We assume that appropriate enquiries are made when leases were originally exchanged, or when consent was granted to any assignment or underletting.

For properties in the course of development, we have reflected the stage reached in construction and the costs remaining to be spent at the date of valuation. We have had regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments we have taken no account of any retentions, nor made allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

General conditions

This report and our valuations have been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect them.

This report is private and confidential and for the sole use of The British Land Company PLC for publication in its reports and accounts. It may not be disclosed to any third party without our prior written consent, nor published in any other document or circular, without our prior approval in writing as to the form and context in which it shall appear. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.

Yours faithfully



Graham Spoor BSc (Hons) MBA MRICS
for and on behalf of Atisreal

Level 16, City Tower
40 Basinghall Street
London EC2V 5DE

15 April 2005

Atisreal UK

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

Dear Sirs,

Valuation as at 31 March 2005

I confirm our instructions for you to prepare the valuation at 31 March 2005 for inclusion in our Report and Accounts, of all the properties owned by The British Land Company PLC and its subsidiaries. This instruction excludes our overseas interests, which are to be valued as previously by Jones Lang LaSalle and CB Richard Ellis and our residential properties, which are to be valued by FPD Savills.

For this purpose, we will make available to you all the information you may require which we will update through to 31 March. We will also advise you of any transactions we are aware of that may have an impact on value.

Your valuation is to be undertaken in accordance with the 5th Edition of the Appraisal and Valuations Standards (The Red Book) published in 2003 by The Royal Institution of Chartered Surveyors. Your valuation is for a Regulated Purpose and you are to confirm that you have followed professional standards and procedures with regard to independence and quality assurance.

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.

In accordance with established practice, you will attend meetings as required by the Company's auditors and the Audit Committee to discuss your work and conclusions.

Yours faithfully

For and on behalf of The British Land Company PLC



Michael I. Gunston FRICS
Chief Surveyor

2 February 2005

cabe

The Commission for Architecture and the Built Environment is the statutory body charged with inspiring people to demand more from their buildings and spaces. CABA's philosophy is that following best practice delivers enhanced economic and social value. As well as bringing positive benefits to the community, investment in quality architecture reduces the lifetime costs of buildings and improves their performance.

Like all our properties on the Broadgate Estate, 10 Exchange Square has a designed-in flexibility that ensures its fabric and services can readily be adapted and updated to meet the changing requirements of its tenants.

'We didn't find London came up to its likeness in the red bills – it is those drawn to architectooralooal!' Charles Dickens *Great Expectations*