Press Release

11 November 2020

Resilient and evolving business positioned for long-term growth

The Directors of Great Portland Estates plc announce the results for the Group for the six months ended 30 September 2020[1].

Toby Courtauld, Chief Executive, said:

"We have delivered a resilient first half performance in perhaps some of the most challenging trading conditions we have experienced. Despite this context, Great Portland is in robust health, with one of the strongest balance sheets in the sector given our low leverage and high liquidity, both protecting us on the downside and providing us with capacity for growth when we deem the time to be right.

It is clear that the impact of the COVID crisis will persist for longer than we had hoped and we are engaging extensively with our occupiers and communities, providing assistance where it is most needed. With unemployment rising, albeit from a low level, we should expect rents and capital values in London to fall further. However, we are encouraged by the level of new enquiries we continue to receive from prospective occupiers, particularly for our developments and our flex space product, along with increasing activity in the central London investment market.

As we look beyond COVID, it is likely that the evolution in the patterns of work and shopping we have experienced over recent years will have accelerated – for example, the demands of office occupiers for greater wellbeing provision in smaller scale, more flexible buildings with higher sustainability credentials. We are addressing these and other themes through, for instance, growing our flex office offer and the launch today of our Roadmap to decarbonise our business to Net Zero by 2030. And, we are doing so firm in our belief that, however occupiers' demands evolve, our human desire to congregate and create will underpin London's magnetic appeal as a global business capital for the long term; plus, our financial strength, extensive pipeline of opportunity across our portfolio and our talented team with its deep market knowledge will give us the ability to choose our path to deliver on all our ambitions."

Valuation lower driven by retail rental value declines
- Portfolio valuation of £2.5 billion, down 6.6%[2] (-2.4% offices and -18.0% retail)
- Rental values down by 3.9%[2] (-0.7% offices and -13.0% retail); yield expansion of 5 bps
- Total property return of -5.1%, with capital return of -6.4% v MSCI Central London (quarterly index) of -3.2%
- Portfolio rental value guidance range for the financial year at -5% to -10%

Interim dividend maintained against challenging market backdrop
- IFRS and EPRA[3] NTA per share of 800 pence, down 7.8% over six months
- EPRA[3] earnings of £20.6 million, down 26.7% on H1 2019. EPRA[3] EPS of 8.2 pence, down 22.6%
- After revaluation deficit, IFRS loss after tax of £154.8 million (2019: £44.1 million profit)
- Total accounting return[4] of minus 6.9% over six months; interim dividend per share maintained at 4.7 pence

Improving cash collection; providing support to occupiers on a case by case basis
- 80% of September rent collected to date including amounts covered by rent deposits (June equivalent 72%); 72% excluding deposits (86% from offices; 39% from retail/hospitality/leisure sectors)
- 83% of March and June rent now collected including rent deposit cover
- All offices remain open and operating with COVID-19 Secure status

Leasing 4.6% ahead of ERV; continuing to grow our flex space offer
- £6.6 million p.a. let, 77,300 sq ft, market lettings 4.6% above March 2020 ERV
- Flex space now c.13% of office portfolio, completion of first Flex+ offer at Dufours Place, W1, appraising further 140,900 sq ft
- Five rent reviews secured £3.7 million p.a., 7.8% ahead of passing rent, 2.5% ahead of ERV at review date
- Underlying vacancy rate of 2.6% (31 March 2020: 2.0%), 8.3% including the recently completed developments; average office rent of £54.80 per sq ft; reversionary potential of 5.2% (£5.0 million)
- 73% retention rate in year to Sept, in line with long-run average, with further 16% let within 12 months
- Like-for-like rent roll down 4.4% to £96.4 million, with total potential future growth of 88% to £181 million[5]
- £6.8 million of lettings under offer, 13.9% ahead of September 2020 ERV; further c.£30 million in negotiation

Two schemes successfully completed; total development programme covering 40% of portfolio

- The Hickman, E1 (75,300 sq ft) completed in September, 28% under offer; 13.0% profit on cost
- Hanover Square, W1 (221,500 sq ft) completed in November, 55% let, 10.3% profit on cost
- 1 Newman Street & 70/88 Oxford Street, W1 construction progressing well, capex to come £23.9 million, 31% pre let
- Three near-term office schemes (821,900 sq ft); strong occupier interest ahead of earliest start in 2021, aiming for annual rental uplift of 160%
- Total pipeline of ten schemes (1.4 million sq ft), currently income producing, with 2.3 years average lease length, 11% reversionary (existing use)

Strong financial position; pro forma liquidity increased to £465 million

- Property LTV of 17.2%, weighted average interest rate of 2.3%
- Substantial headroom above Group debt covenants (values could fall 63% before breach)
- New £150 million USPP; weighted average coupon of 2.77%, average term 14.5 years
- Pro forma cash and undrawn facilities of £465 million

Market leading sustainability, supporting our communities and our people

- Roadmap to Net Zero Carbon by 2030 launched, see separate announcement
- Strong employee engagement, 96% of employees recommend GPE as a great place to work
- GPE Community Fund raised £325,000; now fully deployed to support some of London's most vulnerable

[1] All values include share of joint ventures unless otherwise stated [2] On a like-for-like basis [3] In accordance with EPRA guidance
[4] We prepare our financial statements using IFRS, however we also use a number of adjusted measures in assessing and managing the performance of the business. These include like-for-like figures to aid in the comparability of the underlying business and proportionately consolidated measures, which represent the Group's gross share of joint ventures rather than the net equity accounted presentation included in the IFRS financial statements. These metrics have been disclosed as management review and monitor performance of the business on this basis. We have also included a number of measures defined by EPRA, which are designed to enhance transparency and comparability across the European Real Estate sector, see note 8 to the financial statements. In October 2019, EPRA issued new Best Practice Recommendations for Net Asset Value (NAV) metrics, these recommendations are effective for accounting periods starting on 1 January 2020 and have been adopted by the Group. Our primary NAV metric is EPRA NTA which we consider to be the most relevant measure for the Group (as it most closely mirrors EPRA NAV) [5] Gross contracted rent excluding impact of tenant incentives, including share of JVs and CBRE rental estimates at September 20

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There will be a live conference call at 9.00am today, which will include a Q&A session with the GPE management team, on the following numbers:

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A video presentation of the results by Toby Courtauld and Nick Sanderson is available, along with accompanying presentation materials and appendices, at:

www.gpe.co.uk/investors/latest-results

We will also be holding an investor & analyst event regarding the launch of our Roadmap to Net Zero Carbon by 2030 in early 2021.

For further information see www.gpe.co.uk or follow us on Twitter at @GPE_plc

Disclaimer
This announcement contains certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

Any forward-looking statements made by or on behalf of Great Portland Estates plc ("GPE") speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. GPE does not undertake to update forward-looking statements to reflect any changes in GPE's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this announcement relating to the Company or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Half Year Results

Our market

Introduction

London's commercial real estate markets slowed dramatically in the first half of the year, as governments across the world reacted to stem the tragic human cost of the COVID-19 pandemic. In the UK, despite government measures to cushion the economic impact of the lockdown, the UK economy has dipped into an unprecedented recession. Whilst economic activity in recent months has picked up, along with business and consumer confidence, the UK's PMI Employment Index remains weak, suggesting further fragility to come. Against this recessionary backdrop, activity levels in both the central London occupational and investment markets during the period were close to historical lows. The continuing restrictions imposed by the government, and the uncertainty regarding both their duration and extent, continue to adversely impact normal patterns of activity and business in central London. Whilst a recent uptick in activity appears to be supporting pricing in the investment market, occupational markets have softened as many businesses have put leasing decisions on hold until the outlook clears.

For the remainder of the financial year, we expect that activity in our markets will be driven by the progress and impact of the pandemic. Given this challenging economic and operational context, we expect capital values and rental levels to decline as London's property markets adjust to a global recession. Despite this backdrop, we remain well placed. Our low financial leverage will enable us to both weather market volatility and take advantage of any dislocation should it arise. Whatever the outcome, we remain confident that London will remain a leading global city and will maintain its ability to attract businesses, capital and talent from around the world and the office will remain an integral part of its vibrant economy.

Global economic recession

The first half of 2020 was marked by an abrupt slowdown in global output with most governments partially closing economies to prevent the spread of COVID-19. As a result, developed and emerging-market economies alike experienced sharp declines in GDP. In the UK, GDP is estimated to have fallen by a record 19.8% in the quarter to June, following a fall of 2.2% in the quarter to March. Whilst economic activity has subsequently picked up as lockdowns have eased, the pace of the recovery has lost momentum as a number of countries have seen a resurgence in case numbers. Looking forward the outlook is hard to read as economic conditions are closely tied to the trajectory of the pandemic and the development of an effective treatment, both of which are difficult to predict. Moreover, a number of much needed UK government support schemes will be withdrawn over the coming months and significant political risks remain including the implications of the recent US election result and the conclusion of UK trade negotiations with the EU. Against this backdrop GDP forecasts indicate that the UK's economy will shrink by 10.1% in 2020, followed by 6.4% growth in 2021. If these estimates are correct, it is likely to be 2022 before the UK recovers the GDP lost to the crisis.

Limited activity in occupational markets

Our occupational markets were very subdued over the six months to 30 September 2020, with many businesses pausing leasing activity to take stock of quickly evolving economic conditions. As a result, central London office take-up was 2.2 million sq ft, a record low for a six-month period and considerably lower than the preceding six months and the ten-year average of 6.3 million sq ft. CBRE estimate that central London active demand at September totalled 5.5 million sq ft, a reduction of 2.4 million sq ft since 31 March 2020. Reduced levels of take up and demand have led to greater central London availability which increased to 19.9 million sq ft over the six months, up from 13.7 million sq ft at 31 March 2020 and ahead of the ten-year average of 14.2 million sq ft. The vacancy rate has also moved up, from a low base, to 6.5%. Whilst the amount of available space has increased, the proportion that is either newly completed or under construction remained near historical lows at 26% (5.3 million sq ft). Against a backdrop of softening rental values, this continued scarcity of high quality space has provided relative support for prime rents.

Looking forward, the future supply of new space remains limited. In central London, CBRE estimate that 14 million sq ft of new space is currently under construction, of which 44% is already pre-let. Whilst CBRE estimate that 32 million sq ft of new speculative space could be delivered before the end of 2025, construction has yet to start on 75% of that space and, in our view, current levels of market uncertainty will likely result in schemes being delayed or alternative business plans being pursued. As a result, we are continuing to see encouraging levels of pre-let interest in our near-term development schemes as larger occupiers look beyond COVID-19 to ensure they secure the best space for their business.

West End occupational market

Over the six months to 30 September 2020, West End office take-up was 0.8 million sq ft, down 61% on the preceding six months. Current availability of 6.0 million sq ft has moved up and is 1.6 million sq ft (or 27%) above the ten-year average. Vacancy rates remain low at 4.9% at 30 September 2020, with Grade A vacancy estimated by CBRE to be only 2.9%. CBRE reported that prime office rental values reduced over the last six months by £8.50 per sq ft to £101.50 per sq ft, with rent frees three months higher at 26 months on a ten-year lease.

In the past six months the UK retail environment has faced the perfect storm of a temporary forced closure during lockdown, lower consumer spending and an acceleration in the ongoing structural shift to on-line sales. City centres have been particularly badly impacted as consumers have avoided busy locations, particularly if they are reliant on public transport. Levels of footfall in the West End have fallen dramatically and, whilst they recovered somewhat when the lockdown eased, they reached only 44% of pre COVID levels. Unsurprisingly this has had a detrimental effect on London’s key retail streets. Vacancy on Oxford Street, Regent Street and New Bond Street has risen to 12.5%, 9.0% and 19.0% respectively, with prime Zone A rents on Oxford Street and Bond Street lower at £631 per sq ft and £1,702 per sq ft respectively. We expect the outlook for central London retail to remain challenged until confidence in domestic and international travel returns, and more of London’s vibrant workforce returns to central London.

City, Midtown and Southbank occupational markets

Over the six months to 30 September 2020, City office take up of 0.8 million sq ft decreased by 72% on the prior six months and remains below of the ten-year average of 1.3 million sq ft. Availability increased to 8.8 million sq ft (from 5.9 million sq ft at 31 March 2020), with the amount of space under offer at 0.9 million sq ft, 31% below the 10-year average. The City vacancy rate was greater than that of the West End at 8.1%, although Grade A vacancy was estimated by CBRE to be 5.3%, up from 3.5% at March. CBRE also reported that City prime rental values fell marginally to £71.00 per sq ft, down £2.00 per sq ft from March 2020, with rent free periods on a ten-year lease increasing to 27 months (24 months at 31 March 2020).

Take-up in Midtown and Southbank was 0.2 million sq ft, down from 0.6 million sq ft on the preceding six months. Prime office rental values reduced by £5.00 and £4.50 per sq ft to £77.50 and £65.50 per sq ft for Midtown and Southbank respectively. Rent frees increased to 26-27 months on average on a ten-year lease.

Less active investment markets

As the UK lockdown progressed investment market activity slowed considerably. Buyers paused to take stock as financial conditions deteriorated, and vendors, who in the most part are not facing financial difficulties, were unwilling to test uncertain markets. Furthermore, restrictions in international travel hampered the ability of more willing buyers to inspect potential acquisitions and conduct effective due diligence. As a result, office investment deals in the six months to 30 September 2020 were £1.7 billion, down 75% on the prior six months and down 76% on the ten-year average.

More recently activity levels have picked up. Today we estimate that there is currently £9.1 billion of stock on the market available to buy, up from £3.6 billion in May, whilst the weight of money seeking to invest is also up at around £38.6 billion. Demand for London real estate has remained robust particularly for high quality assets. London offices remain attractively priced when compared to other major global cities, the excess returns between real estate and government bonds have never been higher and the pound remains weak against other currencies. As a result, at 30 September 2020, prime office yields were unchanged at 3.75% and 4.00% in the West End and City respectively, according to CBRE. Given the greater distress in retail markets, retail yields softened over the period, with CBRE reporting that retail yields moved out 25 basis points to 3.50% for Regent Street and Oxford Street and 2.75% for Bond Street.

Near-term market outlook

Given the cyclical nature of our markets, we actively monitor numerous lead indicators to help identify key trends in our marketplace. Over the last six months, our property capital value indicators were largely unchanged and continue to provide limited market visibility. However, we expect investment activity in the central London commercial property market to pick up from its recent low level of turnover in part due to the record real yield spread over gilt yields. Prime yields are currently trending flat and we expect that to continue for high quality assets, although it is possible that there will be some yield expansion for assets of a more secondary nature. Whilst the occupational market is more challenged and we have already seen a softening in ERVs, particularly for retail space, we are encouraged by the level of enquiries for both well designed new office space and for our flex offer. Looking forward, given the economic outlook, and rental performance of the portfolio in the first half of the year, our rental value movement range for the financial year to 31 March 2021 is between minus 5% and minus 10%, predominantly driven by the ongoing negative outlook for retail property.

