

Remuneration Report

Unaudited information

The Remuneration Committee comprises Sir David Michels, Kate Swann and Lord Turnbull.

The Remuneration Committee took advice during the year from Strategic Remuneration, Chris Gibson-Smith and Stephen Hester. The Committee has retained Alan Judes as its independent adviser throughout the year through his consultancy, Strategic Remuneration. A copy of the letter of engagement between the Company and Strategic Remuneration is on the Company's website. Strategic Remuneration also gave advice to the Company on personnel and share plan matters.

Statement of Company's policy on directors' remuneration

British Land is an industry leader and ranked in 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 effective 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 there is a 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 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 broadly 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. 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.

For 2007/8 the 'On Target' award level for the Chief Executive was 90% of salary with a maximum award of 180% of salary. 'On Target' award levels for the other executive directors were 75% of base salary with a maximum of 150% of salary. The awards are not contractual and are not pensionable.

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
- property returns relative to IPD
- 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
- Underlying EPS relative to prior year, to forecast and to other property majors.

These factors are then aggregated by the Committee into individual bonus awards on a subjective basis (and taking account of other remuneration elements such as LTIP) 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 2008 the Committee, in determining the bonus paid, took into account the actual results in respect of Total Shareholder Return, Accounting Return, Ungeared Property Return, EPS Growth, Rental Growth and Operating Costs as a percentage of assets and rent. Significant outperformance was noted from these measures, as detailed elsewhere in this Annual Report, with the exception of the first two where the outcome was disappointing. In a range of qualitative areas such as disposal timing and quantum, performance was also considered strong. The Committee determined that in light of the reduced total return, a reduction in overall bonuses as a percentage of salary versus 2006/7, and as a percentage of maximum payable was appropriate, though mitigating the reduction in the light of outperformance versus most of the annual targets. Account was also taken of the substantial reductions in the value of share based incentive schemes through the combination of lower vesting prospects and a lower share price. Reflecting these factors, the bonus was in aggregate for the executive directors set at 60% of the maximum provided by the scheme (versus 91% in 2006/7).

(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 and challenging in the light of current economic prospects in the Company's core markets.

(iv) Long-Term Incentive Plan ('LTIP')

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 250% 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. The Remuneration Committee's current policy is to make awards of up to a maximum of 200% of salary for executive directors and 250% of salary for the Chief Executive.

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. Growth in the Company's net asset value per share is a key measure of performance over the longer term and highly relevant for LTIP performance measurement.

The performance hurdles for directors' LTIP awards are:

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
4.5% or more	100%
3.5% or more but less than 4.5%	80%
2.5% or more but less than 3.5%	60%
1.5% or more but less than 2.5%	40%
0.5% or more but less than 1.5%	20%
more than 0% but less than 0.5%	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. Hewitt Associates undertakes the performance measurement and submits a report to the Company advising the results for each specific award.

(v) 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.

As explained in the 2007 Remuneration Report, 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 proposing the amendment of 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. The Company undertook shareholder consultation in April 2008 with the ABI and NAPF/RREV. Consequent changes to the Plan will be put to the 2008 AGM for shareholder approval.

Minimum Shareholding Guideline

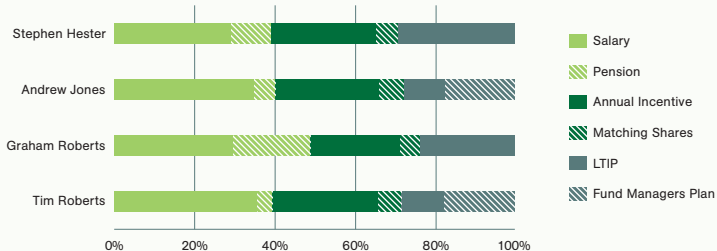
The Director's Minimum Shareholding Guideline requires approximately 200% of base salary to be held in vested shares by the Chief Executive and 125% for other executive directors. There is no set timescale required to reach the target but this should be achieved through the regular additions anticipated 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. Shown below is the guideline fixed for the year to 31 March 2009:

