Press Release

GREAT PORTLAND ESTATES

10 February 2017

GPE sells Rathbone Square, W1 for £435 million and proposes to return the profit of £110 million to shareholders

Great Portland Estates plc ("GPE") has sold the freehold of Rathbone Square, 35/50 Rathbone Place, W1 to Rathbone Place Jersey Limited, an entity owned by WestInvest Gesellschaft Für Investmentfonds mbH and Deka Immobilien Investment GmbH ("Deka"), for a headline price of £435.0 million, reflecting a net initial yield to the buyer of 4.25%. The sale is expected to crystallise a whole-life capital return for GPE from the entire development project of approximately £110.0 million which is proposed to be returned to shareholders by way of a special dividend. The sale of this mature property and the proposed special dividend reflect GPE's ongoing commitment to both capital allocation and balance sheet discipline, whilst also ensuring that GPE retains the significant financial flexibility created over recent years as it looks ahead to a continued period of market uncertainty.

The 419,700 sq. ft. mixed used development is currently under construction with phased practical completion ("PC") expected from late March 2017. The 242,800 sq. ft. of office space is pre-let to Facebook on 15 year leases (no breaks) at an initial annual rent of £17.8 million. 13,900 sq. ft. of the 25,200 sq. ft. of retail space is under offer and 139 of the 142 private residential units have already been exchanged for sale (on 999 year leases). The estimated rental value of the entire scheme (including residential ground rents) was £19.7 million at 30 September 2016. Following this transaction and the sale of the remaining residential units, total receipts from Rathbone Square are expected to be more than £655.0 million.

The headline price of £435.0 million is before deductions for Facebook tenant incentives (including a 30 month rent free period and a capital contribution of £12.3 million which will be paid by Deka) and maximum retail unit rent guarantees of £3.2 million, totalling £60.2 million, resulting in a net purchase price payable by Deka to GPE of £374.8 million (subject to final area measurement and settlement of the retail rental guarantees). The consideration comprises £368.3 million in respect of the freehold sale and £6.5 million for reimbursement of the development costs, under a development agreement, to complete the scheme. Deka has already paid £113.5 million with the balance of the purchase price payable in three instalments: Based on the current cost and programme, GPE will receive £211.9 million on completion of the Facebook leases in early April 2017; £30.8 million will be paid on PC of the retail units in late April 2017; and £16.6 million will be paid on PC of the residential units and central garden in the summer of 2017 with a further payment of £2.0 million twelve months thereafter. In the very unlikely event that the Facebook leases do not complete due to a limited set of circumstances[1], Deka has the option to sell its purchasing entity back to GPE to restore the parties to their pre-sale positions. Separately, GPE retains the residual risk for completion of the sales of the private residential units, including the three currently available units.

Following receipt of the majority of the sales proceeds, the whole life surplus of approximately £110.0 million is proposed to be returned to shareholders. It is anticipated that this will be effected by way of a special dividend, which would be accompanied by a share consolidation (subject to shareholder approval, which is expected to be sought in April 2017). The balance of the proceeds will be retained

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to maintain GPE's significant financial flexibility, which GPE expects to enhance further by extending its debt maturity profile through a proposed refinancing of existing private placement notes.

The sales price represents a discount of approximately 4% to the September 2016 valuation adjusted for subsequent capex (reducing NAV per share by c.5 pence) and the sale is expected to be broadly neutral to EPRA earnings for the current financial year. On receipt of all the sales proceeds from Deka, pro forma LTV will fall from 16.9%[2] to 7.3% before rising to 10.7% on payment of the proposed capital return to shareholders. Based on the closing share price of 659 pence on 9 February 2017, the capital return (post the share consolidation) would increase EPRA NAV[3] per share by c.8 pence. Further details on the impact of the sale and proposed return of capital are shown in the appendix.

Toby Courtauld, Chief Executive of GPE, said, "Rathbone Square is our largest ever development scheme and this sale continues our successful strategy of recycling capital out of assets where we have created significant value. Having purchased the site in late 2011, obtained an attractive planning permission and commenced construction in early 2014, we pre-sold the vast majority of the residential units in summer 2014 and secured one of the largest ever lettings in the West End a year later. This sale is expected to crystallise a whole life capital return of 19.9% and an annualised unlevered IRR of 12.1%.