Longer-term outlook and the future of the office

The COVID-19 pandemic has accelerated a number of trends in our key markets, the most pronounced to date being the detrimental impact it has had on the retail, hospitality and leisure sectors, particularly in large urban centres. However, we are also seeing early shifts in the nature of demand for offices. We stressed the growing importance of flexibility, sustainability, technology and increasing levels of service provision at our Investor and Analyst Event earlier in the year, and COVID-19 has pushed these themes further up occupiers' and investors' agendas.

Service provision has been key to supporting our occupiers through the pandemic. Our Occupier Services team has been working closely with our customers to keep offices open, COVID Secure, and more recently to help them return to their offices safely. We have been utilising technology, via our 'sesame' app, to enable touch free access to buildings, and using sensors to monitor air quality to ensure adequate fresh air flow.

Looking beyond the current disruption, we expect the experience businesses and their workforces have had through the pandemic will have some lasting influence on how they use offices in the future. Once the government requirement for office staff to work from home has passed, we expect the need for greater workforce agility to remain. A recent survey by Savills suggests that, post pandemic, the majority of workers would like to work from home only one or two days a week, with only 6% with a preference for full time. Against this backdrop, successful office spaces will need to fulfil our natural desire to congregate and provide an environment for collaboration, creativity and common purpose. Whilst this may require less traditional desk space, it will require a greater variety of communal spaces to enable and encourage the activities that are not best achieved remotely.

In our view, as we look forward, the best buildings will need to provide flexible work settings, support the health and wellbeing of employees, promote sustainability and be more human and connected to the communities in which they sit. Buildings that cannot meet these criteria risk being stranded. This plays to our strengths. We have a portfolio that is well suited to this evolving demand, with 82% of units in our portfolio being less than 10,000 sq ft, more than 93% of the portfolio at sub ten storeys in height and an average building size of around 60,000 sq ft. Moreover, we have a track record of being at the forefront of technological change; our launch today of our Roadmap to becoming a net zero carbon business by 2030 further demonstrates our focus on sustainability and wellbeing, and we have the team and the skill set to deliver the spaces occupiers want.

Our business

Our business is accompanied by graphics (see Appendix 1 and 3)

Our leasing activities

During the six months to 30 September 2020, despite the impact of COVID-19, we continued to lease ahead of ERV. Key highlights include:

- nine new leases were signed during the first half (2019: 29 leases), generating annual rent of £6.6 million (our share: £6.1 million; 2019: £8.4 million), market lettings 4.6% above March 2020 ERVs;
- five rent reviews securing £3.7 million p.a. (our share: £3.7 million; 2019: £10.8 million) of rent were settled during the half year, representing an annualised increase of £0.2 million p.a., or 7.8% above the previous passing rent and 2.5% above the ERV at the review date;
- total space covered by new lettings, reviews and renewals during the first half was 136,400 sq ft (2019: 358,200 sq ft);
- £0.6 million of reversion was captured (our share) in the six months to 30 September 2020, with a further reversionary potential of £5.0 million; and
- 93% (by area) of the 40 leases with breaks or expiries in the twelve months to 30 September 2020 were retained, re-let, or are under offer or under refurbishment, leaving only 16,100 sq ft still to transact.

Key leasing transactions
The table below summarises our leasing transactions in the period:

Leasing Transactions	**Three months ended 30 September 2020**	**Six months ended 30 September 2020**	**Six months ended 30 September 2019**
New leases and renewals completed			
Number	5	9	29
GPE share of rent p.a.	£1.8 million	£6.1 million	£8.4 million
Area (sq ft)	32,700	77,300	220,100
Rent per sq ft (including retail)	£55	£78	£76
Rent reviews settled			
Number	3	5	23
GPE share of rent p.a.	£3.0 million	£3.7 million	£10.8 million
Area (sq ft)	15,000	59,100	138,100
Rent per sq ft (including retail)	£69	£62	£85

Note: Includes joint ventures at share

Notable transactions during the six months included:

- the largest leasing transaction was the pre-letting to Exane, the European equities business, of the top three office floors of 1 Newman Street (39,970 sq ft), on a 15-year lease (no break) at an average rent of £100 per sq ft, 14 months before completion. The development is progressing well and we look forward to welcoming Exane to their new home later next year;
- at City Tower, EC2, we agreed a flex letting with Nikko Asset Management on the fifth floor (6,360 sq ft) based on a five-year term (no breaks), 2.8% above the March 2020 flex ERV; and
- at Walmar House, 288/300 Regent Street, W1, we settled a rent review with Richemont UK Limited, increasing the annual rent to £2.7 million, an increase of 3.8% on the previous passing rent and 0.6% above ERV at the review date.

At 30 September 2020, the Group’s underlying vacancy rate increased to 2.6%, or 8.3% when including recently completed developments (31 March 2020: 2.0%). Group rent roll has decreased by 4.4% to £96.4 million (31 March 2020: £100.8 million), largely due to planned vacancies ahead of proposed developments. The average rent across our office portfolio was £54.80 per sq ft, up from £53.40 per sq ft at 31 March 2020.

At 30 September, 26% of the Group's rent roll is subject to a break or lease expiry in the next 18 months. More than a quarter of this is from properties in our near term development pipeline where we will take vacant possession ahead of proposed works. Of the remainder we have identified a number of opportunities where we can improve the income security and with our strong track record of retaining occupiers are confident in doing so.

Since 30 September 2020, our leasing activity has continued:

- we have completed 3 new leases generating £0.9 million (our share: £0.6 million) of annual rent (16,400 sq ft), with market lettings 0.5% above March 2020 ERVs; and

- a further 92,600 sq ft of space is currently under offer which would deliver approximately £6.8 million p.a. in rent (our share: £4.1 million), with market lettings 13.9% ahead of September ERVs or 5.5% above March 2020 ERVs.

Innovating with our flexible space

COVID-19 has accelerated demand for flexible, fitted spaces which we have been delivering since 2018. Our flexible offerings currently comprise 13% of our office portfolio, across our own fully-fitted flex space (111,500 sq ft) and revenue share partnerships (143,700 sq ft) operated by Knotel and Runway East. Our flex space remains 77% let, whilst occupancy across the partnerships space has now settled at around 72%, a marginal reduction from around 80% prior to lockdown. In November, we completed our first new Flex+ offering, delivering 16,300 sq ft at Dufours Place, W1. This new Flex+ space further enhances our current Flex product giving occupiers added service provision and communal facilities. Occupier interest in this new space is encouraging and we are currently appraising a further 140,900 sq ft of potential space to expand our offer.

Rent collection and working with our occupiers

The trajectory of COVID-19 continues to dominate the economic backdrop and disrupt the activities of many of our occupiers across London. During the period, of the £43.8 million rent billed (our share) in the March and June quarters, to date we have collected 70%, or 83% after the utilisation of rent deposits. The retail, hospitality and leisure sectors have been most affected, impacting our collection rates at 63% compared to 93% for all other sectors (after deposits).

The most recent 29 September quarter saw an improvement. Including 100% of joint ventures, 61% of quarterly rents due (which represents 70% of the quarter's rent roll) was secured within seven working days (June 2020: 57%), which has now risen to 76%. Of the further 30% of our rent roll on monthly payment terms, we have now collected 93%. In total 80% of the September rent has been collected or is covered by a rent deposit (this compares to 72% at the equivalent point in time for the June quarter).

At 30 September 2020, we held rent deposits and bank guarantees totalling £18.5 million (June 2020: £21.6 million), of which we anticipate that we will be able to utilise £2.6 million against our outstanding September rent.

For those occupiers who have been unable to pay their rent, we are implementing measures to help support them through these unprecedented times. Accordingly, on a case by case basis, we are currently offering occupiers facing cash flow difficulties monthly payment terms, deferral of rental payments or rental holidays, as appropriate. During the period, four of our occupiers went into administration, representing only 1.3% of our rent roll for the period.

All of our office buildings remain open, with levels of occupier utilisation rising to around 30% of full occupancy immediately prior to the start of the latest Government enforced lockdown last week.

Development management

Since March 2020, we have successfully completed two developments and have continued to make good progress at our one remaining scheme on site, 1 Newman Street and 70/88 Oxford House, W1. Beyond this, the team continues to prepare a further ten schemes with prospective deliveries from the mid-2020s and beyond.

Two development completions; 43% pre-let, further 8% under offer
At The Hickman, E1, we completed the new 75,300 sq ft Grade A office and retail building in September, delivering a profit on cost of 13.0%. This highly sustainable BREEAM 'Excellent' refurbishment is also technologically advanced, utilising both our app 'sesame' and digital twin technology to improve the occupier experience and minimise operational carbon emissions. The building is now 28% under offer and there continues to be good occupier interest in the rest of building.

At Hanover Square, W1, after completing the retail units earlier this year, we have continued with sectional completions of the offices and residential apartments over the past few months, with the full scheme completed in early November. The pre-let office floors have been handed over to the incoming occupiers, KKR and Glencore who have commenced their fit-outs and Canali's new store on New Bond Street has recently opened. The scheme has delivered 221,500 sq ft of new space, comprising 167,500 sq ft of offices, 41,300 sq ft of retail and restaurant space and 12,700 sq ft of residential apartments. Interest in the remaining 56,000 sq ft of office space across the scheme continues to be strong. Whilst we are having a number of discussions with prospective occupiers on the remaining retail units (36,400 sq ft), we expect leasing activity to be subdued until retail sales and footfall return to more normalised levels. However, we remain optimistic on their leasing prospects given the units are located on one of the world's premier retail streets, with attractive relative pricing and a unit sizing that is appropriate to their target market.

We have also been extremely pleased by the high level of demand for the six residential apartments, which are located on the corner of New Bond Street and Brook Street. All the apartments were placed under offer to individual buyers only eight days following the sales launch at the full asking price, equating to approximately £32 million. In total, the scheme is now 55% let by ERV and is expected to deliver a profit on cost of 10.3%. The development is owned in the GHS Partnership, our 50:50 joint venture with the Hong Kong Monetary Authority.

One committed scheme, due for completion in 2021 and already 31% pre-let
At 1 Newman Street & 70/88 Oxford Street, W1, construction of the new building is progressing well. After the building topped out in June, the exterior curved corner window panels have been installed and the majority of the façade is now complete. The building will deliver 81,600 sq ft of new offices and 37,900 sq ft of retail space directly opposite the Dean Street entrance to the Tottenham Court Road Crossrail station and completion is targeted for Q2 2021. Following the pre-let of the upper three floors to Exane in May, the building is now 31% pre-leased and interest in the remaining office floors remains encouraging. However, we expect the pre-leasing of the retail space to be more challenging in the near term given the impact of COVID-19 on the wider UK retail environment and the opening date of the central section of Crossrail being pushed back to mid-2022. As retail demand has softened, so have retail rents and yields on Oxford Street. As a result, the anticipated profit on cost of the scheme has reduced to 0.7%.

At 30 September 2020, the two committed development properties on site (Hanover Square, W1 and 1 Newman Street & 70/88 Oxford Street, W1) were valued at £519.3 million and required £31.5 million (both our share) of capital expenditure to complete.

Substantial development pipeline
We continue to prepare our three near-term schemes for redevelopment and we have received planning permission to allow us to commence our comprehensive repositioning of 50 Finsbury Square, EC2 in early 2021. The highly sustainable, 127,500 sq ft major refurbishment, will see the office floor plates extended within the existing frame of the building, a large reception with a concierge as well as an improved retail, leisure and amenity offer.

Together with New City Court, SE1 and City Place House, EC2, our near-term schemes will deliver 821,900 sq ft of new Grade A space and we have strong levels of early occupier interest across all three schemes.

Beyond our near-term schemes, we have a further seven schemes in the medium-term pipeline. Taken together, our total development programme (including our one remaining scheme on site) totals 1.5 million sq ft and covers 40% of GPE's existing portfolio and will provide the bedrock of our growth over the coming decade.

Investment management

For the majority of the period, investment market turnover was slowed by the impact of COVID-19, with many vendors reticent to market assets against an uncertain backdrop. Despite activity recently picking up, particularly for long-let, high quality buildings, opportunities providing attractive value continued to be limited. In particular, assets with repositioning and/or development opportunities, the sort of assets that we typically look to buy, remain scarce at prices that in our view fairly reflect their risk adjusted returns. We will remain disciplined. Any potential purchase needs to outperform the assets we already own and, with our existing portfolio stacked with opportunity, the hurdle is high. Furthermore, we have both the financial firepower and the team to exploit any market weakness should it arise and we continue to closely monitor the market with £1.2 billion of potential acquisitions currently under review.

Sustainability, community and people

Our Roadmap to Net Zero
Building on our Sustainability Statement of Intent "The Time is Now" launched in May 2020, we have set out how we will deliver the first pillar of our statement of intent – to decarbonise our business by 2030.

We will:

1. Reduce the embodied carbon of our developments and refurbishments;
2. Reduce the energy intensity of our investment portfolio;
3. Invest in on-site renewable energy sources; before
4. Offsetting our residual carbon.

To reduce the level of offset that will be required in 2030 for us to reach net zero, we have set an internal carbon price of £95 per tonne to attach a meaningful financial impact to our emissions. The internal carbon price will be applied to:

- the embodied carbon from our development schemes, calculated at practical completion; and
- operational emissions from our investment portfolio - the first qualifying year being the year ending 31 March 2022.

The proceeds generated from our carbon pricing will form our Decarbonisation Fund which will be operational from April 2021. The fund will be used to finance the deep retro-fit needed to reduce emissions from our buildings, support investment in on-site renewable energy supplies and fund research into low carbon solutions.

Our communities
During the period we fully deployed the GPE COVID-19 Community Fund, donating £325,000 to vulnerable groups most impacted by the COVID-19 pandemic. The Fund was originally seeded with £280,000 raised through a combination of Board Director bonus reductions and fee waivers to the equivalent of at least 20% salary or fees for three months, along with significant contributions from all other GPE Executive Committee members and Group matching. The remainder of the funds were donated by GPE employees with all amounts raised matched by the Group.

Funds were allocated by the GPE Community and Charities Committee. In line with our purpose and community strategy, donations were made to 28 charities with a strong presence in London which are being particularly impacted by COVID-19, with a particular focus on homelessness, mental health, vulnerable groups and education.

