

Preliminary Results 2013

# Unlocking potential

GREAT  
PORTLAND  
ESTATES



## Agenda



### Introduction

**Toby Courtauld**, Chief Executive

### Financial Results

**Nick Sanderson**, Finance Director

### Market Acquisitions & Disposals

**Toby Courtauld**, Chief Executive

### Asset Management Development

**Neil Thompson**, Portfolio Director

### Outlook

**Toby Courtauld**, Chief Executive

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## Strong Results



To March 2013	12 months	H1	H2	Q4
Property Valuation <sup>1</sup>	<b>+8.0%</b>	+4.0%	+3.8%	+2.6%
<i>Developments</i> <sup>1</sup>	<b>+20.1%</b>	+7.4%	+13.1%	+10.6%
Portfolio ERV movement <sup>1</sup>	<b>+4.9%</b>	+2.0%	+2.5%	+1.9%
Total Property Return	<b>+11.7%</b>	+5.9%	+5.5%	+3.4%
NAV per share	<b>+10.7%</b>	+5.2%	+5.2%	+3.7%

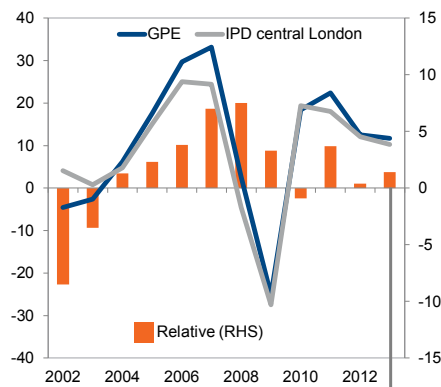
1. Like-for-like, including share of joint ventures

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## Outperforming Relative returns vs IPD



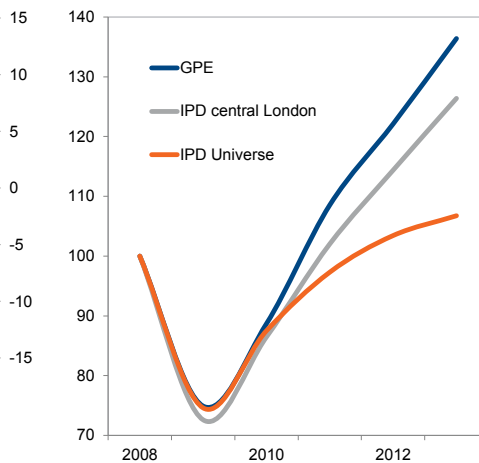
Years to 31 March



	GPE	IPD	Relative
Total return	11.7%	10.5%	+1.2%
Capital return	8.5%	6.1%	+2.4%

Source: IPD

Relative TPR over 5 years



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## Successful Strategy is Delivering



### 1. Profitable developments

- Completed 2 schemes
  - 100% pre-let
  - 51% profit on cost
- Started 2 schemes
- 12/14 New Fetter Lane, EC4 pre-let
- 5 committed schemes
  - 63% pre-let
  - 34% profit on cost
- Planning submitted 509,000 sq ft
- Programme never been stronger
  - 25 schemes, 2.5m sq ft
- Platform into 2020's

### 3. Accretive recycling

- £184m<sup>4</sup> sold
  - 2.8% NIY
  - 4.0% > book value
- £271m<sup>4</sup> acquired, 10 properties
  - £112m post placing
  - 4.7% NIY; 5.4% EY
  - Multiple opportunities
  - 9 in development pipeline

### 2. Strong leasing & creative asset management

- £13.4m<sup>1</sup> pa rent in 84 lettings
  - 6.6%<sup>2</sup> > March 2012 ERV
  - 8.7% > ERV ex pre-lets
- Rental values ↑ 4.9% vs market<sup>3</sup> @ 3.9%
- Portfolio reversion ↑ to 12.3% (Sept 2012: 11.3%)
- Since year end, £11.8m pa signed
  - 20.25 year pre-let at Fetter Lane
  - Pro forma void rate ↓@ 2.0%
  - A further £3.3m<sup>1</sup> pa under offer

### 4. Financial position remains strong

- Avg. interest rate ↓ to 3.7%
- LTV ↓ to 32.7%
- Debt maturity ↑ to 6.9 years
- £282m cash / facilities = capacity for expansion

**Strong performance, great shape**

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## A significant opportunity