	Guideline Holding	Current Holding
Stephen Hester	185,896	219,025
Andrew Jones	57,902	42,819
Graham Roberts	53,134	119,043
Tim Roberts	54,496	33,264

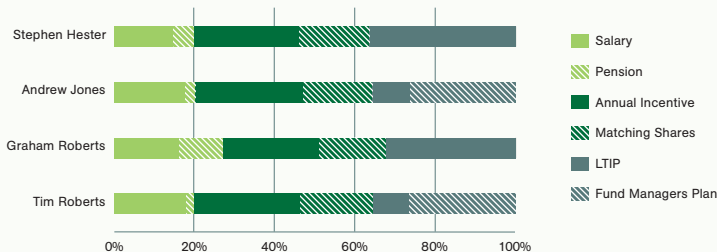
Fixed/variable pay analysis

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



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 2003 to 31 March 2008.

The FTSE Real Estate Sector Index was chosen because that is where the shares of the Company are classified. Hewitt Associates 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 2003 to 31 March 2008 (rebased as at 1 April 2003)



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.

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.

Executive director's fees

Stephen Hester was appointed as Non-executive Deputy Chairman of Northern Rock plc on 22 February 2008. His remuneration from Northern Rock for this role is not yet finalised and details will be disclosed in next year's Remuneration Report. It is intended that Stephen Hester will retain his Northern Rock remuneration.

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 ¹ £	Annual bonus £	Benefits £	2008 Total (excluding pensions) £	Salary £	Annual bonus £	Benefits £	2007 Total (excluding pensions) £
Non-executive Chairman								
Chris Gibson-Smith	300,000			300,000	120,623			120,623 ⁷
Executive directors								
Stephen Hester	820,000	984,000 ²	27,636	1,831,636	741,500	999,000	25,789	1,766,289
Robert Bowden	332,394	153,125	15,047	500,566³	423,740	310,000	19,475	753,215
Andrew Jones	390,000	325,000 ²	19,954	734,954	208,214	220,822	14,530	443,566 ⁸
Graham Roberts	376,500	240,000 ²	25,860	642,360	361,500	250,000	29,858	641,358
Tim Roberts	351,500	350,000 ²	23,323	724,823	172,500	185,205	13,392	371,097 ⁸
Non-executive directors								
Michael Cassidy	15,711			15,711⁴	42,000			42,000
Clive Cowdery	44,256			44,256⁵				
Sir David Michels	62,562			62,562	48,750			48,750
Kate Swann	52,151			52,151	45,000			45,000
Robert Swannell	65,173			65,173	54,000			54,000
John Travers	6,991			6,991⁶				
Lord Turnbull	63,080			63,080	53,500			53,500
	2,880,318	2,052,125	111,820	5,044,263	2,271,327	1,965,027	103,044	4,339,398

¹ Includes £1,125 to Robert Bowden and £1,500 to each of Graham Roberts and Tim Roberts for subsidiary board fees.

² One third of the annual bonus is paid in the form of locked up shares under the Matching Share Plan as described on page 70.

³ To 31 December 2007, date of cessation of office.

⁴ To 13 July 2007, date of cessation of office.

⁵ From 10 May 2007, date of appointment to office.

⁶ From 10 May 2007, date of appointment to office to 21 June 2007, date of cessation of office.

⁷ Appointed Non-executive Chairman on 1 January 2007.

⁸ From 14 July 2006, date of appointment to office.

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.

Pension related payments to Stephen Hester, Andrew Jones, Graham Roberts and Tim Roberts are shown in the directors' pension benefits for the year ended 31 March 2008, pages 76 and 77.

