

BRITISH LAND ANNOUNCES SALE OF ITS 50% MEADOWHALL STAKE

In line with its strategy to focus on retail parks and reduce exposure to covered shopping centres, British Land announces that it has exchanged contracts for the sale of its 50% stake in Meadowhall Shopping Centre to its partner Norges Bank Investment Management for £360m. This follows the sale of some ancillary land by the Joint Venture for £7m (British Land share) earlier this year. Together these deals value the entirety of the Meadowhall Estate at £734m, 3% above September 2023 book value.

Proceeds after net debt of c.£200m are expected to total c.£156m. The impact of the transaction on FY25 NTA per share is expected to be negligible and the FY25 EPS dilution is estimated to be 0.6p prior to reinvestment. The transaction would reduce HY24 proportionally consolidated LTV by 2.7ppt. As part of the transaction, British Land will remain as asset manager of Meadowhall shopping centre, for which it will continue to earn fees in line with current terms.

The transaction is expected to complete in July 2024 and the proceeds will be used for general corporate purposes including reinvestment into retail parks.

Simon Carter, Chief Executive of British Land, said:

"We have had a successful partnership with Norges over many years and are delighted to continue to work alongside them as asset managers of the centre.

Following the sale of Meadowhall, 93% of our portfolio is now in our preferred segments of retail parks, campuses and London urban logistics.

We will continue to grow our retail park portfolio; with low capex requirements parks offer attractive cash returns and at 99% occupancy we are delivering strong rental growth."

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About British Land

Our portfolio of high quality UK commercial property is focused on London Campuses and Retail & London Urban Logistics. 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, Thriving Places, making a long-lasting, positive social impact in our communities 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.

About Meadowhall

Meadowhall is 200 acre estate, adjacent to the M1, located on the outskirts of Sheffield. The estate comprises of a 1.5m sq ft shopping centre with around 280 occupiers, 60k sq ft of solus retail, 143k sq ft distribution centre, 103 bed hotel let to Premier Inn and two plots of development land totalling 50 acres. For the year ended 31 March 2023 the Joint Venture generated net rental income of £59m.