With pro forma LTV at only 7.3% following this sale, we are proposing to return to shareholders the equivalent of the crystallised whole life surplus. Post this return of capital, gearing remains low giving us ample capacity for further investment both within our extensive 1.7 million sq. ft. development pipeline and in new opportunities as we unearth them."

GPE was advised on the sale and proposed capital return by CBRE, GM Real Estate, Nabarro, BofA Merrill Lynch, J.P. Morgan Cazenove and Lazard.

GPE will be hosting a conference call today at 09.30 am
Conference call details:

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This Announcement contains inside information. The person responsible for arranging release of this Announcement on behalf of GPE is Desna Martin.

Note 1: Circumstances under which Deka can exercise put option are: The Facebook leases do not complete by 7 March 2019 (other than due to Facebook insolvency or Deka default); or the development agreement is terminated before the Facebook leases complete; or the Facebook agreements for lease are terminated prior to PC (other than due to Facebook insolvency or Deka default).
Note 2: As reported in Q3 trading update on 26 January 2017.
Note 3: As reported in Interim Results on 17 November 2016.

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.

Record Levels of Activity

Developing / refurbishing / crystallising reversion & profit

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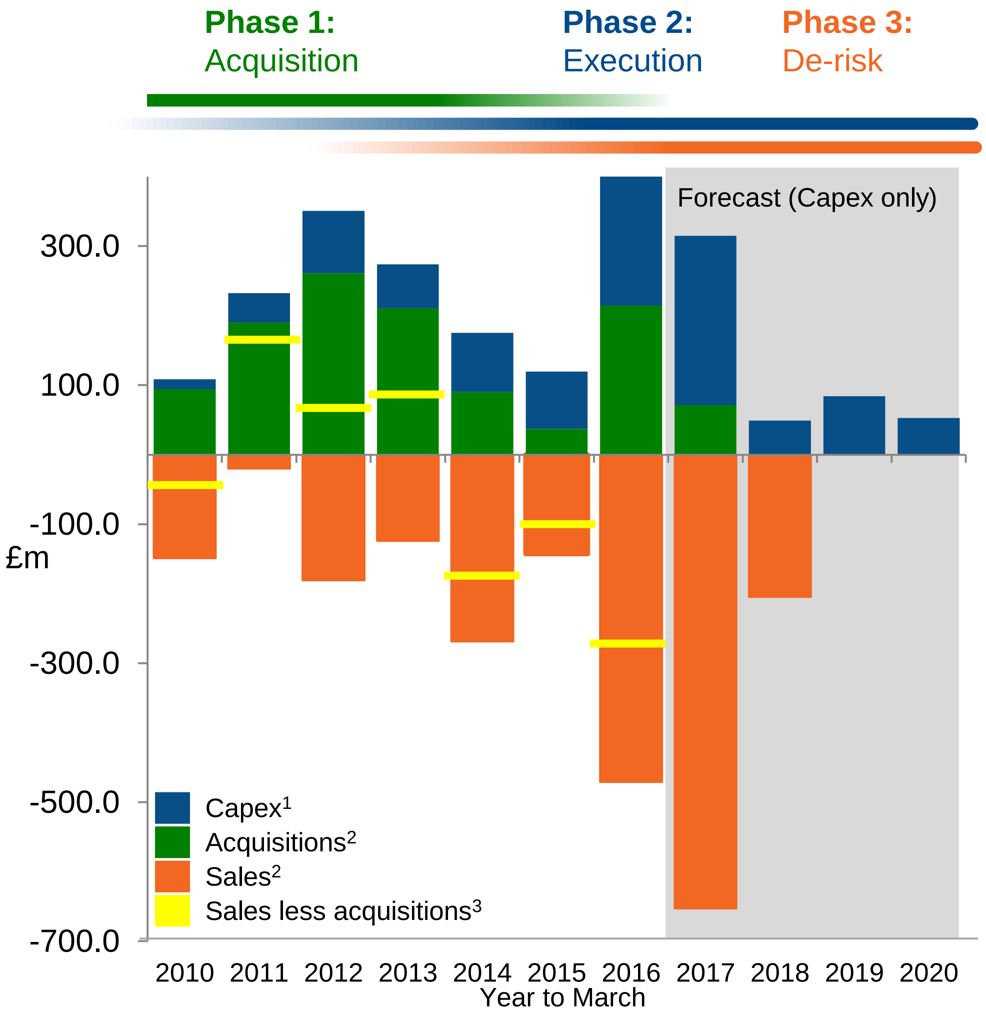

