

Portfolio Description

Out-of-Town Retail: £6.2 billion

Retail warehouse portfolio

British Land's share

£3.3 billion

Total value £5.5 billion

108

retail warehouse
properties, of which:

79 retail parks with a total of 1,414 units; and

29 solus units

Total floor area 15.9 million sq ft 82% with open A1 use

Tenants include:

Arcadia	New Look
Argos	Next
Asda/Asda Living	PC World
B&Q	Pets At Home
Bhs	River Island
Blacks	Sainsbury's
Boots	Sports World
Borders	Tesco
Carpetright	TK Maxx
Comet	Toys R Us
Currys	Virgin
DFS	WH Smith
Gap	Zara
Halfords	Predominantly freehold
Homebase	Rent passing,
Instore	British Land's share £152m pa
JJB Sports	Average rent £19.50 per sq ft
Mamas & Papas	Weighted average lease term
Marks & Spencer	including breaks 13.4 years
Matalan	
Morrisons	
Mothercare	



Fort Kinnaird shopping park

Teesside shopping park, Stockton-on-Tees

This freehold property is located at the intersection of the A66 and A19 trunk roads between Stockton-on-Tees and Middlesbrough and comprises:

Phase 1: 342,000 sq ft of open A1 retail space arranged in 33 units, on a site of 47 acres.

Phase 2: an 8.1 acre site located on the park's principal access comprises two retail units totalling 42,000 sq ft and four restaurant units totalling 14,930 sq ft.

Phase 3: An 8,000 sq ft retail unit and the reversionary interest in the adjoining unit, plus a 27 acre site which may be considered for future development.

Top rents at the park are now £47.50 per sq ft.

The Kingston Centre, Kingston, Milton Keynes

(50% owned in Tesco BL Holdings joint venture)

The Kingston Centre occupies a freehold 35 acre site, close to junctions 13 and 14 of the M1 motorway and provides a total of 247,000 sq ft of open A1 retail space.

The Centre includes: a 140,600 sq ft Tesco Extra superstore; eight retail warehouses totalling 92,900 sq ft, let to tenants including Boots, Mothercare, Next, Marks & Spencer and Mamas & Papas; a covered shopping mall with 12 units totalling a further 9,200 sq ft; a drive-thru McDonald's; a pub; a car showroom; and stand-alone units let to Domino's Pizza and Carphone Warehouse.



Glasgow Fort

New Mersey shopping park, Speke (HUT)

A freehold part open A1/part-restricted planning consent shopping park of 481,000 sq ft in 31 units and two restaurants.

Key tenants: Boots, Borders, B&Q, Mothercare, Gap, Next, Marks & Spencer, River Island and New Look.

Glasgow Fort, Glasgow (HUT)

A long leasehold open A1 park of 387,500 sq ft in 60 units (plus kiosks).

Key tenants: Boots, Zara, Oasis, River Island, Next, Topshop, Starbucks, Argos, Mamas & Papas and New Look.

Parkgate shopping park, Rotherham (HUT)

A freehold open A1 park of 561,500 sq ft. There are a total of 40 retail units and a 95,000 sq ft Morrisons foodstore.

Key tenants: Next, Matalan, Marks & Spencer, Boots, TK Maxx, Bhs, New Look, Arcadia, WH Smith, Homebase, Argos and River Island.



Parkgate shopping park

Fort Kinnaird shopping park, Edinburgh (HUT)

A long leasehold open A1 shopping park of 548,000 sq ft in 49 units, four food outlets, two leisure outlets and factory and office space of 91,000 sq ft.

Key tenants: Borders, HMV, Marks & Spencer, Next, H&M, Gap and New Look.

Homebase DIY stores

The portfolio of stand-alone Homebase stores comprises 12 properties. Located mainly in the South East of England, annual rents total £9.2m, averaging £19.60 per sq ft. The majority are let on 20 year leases from December 2000. Total floor area is 469,000 sq ft.

Nueva Condomina shopping centre, Murcia, Spain

A prime regional two storey shopping centre and retail park, together with a multiplex cinema and hypermarket, totalling 1.3 million sq ft. Tenants include the Inditex brands, Primark, H&M, FNAC, and an Eroski hypermarket.