Our people
In the summer, we ran our second employee pulse survey to understand how we are performing against our Employee Engagement Index and Values, as well as to understand how the GPE team adapted to working from home during the UK lockdown. We had a very strong response rate with 91% of the team taking part and we were delighted with the results. Our overall Employee Engagement Index rose from 91% to 95%, with 96% of respondents recommending GPE as a great place to work and 98% stating that they believe in what we are trying to achieve at GPE. Furthermore, whilst the impact of COVID-19 had disrupted working patterns, 97% of employees felt that they had been supported by GPE during the COVID-19 pandemic. Over the coming months we will use the insight that the survey has provided to inform future engagement activities and further improvements across the business.

None of our employees have been furloughed and the Group has no current plans to access any UK Government COVID-19 funding.

Valuation

Valuation is accompanied by graphics (see Appendix 2)
The valuation of the Group's properties was £2,490.5 million as at 30 September 2020, reflecting a valuation decrease of 6.6% on a like-for-like basis since 31 March 2020. At 30 September 2020, the wholly-owned portfolio was valued at £1,863.9 million and the Group had three active joint ventures which owned properties valued at £626.6 million (our share) by CBRE.

Market uncertainty reducing values
The key drivers behind the Group's valuation movement for the six-month period were:

- rental value decline – since the start of the financial year, rental values decreased by 3.9% on a like-for-like basis, with our office portfolio marginally down by 0.7% and our retail portfolio reducing by 13.0%;
- higher investment yields – equivalent yields increased marginally by 5 basis points over the period. At 30 September 2020, the portfolio true equivalent yield was 4.7%; and
- portfolio management – during the period, 14 new leases, rent reviews and renewals were completed, securing £9.8 million (our share) of annual income, supporting the valuation. At 30 September 2020, the portfolio was 5.2% reversionary.

Including rent from pre-lets and leases currently in rent free periods, the topped up initial yield of the investment portfolio at 30 September 2020 was 4.1%, ten basis points higher than the start of the financial year.

Whilst the overall valuation decreased by 6.6% during the six months on a like-for-like basis, elements of the portfolio continued to show greater variation. We continued to see office portfolio values outperform retail with our office properties decreasing by 2.4% compared to a 18.0% fall in retail values, as weaker retailer sentiment reduced ERVs. Furthermore, short leasehold properties (<100 years), which represent 15.1% of the portfolio, reduced in value by 9.9% compared to a decrease of 6.0% in the rest of the portfolio, as investor demand for shorter leasehold assets reduced. Our City, Midtown and Southwark portfolio produced the most resilient performance over the period, reducing in value by 4.6% on a like-for-like basis. Our joint venture properties fell in value by 8.7% over the period while the wholly-owned portfolio fell by 5.8% on a like-for-like basis.

The Group delivered a total property return (TPR) for the six months to 30 September 2020 of -5.1% (2019: 2.7%), compared to the Central London MSCI quarterly benchmark of -1.7%, and a capital return of -6.4% (versus -3.2% for MSCI). This relative underperformance resulted from our portfolio's greater than benchmark weighting to retail properties.

Our financial results

Our financial results are accompanied by graphics (see Appendix 3)
We prepare our financial statements using IFRS, however we also use a number of adjusted measures in assessing and managing the performance of the business. These include like-for-like figures to aid in the comparability of the underlying business as they exclude the impact of investment property additions and disposals and proportionately consolidated measures which includes the Group's gross share of the joint ventures. These metrics have been presented as management review and monitor the performance of the business on this basis.

We calculate net assets and earnings per share in accordance with the Best Practice Recommendations issued by the European Public Real Estate Association (EPRA). The recommendations are designed to make the financial statements of public real estate companies clearer and more comparable across Europe enhancing the transparency and coherence of the sector. We consider these metrics to be the most appropriate method of reporting the value and performance of the business and relevant reconciliations to the IFRS numbers are included in note 8 to the accounts.

In October 2019, EPRA issued new Best Practice Recommendations for Net Asset Value (NAV) metrics, these recommendations are effective for accounting periods starting on 1 January 2020 and have been adopted by the Group. The recommendations introduced three new NAV metrics: EPRA Net Tangible Assets (NTA), Net Reinvestment Value (NRV) and Net Disposal Value (NDV). We consider EPRA NTA to be the most relevant measure for the Group and the primary measure of net asset value, replacing the metric EPRA NAV as previously reported.

Valuation declines drive lower EPRA NTA per share
IFRS diluted NAV per share and EPRA NTA per share at 30 September 2020 was 800 pence per share, a decrease of 7.8% over the last six months, largely due to the 6.6% like-for-like decrease in the value of the property portfolio. The main drivers of the 68 pence per share decrease in NTA from 31 March 2020 were:

- the decrease of 69 pence per share arising from the revaluation of the property portfolio;
- EPRA earnings for the period of 8 pence per share increased NTA;
- the final dividend of 8 pence per share reduced NTA; and
- other movements increased NTA by 1 pence per share.

The EPRA NTA decline of 7.8%, combined with the payment of last year's final dividend of 7.9 pence per share, delivered a total accounting return for the six months to 30 September 2020 of minus 6.9% (2019: 2.7%).

At 30 September 2020, the Group's net assets were £2,026.7 million, down from £2,203.1 million at 31 March 2020, with the decrease largely attributable to the decline in property valuation. EPRA NDV per share was 798 pence at 30 September 2020 compared to 871 pence at 31 March 2020 (down 8.4%).

EPRA EPS lower due to reduced rental income
Net rental income from our wholly-owned properties was £30.6 million, down £8.9 million or 21.0% on last year. This reduction was primarily driven by:

- achieving vacant possession in June from Bloomberg, ahead of our proposed development of 50 Finsbury Square, EC2, and the sale of 24/25 Britton Street, EC1 in the prior year; and

- lower rent collection as a result of the disruption arising from COVID-19. For the first half of the year, we collected 83% of all rents charged leaving £7.6 million unpaid at 30 September 2020. We have assessed these balances for recoverability and provided £3.7 million in the Group, and £1.1 million (our share) in respect of joint ventures, as an estimated credit loss. The majority (79%) of this provision relates to balances with occupiers from the retail, hospitality and leisure sectors.

Joint venture fees were £0.8 million, down £0.5 million on last year due to reduced development fees on the sectional completion of Hanover Square, W1. Taken together, rental income from wholly-owned properties and joint venture fees totalled £31.4 million, down 23.0% on the prior period. Adjusting for acquisitions, disposals and transfers to and from the development programme, like-for-like rental income (including from joint venture properties) decreased 6.8% on the prior period, or 14.2% after estimated credit loss provisions.

Property costs reduced by £1.7 million to £2.8 million, principally due to reduced vacancy expenses and lower costs associated with our leasing initiatives in joint ventures. Administration costs were £12.9 million, a reduction of £0.8 million, primarily as a result of reduced provisions for performance related pay.

EPRA earnings from joint ventures (excluding fair value movements) were £4.6 million, a reduction of 14.8% from the prior year largely driven by increased provisioning for bad debts (see above).

Gross interest paid on our debt facilities was £5.4 million, up £0.5 million on the prior period. The increase in interest paid was due to higher average drawn balances on our Revolving Credit Facility (RCF) as we sought to increase our cash position given the potential market disruption from COVID-19. We capitalised interest of £2.8 million (2019: £2.9 million). As a result, the Group had underlying net finance income (including interest receivable) of £0.4 million (2019: £0.5 million).

EPRA earnings were £20.6 million, 26.7% lower than for the same period last year. Revaluation declines together with EPRA earnings resulted in an IFRS loss after tax of £154.8 million (2019: £44.1 million profit). The basic and diluted loss per share for the period was 61.2 pence, compared to 16.7 pence profit for 2019. Diluted EPRA earnings per share was 8.2 pence (2019: 10.6 pence), a decrease of 22.6%, and cash earnings per share was 6.4 pence (2019: 8.3 pence).

Results of joint ventures

The Group's net investment in joint ventures was £595.1 million, a decrease from £647.0 million at 31 March 2020, due to an 8.7% like-for-like decrease in value of the property portfolio partially offset by an increase in partner loan contributions to fund the Hanover Square development. Our share of joint venture net rental income was £7.2 million, down from £8.7 million last year primarily as a result of provisions made against doubtful debts of £1.1 million. The underlying joint venture profits are stated after charging £0.8 million of GPE management fees (2019: £1.3 million) with the reduction attributable to a cap in the development fee at Hanover Square, W1.

Overall, our three active joint ventures represent an important proportion of the Group's business. At 30 September 2020, joint ventures represented 25.2% of the portfolio valuation, 29.4% of net assets and 19.7% of rent roll (31 March 2020: 25.8%, 29.4% and 19.3% respectively).

At 30 September 2020, Group consolidated net debt was £402.3 million, up from £349.4 million at 31 March 2020. The increase was largely due to on-going development capital expenditure across the Group of £41.5 million in the six months. Group gearing increased to 20.2% at 30 September 2020 (31 March 2020: 16.2%). Including the non-recourse debt in the joint ventures, total net debt was £427.5 million (31 March 2020: £373.3 million) equivalent to a loan to property value of 17.2% (31 March 2020: 14.2%). The Group is operating with substantial headroom over its debt covenants. At 30 September 2020, property values would have to fall by around 63% before covenant breach. Due in part to both our very low levels of low cost debt and the treatment of capitalised interest under our Group covenants, our interest cover ratio for the year was once again not measurable. Excluding the benefit of capitalised interest, our interest cover was 17.1 times.

The Group's weighted average cost of debt, including fees and joint venture debt, for the period was 2.5%, 45 basis points lower than at 31 March 2020 due to higher average amounts drawn on our Revolving Credit Facility (RCF), our lowest rate financing. The weighted average interest rate (excluding fees) at the period end was 2.3%, up from 2.2% at 31 March 2020 as we reduced amounts drawn on the RCF towards the end of the period. At 30 September 2020, 86% of the Group's total drawn debt (including non-recourse joint venture debt) was provided on an unsecured basis (31 March 2020: 72%) and 75% was from non-bank sources (31 March 2020: 88%).

Continued active balance sheet management

In August 2020, we issued £150 million of new unsecured US private placement notes. The Sterling denominated notes cover 12 year and 15 year maturities (weighted average of 14.5 years) and have a weighted average fixed rate coupon of 2.77%. Funds were drawn on 5 November. The notes were placed with six investors, including two new lenders to GPE, and have identical financial covenants to the Group's other unsecured debt.

In October 2020, we repaid the £80 million (our share: £40 million) non-recourse debt facility in our Great Victoria Partnership (GVP), which was secured over Mount Royal, W1. Following repayment, the Group has no debt facilities in its joint ventures.

Pro forma for these refinancing activities, our cash and undrawn facilities will increase to £464.9 million (from £356.9 million at 30 September), our weighted average drawn debt maturity increases to 8.9 years (30 September 2020: 5.4 years, 31 March 2020: 5.8 years), our weighted average interest rate (excluding fees) will be 2.7% (or 2.0% on a fully drawn basis) and 98% of our committed debt will be on a flexible unsecured basis.

Taxation

The tax charge in the income statement for the half year was £nil (2019: £0.3 million) and the effective tax rate on EPRA earnings was 0% (2019: 1%). The majority of the Group's income is tax-free as a result of its REIT status. Other allowances were available to set against non-REIT profits.

As a REIT, the majority of rental profits and chargeable gains from our property rental business are exempt from UK corporation tax, provided we meet a number of conditions including distributing at least 90% of the rental income profits of this business (known as Property Income Distributions (PIDs)) on an annual basis. These PIDs are then typically treated as taxable income in the hands of shareholders. During the six months ended 30 September 2020, the Group paid PIDs of £20.0 million.

The Group's REIT exemption does not extend to either profits arising from the sale of trading properties or gains arising from the sale of investment properties in respect of which a major redevelopment has completed within the preceding three years.

Dividends

The Board has declared an interim ordinary dividend of 4.7 pence per share (2019: 4.7 pence) which will be paid on 5 January 2021. All of this dividend will be a REIT Property Income Distribution (PID) in respect of the Group's tax-exempt property rental business.

Principal risks and uncertainties

The Group recognises that the successful management of risk is critical to enable delivery of the Group's strategic priorities. Ultimate responsibility for risk rests with the Board but the effective day-to-day management of risk is integral to the way the Group does business and its culture. The Board undertakes a robust assessment of the principal risks facing the Group on a regular basis.

The principal risks and uncertainties facing the Group for the remaining six months of the financial year remain those detailed on pages 80 to 94 of the 2020 Annual Report with no material changes.

The duration and severity of the impacts of the COVID-19 pandemic on our business, and the UK government's policy response, continue to evolve. The Board and Executive Committee continue to regularly review the potential risks and impacts and the Group's response, including in relation to both short-term impacts and potential longer-term structural changes in working and retail practices and the level and nature of demand for space in central London. We continue to take steps to mitigate the threat and disruption caused by the pandemic, working collaboratively with our stakeholders, and we maintain our belief that London's appeal as a global business capital will persist for the long term.

The Board also continues to closely monitor the UK government's progress in resolving its future trading relationship with the EU, with the outcome of international trade negotiations remaining uncertain.

As a result of both the COVID-19 pandemic and Brexit, the Group's forecasts and business plans continue to be prepared under a variety of market scenarios to reflect a number of potential outcomes.

Condensed group income statement

For the six months ended 30 September 2020

Year to 31 March 2020 Audited £m		Notes	**Six months to 30 September 2020 Unaudited £m**	Six months to 30 September 2019 Unaudited £m
102.4	Total revenue	2	**38.7**	54.4
79.9	Net rental income	3	**30.6**	39.5
2.1	Joint venture fee income	11	**0.8**	1.3
82.0	Rental and joint venture fee income		**31.4**	40.8
(8.1)	Property expenses	4	**(2.8)**	(4.5)
73.9	**Net rental and related income**		**28.6**	36.3
(29.0)	Administrative expenses		**(12.9)**	(13.7)
(0.2)	Development management losses		**(0.1)**	(0.1)
6.4	Trading property revenue		**–**	6.5
(5.6)	Trading property cost of sales		**–**	(5.9)
0.8	Profit on sale of trading property		**–**	0.6
45.5	**Operating profit before deficit from investment property and results of joint ventures**		**15.6**	23.1
(52.6)	Deficit from investment property	9	**(114.3)**	(8.3)
57.9	Share of results of joint ventures	11	**(56.5)**	29.1
50.8	**Operating (loss)/profit**		**(155.2)**	43.9
7.3	Finance income	5	**4.0**	3.5
(6.5)	Finance costs	6	**(3.6)**	(3.0)
51.6	**(Loss)/profit before tax**		**(154.8)**	44.4
0.2	Tax	7	**–**	(0.3)
51.8	**(Loss)/profit for the period**		**(154.8)**	44.1

All results are derived from continuing operations in the United Kingdom and are attributable to ordinary equity holders.

