13 November 2023

CONTINUED OPERATIONAL MOMENTUM & STRONG RENTAL GROWTH

Simon Carter, CEO said:

"We are pleased with the performance in the first half with underlying profits increasing 3% on the back of another strong period of leasing and good cost control. We have seen yields continue to move out, but as we predicted in May, at a slower pace. Rental growth has accelerated, with lettings 12% ahead of ERV, and occupancy remains strong at 96% well above levels in the wider market.

We are benefitting from our decision to pursue a value-add strategy across campuses, retail parks and London urban logistics. These submarkets have the strongest occupational fundamentals and highest rental growth within the office, retail and logistics sectors. We now expect ERV growth at the top end of our previous guidance for FY24.

Whilst in the past 18 months we have delivered good earnings growth, asset values have been impacted by the increase in interest rates. The geopolitical and economic landscape remains uncertain; however, with our portfolio yield now over 6% and an increased likelihood we are approaching the peak in UK base rates we expect the strong occupational fundamentals of our submarkets, together with the differentiated quality of our assets, to reassert themselves as the primary drivers of performance."

FINANCIAL

- Underlying Profit growth of 3.4%
- EPRA cost ratio 14.8% vs 19.5% at FY23
- Underlying earnings per share of 15.2p up 3.4%
- Dividend per share of 12.16p up 4.8%

BALANCE SHEET

- EPRA Net Tangible Assets per share of 565p down 3.9%
- Loan To Value at 36.9% (FY23 36.0%), Group Net Debt to EBITDA 6.0x (FY23 6.4x)
- Fitch affirmed our Senior Unsecured credit rating at 'A' with stable outlook
- £1.7bn undrawn facilities and cash
- £600m of financing activity, including £350m new loans post period end which further increase our capacity
- Debt 99% hedged for the six months to March 2024 and 84% hedged on average over the next five years

CAPITAL ACTIVITY

- Sale of office and data centre portfolio for £125m[1], 13% above book value at a NIY of 4.6%
- Surrender of 1 Triton Square lease on 25 September 2023 for £149m
- Acquisition of Thanet Retail Park in April 2023 for £55m at a NIY of 8.1%

OPERATIONAL METRICS

- Portfolio occupancy 96%: Campuses 94%, Retail Parks 99% and London Urban Logistics 100%
- Leased 1.6m sq ft, 12.2% ahead of ERV and a further 1.1m sq ft under offer, 16.6% above ERV
- Campus leasing 368,000 sq ft, 7.5% ahead of ERV, 281,000 sq ft under offer, 9.7% above ERV and 1.8m sq ft in negotiations on 1.0m sq ft of space (including near term pipeline)
- Retail & London Urban Logistics leasing 1.2m sq ft, 14.2% ahead of ERV, and 844,000 sq ft under offer, 20.5% ahead of ERV

PORTFOLIO VALUATION

- ERV growth of +3.2%: Campuses +3.2%, Retail Parks +4.0%, London Urban Logistics +3.1%
- Yields +23bps to 6.1% NEY: Campuses +32bps to 5.3%, Retail Parks +13bps to 6.7%, London Urban Logistics +9bps to 4.7%
- Values down 2.5%: Campuses -4.0%, Retail Parks up +0.2% and London Urban Logistics up +0.6%

SUSTAINABILITY

- GRESB rating of 5* for both standing investments and developments
- 50% of portfolio rated EPC A or B (up from 45% at FY23)

OUTLOOK

- Expecting ERV growth at the top end of our previously guided ranges for FY24: Campuses 2-4%, Retail Parks 3-5%, London Urban Logistics 4-5%
- Comfortable with current market expectations for FY24 earnings

SUMMARY PERFORMANCE

Period ended	30 September 2023	30 September 2022[2]	% Change
INCOME STATEMENT			
Underlying Profit[3]	**£142m**	£138m	3.4%
Underlying earnings per share[3]	**15.2p**	14.7p	3.4%
IFRS loss after tax	**£(61)m**	£(32)m	
IFRS basic earnings per share	**(6.6)p**	(3.5)p	
Dividend per share[4]	**12.16p**	11.60p	4.8%
Total accounting return[3]	**(2.0)%**	(2.8)%	

As at	30 September 2023	31 March 2023	
BALANCE SHEET			
Portfolio at valuation (proportionally consolidated)[5]	**£8,704m**	£8,898m	(2.5)%
EPRA Net Tangible Assets per share[3]	**565p**	588p	(3.9)%
IFRS net assets	**£5,367m**	£5,525m	
Net Debt to EBITDA (Group)[6, 7]	**6.0x**	6.4x	
Loan to value (proportionally consolidated)[7, 8]	**36.9%**	36.0%	
Senior Unsecured credit rating	**A**	A	

Period ended	30 September 2023	30 September 2022
OPERATIONAL STATISTICS		
Lettings and renewals over 1 year	**1.3m sq ft**	1.1m sq ft
Total lettings and renewals	**1.6m sq ft**	1.5m sq ft
Committed and recently completed development	**1.9m sq ft**	1.7m sq ft
SUSTAINABILITY PERFORMANCE		
MSCI ESG	**AAA rating**	AAA rating
GRESB (Standing Investments / Developments)	**5* / 5***	4* / 5*

1. Of which £29m completed post period end (see page 1).
2. Prior period comparatives have been restated for a change in accounting policies in respect of rental concessions (as disclosed in Note 1 of the condensed interim financial statements).
3. See Note 2 to the condensed interim financial statements for definition and calculation.
4. The growth in the dividend is higher than the Underlying EPS growth due to the impact of the rental concession restatement in the prior period.
5. Valuation movement during the period (after taking account of capex) of properties held at the balance sheet date, including developments (classified by end use), purchases, sales and surrender premium received at 1 Triton Square.
6. Net Debt to EBITDA on a Group basis excludes non-recourse and joint venture borrowings and includes distributions from non-recourse companies and joint ventures.
7. See Note 9 to the condensed interim financial statements for definition, calculation and reference to IFRS metrics.
8. EPRA Loan to value is disclosed in Table E of the condensed interim financial statements.

RESULTS PRESENTATION AND INVESTOR CONFERENCE CALL

A presentation of the results will take place at 9.00am on Monday 13 November 2023 at Peel Hunt, 100 Liverpool Street, Broadgate and will be broadcast live via webcast (www.britishland.com) and conference call. The details for the conference call and weblink are as follows:

UK Toll Free Number:	0800 260 6466
International:	+44 20 3481 4247
Access code:	9857826
Click for access:	Audio weblink

A dial in replay will be available later in the day for 7 days. The details are as follows:

Replay number:	020 3433 3849
Passcode:	9857826

Accompanying slides will be made available at Britishland.com just prior to the event starting.

FOR INFORMATION CONTACT

INVESTORS

Sandra Moura, British Land	07989 755535

MEDIA

Charlotte Whitley, British Land	07887 802535
Guy Lamming/Gordon Simpson, FGS Global	020 7251 3801
	britishland@finsbury.com

CHIEF EXECUTIVE'S REVIEW

OVERVIEW

Since we reported our FY23 results in May, market interest rates have risen further and are expected to stay higher for longer, but the economy has been more resilient than expected. We have seen yields continue to move out but, as we predicted, at a slower pace, and our portfolio Net Equivalent Yield (NEY) of 6.1% is now 180 bps above the 5 year swap rate. Resilience in the UK economy combined with our low vacancy and improving fundamentals in our markets meant rental growth accelerated in the first half. Our portfolio valuation was down 2.5% with yields 23 bps wider, offset by rental growth of 3.2%.

Strong leasing and tight control of costs meant that underlying earnings per share has grown by 3.4% and the interim dividend is 4.8% higher. Capital recycling and smart asset management offset the impact of development spend and a 2.5% decline in values. As a result, our LTV was largely unchanged at 36.9% (FY23: 36.0%) and Group Net Debt to EBITDA improved from 6.4x at FY23 to 6.0x.

OPERATIONAL UPDATE

We delivered a strong operational performance this half, with 1.6m sq ft of leasing, 12.2% ahead of ERV, and occupancy remained high at 96.2%. Key deals in the period included LGC – one of the largest life sciences lettings in the UK this year – Steamship Mutual, Skidmore Owings & Merrill and a regear with The Bank of Nova Scotia at Broadgate and regears with H&M, Asda and Marks & Spencer on our retail parks.

We are benefitting from our value-add strategy in campuses, retail parks and London urban logistics. These segments have the strongest fundamentals within the London office, retail and logistics sectors, which is reflected in our 370 bps[1] total return outperformance vs the market in the period.

Vacancy across our campuses was 4.2% adjusting for the impact of recently completed asset management initiatives as we take back space to refurbish it into lab and innovation space at Regent's Place. This compares to 8.0%[2] in the wider London office market and reflects the location of our campuses which are close to major transport nodes, the quality and sustainability of our buildings, the provision of great amenities and public realm as well as the ability of our occupiers to cluster close to other businesses. As a result, ERV growth for our campuses was 3.2% compared to 2.2%[3] in the wider market. Recently, we've seen a noticeable increase in demand, with 1.8m sq ft of deals in negotiations on 1m sq ft of space (including near term pipeline), reflecting the quality of our portfolio and growing customer requirements for best in class workspace.

Our retail parks have an underlying vacancy of 0.8% compared to UK retail market vacancy of 13.9%[4]. Retail parks are retailers' preferred format due to their affordability, adaptability and accessibility. As a result, we are seeing ERV growth of 4.0% compared to an ERV decline in the wider market of 1.0%[3] for shopping centres and an increase of 0.7%[3] on the high street.

Our urban logistics portfolio is focused exclusively on densification and repurposing opportunities in Central London. Demand is driven by the continued rise of e-commerce, as well as demand for priority delivery services and growing carbon concerns. Supply is constrained which has resulted in an underlying vacancy of 0.2% in our assets compared to 6.7%[5] for the UK big box market.

STRATEGY

CAMPUSES

Many column inches have been written on the future of the office in a hybrid world. Early in the pandemic, we formed the view that hybrid working was here to stay and that London would need less office space, but we did not believe that the office was dead, rather that the type of workspace businesses would require would change. We could see that Covid had been a catalyst for most companies to reevaluate what they wanted from their workspace – their conclusion: higher quality space to attract and retain talent. We captured this in a simple mantra that London would need "less, but better space". Alongside this, we identified that science and technology or 'Innovation and Life Sciences' as we call it, would be a key growth driver of the UK economy over the next decade, particularly in the Golden Triangle of Oxford, Cambridge and London. In 2021, we set about reshaping our office business around these expectations.

At the heart of this was our successful campus model. Our campuses provide the great amenity, transport connectivity, public realm and high quality sustainable buildings that businesses are seeking post pandemic and are also ideal for the clustering and collaboration which is key to science and technology businesses. We disposed of the majority of our standalone office assets, upgraded the quality of our campuses via new developments and committed to a fourth mixed use campus at Canada Water with our JV partner, AustralianSuper. Two and half years on, campuses now represent 91% of our office portfolio and we have an innovation and life sciences pipeline of over 2m sq ft (representing 34% of the current campus portfolio) across the Golden Triangle.

[1] MSCI performance is reweighted to match the British Land portfolio composition at a sector level
[2] CBRE, Q3 23
[3] MSCI, 6 months to September 23
[4] British Retail Consortium, May 23
[5] Savills: +100,000 sq ft UK

HOW WILL HYBRID WORKING IMPACT RENTAL GROWTH?

It is sensible to consider whether a reduction in overall demand from hybrid working will be a barrier to rental growth in London. This is almost certainly the case for secondary or even average quality offices, particularly those in inferior locations where rents are probably falling today. However, across our portfolio we have seen the opposite, with ERV growing 3.2% over the last 6 months. Why is this? We believe it is due to demand polarising to the best space as businesses upgrade their workspace to reflect the changing way in which people work in a hybrid world and increasingly see the workplace as a key tool for attracting and retaining talent. For example, occupiers want better end of trip facilities to cater for growing numbers of cyclists, more breakout space for collaboration and better areas for entertaining staff and customers, with outside terraces particularly in demand. The elevated cost of housing in London is causing average commute times to increase, so businesses have a strong preference for central locations in close proximity to key transport hubs. The flight to quality is amplified by the need to attract and retain talent, and that talent not only wants a great place to work, but also to be in an interesting part of town with great restaurants, bars, coffee shops and retail and they care about the sustainability credentials of the building in which they work.

UK headquarters represent around 80% of the space occupied at our campuses. For obvious reasons, headquarter space is where the demand for best in class is strongest, but the supply of buildings that meet these requirements is very constrained. For example, only 0.5%[6] of the London office stock is BREEAM Outstanding (our target for all our developments). Our campuses are benefiting from this imbalance between demand and supply for best in class space. This is probably most striking at Broadgate, which is located in the City. Overall City vacancy is 11.5%[7], however at Broadgate, vacancy has reduced to just 3.0% and ERV has increased 3.7% in the last 6 months. This reflects the high quality of the space, amenities and public realm as well as Broadgate's location above Liverpool Street station, a key transport hub at the intersection of London's traditional financial district, the artisan quarter of Spitalfields, the creative district of Shoreditch and the Old Street tech belt.

OCCUPATIONAL RISKS

We regularly ask ourselves the question, what might disrupt the favourable occupational fundamentals for best in class workspace. Here, we think there are two key risks. Firstly, the risk of a significant increase in London unemployment, which might reduce our customers' willingness to invest in the best space as they would no longer face the same challenges in attracting and retaining talent. In relation to this risk, we share the view of the majority of forecasters, that London unemployment should remain low. The second risk we monitor closely is the potential for an increase in new development or refurbishments in the core markets we operate in. Here we have good visibility on the development pipeline, which shows that the supply of best in class space, to be delivered in 2025 and 2026, that is not already let or under offer, will be around 2.5m sq ft and 1.4m sq ft respectively.[8] This is significantly below the 4.5m sq ft per annum medium term average take up of new or refurbished space in core central London.

INNOVATION AND LIFE SCIENCES

On our campuses we are also growing our exposure to innovation and life sciences occupiers. The life sciences subsector has strong occupational fundamentals. There is 3.5x[9] less space per capita in the UK than the US and the UK has a deep and affordable talent pool. The UK is already a world leader in life sciences research concentrated primarily in the Golden Triangle. The government is keen to support this sector further to make the UK the global hub for life sciences with an unrivalled ecosystem that brings together business, researchers, clinicians and patients.

An ecosystem with proximity to leading teaching hospitals, universities and research institutions is incredibly important to occupiers in this sector. Our campus at Regent's Place in London's Knowledge Quarter is uniquely located in this regard. In September, we negotiated with Meta a surrender of its lease of 1 Triton Square – one of the two buildings it has leased at Regent's Place – for a receipt of £149m. Although they had secured an occupier to take over their lease, we believe there is more value to be created by taking back the building given that market rents are now significantly higher than the rent they were paying. We have a flexible plan to add lab space on the bottom floors whilst retaining best in class office space on upper floors, which will accelerate our plans to reposition Regent's Place as London's premier innovation and life sciences campus.

In Cambridge, given the acute shortage of lab and innovation space we were pleased to have acquired the Peterhouse Technology Park two years ago, and in this half we committed to the Peterhouse Extension, a 96,000 sq ft lab enabled and lab fitted building. We also secured one of the largest life sciences lettings in the UK with a 48,000 sq ft pre-let to LGC, a leading global life sciences company, at The Priestley Centre in Guildford.

RETAIL PARKS

The second limb of the strategy we set in 2021, was to grow our exposure to retail parks. We could see from our leasing activity that retail parks had become the preferred physical retail format for an increasing number of retailers due to the three "A's" – affordability, adaptability and accessibility. The affordability of retail property is generally assessed by reference to the occupancy cost ratio – rent, rates and service charge as a percentage of total sales. A combination of reduced rents, lower business rates, already low service charges and robust sales reduced this ratio from 17.7% in 2016 to 9.1% now – at this level a very broad range of retailers can trade profitably. Retail parks are highly accessible for consumers as they are typically located on major arterial roads on the outskirts of towns and cities with

[6] Costar
[7] CBRE, Q3 23
[8] CBRE and company estimates
[9] Savills, U.S. Department of Energy: Office of Scientific and Technical Information, UK Government: Office for Life Sciences

ample free carparking. This makes them ideal not only for shopping, but for click and collect, returning goods to store and increasingly shipping from store. The adaptability of a retail park unit, which is essentially a basic steel box, is an important feature for retailers who face significant challenges in remodeling stores on the high street and in shopping centres.

The occupational fundamentals combined with low capital expenditure requirements (half that of shopping centres) and pricing below replacement cost make retail parks an attractive investment. Consequently, we are increasing our exposure to parks and have invested £410m since 2021 at an attractive blended yield of 7.8%. Occupancy of our portfolio has increased to 99%, and over the last 2.5 years retail parks have been the best performing subsector in UK real estate, and we delivered a total property return of 11.3% per annum outperforming the wider retail park sector by 270bps.

We are sometimes asked whether the footfall and sales outperformance of retail parks is just a Covid bounce because they are open air and were perceived to be safer to visit. We believe it is instead a permanent structural shift driven by the three "A's" above. Affordability is driving incremental demand from discounters and essential retailers and accessibility and adaptability are key for the multichannel retailers. This is borne out by statistics on store closings and openings – since 2016 there have been net closures[10] of -3,749 and -1,272 on the high street and within shopping centres respectively, but +572 net store openings at retail parks reflecting this incremental demand.

LONDON URBAN LOGISTICS

Our urban logistics strategy is to deliver new space in London by repurposing assets, like the Finsbury Square carpark, or densifying existing industrial land with multistorey schemes like our scheme in Enfield. Strong demand is underpinned by the growth of e-commerce and rising customer expectations on the speed and convenience of deliveries. Occupiers want to optimize their distribution operations and lower costs, while at the same time reducing their carbon footprint and pollution by using e-bikes and e-vehicles for the last mile logistics. Over the last two decades, significant amounts of industrial space in London has been converted to other uses, which combined with strong demand has led to very low vacancy of 0.4%[11] in inner London. This backdrop plays well to our planning expertise and track record of delivering complex developments in London. Our urban logistics development pipeline has a gross development value of £1.3bn.

Since our full year results in May we have been busy. We have received planning consents for our schemes at The Box in Paddington, Mandela Way in Southwark, and Heritage House in Enfield. In the half we also submitted plans for approval of our schemes in Verney Road in Southwark, and in Thurrock. Unsurprisingly, the financials of these projects have changed in the last 18 months. Exit yields and construction costs are higher, however, returns still look good as we have been able to mitigate these headwinds by increasing the massing of schemes and rents have grown faster than expected. We are pleased that returns are also attractive when we use the original purchase price / land value.

CAPITAL ALLOCATION

We actively recycle our capital to create value. Since we launched our new strategy in 2021, we have disposed of £2.6bn of dry office and non core retail assets at attractive prices, reinvesting in developments, retail parks and our London urban logistics pipeline. As a result of this capital recycling, 89% of the portfolio is now in our chosen segments of campuses, retail parks and London urban logistics.

Since March 2023 we have disposed of £170m[12] of non core assets including an office and data centre portfolio. We expect to continue to recycle capital and our priorities for capital allocation remain unchanged.

The resilience of our balance sheet is of utmost importance as it gives the ability to navigate macroeconomic uncertainties and the flexibility to invest in opportunities as they arise. In August, Fitch affirmed our Senior Unsecured credit rating at 'A' with stable outlook. Our LTV is 36.9% (FY23 36.0%), Group Net Debt to EBITDA is 6.0x (FY23 6.4x) and we have £1.7bn of undrawn facilities and cash at September.

We will continue to buy retail parks opportunistically. They have strong occupational fundamentals, values below replacement costs, attractive yields and are earnings accretive upon acquisition. Developments have created significant value for us over the years. However, the "higher for longer" interest rate environment has increased exit yields and finance costs. We have a disciplined approach to developments and have adjusted our return and yield on cost requirements to reflect this. Our pipeline is focused on campuses and London urban logistics, both subsectors where supply of new schemes is constrained. As a result, we are securing higher than expected rents, which combined with levelling off construction costs, is resulting in returns above our investment hurdles. In this half, we committed to one new scheme, the Peterhouse Expansion, a lab enabled building in Cambridge with a forecast IRR of 12%. The next projects on our radar are 2 Finsbury Avenue, a scheme at Broadgate where we are having very constructive pre-letting conversations, The Box, an urban logistics scheme on our Paddington Central campus and Mandela Way, a multistorey urban logistics scheme in Southwark.

We remain committed to shareholder distributions. Our dividend policy is to pay 80% of underlying EPS and we consider other shareholder distributions as and when appropriate.

[10] LDC
[11] Savills: inner London
[12] Of which £37m completed post period end

SUSTAINABILITY

Our sustainability strategy has three pillars and we have delivered further good progress against each in the half. Our Greener Spaces pillar is centered around our commitment to achieving a net zero carbon portfolio by 2030. We have a pathway and set of targets to reduce both the embodied carbon in our developments and the operational carbon across our portfolio. In addition, we have a plan in place to improve the EPC ratings of the portfolio to A or B to be fully MEES[13] compliant by 2030. In the first half of FY24 we continued to make good progress. We increased the percentage of the portfolio which is rated EPC A or B to 50%, up from 45% at FY23, and we expect to be around 60% at FY24. We estimate the total cost to improve the standing portfolio to EPC A or B to be around £100m, of which two thirds will be recovered through the service charge. By the end of FY24, we will have spent a total of £20m on these initiatives, 70% of which will be recovered via the service charge. We have continued to make good progress reducing the operational energy and carbon intensity of our portfolio, often in collaboration with our customers.

