

Unaudited information

The Remuneration Committee comprises Sir David Michels, Lord Turnbull and Kate Swann. Chris Gibson-Smith chaired the Committee until 31 December 2006, when he stepped down from the Committee and Sir David Michels replaced him as Chairman.

The Remuneration Committee took advice during the year from Hewitt Bacon & Woodrow Limited ('Hewitt'), Strategic Remuneration, Sir John Ritblat, Stephen Hester and John Weston Smith. The Committee has retained Alan Judes as its independent adviser throughout the year. For the period from 1 April 2006 to 5 July 2006 he was retained under a letter of engagement between the Company and his then employer, Hewitt, and thereafter the Committee appointed Alan Judes through his own consultancy, Strategic Remuneration. A copy of the letter of engagement between the Company and Strategic Remuneration is on the Company's website. Both Hewitt and Alan Judes advised the Company during the year in connection with certain aspects of its employee share plans. Hewitt also acts as actuary to the British Land Group Final Salary Pension Scheme and gives advice on share scheme and personnel policy matters to the Company. The Committee has considered the potential conflicts of interest, believes there is none and continues to monitor this position.

Statement of Company's policy on directors' remuneration

British Land is an industry leader and ranked in the upper half of the FTSE100 Companies. The Company's goal is to achieve sustained outperformance for shareholders.

The business model is people light and asset heavy – it leverages the work, skill and judgement of a relatively small staff over a large value of assets.

To accomplish British Land's performance goals the Company targets a high performance, open and meritocratic culture where people are motivated individually and as a team to outperform competitors, subject to maintenance of quality and security.

It is important that pay policy reinforces the Company's goals, providing strong incentives for exceptional Company, team and individual performance with significant upward and downward variability.

As well as providing motivation to perform, pay plays an important retention role and hence needs to be competitive with alternative employment opportunities. This is particularly so as British Land's demands on staff are high and the surge in interest in property from all quarters has put increasing scarcity value on proven performers.

It is also important to have strong alignment of management incentives with measures that matter to British Land's shareholders and with shareholder returns via share ownership.

Reflecting its goals, the policy is to set 'base' pay at norms broadly consistent with the Company's FTSE position with appropriate variance for specialist positions, but to provide bonus and Long-Term Incentive Plan ('LTIP') incentive levels that would move overall pay above median towards upper quartile if performance so merits. Directors' remuneration packages comprise a fixed part of basic salary and benefits; and an annual bonus, matching share plan and long-term incentive plans. The total pay position is analysed by looking across each of the different elements of pay: basic salary, annual bonus awards, pension and long-term incentives. This provides the Committee with a total remuneration view rather than just the competitiveness of the individual pay elements and may vary widely

to correspond to the need of the role and the performance delivered.

In using salary and other remuneration data the Committee is mindful of not unnecessarily ratcheting up the remuneration levels, whilst properly incentivising performance and being able to attract and retain the best people. The Committee also has regard to economic factors, remuneration trends and the level of pay increases throughout the Company when determining directors' pay.

(i) Basic salary and benefits

Basic salary and benefits in kind for each director are reviewed annually by the Remuneration Committee, taking account of the director's performance and responsibilities.

The Committee considers basic salary levels against two peer groups. For roles where corporate size and scope characteristics drive duties, basic pay levels and recruitment sources, a peer group of major UK companies across market sectors with a median market capitalisation comparable to British Land is used to establish basic salary levels.

For other posts, the Committee will look at pay levels in other organisations such as agents, fund managers or with comparably sized support functions to match with roles of comparable speciality, scope and responsibility to those within British Land. This reflects the 'people light and asset heavy' business model.

Basic salaries are targeted around the median of the relevant peer group in both cases. The Company utilises pay surveys from time to time to ensure pay is correctly positioned against the market. Appropriate increases are made to base salary in order to reflect individual merit whilst remaining competitive with the market.

(ii) Annual incentive plan

The annual incentive plan consists of a bonus payable to directors reflecting Company performance and the individual's contribution during the preceding year.

For 2006/7 the 'On Target' award level for the Chief Executive was 90% of salary with a maximum award of 135% of salary. 'On Target' award levels for the other executive directors were 65% of base salary with a maximum of 110% of salary. The awards are not contractual and are not pensionable. One third of the annual bonus is paid in fully vested shares subject to a three year holding requirement under the Company's Matching Share Plan described below.

The Remuneration Committee's approach to setting bonuses is two-fold. Each individual's performance is considered in relation to the goals agreed for their specific areas of responsibility, such as:

- the success of purchases and sales
- the value added from development activity
- lettings and rent reviews
- asset management activities
- capital markets activities
- control over the Group's finances and accounts
- management of administrative services and human resources.

The Committee also considers team contributions made by each individual to overall corporate performance, using as external indicators:

- total return (share price and NAV based) relative to property majors and relevant indices
- rental growth from reviews and new lettings relative to ERV and sector norms

- operating costs as a percentage of rents and assets against prior year and property majors
- EPS relative to prior year, to forecast and to other property majors adjusting for any distorting items.

These factors are then aggregated by the Committee into individual bonus awards on a subjective basis (and taking account of other remuneration elements) rather than by an over-rigid mathematical formula, though supported by the objective individual data points in order to provide a fair and appropriate award to each individual.

For the year to 31 March 2007 the Committee, in determining the bonus paid, took into account the actual results showing outperformance in respect of Total Shareholder Return, Accounting Return, EPS Growth, Rental Growth and Operating Costs as a percentage of rent and NAV.

On advice from Strategic Remuneration following market review, for 2007/8 the 'On Target' levels of bonus are unchanged for the Chief Executive and raised to 75% for other directors. The maximum bonus levels for the Chief Executive is raised from 135% to 180% and for other directors from 110% to 150%. These levels have been carefully benchmarked against external data and are necessary to allow fulfillment of the pay policy described on page 65 in the event of exceptional performance being delivered.