The salaries of Andrew Jones and Tim Roberts rose faster than the norm in 2007/8 and for 2008/9, reflecting their appointment to the Board in July 2006 and enlarged responsibilities at that time and on the retirement of Robert Bowden in 2007, whose responsibilities were absorbed by them. Stephen Hester's salary was increased above norm in 2007/8 reflecting catch up to market trends and the retirement of Sir John Ritblat in the previous year. For 2008/9 his salary increased just 4%.

The Board reviews salaries annually at 1 April. Shown below are the current salaries of the executive directors with effect from 1 April 2008.

	2008	2007	% increase
Stephen Hester	£852,800	£820,000	4
Andrew Jones	£425,000	£390,000	9
Graham Roberts	£390,000	£375,000	4
Tim Roberts	£400,000	£350,000	14

a) Directors' interests in the Company's shares

Fully paid ordinary shares, including shares held by spouses, Matching Share Plan Bonus Shares and under the Company's Share Incentive Plan. All interests are beneficial.

	1 April 2007	31 March 2008
Chris Gibson-Smith	31,921	31,921
Stephen Hester	134,814	219,025
Robert Bowden	197,745	126,971¹
Michael Cassidy	1,400	1,400²
Andrew Jones	4,305	42,819
Sir David Michels	6,761	9,432
Graham Roberts	104,854	119,043
Tim Roberts	16,303	33,264
Kate Swann		2,576
Robert Swannell	3,750	5,144
Lord Turnbull	893	1,736
Clive Cowdery	³	1,518
John Travers	³	⁴

¹ On 31 December 2007, date of cessation of office.

² On 13 July 2007, date of cessation of office.

³ On 10 May 2007, date of appointment to office.

⁴ On 21 June 2007, date of cessation of office.

On 10 April 2008 Lord Turnbull was allotted 280 shares, Sir David Michels was allotted 912 shares, Robert Swannell was allotted 456 shares and Clive Cowdery was allotted 929 shares all in satisfaction of directors' fees for the quarter ended 31 March 2008. The shares allotted were priced at the middle market quotation ('MMQ') at close of business on 8 April 2008, which was 894p per share.

On 14 April 2008 Stephen Hester, Andrew Jones, Graham Roberts and Tim Roberts each purchased 15 shares at a price of 834p per share under the 'Partnership' element of the Company's Share Incentive Plan. Accordingly, they were awarded 30 'Matching' ordinary shares, all at a price of 834p per share.

On 14 May 2008 Stephen Hester, Andrew Jones, Graham Roberts and Tim Roberts each purchased 16 shares at a price of 783.5p per share under the 'Partnership' element of the Company's Share Incentive Plan. Accordingly, they were each awarded 32 'Matching' ordinary shares, at a price of 783.5p per share.

The aggregate amount of gains made by directors on the exercise of share options was £1,132,766 (2007: £1,075,412). The aggregate value of distributions to directors in relation to the long-term incentive schemes (not including option exercises) was £3,356,763 (2007: £2,897,520).

The MMQ for the ordinary 25p shares of the Company at the close of business on 31 March 2008 was 917.5p. The highest and lowest MMQs during the year to 31 March 2008 were 1,582p and 820.5p.

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 01.04.07	No of options granted during the year	No of options exercised during the year	No of options at 31.03.08	Earliest exercise date	Expiry date
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 ¹	01.03.08	31.08.08
Andrew Jones	22.12.05	804	1,162			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			510	01.03.10	31.08.10
	22.12.04	648	1,169		1,169		01.03.08	31.08.08

¹ On 31 December 2007, date of cessation of office.

On 3 March 2008 the 1,169 options held by Tim Roberts vested and he exercised his option over these shares. The market price on the day of exercise was 929p, realising a notional gain of 281p per share.

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.