Our Thriving Places pillar focuses on our Social Impact strategy. Highlights in the half included achieving Living Wage accreditation. We recognize that people are key to the success of our business and have always paid at least the real Living Wage to our direct employees and across our developments. The accreditation reflects the work we have done in recent years to encourage our supply chain to do the same. We also celebrated 10 years of Broadgate connect, our employment and training scheme that, in partnership with the East London Business Alliance, connects Broadgate businesses with local talent. Over the last ten years, £8.9m of social value has been added by the program.

Against our Responsible Choices pillar, we achieved a GRESB rating of 5*, up from 4* in FY23, for our standing investments and for developments we are a global leader, retaining our 5* rating and achieving a score of 99/100[14].

OUTLOOK

Macroeconomic and geopolitical uncertainty remains elevated given persistently high inflation and the wars in the Ukraine and the Middle East. In the near term, property performance is likely to continue to be dominated by movements in market interest rates. However, with the portfolio NEY now at 6.1%, 180 bps higher than the 5 year swap, and an increased likelihood we are approaching the peak in base rates, we expect the strong occupational fundamentals of our submarkets to reassert themselves as the primary driver of medium term performance.

In May, we guided to rental growth in FY24 of 2-4% for campuses and retail parks and 4-5% in London urban logistics. In September, we upgraded our retail park rental growth guidance to 3-5%. Taking account of the performance in the first half and the strong occupational fundamentals, we expect full year performance to be at the top end of the guidance ranges. In terms of earnings, we remain comfortable with current market expectations for FY24.

Whilst the economic and geopolitical environment remains uncertain, we expect to deliver 8-10% total accounting return per annum over the medium term given our value-add approach and the attractive fundamentals of campuses, retail parks and London urban logistics.

[13] Minimum Energy Efficiency Standard
[14] 2023 GRESB Development Benchmark Report: score for Northern Europe/ Diversified – Office/ Residential

MARKET

MACRO-ECONOMIC BACKDROP

Despite the uncertain UK macroeconomic outlook, we are seeing an improvement in some leading indicators. While GDP forecasts continue to adjust from quarter to quarter, the UK has thus far avoided a recession, consumer confidence has been resilient and labour markets have remained robust with unemployment at 4%.

LONDON OFFICE MARKET

In the wake of the mini budget, searches for London office space paused, impacting take up in the first three quarters of 2023 (calendar year), which was 25% below the ten year average[15]. However, the forward looking indicators in Q3 are very encouraging with the volume of space under offer 8% above the 10 year average and active demand 27% higher[15]. Demand remains focused on core markets, with location a critical criteria for occupiers. The City is performing particularly well with take up in Q3 exceeding the long term average by 5%. The banking and financial sectors continue to drive activity in both the City and West End, with most larger deals and under offers, originating from these sectors. We are also seeing increased demand for larger requirements. There are now 24 active requirements over 100,000 sq ft, compared with 11 at the start of the year.[16] Furthermore, most of this demand is for best in class space, which is shown in the high proportion of take up for new buildings, reaching 71% in September[17]. Supply is also constrained, with very low levels of best in class space being delivered beyond 2025. The result is that we are seeing strong rental growth for best in class space, particularly new space in the development pipeline.

Investment markets were subdued in the first half of the year with investors continuing to exercise caution in a high interest rate environment with ongoing macroeconomic and geopolitical uncertainty. Total volumes were £2.9bn across the City and West End compared to £6.6bn in the same period last year.

LIFE SCIENCES MARKET

The Golden Triangle remains the focus for innovation and life sciences occupiers and the current demand supply imbalance for lab space continues to drive rents in these locations. Take up volumes of life sciences space across the Golden Triangle remains subdued due to limited supply, with availability in Cambridge and Oxford being particularly acute. Volumes in the third quarter of 2023 are 38% below the five year average.[18] Demand for space in the sector is very strong. Active requirements for science and innovation space in the Golden Triangle totals 2.7m sq ft, far outweighing the existing supply and space under construction.

Investment volumes in the first half of the year were quiet with debt pricing impacting transaction volumes across all sectors, including life sciences. Volumes in the half were £153m across the Golden Triangle compared to £1.9bn in the same period last year.

RETAIL MARKET

Occupational markets have been strong in the half as the consumer remained resilient. Retail parks continue to perform very well with 510 new unit openings recorded in the first half of 2023 (calendar year), meaning the market is poised to exceed the long term full year average total of 843 new openings.[19] Retail park vacancy rates remain very low due to increased demand from retailers who prefer the format and limited supply coming through.

Investment volumes in the first half were £1.1bn down from £2.3bn in the same period last year. However, investment volumes are increasing quarter on quarter, due to the strong occupational fundamentals combined with low capital expenditure requirements and pricing below replacement cost making them an attractive investment. Shopping centre volumes in the half were £297m, down from £661m in the same period last year.

LOGISTICS MARKET

In London, take up in the first half of 2023 (calendar year) was 0.5m sq ft, tracking slightly below 2022, as businesses have taken more time to consider larger capital investment in new properties. However, agents report that there is now significant pent up demand, as excess capacity acquired during 2021 and 2022 is now full. Rents continue to grow, reflecting the strength of demand for very centrally located space driven by the growth of e-commerce and increased expectations for priority delivery and lack of available stock, particularly in London. As a result, inner London vacancy is 0.4%.[20]

Investment volumes in the first half were £2.9bn, down from £5.5bn in the same period last year.

[15] CBRE, Q3 23
[16] JLL, Q3 23
[17] Cushman & Wakefield, September 23
[18] Cushman & Wakefield, Q3 23
[19] Savills, August 23
[20] Savills, Q3 23

BUSINESS REVIEW

KEY METRICS

Period ended	30 September 2023	31 March 2023
Portfolio valuation	£8,704m	£8,898m
Occupancy[1]	96.2%	96.7%
Weighted average lease length to first break	5.0 yrs	5.7 yrs

Six months to:	30 September 2023	30 September 2022
Total property return	(0.2)%	(1.0%)
– Yield shift	+23 bps	+17 bps
– ERV movement	3.2%	1.2%
– Valuation movement	(2.5)%	(3.0%)
Lettings/renewals (sq ft) over 1 year	1.3m	1.1m
Lettings/renewals over 1 year vs ERV	+12.2%	+14.7%
Gross capital activity	£457m	£894m
– Acquisitions	£55m	£47m
– Disposals[2]	£(170)m	£(694)m
– Capital investment	£232m	£153m
Net investment/(divestment)	£117m	£(494)m

On a proportionally consolidated basis including the Group’s share of joint ventures and excluding non-controlling interests

1. Where occupiers have entered CVA or administration but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate would reduce from 96.2% to 95.7%.
2. Of which £37m completed post period end.

PORTFOLIO PERFORMANCE

At 30 September 2023	Valuation £m	Valuation movement %	ERV movement %	Yield shift bps	Total property return %	Net equivalent yield %
Campuses	5,382	(4.0)	3.2	+32	(2.5)	5.3
Central London	4,790	(3.6)	3.3	+32	(2.1)	5.3
Canada Water & other Campuses	474	(9.2)	0.0	+21	(8.4)	5.7
Retail & London Urban Logistics	3,322	0.1	3.3	+12	3.7	6.9
Retail Parks	2,060	0.2	4.0	+13	3.5	6.7
Shopping Centres	751	0.0	2.6	+10	5.1	8.0
London Urban Logistics	270	0.6	3.1	+9	2.0	4.7
Total	8,704	(2.5)	3.2	+23	(0.2)	6.1

See supplementary tables for detailed breakdown

The value of the portfolio was down 2.5% driven by further yield expansion of 23 bps across the portfolio. This was partly offset by positive ERV growth of 3.2%.

Campus valuations were down 4.0%, with our West End portfolio down 2.5% and City portfolio down 4.6%, reflecting yield expansion of 27 bps and 38 bps respectively. While investment markets continue to be impacted by macroeconomic and geopolitical uncertainty, occupational demand has remained robust, particularly for new, best in class buildings, located next to transport hubs with strong sustainability credentials. We saw ERV growth of 3.2% across campuses, with 3.5% and 3.2% ERV growth in our City and West End office portfolio respectively, reflecting leasing activity and limited supply.

The value of our retail park portfolio is marginally up 0.2% in the period, with strong ERV growth of 4.0%, driven by occupier demand and high occupancy on our parks, offsetting marginal outward yield shift of 13 bps. The value of our shopping centres was flat, with a 2.6% increase in ERV offsetting a 10 bps yield expansion. Transaction volumes remained low, albeit with investor interest continuing for best in class assets. In London urban logistics, values increased marginally by 0.6%, with an increase in ERV of 3.1% offsetting an outward yield shift of 9 bps.

Campus offices outperformed the MSCI benchmark for All Offices and Central London Offices by 380 bps and 340 bps respectively on a total return basis for the six months to 30 September 2023. Retail outperformed the MSCI All Retail benchmark on a total return basis by 330 bps due to our outperformance across the subsectors, as well as our weighting towards retail parks, which was the strongest performing retail subsector. Despite the continued strength of Industrials, our portfolio overall outperformed the MSCI All Property total return index by 30 bps over the period and by 370 bps on a reweighted basis.

CAPITAL ACTIVITY

From 1 April 2023	Campuses £m	Retail & London Urban Logistics £m	**Total £m**
Purchases	-	55	**55**
Sales[1]	(144)	(26)	**(170)**
Development Spend	188	3	**191**
Capital Spend	16	25	**41**
Net Investment	**60**	**57**	**117**
Gross Capital Activity	**348**	**109**	**457**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests
1. Of which £37m completed post period end

The total gross value of our capital activity since 1 April 2023 was £457m. The most significant transaction was the sale of six office and data centres from the Cable and Wireless portfolio for £125m[21], reflecting a net initial yield (NIY) of 4.6%, 13% ahead of book value.

We continue to be disciplined in our approach to capital recycling within the retail portfolio. Since April 2023, we've disposed of non core assets including superstores in Burton on Trent and Coleraine for £8m and £10m. We also completed the purchase of Westwood Retail Park in Thanet for £55m (NIY 8.1%). This is a dominant retail park within the catchment area, which benefits from excellent accessibility and is let to a strong mix of retailers.

At Peterhouse in Cambridge, we've committed to a 96,000 sq ft office and lab building, on the land adjacent to the Peterhouse Arm Headquarters. Start on site commenced in July 2023 with PC targeted for January 2025 and we are having encouraging discussions with potential occupiers to pre-let this space.

[21] Of which £29m completed post period end

CAMPUSES

KEY METRICS

Period ended	30 September 2023	31 March 2023
Portfolio valuation	**£5,382m**	£5,650m
Occupancy	**93.8%**	96.2%
Weighted average lease length to first break	**5.8 yrs**	7.2 yrs

Six months to	30 September 2023	30 September 2022
Total property return	**(2.5)%**	(1.3)%
– Yield shift	**+32 bps**	+18 bps
– ERV growth	**3.2%**	1.6%
– Valuation movement	**(4.0)%**	(2.7)%
Total lettings/renewals (sq ft)	**368,000**	494,000
Lettings/renewals (sq ft) over 1 year	**265,000**	433,000
Lettings/renewals over 1 year vs ERV	**+7.5%**	+18.4%
Like-for-like income[1]	**+0.6%**	+4.0%

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Like-for-like excludes the impact of surrender premia, CVAs & admins, provisions for debtors and tenant incentives, and Storey. Including Storey like-for-like income would be -2.1% in H1 FY24 and +9.2% for H1 FY23

CAMPUS OPERATIONAL REVIEW

Campuses were valued at £5.4bn, down 4.0%. This was driven by yield expansion of 32 bps, which was partly offset by ERV growth of 3.2%. Lettings and renewals totalled 368,000 sq ft, 7.5% ahead of ERV and 19.4% above previous passing rent. Weighted average lease length is 5.8 years. Across our campuses, we are under offer on a further 281,000 sq ft, 9.7% ahead of ERV.

Campus like-for-like income growth was +0.6% in the period driven by strong leasing and asset management activity, particularly at Broadgate and Paddington, which added £5m. The timing of lease events can create fluctuations to our income and we saw £4m of like-for-like campus expiries in the period. This was the case at Storey and even more evident at Regent's Place, where, as leases have expired, we have taken the opportunity to convert space for innovation and life sciences. As a result, occupancy was 93.8%, slightly down compared to March 2023. If we adjust for the recently completed asset management initiatives at Regent's Place, occupancy across the portfolio was 95.8%.

Our campuses provide the great amenity, transport connectivity, public realm and high quality sustainable buildings that businesses are seeking post pandemic. Across our standing portfolio, we benefit from a diverse group of high quality customers across financial, corporate, science, health, technology and media sectors.

BROADGATE

Broadgate saw a valuation decline of 4.9% predominantly driven by outward yield shift of 35 bps, partially offset by ERV growth of 3.7%. Occupancy has increased to 97.0% from 94.9% six months ago, reflecting the high quality of the space, amenities and public realm as well as its location next to Liverpool Street station, a key transport hub at the intersection of London's financial district, the artisan quarter of Spitalfields, the creative district of Shoreditch and the Old Street tech belt. Leasing activity at Broadgate (excluding Storey) covered 135,000 sq ft, of which 124,000 sq ft were long term deals, 1.8% ahead of ERV. The most significant deal was a regear to the Bank of Nova Scotia at Broadgate Tower, covering 39,000 sq ft, extending their lease to 2035. There is a further 155,000 sq ft under offer, 8.3% ahead of ERV. We are seeing strong demand for developments at Broadgate and are in discussions on a potential pre-let at 2 Finsbury Avenue.

We are making good progress on asset management initiatives to improve the sustainability credentials of several buildings on the campus. At 10 Exchange Square, LED lighting has been installed bringing the building's EPC rating to B and at 201 Bishopsgate, the installation of all electric heating has improved the building's EPC rating to B. Looking ahead to the next six months, we are targeting an EPC B rating at 199 Bishopsgate, where we have taken the opportunity to incorporate energy efficient interventions at little incremental cost since they are part of the wider refurbishment.

Our social impact initiatives continue to focus on forging connections between our occupiers and local communities and we were pleased to have run a successful pilot of the Social Mobility Business Partnership's Insights and Skills Programme alongside one of our occupiers. Through the Young Readers Programme, in partnership with the National Literacy Trust, 190 school children participated in activities across the campus.

REGENT'S PLACE
Regent's Place saw valuation declines of 1.6%, driven by outward yield shift of 28 bps, which has been offset by ERV growth of 2.0%. Occupancy at the campus is 87.6% due to the timing of recently completed asset management initiatives, as we take back space on the campus to refurbish it into lab and innovation space. If we adjust for this, occupancy is 93.9%. We currently have 122,000 sq ft of space under offer and in negotiations at Regent's Place across 20 Triton Street and 350 Euston Road.

In September, we negotiated with Meta a surrender of its lease of 1 Triton Square – one of the two buildings it has leased at Regent's Place – for a receipt of £149m. Although Meta had secured an occupier to take over their lease, we believed there was more value to be created by taking back the building given that market rents are now significantly higher than the rent they were paying. We have a flexible plan to add a mix of fitted and lab enabled space and Storey, our flexible office product, on the bottom floors whilst retaining best in class office space on upper floors. Our Innovation Advisory Council, established in May, which is formed of five leading research scientists and executives, is working with us on this initiative.

Regent's Place continues to gain momentum as a life sciences and innovation hub. In the half, we have signed an Agreement for Lease with Impact Hub London, the incubator behind innovation and life science organisations in the Knowledge Quarter, to take the affordable workspace at 1 Triton Square. As part of this agreement, the Knowledge Quarter HQ will be located there. This builds on the Memorandum of Understanding we signed with UCL in May, which will give our occupiers access to their technical services and facilities. It will also mean we are in partnership with an organisation that is a very effective incubator for spin out businesses and the next generation of occupiers.

Our social programmes at Regent's Place include partnering with Hypha Studios, a charity matching creatives with empty spaces across London. The organisation has opened at a vacant retail unit in Euston Tower, which will feature exhibitions from local artists. In addition, Little Village, a baby bank, will open on the campus. Through the Young Readers Programme, in partnership with the National Literacy Trust, 150 school children participated in activities across the campus.

PADDINGTON CENTRAL
Paddington Central saw valuation declines of 8.9% driven by outward yield shift of 50 bps. This has been partially offset by ERV growth of 9.3%. With occupancy at the campus very high at 99.7%, leasing activity (excluding Storey) covered 95,000 sq ft, 6.9% ahead of ERV. We are under offer on a further 27,000 sq ft to a life sciences occupier at 3 Sheldon Square, which is currently under refurbishment. The building is already 65% pre-let to Virgin Media O2 and this deal would take it to 86% pre-let four months ahead of completion.

As part of our social impact initiatives, we continue to provide affordable space to the Ukrainian Institute to run their English language courses. To date, the classes have benefitted 1,020 displaced Ukrainians, with 760 individuals gaining English qualifications. In partnership with occupiers on the campus, we hosted Mastering My Future insight days for 26 young people to experience different careers at Paddington Central. Through the Young Readers Programme, in partnership with the National Literacy Trust, 196 school children participated in activities across the campus.

STOREY: OUR FLEXIBLE WORKSPACE OFFER
Storey is part of our campus proposition and provides occupiers with the flexibility to expand and contract depending on their requirements. The quality of the space, central location and access to campus amenities make the space appealing to scale up businesses for their HQ's. Customers on our campuses also benefit from access to ad hoc meeting and events space at Storey Club and this service is an increasingly important factor when making workspace decisions.

Storey is currently operational across 300,000 sq ft, with a further 44,000 sq ft in the pipeline, including 35,500 sq ft at 201 Bishopsgate on our Broadgate campus, which is due to complete in Q2 2024 and 7,500 sq ft at 2 Kingdom Street on our Paddington campus completing in May 2024.

Leasing activity covered 71,000 sq ft in the half. Storey rents (after property operating expenses) command an average premium over traditional net effective rents of 18% across the stabilised portfolio. Storey occupancy is at 87% due to timings of expiries.

CANADA WATER

The valuation of Canada Water declined 10.1%, driven by a 35 bps outward yield shift on the offices. The first phase of the Canada Water development, which comprises a mix of workspace, retail, leisure and residential is progressing well and is on programme. Roberts Close (K1), which consists of 79 affordable homes is on track to complete at the end of the calendar year. 1-3 Deal Porters Way (A1), which is a mix of 186 residential units (The Founding) and workspace and The Dock Shed (A2), workspace with a leisure centre on the ground floors is due to complete in Q4 2024.

We are targeting rents on the workspace from £50 psf. Residential sales for The Founding launched in February and current sales are above targeted pricing levels, achieving in excess of £1,250 psf, which is attractive relative to competing schemes.

The London Borough of Southwark held an initial 20% interest in the scheme and has the ability to participate in the development up to a maximum of 20% with returns pro-rated accordingly. Although it has elected not to fully participate in Phase 1, Southwark has pre-purchased the 79 affordable homes at Roberts Close and have part funded the 55,000 sq ft leisure centre in The Dock Shed.

In the period, we achieved planning consent for Zone G of the Masterplan, which includes a replacement Tesco store, 384 homes of which 42% are affordable housing, some smaller flexible retail space and a new 3.5 acre public park. We are intending to submit our revised plans for a cultural and office scheme at the Printworks, in Zone H of the Masterplan shortly which together with the planning permissions received in July 2022 for Zones L and F, represent the next phases of the Canada Water Masterplan.

Building on the success of the TEDI modular campus we recently completed the build of a 33,000 sq ft modular innovation campus on the site. We have completed our first letting to CheMastery, a startup aiming to increase the efficiency of chemical research and manufacturing. We are under offer on additional space to a clean energy tech business with good interest from other life science and innovation businesses for the remainder. Canada Water is well located to cater to innovation and life sciences businesses, due to its proximity to three leading teaching and research hospitals including Guy's Hospital in London Bridge, St Thomas' Hospital in Waterloo and King's College Hospital in Denmark Hill.

RETAIL & LONDON URBAN LOGISTICS

KEY METRICS

Period ended	30 September 2023	31 March 2023
Portfolio valuation	**£3,322m**	£3,248m
– Of which Retail Parks	**£2,060m**	£1,976m
– Of which Shopping Centres	**£751m**	£746m
– Of which London Urban Logistics	**£270m**	£263m
Occupancy[1]	**98.4%**	97.3%
Weighted average lease length to first break	**4.5 yrs**	4.6 yrs

Six months to	30 September 2023	30 September 2022
Total property return	**3.7%**	(0.3)%
– Yield shift	**+12 bps**	+17 bps
– ERV growth	**3.3%**	0.6%
– Valuation movement	**0.1%**	(3.6)%
Total lettings/renewals (sq ft)	**1,225,000**	1,017,000
Lettings/renewals (sq ft) over 1 year	**1,049,000**	698,000
Lettings/renewals over 1 year vs ERV	**+14.2%**	+10.3%
Like-for-like income[2]	**+5.2%**	+0.8%

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Where occupiers have entered CVA or administration but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate for Retail would reduce from 98.4% to 97.5%.
2. Like-for-like excludes the impact of surrender premia, CVAs & admins and provisions for debtors and tenant incentives.