20.0p	**Basic (loss)/earnings per share**	8	**(61.2)p**	16.7p
20.0p	**Diluted (loss)/earnings per share**	8	**(61.2)p**	16.7p
22.0p	**Basic EPRA earnings per share**	8	**8.2p**	10.6p
22.0p	**Diluted EPRA earnings per share**	8	**8.2p**	10.6p

Condensed group statement of comprehensive income

For the six months ended 30 September 2020

Year ended 31 March 2020 Audited £m		**Six months to 30 September 2020 Unaudited £m**	Six months to 30 September 2019 Unaudited £m
51.8	(Loss)/profit for the period	**(154.8)**	44.1
	Items that will not be reclassified subsequently to profit and loss:		
(0.4)	Actuarial loss on defined benefit scheme	**(2.5)**	(2.4)
–	Deferred tax on actuarial loss on defined benefit scheme	**–**	–
51.4	**Total comprehensive (expense)/income for the period**	**(157.3)**	41.7

Condensed group balance sheet

At 30 September 2020

As at 31 March 2020 Audited £m		Notes	**As at 30 September 2020 Unaudited £m**	As at 30 September 2019 Unaudited £m
	Non-current assets			
1,987.1	Investment property	9	**1,904.6**	2,049.1
647.0	Investment in joint ventures	11	**595.1**	597.4
7.5	Property, plant and equipment	12	**7.0**	8.2
0.2	Other investments	13	**0.5**	–
2,641.8			**2,507.2**	2,654.7
	Current assets			
16.1	Trade and other receivables	14	**23.1**	13.5
0.5	Corporation tax		**0.5**	–
94.9	Cash and cash equivalents		**7.2**	12.4
111.5			**30.8**	25.9
2,753.3	**Total assets**		**2,538.0**	2,680.6
	Current liabilities			
(60.0)	Trade and other payables	15	**(54.0)**	(52.9)
(60.0)			**(54.0)**	(52.9)
	Non-current liabilities			
(444.3)	Interest-bearing loans and borrowings	16	**(409.5)**	(335.1)
(40.7)	Obligations under head leases	18	**(40.7)**	(40.7)
(4.8)	Obligations under occupational leases	19	**(4.3)**	(5.2)
(0.4)	Pension liability		**(2.8)**	(2.5)
(490.2)			**(457.3)**	(383.5)
(550.2)	**Total liabilities**		**(511.3)**	(436.4)
2,203.1	**Net assets**		**2,026.7**	2,244.2
	Equity			
38.7	Share capital	17	**38.7**	39.5
46.0	Share premium account		**46.0**	46.0
326.7	Capital redemption reserve		**326.7**	325.9
1,792.3	Retained earnings		**1,615.7**	1,835.2
(0.6)	Investment in own shares	20	**(0.4)**	(2.4)
2,203.1	**Total equity**		**2,026.7**	2,244.2
868p	**Diluted net assets per share**	8	**800p**	868p
868p	**Diluted EPRA NTA per share**	8	**800p**	868p

Condensed group statement of cash flows

For the six months ended 30 September 2020

Year to 31 March 2020 Audited £m		Notes	**Six months to 30 September 2020 Unaudited £m**	Six months to 30 September 2019 Unaudited £m
	Operating activities			
50.8	Operating (loss)/profit		**(155.2)**	43.9
(2.4)	Adjustments for non-cash items	21	**173.3**	(20.6)
4.9	Decrease in trading property		**–**	5.6
(6.4)	Increase in receivables		**(6.9)**	(3.8)
4.8	(Decrease)/increase in payables		**(6.2)**	4.3
51.7	**Cash generated by operations**		**5.0**	29.4
(10.1)	Interest paid		**(5.3)**	(4.7)
0.6	Interest received		**0.1**	0.6
(3.6)	Tax paid		**–**	(3.6)
38.6	**Cash (outflow)/inflow from operating activities**		**(0.2)**	21.7
	Investing activities			
4.6	Distributions from joint ventures		**4.3**	1.7
(56.9)	Funds to joint ventures		**(2.0)**	(49.0)
(18.0)	Investment in joint ventures		**(3.0)**	(6.0)
(64.6)	Purchase and development of property		**(30.8)**	(31.8)
(0.1)	Purchase of plant and equipment		**(0.2)**	–
(0.2)	Purchase of other investments		**(0.3)**	–
66.9	Sale of properties		**(0.2)**	3.9
(68.3)	Cash outflow from investing activities		**(32.2)**	(81.2)
	Financing activities			
149.1	Revolving credit facility (repaid)/drawn		**(35.0)**	40.0
(2.8)	Payment of lease obligations		**(1.4)**	(1.4)
(127.8)	Purchase of own shares		**–**	(85.9)
(33.3)	Dividends paid		**(18.9)**	(20.2)
(14.8)	**Cash outflow from financing activities**		**(55.3)**	(67.5)
(44.5)	Net decrease in cash and cash equivalents		**(87.7)**	(127.0)
139.4	Cash and cash equivalents at 1 April		**94.9**	139.4
94.9	Cash and cash equivalents at balance sheet date		**7.2**	12.4

Condensed group statement of changes in equity

For the six months ended 30 September 2020 (unaudited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2020	**38.7**	**46.0**	**326.7**	**1,792.3**	**(0.6)**	**2,203.1**
Loss for the period	**–**	**–**	**–**	**(154.8)**	**–**	**(154.8)**
Actuarial loss on defined benefit scheme	**–**	**–**	**–**	**(2.5)**	**–**	**(2.5)**
Total comprehensive expense for the period	**–**	**–**	**–**	**(157.3)**	**–**	**(157.3)**
Employee Long-Term Incentive Plan charge	**–**	**–**	**–**	**–**	**0.9**	**0.9**
Transfer to retained earnings	**–**	**–**	**–**	**0.7**	**(0.7)**	**–**
Dividends to shareholders	**–**	**–**	**–**	**(20.0)**	**–**	**(20.0)**
Total equity at 30 September 2020	**38.7**	**46.0**	**326.7**	**1,615.7**	**(0.4)**	**2,026.7**

Condensed group statement of changes in equity

For the six months ended 30 September 2019 (unaudited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2019	41.4	46.0	324.0	1,900.0	(1.7)	2,309.7
Adoption of IFRS 16	–	–	–	(0.7)	–	(0.7)
Total equity at 1 April 2019 restated	41.4	46.0	324.0	1,899.3	(1.7)	2,309.0
Profit for the period	–	–	–	44.1	–	44.1
Actuarial loss on defined benefit scheme	–	–	–	(2.4)	–	(2.4)
Total comprehensive income for the period	–	–	–	41.7	–	41.7
Employee Long-Term Incentive Plan charge	–	–	–	–	0.8	0.8
Share buyback	(1.9)	–	1.9	(86.0)	–	(86.0)
Transfer to retained earnings	–	–	–	1.5	(1.5)	–
Dividends to shareholders	–	–	–	(21.3)	–	(21.3)
Total equity at 30 September 2019	39.5	46.0	325.9	1,835.2	(2.4)	2,244.2

Condensed group statement of changes in equity

For the year ended 31 March 2020 (audited)

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2019	41.4	46.0	324.0	1,900.0	(1.7)	2,309.7
Adoption of IFRS 16	–	–	–	(0.7)	–	(0.7)
Total equity at 1 April 2019 restated	41.4	46.0	324.0	1,899.3	(1.7)	2,309.0
Profit for the period	–	–	–	51.8	–	51.8
Actuarial loss on defined benefit scheme	–	–	–	(0.4)	–	(0.4)
Total comprehensive income for the year	–	–	–	51.4	–	51.4
Employee Long-Term Incentive Plan charge	–	–	–	–	2.6	2.6
Share buyback	(2.7)	–	2.7	(126.7)	–	(126.7)
Transfer to retained earnings	–	–	–	1.5	(1.5)	–
Dividends to shareholders	–	–	–	(33.2)	–	(33.2)
Total equity at 31 March 2020	38.7	46.0	326.7	1,792.3	(0.6)	2,203.1

Condensed notes forming part of the half year results

1 Basis of preparation

The information for the year ended 31 March 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors 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 annual financial statements of Great Portland Estates plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union. The accounting policies and methods of computation applied are consistent with those applied in the Group's latest annual audited financial statements. The nature of the Significant Judgements and Key Sources of Estimation Uncertainty applied in the condensed financial statements have remained consistent with those applied in the Group's latest annual audited financial statements. The only key source of estimation uncertainty is the valuation of the property portfolio. There were no critical judgements made in the preparation of the condensed financial statements.

The Group's performance is not subject to seasonal fluctuations.

Going concern

The directors have considered the appropriateness of adopting the going concern basis in preparing the financial statements for the period ended 30 September 2020, with particular focus on the significant impact COVID-19 is having on the macro-economic conditions in which the Group is operating. This assessment is based on the next 12 months of the Group's financial forecasts, including a going concern scenario which included the following key assumptions:

- a 35% decline in the valuation of the property portfolio; and
- an overall decline of around 40% in rental income.

The going concern scenario demonstrates that the Group over the next 12 months:

- has significant liquidity to fund its ongoing operations;
- is operating with significant headroom above its Group debt financing covenants;
- property values would have to fall by a further 37% before breach (or 63% from 30 September 2020 values);
- due to the measurement of its income related bank covenants, in particular the treatment of capitalised interest, for the year ended 30 September 2020, the Group did not have a net interest charge. As a result, its interest cover covenant was not measurable. Absent the benefit of capitalised interest, as assumed in the going concern assessment, earnings before interest and tax would need to fall by a further 45% before breach (or 92% from 30 September 2020 levels); and
- has no debt maturities.

Based on these considerations, together with extensive stress testing, available market information and the directors' knowledge and experience of the Group's property portfolio and markets, the directors have adopted the going concern basis in preparing the accounts for the period ended 30 September 2020.

2 Total revenue

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
80.7	Rental income	**32.4**	39.5
0.3	Spreading of lease incentives	**(1.0)**	0.5
12.9	Service charge income	**6.5**	6.6
2.1	Joint venture fee income	**0.8**	1.3
6.4	Trading property revenue	–	6.5
102.4		**38.7**	54.4

3 Net rental income

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
80.8	Gross rental income	**36.1**	39.6
(0.1)	Estimated credit losses	**(3.7)**	(0.1)
80.7	Rental income	**32.4**	39.5
0.3	Spreading of lease incentives	**(1.0)**	0.5
(1.1)	Ground rent	**(0.8)**	(0.5)
79.9		**30.6**	39.5

4 Property expenses

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
(12.9)	Service charge income	**(6.5)**	(6.6)
14.8	Service charge expenses	**7.6**	7.4
6.2	Other property expenses	**1.7**	3.7
8.1		**2.8**	4.5

5 Finance income

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
6.9	Interest income on joint venture balances	**3.9**	3.1
0.4	Interest on cash deposits	**0.1**	0.4
7.3		**4.0**	3.5

6 Finance costs

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
2.3	Interest on revolving credit facilities	**1.4**	0.9
6.8	Interest on private placement notes	**3.4**	3.4
1.2	Interest on debenture stock	**0.6**	0.6
1.9	Interest on obligations under head leases	**0.9**	0.9
0.1	Interest on obligations under occupational leases	**0.1**	0.1
12.3	Gross finance costs	**6.4**	5.9
(5.8)	Less: capitalised interest at an average interest cost of 2.4% (2019: 3.3%)	**(2.8)**	(2.9)
6.5		**3.6**	3.0

7 Tax

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
	Current tax		
–	UK corporation tax – current period	**–**	–
(0.2)	UK corporation tax – prior periods	**–**	0.3
(0.2)	Total current tax	**–**	0.3
–	**Deferred tax**	**–**	–
(0.2)	Tax (credit)/charge for the period	**–**	0.3

The difference between the standard rate of tax and the effective rate of tax arises from the items set out below:

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
51.6	(Loss)/profit before tax	**(154.8)**	44.4
9.8	Tax (credit)/charge on (loss)/profit at standard rate of 19% (2019: 19%)	**(29.4)**	8.4
2.3	Changes in the fair value of properties not subject to tax	**33.3**	(2.9)
(13.5)	REIT tax-exempt rental income and gains	**(4.5)**	(6.2)
(0.2)	Prior periods' corporation tax	**–**	0.3
1.4	Other	**0.6**	0.7
(0.2)	Tax (credit)/charge for the period	**–**	0.3

During the period, £nil (2019: £nil) of deferred tax was debited directly to equity. The Group recognised a net deferred tax asset at 30 September 2020 of £nil (2019: £nil). This consists of deferred tax assets of £0.1 million (2019: £0.1 million) and deferred tax liabilities of £0.1 million (2019: £0.1 million).

Movement in deferred tax:

	At 1 April 2020 £m	**Recognised in the income statement £m**	**Recognised in equity £m**	**At 30 September 2020 £m**
Net deferred tax asset/(liability) in respect of other temporary differences	–	**–**	**–**	**–**

A further deferred tax asset of £3.6 million (2019: £2.8 million), mainly relating to revenue losses, contingent share awards and the pension liability, was not recognised because it is uncertain whether future taxable profit will arise against which this asset can be utilised.

As a REIT, the majority of rental profits and chargeable gains from the Group's property rental business are exempt from UK corporation tax. The Group is otherwise subject to corporation tax. In particular, the Group's REIT exemption does not extend to either profits arising from the sale of trading properties or gains arising from the sale of investment properties in respect of which a major redevelopment has completed within the preceding three years.

In order to ensure that the Group is able to both retain its status as a REIT and to avoid financial charges being imposed, a number of tests (including a minimum distribution test) must be met by both Great Portland Estates plc and by the Group as a whole on an ongoing basis. These conditions are detailed in the Corporation Tax Act 2010.

8 Alternative performance measures and EPRA metrics

Adjusted earnings and net assets per share are calculated in accordance with the Best Practice Recommendations issued by the European Public Real Estate Association (EPRA). The recommendations are designed to make the financial statements of public real estate companies clearer and more comparable across Europe enhancing the transparency and coherence of the sector. The directors consider these standard metrics to be the most appropriate method of reporting the value and performance of the business the reconciliations between these measures and the equivalent IFRS figures are shown in the tables below.