(iii) The Matching Share Plan

The Matching Share Plan is targeted at executive committee members (and, by invitation, other key senior contributors to the Company or members of its Group). It is intended to incentivise and retain senior executives, ensure that such executives are not focused exclusively on short-term performance and, accordingly, increase the alignment of their interests with those of the shareholders.

For those individuals who are eligible to participate in the Matching Share Plan, one third of their after tax bonus (or such other after tax proportion as the Committee may agree) is delivered in British Land shares.

Participants are eligible to receive an award of free shares benchmarked by reference to the number of shares equal in value to the gross amount of their Deferred Bonus on the date such Deferred Bonus was declared. The receipt of that Award is subject to (i) the Bonus Shares being held by the Trustees for a three year period, (ii) the participant remaining an employee or officer of a Group company at the end of that time, and (iii) certain performance conditions being satisfied.

The Matching Share Award is divided into two parts. One part is based on total shareholder return (the 'TSR Part'). The other on the growth in the Company's earnings per share (the 'EPS Part'). The combined maximum amount of shares that can be delivered to a participant pursuant to a Matching Share Award cannot exceed 200% of the number of their Notional Bonus Shares for any relevant year.

As regards the TSR Part, if the total shareholder return over the Performance Period is less than the median of a comparator group of UK property companies, no Matching Share Award will vest for participants in relation to the TSR Part. If the TSR is equal to the median, a Matching Share Award equal to 35% of each participant's number of Notional Bonus Shares vests in relation to the TSR Part. For every 1% that the TSR exceeds the median, each participant's Matching Share Award in relation to the TSR Part is increased by an amount equal to 16.25% of that participant's number of Notional

Bonus Shares, subject to a maximum amount under the TSR Part equal to 100% of that participant's number of Notional Bonus Shares.

The comparator group of UK property companies currently consists of Brixton PLC, Great Portland Estates PLC, Hammerson PLC, Land Securities Group PLC, Liberty International PLC and SEGRO plc.

As regards the EPS Part, if the increase in the underlying earnings per share of the Company during the Performance Period is less than 4% per annum (the 'Growth Requirement'), no Matching Share Award vests for participants in relation to the EPS Part. If the increase in EPS is equal to the Growth Requirement, a Matching Share Award equal to 35% of each participant's number of Notional Bonus Shares will vest in relation to the EPS Part. For every 1% per annum that the EPS exceeds the Growth Requirement, each participant's Matching Share Award in relation to the EPS Part shall be increased by an amount equal to 21.67% of that participant's number of Notional Bonus Shares, subject to a maximum amount under the EPS Part equal to 100% of that participant's number of Notional Bonus Shares.

The TSR and EPS conditions have been selected to complement the net asset based LTIP vesting criteria and ensure a balanced alignment of interest with the key financial measures most used by shareholders. The vesting scales have been designed to reward outperformance – in the case of TSR, by reference to competitors – in the case of EPS, by reference to growth rates achieved and expected to be achieved by major competitors which also represents a premium to expected long-term rental growth rates in the economy from which EPS growth in property companies is derived.

(iv) Long-term incentives

The LTIP permits either market value options or performance shares, as may suit the Company from time to time. The option section of the Plan comprises an Inland Revenue approved part and an unapproved part. Under the Plan, the Company may award a maximum notional value of 150% of base salary in performance shares each year or the equivalent value of base salary in options each year (the latter under current estimations being valued at 25% of their exercise price). The annual limit is set with both the options and performance shares components of the Plan taken together. The split of the awards made each year between performance shares and options may be varied between 0% and 100% at the discretion of the Remuneration Committee. On the same basis as the review of bonus limits, the LTIP limit is being revised subject to shareholders' approval, to 200% of salary for Executive Directors and 250% of salary for the Chief Executive. The Committee is satisfied that this change is necessary to satisfy the remuneration policy described above and, when coupled with LTIP performance conditions described below, can be expected to require strong outperformance levels in order to substantially vest.

Grants made under the Plan are subject to a prescribed performance condition upon which the exercise of options and the vesting of performance shares will be contingent except that grants may be made without any performance condition if required to facilitate the recruitment of a new executive.

The performance condition attaching to options and share awards measures the growth in the Company's net asset value per share against the capital growth component of the Investment Property Databank Annual Index, over a performance period of three

years commencing the year in which the options and share awards are granted. Growth in the Company's net asset value per share must exceed that of the Index for a minimum proportion of the options to be exercised and/or performance shares to vest. Stretching outperformance is required for the entire award to vest. The downward move in property yields relative to interest rates has in fact significantly increased the performance stretch required by this measure, looking forward.

The performance hurdles for directors' LTIP awards have been:

Percentage by which the average annual growth of British Land's Net Asset Value per Share exceeds the average annual increase in the capital growth component of the Investment Property Databank Annual Index	Percentage vesting
5% or more	100%
4% or more but less than 5%	80%
3% or more but less than 4%	60%
2% or more but less than 3%	40%
1% or more but less than 2%	20%
more than 0% but less than 1%	10%
0% or less	0%

The Committee reviews these performance conditions on a regular basis to ensure they are both sufficiently stretching and remain relevant to the Company's strategic objectives.