RETAIL & LONDON URBAN LOGISTICS OPERATIONAL REVIEW

Valuations in these subsectors have stabilised in the half. Retail park and London urban logistics values were up 0.2% and 0.6% respectively, slightly outperforming shopping centres, which were flat. Average rental growth across the three subsectors was 3.3% in the half, exceeding the 3% growth delivered in 12 months to March 2023, and offsetting marginal yield increase of 12 bps, as the impact of rising interest rates have largely now fed through. Occupationally, retail ERVs continue to grow with retail parks performing strongly in the half. ERVs were up 4.0% and 2.6% for retail parks and shopping centres respectively.

We continue to lease well, with 1.2m sq ft of deals signed in the period, of which half were at our retail parks. Deals completed over the period were 14.2% ahead of ERV and 9.5% below previous passing rent. Occupancy across the three subsectors remains high at 98.4%. Like-for-like income was up £6m (5.2%) as we kept our retail parks full and filled vacant space in our shopping centres.

Weighted average lease length is 4.5 years. We had 344,000 sq ft of rent reviews that were agreed 0.2% above previous passing rent. In total, we have 844,000 sq ft of deals under offer, 20.5% above March 2023 ERV.

RETAIL PARKS

We continue to see significant leasing momentum across our retail parks with 629,000 sq ft of deals signed in the half, 14.9% above ERV and 8.3% below previous passing rent. We have a further 697,000 sq ft under offer, 19.3% above ERV and 8.9% below previous passing rent. Occupancy remains high at 99%, reflecting strong demand and limited supply. Retail parks are the preferred format for a wide range of customers due to the format's affordability, adaptability and accessibility, which in September, led us to upgrade ERV growth guidance from 2-4% to 3-5%.

Key deals in the half include five deals with Frasers Group totaling 72,000 sq ft, including Sports Direct doubling in size at Teesside Park and Wheatley Retail Park and a new letting to FLANNELS at Teesside Park. At Glasgow Fort, fashion retailer Primark took 23,000 sq ft of new space and ZARA opened their 37,000 sq ft flagship store. At Teesside Park, we've exchanged on 165,000 sq ft of leasing in the half, including 43,000 sq ft to value retailer B&M, with a further 55,000 sq ft under offer. We have also agreed four lease renewals with Asda totaling 88,000 sq ft and 3 deals with Hotel Chocolat covering 11,000 sq ft.

SHOPPING CENTRES

We continue to actively manage our shopping centres improving occupancy and driving rents forward. We have completed 500,000 sq ft of deals, on average 13.1% ahead of ERV and 12.7% below previous passing rent. This activity improved occupancy which is now at 96.8%. Notable recent deals include 124,000 sq ft to Frasers Group in the former Debenhams at Meadowhall and 43,000 sq ft to Inditex (Zara) also at Meadowhall.

LONDON URBAN LOGISTICS

In London urban logistics we've assembled a 2.9m sq ft pipeline with a GDV of £1.3bn. We continue to make good progress, with planning consent achieved at The Box in Paddington, Mandela Way in Southwark and Heritage House in Enfield, in the half. We have also submitted planning for a second multi-storey scheme at Verney Road in Southwark and we expect to commit to The Box and Mandela Way shortly.

RETAIL FOOTFALL AND SALES

	02 April 2023 – 30 September 2023	
	% of 2022[1]	Benchmark outperformance[2,3]
Footfall		
– Portfolio	101.0%	n/a
– Retail Parks	99.6%	n/a
Sales		
– Portfolio	106.3%	270 bps
– Retail Parks	107.6%	395 bps

1. Compared to the equivalent weeks in 2022
2. Footfall benchmark: Springboard Overall & Springboard Retail Parks only
3. Sales benchmark: BRC UK Total Instore retail sales

DEVELOPMENTS

At 30 September 2023	Sq ft '000	Current Value £m	Cost to complete £m	ERV £m	ERV Let & under offer £m
Committed	1,916	783	417	70.8	27.2
Near term	1,872	528	742	96.9	-
Medium term	8,235	-	-	-	-
Total pipeline	**12,023**	**1,311**	**1,159**	**167.7**	**27.2**

On a proportionally consolidated basis including the Group's share of joint ventures (except area which is shown at 100%)

Development Pipeline

Developments are a key driver of long term value creation for British Land. Altogether, we expect our development pipeline to deliver profits of around £1.4bn. Against a backdrop of higher interest rates, which have pushed yields out and impacted funding costs, we have increased the return hurdles for our new developments. We now target IRRs of 12-14% on our campuses and mid teens on our London urban logistics developments. Because we are in the right parts of our markets with good supply demand tension, we are securing higher rents. Higher funding costs have resulted in limited new supply coming on stream and construction cost inflation appears to be levelling off.

We are currently on site with 1.9m sq ft of space, which will target BREEAM Outstanding (for offices) and Excellent (for retail), delivering £70.8m of ERV, with 38% already pre-let or under offer. Excluding build to sell residential and retail space, which we will let closer to completion, we are 43% pre-let or under offer by ERV. Total development exposure is now 4.9% of portfolio gross asset value. Speculative exposure, which is based on ERV and includes space under offer, is 7.7% and within our internal risk parameter of 12.5%.

Against a backdrop of rising inflation and given broader market uncertainty, development valuations were down 2.6% driven primarily by outward yield shift.

Committed Developments

Our committed pipeline stands at 1.9m sq ft and in the period we have committed to the Peterhouse Expansion in Cambridge, delivering a 96,000 sq ft office and lab building, into a highly constrained market.

The development of 1 Broadgate is progressing on programme and the office space is fully pre-let or under option to JLL and Allen & Overy, demonstrating the strong demand for best in class, sustainable buildings. Norton Folgate is on track to complete later this year. We have let over a third of the office space to Reed Smith, and are having good discussions with a range of occupiers on the rest of the space.

3 Sheldon Square is currently undergoing a full refurbishment, significantly minimising the embodied carbon of the development by retaining and reusing the existing structure and materials. The building is already 65% let to Virgin Media O2, which signed 83,000 sq ft for their UK Headquarters in February 2023 and we are in negotiations on a further 27,000 sq ft of space, which will take the building to 86% let ahead of completion in Q1 2024.

We are making good progress on the development of the first phase of Canada Water, which comprises of three buildings covering 578,000 sq ft. We are targeting BREEAM Outstanding on all the commercial space, BREEAM Excellent on retail and a minimum of HQM One 4*[22] for private residential.

The development of phase 2 at Aldgate Place is progressing to plan. The scheme comprises 159 premium rental apartments with 19,000 sq ft of office space and 8,000 sq ft of retail and leisure space. It is well located, adjacent to Aldgate East and between Liverpool Street and Whitechapel stations. Completion is expected in Q2 2024.

We are also on site with an 84,000 sq ft development at The Priestley Centre in Guildford, which will be a mix of innovation and lab enabled space. The building is already 62% pre-let to LGC, a leading global life sciences company, ahead of completion in Q1 2024.

[22] The Home Quality Mark is an independently assessed certification scheme for new homes, with a simple star rating based on a home's design, construction and sustainability. Every home with an HQM certificate meets standards that are significantly higher than minimum standards such as Building Regulations

Committed Developments

As at 30 September 2023	Sector	BL Share %	100% sq ft '000	PC Calendar Year	ERV £m[1]	Gross Yield on Cost[2] %
The Priestley Centre	Life Sciences	100	84	Q1 2024	3.3	8.1
Norton Folgate	Office	100	335	Q4 2023	24.4	5.4
3 Sheldon Square	Office	25	140	Q1 2024	2.6	6.4
Aldgate Place, Phase 2	Residential	100	138	Q2 2024	6.7	5.0
Peterhouse Western Expansion	Life Sciences	100	96	Q1 2025	4.7	6.4
1 Broadgate	Office	50	545	Q2 2025	20.0	6.0
Canada Water[3]						
Roberts Close (Plot K1)	Residential	50	62	Q4 2023	–	blended 7.0
1-3 Deal Porters Way (Plot A1)	Mixed use	50	270	Q4 2024	3.6	
The Dock Shed (Plot A2)	Mixed use	50	246	Q4 2024	5.5	
Total Committed			**1,916**		**70.8**	

1. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives).
2. Gross yield on cost is calculated by dividing the ERV of the project by the total development costs, including the land value at the point of commitment, and any actual / estimated capitalisation of interest.
3. The London Borough of Southwark has confirmed they will not be investing in Phase 1, but retain the right to participate in the development of subsequent plots up to a maximum of 20% with their returns pro-rated accordingly.

Reflecting the higher interest rate environment exit yields are c.100 bps higher than when we committed to Norton Folgate, 1 Broadgate, Aldgate and Canada Water Phase 1, which has reduced their IRRs to c.3% (compared to a negative total return for MSCI over this period[23]). There is c.£70m of profit to come on these schemes. We expect the IRRs and profit to come to improve given the strong rental growth we are seeing in our markets. On the remaining projects we committed to after summer 2022, the outward shift in yields has been less (c.50 bps) and they are forecast to make c.12% IRRs off the original land values.

Near Term Pipeline

Our near term pipeline covers 1.9m sq ft. The largest scheme is 2 Finsbury Avenue, where we have planning consent for a 747,000 sq ft best in class, sustainable office building at Broadgate. We are already having very positive pre-let discussions on the building and although the development is not committed, we have commenced demolition and basement works to improve optionality. 1 Triton Square is now part of our near term pipeline, where we have the opportunity to repurpose the building for innovation and life sciences occupiers. We have a flexible plan to add lab space and Storey on the bottom floors whilst retaining best in class office space on upper floors.

Our near term pipeline also includes our first three London urban logistics developments, The Box at Paddington, Mandela Way in Southwark and Verney Road also in Southwark. In the half, we achieved planning consent for Mandela Way and The Box, and we have submitted planning for a multi-storey scheme at Verney Road in Southwark. We expect to commit to The Box and Mandela Way shortly. These schemes have IRRs of around 20% and will provide flexible space for a range of customers.

Medium Term Pipeline

Our medium term pipeline covers 8.2m sq ft, the largest of which are the future phases of the Canada Water Masterplan, which accounts for 4.2m sq ft and Euston Tower, where we have an exciting opportunity to deliver a highly sustainable innovation and lab enabled building in London's Knowledge Quarter.

London urban logistics opportunities account for 2.4m sq ft of medium term opportunities. This includes Thurrock, where we have submitted plans for a 644,000 sq ft two-storey logistics scheme east of London; Heritage House, Enfield where we have achieved planning for a two-storey logistics scheme totalling 437,000 sq ft and Hannah Close in Wembley, where there is potential to deliver 668,000 sq ft of well located, multi-storey urban logistics space, within the M25.

[23] MSCI 2 year All Property total return, which was -1.7% per annum

FINANCE REVIEW

Six months to	30 September 2023	30 September 2022[1]
Underlying Profit[2,3]	£142m	£138m
Underlying earning per share[2,3]	15.2p	14.7p
IFRS (loss) after tax	£(61)m	£(32)m
Dividend per share	12.16p	11.60p
Total accounting return[2]	(2.0)%	(2.8)%
As at	30 September 2023	31 March 2023
EPRA Net Tangible Assets per share[2,3]	565p	588p
EPRA Net Disposal Value per share[2,3]	594p	606p
IFRS net assets	£5,367m	£5,525m
LTV[4,5,6]	36.9%	36.0%
Net Debt to EBITDA (Group)[4,7]	6.0x	6.4x
Net Debt to EBITDA (proportionally consolidated)[4,5]	8.0x	8.4x
Weighted average interest rate[5]	3.4%	3.5%
Senior Unsecured credit rating	A	A

1. Prior period comparatives have been restated for a change in accounting policies in respect of rental concessions and tenant deposits (as disclosed in Note 1 of the condensed interim financial statements).
2. See Note 2 to condensed interim financial statements for definition and calculation.
3. See Table B within supplementary disclosures for reconciliations to IFRS metrics.
4. See Note 9 to condensed interim financial statements for definition, calculation and reference to IFRS metrics.
5. On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests.
6. EPRA Loan to value is disclosed in Table E of the condensed interim financial statements.
7. Net Debt to EBITDA on a Group basis excludes non-recourse and joint venture borrowings, and includes distributions from non-recourse companies and joint ventures.

OVERVIEW

Operational momentum continued in the period driven by like-for-like rental growth, a tight grip on costs and collection of historic Covid arrears. Underlying Profit and Underlying earnings per share (EPS) were up 3.4% at £142m and 15.2p respectively. Based on our policy of setting the dividend at 80% of Underlying EPS, the Board has proposed an interim dividend of 12.16p per share, up 4.8%. The growth in the dividend is higher than Underlying EPS growth due to the impact of the rental concession restatement in the prior period.

IFRS loss after tax for the period to 30 September 2023 was £61m, compared with a loss after tax for the prior period to 30 September 2022 of £32m. The movement period on period primarily reflects a larger downward valuation movement on the Group's properties and those of its joint ventures, lower net capital finance income from mark-to-market gains on the derivatives hedging the interest rate on our debt, which is offset by the capital uplift from the surrender premium received at 1 Triton Square.

Overall valuations have fallen by 2.5% on a proportionally consolidated basis resulting in a decrease in EPRA NTA per share of 3.9%. Including dividends of 11.04p per share paid during the period, total accounting return was -2.0%.

Group Net Debt to EBITDA improved by 0.4x to 6.0x, and Net Debt to EBITDA on a proportionally consolidated basis also improved by 0.4x to 8.0x, driven by the growth in Underlying earnings and capital activity in the period.

Loan to value (LTV) on a proportionally consolidated basis has increased marginally by 90 bps from 36.0% at 31 March 2023 to 36.9% at 30 September 2023. This reflects the valuation declines noted above and capital expenditure on our committed development pipeline, largely offset by the sale of an office and data centre portfolio and the 1 Triton Square surrender receipt, both of which completed in September 2023.

Our financial position remains strong with £1.7bn of undrawn facilities and cash as at 30 September 2023. Based on our current commitments and facilities, we have no requirement to refinance until mid-2026.

We continue to have good access to finance markets. Since March we completed £600m of financing activity for the Group. This included the extension of £250m in two existing RCFs by an additional year to 2028, and post period end we completed four new 5 year term loans totalling £350m, also maturing 2028, on favourable terms.

Our weighted average interest rate at 30 September 2023 was 3.4%, a 10 bps decrease from 31 March 2023. The impact of increased rates on our interest costs is limited by our hedging which includes fixed rate debt, interest rate swaps to fixed rate and caps where the strike rates are below current SONIA. The interest rate on our debt is 99% hedged for the six months to March 2024 and, 84% hedged on average over the next five years.

We have an advantageous debt structure with access to diverse sources of finance through debt raised by British Land for the Group and in our joint ventures. Debt in British Land (except for the legacy debentures) is unsecured with no interest cover covenants. We retain significant headroom to our unsecured debt covenants; at September 2023 the Group could withstand a fall in asset values across the portfolio of 45% before reaching the covenant limits, prior to taking any mitigating actions. Joint venture debt is secured on the assets of the relevant entity, non-recourse to the Group, and the majority is “covenant light” with no LTV default covenants.

Fitch Ratings, as part of their annual review in August 2023, affirmed all our credit ratings with a stable outlook, including the Senior Unsecured rating at ‘A’.

UNDERLYING PROFIT

	£m
Underlying Profit for the six months ended 30 September 2022	**138**
Disposals	(7)
Acquisitions	3
Developments	(7)
Like-for-like net rent	4
CVAs, administrations and provisions for debtors and tenant incentives	9
Net finance costs, administrative costs & fee income	2
Underlying Profit for the six months ended 30 September 2023	**142**

1. Prior year comparatives have been restated for a change in accounting policy in respect of rental concessions (as disclosed in Note 1 of the condensed interim financial statements).

Underlying Profit increased by £4m, with like-for-like net rental growth, strong cost control, improved fee income, and the collection of historic Covid arrears offsetting the impacts of net divestment and properties going into development and the incremental finance costs associated with our development pipeline.

Underlying Profit for the period reduced by £7m as a result of the £0.9bn disposal of mature assets (primarily the sale of a 75% interest in the majority of our assets in Paddington Central) over the last 18 months. This was offset by the £0.2bn of acquisitions in Retail Parks, London Urban Logistics and innovation opportunities which resulted in a £3m increase to Underlying Profit.

Proceeds from sales have been deployed into our development pipeline and value accretive acquisitions. Our committed schemes are expected to generate an ERV of £70.8m, of which 38% is already pre-let or under offer. In the period developments reduced Underlying Profit by £7m as properties have moved into development and finance costs increased due to incremental spend. Interest on development expenditure is capitalised at the Group’s weighted average interest rate at 30 September 2023 of 2.6% (30 September 2022: 3.0%) which is currently below the Group’s marginal cost of borrowing.

Like-for-like net rental growth across the portfolio was 2.1% in the period, adding £4m to net rents.

CVAs, administrations and provisions made against debtors and tenant incentives improved by £9m compared to the prior period. This improvement is primarily due to the one-off collection of Covid arrears relating to Arcadia in the period of £12m.

Administrative costs were £1m lower period on period as we continue to focus on cost control, whilst fee income from our joint ventures increased £2m. Finance costs were £1m higher.

PRESENTATION OF FINANCIAL INFORMATION AND ALTERNATIVE PERFORMANCE MEASURES

The Group financial statements are prepared under IFRS (UK-adopted International Accounting Standards) where the Group's interests in joint ventures are shown as a single line item on the income statement and balance sheet and all subsidiaries are consolidated at 100%.

Management considers the business principally on a proportionally consolidated basis when setting the strategy, determining annual priorities, making investment and financing decisions and reviewing performance. This includes the Group's share of joint ventures on a line-by-line basis and excludes non-controlling interests in the Group's subsidiaries. The financial key performance indicators are also presented on this basis.

A summary income statement and summary balance sheet which reconcile the Group income statement and balance sheet to British Land's interests on a proportionally consolidated basis are included in Table A within the supplementary disclosures.

Management uses a number of performance metrics in order to assess the performance of the Group and allow for greater comparability between periods, however, does not consider these performance measures to be a substitute for IFRS measures.

Management monitors Underlying Profit as it is an additional informative measure of the underlying recurring performance of our core property rental activity and excludes the non-cash valuation movement on the property portfolio when compared to IFRS metrics. It is based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) which are widely used alternate metrics to their IFRS equivalents, with additional Company adjustments when relevant (see Note 2 in the condensed interim financial statements for further detail).

Management monitors EPRA NTA as this provides a transparent and consistent basis to enable comparison between European property companies. Linked to this, the use of Total Accounting Return allows management to monitor return to shareholders based on movements in a consistently applied metric, being EPRA NTA, and dividends paid.

Loan to value (proportionally consolidated) and Net Debt to EBITDA (Group and proportionally consolidated) are monitored by management as key measures of the level of debt employed by the business to meet its strategic objectives, along with a measurement of risk. It also allows comparison to other property companies who similarly monitor and report these measures. The definitions and calculations of Loan to value and Net Debt to EBITDA are shown in Note 9 of the condensed interim financial statements.

INCOME STATEMENT

1.1 UNDERLYING PROFIT

Underlying Profit is the measure that we use to assess income performance. This is presented below on a proportionally consolidated basis. In the period to 30 September 2023, £25m of rent receivable, £149m of surrender premia receivable, and £54m of tenant incentive impairment were excluded from the calculation of Underlying Profit[1] (see Note 2 of the condensed interim financial statements for further details). No company adjustments were made in the period to 30 September 2022.

Six months to	Section	30 September 2023 £m	30 September 2022[2] £m
Gross rental income		246	253
Property operating expenses		(15)	(24)
Net rental income	1.3	231	229
Net fees and other income		11	9
Administrative expenses	1.4	(43)	(44)
Net financing costs	1.5	(57)	(56)
Underlying Profit		142	138
Underlying tax		(1)	(1)
Non-controlling interests in Underlying Profit		1	1
EPRA and Company adjustments[3]		(203)	(170)
IFRS (loss)/profit after tax	2	(61)	(32)
Underlying EPS	1.2	15.2p	14.7p
IFRS basic EPS	2	(6.6)p	(3.5)p
Dividend per share	3	12.16p	11.60p

1. On 25 September 2023, the Group completed a deed of surrender in relation to an in-force lease of one of its investment properties. The consideration for the surrender was a £149m premium paid by the tenant on the completion date. In line with the requirements of IFRS 16, the surrender transaction was treated as a modification to the lease, with the surrender premium received recognised in full through the income statement at the point of completion, which represented the modified termination date of the lease. At the point of modification, the lease had associated tenant incentive balances of £54m, and as the right to receive these amounts was extinguished through the lease modification, with an impairment recognised in full through the income statement at the point of completion. Also at the point of modification, the lease had an associated deferred lease premium balance of £25m, which in line with the surrender premium received, was recognised in full through the income statement at the point of completion. Owing to the unusual and significant size and nature of this transaction, and in line with the Group's accounting policies, all elements of the transaction have been included within the Capital and other column of the income statement.
2. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions (as disclosed in Note 1 of the condensed interim financial statements).
3. EPRA adjustments consist of investment and development property revaluations, gains/losses on investment and trading property disposals, changes in the fair value of financial instruments, associated close out costs and related deferred tax. Company adjustments consist of items which are considered to be unusual and/or significant by virtue of their size or nature. These items are presented in the 'capital and other' column of the consolidated income statement.