Earnings per share:

Weighted average number of ordinary shares

Year to 31 March 2020 No. of shares		**Six months to 30 September 2020 No. of shares**	Six months to 30 September 2019 No. of shares
271,365,894	Issued ordinary share capital at 1 April	**253,867,911**	271,365,894
(11,864,663)	Share buyback	**–**	(6,200,391)
(1,109,303)	Investment in own shares	**(1,000,966)**	(1,109,303)
258,391,928	Weighted average number of ordinary shares - basic	**252,866,945**	264,056,200

Basic and diluted earnings per share

Year to 31 March 2020 Earnings per share pence		**Six months to 30 September 2020 Loss after tax £m**	**Six months to 30 September 2020 No. of shares million**	**Six months to 30 September 2020 Loss per share pence**	Six months to 30 September 2019 Profit after tax £m	Six months to 30 September 2019 No. of shares million	Six months to 30 September 2019 Earnings per share pence
20.0	Basic	**(154.8)**	**252.9**	**(61.2)**	44.1	264.1	16.7
–	Dilutive effect of LTIP shares	**–**	**–**	**–**	–	0.5	–
20.0	Diluted	**(154.8)**	**252.9**	**(61.2)**	44.1	264.6	16.7

EPRA Earnings per share

Year to 31 March 2020 Earnings per share pence		**Six months to 30 September 2020 Profit/(loss) after tax £m**	**Six months to 30 September 2020 No. of shares million**	**Six months to 30 September 2020 Earnings/ (expense) per share pence**	Six months to 30 September 2019 Profit after tax £m	Six months to 30 September 2019 No. of shares million	Six months to 30 September 2019 Earnings per share pence
20.0	Basic	**(154.8)**	**252.9**	**(61.2)**	44.1	264.1	16.7
20.3	Deficit from investment property	**114.3**	**–**	**45.2**	8.3	–	3.1
(18.0)	Deficit/(surplus) from joint venture investment property	**61.1**	**–**	**24.2**	(23.7)	–	(9.0)
(0.3)	Profit on sale of trading property	**–**	**–**	**–**	(0.6)	–	(0.2)
22.0	Basic EPRA earnings	**20.6**	**252.9**	**8.2**	28.1	264.1	10.6
–	Dilutive effect of LTIP shares	**–**	**0.2**	**–**	–	0.5	–
22.0	Diluted EPRA earnings	**20.6**	**253.1**	**8.2**	28.1	264.6	10.6

8 Alternative performance measures and EPRA metrics (continued)

Net assets per share:

In October 2019, EPRA issued new Best Practice Recommendations for Net Asset Value (NAV) metrics, these recommendations are effective for accounting periods starting on 1 January 2020 and have been adopted by the Group. The recommendations introduced three new NAV metrics: EPRA Net Tangible Assets (NTA), Net Reinvestment Value (NRV) and Net Disposal Value (NDV). We consider EPRA NTA to be the most relevant measure for the Group and the primary measure of net asset value, replacing the metric EPRA NAV as previously reported.

Number of ordinary shares

31 March 2020 No. of shares		**30 September 2020 No. of shares**	30 September 2019 No. of shares
253,867,911	Issued ordinary share capital	**253,867,911**	259,099,903
(1,109,303)	Investment in own shares	**(877,335)**	(1,109,303)
252,758,608	Number of shares - basic	**252,990,576**	257,990,600
959,394	Dilutive effect of LTIP shares	**322,465**	540,683
253,718,002	Number of shares - diluted	**253,313,041**	258,531,283

EPRA net assets per share

31 March 2020 EPRA NTA £m		**30 September 2020 IFRS £m**	**30 September 2020 EPRA NTA £m**	**30 September 2020 EPRA NDV £m**	**30 September 2020 EPRA NRV £m**	30 September 2019 EPRA NTA £m
2,203.1	IFRS basic and diluted net assets	**2,026.7**	**2,026.7**	**2,026.7**	**2,026.7**	2,244.2
–	Fair value of financial liabilities	**–**	**–**	**(4.1)**	**–**	–
–	Fair value of financial liabilities in joint ventures	**–**	**–**	**(1.2)**	**–**	–
–	Real estate transfer tax	**–**	**–**	**–**	**181.7**	–
2,203.1	Net assets used in per share calculations	**2,026.7**	**2,026.7**	**2,021.4**	**2,208.4**	2,244.2

31 March 2020 EPRA NTA pence		**30 September 2020 IFRS pence**	**30 September 2020 EPRA NTA pence**	**30 September 2020 EPRA NDV pence**	**30 September 2020 EPRA NRV pence**	30 September 2019 EPRA NTA pence
868	Net assets per share	**801**	**801**	**799**	**873**	870
868	Diluted net assets per share	**800**	**800**	**798**	**872**	868

At 31 March 2020 and 30 September 2019, EPRA NTA was identical to EPRA NAV and EPRA NDV was identical to EPRA NNNAV with no reconciling differences.

Total Accounting return

31 March 2020 per share pence		**30 September 2020 per share pence**	30 September 2019 per share pence
853.0	Opening EPRA NTA (A)	**868.0**	853.0
868.0	Closing EPRA NTA	**800.0**	868.0
15.0	(Decrease)/increase in EPRA NTA	**(68.0)**	15.0
12.6	Ordinary dividend paid in period	**7.9**	7.9
27.6	Total return (B)	**(60.1)**	22.9
3.2%	Total accounting return (B/A)	**(6.9%)**	2.7%

8 Performance measures and EPRA metrics (continued)

Cash earnings per share

Year to 31 March 2020 Earnings per share pence		**Six months to 30 September 2020 Profit after tax £m**	**Six months to 30 September 2020 No. of shares million**	**Six months to 30 September 2020 Earnings per share pence**	Six months to 30 September 2019 Profit after tax £m	Six months to 30 September 2019 No. of shares million	Six months to 30 September 2019 Earnings per share pence
22.0	Diluted EPRA earnings	**20.6**	**253.1**	**8.2**	28.1	264.6	10.6
(2.2)	Capitalised interest	**(2.8)**	**–**	**(1.1)**	(2.9)	–	(1.1)
(1.7)	Capitalised interest in joint ventures	**(2.4)**	**–**	**(1.0)**	(2.1)	–	(0.8)
(0.1)	Spreading of tenant lease incentives	**1.0**	**–**	**0.4**	(0.5)	–	(0.2)
(1.1)	Spreading of tenant lease incentives in joint ventures	**(1.1)**	**–**	**(0.4)**	(1.5)	–	(0.5)
1.0	Employee Long Term Incentive Plan charge	**0.9**	**–**	**0.3**	0.8	–	0.3
17.9	Cash earnings per share	**16.2**	**253.1**	**6.4**	21.9	264.6	8.3

Net debt and loan-to-property value

31 March 2020 £m		**30 September 2020 £m**	30 September 2019 £m
22.0	£142.9 million 5.625% debenture stock 2029	**22.0**	22.0
148.1	£450.0 million revolving credit facility	**113.3**	39.1
274.2	Private placement notes	**274.2**	274.0
(94.9)	Less: cash and cash equivalents	**(7.2)**	(12.4)
349.4	Net debt excluding joint ventures	**402.3**	322.7
39.9	Joint venture interest bearing loans and borrowings (at share)	**39.9**	39.9
(16.0)	Joint venture cash and cash equivalents (at share)	**(14.7)**	(10.8)
373.3	Net debt including joint ventures (A)	**427.5**	351.8
1,946.4	Group properties at market value (at share)	**1,863.9**	2,008.4
677.7	Joint venture properties at market value (at share)	**626.6**	636.6
2,624.1	Property portfolio at market value including joint ventures (B)	**2,490.5**	2,645.0
14.2%	Loan-to-property value (A/B)	**17.2%**	13.3%

9 Investment property

Investment property

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2020	**666.0**	**1,069.6**	**1,735.6**
Costs capitalised	**6.8**	**0.6**	**7.4**
Transfer from investment property under development	**62.3**	**–**	**62.3**
Net valuation deficit	**(40.9)**	**(61.7)**	**(102.6)**
Book value at 30 September 2020	**694.2**	**1,008.5**	**1,702.7**

Investment property under development

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2020	**251.5**	**–**	**251.5**
Costs capitalised	**21.4**	**–**	**21.4**
Interest capitalised	**2.8**	**–**	**2.8**
Transfer to investment property	**(62.3)**	**–**	**(62.3)**
Net valuation deficit	**(11.5)**	**–**	**(11.5)**
Book value at 30 September 2020	**201.9**	**–**	**201.9**
Book value of total investment property at 30 September 2020	**896.1**	**1,008.5**	**1,904.6**

Deficit from investment property

Year to 31 March 2020 £m		Six months to 30 September 2020 £m	Six months to 30 September 2019 £m
(58.5)	Net valuation deficit on investment property	**(114.1)**	(8.5)
5.9	(Loss)/profit on sale of investment properties	**(0.2)**	0.2
(52.6)	**Deficit from investment property**	**(114.3)**	(8.3)

The Group’s investment properties, including those held in joint ventures (note 11), were valued on the basis of Fair Value by CBRE Limited (CBRE), external valuers, as at 30 September 2020. The valuations have been prepared in accordance with the RICS Valuation – Global Standards 2017 (incorporating the International Valuation Standards) and the UK national supplement 2018 (the Red Book) and have been primarily derived using comparable recent market transactions on arm’s length terms. CBRE have advised us that the total fees paid to CBRE by the Group represent less than five per cent of their total revenue in any year.

Real estate valuations are complex and derived using comparable market transactions, which are not publicly available and involve an element of judgement and estimation. Therefore, in line with EPRA guidance, we have classified the valuation of the property portfolio as Level 3 as defined by IFRS 13. There were no transfers between levels during the period. Inputs to the valuation, including capitalisation yields (typically the true equivalent yield) and rental values, are defined as ‘unobservable’ as defined by IFRS 13.

Everything else being equal, there is a positive relationship between rental values and the property valuation, such that an increase in rental values will increase the valuation of a property and a decrease in rental values will reduce the valuation of the property. Any percentage movement in rental values will translate into approximately the same percentage movement in the property valuation. However, due to the long-term nature of leases, where the passing rent is fixed and often subject to upwards only rent reviews, the impact will not be immediate and will be recognised over a number of years. The relationship between capitalisation yields and the property valuation is negative and more immediate; therefore, an increase in capitalisation yields will reduce the valuation of a property and a reduction will increase its valuation. A decrease in the capitalisation yield by 25 basis points would result in an increase in the fair value of the Group’s investment property (including joint ventures) by around £139.5 million, whilst a 25 basis point increase would reduce the fair value by around £125.5 million. There are interrelationships between these inputs as they are determined by market conditions, and the valuation movement in any one period depends on the balance between them. If these inputs move in opposite directions (i.e. rental values increase and yields decrease) valuation movements can be amplified whereas if they move in the same direction they may offset reducing the overall net valuation movement.

9 Investment property (continued)

Key inputs to the valuation (by building)

		ERV		True equivalent yield	
		Average £ per sq ft	Range £ per sq ft	Average %	Range %
North of Oxford Street	Office	**75**	**45 – 95**	**4.5**	**4.1 – 6.8**
	Retail	**69**	**30 – 132**	**4.3**	**3.9 – 6.7**
Rest of West End	Office	**80**	**60 – 93**	**4.8**	**3.6 – 6.2**
	Retail	**103**	**149 – 289**	**4.2**	**2.8 – 6.2**
City, Midtown and Southwark	Office	**56**	**46 – 64**	**5.1**	**4.4 – 5.6**
	Retail	**60**	**28 – 100**	**4.7**	**4.4 – 4.9**

The book value of investment properties includes £40.7 million (2019: £40.7 million) in respect of the present value of future ground rents. Net of these amounts, the market value of the investment properties was £1,863.9 million. During the period, the Group capitalised £0.5 million (2019: £0.4 million) of employee costs in respect of its development team into investment properties under development. At 30 September 2020, the Group had capital commitments of £29.1 million (2019: £73.9 million).

10 Trading property

31 March 2020 £m		**30 September 2020 £m**	30 September 2019 £m
5.6	At beginning of the period	**–**	5.6
(5.6)	Disposals	**–**	(5.6)
–	At the end of the period	**–**	–

The Group developed a large mixed-use scheme at Rathbone Square, W1. Part of the approved scheme consisted of residential units, which the Group held for sale. As a result, the residential element of the scheme was held as trading property. The final residential unit was sold in the six months to 30 September 2019.

11 Investment in joint ventures

	Equity £m	Balances with partners £m	Total £m
At 1 April 2020	**400.4**	**246.6**	**647.0**
Movement on joint venture balances	**–**	**5.9**	**5.9**
Additions	**3.0**	**–**	**3.0**
Share of profit of joint ventures	**4.6**	**–**	**4.6**
Share of revaluation deficit of joint ventures	**(61.1)**	**–**	**(61.1)**
Profit on sale of investment property	**–**	**–**	**–**
Share of results of joint ventures	**(56.5)**	**–**	**(56.5)**
Distributions	**(4.3)**	**–**	**(4.3)**
At 30 September 2020	**342.6**	**252.5**	**595.1**

The investments in joint ventures comprise the following:

Ownership 31 March 2020		Country of Incorporation/registration	Ownership 30 September 2020	Ownership 30 September 2019
50%	The GHS Limited Partnership	Jersey	**50%**	50%
50%	The Great Capital Partnership (dormant)	United Kingdom	**50%**	50%
50%	The Great Ropemaker Partnership	United Kingdom	**50%**	50%
50%	The Great Victoria Partnerships	United Kingdom	**50%**	50%
50%	The Great Wigmore Partnership (dormant)	United Kingdom	**50%**	50%

The non-recourse loans of the joint ventures at 30 September 2020 are set out below:

Joint venture debt facilities	Nominal value £m	Maturity	Fixed/Floating	Interest rate
The Great Victoria Partnership	**80.0**	July 2022	Fixed	3.74%

At 30 September 2020, the Great Victoria Partnership loan had a fair value of £82.2 million (2019: £82.8 million). All interest-bearing loans are in sterling. The loan was repaid in full in October 2020.

At 30 September 2020, the joint ventures had £nil undrawn facilities (2019: £nil).

The investment properties include £5.2 million (2019: £5.2 million) in respect of the present value of future ground rents, net of these amounts the market value of our share of the total joint venture properties is £626.6 million. At 30 September 2020, the Group's share of joint venture capital commitments was £7.6 million (2019: £25.9 million).