<b>Supportive market</b>	- Rental value growth
<b>Exceptional development programme</b>	- Material surpluses
<b>Investment portfolio potential</b>	- Market-beating growth
<b>Disciplined recycling</b>	- Profits & replenished pipeline
<b>Financial strength</b>	- Delivering the opportunity

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Asset Management  
Development **Neil Thompson**, Portfolio Director

Outlook **Toby Courtauld**, Chief Executive

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## Financial Highlights



Balance Sheet	March 13	March 12	Change
Portfolio value <sup>1</sup>	£2,328.7m	£2,008m	+8.0% <sup>2</sup>
EPRA NAV per share	446p	403p	+10.7%
EPRA NNAV per share	434p	395p	+9.9%
Loan-to-property value <sup>1</sup>	32.7%	34.2%	-1.5pps

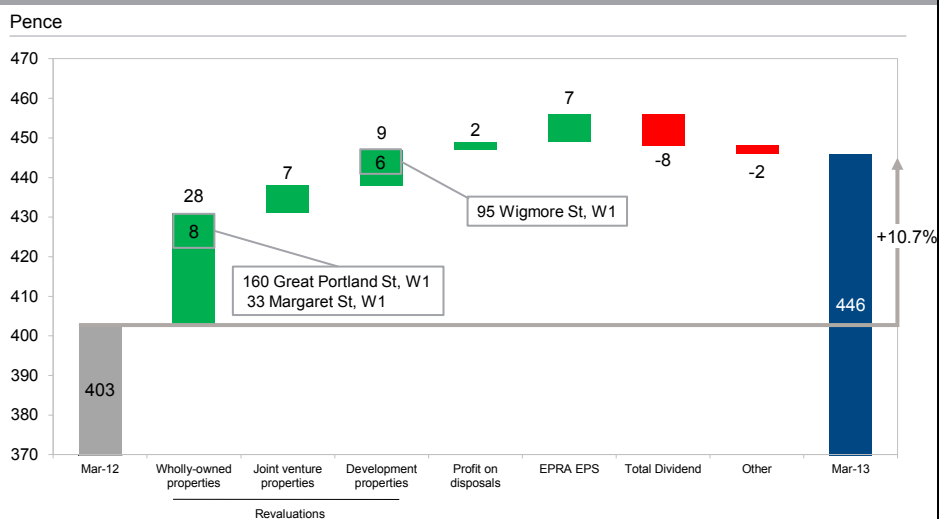
Income Statement	March 13	March 12	Change
EPRA PBT	£22.2m	£17.4m	+27.6%
EPRA EPS	6.9p	5.6p	+23.2%
Dividend per share	8.6p	8.4p	+2.4%

1. Including share of JVs 2. Like-for-like change

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## EPRA NAV per share<sup>1</sup>