1.2 UNDERLYING EPS

Underlying EPS was 15.2p, up 3.4%. This reflects the Underlying Profit increase of 3.4%, and the £1m tax charge in the period.

1.3 NET RENTAL INCOME

	£m
Net rental income for the six months ended 30 September 2022	229
Disposals	(12)
Acquisitions	6
Developments	(5)
Like-for-like net rent	4
CVAs, administrations and provisions for debtors and tenant incentives	9
Net rental income for the six months ended 30 September 2023	231

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions (as disclosed in Note 1 of the condensed interim financial statements).

Disposals of income producing assets over the last 18 months reduced net rents by £12m in the period, primarily relating to the sale of a 75% interest in the majority of our assets in Paddington Central. The proceeds from sales are being reinvested into value accretive acquisitions and developments. Acquisitions have increased net rents by £6m, primarily as a result of the purchase of nearly £0.2bn retail parks in Farnborough, Preston, and Thanet. Developments have decreased net rents by £5m, driven by 3 Sheldon Square going into development and a one-off rate rebate received on Euston Tower in the prior period, where we de-rated it for development. The committed development pipeline is expected to deliver £70.8m of ERV in future years.

Like-for-like net rental growth across the portfolio was 2.1% in the period, adding £4m to net rents.

Campus like-for-like net rental growth was driven by strong leasing and asset management activity, adding £5m to net rents in the period, offset by expiries which reduced net rent by £4m. Storey like-for-like rent declined by £2m, impacted by the timing of expiries. Like-for-like net rental growth for Retail & London Urban Logistics was £6m, reflecting good leasing in Shopping Centres and continued high occupancy on our Retail Parks.

CVAs, administrations and provisions made against debtors and tenant incentives improved by £9m compared to the prior period. This improvement is primarily due to the collection of Covid arrears relating to Arcadia in the period of £12m. We also continue make good progress on prior year debtors with cash collection now in line with pre-pandemic levels.

1.4 ADMINISTRATIVE EXPENSES

Administrative expenses of £43m in the period are marginally lower period on period, despite the inflationary environment, at £43m as a result of our continued focus on cost control. The Group's EPRA operating cost ratio decreased to 14.8% (September 2022: 19.5%) through our cost control, higher fee income from our joint ventures and by the one-off collection of historic Covid arrears.

1.5 NET FINANCING COSTS

	£m
Net financing costs for the six months ended 30 September 2022	**(56)**
Net divestment	2
Developments	(2)
Market rates	(1)
Net financing costs for the six months ended 30 September 2023	**(57)**

Net financing costs increased by £1m period on period. Net divestment reduced financing costs by £2m; disposals of £0.9bn over the last 18 months reduced costs by £5m, partially offset by acquisitions made over the same period. A further £2m increase in financing costs was from spend on our committed development pipeline and other maintenance capex.

Despite the significant increase in market rates over the last 18 months (rates at March 2022 were 0.75%), our hedging has limited the impact on our financing costs, to the £1m increase.

The interest rate on our debt is 99% hedged for the six months to 31 March 2024 and 84% hedged on average over the next five years, with a gradually declining profile.

2. IFRS LOSS AFTER TAX

The main differences between IFRS loss after tax and Underlying Profit are that IFRS includes the valuation movements on investment properties, fair value movements on financial instruments and associated deferred tax, capital financing costs and any Company adjustments. In addition, the Group's investments in joint ventures are equity accounted in the IFRS income statement but are included on a proportionally consolidated basis within Underlying Profit.

The IFRS loss after tax for the six months to 30 September 2023 was £(61)m, compared with a loss after tax for the prior period of £(32)m. IFRS basic EPS was (6.6)p, compared to (3.5)p in the prior period. The IFRS loss after tax for the period primarily reflects the downward valuation movement on the Group's properties of £(201)m, the capital and other loss from joint ventures of £(123)m, the capital and other gain from surrender of 1 Triton Square of £120m (as disclosed in Note 3 of the condensed interim financial statements), and the Underlying Profit of £142m. The Group valuation movement and capital and other income profit from joint ventures was driven principally by outward yield shift of 23 bps offset by ERV growth of 3.2% in the portfolio resulting in a valuation loss of 2.5%.

The basic weighted average number of shares in issue during the year was 927m (H1 2022/23: 927m).

3. DIVIDENDS

Our dividend is semi-annual and calculated at 80% of Underlying EPS based on the most recently completed six-month period. Applying this policy, the Board has announced an interim dividend for the six months ended 30 September 2023 of 12.16p per share. Payment will be made on Friday 5 January 2024 to shareholders on the register at close of business on Friday 24 November 2023. The dividend will be a Property Income Distribution and no SCRIP alternative will be offered.

BALANCE SHEET

As at	Section	30 September 2023 £m	31 March 2023 £m
Property assets		8,713	8,907
Other non-current assets		78	141
		8,791	9,048
Other net current liabilities		(282)	(348)
Adjusted net debt	6	(3,231)	(3,221)
Other non-current liabilities		-	(50)
EPRA Net Tangible Assets		**5,278**	5,487
EPRA NTA per share	4	**565p**	588p
Non-controlling interests		13	13
Other EPRA adjustments[1]		76	25
IFRS net assets	5	**5,367**	5,525

Proportionally consolidated basis

1. EPRA Net Tangible Assets NTA is a proportionally consolidated measure that is based on IFRS net assets excluding the mark-to-market on derivatives and related debt adjustments, the carrying value of intangibles as well as deferred taxation on property and derivative valuations. The metric includes the valuation surplus on trading properties and is adjusted for the dilutive impact of share options. Details of the EPRA adjustments are included in Table A within the supplementary disclosures.

4. EPRA NET TANGIBLE ASSETS PER SHARE

	pence
EPRA NTA per share at 31 March 2023	**588**
Valuation performance	(36)
Surrender at 1 Triton Square	13
Underlying Profit	15
Dividend	(11)
Other	(4)
EPRA NTA per share at 30 September 2023	**565**

The 3.9% decrease in EPRA NTA per share reflects a valuation decrease of 2.5%, including the uplift from the surrender of 1 Triton Square, compounded by the Group's gearing. The decrease in valuations was as a result of further yield expansion as interest rates continued to rise in the period.

Campus valuations were down 4.0%, driven by yields moving out 32 bps, but offset by ERV growth of 3.2% reflecting our successful leasing activity and the premium customers are placing on the amenity, transport connections, sustainability and location.

Valuations in Retail & London Urban Logistics were up 0.1% overall, with outward yield shift of 12 bps and ERV growth of 3.3%. Retail Parks increased by 0.2% in the period, driven by strong ERV growth of 4.0% offsetting yield expansion of 13 bps. Shopping Centres yields expanded by 10 bps whilst ERVs growth was 2.6%. London Urban Logistics saw yield expansion of 9 bps but the continued strong occupational demand and acute undersupply of space has driven ERV growth of 3.1%.

On 19 October 2023 the RICS published guidelines on a new time-limited, mandatory rotation cycle for regulated purpose valuations. Rules are effective from 1 May 2024 and require, after a 2 year transition period, a valuation firm to be rotated after 10 consecutive years of valuing a given asset. This matches our existing voluntary policy of 10 yearly valuer rotation, therefore our planned valuer rotation cycle remains unchanged.

5. IFRS NET ASSETS

IFRS net assets at 30 September 2023 were £5,367m, a decrease of £158m from 31 March 2023. This was primarily due to the IFRS loss after tax of £61m and dividends paid in the period of £102m.

CASH FLOW, NET DEBT AND FINANCING

6. ADJUSTED NET DEBT[1]

	£m
Adjusted net debt at 31 March 2023	**(3,221)**
Disposals	131
1 Triton Square surrender premium receipt	149
Acquisitions	(58)
Developments	(191)
Capex (asset management initiatives)	(41)
Net cash from operations	104
Dividend	(102)
Other	(2)
Adjusted net debt at 30 September 2023	**(3,231)**

1. Adjusted net debt is a proportionally consolidated measure. It represents the principal amount of gross debt, less cash, short term deposits and liquid investments and is used in the calculation of proportionally consolidated LTV and Net Debt to EBITDA. A reconciliation between the Group net debt as disclosed in Note 9 to the condensed interim financial statements and adjusted net debt is included in Table A within the supplementary disclosures.

Disposals and the 1 Triton Square surrender premium receipt decreased net debt by £280m whilst retail park acquisitions increased net debt by £58m and development spend totalled £191m with a further £41m on capital expenditure related to asset management on the standing portfolio. Net cash from operations offset by the dividend payment reduced net debt by £2m.

7. FINANCING

	Group		Proportionally consolidated	
	30 September 2023	31 March 2023	**30 September 2023**	31 March 2023
Net debt / adjusted net debt[1,2]	**£2,019m**	£2,065m	**£3,231m**	£3,221m
Principal amount of gross debt	**£2,255m**	£2,250m	**£3,462m**	£3,448m
Loan to value[2]	**28.0%**	27.4%	**36.9%**	36.0%
Net Debt to EBITDA[2,3]	**6.0x**	6.4x	**8.0x**	8.4x
Weighted average interest rate	**2.6%**	2.9%	**3.4%**	3.5%
Interest cover	**5.8x**	5.4x	**3.5x**	3.4x
Weighted average maturity of drawn debt	**5.6 years**	5.6 years	**5.7 years**	5.9 years

1. Group data as presented in Note 9 of the condensed interim financial statements. The proportionally consolidated figures include the Group's share of joint ventures' net debt and represents the principal amount of gross debt, less cash, short term deposits and liquid investments.
2. Note 9 of the condensed interim financial statements sets out the calculation of the Group and proportionally consolidated LTV and Net Debt to EBITDA.
3. Net Debt to EBITDA on a Group basis excludes non-recourse and joint venture borrowings, and includes distributions from non-recourse companies and joint ventures.

At 30 September 2023, our proportionally consolidated LTV was 36.9%, marginally up from 36.0% at 31 March 2023. Disposals in the period, primarily the office and data centre portfolio and 1 Triton Square surrender premium receipt decreased LTV by 270 bps. This was offset by the impact of valuation movements which added 140 bps, development spend which added 170 bps and acquisitions in the period which added 40 bps.

Since March 2023, driven by growth in Underlying earnings and capital activity in the period, Net Debt to EBITDA for the Group improved from 6.4x to 6.0x; on a proportionally consolidated basis the ratio improved to 8.0x.

Our weighted average interest rate at 30 September 2023 was 3.4%, down 10 bps from 3.5% at March 2023, primarily due to changes in our mix of hedging, with net divestment and development spend overall offsetting.

We maintain good long term relationships, and seek to develop new relationships, with debt providers across the markets. The strength of these enabled us to continue to raise funds on good terms, despite volatile market conditions. During the year to date our total financing activity was £600m. For British Land, during the half year, we extended two bilateral unsecured revolving bank credit facilities (RCF) totalling £250m by a further year to mature in 2028. Since 30 September 2023, we have agreed four new bilateral 5 year term loans totalling £350m with existing relationship banks on favourable terms in line with other facilities and including our unsecured financial covenants.

Sustainability targets apply to the majority of these new loans and extended RCFs, aligned with our other ESG linked RCFs and to our sustainability strategy. In British Land and our joint ventures we have a total £1.7bn (£1.5bn BL Share) of 'Green' and sustainability/ESG linked loans and facilities.

At 30 September 2023, we had £1.7bn of undrawn facilities and cash from a total of £2.1bn of facilities. The term loans agreed since September add further capacity. Based on our current commitments and facilities, the Group has no requirement to refinance until mid-2026.

We have an advantageous debt structure with access to diverse sources of finance through debt raised by British Land and in our joint ventures. Our debt in British Land (except for the legacy debentures) is unsecured with no interest cover covenants. At 30 September 2023 we retain significant headroom to our debt covenants, meaning the Group could withstand a fall in asset values across the portfolio of 45%, prior to taking any mitigating actions. Joint venture debt is secured on the assets of the relevant entity, non-recourse to the Group, and the majority is “covenant light” with no LTV default covenants.

Fitch Ratings, as part of their annual review in August 2023 affirmed all our credit ratings, with a stable outlook; Senior Unsecured ‘A’, long term IDR ‘A-‘ and short term IDR ‘F1’.

Our strong balance sheet, established lender relationships, access to different sources of finance and liquidity enable us to deliver on our strategy.

Bhavesh Mistry
Chief Financial Officer

ABOUT BRITISH LAND

Our portfolio of high quality UK commercial property is focused on London Campuses and Retail & London Urban Logistics assets throughout the UK. We own or manage a portfolio valued at £12.7bn (British Land share: £8.7bn) as at 30 September 2023 making us one of Europe's largest listed real estate investment companies.

We create Places People Prefer, delivering the best, most sustainable places for our customers and communities. Our strategy is to leverage our best in class platform and proven expertise in development, repositioning and active management, investing behind two key themes: Campuses and Retail & London Urban Logistics.

Our three campuses at Broadgate, Paddington Central and Regent's Place are dynamic neighbourhoods, attracting growth customers and sectors, and offering some of the best connected, highest quality and most sustainable space in London. We are delivering our fourth Campus at Canada Water, where we have planning consent to deliver 5m sq ft of residential, commercial, retail and community space over 53 acres. Our Campuses account for 62% of our portfolio.

Retail & London Urban Logistics accounts for 38% of the portfolio and is focused on retail parks which are aligned to the growth of convenience, online and last mile fulfilment. We are complementing this with urban logistics primarily in London, focused on development-led opportunities.

Sustainability is embedded throughout our business. Our approach is focused on three key pillars where British Land can create the most benefit: Greener Spaces, making our whole portfolio net zero carbon by 2030, Thriving Places, partnering to grow social value and wellbeing in the communities where we operate and Responsible Choices, advocating responsible business practices across British Land and throughout our supply chain, and maintaining robust governance structures. Further details can be found on the British Land website at www.britishland.com

RISK MANAGEMENT AND PRINCIPAL RISKS

At British Land, effective risk management is fundamental to how we do business. We have an established risk management and control framework that enables us to effectively identify, assess and manage the range of financial and non-financial risks facing our business, including those principal risks that could threaten solvency and liquidity, as well as identifying emerging risks. Our approach is not intended to eliminate risk entirely, but instead to manage our risk exposures within our appetite for each risk, whilst at the same time making the most of our opportunities.

Our integrated risk management approach combines a top-down strategic view with a complementary bottom-up operational process. Whilst ultimate responsibility for risk rests with the Board, the effective day to day management of risk is integral to the way the Group conducts business. In summary, our approach to risk management is centred on being risk-aware, clearly defining our risk appetite, responding quickly to changes in our risk profile and having a strong risk management culture amongst all employees with clearly defined roles and accountability. The Group's risk appetite, our integrated approach to managing risk, and our governance framework are unchanged from that set out in the Managing Risk section of the 2023 Annual Report on pages 46 – 50.

We remain focused on the risk of continued challenges to the UK economy, including the prevailing higher interest rate and inflation levels along with the geopolitical uncertainty stemming from the wars in the Ukraine and the Middle East. Encouragingly, the economy has been more resilient than expected and recent data indicates a decline in the inflation rate, albeit the macroeconomic outlook remains uncertain. The Board and key committees have been overseeing the Group's response to the impact of these challenges on our business, as well as their wider impacts on our markets, portfolio strategy, development programme and our customers, with business resilience and risk management at the core of our approach. We are proactively employing a risk-focused approach in managing our business, especially with regards to capital allocation decisions and focussing on maintaining a strong financial position.

The Board has performed a robust assessment of the principal and emerging risks facing the Group and considers that whilst some risks have reduced or are showing initial signs of improving in the period (as set out in the table over the page), all principal risks and uncertainties presented on pages 51 to 60 of our 2023 Annual Report, remained valid during the period and we believe will continue to be relevant for the remainder of the year. Our comprehensive risk management process, coupled with the Group's continued ability to be flexible to adjust and respond to our principal risks and emerging risks as they evolve, will be pivotal to the future performance of our business.

EXTERNAL PRINCIPAL RISKS

Principal Risk	Status at year end	Change since year end	Commentary
Macroeconomic	High	Stable	The UK's macroeconomic outlook remains uncertain, and inflation and interest rate risks persist, which could potentially impact our portfolio strategy, our markets and our customers. We're proactively managing our business by strategically allocating capital, maintaining financial strength, and effectively mitigating development and financing risks. With a strong balance sheet and experienced leadership, we're well-prepared to tackle challenges and capitalise on opportunities, including potential strategic investments.
Political, Legal and Regulatory	Medium to High	Stable	The political, legal, and regulatory risks remain uncertain and elevated, primarily due to macroeconomic conditions, ongoing geopolitical tensions arising from the wars in Ukraine and the Middle East, and increased government regulations. This uncertainty has the potential to impact various aspects, including interest rates, supply chains, security, cyber threats, compliance, and reputation. The Board and key committees are closely monitoring these external risks and their potential impact on both the UK economy and our operations to ensure we are taking appropriate mitigating actions.
Property Markets			
(a) Campuses	Medium	Stable	The prime London office occupier market remains robust supported by a limited new development pipeline and good rental growth. However, rising interest rates have affected investor sentiment and structural challenges remain from increased remote working practices. That said, our Campus model offers well-connected, sustainable buildings with amenities, attracting occupiers as they focus on the best-in-class space for their business.
(b) Retail	Medium to High	Reducing	Despite the challenges facing the retail market from both increased costs and reduced consumer disposable income, the occupational market has shown improvement, with a growing number of retailers reporting positive footfall and sales levels. The retail park investment market remains in line with historical norms, while shopping centres continues to lag behind long term averages. Our Retail portfolio focuses on retail parks, aligning with convenience trends and omni-channel strategies. As a result, our leasing remains strong. We continue to seek acquisition opportunities in retail parks to leverage our scale and asset expertise for value creation.
(c) London Urban Logistics	Low	Stable	London's urban logistics occupational fundamentals are strong due to e-commerce shifts and limited space supply. However, rising interest rates have softened investment pricing. Our Urban Logistics portfolio, driven by development and repurposing, capitalises on high demand and scarce supply.
Major Events/ Business Disruption	Medium	Stable	The heightened global and political uncertainties, further intensified by the wars in the Ukraine and the Middle East, still have the potential to affect the Group's operations and stakeholders. The challenges faced in recent years due to the Covid pandemic have highlighted the strength of our business model and robust crisis management plans. We remain vigilant regarding continued risks posed by external threats.

INTERNAL PRINCIPAL RISKS

Principal Risk	Status at year end	Change since year end	Commentary
Portfolio Strategy	Medium	Stable	Our portfolio strategy has faced ongoing challenges due to macroeconomic conditions and more difficult investment markets. The impact of rising interest rates has been felt on our strategy and portfolio valuations, however, there are signs that upward yield pressure is diminishing, particularly for retail parks and London urban logistics. Our operational performance remains strong, reinforcing our confidence in our core markets: campuses, retail parks, and London urban logistics. Additionally, we foresee more favourable rental growth prospects across our portfolio. We will maintain a disciplined approach to capital allocation and remain flexible in looking to take advantage of opportunities.
Development	Medium	Stable	Despite ongoing inflationary pressures in construction supply chains, amplified by the Ukraine conflict, we are observing more encouraging trends. Construction cost inflation is easing, aligning with our projections of 3-4% this year and marking a significant decrease from the 10% peak in 2022. Our committed pipeline is progressing well, and our development exposure at 4.9% of our portfolio's gross asset value, is well within our risk tolerance. Progressing value accretive development is a key priority to driving the performance of our business and our strong balance sheet, contractor relationships, and management experience position us well to move forward with our pipeline while mitigating the associated risks. Prior to committing to future developments, we will continue to evaluate their impact against specific criteria, subject to approval from the Investment Committee. This assessment will consider returns, prevailing interest rates and our balance sheet capacity.
Financing	Low to Medium	Stable	Despite the sharp rise in market interest rates over the past 18 months, current forecasts suggest an increased likelihood that interest rates are approaching their peak, albeit they may remain elevated for an extended period of time. We have continued to actively manage our financing risk and maintain access to a diverse range of sources of finance with a spread of repayment dates, along with the use of hedging to mitigate interest rate risk. Our strong balance sheet, coupled with continued capital recycling, provides us with the liquidity to effectively support our business needs and respond to opportunities. We have no requirement to refinance until mid-2026.
Environmental Sustainability	Medium	Stable	The importance of environmental sustainability risks and their connection to our business, customers and other stakeholders is increasing. Concurrently, regulatory requirements and expectations are on the rise. Our targets for 2030 are centred on attaining a carbon net-zero portfolio and demonstrating environmental leadership, and we have already made significant strides in this direction. Our achievements have been recognised in various international benchmarks including GRESB, where we were delighted to achieve a GRESB 5* rating in the period.
People and Culture	Medium	Stable	The competition for talent, which was until recently very intense, has eased off in light of recent economic uncertainties. Our focus will continue to ensure we have the right resources and skills in place to support our strategic priorities. Our goal remains to foster a diverse, inclusive and ambitious culture so we can develop, attract and inspire the best people to deliver our strategy. Additionally, we will take a proactive approach to oversee and enhance the wellbeing of our staff.
Customer	Medium to High	Stable	Our overall customer risk is showing signs of decreasing, yet it remains elevated with an uncertain outlook and mixed indicators with a number of retailer CVAs and administrations in the period. We are fully aware of the challenges posed by higher input prices, particularly within the retail sector, and the potential implications for customer profitability and associated risks. To address these challenges, we take a proactive approach to maintaining a robust and resilient customer base and focus on providing affordable space with lower overall occupancy costs. It is pivotal that our strategic positioning across our Campuses, Retail Parks and London Urban Logistics portfolios, coupled with our strong focus on collaborative relationships with our customers, enables us to provide high quality spaces at sustainable occupancy costs, which in turn attracts high quality occupiers. This is demonstrated by our 96% occupancy rate and 99% rent collection rate.
Operational and Compliance	Medium	Stable	Key areas of risk encompass Technology and Cyber Security, Health & Safety, Third Party Relationships and Internal Controls and Compliance. We maintain a vigilant stance regarding these key operational risks within our business, and we are pleased to report no significant issues have arisen during the first half of the year. We remain committed to ongoing monitoring and are actively implementing strategies to fortify our cyber security, IT infrastructure and related key controls, as well as enhancing our overall internal control framework.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of British Land plc are listed on the company website www.britishland.com

By order of the Board.