The 2006 AGM gave the Remuneration Committee discretion to make changes to the Group's Long-Term Incentive Plan, including to adjust NAV data for Plan purposes to remove the effect of any relevant one-off financial or tax charges incurred on, or in anticipation of, conversion of British Land to REIT status. Similarly the performance hurdles would be adjusted if justified to reflect the revised dividend requirement of REITs. The Remuneration Committee have concluded, with advice from Strategic Remuneration, that the net effect of conversion to a REIT is sufficiently material to justify an adjustment to the LTIP hurdles. The Company converted into a REIT on 1 January 2007, paying a one-off tax charge of £325m and announced higher cash distributions to shareholders: in respect of the first fiscal year as a REIT, dividends are expected to total not less than 33 pence, 94% up on the dividend paid for the 2005/6 financial year, which substantially reduces the availability of future retained earnings to contribute to achievement of LTIP performance hurdles. Accordingly for all awards, each 1% step is reduced by 0.5% so that for maximum vesting, outperformance of 4.5% is required. Similarly the REITs conversion charge and related refinancing charges in calendar years 2005 and 2006 will be ignored for calculating NAV growth under the LTIP for those parts of grants (if any) whose vesting quantum would otherwise be affected, since the charges were incurred on or in anticipation of REIT conversion and the projected benefits apply principally to EPS and related dividends rather than adjusted NAV.

Fund Managers' Performance Plan

The Performance Plan is designed to incentivise executives who operate the 'Company advised' Unit Trusts. The Performance Plan is intended to incentivise and retain the top fund managers by rewarding outperformance and to align the interests of those executives with investors in the Unit Trusts. The Company is one of the largest investors in those Unit Trusts.

Following the end of each financial year, up to a maximum of 30% of the annual performance fees earned by the Unit Trusts is set aside to provide incentives under the Performance Plan (the 'Incentive Pool'). At present, the Committee only expects awards to be made equal to 25% of the annual performance fees with the balance representing a reserve to be drawn upon if fund activity expands. The Committee may in its absolute discretion grant, and recommend that the Trustees grant, awards under the Performance Plan.

20% of the value of any award under the Performance Plan is paid as a cash bonus. The remaining 80% of the value of any award is delivered in the form of free shares in the Company (the 'Share Award'). The Share Award vests in three equal annual tranches. The first tranche vests, and the shares comprised in that tranche are delivered, on the first anniversary of the award date. The second and third tranches vest, and the shares comprised in those tranches are delivered, annually thereafter. No further performance conditions need to be satisfied in order for a Share Award to vest. However, to the extent that performance fees (by reference to which the Incentive Pool was calculated) are 'clawed back' due to subsequent Fund underperformance, a pro rata proportion of all unvested awards for that year cease to vest. In addition, each tranche of a Share Award will normally only vest if the recipient of that Share Award is an employee or officer of a Group company on the relevant vesting date and has not given notice of intention to resign.

In general, no single award under the Performance Plan will represent more than 25% of the Incentive Pool. However, the Committee may in its absolute discretion grant, and recommend that the Trustees grant, awards with a higher value. In addition, the Committee may in its absolute discretion make, and recommend that the Trustees make, awards to employees who work outside of the fund management group. Such awards would be based on contribution to fund activity and would represent, in total, no more than 20% of the Incentive Pool.

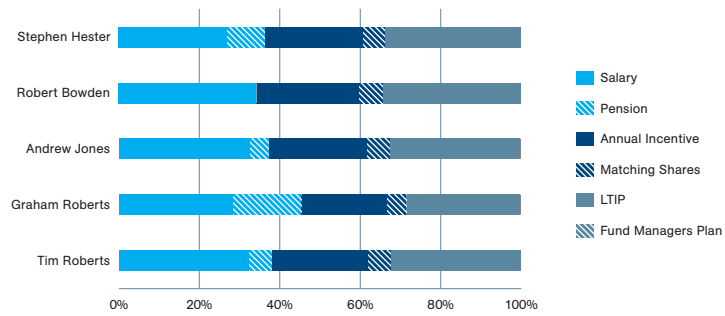
It is important that Performance Plan recipients also remain focused on the Company's overall performance, and indeed many of them have broader responsibilities in that regard. They therefore remain eligible for the Company's other share-based award schemes. However, in line with practice at other companies and in order to avoid excessive overall awards, the combined value of awards in any year for a participant under both the Performance Plan and the LTIP will be the higher of (i) the value of their Performance Plan award plus an award equal to 20% of what would otherwise have been the value of their LTIP award, and (ii) 100% of the value of their LTIP award, or such other combined value as the Committee may determine in its absolute discretion from time to time.

The existing arrangement was designed for those executives who are responsible for managing unit trusts with outside investors. Their work is very similar to those executives who run the British Land owned portfolios. The Committee is therefore examining the possibility of amending the rules of the Fund Managers' Performance Plan to include both types of assets managed by the Group and to extend the Plan to those executives managing internal portfolios. It is proposed to bring consequent changes to the Plan to the 2008 AGM for shareholder approval and, with shareholder consent, to make changes retroactive to the 2007/8 financial year of the Group.

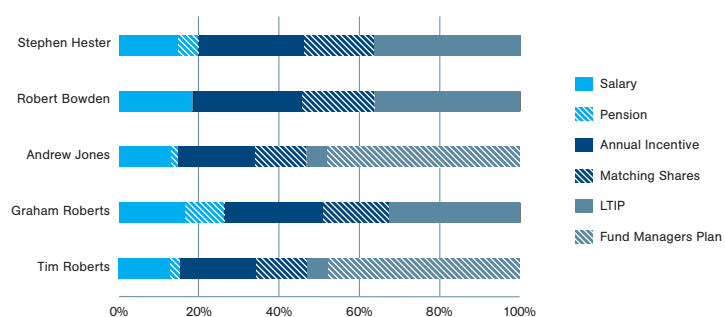
Fixed/variable pay analysis

The following summarises the annual package and relative importance of its components for each executive director. The analysis prepared by Strategic Remuneration shows the estimated 'expected' value of variable compensation. This takes account of vesting periods and related performance conditions.