Net sellers

- Last three financial years and FY17 YTD

Highly selective acquisitions

- Angles to exploit
- Market dislocation

Deliver developments

- £91.2m capex committed schemes[4]
- Further pre-lets
- Prepare near term & pipeline

Add value through asset management

- Refurbishment (0.4m sq ft)
- Capture reversion (24.8%[4])

Well positioned

1. Capex = incurred / committed / near term 2. Only includes exchanged or completed sales 3. At year end
4. At 31 December 2016, post sale of Rathbone Square, W1 (commercial)

Balance Sheet Strength

Capital return; capacity for future investment maintained

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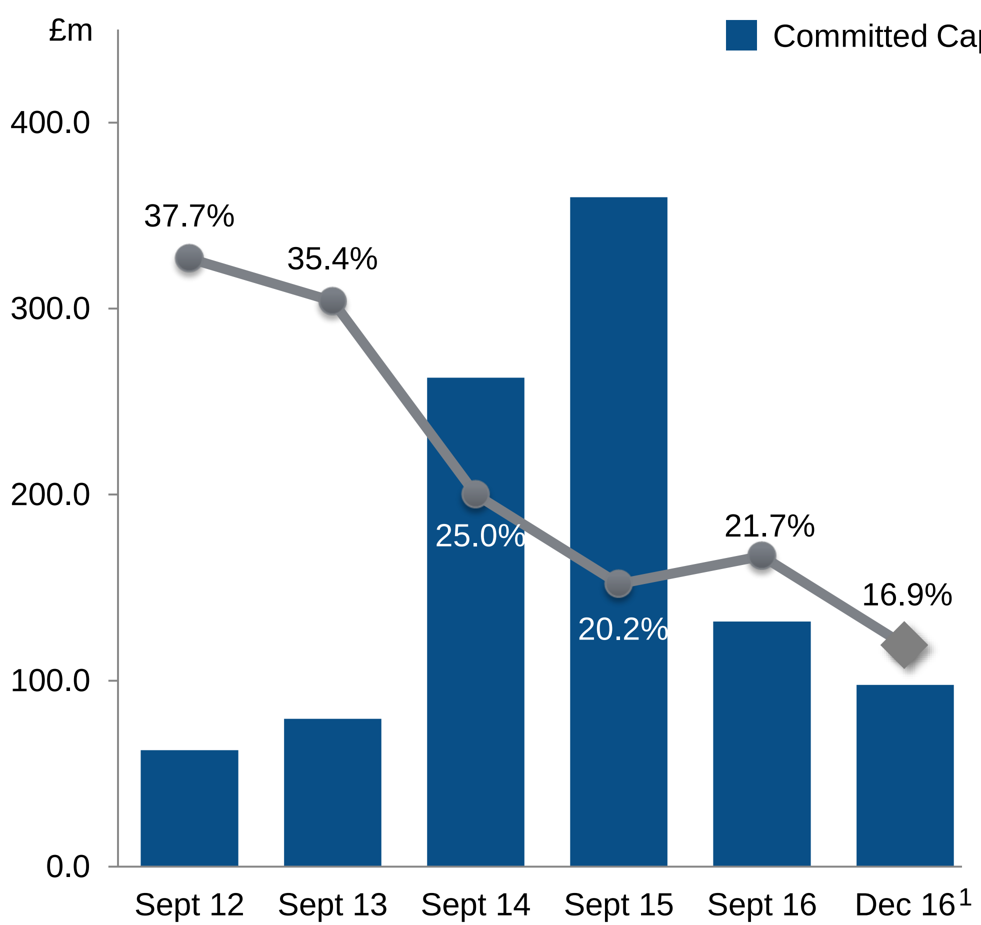