Bhavesh Mistry
Chief Financial Officer

12 November 2023

INDEPENDENT REVIEW REPORT TO THE BRITISH LAND COMPANY PLC

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

OUR CONCLUSION

We have reviewed The British Land Company PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Half-Year Results of The British Land Company PLC for the 6 month period ended 30 September 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 September 2023;
- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Statement of Cash Flows for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half-Year Results of The British Land Company PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half-Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

CONCLUSIONS RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

RESPONSIBILITIES FOR THE INTERIM FINANCIAL STATEMENTS AND THE REVIEW

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

The Half-Year Results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half-Year Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half-Year Results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half-Year Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
12 November 2023

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2023

		Six months ended 30 September 2023 Unaudited			Restated[1] Six months ended 30 September 2022 Unaudited		
	Note	Underlying[2] £m	Capital and other £m	Total £m	Underlying[2] £m	Capital and other £m	Total £m
Revenue	3	212	174	386	216	–	216
Costs[3]	3	(46)	(54)	(100)	(51)	–	(51)
	3	166	120	286	165	–	165
Joint ventures (see also below)	7	49	(123)	(74)	48	(97)	(49)
Administrative expenses		(42)	–	(42)	(43)	–	(43)
Valuation movement	4	–	(201)	(201)	–	(189)	(189)
Profit (loss) on disposal of investment properties and revaluation of investments		–	2	2	–	(20)	(20)
Net financing (charges) income							
financing income	5	–	10	10	4	147	151
financing charges	5	(30)	–	(30)	(35)	–	(35)
		(30)	10	(20)	(31)	147	116
(Loss) profit before taxation		143	(192)	(49)	139	(159)	(20)
Taxation		(1)	(11)	(12)	(1)	(11)	(12)
(Loss) profit for the period after taxation		142	(203)	(61)	138	(170)	(32)
Attributable to non-controlling interests		1	(1)	–	1	(1)	–
Attributable to shareholders of the Company		141	(202)	(61)	137	(169)	(32)
Earnings per share:							
basic	2			(6.6)p			(3.5)p
diluted	2			(6.6)p			(3.5)p

All results derive from continuing operations.

		Six months ended 30 September 2023 Unaudited			Restated[1] Six months ended 30 September 2022 Unaudited		
	Note	Underlying[2] £m	Capital and other £m	Total £m	Underlying[2] £m	Capital and other £m	Total £m
Results of joint ventures accounted for using the equity method							
Underlying Profit		49	–	49	48	–	48
Valuation movement	4	–	(126)	(126)	–	(126)	(126)
Capital financing income		–	3	3	–	30	30
Taxation		–	–	–	–	(1)	(1)
	7	49	(123)	(74)	48	(97)	(49)

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.
2. See definition in Note 2 and a reconciliation between Underlying Profit and IFRS profit in Note 11.
3. Included within 'Costs' is a credit relating to provisions for impairment of tenant debtors, accrued income, tenant incentives and contracted rent increases of £11m (six months ended 30 September 2022: credit of £2m).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	Six months ended 30 September 2023 Unaudited £m	Restated[1] Six months ended 30 September 2022 Unaudited £m
Loss for the period after taxation	(61)	(32)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Gains on cash flow hedges		
– Joint ventures	6	4
	6	4
Reclassification of foreign exchange differences to the income statement	(2)	–
Other comprehensive income for the period	4	4
Total comprehensive loss for the period	(57)	(28)
Attributable to non-controlling interests	–	–
Attributable to shareholders of the Company	(57)	(28)

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

CONSOLIDATED BALANCE SHEET

As at 30 September 2023

	Note	30 September 2023 Unaudited £m	31 March 2023 Audited £m
ASSETS			
Non-current assets			
Investment and development properties	6	5,495	5,677
		5,495	5,677
Other non-current assets			
Investments in joint ventures	7	2,157	2,206
Other investments		56	58
Property, plant and equipment		22	22
Interest rate and currency derivative assets	9	144	144
		7,874	8,107
Current assets			
Trading properties	6	22	22
Debtors	8	47	34
Corporation tax		–	2
Cash and cash equivalents	9	152	125
		221	183
Total assets		8,095	8,290
LIABILITIES			
Current liabilities			
Short term borrowings and overdrafts	9	(297)	(402)
Creditors		(290)	(282)
		(587)	(684)
Non-current liabilities			
Debentures and loans	9	(1,940)	(1,865)
Other non-current liabilities		(117)	(145)
Deferred tax liabilities		(6)	(4)
Interest rate and currency derivative liabilities	9	(78)	(67)
		(2,141)	(2,081)
Total liabilities		(2,728)	(2,765)
Net assets		5,367	5,525
EQUITY			
Share capital		234	234
Share premium		1,309	1,308
Merger reserve		213	213
Other reserves		19	15
Retained earnings		3,579	3,742
Equity attributable to shareholders of the Company		5,354	5,512
Non-controlling interests		13	13
Total equity		5,367	5,525
EPRA Net Tangible Assets per share[1]	2	565p	588p

1. See definition in Note 2.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Note	Six months ended 30 September 2023 Unaudited £m	Restated[1] Six months ended 30 September 2022 Unaudited £m
Income received from tenants		183	190
Surrender premia received[2]	3	178	–
Fees and other income received		24	26
Operating expenses paid to suppliers and employees		(106)	(101)
Cash generated from operations		279	115
Interest paid		(31)	(37)
Corporation tax payments		(3)	–
Distributions and other receivables from joint ventures	7	37	34
Net cash inflow from operating activities		282	112
Cash flows from investing activities			
Development and other capital expenditure		(141)	(128)
Sale of investment properties		131	4
Purchase of investment properties		(58)	(24)
Sale of investment properties to Paddington Central Joint Venture		–	685
Purchase of investments		(2)	(14)
Investment in and loans to joint ventures		(65)	(59)
Loan repayments from joint ventures		–	125
Indirect taxes (paid) received in respect of investing activities		(8)	3
Net cash (outflow) inflow from investing activities		(143)	592
Cash flows from financing activities			
Dividends paid		(102)	(106)
Dividends paid to non-controlling interests		–	(1)
Capital payments in respect of interest rate derivatives		(12)	–
Decrease in lease liabilities		(3)	(3)
Decrease in bank and other borrowings		(166)	(584)
Drawdown on bank and other borrowings		171	34
Net cash outflow from financing activities		(112)	(660)
Net increase in cash and cash equivalents		27	44
Cash and cash equivalents at 1 April		125	105
Cash and cash equivalents at 30 September		152	149
Cash and cash equivalents consists of:			
Cash and short-term deposits		124	118
Tenant deposits		28	31

1. Prior period comparatives have been restated for a change in accounting policy in respect of tenant deposits. Refer to Note 1 for further information.
2. Surrender premia received includes £149m (six months ended 30 September 2022: £nil) of the consideration for the surrender of 1 Triton Square and £29m (six months ended 30 September 2022: £nil) of related VAT. Refer to Note 3 for further information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

SIX MONTH MOVEMENTS IN EQUITY (UNAUDITED)

	Share capital £m	Share premium £m	Hedging and translation reserve £m	Revaluation reserve £m	Merger reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 April 2023	**234**	**1,308**	**2**	**13**	**213**	**3,742**	**5,512**	**13**	**5,525**
Total comprehensive (expense) income for the period	**–**	**–**	**(2)**	**6**	**–**	**(61)**	**(57)**	**–**	**(57)**
Share issues	**–**	**1**	**–**	**–**	**–**	**–**	**1**	**–**	**1**
Dividends paid in period (11.04p per share)	**–**	**–**	**–**	**–**	**–**	**(102)**	**(102)**	**–**	**(102)**
Balance at 30 September 2023	**234**	**1,309**	**–**	**19**	**213**	**3,579**	**5,354**	**13**	**5,367**
Balance at 1 April 2022 as published	234	1,307	2	3	213	4,994	6,753	15	6,768
Total comprehensive (expense) income for the period (restated[1])	–	–	–	4	–	(32)	(28)	–	(28)
Share issues	–	1	–	–	–	–	1	–	1
Fair value of share and share option awards	–	–	–	–	–	3	3	–	3
Dividends paid in period (11.60p per share)	–	–	–	–	–	(108)	(108)	–	(108)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(1)	(1)
Balance at 30 September 2022 (restated[1])	234	1,308	2	7	213	4,857	6,621	14	6,635

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

PRIOR YEAR MOVEMENTS IN EQUITY (AUDITED)

	Share capital £m	Share premium £m	Hedging and translation reserve £m	Revaluation reserve £m	Merger reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 April 2022	234	1,307	2	3	213	4,994	6,753	15	6,768
Total comprehensive (expense) income for the year	–	–	–	10	–	(1,038)	(1,028)	(1)	(1,029)
Shares issued in the year	–	1	–	–	–	–	1	–	1
Fair value of share and share option awards	–	–	–	–	–	1	1	–	1
Dividends payable in year (23.20p per share)	–	–	–	–	–	(215)	(215)	–	(215)
Dividends payable by subsidiaries	–	–	–	–	–	–	–	(1)	(1)
Balance at 31 March 2023	234	1,308	2	13	213	3,742	5,512	13	5,525

NOTES TO THE ACCOUNTS

For the six months ended 30 September 2023

1 BASIS OF PREPARATION

The financial information for the period ended 30 September 2023 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2023 has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not include a reference to matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements for the half-year reporting period ended 30 September 2023 included in this announcement has been prepared on a Going Concern basis using accounting policies consistent with UK-adopted international accounting standards, in accordance with UK-adopted IAS 34 'Interim Financial Reporting', and in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in the annual report and accounts. Accordingly, this report is to be read in conjunction with the annual report and accounts for the year ended 31 March 2023, which has been prepared in accordance with both UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006, and any public announcements made by the Group during the interim reporting period. The same accounting policies are followed in the condensed consolidated interim financial statements as applied in the Group's audited financial statements for the year ended 31 March 2023.

A number of new standards and amendments to standards and interpretations have been issued for the current accounting period. The IASB issued narrow-scope amendments to IAS 12 that are yet to be adopted by the UK endorsement board, as part of the Pillar Two model implementation. The Group is currently assessing the impact of Pillar Two and the associated IAS 12 amendments. The following standards and interpretations which have been issued but are not yet effective include IAS 1 'Presentation of Financial Statements' on the classification of liabilities and non-current liabilities with covenants, IFRS 16 'Leases' on sale and leaseback arrangements, and limited scope amendments to both IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' in respect of sale or contribution of assets between an investor and its associates or joint ventures. These amendments to standards that are not yet effective are not expected to have a material impact on the Group's results.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these interim financial statements requires management to make critical accounting judgements and assess key sources of estimation uncertainty, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates.

CRITICAL ACCOUNTING JUDGEMENTS

The Group's critical accounting judgements are consistent with those disclosed in the Group's audited financial statements for the year ended 31 March 2023.

KEY SOURCES OF ESTIMATION UNCERTAINTY

As outlined in the Group's audited financial statements for the year ended 31 March 2023, the valuation of investment, development and trading properties, and impairment provisioning of tenant debtors (including accrued income) and tenant incentives were identified as key sources of estimation uncertainty.

As at 30 September 2023, the Group no longer identifies the impairment provisioning of tenant debtors and tenant incentives as a key source of estimation uncertainty as, in the Group's view, the inherent uncertainty related to these balances, which was driven by the Covid-19 pandemic, no longer has the potential to materially impact the carrying amount of these assets within the next financial year.

GOING CONCERN

The interim financial statements are prepared on a Going Concern basis. The balance sheet shows the Group is in a net current liability position of £366m, predominantly due to short term borrowings and overdrafts of £297m and deferred income of £50m (related to quarterly rents paid in advance which will not result in cash outflows) and other current creditors which will result in cash outflows over the next 12 months in the ordinary course of business. Set against this, the Group has access to £1.7bn of undrawn facilities and cash, which provides the Directors with a reasonable expectation that the Group will be able to meet these current liabilities as they fall due. In making this assessment the Directors also took into account the headroom on Group debt covenants, equivalent to a 45% fall in property values as at 30 September 2023 (and a 33% fall in property values on a committed look forward basis), and the absence of interest cover covenants on the unsecured facilities. Before factoring in any income receivable, the facilities and cash would be sufficient to cover forecast capital expenditure, property operating costs, administrative expenses, maturing debt and interest over the next 12 months from the approval date of these interim financial statements.

1 BASIS OF PREPARATION (CONTINUED)

Having assessed the Principal Risks, the Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily despite the current economic climate, and have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for at least 12 months from the signing date of these interim financial statements. They therefore consider it appropriate to adopt the Going Concern basis of accounting in preparing the interim financial statements. The interim financial statements were approved by the Board on 12 November 2023.

CHANGE IN ACCOUNTING POLICIES

Rental concessions

The Group changed its accounting policy in respect of concessions (or rental forgiveness) granted to tenants as outlined in the Group's audited financial statements for the year ended 31 March 2023 in response to the IFRS Interpretations Committee (IFRIC) Agenda Decision in relation to Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16). This change of accounting policy has led to a restatement of the 30 September 2022 comparatives disclosed in these condensed consolidated interim financial statements. The restatement arises due to the reversal of previously recognised amortisation (of the concessions previously granted to tenants) in the six-month period to 30 September 2022. The overall restatement quantum is £2m and results in a decrease to the loss for the period after taxation from £34m to £32m. Within the condensed consolidated interim financial statements, the restatement has resulted in a change to the following balances:

- Gross rental income; and
- Joint venture result.

The quantitative impact on each balance has been outlined in the table below.

Tenant deposits

The Group changed its accounting policy in relation to tenant deposits as detailed in the Group's audited financial statements for the year ended 31 March 2023 in response to the IFRIC Agenda Decision in relation to Demand Deposits with Contractual Restrictions in Use. This change of accounting policy has led to a restatement of the 30 September 2022 comparatives disclosed in the consolidated statement of cash flows. The restatement has led to the Group recognising £5m of rental deposits and a further £26m of service charge deposits within cash and cash equivalents as at 30 September 2022. Additionally, the Group will also recognise service charge income and expense related cash flows leading to a restatement of the 30 September 2022 comparatives for income received from tenants and operating expenses paid to suppliers and employees of £27m respectively.

The quantitative impact on each balance has been outlined in the table below.

	30 September 2022 Published £m	Rental concessions Restatement £m	Tenant deposits Restatement £m	30 September 2022 Restated £m
Consolidated income statement (extract)				
Revenue	215	1	–	216
Joint ventures	(50)	1	–	(49)
Loss for the period after taxation	(34)	2	–	(32)
Consolidated statement of cash flows (extract)				
Income received from tenants	163	–	27	190
Operating expenses paid to suppliers and employees	(74)	–	(27)	(101)
Cash and cash equivalents at 1 April	74	–	31	105
Cash and cash equivalents at 30 September	118	–	31	149
Cash and cash equivalents consist of:				
Tenant deposits	–	–	31	31
Performance measures (Note 2)				
Underlying Profit (Table A)	136	2	–	138
Underlying diluted earnings per share (pence)	14.5	0.2	–	14.7

2 PERFORMANCE MEASURES

EARNINGS PER SHARE

The Group measures financial performance with reference to Underlying earnings per share, the European Public Real Estate Association (‘EPRA’) earnings per share and IFRS earnings per share. The relevant earnings and weighted average number of shares (including dilution adjustments) for each performance measure are shown below, and a reconciliation between these is shown within the supplementary disclosures (Table B).

EPRA earnings per share is calculated using EPRA earnings, which is the IFRS profit after taxation attributable to shareholders of the Company excluding investment and development property revaluations, gains/losses on investing and trading property disposals, changes in the fair value of financial instruments and associated close-out costs and their related taxation.

Underlying earnings per share is calculated using Underlying Profit adjusted for Underlying taxation, with the dilutive measure being the primary disclosure measure used. Underlying Profit is the pre-tax EPRA earnings measure, with additional Company adjustments for items which are considered to be unusual and/or significant by virtue of their size and nature. In the current period to 30 September 2023, £25m of rent receivable, £149m of surrender premia receivable, and £54m of tenant incentive impairment were excluded from the calculation of Underlying Profit (see Note 3 for further details). No Company adjustments were made in the prior period to 30 September 2022.

	Six months ended 30 September 2023			Restated[1] Six months ended 30 September 2022		
Earnings per share	Relevant earnings £m	Relevant number of shares million	Earnings per share pence	Relevant earnings £m	Relevant number of shares million	Earnings per share pence
Underlying						
Underlying basic	141	927	15.2	137	927	14.8
Underlying diluted	141	929	15.2	137	930	14.7
EPRA						
EPRA basic	261	927	28.2	137	927	14.8
EPRA diluted	261	929	28.1	137	930	14.7
IFRS						
Basic	(61)	927	(6.6)	(32)	927	(3.5)
Diluted	(61)	927	(6.6)	(32)	927	(3.5)

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

NET ASSET VALUE

The Group measures financial position with reference to EPRA Net Tangible Assets (‘NTA’), Net Reinvestment Value (‘NRV’) and Net Disposal Value (‘NDV’). The net assets and number of shares for each performance measure is shown below. A reconciliation between IFRS net assets and the three EPRA net asset valuation metrics, and the relevant number of shares for each performance measure, is shown within the supplementary disclosures (Table B). EPRA NTA is a measure that is based on IFRS net assets excluding the mark-to-market on derivatives and related debt adjustments, the carrying value of intangibles, as well as deferred taxation on property and derivative valuations. The metric includes the valuation surplus on trading properties and is adjusted for the dilutive impact of share options.

	30 September 2023			31 March 2023		
Net asset value per share	Relevant net assets £m	Relevant number of shares million	Net asset value per share pence	Relevant net assets £m	Relevant number of shares million	Net asset value per share pence
EPRA						
EPRA NTA	5,278	934	565	5,487	933	588
EPRA NRV	5,809	934	622	6,029	933	646
EPRA NDV	5,549	934	594	5,658	933	606
IFRS						
Basic	5,367	927	579	5,525	927	596
Diluted	5,367	934	575	5,525	933	592

2 PERFORMANCE MEASURES (CONTINUED)

TOTAL ACCOUNTING RETURN

The Group also measures financial performance with reference to total accounting return. This is calculated as the movement in EPRA NTA per share and dividend paid in the period as a percentage of the EPRA NTA per share at the start of the period.

	Six months ended 30 September 2023			Six months ended 30 September 2022		
	Movement in NTA per share pence	Dividend per share paid pence	Total accounting return	Movement in NTA per share pence	Dividend per share paid pence	Total accounting return
Total accounting return	(23)	11.04	(2.0%)	(32)	11.60	(2.8%)

3 REVENUE AND COSTS

	Six months ended 30 September 2023			Restated[1] Six months ended 30 September 2022		
	Underlying £m	Capital and other[2] £m	Total £m	Underlying £m	Capital and other £m	Total £m
Rent receivable[2]	152	25	177	160	–	160
Spreading of tenant incentives and contracted rent increases	5	–	5	8	–	8
Surrender premia[2]	1	149	150	–	–	–
Gross rental income	158	174	332	168	–	168
Service charge income	33	–	33	30	–	30
Management and performance fees (from joint ventures)	9	–	9	6	–	6
Other fees and commissions	12	–	12	12	–	12
Revenue	212	174	386	216	–	216
Service charge expenses	(28)	–	(28)	(26)	–	(26)
Property operating expenses	(19)	–	(19)	(18)	–	(18)
Release of impairment of trade debtors and accrued income	11	–	11	3	–	3
Provisions for impairment of tenant incentives and contracted rent increases[2]	–	(54)	(54)	(1)	–	(1)
Other fees and commissions expenses	(10)	–	(10)	(9)	–	(9)
Costs	(46)	(54)	(100)	(51)	–	(51)
	166	120	286	165	–	165

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.
2. On 25 September 2023, the Group completed a deed of surrender in relation to an in-force lease of one of its investment properties. The consideration for the surrender was a £149m premium paid by the tenant on the completion date. In line with the requirements of IFRS 16, the surrender transaction was treated as a modification to the lease, with the surrender premium received recognised in full through the income statement at the point of completion, which represented the modified termination date of the lease. At the point of modification, the lease had associated tenant incentive balances of £54m, and as the right to receive these amounts was extinguished through the lease modification, with an impairment recognised in full through the income statement at the point of completion. Also at the point of modification, the lease had an associated deferred lease premium balance of £25m, which in line with the surrender premium received, was recognised in full through the income statement at the point of completion. Owing to the unusual and significant size and nature of this transaction, and in line with the Group's accounting policies, all elements of the transaction have been included within the Capital and other column of the income statement.