(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 01.04.07 ¹	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 31.03.08	Earliest exercise date	Expiry date
Stephen Hester	29.11.04	796	169,596		169,596 ²			169,596	29.11.07	28.11.14
	31.05.05	877	153,933					153,933	31.05.08	30.05.15
	30.05.06	1,252	132,987					132,987	30.05.09	29.05.16
	14.07.06	1,316	44,329					44,329	14.07.09	13.07.16
	27.06.07	1,327		185,380				185,380	27.06.10	26.06.17
	20.12.07	883		185,730				185,730	20.12.10	19.12.17
Robert Bowden	25.09.03	502	123,256					123,256 ⁴	25.09.06	24.09.13
	28.05.04	663	123,868		123,868 ³			123,868 ⁴	28.05.07	27.05.14
	31.05.05	877	69,441					69,441 ⁴	31.05.08	30.05.15
	30.05.06	1,252	50,588					50,588 ⁴	30.05.09	29.05.16
	14.07.06	1,316	16,862					16,862 ⁴	14.07.09	13.07.16
	27.06.07	1,327		49,171				49,171 ⁴	27.06.10	26.06.17
Andrew Jones	05.12.05	994	6,790					6,790	05.12.08	04.12.15
	30.05.06	1,252	52,116				41,693	10,423	30.05.09	29.05.16
	14.07.06	1,316	17,372				13,898	3,474	14.07.09	13.07.16
	20.12.07	883		44,167				44,167	20.12.10	19.12.17
Graham Roberts	25.09.03	502	98,978					98,978	25.09.06	24.09.13
	28.05.04	663	101,809		101,809 ³			101,809	28.05.07	27.05.14
	31.05.05	877	84,663					84,663	31.05.08	30.05.15
	30.05.06	1,252	64,696					64,696	30.05.09	29.05.16
	14.07.06	1,316	21,565					21,565	14.07.09	13.07.16
	27.06.07	1,327		84,777				84,777	27.06.10	26.06.17
20.12.07	883		42,468				42,468	20.12.10	19.12.17	
Tim Roberts	12.12.03	552	30,000			30,000			12.12.06	11.12.13
	28.05.04	663	22,398		22,398 ³	22,398			28.05.07	27.05.14
	29.11.04	796	18,654		18,654 ²			18,654	29.11.07	28.11.14
	31.05.05	877	13,683					13,683	31.05.08	30.05.15
	05.12.05	994	18,108					18,108	05.12.08	04.12.15
	30.05.06	1,252	43,130					43,130	30.05.09	29.05.16
	14.07.06	1,316	14,376					14,376	14.07.09	13.07.16
	27.06.07	1,327		79,125				79,125	27.06.10	26.06.17
20.12.07	883		39,637				39,637	20.12.10	19.12.17	

¹ The number of options at 1 April 2007 are the maximum awards receivable under the Long-Term Incentive Plan on maximum outperformance of the Plan's performance condition, except for the options awarded on 25 September 2003 and 12 December 2003 which vested in the year to 31 March 2007 on maximum outperformance and are exercisable until 24 September 2013 and 11 December 2013.

² These options vested at 100% on attainment of the Performance Target on 29 November 2007 as the asset value per share growth over the three year performance period was in excess of 4.5% pa.

³ These options vested at 100% on attainment of the Performance Target on 29 May 2007 as the asset value per share growth over the three year performance period was in excess of 4.5% pa.

⁴ On 31 December 2007, date of cessation of office.

On 7 September 2007 Tim Roberts exercised his option over 24,566 shares at an option price of 552p per share and 22,398 shares at an option price of 663p per share. The Market price on that day was 1,278p realising a gain of 726p and 615p per share respectively on each tranche exercised. On 10 September 2007 Tim Roberts exercised his option over 5,434 shares at an option price of 552p per share. The market price on that day was 1,212p per share realising a gain of 660p per share.