Superstores portfolio

British Land's share

£1.3 billion

Total value £2.4 billion

**94
superstores**

Located across England, Wales and Northern Ireland

89% of stores larger than 40,000 sq ft

Average store size 64,000 sq ft

Total floor area 6 million sq ft

Total site area 542 acres

Tenants:

Morrisons/Safeway
(2 stores)

Sainsbury's (41 stores)

Somerfield (15 stores)

Tesco (35 stores)

Waitrose (1 store)

20 stores 100% owned

74 stores owned 50% in
joint ventures

Rent passing,

British Land's share £66m pa

Average rent £20.70 per sq ft

Weighted average lease term to
break (and expiry) 20.3 years



Tesco, Formby

British Land's investment in superstores represents 9.4% of the total portfolio.

We are the largest owner of UK superstores, other than the operators themselves.

The increasingly restrictive regulatory and planning environment, coupled with a highly competitive occupational market maintains occupier preference for long-term secure leases and maintains demand tension leading to rental growth.

British Land has formed two strategic joint ventures with Tesco and Sainsbury's; working with the operators themselves helps align our business strategies to maximise the value of our assets. Our most recent joint venture, BL Sainsburys Superstores Limited, was formed in March 2008 and included 39 superstores across the UK to a total value of £1.2 billion. British Land will retain the management on behalf of the Joint Venture.

During the year we have funded two further extensions for properties in our Tesco joint ventures totalling 25,000 sq ft and we currently have a further three store extensions under negotiation. In total we have enlarged our superstore portfolio by 750,000 sq ft over the period of our ownership.

In addition to the superstores portfolio described here, British Land, either directly or through joint ventures, owns a further 11 food stores, predominantly let to Somerfield. These are below the 25,000 sq ft threshold for our superstore classification. While we recognise that this traditional market classification by size for superstores is becoming less important as most of the operators are now taking on smaller units in order to grow market share, these smaller units are currently included in our in-town portfolio.

Additionally British Land owns a further 28 units let to food retailers, on retail parks and shopping centres, totalling some 1.5 million sq ft, which are included in the valuation of our retail parks portfolio.

Meadowhall, Sheffield

Value

£1.5billion

1.5million sq ft
retail and leisure

Site area **191 acres** (of which 74 acres undeveloped)

213 shop units, **10** anchor stores, **11** screen Warner Village cinema,

25 speciality kiosks, **23** mall kiosks

34 restaurants and cafes (including Oasis food court)

seating for some **3,300**

25 million visitors per annum – **800,000** per week at peak time

Direct access to junction **34** of M1 motorway

Free parking for over **12,000** vehicles

On-site transport interchange with bus, train and supertram services

www.meadowhall.co.uk

Anchor stores:

Bhs

Boots

Debenhams

H&M

House of Fraser

Marks & Spencer

Next

Primark

Sports World

WH Smith

Freehold

100% owned

Rent passing **£78m** pa

Average rent **£58.47** per sq ft

Weighted average lease term
including breaks **13.3** years



Meadowhall

Meadowhall remains one of the largest and most successful shopping centres in the UK – a prime super regional centre in a densely populated catchment area.

The two-level, fully enclosed mall with excellent transport links continues to be attractive to both retailers and customers, with 18 new retailers having taken space over the last year.

The major refurbishment programme has now completed and the reconfiguration of the ex-Sainsbury's space to create the new Gallery mall is also complete. This reconfiguration has created two new MSUs totalling 140,000 sq ft let to Next and Primark and an additional 12 shop units, 11 of which are let, with the remaining one under offer. Elsewhere in the scheme Topshop have recently upsized from 17,000 sq ft to over 40,000 sq ft.

The centre continues to win awards, winning 10 in the last year including a BCSC Purple Apple Marketing Award for Strategic Marketing Campaign and a number of environmental, training and learning awards.

Meadowhall has taken significant steps to reduce its environmental impact, including collection of rainwater for landscaping and cleaning. Meadowhall is also producing significant results in the area of waste management. In the year ending March 2008 the proportion of waste the shopping centre has recycled has increased to 46%. As part of this waste management process, Meadowhall became the first UK shopping centre to develop an on-site Resource Recovery Centre, in 2005, to sort and send materials for recycling.

In addition to these environmental benefits, the Resource Recovery Centre has provided job opportunities for adults with learning difficulties, where they have been successful in running the facility without the support of their carers.

The Source at Meadowhall provides training, development and conference services. Since opening in 2003 it has improved the retail related skills of more than 1,000 mostly local people of all ages and backgrounds, improving their confidence and qualifications – and helping Meadowhall (and other Sheffield) retailers to recruit appropriate staff.