4 VALUATION MOVEMENTS ON PROPERTY

	Six months ended 30 September 2023 £m	Six months ended 30 September 2022 £m
Revaluation of properties	**(201)**	(189)
Revaluation of properties held by joint ventures accounted for using the equity method	**(126)**	(126)
	(327)	(315)

5 NET FINANCING

	Six months ended 30 September 2023 £m	Six months ended 30 September 2022 £m
Underlying		
Financing charges		
Facilities and overdrafts	**(27)**	(12)
Derivatives	**26**	11
Other loans	**(37)**	(38)
Obligations under head leases	**(2)**	(2)
	(40)	(41)
Development interest capitalised	**10**	6
	(30)	(35)
Financing income		
Deposits, securities and liquid investments	**–**	4
Net financing charges – Underlying	**(30)**	(31)
Capital and other		
Financing income		
Valuation movement on translation of foreign currency debt and investments	**–**	3
Valuation movement on fair value hedge accounted debt	**(10)**	26
Valuation movement on fair value hedge accounted derivatives	**5**	(22)
Valuation movement on non-hedge accounted derivatives	**15**	140
	10	147
Net financing income – Capital and other	**10**	147
Total financing income	**10**	151
Total financing charges	**(30)**	(35)
Net financing (charges) income	**(20)**	116

Interest on development expenditure is capitalised at the Group's weighted average interest rate at 30 September 2023 of 2.6% (30 September 2022: 3.0%). The weighted average interest rate on a proportionately consolidated basis at 30 September 2023 was 3.4% (30 September 2022: 3.5%).

6 PROPERTY

PROPERTY RECONCILIATION

	Six months ended 30 September 2023			Year ended 31 March 2023		
	Investment and development properties Level 3 £m	Trading properties £m	Total £m	Investment and development properties Level 3 £m	Trading properties £m	Total £m
Carrying value at the start of the period/year	**5,677**	**22**	**5,699**	7,032	18	7,050
Additions						
– property purchases	**58**	**–**	**58**	158	–	158
– development expenditure	**91**	**–**	**91**	152	4	156
– capitalised interest and staff costs	**9**	**–**	**9**	13	–	13
– capital expenditure on asset management initiatives	**31**	**–**	**31**	62	–	62
	189	**–**	**189**	385	4	389
Disposals	**(120)**	**–**	**(120)**	(945)	–	(945)
Revaluations included in income statement	**(201)**	**–**	**(201)**	(798)	–	(798)
Movement in tenant incentives and contracted rent uplift balances	**(50)**	**–**	**(50)**	3	–	3
Carrying value at the end of the period/year	**5,495**	**22**	**5,517**	5,677	22	5,699
Lease liabilities			**(101)**			(102)
Less surplus on right-of-use assets[1]			**(9)**			(9)
Valuation surplus on trading properties			**6**			7
Group property portfolio valuation at the end of the period/year			**5,413**			5,595
Non-controlling interests			**(13)**			(13)
Group property portfolio valuation at the end of the period/year attributable to shareholders			**5,400**			5,582

1. Relates to the fair value of right-of-use assets in excess of their associated lease liabilities. The fair value of right-of-use assets is determined by calculating the present value of net rental cashflows over the term of the lease agreements. IFRS 16 right-of-use assets are not externally valued, their fair value is determined by management, and are therefore not included in the Group property portfolio valuation of £5,413m (31 March 2023: £5,595m) above.

Additions include capital expenditure in response to climate change, in line with our Sustainability Strategy to reduce both the embodied carbon in our developments and the operational carbon across the Group's standing property portfolio.

The Group's total property portfolio was valued by external valuers on the basis of fair value, in accordance with the RICS Valuation – Global Standards 2022, published by The Royal Institute of Chartered Surveyors. The information provided to the valuers, and the assumptions and valuation models used by the valuers are reviewed by the property portfolio team, the Head of Real Estate, the Chief Financial Officer and the Chief Executive Officer. The valuers meet with the external auditors and also present directly to the Audit Committee on a half yearly basis.

Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons, and consistent with EPRA's guidance, we have classified the valuations of our property portfolio as level 3 as defined by IFRS 13. The inputs to the valuations are defined as 'unobservable' by IFRS 13. These key unobservable inputs are net equivalent yield and estimated rental values for investment properties, and costs to complete for development properties. Further analysis and sensitivity disclosures of these key unobservable inputs have been included on the page to follow. There were no transfers between levels in the current period nor in the prior year comparative.

There has been no change in the valuation methodology used for investment property.

6 PROPERTY (CONTINUED)

INFORMATION ABOUT THE IMPACT OF CHANGES IN UNOBSERVABLE INPUTS (LEVEL 3) ON THE FAIR VALUE OF THE GROUP'S PROPERTY PORTFOLIO VALUATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Fair value at 30 September 2023 £m	Impact on valuations		Impact on valuations		Impact on valuations	
		+5% ERV £m	-5% ERV £m	-25bps NEY £m	+25bps NEY £m	-5% costs £m	+5% costs £m
Campuses[1]	1,570	65	(60)	81	(75)	–	–
Retail & London Urban Logistics	2,641	105	(104)	106	(100)	–	–
Developments	1,202	102	(100)	106	(97)	36	(37)
Group property portfolio valuation	5,413	272	(264)	293	(272)	36	(37)

1. Includes trading properties at fair value.

INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING UNOBSERVABLE INPUTS (LEVEL 3) FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Fair value at 30 September 2023		ERV per sq ft			Equivalent yield			Costs to complete per sq ft		
Investment	£m	Valuation technique	Min £	Max £	Average £	Min %	Max %	Average %	Min £	Max £	Average £
Campuses	1,542	Investment methodology	20	136	62	4	8	6	–	158	30
Retail & London Urban Logistics	2,641	Investment methodology	2	31	19	4	23	7	–	33	5
Developments	1,202	Residual methodology	29	106	74	5	7	5	145	1,503	725
Total	5,385										
Trading properties at fair value	28										
Group property portfolio valuation	5,413										

All other factors being equal:

- a higher equivalent yield or discount rate would lead to a decrease in the valuation of an asset;
- an increase in the current or estimated future rental stream would have the effect of increasing the capital value; and
- an increase in the costs to complete would lead to a decrease in the valuation of an asset.

However, there are interrelationships between the unobservable inputs which are partially determined by market conditions, which would impact on these changes.

ADDITIONAL PROPERTY COVENANT INFORMATION

Properties valued at £1,124m (31 March 2023: £1,135m) were subject to a security interest and other properties of non-recourse companies amounted to £638m (31 March 2023: £612m), totalling £1,762m (31 March 2023: £1,747m).

7 JOINT VENTURES

SUMMARY MOVEMENT FOR THE PERIOD OF THE INVESTMENTS IN JOINT VENTURES

	Equity £m	Loans £m	Total £m
At 1 April 2023	1,419	787	**2,206**
Additions	21	57	**78**
Disposals	(23)	1	**(22)**
Share of (loss) profit after taxation	(92)	18	**(74)**
Distributions and dividends:			
– Revenue	(36)	(1)	**(37)**
Hedging and exchange movements	6	–	**6**
At 30 September 2023	1,295	862	**2,157**

SUMMARY INCOME STATEMENT FOR THE PERIOD OF THE INVESTMENTS IN JOINT VENTURES

	Six months ended 30 September 2023		Restated[1] Six months ended 30 September 2022	
	£m 100%	£m BL Share	£m 100%	£m BL Share
Revenue	**242**	**111**	216	104
Costs	**(76)**	**(34)**	(63)	(30)
	166	**77**	153	74
Administrative expenses	**(3)**	**(1)**	(3)	(1)
Net financing charges	**(62)**	**(27)**	(53)	(25)
Underlying Profit	**101**	**49**	97	48
Net valuation movement	**(272)**	**(126)**	(285)	(126)
Capital financing income	**11**	**3**	89	30
Loss before taxation	**(160)**	**(74)**	(99)	(48)
Taxation	**–**	**–**	(4)	(1)
Loss after taxation	**(160)**	**(74)**	(103)	(49)
Loss split between controlling and non-controlling interests				
Attributable to non-controlling interests	**–**	**–**	–	–
Attributable to shareholders of the Company	**(160)**	**(74)**	(103)	(49)

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

8 DEBTORS

	30 September 2023 £m	31 March 2023 £m
Trade and other debtors	**28**	22
Prepayments and accrued income	**19**	12
	47	34

9 NET DEBT

9.1 FAIR VALUE AND BOOK VALUE OF NET DEBT

	30 September 2023			31 March 2023		
	Fair value £m	Book value £m	Difference £m	Fair value £m	Book value £m	Difference £m
Debentures and unsecured bonds	1,392	1,506	(114)	1,533	1,627	(94)
Bank debt and other floating rate debt	736	731	5	645	640	5
Gross debt	2,128	2,237	(109)	2,178	2,267	(89)
Interest rate and currency derivative liabilities	78	78	–	67	67	–
Interest rate and currency derivative assets	(144)	(144)	–	(144)	(144)	–
Cash and cash equivalents	(152)	(152)	–	(125)	(125)	–
Total net debt	1,910	2,019	(109)	1,976	2,065	(89)
Net debt attributable to non-controlling interests	1	1	–	1	1	–
Net debt attributable to shareholders of the Company	1,911	2,020	(109)	1,977	2,066	(89)
Total net debt	1,910	2,019	(109)	1,976	2,065	(89)
Amounts payable under leases	122	122	–	126	126	–
Net debt (including lease liabilities)	2,032	2,141	(109)	2,102	2,191	(89)
Net debt attributable to non-controlling interests (including lease liabilities)	1	1	–	1	1	–
Net debt attributable to shareholders of the Company (including lease liabilities)	2,033	2,142	(109)	2,103	2,192	(89)

The fair values of debentures and unsecured bonds have been established by obtaining quoted market prices from brokers. The bank debt and other floating rate debt has been valued assuming it could be renegotiated at contracted margins. The derivatives have been valued by calculating the present value of expected future cash flows, using appropriate market discount rates, by an independent treasury advisor. Short-term debtors and creditors and other investments have been excluded from the disclosures on the basis that the fair value is equivalent to the book value.

9 NET DEBT (CONTINUED)

9.2 LOAN TO VALUE ('LTV')

LTV is the ratio of principal value of gross debt less cash, short term deposits and liquid investments to the aggregate value of properties and investments, excluding non-controlling interests.

EPRA LTV has been disclosed in Table E.

GROUP LTV

	30 September 2023 £m	31 March 2023 £m
Group LTV	**28.0%**	27.4%
Principal value of gross debt	**2,255**	2,250
Less debt attributable to non-controlling interests	**–**	–
Less cash and short term deposits (statement of cash flows)[1]	**(124)**	(99)
Plus cash attributable to non-controlling interests	**1**	1
Total net debt for LTV calculation	**2,132**	2,152
Group property portfolio valuation (Note 6)	**5,413**	5,595
Investments in joint ventures (Note 7)	**2,157**	2,206
Other investments and property, plant and equipment (balance sheet)[2]	**60**	61
Less property and investments attributable to non-controlling interests	**(13)**	(13)
Total assets for LTV calculation	**7,617**	7,849

1. Cash and short term deposits exclude tenant deposits of £28m (31 March 2023: £26m).
2. The £18m (31 March 2023: £19m) difference between other investments and plant, property and equipment per the balance sheet totalling £78m (31 March 2023: £80m), relates to a right-of-use asset recognised under a lease which is classified as property, plant and equipment which is not included within Total assets for the purposes of the LTV calculation.

PROPORTIONALLY CONSOLIDATED LTV

	30 September 2023 £m	31 March 2023 £m
Proportionally consolidated LTV	**36.9%**	36.0%
Principal value of gross debt	**3,462**	3,448
Less attributable to non-controlling interests	**–**	–
Less cash and short term deposits[1]	**(232)**	(228)
Plus cash attributable to non-controlling interests	**1**	1
Total net debt for proportional LTV calculation	**3,231**	3,221
Group property portfolio valuation (Note 6)	**5,413**	5,595
Share of property of joint ventures	**3,304**	3,316
Other investments and property, plant and equipment (balance sheet)[2]	**60**	61
Less property attributable to non-controlling interests	**(13)**	(13)
Total assets for proportional LTV calculation	**8,764**	8,959

1. Cash and short term deposits exclude tenant deposits of £51m (31 March 2023: £49m).
2. The £18m (31 March 2023: £19m) difference between other investments and plant, property and equipment per the balance sheet totalling £78m (31 March 2023: £80m), relates to a right-of-use asset recognised under a lease which is classified as property, plant and equipment which is not included within Total assets for the purposes of the LTV calculation.

9 NET DEBT (CONTINUED)

9.3 NET DEBT TO EBITDA

Net Debt to EBITDA is the ratio of principal amount of gross debt less cash, short term deposits and liquid investments to earnings before interest, tax, depreciation and amortisation (EBITDA).

The Group ratio excludes non-recourse and joint venture borrowings and includes distributions and other receivables from non-recourse companies and joint ventures.

GROUP NET DEBT TO EBITDA

	30 September 2023 £m	31 March 2023 £m
Group Net Debt to EBITDA	**6.0x**	6.4x
Principal amount of gross debt	**2,255**	2,250
Less non-recourse borrowings	**(297)**	(298)
Less cash and short term deposits (statement of cash flows)[1]	**(124)**	(99)
Plus cash attributable to non-recourse companies	**24**	37
Total net debt for group Net Debt to EBITDA calculation	**1,858**	1,890
Underlying Profit (Table A)	**142**	264
Plus Net financing charges (Note 5)	**30**	60
Less Underlying Profit due to joint ventures and non-recourse companies[2]	**(76)**	(144)
Plus distributions and other receivables from joint ventures and non-recourse companies[3]	**57**	107
Plus depreciation and amortisation (Table A)	**3**	7
Total EBITDA for group Net Debt to EBITDA calculation	**156**	294
Annualisation adjustment	**x2**	–
Annualised EBITDA for group Net Debt to EBITDA calculation	**312**	294

1. Cash and short term deposits exclude tenant deposits of £28m (31 March 2023: £26m).
2. Underlying Profit due to joint ventures £49m (31 March 2023: £92m) as disclosed in the consolidated income statement and Underlying Profit due to non-recourse companies £27m (31 March 2023: £52m).
3. Distributions and other receivables from joint ventures £37m (31 March 2023: £73m) as disclosed in the consolidated statement of cash flows and distributions and other receivables from non-recourse companies £20m (31 March 2023: £34m).

PROPORTIONATELY CONSOLIDATED NET DEBT TO EBITDA

	30 September 2023 £m	31 March 2023 £m
Proportionally consolidated Net Debt to EBITDA	**8.0x**	8.4x
Principal amount of gross debt	**3,462**	3,448
Less cash and short term deposits[1]	**(232)**	(228)
Plus cash attributable to non-controlling interests	**1**	1
Total net debt for proportional Net Debt to EBITDA calculation	**3,231**	3,221
Underlying Profit (Table A)	**142**	264
Plus Net financing charges (Table A)	**57**	111
Plus depreciation and amortisation (Table A)	**3**	7
Total EBITDA for proportional Net Debt to EBITDA calculation	**202**	382
Annualisation adjustment	**x2**	–
Annualised Total EBITDA for proportional Net Debt to EBITDA calculation	**404**	382

1. Cash and short term deposits exclude tenant deposits of £51m (31 March 2023: £49m).

9 NET DEBT (CONTINUED)

9.4 BRITISH LAND UNSECURED FINANCIAL COVENANTS

The two financial covenants applicable to the Group unsecured debt are shown below:

	30 September 2023 £m	31 March 2023 £m
Net Borrowings not to exceed 175% of Adjusted Capital and Reserves	**39%**	38%
Principal amount of gross debt	**2,255**	2,250
Less the relevant proportion of borrowings of the partly-owned subsidiary/ non-controlling interests	**–**	–
Less cash and short term deposits (statement of cash flows)[1]	**(124)**	(99)
Plus the relevant proportion of cash and deposits of the partly-owned subsidiary/ non-controlling interests	**1**	1
Net Borrowings	**2,132**	2,152
Share capital and reserves (balance sheet)	**5,367**	5,525
Deferred tax liabilities (Table A)	**8**	6
Trading property surpluses (Table A)	**1**	7
Exceptional refinancing charges (see below)	**154**	161
Fair value adjustments of financial instruments (Table A)	**(94)**	(44)
Less reserves attributable to non-controlling interests (balance sheet)	**(13)**	(13)
Adjusted Capital and Reserves	**5,423**	5,642

1. Cash and short term deposits exclude tenant deposits of £28m (31 March 2023: £26m).

In calculating Adjusted Capital and Reserves for the purpose of the unsecured debt financial covenants, there is an adjustment of £154m (31 March 2023: £161m) to reflect the cumulative net amortised exceptional items relating to the refinancings in the years ended 31 March 2005, 2006 and 2007.

	30 September 2023 £m	31 March 2023 £m
Net Unsecured Borrowings not to exceed 70% of Unencumbered Assets	**33%**	32%
Principal amount of gross debt	**2,255**	2,250
Less cash and deposits not subject to a security interest (being £124m less cash subject to a security interest of £7m)	**(117)**	(86)
Less principal amount of secured and non-recourse borrowings	**(932)**	(933)
Net Unsecured Borrowings	**1,206**	1,231
Group property portfolio valuation (Note 6)	**5,413**	5,595
Investments in joint ventures (Note 7)	**2,157**	2,206
Other investments and property, plant and equipment (balance sheet)[1]	**60**	61
Less investments in joint ventures (Note 7)	**(2,157)**	(2,206)
Less encumbered assets (Note 6)	**(1,762)**	(1,747)
Unencumbered Assets	**3,711**	3,909

1. The £18m (31 March 2023: £19m) difference between other investments and plant, property and equipment per the balance sheet totalling £78m (31 March 2023: £80m), relates to a right-of-use asset recognised under a lease which is classified as property, plant and equipment which is not included within Unencumbered Assets for the purposes of the covenant calculation.

9 NET DEBT (CONTINUED)

9.5 FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by the valuation method. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of interest rate and currency derivatives are determined using the present value of estimated future cash flows and discounted based on the applicable yield curves derived from quoted interest rates and the appropriate exchange rate at the balance sheet date.

	30 September 2023				31 March 2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Interest rate and currency derivative assets	–	(144)	–	(144)	–	(144)	–	(144)
Other investments – fair value through profit and loss	–	–	(48)	(48)	–	–	(48)	(48)
Assets	–	(144)	(48)	(192)	–	(144)	(48)	(192)
Interest rate and currency derivative liabilities	–	78	–	78	–	67	–	67
Liabilities	–	78	–	78	–	67	–	67
Total	–	(66)	(48)	(114)	–	(77)	(48)	(125)

There have been no transfers between levels in the period.

10 DIVIDEND

The Interim dividend payment for the six months ended 30 September 2023 will be 12.16p. Payment will be made on 5 January 2024 to shareholders on the register at close of business on 24 November 2023. The Interim dividend will be a Property Income Distribution (PID) and no SCRIP alternative will be offered.

The 2023 Final dividend of 11.04p pence per share, totalling £102m was paid on 28 July 2023. The whole of the 2023 Final dividend was a PID and no scrip alternative was offered. £87m was paid to shareholders, and £15m of withholding tax was retained.

11 SEGMENT INFORMATION

OPERATING SEGMENTS

The Group allocates resources to investment and asset management according to the sectors it expects to perform over the medium term.

The relevant gross rental income, net rental income, operating result and property assets, being the measures of segment revenue, segment result and segment assets used by the management of the business, are set out below. Management reviews the performance of the business principally on a proportionally consolidated basis, which includes the Group's share of joint ventures on a line-by-line basis and excludes non-controlling interests in the Group's subsidiaries. The chief operating decision maker for the purpose of segment information is the Executive Committee.

Gross rental income is derived from the rental of buildings. Operating result is the net of net rental income, fee income and administrative expenses. No customer exceeded 10% of the Group's revenues in either period.

From 1 April 2023 the Group renamed the Retail & Fulfilment operating segment to Retail & London Urban Logistics, in line with our evolving strategy. There have been no changes in the allocation of the segment results or assets as a consequence of this change.