Transactions during the period between the Group and its joint ventures, who are related parties, are set out below:

31 March 2020 £m		30 September 2020 £m	30 September 2019 £m
(63.8)	Movement on joint venture balances during the period	**(5.9)**	(52.1)
(246.6)	Balances receivable at the period end from joint ventures	**(252.5)**	(234.9)
4.6	Distributions	**4.3**	1.7
2.1	Fee income	**0.8**	1.3

The joint venture balances bear interest as follows: the GHS Limited Partnership at 5.3% p.a. on balances at inception and 4.0% on any subsequent balances and the Great Ropemaker Partnership at 2.0% p.a.

The Group earns fee income from its joint ventures for the provision of management services. All of the above transactions are made on terms equivalent to those that prevail in arm's length transactions.

11 Investment in joint ventures (continued)

Summarised balance sheets

31 March 2020 At share £m		The GHS Limited Partnership £m	The Great Ropemaker Partnership £m	The Great Victoria Partnerships £m	Other £m	30 September 2020 Total £m	30 September 2020 At share £m	30 September 2019 At share £m
682.9	Investment property	**634.6**	**513.6**	**115.3**	**–**	**1,263.5**	**631.8**	641.8
3.6	Current assets	**0.3**	**5.7**	**3.2**	**–**	**9.2**	**4.6**	2.0
16.0	Cash and cash equivalents	**10.0**	**10.6**	**8.9**	**–**	**29.5**	**14.7**	10.8
(246.6)	Balances (from)/to partners	**(217.4)**	**(298.6)**	**10.9**	**–**	**(505.1)**	**(252.5)**	(234.9)
(39.9)	Interest bearing loans and borrowings	**–**	**–**	**(79.8)**	**–**	**(79.8)**	**(39.9)**	(39.9)
(10.4)	Current liabilities	**(7.5)**	**(11.5)**	**(2.8)**	**(0.1)**	**(21.9)**	**(10.9)**	(12.1)
(5.2)	Obligations under head leases	**–**	**(10.3)**	**–**	**–**	**(10.3)**	**(5.2)**	(5.2)
400.4	Net assets	**420.0**	**209.5**	**55.7**	**(0.1)**	**685.1**	**342.6**	362.5

Summarised income statements

31 March 2020 At share £m		The GHS Limited Partnership £m	The Great Ropemaker Partnership £m	The Great Victoria Partnerships £m	Other £m	30 September 2020 Total £m	30 September 2020 At share £m	30 September 2019 At share £m
17.9	Net rental income	**0.6**	**11.3**	**2.5**	**–**	**14.4**	**7.2**	8.7
(1.7)	Property and administration costs	**(0.3)**	**0.2**	**(0.3)**	**–**	**(0.4)**	**(0.2)**	(0.8)
(4.9)	Net finance costs	**–**	**(3.2)**	**(1.6)**	**–**	**(4.8)**	**(2.4)**	(2.5)
11.3	Share of profit of joint ventures	**0.3**	**8.3**	**0.6**	**–**	**9.2**	**4.6**	5.4
46.6	Revaluation of investment property	**(61.5)**	**(29.2)**	**(31.6)**	**–**	**(122.3)**	**(61.1)**	23.7
–	Profit on sale of investment property	**–**	**–**	**–**	**–**	**–**	**–**	–
57.9	Share of results of joint ventures	**(61.2)**	**(20.9)**	**(31.0)**	**–**	**(113.1)**	**(56.5)**	29.1

12 Property, plant and equipment

	Right of use asset for occupational leases £m	Leasehold improvements £m	Fixtures and fittings/other £m	Total £m
Cost or valuation				
At 1 April 2020	4.9	5.6	1.2	11.7
Additions	**–**	**–**	**0.2**	**0.2**
At 30 September 2020	**4.9**	**5.6**	**1.4**	**11.9**
Depreciation				
At 1 April 2020	0.8	2.4	1.0	4.2
Charge for the period	**0.4**	**0.2**	**0.1**	**0.7**
At 30 September 2020	**1.2**	**2.6**	**1.1**	**4.9**
Carrying amount at 30 September 2020	**3.7**	**3.0**	**0.3**	**7.0**
Carrying amount at 31 March 2020	4.1	3.2	0.2	7.5

13 Other investments

31 March 2020 £m		**30 September 2020 £m**	30 September 2019 £m
–	At 1 April	**0.2**	–
0.2	Acquisitions	**0.3**	–
0.2		**0.5**	–

In January 2020, the Group entered into a commitment of up to £5 million to invest in Pi Labs European PropTech venture capital fund. At 30 September 2020, the Group had made investments of £0.5 million. Launched in 2014, Pi Labs is Europe's longest standing PropTech VC and this third fund has a primary focus to invest in early stage PropTech start-ups across Europe and the UK that use technology solutions to enhance any stage of the real estate value chain. Key areas of focus for the fund include sustainability, the future of work, the future of retail, commercial real estate technologies, construction technology and smart cities.

14 Trade and other receivables

31 March 2020 £m		**30 September 2020 £m**	30 September 2019 £m
11.8	Trade receivables	**24.7**	7.8
(0.1)	Expected credit loss allowance during the period/year	**(4.5)**	(0.7)
(2.1)	Expected credit loss allowance in respect of future revenue	**(2.3)**	–
9.6		**17.9**	7.1
1.0	Prepayments and accrued income	**1.2**	1.6
1.4	Amounts due on development management contracts	**–**	1.4
4.1	Other trade receivables	**4.0**	3.4
16.1		**23.1**	13.5

Trade receivables consist of rent and service charge monies, which are due on the quarter day with no credit period. Interest is charged on trade receivables in accordance with the terms of the occupier's lease. Trade receivables are provided for based on the expected credit loss, which uses a lifetime expected loss allowance for all trade receivables based on the individual occupier's circumstance. Where the expected credit loss relates to revenue already recognised this has been recognised immediately in the income statement. For the portion of the expected credit loss that relates to future revenue which is no longer considered fully recoverable, the relevant amount of rent received in advance has been released.

15 Trade and other payables

31 March 2020 £m		**30 September 2020 £m**	30 September 2019 £m
19.4	Rents received in advance	**19.5**	20.5
0.3	Deposits received on sale of residential units	**0.3**	1.0
40.3	Non-trade payables and accrued expenses	**34.2**	31.4
60.0		**54.0**	52.9

16 Interest-bearing loans and borrowings

31 March 2020 £m		30 September 2020 £m	30 September 2019 £m
	Non-current liabilities at amortised cost		
	Secured		
22.0	£142.9 million 5.625% debenture stock 2029	**22.0**	22.0
	Unsecured		
148.1	£450.0 million revolving credit facility	**113.3**	39.1
174.5	£175.0 million 2.15% private placement notes 2024	**174.5**	174.3
39.9	£40.0 million 2.70% private placement notes 2028	**39.9**	39.9
29.9	£30.0 million 2.79% private placement notes 2030	**29.9**	29.9
29.9	£30.0 million 2.93% private placement notes 2033	**29.9**	29.9
444.3		**409.5**	335.1

At 30 September 2020, the Group had a floating rate £450.0 million revolving credit facility. The facility is unsecured, attracts a floating rate based on a headline margin which was reduced to 90.0 basis points over LIBOR (plus or minus 2.5 basis points subject to a number of ESG linked targets) and matures in January 2025 which can potentially be extended further to January 2027, subject to bank consent. At 30 September 2020, the Group had £335.0 million (2019: £411.0 million) of undrawn committed credit facilities.

In August 2020, the Group issued £150 million of new unsecured US private placement notes. The Sterling denominated notes cover 12 year and 15 year maturities (weighted average of 14.5 years) and have a weighted average fixed rate coupon of 2.77%. Funds were drawn on 5 November.

At 30 September 2020, properties with a carrying value of £111.8 million (2019: £111.9 million) were secured under the Group's debenture stock.

Fair value of financial liabilities

31 March 2020 Book value £m	31 March 2020 Fair value £m	**Items not carried at fair value**	30 September 2020 Book value £m	30 September 2020 Fair value £m	30 September 2019 Book value £m	30 September 2019 Fair value £m
22.0	28.6	£142.9 million 5.625% debenture stock 2029	**22.0**	**28.3**	22.0	28.6
274.2	257.8	Private placement notes	**274.2**	**272.0**	274.0	284.6
148.1	148.1	Bank loans and overdrafts	**113.3**	**113.3**	39.1	39.1
444.3	434.5		**409.5**	**413.6**	335.1	352.3

The fair values of the Group's cash and cash equivalents and trade payables and receivables are not materially different from those at which they are carried in the financial statements. The fair values of the Group's private placement notes and debenture stock were determined by comparing the discounted future cash flows using the contracted yields with those of the reference gilts plus the implied margins.

17 Share capital

Year to 31 March 2020 Number	Year to 31 March 2020 £m		Six months to 30 September 2020 Number	Six months to 30 September 2020 £m	Six months to 30 September 2019 Number	Six months to 30 September 2019 £m
		Allotted, called up and fully paid				
271,365,894	41.4	At the beginning of the period	**253,867,911**	**38.7**	271,365,894	41.4
(17,497,983)	(2.7)	Share buyback	**–**	**–**	(12,265,991)	(1.9)
253,867,911	38.7	At the end of the period	**253,867,911**	**38.7**	259,099,903	39.5

At 30 September 2020, the Company had 253,867,911 ordinary shares with a nominal value of 15⁵⁄₁₉ pence each.

18 Head lease obligations

Head lease obligations in respect of the Group's leasehold properties are payable as follows:

	Minimum lease payments 30 September 2020 £m	**Impact of discounting 30 September 2020 £m**	**Present value of minimum lease payments 30 September 2020 £m**	Minimum lease payments 30 September 2019 £m	Impact of discounting 30 September 2019 £m	Present value of minimum lease payments 30 September 2019 £m
Less than one year	**1.9**	**(1.9)**	**–**	1.9	(1.9)	–
Between two and five years	**9.5**	**(9.4)**	**0.1**	9.5	(9.4)	0.1
More than five years	**193.0**	**(152.4)**	**40.6**	194.9	(154.3)	40.6
	204.4	**(163.7)**	**40.7**	206.3	(165.6)	40.7

19 Occupational leases obligations

Obligations in respect of the Group's occupational leases for its head office are payable as follows:

	Minimum lease payments 30 September 2020 £m	**Impact of discounting 30 September 2020 £m**	**Present value of minimum lease payments 30 September 2020 £m**	Minimum lease payments 30 September 2019 £m	Impact of discounting 30 September 2019 £m	Present value of minimum lease payments 30 September 2019 £m
Less than one year	**1.0**	**(0.1)**	**0.9**	1.0	(0.1)	0.9
Between two and five years	**3.6**	**(0.2)**	**3.4**	4.1	(0.3)	3.8
More than five years	**–**	**–**	**–**	0.5	–	0.5
	4.6	**(0.3)**	**4.3**	5.6	(0.4)	5.2

20 Investment in own shares

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
1.7	At the beginning of the period	**0.6**	1.7
(2.6)	Employee Long-Term Incentive Plan charge	**(0.9)**	(0.8)
1.5	Transfer to retained earnings	**0.7**	1.5
0.6	At the end of the period	**0.4**	2.4

The investment in the Company's own shares is held at cost and comprises 877,335 shares (31 March 2020: 1,109,303 shares) held by the Great Portland Estates plc LTIP Employee Share Trust which will vest for certain senior employees of the Group if performance conditions are met.

During the period, 231,968 shares (2019: nil shares) were awarded to directors and senior employees in respect of the 2017 LTIP award. The fair value of shares awarded and outstanding at 30 September 2020 was £7.3 million (2019: £6.1 million).

21 Notes to the group statement of cash flow

Adjustment for non-cash items

Year to 31 March 2020 £m		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m
52.6	Deficit from investment property	**114.3**	8.3
2.6	Employee Long-Term Incentive charge	**0.9**	0.8
(0.3)	Spreading of tenant lease incentives	**1.0**	(0.5)
(57.9)	Share of results from joint ventures	**56.5**	(29.1)
1.5	Depreciation	**0.7**	0.7
(0.9)	Other non-cash items	**(0.1)**	(0.8)
(2.4)	Adjustments for non-cash items	**173.3**	(20.6)

22 Rent receivable under non-cancellable leases

Future aggregate minimum rents receivable under non-cancellable operating leases are:

31 March 2020 £m		**30 September 2020 £m**	30 September 2019 £m
	The Group as a lessor		
71.0	Less than one year	**70.4**	75.8
154.4	Between one and five years	**134.6**	183.2
63.7	More than five years	**56.0**	94.5
289.1		**261.0**	353.5

The Group leases its investment properties. The weighted average length of lease at 30 September 2020 was 3.3 years (2019: 4.1 years). All investment properties, except those under development or being prepared for development, generated rental income and no contingent rents were recognised in the period (2019: £nil).

23 Dividends

The declared interim dividend of 4.7 pence per share (2019: 4.7 pence per share) was approved by the Board on 11 November 2020 and is payable on 5 January 2021 to shareholders on the register on 20 November 2020. The dividend is not recognised as a liability in the Half Year Results.

24 Reserves

The following describes the nature and purpose of each reserve within equity:

Share capital
The nominal value of the Company's issued share capital, comprising $15\frac{5}{19}$ pence ordinary shares.

Share premium
Amount subscribed for share capital in excess of nominal value less directly attributable issue costs.

Capital redemption reserve
Amount equivalent to the nominal value of the Company's own shares acquired as a result of share buy-back programmes.

Retained earnings
Cumulative net gains and losses recognised in the Group income statement together with other items such as dividends.

Investment in own shares
Amount paid to acquire the Company's own shares for its Employee Long-Term Incentive Plan less accounting charges.

Directors' responsibility statement

We confirm to the best of our knowledge:

(a) the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R; and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R.

By the order of the Board

Toby Courtauld
Chief Executive
11 November 2020

Nick Sanderson
Finance and Operations Director
11 November 2020

Independent review report to Great Portland Estates plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2020 which comprises the condensed group income statement, the condensed group statement of comprehensive income, the condensed group balance sheet, the condensed group statement of changes in equity, the condensed group cash flow statement and related notes 1 to 24. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 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. A review of interim financial information consists of making inquiries, 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
11 November 2020

Directors and shareholders' information

Directors

Richard Mully
Chairman, Non-Executive
Toby Courtauld
Chief Executive
Nick Sanderson
Finance & Operations Director

Wendy Becker
Non-Executive Director
Nick Hampton
Non-Executive Director
Vicky Jarman
Non-Executive Director
Charles Philipps
Non-Executive Director
Alison Rose
Non-Executive Director

Shareholders' information

Financial calendar	**2020**
Ex-dividend date for interim dividend	19 November
Registration qualifying date for interim dividend	20 November
	2021
Interim dividend payable	5 January
Announcement of full year results	19 May*
Annual General Meeting	8 July*
Final dividend payable	12 July*

*Provisional.