Distribution of total 'On Target' Annual Remuneration



Distribution of total maximum Annual Remuneration



Chairman's remuneration

The divisions of responsibilities between the Chairman and Chief Executive, prepared in accordance with the provisions and good practice guidelines of the Combined Code on Corporate Governance, have been set out in writing and approved by the Board.

Minimum Shareholding Guideline

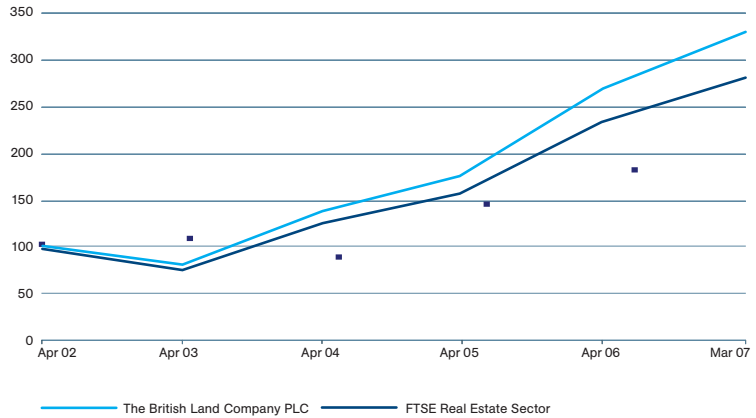
The Director's Minimum Shareholding Guideline requires approximately 175% of base salary to be held in vested shares by the Chief Executive and 125% for other executive directors. The Chief Executive's minimum is to increase to 200% following AGM approval of the LTIP amendment described above. There is no set timescale required to reach the target but this should be achieved through the regular additions anticipated by bonus and Long-Term Incentive Plan awards. Shares cannot be sold until the target is reached (other than for 'tail-swallowing' to meet exercise price for options and tax due for options and performance shares) but no purchases are required either to reach the level or to respond to share price falls. The number/value of shares required as the target is fixed once a year.

Performance graph

The graph below is prepared in accordance with The Directors' Remuneration Report Regulations 2002. It shows the Company's total return and that of the FTSE Real Estate Sector Total Return Index for the five years from 1 April 2002 to 31 March 2007.

The FTSE Real Estate Sector Index was chosen because that is where the shares of the Company are classified. Hewitt prepared the graph based on underlying data provided by Datastream.

The British Land Company PLC Total Return Index vs. FTSE Real Estate Sector Total Return Index for the period 1 April 2002 to 31 March 2007 (rebased as at 1 April 2002)



Source: Datastream

Directors' contracts

The policy of the Company is to have service contracts with notice periods of one year. It is sometimes necessary when recruiting a new director to give a service contract with an initial term of longer than one year. In such circumstances it is the policy of the Company that the notice period should reduce to one year after an initial period of service.

The Company applies the principle of mitigation in the event of early termination of service contracts.

Stephen Hester has a service contract dated 26 July 2004, Graham Roberts has a service contract dated 19 November 2001, Andrew Jones has a service contract dated 17 April 2007 and Tim Roberts has a service contract dated 14 November 2006, all of which provide for one year's notice.

Robert Bowden does not have a service contract with the Company, as he has reached age 60. There are no arrangements in place for compensation in respect of salary, annual bonus and benefits in kind in the event of termination of his employment.

There are no further provisions for compensation payable on termination of service contracts of directors. There has been no compensation paid to departing directors during the year.

Following John Weston Smith's retirement from the Board on 14 July 2006 and reflecting his ongoing role as Chair of the Pensions Trustees, he was granted a two year employment contract with the Company, terminable on three months' notice, at a salary of £10,000 pa. Sir John Ritblat, following his retirement from the Board on 31 December 2006 and reflecting his position as Honorary President, was granted a two year employment agreement, terminable on three months' notice, at a salary of £10,000 pa.

Non-executive directors

The remuneration of the non-executive directors is a matter for the executive members of the Board. Their remuneration comprises a standard director's fee, a fee for additional responsibilities and an attendance fee based on the number of meetings attended during the year. The remuneration provided takes into account the level of responsibility, experience and abilities required and the marketplace for similar positions in comparable companies.

Audited information

Directors' emoluments

	Salary £	Annual bonus* £	Benefits £	2007 Total (excluding pensions) £	Salary £	Annual bonus £	Benefits £	2006 Total (excluding pensions) £
Chairmen								
Chris Gibson-Smith ¹	120,623			120,623	46,000			46,000
Sir John Ritblat ²	451,125		12,614	463,739	751,500	575,000	16,306	1,342,806
Executive directors								
Stephen Hester ³	741,500	999,000	25,789	1,766,289	601,500	600,000	24,416	1,225,916
Robert Bowden	423,740	310,000	19,475	753,215	407,500	304,500	19,262	731,262
Andrew Jones ⁴	208,214	220,822	14,530	443,566				
Graham Roberts	361,500	250,000	29,858	641,358	331,500	231,000	27,037	589,537
Tim Roberts ⁴	172,500	185,205	13,392	371,097				
Patrick Vaughan ⁵	98,044	83,000	4,857	185,901	265,250	224,279	11,301	500,830
John Weston Smith ⁵	105,444	73,750	7,685	186,879	362,700	252,840	25,251	640,791
Non-executive directors								
Michael Cassidy	42,000			42,000	39,500			39,500
Sir Derek Higgs ⁵	18,659			18,659	46,500			46,500
Sir David Michels	48,750			48,750	49,000			49,000
Kate Swann ⁶	45,000			45,000				
Robert Swannell	54,000			54,000	45,500			45,500
Lord Turnbull ⁶	53,500			53,500				
	2,944,599	2,121,777	128,200	5,194,576	2,946,450	2,187,619	123,573	5,257,642

¹ Appointed as Chairman on 1 January 2007.

² To 31 December 2006, date of cessation of office.