SEGMENT RESULT

	Six months ended 30 September							
	Campuses		Retail & London Urban Logistics		Unallocated		Total	
	2023 £m	2022 £m	2023 £m	Restated[1] 2022 £m	2023 £m	2022 £m	2023 £m	Restated[1] 2022 £m
Gross rental income								
British Land Group	48	65	109	101	–	–	157	166
Share of joint ventures	55	54	29	29	–	–	84	83
Total	103	119	138	130	–	–	241	249
Net rental income								
British Land Group	42	63	109	88	–	–	151	151
Share of joint ventures	49	49	26	24	–	–	75	73
Total	91	112	135	112	–	–	226	224
Operating result								
British Land Group	51	58	108	92	(26)	(28)	133	122
Share of joint ventures	43	54	25	19	(2)	(1)	66	72
Total	94	112	133	111	(28)	(29)	199	194

Reconciliation to Underlying Profit before taxation	Six months ended 30 September 2023 £m	Restated[1] Six months ended 30 September 2022 £m
Operating result – proportionately consolidated (Table A)	199	194
Net financing charges – proportionately consolidated (Table A)	(57)	(56)
Underlying Profit	142	138
Reconciliation to loss before taxation		
Underlying Profit	142	138
Capital and other	(192)	(159)
Underlying Profit attributable to non-controlling interests	1	1
Total loss before taxation	(49)	(20)

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

Of the operating result above, £199m (six months ended 30 September 2022: £194m restated) was derived from within the UK.

11 SEGMENT INFORMATION (CONTINUED)

SEGMENT ASSETS

	Campuses		Retail & London Urban Logistics		Total	
	30 September 2023 £m	31 March 2023 £m	30 September 2023 £m	31 March 2023 £m	30 September 2023 £m	31 March 2023 £m
Property assets						
British Land Group	2,728	2,972	2,681	2,619	5,409	5,591
Share of joint ventures	2,663	2,687	641	629	3,304	3,316
Total	5,391	5,659	3,322	3,248	8,713	8,907

RECONCILIATION TO NET ASSETS

British Land Group	30 September 2023 £m	31 March 2023 £m
Property assets	8,713	8,907
Other non-current assets – proportionately consolidated	78	141
Non-current assets	8,791	9,048
Other net current liabilities – proportionately consolidated	(360)	(384)
EPRA net debt (Table A)	(3,153)	(3,127)
Other non-current liabilities	–	(50)
EPRA NTA	5,278	5,487
Non-controlling interests	13	13
EPRA adjustments (Table A)	76	25
IFRS net assets	5,367	5,525

12 RELATED PARTY TRANSACTIONS

There have been no material changes in the related party transactions described in the last annual report.

13 CONTINGENT LIABILITIES

The Group and joint ventures have contingent liabilities in respect of legal claims, guarantees and warranties arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from contingent liabilities.

14 SHARE CAPITAL AND RESERVES

	£m	Ordinary shares of 25p each
Issued, called and fully paid		
At 1 April 2023	234	938,334,977
Share issues	–	181,601
At 30 September 2023	234	938,516,578

At 30 September 2023, of the issued 25p ordinary shares, 7,376 shares were held in the ESOP trust (31 March 2023: 7,376), 11,266,245 shares were held as treasury shares (31 March 2022: 11,266,245) and 927,242,957 shares were in free issue (31 March 2023: 926,997,041). No treasury shares were acquired by the ESOP trust during the period. All issued shares are fully paid.

15 SUBSEQUENT EVENTS

There have been no significant subsequent events post the balance sheet date.

SUPPLEMENTARY DISCLOSURES

TABLE A: SUMMARY INCOME STATEMENT AND BALANCE SHEET

SUMMARY INCOME STATEMENT BASED ON PROPORTIONAL CONSOLIDATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The following pro forma information is unaudited and does not form part of the consolidated primary statements or the notes thereto. It presents the results of the Group, with its share of the results of joint ventures included on a line by line basis and excluding non-controlling interests.

	Six months ended 30 September 2023				Restated[1] Six months ended 30 September 2022			
	Group £m	Joint ventures £m	Less non-controlling interests £m	Proportionally consolidated £m	Group £m	Joint ventures £m	Less non-controlling interests £m	Proportionally consolidated £m
Gross rental income[2]	163	85	(2)	246	172	83	(2)	253
Property operating expenses[3]	(8)	(8)	1	(15)	(16)	(9)	1	(24)
Net rental income	155	77	(1)	231	156	74	(1)	229
Administrative expenses[4]	(42)	(1)	–	(43)	(43)	(1)	–	(44)
Net fees and other income	11	–	–	11	9	–	–	9
Ungeared Income Return	124	76	(1)	199	122	73	(1)	194
Net financing charges	(30)	(27)	–	(57)	(31)	(25)	–	(56)
Underlying Profit	94	49	(1)	142	91	48	(1)	138
Underlying taxation	(1)	–	–	(1)	(1)	–	–	(1)
Underlying Profit after taxation				141	90	48	(1)	137
Valuation movement				(327)				(315)
Other capital and taxation (net)[5]				129				150
Result attributable to shareholders of the Company				(57)				(28)

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.
2. Group gross rental income includes £5m (six months ended 30 September 2023: £4m) of all inclusive rents relating to service charge income and excludes the £25m (six months ended 30 September 2023: £nil) of rent receivable and £149m (six months ended 30 September 2023: £nil) of surrender premia received within the Capital and other column of the income statement (see Note 3).
3. Group property operating expenses excludes £54m (six months ended 30 September 2023: £nil) of provisions for impairment of tenant incentives and contracted rent increases within the Capital and other column of the income statement (see Note 3).
4. Administrative expenses includes £3m (six months ended 30 September 2023: £4m) of depreciation and amortisation.
5. Includes other comprehensive income, movement in dilution of share options and the movement in items excluded for EPRA NTA.

TABLE A: SUMMARY INCOME STATEMENT AND BALANCE SHEET (CONTINUED)

SUMMARY BALANCE SHEET BASED ON PROPORTIONAL CONSOLIDATION AS AT 30 SEPTEMBER 2023

The following pro forma information is unaudited and does not form part of the consolidated primary statements or the notes thereto. It presents the results of the Group, with its share of the results of joint ventures included on a line-by-line basis and excluding non-controlling interests.

	Group £m	Share of joint ventures £m	Less non-controlling interests £m	Share options £m	Mark-to-market on derivatives and related debt adjustments £m	Head leases £m	Valuation surplus on trading properties £m	Intangibles and Deferred tax £m	EPRA NTA 30 September 2023 £m	EPRA NTA 31 March 2023 £m
Campuses properties	**2,773**	**2,695**	**–**	**–**	**–**	**(78)**	**1**	**–**	**5,391**	5,659
Retail & London Urban Logistics properties	**2,744**	**631**	**(13)**	**–**	**–**	**(40)**	**–**	**–**	**3,322**	3,248
Total properties[1]	**5,517**	**3,326**	**(13)**	**–**	**–**	**(118)**	**1**	**–**	**8,713**	8,907
Investments in joint ventures	**2,157**	**(2,157)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Other investments	**56**	**–**	**–**	**–**	**–**	**–**	**–**	**(8)**	**48**	50
Other net (liabilities) assets	**(338)**	**(128)**	**1**	**17**	**–**	**118**	**–**	**–**	**(330)**	(343)
Deferred tax liability	**(6)**	**(2)**	**–**	**–**	**–**	**–**	**–**	**8**	**–**	–
Net debt	**(2,019)**	**(1,039)**	**(1)**	**–**	**(94)**	**–**	**–**	**–**	**(3,153)**	(3,127)
Net assets	**5,367**	**–**	**(13)**	**17**	**(94)**	**–**	**1**	**–**	**5,278**	5,487
EPRA NTA per share (Note 2)									**565p**	588p

1. Included within the total property value of £8,713m (31 March 2023: £8,907m) are right-of-use assets net of lease liabilities of £9m (31 March 2023: £9m), which in substance, relates to properties held under leasing agreements. The fair value of the right-of-use asset is determined by calculating the present value of net rental cashflows over the term of the lease agreements.

EPRA NET TANGIBLE ASSETS MOVEMENT

	30 September 2023		31 March 2023	
	£m	Pence per share	£m	Pence per share
Opening EPRA NTA	**5,487**	**588**	6,806	730
Income return	**141**	**15**	263	28
Capital return	**(248)**	**(27)**	(1,367)	(147)
Dividend paid	**(102)**	**(11)**	(215)	(23)
Closing EPRA NTA	**5,278**	**565**	5,487	588

TABLE B: EPRA PERFORMANCE MEASURES

EPRA PERFORMANCE MEASURES SUMMARY TABLE

		Six months ended 30 September 2023		Restated[1] Six months ended 30 September 2022	
		£m	Pence per share	£m	Pence per share
EPRA Earnings	– basic	261	28.2	137	14.8
	– diluted	261	28.1	137	14.7
			Percentage		Percentage
EPRA Net Initial Yield			5.4%		4.5%
EPRA 'topped-up' Net Initial Yield			6.0%		5.2%
EPRA Vacancy Rate			6.7%		6.1%
EPRA Cost Ratio (including direct vacancy costs)			14.8%		19.5%
EPRA Cost Ratio (excluding direct vacancy costs)			7.0%		13.7%

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

	30 September 2023		31 March 2023	
	£m	Pence per share	£m	Pence per share
EPRA NTA	5,278	565	5,487	588
EPRA NRV	5,809	622	6,029	646
EPRA NDV	5,549	594	5,658	606
		Percentage		Percentage
EPRA LTV		39.9%		39.5%

CALCULATION AND RECONCILIATION OF UNDERLYING/EPRA/IFRS EARNINGS AND UNDERLYING/EPRA/IFRS EARNINGS PER SHARE

	Six months ended 30 September 2023 £m	Restated[1] Six months ended 30 September 2022 £m
Loss attributable to the shareholders of the Company	(61)	(32)
Exclude:		
Group – Underlying taxation	1	–
Group – Capital and other taxation	11	11
Group – valuation movement	201	189
Group – (profit) loss on disposal of investment properties and revaluation of investments	(2)	20
Group – Capital and other revenue and costs (see Note 3)	(120)	–
Joint ventures – valuation movement (including result on disposals)	126	126
Joint ventures – capital financing income	(3)	(30)
Joint ventures – deferred tax	–	1
Changes in fair value of financial instruments and associated close-out costs	(10)	(147)
Non-controlling interests in respect of the above	(1)	–
Underlying Profit	142	138
Group – Underlying current taxation	(1)	(1)
Underlying Earnings – basic and diluted	141	137
Group – Capital and other revenue and costs (see Note 3)	120	–
EPRA Earnings – basic and diluted	261	137
Loss attributable to the shareholders of the Company	(61)	(32)
IFRS Earnings – basic and diluted	(61)	(32)

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

TABLE B: EPRA PERFORMANCE MEASURES (CONTINUED)

	Six months ended 30 September 2023 Number million	Six months ended 30 September 2022 Number million
Weighted average number of shares	**938**	938
Adjustment for Treasury shares	**(11)**	(11)
IFRS/EPRA/Underlying weighted average number of shares (basic)	**927**	927
Dilutive effect of share options	**–**	–
Dilutive effect of ESOP shares	**2**	3
EPRA/Underlying weighted average number of shares (diluted)	**929**	930
Remove anti-dilutive effect	**(2)**	(3)
IFRS weighted average number of shares (diluted)	**927**	927

NET ASSETS PER SHARE

	30 September 2023		31 March 2023	
	£m	Pence per share	£m	Pence per share
IFRS net assets	**5,367**		5,525	
Deferred tax arising on revaluation of derivatives	**8**		6	
Mark-to-market on derivatives and related debt adjustments	**(94)**		(44)	
Dilution effect of share options	**17**		14	
Surplus on trading properties	**1**		7	
Intangible assets	**(8)**		(8)	
Less non-controlling interests	**(13)**		(13)	
EPRA NTA	**5,278**	**565**	5,487	588
Intangible assets	**8**		8	
Purchasers' costs	**523**		534	
EPRA NRV	**5,809**	**622**	6,029	646
Deferred tax arising on revaluation movements	**(8)**		(7)	
Purchasers' costs	**(523)**		(534)	
Mark-to-market on derivatives and related debt adjustments	**94**		44	
Mark-to-market on debt	**177**		126	
EPRA NDV	**5,549**	**594**	5,658	606

EPRA NTA is the Group's primary measure of net assets and assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Due to the Group's REIT status, deferred tax is only provided at each balance sheet date on properties outside the REIT regime. As a result deferred taxes are excluded from EPRA NTA for properties within the REIT regime. For properties outside of the REIT regime, deferred tax is included to the extent that it is expected to crystallise, based on the Group's track record and tax structuring. EPRA NRV reflects what would be needed to recreate the Group through the investment markets based on its current capital and financing structure. EPRA NDV reflects shareholders' value which would be recoverable under a disposal scenario, with deferred tax and financial instruments recognised at the full extent of their liability.

	30 September 2023 Number million	31 March 2023 Number million
Number of shares at period/year end	**938**	938
Adjustment for treasury shares	**(11)**	(11)
IFRS/EPRA number of shares (basic)	**927**	927
Dilutive effect of share options	**5**	3
Dilutive effect of ESOP shares	**2**	3
IFRS/EPRA number of shares (diluted)	**934**	933

TABLE B: EPRA PERFORMANCE MEASURES (CONTINUED)

EPRA NET INITIAL YIELD AND 'TOPPED-UP' NET INITIAL YIELD

	30 September 2023 £m	30 September 2022 £m
Investment property – wholly-owned	5,400	5,942
Investment property – share of joint ventures	3,304	3,701
Less developments, residential and land	(1,817)	(1,358)
Completed property portfolio	6,887	8,285
Allowance for estimated purchasers' costs	473	589
Gross up completed property portfolio valuation (A)	7,360	8,874
Annualised cash passing rental income	430	435
Property outgoings	(33)	(33)
Annualised net rents (B)	397	402
Rent expiration of rent-free periods and fixed uplifts[1]	41	59
'Topped-up' net annualised rent (C)	438	461
EPRA Net Initial Yield (B/A)	5.4%	4.5%
EPRA 'topped-up' Net Initial Yield (C/A)	6.0%	5.2%
Including fixed/minimum uplifts received in lieu of rental growth	6	4
Total 'topped-up' net rents (D)	444	465
Overall 'topped-up' Net Initial Yield (D/A)	6.0%	5.2%
'Topped-up' net annualised rent	438	461
ERV vacant space	32	30
Reversions	5	(4)
Total Estimated Rental Value (E)	475	487
Net Reversionary Yield (E/A)	6.5%	5.5%

1. The weighted average period over which rent-free periods expire is 1 year (30 September 2022: 1 year).

EPRA NET INITIAL YIELD ('NIY') BASIS OF CALCULATION

EPRA NIY is calculated as the annualised net rent (on a cash flow basis), divided by the gross value of the completed property portfolio. The valuation of our completed property portfolio is determined by our external valuers as at 30 September 2023, plus an allowance for estimated purchaser's costs. Estimated purchaser's costs are determined by the relevant stamp duty liability, plus an estimate by our valuers of agent and legal fees on notional acquisition. The net rent deduction allowed for property outgoings is based on our valuers' assumptions on future recurring non-recoverable revenue expenditure.

In calculating the EPRA 'topped-up' NIY, the annualised net rent is increased by the total contracted rent from expiry of rent-free periods and future contracted rental uplifts were defined as not in lieu of growth. Overall 'topped-up' NIY is calculated by adding any other contracted future uplift to the 'topped-up' net annualised rent.

The net reversionary yield is calculated by dividing the total estimated rental value (ERV) for the completed property portfolio, as determined by our external valuers, by the gross completed property portfolio valuation.

The EPRA Vacancy Rate is calculated as the ERV of the un-rented, lettable space as a proportion of the total rental value of the completed property portfolio.

EPRA VACANCY RATE

	30 September 2023 £m	30 September 2022 £m
Annualised potential rental value of vacant premises	32	30
Annualised potential rental value for the completed property portfolio	483	489
EPRA Vacancy Rate	6.7%	6.1%

TABLE B: EPRA PERFORMANCE MEASURES (CONTINUED)

EPRA COST RATIOS

	Six months ended 30 September 2023 £m	Restated[1] Six months ended 30 September 2022 £m
Property operating expenses	7	15
Administrative expenses	42	43
Share of joint ventures expenses	9	10
Less: Performance & management fees (from joint ventures)	(9)	(6)
Net other fees and commissions	(2)	(3)
Ground rent costs and operating expenses de facto included in rents	(13)	(12)
EPRA Costs (including direct vacancy costs) (A)	34	47
Direct vacancy costs	(18)	(14)
EPRA Costs (excluding direct vacancy costs) (B)	16	33
Gross rental income less ground rent costs and operating expenses de facto included in rents	152	159
Share of joint ventures (Gross Rental Income less ground rent costs)	78	82
Total Gross rental income (C)	230	241
EPRA Cost Ratio (including direct vacancy costs) (A/C)	14.8%	19.5%
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	7.0%	13.7%
Reversal of impairment of tenant debtors, tenant incentives and accrued income (D)	(10)	(1)
Adjusted Cost Ratio (including direct vacancy costs and excluding impairment of tenant debtors, tenant incentives and accrued income) (A-D)/C	19.1%	19.9%
Adjusted Cost Ratio (excluding direct vacancy costs and excluding impairment of tenant debtors, tenant incentives and accrued income) (B-D)/C	11.3%	14.1%
Overhead and operating expenses capitalised (including share of joint ventures)	5	3

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

In the current and prior periods employee costs in relation to staff time on development projects are capitalised into the base cost of relevant development assets. In addition to the standard EPRA Cost Ratios (both including and excluding direct vacancy costs), adjusted versions of these ratios have also been presented which remove the impact of the reversal of impairment of tenant debtors, tenant incentives and accrued income which are exceptional items in the current period, to show the impact of these items on the ratios.

TABLE C: GROSS RENTAL INCOME

	Six months ended 30 September 2023 £m	Restated[1] Six months ended 30 September 2022 £m
Rent receivable	239	232
Spreading of tenant incentives and contracted rent increases	4	19
Surrender premia	3	2
Gross rental income	246	253

1. Prior period comparatives have been restated for a change in accounting policy in respect of rental concessions. Refer to Note 1 for further information.

The current and prior period information is presented on a proportionally consolidated basis, excluding non-controlling interests.

TABLE D: PROPERTY RELATED CAPITAL EXPENDITURE

	Six months ended 30 September 2023			Year ended 31 March 2023		
	Group £m	Joint ventures £m	Total £m	Group £m	Joint ventures £m	Total £m
Acquisitions	58	–	58	158	–	158
Development	91	100	191	156	106	262
Investment properties						
Incremental lettable space	–	–	–	–	–	–
No incremental lettable space	30	11	41	60	26	86
Tenant incentives	1	3	4	2	1	3
Other material non-allocated types of expenditure	2	2	4	3	3	6
Capitalised interest	7	3	10	10	3	13
Total property related capex	189	119	308	389	139	528
Conversion from accrual to cash basis	10	(3)	7	(50)	(6)	(56)
Total property related capex on cash basis	199	116	315	339	133	472

The above is presented on a proportionally consolidated basis, excluding non-controlling interests and business combinations. The 'Other material non-allocated types of expenditure' category contains capitalised staff costs of £4m (31 March 2023: £6m).