Movement since 31 March 2012

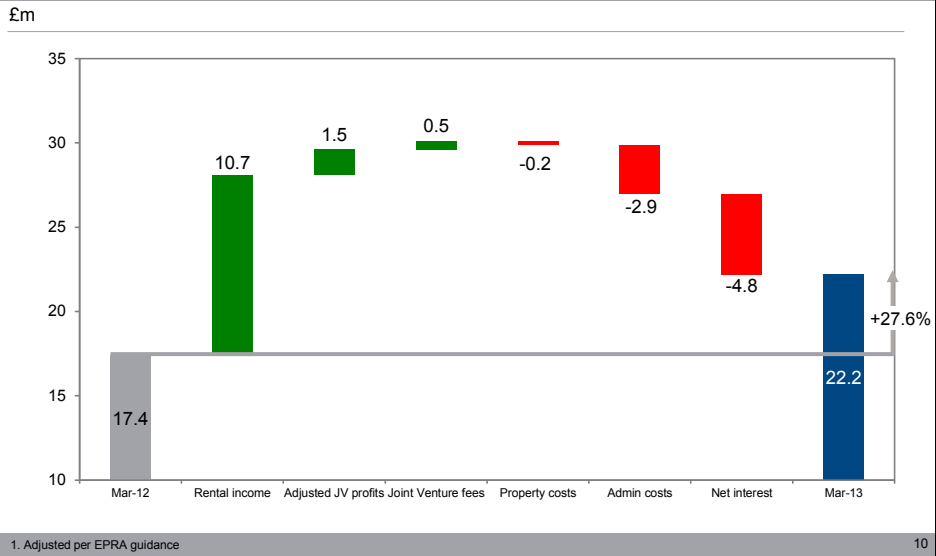


1. Adjusted per EPRA guidance

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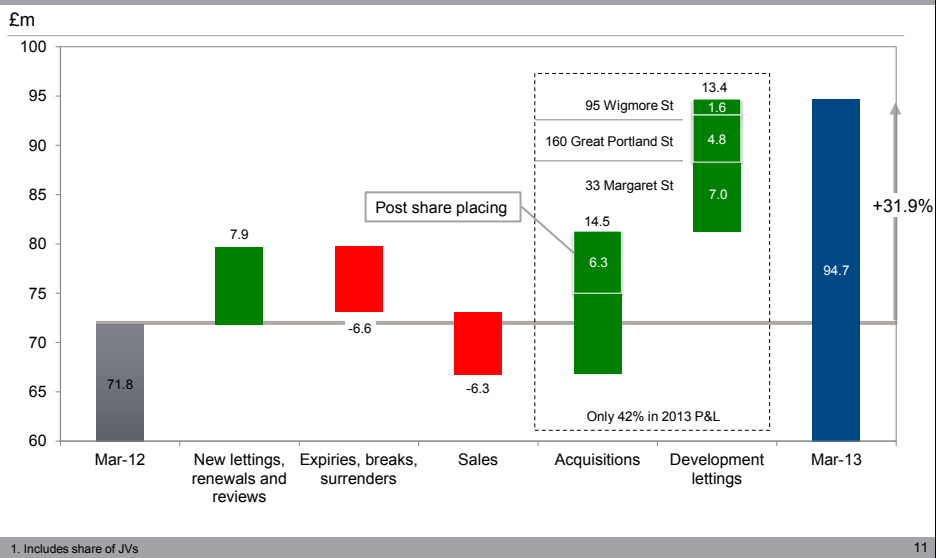
# EPRA Profit Before Tax<sup>1</sup>

Year to March 2013



# Delivering rental income growth

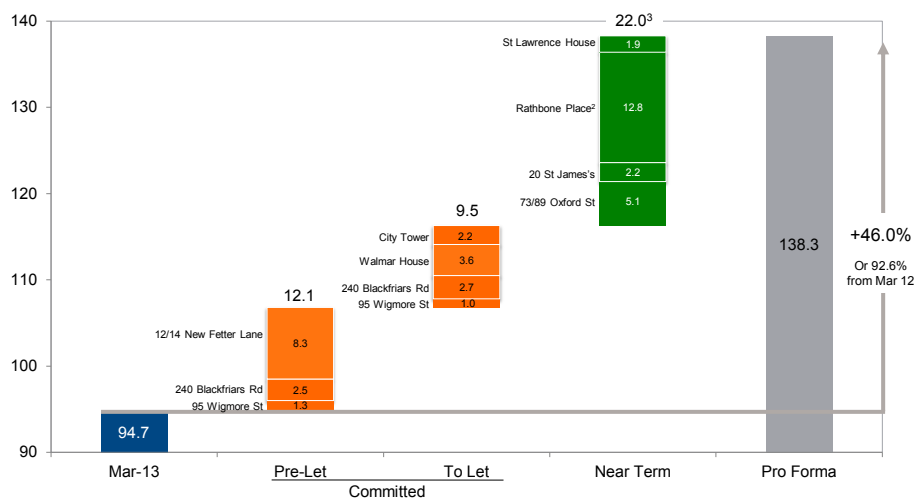
Increase in rent roll<sup>1</sup> to 31 March 2013



## Potential additional rent roll<sup>1</sup> from Committed / Near-Term Developments



£m, CBRE rental estimates March 2013



1. Includes share of JVs 2. Commercial Space only 3. Excludes 48/50 Broadwick St, W1, as potentially residential

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## Debt Analysis

Low cost, conservative leverage



	Pro Forma <sup>1</sup>	March 2013	March 2012
Net debt excluding JVs (£m)	662.5	658.9	499.1
<i>Net gearing</i>	43.1%	42.8%	40.3%
Total net debt including 50% JV non-recourse debt (£m)	764.8	761.1	686.9
<i>Loan-to-property value</i>	32.8%	32.7%	34.2%
<i>Total net gearing</i>	49.7%	49.5%	55.5%
Interest cover <sup>2</sup>		2.4x	2.0x
Weighted average cost of debt <sup>3</sup>		4.3%	4.5%
Weighted average interest rate <sup>4</sup>		3.7%	4.1%
% of debt fixed / hedged		71%	69%
Weighted average maturity of drawn debt		6.9 years	6.6 years
Cash & undrawn facilities		£282m	£329m