³ Pay awards (salary and bonus) recognise specific performance as well as the successful transition of roles and the retirement of the Company's full time Chairman during the year.

⁴ From 14 July 2006, date of appointment. Salaries will be increased materially in 2007/8 to reflect their increased responsibilities.

⁵ To 14 July 2006, date of cessation of office.

⁶ Appointed 1 April 2006.

Emoluments do not include distributions arising from share plan interests.

Benefits in kind include company car, car allowance, private medical insurance and permanent health insurance.

* Bonus payments to executive directors for 2006/7 averaged 82% of salary compared to the 'on target' and maximum levels described on page 65. These bonus levels were individually set reflecting high levels of successful business activity during the year, leading to substantial outperformance for shareholders, very strong (and above trend) financial results, and the related strong performance of individuals against their specific responsibilities. In each case both the Company results and individuals' contributions were assessed to have beaten the targets agreed by the Remuneration Committee at the start of the year. The measures used for bonus determination are set out on page 65 of the Remuneration Report. The accomplishments relative to these measures are set out fully elsewhere in the Annual Report where the activities of the Company in 2006/7 are described. The bonuses also took account of salary levels and other components of total remuneration as per Company policy. This was particularly relevant to Andrew Jones and Tim Roberts whose salaries had not yet been adjusted to reflect their new responsibilities. The positioning of total remuneration relative to the Company's pay policy on market comparisons was also considered.

Sir John Ritblat is Non-executive Chairman of Colliers CRE PLC and retained earnings from that position of £70,895 for the year to 31 December 2006 (2005: £61,471).

Pension related payments to Stephen Hester, Andrew Jones, Graham Roberts, Tim Roberts and Patrick Vaughan are shown in the directors' pension benefits for the year ended 31 March 2007, below.

Directors' interests in the Company's shares

a) Fully paid ordinary shares, including shares held by spouses and under the Company's Share Incentive Plan. All interests are beneficial, except where stated.

	1 April 2006	31 March 2007
Chris Gibson-Smith	10,535	31,921
Sir John Ritblat	3,595,891	215,911 ¹
Stephen Hester	125,181	134,814
Robert Bowden	173,504	197,745
Michael Cassidy	2,000	1,400
Sir Derek Higgs	9,582	9,816 ²
Andrew Jones	414 ³	4,305
Sir David Michels	4,424	6,761
Graham Roberts	100,747	104,854
Tim Roberts	6,858 ³	16,303
Kate Swann		
Robert Swannell	3,750	3,750
Lord Turnbull		893
Patrick Vaughan		
John Weston Smith	177,676	177,766 ²

On 10 April 2007 Lord Turnbull was allotted 162 shares and Sir David Michels was allotted 353 shares, all in satisfaction of directors' fees for the quarter ended 31 March 2007. The shares allotted were priced at the middle market quotation ('MMQ') at close of business on 4 April 2007, which was 1,544p per share.

On 16 April 2007 Stephen Hester purchased 16 shares and Robert Bowden, Graham Roberts, Andrew Jones and Tim Roberts each purchased 8 shares at a price of 1,551p per share under the 'Partnership' element of the Company's Share Incentive Plan. Accordingly, Stephen Hester was awarded 32 and the others 16 'Matching' ordinary shares, all at a price of 1,551p per share.

On 14 May 2007 Stephen Hester, Robert Bowden, Graham Roberts, Andrew Jones and Tim Roberts each purchased 8 shares at a price of 1,502p per share under the 'Partnership' element of the Company's Share Incentive Plan. Accordingly, they were each awarded 16 'Matching' ordinary shares, at a price of 1,502p per share.

The aggregate amount of gains made by directors on the exercise of share options was £1,075,412 (2006: £2,621,487). The aggregate value of distributions to directors in relation to the long-term incentive schemes (not including option exercises) was £2,897,520 (2006: £4,409,968).

The MMQ for the ordinary 25p shares of the Company at the close of business on 31 March 2007 was 1,528p. The highest and lowest middle market quotations during the year to 31 March 2007 were 1,722p and 1,163p.

¹ On 31 December 2006, date of cessation of office. 72,000 of these shares were held beneficially by the John Ritblat Charitable Trust No. 1. As a Trustee of the Trust, Sir John Ritblat is deemed to have an interest in these shares, but not a beneficial interest.

² On 14 July 2006, date of cessation of office.

³ On 14 July 2006, date of appointment to office.

b) Directors' options and share plan interests

(i) Sharesave Scheme

Beneficial interests of the directors under the Sharesave Scheme:

	Date of grant	Exercise price (p)	No of options at 01.04.06	No of options granted during the year	No of options exercised during the year	No of options at 31.03.07	Earliest exercise date	Expiry date
Sir John Ritblat	01.03.04	472	1,954			1,954 ¹	01.03.07	31.08.07
Stephen Hester	03.07.06	1,007		1,598		1,598	01.09.11	29.02.12
Robert Bowden	22.12.04	648	1,462			1,462	01.03.08	31.08.08
Andrew Jones	22.12.05	804	1,162 ²			1,162	01.03.09	31.08.09
Graham Roberts	22.12.04	648	2,550			2,550	01.03.10	31.08.10
Tim Roberts	22.12.04	648	510 ²			510	01.03.08	31.08.08
	22.12.04	648	1,169 ²			1,169	01.03.10	31.08.10
John Weston Smith	01.03.04	472	3,358			3,358 ³	01.03.09	31.08.09

¹ On 31 December 2006, date of cessation of office.² On 14 July 2006, date of appointment to office.³ On 14 July 2006, date of cessation of office.

The directors' participation in the Sharesave Scheme, which is not subject to performance criteria, is considered appropriate because the Scheme is open to all employees with over 18 months of service. On 1 March 2007 the 1,954 options held by Sir John Ritblat vested and on that day he exercised his option over these shares. The MMQ on the day of the exercise was 1,483p per share.