TABLE E: EPRA LTV

	30 September 2023				31 March 2023			
	Proportionately consolidated				Proportionately consolidated			
	Group £m	Share of Joint Ventures £m	Non-controlling interests £m	Total £m	Group £m	Share of Joint Ventures £m	Non-controlling interests £m	Total £m
Include:								
Gross debt	2,255	1,207	–	3,462	2,250	1,198	–	3,448
Net payables	213	101	–	314	271	93	–	364
Exclude:								
Cash and cash equivalents	(152)	(131)	1	(282)	(125)	(152)	1	(276)
EPRA Net Debt (a)	2,316	1,177	1	3,494	2,396	1,139	1	3,536
Include:								
Property portfolio valuation	5,413	3,304	(13)	8,704	5,595	3,316	(13)	8,898
Other financial assets	48	–	–	48	50	–	–	50
Intangibles	8	–	–	8	8	–	–	8
EPRA Total Property Value (b)	5,469	3,304	(13)	8,760	5,653	3,316	(13)	8,956
EPRA LTV (a/b)	42.3%			39.9%	42.4%			39.5%

SUPPLEMENTARY TABLES

Data includes Group's share of Joint Ventures

HY24 RENT COLLECTION

Rent due between 25 March 2023 and 28 September 2023	Offices	Retail	Total
Received	99%	98%	99%
Outstanding	1%	2%	1%
	100%	**100%**	**100%**
Total	**£94m**	**£133m**	**£227m**

SEPTEMBER QUARTER 2023 RENT COLLECTION

Rent due between 29 September 2023 and 8 November 2023	Offices	Retail	Total
Received	97%	93%	95%
Outstanding	3%	7%	5%
	100%	**100%**	**100%**
Total	**£42m**	**£51m**	**£93m**

PURCHASES

Since 1 April 2023	Sector	Price (100%) £m	Price (BL Share) £m	Annualised Net Rents £m[1]
Completed				
Westwood Retail Park, Thanet	Retail Park	55	55	4
Total		**55**	**55**	**4**

SALES

Since 1 April 2023	Sector	Price (100%) £m	Price (BL Share) £m	Annualised Net Rents £m[1]
Completed				
Burton Upon Trent, Sainsburys	Other Retail	8	8	1
Riverside Retail Park, Coleraine	Retail Park	10	10	1
126-134 Baker Street	Office	17	17	1
Vodafone Portfolio	Office	96	96	5
Exchanged				
Vodafone Portfolio (Addison House)[3]	Office	29	29	1
Other[2]	Residential/Retail	13	10	1
Total		**173**	**170**	**10**

1. BL share of annualised rent topped up for rent frees
2. Of which £8m completed post period end
3. Completed post period end

PORTFOLIO VALUATION BY SECTOR

At 30 September 2023	Group £m	Joint ventures £m	Total £m	Change[1] %	Change[1] £m
West End	1,994	330	2,324	(2.5)	(60)
City	439	2,027	2,466	(4.6)	(124)
Canada Water & other Campuses	170	304	474	(9.2)	(48)
Residential[2]	116	2	118	0.8	1
Campuses	**2,719**	**2,663**	**5,382**	**(4.0)**	**(231)**
Retail Parks	1,877	183	2,060	0.2	4
Shopping Centre	311	440	751	0.0	0
London Urban Logistics	261	10	271	0.6	2
Other Retail	232	8	240	(0.8)	(2)
Retail & London Urban Logistics	**2,681**	**641**	**3,322**	**0.1**	**4**
Total	**5,400**	**3,304**	**8,704**	**(2.5)**	**(227)**
Standing Investments	**4,198**	**2,699**	**6,897**	**(2.5)**	**(179)**
Developments	**1,202**	**605**	**1,807**	**(2.6)**	**(48)**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Valuation movement during the period (after taking account of capital expenditure) of properties held at the balance sheet date, including developments (classified by end use), purchases and sales
2. Standalone residential

GROSS RENTAL INCOME[1]

	6 months to 30 September 2023			Annualised as at 30 September 2023		
Accounting Basis £m	Group	Joint ventures	Total	Group	Joint ventures	Total
West End	41	8	49	56	16	72
City	7	45	52	9	90	99
Other Campuses	5	2	7	9	4	13
Campuses	**53**	**55**	**108**	**74**	**110**	**184**
Retail Parks	74	8	82	138	14	152
Shopping Centre	21	21	42	39	41	80
London Urban Logistics	4	-	4	7	-	7
Other Retail	10	-	10	18	1	19
Retail & London Urban Logistics	**109**	**29**	**138**	**202**	**56**	**258**
Total	**162**	**84**	**246**	**276**	**166**	**442**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests
Residential consists of only developments and ground rents, thereby excluded from gross rental income analysis

1. Gross rental income will differ from annualised valuation rents due to accounting adjustments for fixed & minimum contracted rental uplifts and lease incentives

PORTFOLIO NET YIELDS[1,2]

As at 30 September 2023	EPRA net initial yield %	EPRA topped up net initial yield %[3]	Overall topped up net initial yield %[4]	Net equivalent yield %	Net equivalent yield movement bps	Net reversionary yield %[5]	ERV Growth %[6]
West End	3.7	4.5	4.5	5.3	27	5.9	3.2
City	4.4	5.0	5.0	5.3	38	6.1	3.5
Other Campuses	5.6	5.6	6.0	5.7	21	6.5	0.0
Campuses	**4.1**	**4.8**	**4.8**	**5.3**	**32**	**6.0**	**3.2**
Retail Parks	6.7	7.3	7.4	6.7	13	6.8	4.0
Shopping Centre	8.0	8.5	8.6	8.0	10	8.0	2.6
London Urban Logistics	3.2	3.2	3.3	4.7	9	5.0	3.1
Other Retail	6.8	7.0	7.1	7.0	6	6.2	0.5
Retail & London Urban Logistics	**6.8**	**7.3**	**7.4**	**6.9**	**12**	**6.9**	**3.3**
Total	**5.4**	**6.0**	**6.0**	**6.1**	**23**	**6.5**	**3.2**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests
Residential consists of only developments and ground rents, thereby excluded from yield analysis

1. Including notional purchaser's costs
2. Excluding committed developments, assets held for development and residential assets
3. Including rent contracted from expiry of rent-free periods and fixed uplifts not in lieu of rental growth
4. Including fixed/minimum uplifts (excluded from EPRA definition)
5. Net reversionary yield is the anticipated yield to which the initially yield will rise (or fall) once the rent reaches the estimated rental value, assuming 100% occupancy
6. As calculated by MSCI

TOTAL PROPERTY RETURN (AS CALCULATED BY MSCI)

6 months to 30 September 2023	Offices		Retail		Total	
%	British Land[2]	MSCI	British Land[2]	MSCI	British Land	MSCI
Capital Return	(3.8)	(8.1)	0.2	(2.5)	(2.3)	(2.7)
ERV Growth	3.2	1.4	3.3	0.5	3.2	1.8
Yield Movement[1]	32 bps	56 bps	12 bps	17 bps	23 bps	22 bps
Income Return	1.3	1.9	3.5	2.9	2.1	2.3
Total Property Return	**(2.5)**	**(6.3)**	**3.7**	**0.4**	**(0.2)**	**(0.5)**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Net equivalent yield movement
2. British Land Offices reflects Campuses; British Land Retail reflects Retail & London Urban Logistics

TOP 20 OCCUPIERS BY SECTOR

As at 30 September 2023	% of Retail & London Urban Logistics rent
Retail & London Urban Logistics	
Next	4.8
Walgreens (Boots)	4.2
M&S	3.7
Currys Plc	2.9
TJX (TK Maxx)	2.8
JD Sports	2.7
Frasers Group	2.6
DFS Furniture	2.1
Tesco Plc	2.0
TGI Friday's	2.0
Kingfisher	1.9
Asda Group	1.8
Hutchison Whampoa	1.8
Sainsbury	1.7
Homebase	1.7
River Island	1.4
Primark	1.4
Pets at Home	1.4
H&M	1.3
Smyths Toys	1.1
Total top 20	**45.3**

As at 30 September 2023	% of Campuses rent
Campuses	
Meta	12.8
dentsu	6.3
Herbert Smith Freehills	3.9
SEFE Energy	3.5
Sumitomo Mitsui	3.0
Deutsche Bank	2.6
Janus Henderson	2.3
TP ICAP Plc	2.1
The Interpublic Group	2.1
Softbank Group	2.1
Reed Smith[1]	2.0
Bank of Montreal	1.9
Mayer Brown	1.9
Mimecast Plc	1.7
Milbank LLP	1.7
Credit Agricole	1.6
Accor	1.6
Visa International	1.5
Dimensional Fund Advisors	1.2
Government	1.1
Total top 20	**56.9**

1. Taking into account their pre-let of 114,000 sq ft at Norton Folgate, % contracted rent would rise to 6.3%

MAJOR HOLDINGS

As at 30 September 2023	BL Share %	Sq ft '000[5]	Rent (100%) £m pa[1,4]	Occupancy rate %[2,4]	Lease length yrs[3,4]
Broadgate	50	4,468	191	97.0	5.9
Regent's Place	100	1,052	62	87.6	5.4
Paddington Central	25	958	13	99.7	8.3
Meadowhall, Sheffield	50	1,500	71	99.4	3.4
Glasgow Fort, Glasgow	100	510	36	98.3	4.9
Teesside, Stockton	100	569	29	97.6	3.4
Hannah Close, Wembley	100	246	4	100.0	2.3
Ealing Broadway, London	100	540	12	98.8	3.4
Drake's Circus, Plymouth	100	1,190	32	93.4	5.1
Giltbrook, Nottingham	100	198	13	100.0	6.3

1. Annualised EPRA contracted rent including 100% of joint ventures
2. Includes accommodation under offer or subject to asset management
3. Weighted average to first break
4. Excludes committed and near term developments
5. Owned and managed

LEASE LENGTH & OCCUPANCY

	Average lease length yrs		Occupancy rate %	
As at 30 September 2023	To expiry	To break	EPRA Occupancy	Occupancy[1,2,3]
West End	6.4	5.7	89.7	90.0
City	7.2	5.9	90.0	96.7
Other Campuses	10.6	7.6	100.0	100.0
Residential[4]	12.3	12.3	100.0	100.0
Campuses	**6.9**	**5.8**	**90.1**	**93.8**
Retail Parks	6.0	4.5	97.1	99.2
Shopping Centre	5.3	4.0	93.6	96.8
London Urban Logistics	3.2	1.8	99.8	99.8
Other Retail	8.2	7.6	96.4	97.4
Retail & London Urban Logistics	**5.9**	**4.5**	**96.2**	**98.4**
Total	**6.3**	**5.0**	**93.3**	**96.2**

1. EPRA Occupancy vs Occupancy: Occupancy includes space under offer or subject to asset management
2. Space allocated to Storey is shown as occupied where there is a Storey tenant in place otherwise it is shown as vacant. Total occupancy for Campuses would rise from 93.8% to 94.4% if Storey space was assumed to be fully let
3. Where occupiers have entered administration or CVA but are still liable for rates, these are treated as occupied. If units in administration are treated as vacant, then the occupancy rate for Retail & London Urban Logistics would reduce from 98.4% to 97.5%, and total occupancy would reduce from 96.2% to 95.7%
4. Standalone residential

PORTFOLIO WEIGHTING

As at 30 September	2023 %	2023 £m	2022 %
West End	26.7	2,324	29.4
City	28.3	2,466	29.3
Canada Water & other Campuses	5.5	474	4.8
Residential[1]	1.3	118	1.1
Campuses	**61.8**	**5,382**	**64.6**
Of which London	*97*	*5,234*	*98*
Retail Parks	23.7	2,060	21.2
Shopping Centre	8.6	751	8.2
London Urban Logistics	3.1	271	3.3
Other Retail	2.8	240	2.7
Retail & London Urban Logistics	**38.2**	**3,322**	**35.4**
Total	**100**	**8,704**	**100**
Of which London	*68*	*5,901*	*71*

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests

1. Standalone residential

ANNUALISED RENT & ESTIMATED RENTAL VALUE (ERV)

	Annualised rent (valuation basis) £m[1]			ERV £m	Average rent £psf	
As at 30 September 2023	Group	Joint ventures	Total	Total	Contracted[2]	ERV
West End[3]	56	15	71	104	67.7	77.7
City[3]	5	83	88	121	56.6	65.3
Other Campuses	6	-	6	8	27.8	35.1
Campuses	**67**	**98**	**165**	**233**	**55.5**	**62.9**
Retail Parks	143	14	157	154	22.7	20.8
Shopping Centre	40	42	82	79	25.8	23.7
London Urban Logistics	8	-	8	12	14.0	21.9
Other Retail	17	1	18	17	14.3	12.8
Retail & London Urban Logistics	**208**	**57**	**265**	**262**	**22.3**	**20.8**
Total	**275**	**155**	**430**	**495**	**29.4**	**30.4**

On a proportionally consolidated basis including the group's share of joint ventures and funds and excluding non-controlling interests, and excluding committed, near term and assets held for development
Residential consists of only developments and ground rents, thereby excluded from rent analysis

1. Gross rents plus, where rent reviews are outstanding, any increases to ERV (as determined by the Group's external valuers), less any ground rents payable under head leases, excludes contracted rent subject to rent free and future uplift
2. Annualised rent, plus rent subject to rent free
3. £psf metrics shown for office space only

RENT SUBJECT TO OPEN MARKET RENT REVIEW

For year to 31 March As at 30 September 2023	2024 £m	2025 £m	2026 £m	2027 £m	2028 £m	2024-26 £m	2024-28 £m
West End	3	14	9	-	2	26	28
City	13	8	26	4	1	47	52
Other Campuses	-	1	-	-	-	1	1
Campuses	**16**	**23**	**35**	**4**	**3**	**74**	**81**
Retail Parks	6	10	9	10	5	25	40
Shopping Centre	2	4	2	3	2	8	13
London Urban Logistics	-	1	-	-	-	1	1
Other Retail	2	1	-	1	1	3	5
Retail & London Urban Logistics	**10**	**16**	**11**	**14**	**8**	**37**	**59**
Total	**26**	**39**	**46**	**18**	**11**	**111**	**140**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests, and excluding committed, near term and assets held for development
Residential consists of only developments and ground rents, thereby excluded from open market rent analysis

1. Standalone residential

RENT SUBJECT TO LEASE BREAK OR EXPIRY

For year to 31 March As at 30 September 2023	2024 £m	2025 £m	2026 £m	2027 £m	2028 £m	2024-26 £m	2024-28 £m
West End	2	8	14	4	7	24	35
City	8	10	13	5	3	31	39
Other Campuses	1	-	-	-	1	1	2
Campuses	**11**	**18**	**27**	**9**	**11**	**56**	**76**
Retail Parks	20	20	25	22	14	65	101
Shopping Centre	10	10	16	9	13	36	58
London Urban Logistics	1	1	4	-	2	6	8
Other Retail	1	3	1	1	-	5	6
Retail & London Urban Logistics	**32**	**34**	**46**	**32**	**29**	**112**	**173**
Total	**43**	**52**	**73**	**41**	**40**	**168**	**249**
% of contracted rent	**9**	**11**	**16**	**9**	**8**	**36**	**53**

On a proportionally consolidated basis including the Group's share of joint ventures and excluding non-controlling interests excluding committed and near term, and assets held for development
Residential consists of only developments and ground rents, thereby excluded from lease break or expiry analysis

COMMITTED DEVELOPMENTS

As at 30 September 2023	Sector	BL Share %	100% sq ft '000	PC Calendar Year	Current Value £m	Cost to come £m[1]	ERV £m[2]	Pre-let & under offer £m[4]	Gross Yield on Cost %
Norton Folgate	Office	100	335	Q4 2023	346	77	24.4	9.2	5.4
The Priestley Centre	Life Science	100	84	Q1 2024	30	12	3.3	2.0	8.1
3 Sheldon Square	Office	25	140	Q1 2024	39	4	2.6	2.2	6.4
Aldgate Place, Phase 2	Residential	100	138	Q2 2024	111	28	6.7	0.1	5.0
Peterhouse Expansion	Life Science	100	96	Q1 2025	20	44	4.7	-	6.4
1 Broadgate[4]	Office	50	545	Q2 2025	158	166	20.0	13.7	6.0
Canada Water									
Robert's Close, K1[3]	Residential	50	62	Q4 2023	4	-	-	-	
The Dock Shed, A2[3]	Mixed Use	50	246	Q4 2024	25	29	5.5	-	
1-3 Deal Porters Way, A1[3]	Mixed Use	50	270	Q4 2024	50	57	3.6	-	Blended 7
Total Committed			**1,916**		**783**	**417**	**70.8**	**27.2**	

On a proportionally consolidated basis including the group's share of joint ventures (except area which is shown at 100%)

1. From 30 September 2023. Cost to come excludes notional interest as interest is capitalised individually on each development at our capitalisation rate
2. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)
3. The London Borough of Southwark has confirmed they will not be investing in Phase 1, but retain the right to participate in the development of subsequent plots up to a maximum of 20% with their returns pro-rated accordingly
4. Pre-let & under offer excludes 114,000 sq ft of office space under option
5. Gross yield on costs is calculated by dividing the ERV of the project by the total development costs, including the land value at the point of commitment, and any actual /estimated capitalisation of interest

NEAR TERM DEVELOPMENT PIPELINE

As at 30 September 2023	Sector	BL Share%	100% sq ft '000	Earliest Start on Site	Current Value £m	Cost to come £m[1]	ERV £m[2]	Planning Status
Mandela Way, Southwark	London Urban Logistics	100	144	Q1 2024	19	53	4.7	Consented
1 Triton Square	Life Science	100	318	Q2 2024	353	85	34.0	Pre-submission
The Box, Paddington	London Urban Logistics	100	152	Q2 2024	35	47	6.5	Consented
Verney Road, Southwark	London Urban Logistics	100	200	Q4 2024	27	76	7.4	Submitted
2 Finsbury Avenue	Office	50	747	Q1 2024	94	376	35.7	Consented
Canda Water								
Printworks, H1 & H2	Mixed Use	50	311	Q4 2024	-	105	8.6	Consented
Total Near Term			**1,872**		**528**	**742**	**96.9**	

On a proportionally consolidated basis including the group's share of joint ventures (except area which is shown at 100%)

1. From 30 September 2023. Cost to come excludes notional interest as interest is capitalised individually on each development at our capitalisation rate
2. Estimated headline rental value net of rent payable under head leases (excluding tenant incentives)

MEDIUM TERM DEVELOPMENT PIPELINE

As at 30 September 2023	Sector	BL Share %	100% Sq ft '000	Planning Status
1 Appold Street	Office	50	397	Consented
International House, Ealing	Office	100	165	Consented
Euston Tower	Office	100	539	Pre-submission
5 Kingdom Street	Office	100	112	Consented
Finsbury Square	London Urban Logistics	100	81	Pre-submission
Thurrock	London Urban Logistics	100	644	Submitted
Enfield, Heritage House	London Urban Logistics	100	437	Consented
Hannah Close, Wembley	London Urban Logistics	100	668	Pre-submission
Meadowhall	London Urban Logistics	50	611	Outline Consented
West One Development	Mixed Use	25	72	Consented
Ealing – 10-40, The Broadway	Mixed Use	100	318	Consented
Canada Water				
Plot H3	Office	50	313	Outline Consented
Zone L	Residential	50	200	Consented
Plot F2	Mixed Use	50	448	Consented
Future phases[1]	Mixed Use	50	3,230	Outline Consented
Total Medium Term			**8,235**	

On a proportionally consolidated basis including the group's share of joint ventures (except area which is shown at 100%)

1. The London Borough of Southwark has the right to invest in up to 20% of the completed development. The ownership share of the joint venture between British Land and AustralianSuper will change over time depending on the level of contributions made, but will be no less than 80%

FORWARD-LOOKING STATEMENTS

This Press Release contains certain (and we may make other verbal or written) ‘forward-looking’ statements. These forward-looking statements include all matters that are not historical fact. Such statements reflect current views, intentions, expectations, forecasts and beliefs of British Land concerning, among other things, our markets, activities, projections, strategy, plans, initiatives, objectives, performance, financial condition, liquidity, growth and prospects, as well as assumptions about future events and developments. Such ‘forward-looking’ statements can sometimes, but not always, be identified by their reference to a date or point in the future, the future tense, or the use of ‘forward-looking’ terminology, including terms such as ‘believes’, ‘considers’, ‘estimates’, ‘anticipates’, ‘expects’, ‘forecasts’, ‘intends’, ‘continues’, ‘due’, ‘potential’, ‘possible’, ‘plans’, ‘seeks’, ‘projects’, ‘budget’, ‘goal’, ‘ambition’, ‘mission’, ‘objective’, ‘guidance’, ‘trends’, ‘future’, ‘outlook’, ‘schedule’, ‘target’, ‘aim’, ‘may’, ‘likely to’, ‘will’, ‘would’, ‘could’, ‘should’ or similar expressions or in each case their negative or other variations or comparable terminology. By their nature, forward-looking statements involve inherent known and unknown risks, assumptions and uncertainties because they relate to future events and circumstances and depend on circumstances which may or may not occur and may be beyond our ability to control, predict or estimate. Forward-looking statements should be regarded with caution as actual outcomes or results may differ materially from those expressed in or implied by such statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements.

Important factors that could cause actual results (including the payment of dividends), performance or achievements of British Land to differ materially from any outcomes or results expressed or implied by such forward-looking statements include, among other things, changes and/or developments as regards: (a) general business and political, social and economic conditions globally, (b) the United Kingdom’s withdrawal from, and evolving relationship with, the European Union, (c) industry and market trends (including demand in the property investment market and property price volatility), (d) competition, (e) the behaviour of other market participants, (f) government, law or regulation including in relation to the environment, landlord and tenant law, health and safety and taxation (in particular, in respect of British Land’s status as a Real Estate Investment Trust), (g) inflation and consumer confidence, (h) labour relations, work stoppages and increased costs for, or shortages of, talent, (i) climate change, natural disasters and adverse weather conditions, (j) terrorism, conflicts or acts of war, (k) British Land’s overall business strategy, risk appetite and investment choices in its portfolio management, (l) legal or other proceedings against or affecting British Land, (m) cyber-attacks and other disruptions and reliability and security of IT infrastructure, (n) occupier demand and tenant default, (o) financial and equity markets including interest and exchange rate fluctuations, (p) accounting practices and the interpretation of accounting standards (q) the availability and cost of finances, including prolonged higher interest rates, (r) public health crises, and (s) changes in construction supplies and labour availability or cost inflation. The Company’s principal risks are described in greater detail in the section of this Press Release headed “Risk Management and Principal Risks” and in the Company’s latest annual report and accounts (which can be found at www.britishland.com). Forward-looking statements in this Press Release, or the British Land website or made subsequently, which are attributable to British Land or persons acting on its behalf, should therefore be construed in light of all such factors.

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