Performance Shares

	Date of grant	No of shares at 01.04.07 ¹	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 31.03.08	Earliest vesting date
Stephen Hester	29.11.04	56,532		56,532 ²			29.11.07
	31.05.05	51,311				51,311	31.05.08
	30.05.06	44,329				44,329	30.05.09
	27.06.07		46,345			46,345	27.06.10
	20.12.07		46,432			46,432	20.12.10
Robert Bowden	28.05.04	41,289		41,289 ³			28.05.07
	31.05.05	46,294				46,294 ⁴	31.05.08
	30.05.06	33,724				33,724 ⁴	30.05.09
	27.06.07		36,878			36,878 ⁴	27.06.10
Andrew Jones	05.12.05	1,131				1,131	05.12.08
	30.05.06	17,372			13,898	3,474	30.05.09
	27.06.07		44,084			44,084	27.06.10
	20.12.07		11,041			11,041	20.12.10
Graham Roberts	28.05.04	33,936		33,936 ³			28.05.07
	31.05.05	28,221				28,221	31.05.08
	30.05.06	21,565				21,565	30.05.09
	27.06.07		21,194			21,194	27.06.10
	20.12.07		10,617			10,617	20.12.10
Tim Roberts	28.05.04	7,466		7,466 ³			28.05.07
	29.11.04	6,218		6,218 ²			29.11.07
	31.05.05	9,122				9,122	31.05.08
	05.12.05	6,036				6,036	05.12.08
	30.05.06	14,376				14,376	30.05.09
	27.06.07		19,781			19,781	27.06.10
	20.12.07		9,909			9,909	20.12.10

¹ 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.

² These shares vested on 29 November 2007, 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 4.5% pa. These shares had been awarded on 29 November 2004. The market price on that day was 796p. The market price on 29 November 2007 was 896.6754p, realising a gain of £506,909 to Stephen Hester and £55,755 to Tim Roberts. Stephen Hester retained 33,353 shares and Tim Roberts 3,668 shares.

³ These shares vested on 29 May 2007, 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 4.5% pa. The shares had been awarded on 28 May 2004. The market price on that day was 663p. The market price on 29 May 2007 was 1,404.9p, realising a gain of £580,069 to Robert Bowden £476,767 to Graham Roberts and £104,890 to Tim Roberts. Graham Roberts retained 20,022 shares, Robert Bowden 24,360 shares and Tim Roberts 4,404 shares.

⁴ On 31 December 2007, date of cessation of office.

Following the retirement of Robert Bowden as director, the options and shares awarded on 31 May 2005 vested subject to the attainment of the Performance Target measured over the relevant shorter period. The shares and options awarded to Robert Bowden on 30 May 2006 and 14 July 2006 vested subject to the attainment of the Performance Target measured over the relevant shorter period and to a pro rata time reduction. Accordingly, 46,294 Performance Shares and options over 69,441 shares granted on 31 May 2005, 17,863 Performance Shares and options over 26,795 shares granted on 30 May 2006 and options over 8,239 shares granted on 14 July 2006, vested on 12 January 2008. The expiry date for all vested options were automatically reduced on his retirement from the Board to 30 June 2008.

The performance target compares British Land's average annual Net Asset Value Growth over three years to the capital growth component of the Investment Property Databank Annual Index (see pages 70 and 71 of the remuneration report).

Long-Term Incentive Plan 'Performance Shares', Co-Investment Share Plan Shares, Matching Share Plan 'Matching Shares' and Fund Managers 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, Fund Managers Performance Plan and Matching Share Plan are retained by the Trust in interest bearing accounts and are payable to employees only on the vesting of the employee's shares; along with, in the case of Long-Term Incentive Plan, 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 £49,496 to Stephen Hester, £24,188 to Robert Bowden, £13,617 to Andrew Jones, £19,880 to Graham Roberts and £8,216 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 him 61,957 shares on 29 November 2004. This award was conditional on the prior acquisition by him of a matching number of shares and required those shares' subsequent retention for a three year period and that he remained in employment. Accordingly, these shares vested on 29 November 2007. The Market Price on that day was 896.674p realising a notional gain of £555,552. Stephen Hester retained 36,554 shares.