Shareholder enquiries
All enquiries relating to holdings of shares, bonds or debentures in Great Portland Estates, including notification of change of address, queries regarding dividend/interest payments or the loss of a certificate, should be addressed to the Company's Registrars:

Link Asset Services
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0300
E-mail: shareholder.services@linkgroup.co.uk
(Calls cost 12 pence per minute plus network extras; lines are open 9.00am – 5.30pm Monday to Friday).

If you are calling from overseas, please dial +44 371 664 0300.

Website: www.gpe.co.uk
The Company's corporate website holds, amongst other information, a copy of our latest annual report and accounts, a list of properties held by the Group and press announcements released over the last twelve months.

Company Secretary
Darren Lennark
Registered office:
33 Cavendish Square
London W1G 0PW
Tel: 020 7647 3000
Fax: 020 7016 5500
Registered Number: 596137

Dividend payments
As a REIT, dividend payments must be split between PIDs and non-PIDs. Information in respect of the tax consequences for shareholders of receiving dividends can be found on the Company's website at www.gpe.co.uk/investors/shareholder-information/reits

Share dealing service
An online and telephone dealing service is available for UK shareholders through Link Share Deal. For further information on this service, or to buy and sell shares, please contact:

Online dealing – www.linksharedeal.com

Telephone dealing – 0371 664 0445

(Calls are charged at the standard geographical rate and will vary by provider; lines are open 8.00am – 4.30pm Monday to Friday).

Glossary

Building Research Establishment Environmental Assessment Methodology (BREEAM)

Building Research Establishment method of assessing, rating and certifying the sustainability of buildings.

Cash EPS

EPRA EPS adjusted for non-cash items: tenant incentives, capitalised interest and charges for share-based payments.

Core West End

Areas of London with W1 and SW1 postcodes.

Development profit on cost

The value of the development at completion, less the value of the land at the point of development commencement and costs to construct (including finance charges, letting fees, void costs and marketing expenses).

Development profit on cost %

The development profit on cost divided by the land value at the point of development commencement together with the costs to construct.

Earnings per Share (EPS)

Profit after tax divided by the weighted average number of ordinary shares in issue.

EPRA metrics

Standard calculation methods for adjusted EPS and NAV as set out by the European Public Real Estate Association (EPRA) in their Best Practice and Policy Recommendations.

EPRA net disposal value (NDV)

Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of deferred tax and fixed interest rate debt.

EPRA Net Reinstatement Value (NRV)

Represents the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives, real estate transfer taxes and deferred taxes on property valuation surpluses are therefore excluded.

EPRA net tangible assets (NTA)

Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of goodwill arising as a result of deferred tax and other intangible assets.

Estimated Rental Value (ERV)

The market rental value of lettable space as estimated by the Company's valuers at each balance sheet date.

Fair value – investment property

The amount as estimated by the Company's valuers for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In line with market practice, values are stated net of purchasers' costs.

Flex

Individual fitted out, ready to occupy floors, let on flexible terms.

Flex+

Flex with added levels of service and shared amenity.

Flexible space partnerships

Revenue share agreements with flexible space operators.

Internal Rate of Return (IRR)

The rate of return that if used as a discount rate and applied to the projected cash flows that would result in a net present value of zero.

MSCI

Morgan Stanley Capital International (MSCI) is a company that produces an independent benchmark of property returns.

MSCI central London

An index, compiled by MSCI, of the central and inner London properties in their monthly and quarterly valued universes.

Like-for-like portfolio

The element of the portfolio that has been held for the whole of the period of account.

Glossary (continued)

Loan to Value (LTV)

Total bank loans, private placement notes, convertible bonds at nominal value and debenture stock, net of cash (including our share of joint ventures balances), expressed as a percentage of the market value of the property portfolio (including our share of joint ventures).

Net assets per share or Net Asset Value (NAV)

Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date presented on a diluted and undiluted basis.

Net debt

The book value of the Group's bank and loan facilities, private placement notes and debenture loans plus the nominal value of the convertible bond less cash and cash equivalents.

Net gearing

Total Group borrowings (including the convertible bonds at nominal value) less short-term deposits and cash as a percentage of equity shareholders' funds, calculated in accordance with our bank covenants.

Net initial yield

Annual net rents on investment properties as a percentage of the investment property valuation having added notional purchaser's costs.

Non-PIDs

Dividends from profits of the Group's taxable residual business.

PMI

Purchasing Managers Index.

Property Income Distributions (PIDs)

Dividends from profits of the Group's tax-exempt property rental business.

REIT

UK Real Estate Investment Trust.

Rent roll

The annual contracted rental income.

Return on shareholders' equity

The growth in the EPRA diluted net assets per share plus dividends per share for the period expressed as a percentage of the EPRA net assets per share at the beginning of the period.

Reversionary or under-rented

The percentage by which ERV exceeds rent roll on let space.

Reversionary potential

The percentage by which ERV exceeds rent roll on let space.

Topped up initial yield

Annual net rents on investment properties as a percentage of the investment property valuation having added notional purchaser's costs and contracted uplifts from tenant incentives.

Total Accounting Return (TAR)

The growth in EPRA NTA per share plus ordinary dividends paid, expressed as a percentage of EPRA NTA per share at the beginning of the period.

Total potential future growth

Portfolio rent roll plus the ERV of void space, space under refurbishment and the committed development schemes, expressed as a percentage uplift on the rent roll at the end of the period.

Total Property Return (TPR)

Capital growth in the portfolio plus net rental income derived from holding these properties plus profit on sale of disposals expressed as a percentage return on the period's opening value as calculated by MSCI.

Total Shareholder Return (TSR)

The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.

Triple net asset value (NNNAV)

NAV adjusted to include the fair value of the Group's financial liabilities and deferred tax on a diluted basis.

True equivalent yield

The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value having taken into account notional purchaser's costs. Assumes rent is received quarterly in advance.

Glossary (continued)

Ungeared IRR

The ungeared internal rate of return (IRR) is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero, without the benefit of financing. The internal rate of return is used to evaluate the attractiveness of a project or investment.

Vacancy rate

The element of a property which is unoccupied but available for letting, expressed as the ERV of the vacant space divided by the ERV of the total portfolio.

Weighted Average Unexpired Lease Term (WAULT)

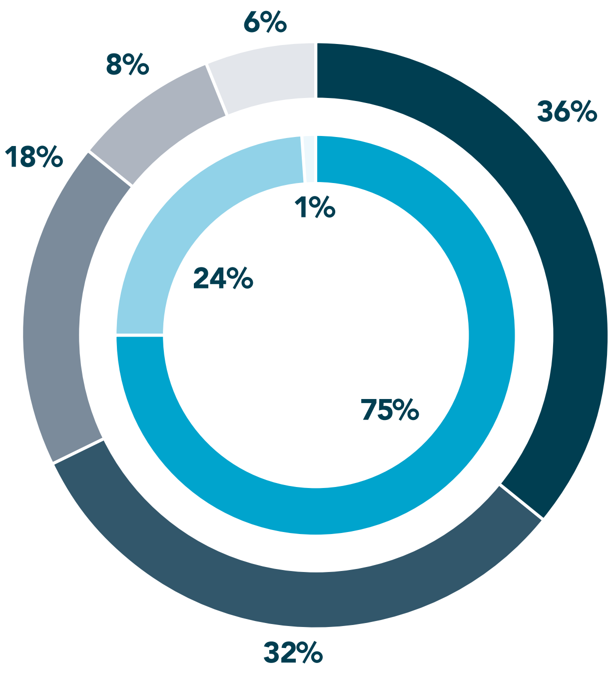
The Weighted Average Unexpired Lease Term expressed in years.

Whole life surplus

The value of the development at completion, less the value of the land at the point of acquisition and costs to construct (including finance charges, letting fees, void costs and marketing expenses) plus any income earned over the period.

Appendix 1

Portfolio characteristics[1]



Business mix

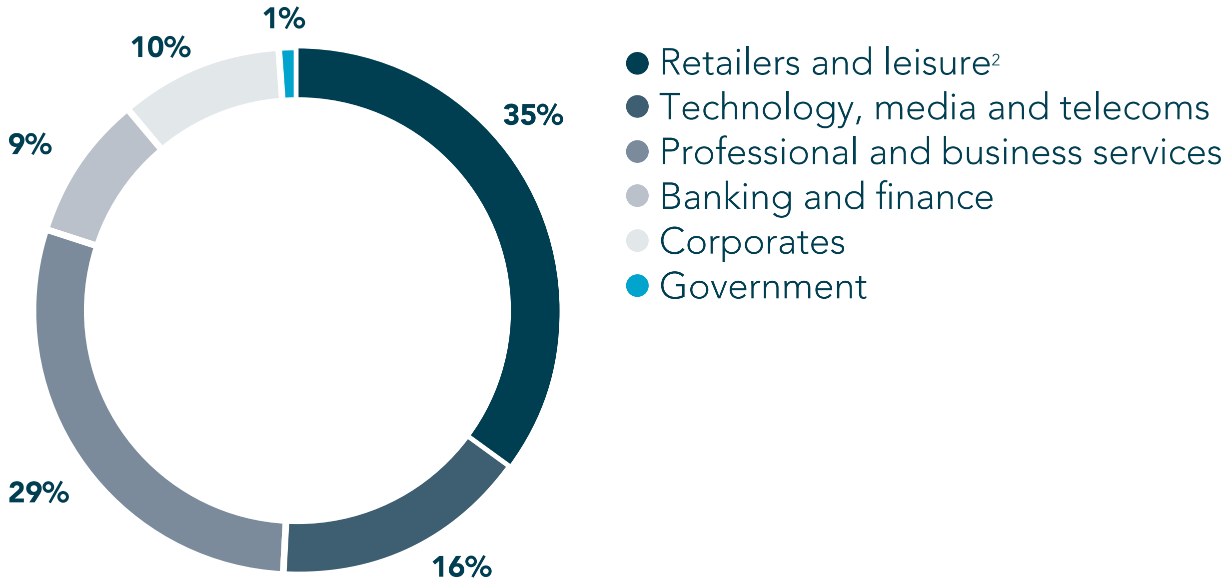
Office	£1,876.3m
Retail	£585.4m
Residential	£28.8m

Locations

North of Oxford Street	£907.1m
Rest of West End	£796.4m
City	£458.4m
Southwark	£190.3m
Midtown	£138.3m

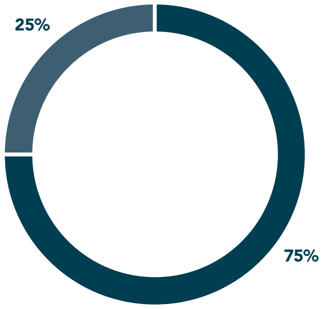
Appendix 1 continued

GPE tenant mix[1]

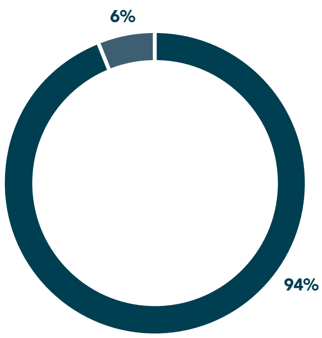


1. GPE share at 30 September 2020
2. Retailers: Head offices 10%
   Retailers and leisure: Retail stores 25%

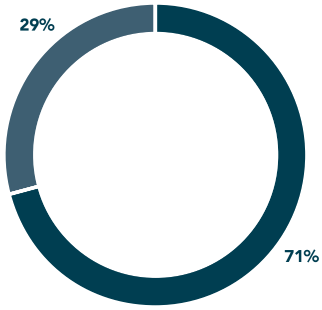
Joint venture business – contribution to the Group



Property assets
- Wholly-owned **£1,863.9m**
- Joint ventures **£626.6m**



Net debt
- Wholly-owned **£402.3m**
- Joint ventures **£25.2m**



Net assets
- Wholly-owned **£1,431.6m**
- Joint ventures **£595.1m**

Appendix 1 continued

Selected lead indicators

Drivers of rents	March 2020 Outlook	**September 2020 Outlook**
GDP/GVA growth	🔴	🔴
Business investment	🔴	🔴
Confidence	🔴	🔴
Employment growth	🔴	🔴
Active demand/take-up	🔴	🔴
Vacancy rates	🟠	🟠
Development completions	🟢	🟢
Drivers of yields		
Rental growth	🔴	🔴
Weight of money	🟠	🟢
Gilts	🟢	🟢
BBB Bonds	🔴	🔴
Exchange rates	🟠	🟠
Political risk	🟠	🔴

Appendix 1 continued

Rental income

			Wholly-owned			Share of joint ventures			
			Rent roll £m	Reversionary potential £m	Rental values £m	Rent roll £m	Reversionary potential £m	Rental values £m	Total rental values £m
London	North of Oxford Street	Office	25.8	(0.2)	25.6	–	–	–	25.6
		Retail	6.2	(1.1)	5.1	5.0	(0.7)	4.3	9.4
	Rest of West End	Office	12.1	(0.1)	12.0	–	–	–	12.0
		Retail	10.5	(0.7)	9.8	2.8	(0.3)	2.5	12.3
	Total West End		**54.6**	**(2.1)**	**52.5**	**7.8**	**(1.0)**	**6.8**	**59.3**
	City, Midtown and Southwark	Office	20.6	7.1	27.7	11.1	1.1	12.2	39.9
		Retail	2.2	(0.1)	2.1	0.1	–	0.1	2.2
	Total City, Midtown and Southwark		**22.8**	**7.0**	**29.8**	**11.2**	**1.1**	**12.3**	**42.1**
Total let portfolio			**77.4**	**4.9**	**82.3**	**19.0**	**0.1**	**19.1**	**101.4**
Voids					7.6			4.6	12.2
Premises under refurbishment					23.7			8.0	31.7
Total portfolio					**113.6**			**31.7**	**145.3**

Rent roll security, lease lengths and voids

			Wholly-owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	Voids %	Rent roll secure for five years %	Weighted average lease length Years	Voids %
London	North of Oxford Street	Office	25.7	3.8	1.0	–	–	–
		Retail	34.1	4.1	6.8	24.7	3.0	–
	Rest of West End	Office	5.3	2.3	8.0	–	–	19.3
		Retail	30.6	3.4	1.5	100.0	7.4	46.1
	Total West End		**23.1**	**3.4**	**3.8**	**51.9**	**4.6**	**22.4**
	City, Midtown and Southwark	Office	6.1	2.2	11.5	30.9	6.0	1.9
		Retail	78.1	12.9	–	73.3	10.7	28.4
	Total City, Midtown and Southwark		**13.1**	**3.2**	**11.3**	**31.4**	**6.1**	**2.2**
Total portfolio			**20.2**	**3.3**	**6.7**	**39.8**	**5.5**	**14.4**