(ii) Long-Term Incentive Plan

Beneficial interests of the directors under the Long-Term Incentive Plan:

Options

	Date of grant	Exercise price (p)	No of options at 01.04.06	No of options granted during the year	No of options vesting during the year	No of options exercised during the year	No of options lapsed during the year	No of options at 31.03.07	Earliest exercise date	Expiry date
Sir John Ritblat	25.09.03	502	358,565		358,565 ¹			358,565 ¹	25.09.06	24.09.13
	28.05.04	663	271,493					271,493 ¹	28.05.07	27.05.14
Stephen Hester	29.11.04	796	169,596					169,596 ²	29.11.07	28.11.14
	31.05.05	877	153,933					153,933 ²	31.05.08	30.05.15
	30.05.06	1,252		132,987				132,987 ²	30.05.09	29.05.16
	14.07.06	1,316		44,329				44,329 ²	14.07.09	13.07.16
Robert Bowden	25.09.03	502	123,256		123,256 ¹			123,256	25.09.06	24.09.13
	28.05.04	663	123,868					123,868 ²	28.05.07	27.05.14
	31.05.05	877	69,441					69,441 ²	31.05.08	30.05.15
	30.05.06	1,252		50,588				50,588 ²	30.05.09	29.05.16
	14.07.06	1,316		16,862				16,862 ²	14.07.09	13.07.16
Andrew Jones	05.12.05	994	33,953 ³				27,163	6,790 ²	05.12.08	04.12.15
	30.05.06	1,252	52,116 ³					52,116 ²	30.05.09	29.05.16
	14.07.06	1,316	³	17,372				17,372 ²	14.07.09	13.07.16
Graham Roberts	25.09.03	502	98,978		98,978 ¹			98,978	25.09.06	24.09.13
	28.05.04	663	101,809					101,809 ²	28.05.07	27.05.14
	31.05.05	877	84,663					84,663 ²	31.05.08	30.05.15
	30.05.06	1,252		64,696				64,696 ²	30.05.09	29.05.16
	14.07.06	1,316		21,565				21,565 ²	14.07.09	13.07.16
Tim Roberts	12.12.03	552	30,000 ³		30,000 ¹			30,000	12.12.06	11.12.13
	28.05.04	663	22,398 ³					22,398 ²	28.05.07	27.05.14
	29.11.04	796	18,654 ³					18,654 ²	29.11.07	28.11.14
	31.05.05	877	13,683 ³					13,683 ²	31.05.08	30.05.15
	05.12.05	994	18,108 ³					18,108 ²	05.12.08	04.12.15
	30.05.06	1,252	43,130 ³					43,130 ²	30.05.09	29.05.16
	14.07.06	1,316	³	14,376				14,376 ²	14.07.09	13.07.16
John Weston Smith	25.09.03	502	156,872					156,872 ⁴	25.09.06	24.09.13
	28.05.04	663	118,778					118,778 ⁴	28.05.07	27.05.14

The number of options shown above are the maximum awards receivable under the Long-Term Incentive Plan on maximum outperformance of the Plan's performance condition.

¹ On 31 December 2006, date of cessation of office.² These options had conditions which were varied in the year when the NAV per share targets were reduced by 0.5%. Full details are as set out on page 67.³ On 14 July 2006, date of appointment to office.⁴ On 14 July 2006, date of cessation of office.¹ These options vested at 100% on attainment of the Performance Target on 25 September 2006 as the asset value per share growth over the three year performance period was in excess of 5% pa.² These options vested at 100% on attainment of the Performance Target on 12 December 2006 as the asset value per share growth over the three year performance period was in excess of 5% pa.

Performance Shares

	Date of grant	No of shares at 01.04.06	No of shares granted during the year	No of shares vesting during the year	No of shares forfeited during the year	No of shares at 31.03.07	Earliest vesting date
Sir John Ritblat	25.09.03	119,521		119,521 ¹		¹	25.09.06
	28.05.04	90,497				90,497 ¹	28.05.07
Stephen Hester	29.11.04	56,532				56,532 ²	29.11.07
	31.05.05	51,311				51,311 ²	31.05.08
	30.05.06		44,329			44,329 ²	30.05.09
Robert Bowden	25.09.03	41,085		41,085 ¹			25.09.06
	28.05.04	41,289				41,289 ²	28.05.07
	31.05.05	46,294				46,294 ²	31.05.08
	30.05.06		33,724			33,724 ²	30.05.09
Andrew Jones	05.12.05	5,658 ³			4,527	1,131 ²	05.12.08
	30.05.06	17,372 ³				17,372 ²	30.05.09
Graham Roberts	25.09.03	32,993		32,993 ¹			25.09.06
	28.05.04	33,936				33,936 ²	28.05.07
	31.05.05	28,221				28,221 ²	31.05.08
	30.05.06		21,565			21,565 ²	30.05.09
Tim Roberts	12.12.03	10,000 ³		10,000 ¹			12.12.06
	28.05.04	7,466 ³				7,466 ²	28.05.07
	29.11.04	6,218 ³				6,218 ²	29.11.07
	31.05.05	9,122 ³				9,122 ²	31.05.08
	05.12.05	6,036 ³				6,036 ²	05.12.08
	30.05.06	14,376 ³				14,376 ²	30.05.09
John Weston Smith	25.09.03	52,290				52,290 ⁴	25.09.06
	28.05.04	39,592				39,592 ⁴	28.05.07

¹ On 31 December 2006, date of cessation of office.

² These shares had conditions which were varied in the year when NAV per share targets were reduced by 0.5%. Full details on page 67.

³ On 14 July 2006, date of appointment to office.

⁴ On 14 July 2006, date of cessation of office.