(iv) Rollover Options

	Date of grant	Exercise price (p)	No of options at 01.04.07	No of options granted during the year	No of options exercised during the year	No of options at 31.03.08	Earliest exercise date	Expiry date
Andrew Jones	17.08.05	387.4	95,331		95,331		28.07.06	23.08.08

These options were granted in consideration for the surrender by 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. Andrew Jones exercised his option over 95,331 shares on 16 August 2007, the market price on that day was 1,203p per share, realising a gain of 815.6p per share.

(v) Matching Share Plan

	Date of grant	No of shares at 01.04.07	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 31.03.08	Earliest vesting date
Stephen Hester	14.07.06	32,232				32,232	14.07.09
	22.05.07		45,584			45,584	22.05.10
Robert Bowden	22.05.07		14,144			14,144 ¹	22.05.10
Andrew Jones	14.07.06	12,084				12,084	14.07.09
	22.05.07		14,144			14,144	22.05.10
Graham Roberts	14.07.06	12,408				12,408	14.07.09
	22.05.07		11,404			11,404	22.05.10
Tim Roberts	14.07.06	10,744				10,744	14.07.09
	22.05.07		11,864			11,864	22.05.10

¹ On 31 December 2007, date of cessation of 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

	Date of grant	No of shares at 01.04.07	Cash element of award received during the year	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 31.03.08	Vesting period
Andrew Jones	14.07.06	170,929			56,976		113,953	14.07.07 – 14.07.09
	30.05.07		£298,187	83,584			83,584	30.05.08 – 30.05.10

An award comprises a cash element, which is equal to 20% of the total award value paid at award to participants, and shares, which are equal to 80% of the award value and, at nil consideration, which will conditionally vest in three equal tranches on the first, second and third anniversaries of grants, subject to 'claw-back' and continued employment. The market price at grant for the award on 14 July 2006 was 1,321.6p and for the award on 30 May 2007 was 1,427p valuing those share awards at grant at respectively £2,258,998 and £1,192,744. On 16 July 2007, 56,976 shares awarded on 14 July 2006 to Andrew Jones vested. The market price on that day was 1,366.6p realising a gain of £778,634. Andrew Jones retained 33,615 shares.

Directors' pension benefits for the year ended 31 March 2008

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 £287,000 (2007: £259,000). The Company contributes a sum equal to 15% of Andrew Jones' basic salary to his individual 'money purchase' pension scheme, which for the year amounted to £58,500 (2007: £31,071).

Graham Roberts is also currently accruing benefits in the Company 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 opposite 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* £
Graham Roberts	49	4,700	23,700	261,000	392,700	131,700
Tim Roberts	43	4,500	39,800	375,000	528,200	153,200

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* £
Graham Roberts	49	177,600	912,500	532,400	721,800	189,400

* See note (3b)

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 £
Graham Roberts	49	4,000	23,700	65,500	148,900	912,500	117,800	8,308
Tim Roberts	43	3,100	39,800	41,100	0	0	0	6,008

* See note (3b)

- The total accrued pension and FURBS lump sum entitlement shown are those that would be paid on retirement at age 60 based on service to the end of the year.
- 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.
- The following is additional information relating to directors' pensions for those included in the above table:
 - Tax-approved Scheme
 - Normal retirement age for pension arrangements is age 60.
 - Members of the Scheme were not required to pay contributions during the year.
 - 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.
 - 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.
 - 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.
- The transfer values have been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11.
- Transfer value calculations allow for discretionary pension increases such that, in aggregate, pension increases in line with increases in the RPI are valued
 - FURBS
 - Normal retirement age for pension arrangements is age 60.
 - Retirement may take place at any age after 50 subject to the Company's consent. Benefits are reduced to allow for their earlier payment.
 - 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.
 - In deferment accrued lump sums are increased in line with statutory increases on pensions in deferment.

This report was approved by the Board on 19 May 2008.



Sir David Michels Chairman of the Remuneration Committee