Cumulative pro forma LTV	
31 Dec 2016	16.9%
Rathbone Sq freehold receipts: £368.3m	7.3%[1]
Capital return: £110.0m	10.7%
Committed capex: £91.2m	13.2%
Near-term capex: £146.6m	17.0%[2]
Rathbone Sq residential receipts: £218.0m[3]	11.5%[2]

Illustrative pro forma EPRA NAV impact of capital return[4]

Based on share price of 659[5] pence: c.8 pence per share increase to September EPRA NAV (813 pence)

Great shape; capacity for new opportunities

1. Based on property values at 30 Sept 2016 adjusted for capex to 31 December 2016 with debt balance at 31 December 2016 adjusted for deferred consideration on 73/89 Oxford Street 2. Excludes development surpluses to come 3. Based on actual sales prices achieved and CBRE estimates at Sept 2016 less deposits already received of £63m 4. Including impact of share consolidation 5. Closing share price at 9 February 2017

Opportunity
Long term organic growth[1]

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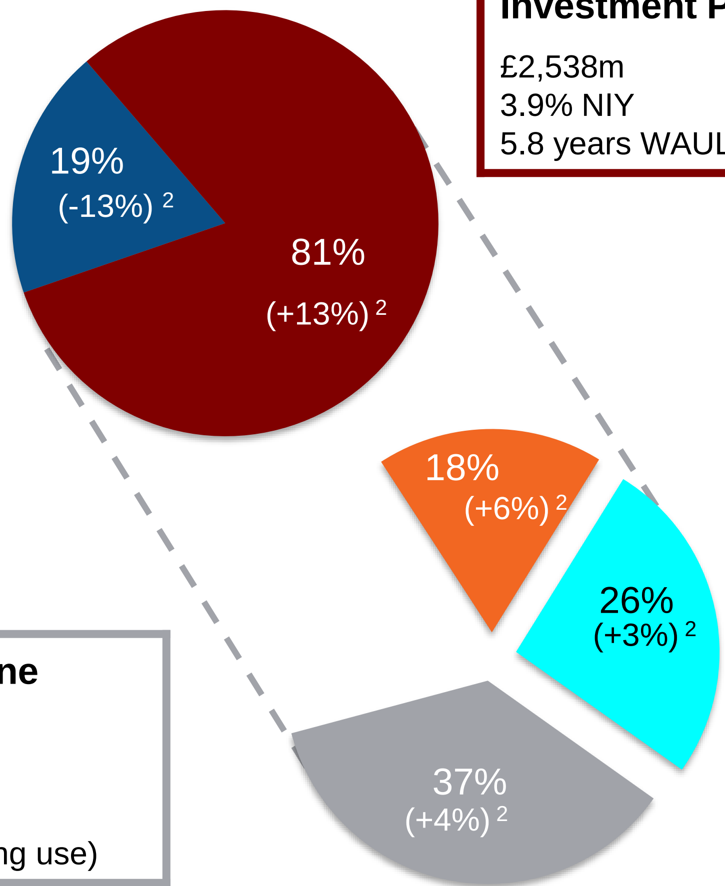
Committed / Near Term Developments

£601m
Committed: 57% pre-let / pre-sold

Near term value upside



Investment Portfolio

£2,538m
3.9% NIY
5.8 years WAULT

Long-Dated

£574m
3.4% NIY
11.7 years WAULT
14% reversionary

Crystallise surpluses

Development Pipeline

£1,143m
4.3% NIY
4.2 years WAULT
27% reversionary (existing use)