The number of shares shown above are the maximum awards receivable under the Long-Term Incentive Plan on maximum outperformance of the Plan's performance condition.

¹ These shares vested on 25 September 2006, on the 100% attainment of the Performance Target as the net asset value per share growth over the three year performance period was in excess of 5% pa. The shares had been awarded on 25 September 2003. The market price on that day was 491.75p. The market price on 25 September 2006 was 1,358.3022p, realising a gain of £1,623,456 to Sir John Ritblat, £558,058 to Robert Bowden and £448,145 to Graham Roberts. Sir John Ritblat retained all his shares and Robert Bowden 24,240 shares.

² These shares vested on 12 December 2006, on the 100% attainment of the Performance Target as the net asset value per share growth over the three year performance period was in excess of 5% pa. These shares had been awarded on 12 December 2003. The market price on that day was 552p. The market price on 12 December 2006 was 15.5125p, realising a gain of £155,125 to Tim Roberts.

Following the retirement of Sir John Ritblat and John Weston Smith as directors, the options and shares awarded to Sir John Ritblat on 28 May 2004 and to John Weston Smith on 25 September 2003 vested subject to the attainment of the Performance Target measured over the relevant shorter period. The shares and options awarded to John Weston Smith on 28 May 2004 vested subject to the attainment of the Performance Target measured over the relevant shorter period and to a pro rata time reduction. Accordingly, 90,497 Performance Shares and options over 271,493 shares granted on 28 May 2004, to Sir John Ritblat, vested on 2 January 2007. 52,290 Performance Shares and options over 156,872 shares granted on 25 September 2003 and 28,094 Performance Shares and options over 84,282 shares granted on 28 May 2004, to John Weston Smith, vested on 14 July 2006. The expiry date for the option over 358,565 shares at 502p per share, held by Sir John Ritblat, that had vested on 25 September 2006, was automatically reduced on his retirement from the Board to 30 June 2007.

On 14 July 2006 John Weston Smith exercised his option over 78,000 shares at an option price of 502p per share and 42,000 shares at an option price of 663p per share. The market price on the day of exercise was 1,289.5p, realising a gain of 787.5p and 626.5p per share respectively on each tranche exercised. On 17 July 2006 John Weston Smith exercised his option over 78,872 shares at an option price of 502p per share and 42,282 shares at an option price of 663p per share. The market price on the day of exercise was 1,269.3161p, realising a gain of 767.3161p and 606.3161p per share respectively on each tranche exercised. On 12 January 2007 Sir John Ritblat exercised his option over 358,565 shares at an option price of 502p per share and 271,493 shares at an option price of 663p per share. The market price on the day of exercise was 1,569p realising a notional gain of 1,067p per share and 906p per share respectively on each tranche exercised.

The performance target compares British Land's average annual Net Asset Value Growth over three years in the capital growth component of the Investment Property Databank Annual Index (see pages 66 and 67 of the remuneration report).

Long-Term Incentive Plan 'Performance Shares', Co-Investment Share Plan Shares, Matching Share Plan 'Matching Shares' and Performance Plan Shares, upon vesting, are transferred out of the British Land Share Ownership Plan (the Trust), a discretionary trust established to facilitate the operation of the incentive schemes. The Trustees of the Trust purchase the Company's ordinary shares in the open market. Rights to dividends under the Long-Term Incentive Plan, Performance Plan and Matching Share Plan are retained by the Trust in an interest bearing account and are payable to employees only on the vesting of the employee's shares; along with, in the case of Performance Shares, interest earned on the accrued dividends. From award, dividends earned on the Co-Investment Share Plan shares are passed on by the Trust to the awardee as soon as they are paid. Dividend and interest distributions in the year arising from these schemes totalled £59,827 to Sir John Ritblat, £10,780 to Stephen Hester, £20,566 to Robert Bowden, £16,515 to Graham Roberts and £5,047 to Tim Roberts.

(iii) Co-Investment Share Plan

In connection with the recruitment of Stephen Hester and to compensate him for loss of previous benefits, the Company awarded Stephen Hester on 29 November 2004, 61,957 shares. This award was conditional on the prior acquisition by him of a matching number of shares and requires those shares' subsequent retention for a three year period. These shares conditionally vest on their third anniversary of grant provided that he remains in employment.

(iv) Rollover options

	Date of grant	Exercise price (p)	No of options at 01.04.06	No of options granted during the year	No of options exercised during the year	No of options at 31.03.07	Earliest exercise date	Expiry date
Andrew Jones	17.08.05	387.4	190,662 ²		95,331	95,331	28.07.06	23.08.08
Patrick Vaughan	17.08.05	387.4	190,662			190,662 ¹	28.07.06	23.08.08

¹ On 14 July 2006, date of cessation of office.

² On 14 July 2006, date of appointment to office.

These options were granted in consideration for the surrender by Patrick Vaughan and Andrew Jones of options over 192,000 ordinary 10p shares of Pillar Property PLC each, following the completion of the acquisition of Pillar by British Land on 28 July 2005. The Remuneration Committee, in accordance with the terms of the Scheme, decided that on cessation of office the options held by Patrick Vaughan could be exercised in the period 14 July 2006 to 13 January 2007. On 17 July 2006 Patrick Vaughan exercised all these options. The market price on that day was 1,286.5761p per share, realising a gain of 899.1761p per share. Andrew Jones exercised his option over 95,331 shares on 4 December 2006, the market price on that day was 1,515.4819p per share, realising a gain of 1,128.0819p per share.