Rental values and yields

			Wholly-owned		Joint ventures		Wholly-owned		Joint ventures	
			Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street	Office	71.3	75.2	–	–	4.6	4.5	–	–
		Retail	60.3	69.1	108.5	92.8	4.3	4.3	7.1	4.6
	Rest of West End	Office	78.1	79.9	–	113.6	4.1	4.8	–	–
		Retail	111.5	103.4	91.5	108.0	3.9	4.2	5.4	4.6
	Total West End		**76.5**	**75.6**	**101.7**	**103.1**	**4.3**	**4.5**	**6.6**	**4.6**
	City, Midtown and Southwark	Office	40.4	55.9	45.8	50.7	3.0	5.1	3.4	4.9
		Retail	79.5	60.1	47.2	39.6	3.6	4.7	4.1	4.9
	Total City, Midtown and Southwark		**42.4**	**55.0**	**45.8**	**50.4**	**3.0**	**5.1**	**3.4**	**4.9**
Total portfolio			**61.8**	**66.2**	**59.2**	**72.9**	**3.9**	**4.7**	**4.3**	**4.8**

Appendix 2

Portfolio performance

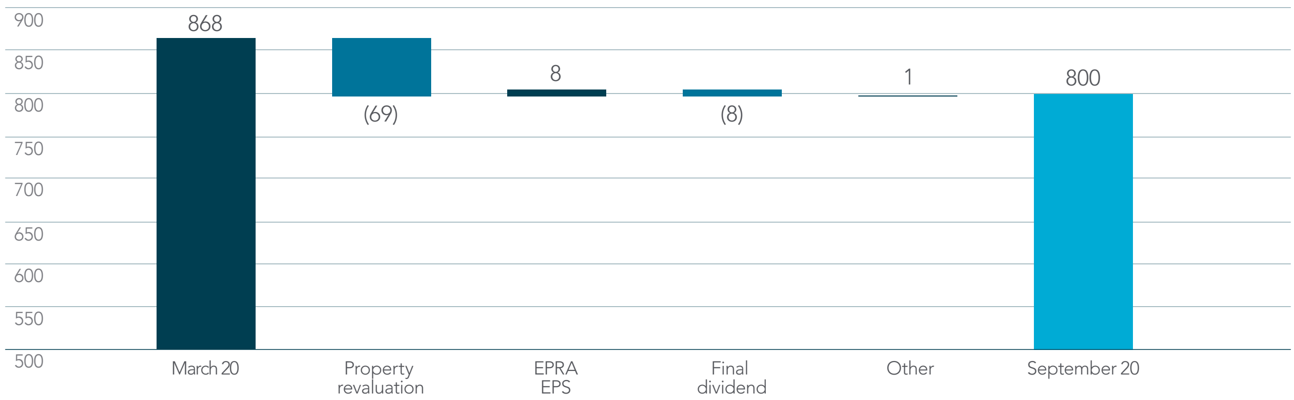
		Wholly owned £m	Joint ventures £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	540.2	–	540.2	21.7%	(1.9%)
	Retail	102.7	57.6	160.3	6.4%	(17.6%)
	Residential	4.5	–	4.5	0.2%	1.1%
Rest of West End	Office	247.8	–	247.8	10.0%	(3.2%)
	Retail	198.6	27.2	225.8	9.1%	(15.8%)
	Residential	5.6	–	5.6	0.2%	(1.2%)
Total West End		1,099.4	84.8	1,184.2	47.6%	(7.5%)
City, Midtown and Southwark	Office	547.1	221.9	769.0	30.9%	(4.3%)
	Retail	11.0	2.6	13.6	0.5%	(18.2%)
	Residential	4.4	–	4.4	0.2%	3.0%
Total City, Midtown and Southwark		562.5	224.5	787.0	31.6%	(4.6%)
Investment property portfolio		**1,661.9**	**309.3**	**1,971.2**	**79.2%**	**(6.3%)**
Development property		202.0	317.3	519.3	20.8%	(7.5%)
Total properties held throughout the period		**1,863.9**	**626.6**	**2,490.5**	**100%**	**(6.6%)**
Acquisitions		–	–	–	–	–
Total property portfolio		**1,863.9**	**626.6**	**2,490.5**	**100%**	**(6.6%)**

Portfolio characteristics

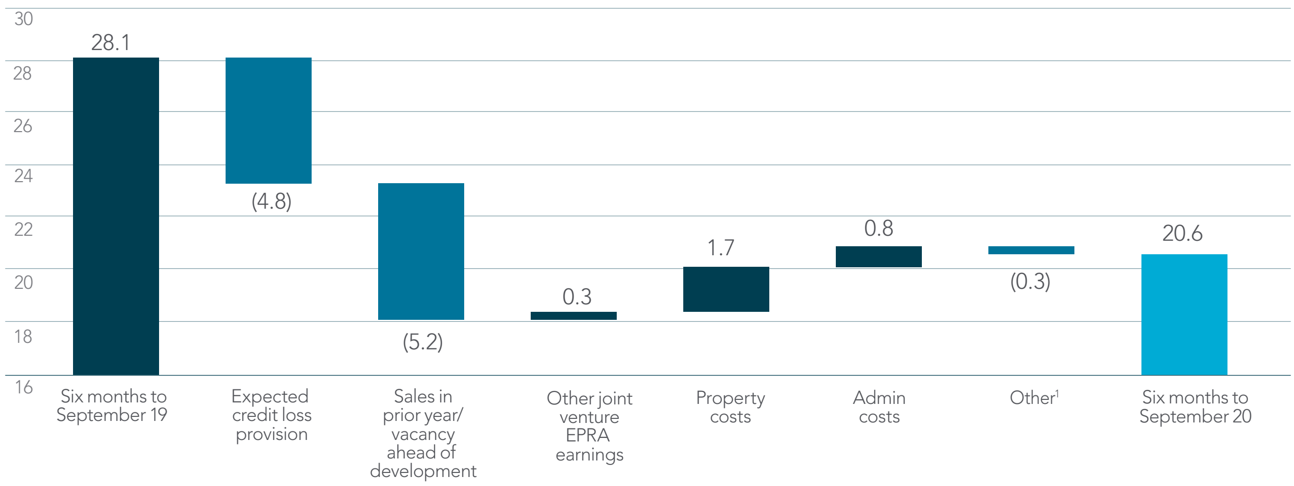
		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	Residential £m	Total £m	Net internal area sq ft 000's
North of Oxford Street		705.1	202.0	907.1	653.7	248.8	4.6	907.1	734
Rest of West End		479.1	317.3	796.4	453.6	323.0	19.8	796.4	568
Total West End		**1,184.2**	**519.3**	**1,703.5**	**1,107.3**	**571.8**	**24.4**	**1,703.5**	**1,302**
City, Midtown and Southwark		787.0	–	787.0	769.0	13.6	4.4	787.0	1,285
Total		**1,971.2**	**519.3**	**2,490.5**	**1,876.3**	**585.4**	**28.8**	**2,490.5**	**2,587**
By use:	Office	1,556.9	319.4	1,876.3					
	Retail	399.7	185.7	585.4					
	Residential	14.6	14.2	28.8					
Total		**1,971.2**	**519.3**	**2,490.5**					
Net internal area sq ft 000's		2,246	341	2,587					

Appendix 3

EPRA NTA pence per share

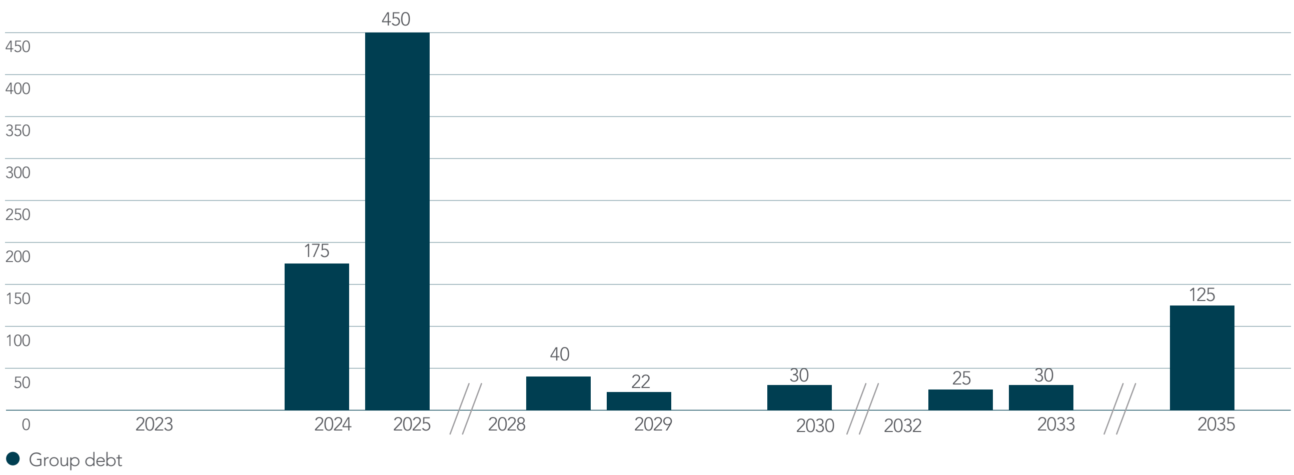


EPRA earnings £m



1. Including JV fees, net interest and tax

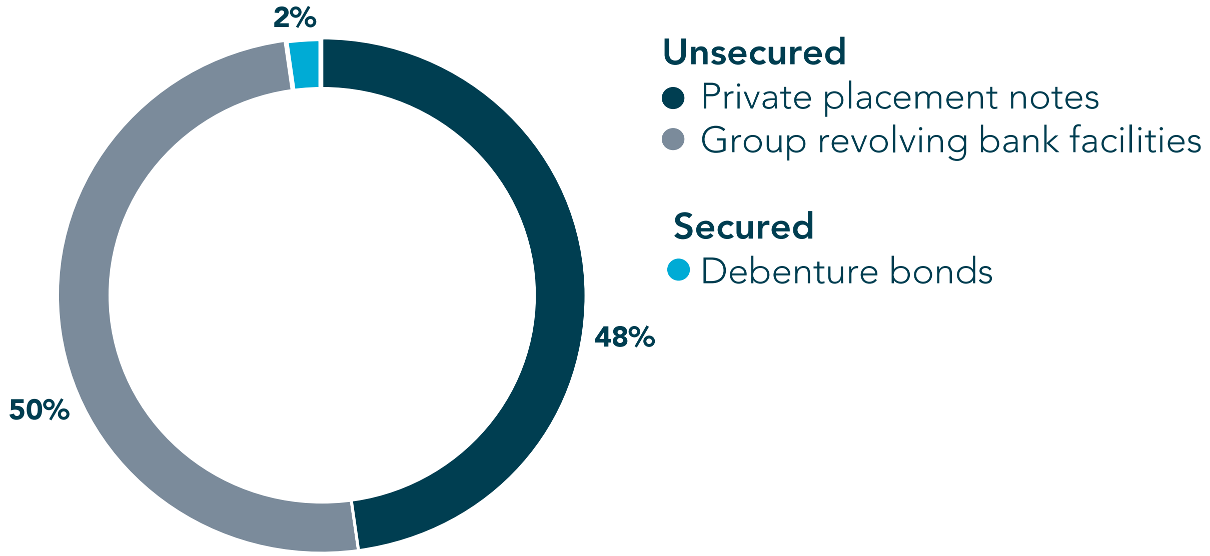
Debt maturity profile[1] £m



1. Based on committed facilities at 11 November 2020

Appendix 3 continued

Diversified sources of debt funding[1]



1. Total facilities, pro forma for new £150 million USPP and prepayment of JV debt

Appendix 3 continued

EPRA performance measures

Measure	Definition of Measure	**Sept 2020**	Sept 2019
EPRA earnings	Recurring earnings from core operational activities	**£20.6m**	£28.1m
EPRA earnings per share	EPRA earnings divided by the weighted average number of shares	**8.2p**	10.6p
Diluted EPRA earnings per share	EPRA earnings divided by the diluted weighted average number of shares	**8.2p**	10.6p
EPRA costs (by portfolio value)	EPRA cost (including direct vacancy costs) divided by market value of the portfolio	**1.2%**	1.2%
		Sept 2020	March 2020
EPRA NTA assets	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of goodwill arising as a result of deferred tax and other intangible assets.	**£2,026.7m**	£2,203.1m
EPRA NTA per share	EPRA NTA assets divided by the number of shares at the balance sheet date on a diluted basis.	**800p**	868p
EPRA NDV assets	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of deferred tax and fixed interest rate debt.	**£2,021.4m**	£2,211.5m
EPRA NDV per share	EPRA NDV assets divided by the number of shares at the balance sheet date on a diluted basis.	**798p**	871p
EPRA NRV assets	Represents the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives, real estate transfer taxes, and deferred taxes on property valuation surpluses are therefore excluded.	**£2,208.4m**	£2,394.6m
EPRA NRV per share	EPRA NRV assets divided by the number of shares at the balance sheet date on a diluted basis.	**872p**	944p
EPRA NIY	Annualised rental income based on cash rents passing at the balance sheet date less non-recoverable property operating expenses, divided by the market value of the property increased by estimated purchasers' costs.	**3.7%**	3.5%
EPRA "topped up" NIY	EPRA NIY adjusted to include rental income in rent-free periods (or other unexpired lease incentives).	**3.9%**	3.8%
EPRA vacancy	ERV of non-development vacant space as a percentage of ERV of the whole portfolio.	**15.9%**	5.6%

Appendix 3 continued

Debt analysis

	Sept 2020	March 2020
Net debt excluding JVs (£m)	**402.3**	349.4
Net gearing	**20.2%**	16.2%
Total net debt including 50% JV non-recourse debt (£m)	**427.5**	373.3
Loan to property value	**17.2%**	14.2%
Total net gearing	**21.3%**	17.1%
Interest cover	**n/a**	n/a
Weighted average interest rate	**2.7%**[1]	2.2%
Weighted average cost of debt	**2.5%**	3.0%
% of debt fixed/hedged	**99%**[1]	69%
Cash and undrawn facilities (£m)	**465**[1]	411

1. Pro forma for new £150 million USPP and prepayment of JV debt