Today - income producing
Longer term - value upside

Active Management

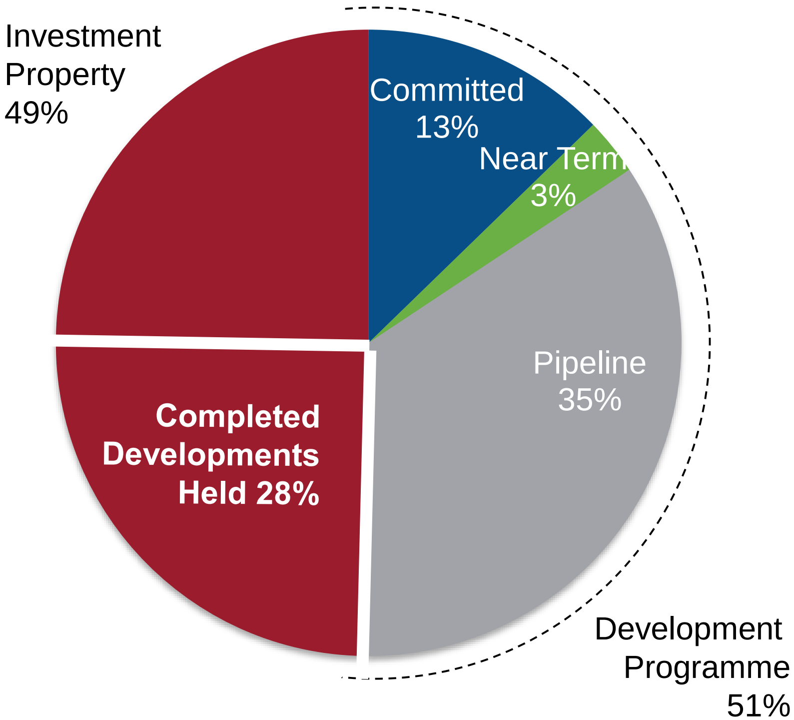
£821m
3.6% NIY
4.4 years WAULT
21% reversionary (existing use)

Repositioning upside

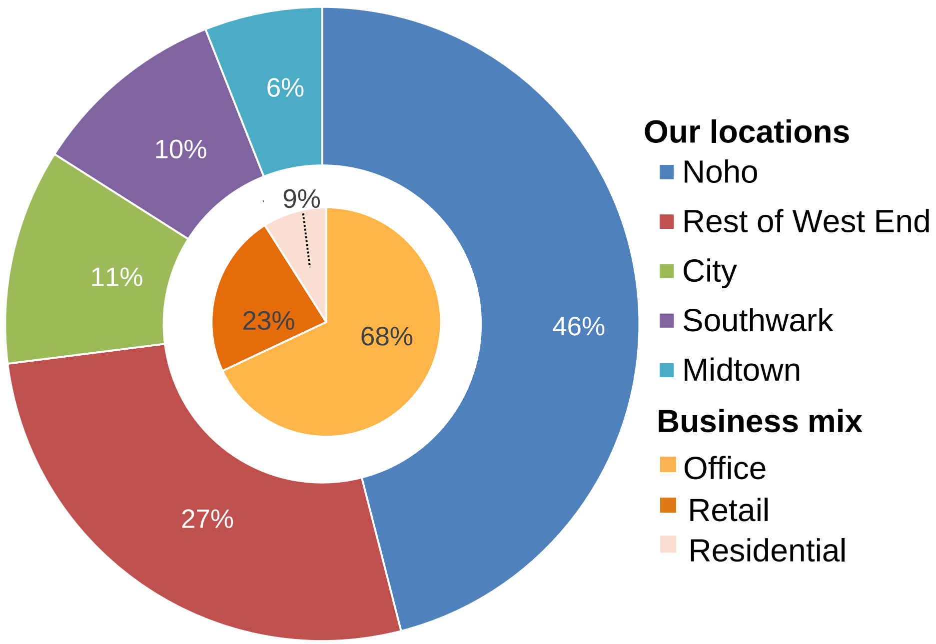
1. Portfolio breakdown by value at 30 September 2016; pro forma for sales since 30 Sept 2016 and the completion of 30 Broadwick Street, W1   2. Change since November 2016

GPE Portfolio Mix[1]

Total Portfolio by Area



Portfolio characteristics (by value)[1]



1. Valuation at 30 September 2016 including share of Joint Ventures pro forma for the sale of 73/89 Oxford Street, W1 and Rathbone Square, W1 (commercial)