(v) Matching Share Plan

	Date of grant	No of shares at 01.04.06	No of shares awarded during the year	No of shares vesting during the year	No of shares forfeited during the year	No of shares at 31.03.07	Earliest vesting date
Stephen Hester	14.07.06		32,232			32,232	14.07.09
Andrew Jones	14.07.06	¹	12,084			12,084	14.07.09
Graham Roberts	14.07.06		12,409			12,409	14.07.09
Tim Roberts	14.07.06	¹	10,744			10,744	14.07.09

¹ On 14 July 2006, date of appointment to office.

The number of shares shown above are the maximum awards receivable under the Matching Share Plan on maximum outperformance of the Plan's TSR and EPS targets.

(vi) Fund Managers' Performance Plan

On 14 July 2006 Andrew Jones was granted 170,929 shares. These shares will conditionally vest in three equal tranches on the first, second and third anniversaries of grant. Further details of the Plan can be found on page 67 of the remuneration report.

Directors' pension benefits for the year ended 31 March 2007

Two executive directors, Graham Roberts and Tim Roberts, earned pension benefits in schemes sponsored by the Company during the year. Stephen Hester receives a sum equal to 35% of his basic salary in lieu of pension contributions, which for the year amounted to £259,000 (2006: £210,000). The Company contributes a sum equal to 15% of Andrew Jones' basic salary to his individual 'money purchase' pension scheme. For the period from appointment to 31 March 2007 this amounted to £31,071.

Graham Roberts' benefits from the tax-approved scheme are restricted and he is therefore entitled to benefit from the Company's Funded Unapproved Retirement Benefit Scheme (FURBS). The benefits provided by the FURBS are defined lump sums.

Non-executive directors do not participate in any Company sponsored pension arrangement.

Since the Directors' Remuneration Report Regulations 2002 came into force, company accounts are subject to two sets of disclosure requirements in relation to directors' pensions rather than one. The extended Companies Act 1985 requirements have to be observed in addition to, not in place of, the current UK Listing Authority requirements. The requirements differ slightly and these Regulations are expected to remain in force for the time being. The three tables shown below provide the details of directors' pensions necessary to satisfy the two sets of requirements.

Companies Act 1985 Disclosure Requirements

The British Land Group of Companies Pension Scheme	Age at year end	Additional pension earned during the year £ pa	Accrued pension entitlement at year end £ pa	Transfer value of accrued pension at start of year [*] £	Transfer value of accrued pension at year end £	Increase in transfer value less director's contributions paid during the year [*] £
G C Roberts	48	4,000	19,000	204,100	261,000	56,900
T A Roberts	42	4,500	35,300	333,300	375,000	41,700

The British Land Unapproved Retirement Benefits Plan (FURBS)	Age at year end	Increase in accrued FURBS lump sum entitlement during the year £	Total accrued FURBS lump sum entitlement at year end £	Transfer value of accrued FURBS lump sum at start of year £	Transfer value of accrued FURBS lump sum at year end £	Increase in transfer value less director's contributions paid during the year [*] £
G C Roberts	48	184,800	734,900	382,300	532,400	150,100

* See note (3b)

* T A Roberts became a director on 14 July 2006. The transfer value at the start of the year is stated at start of Scheme year, 1 April 2006.

UK Listing Authority Disclosure Requirements

	Age at year end	Increase in accrued pension during the year (in excess of inflation) £ pa	Total accrued pension entitlement at year end £ pa	Transfer value of additional pension earned less director's contributions paid during the year [*] £	Increase in accrued FURBS lump sum entitlement during the year (in excess of inflation) £	Total accrued FURBS lump sum entitlement at year end £	Transfer value of additional FURBS lump sum earned less director's contributions paid during the year [*] £	Premiums paid in respect of life cover £
G C Roberts	48	3,500	19,000	48,100	184,800	734,900	133,800	7,025
T A Roberts	42	3,400	35,300	36,000	–	–	–	2,589

* See note (3b)

Notes

- 1 The total accrued pension and FURBS lump sum entitlement shown are those that would be paid annually on retirement at age 60 based on service to the end of the year.
- 2 Members of the Scheme have the option to pay Additional Voluntary Contributions. Neither the contributions nor the resulting benefits are included in the above table.
- 3 The following is additional information relating to directors' pensions for those included in the above table:
 - Tax-approved Scheme
 - a Normal retirement age for pension arrangements is age 60.
 - b Members of the Scheme were not required to pay contributions during the year.
 - c Retirement may take place at any age after 50 subject to the consent of both the Company and the Trustees of the Scheme. Pensions are reduced to allow for their earlier payment.
 - d On death in service, the Scheme provides a capital sum equal to four times salary and a spouse's pension of two-thirds of the member's prospective pension at age 60. If a member is entitled to a deferred pension, a spouse's pension of two-thirds of the member's accrued pension is payable on death before or after retirement. These pensions are paid throughout the spouse's lifetime or until the youngest child reaches age 18 (or age 23 if in full time education), if later.
- e Pensions are guaranteed to increase each year in line with the increase in the Retail Prices Index (RPI) subject to a maximum of 5%. The Trustees may grant additional discretionary increases subject to the consent of the Company. Statutory increases apply to pensions during deferment.
- f The transfer values have been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11.
- g Transfer value calculations allow for discretionary pension increases such that, in aggregate, pension increases in line with increases in the RPI are valued.
 - FURBS
 - a Normal retirement age for pension arrangements is age 60.
 - b Retirement may take place at any age after 50 subject to the Company's consent. Benefits are reduced to allow for their earlier payment.
 - c On death in service, top up lump sums are provided so that, in aggregate, the beneficiary receives broadly the same value of benefits (net of tax) as if the earnings cap did not apply. On death in deferment, if a spouse's or dependant's pension is payable from the tax-approved scheme a lump sum of two-thirds of the member's accrued lump sum is also payable.
 - d In deferment accrued lump sums are increased in line with statutory increases on pensions in deferment.

This report was approved by the Board on 21 May 2007.

Sir David Michels Chairman of the Remuneration Committee