1. Pro forma for Orchard Court acquisition (completes July 2013) and deferred receipts on sale of 37.5% interest in 100 Bishopsgate Partnership

2. Calculated in accordance with unsecured debt covenants 3. For the period (including costs) 4. As at balance sheet date (excluding costs)

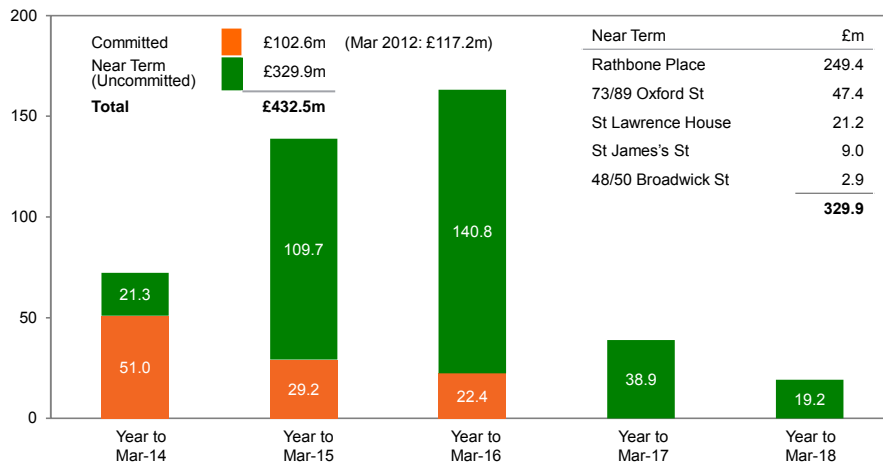
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## Capex<sup>1</sup> forecast

Committed and Near Term schemes



£m



<sup>1</sup> Projected Capital Expenditure excludes sales / marketing expenses, void costs and interest, including share of JVs

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## Key Financial Messages



### Strong uplift in portfolio and NAV per share

- Driven by our development successes and asset management activities

### Good growth in rental income and EPS

- Attractive outlook given development completions, pre-lettings and accretive acquisitions

### Excellent financial position

- Conservative, low cost leverage and significant firepower

### Progressive dividend policy

- Full dividend cover expected in next 12 - 24 months

### Positive financial outlook

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Acquisitions & Disposals

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Asset Management  
Development

Neil Thompson, Portfolio Director

Outlook

Toby Courtauld, Chief Executive

# London Market

Main messages



## Occupational market: More growth in rents

- London's economy
  - Outperforming UK
  - Generating jobs
- Demand
  - Signs of a leasing pick-up
  - Active demand is signing
  - Space under offer increasing
- Supply
  - Remains tight

## Office Rents

Near term	Selective growth
Medium term	Growth with economic recovery

## Investment market: Competitive

- Supply
  - Down since November
- Demand
  - Up since November

## Yields

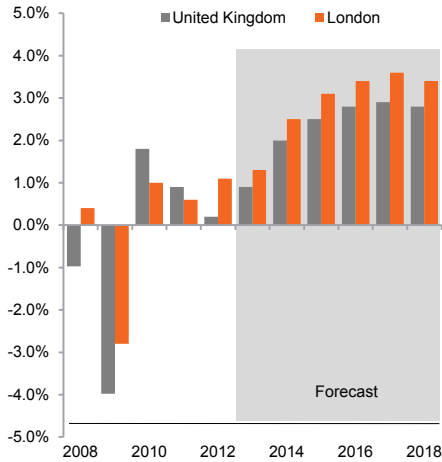
Prime	↘
Secondary	↔

# London outperforming

## Businesses growing

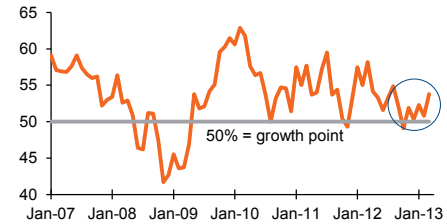


GDP / GVA<sup>1</sup> (2008 -2018)

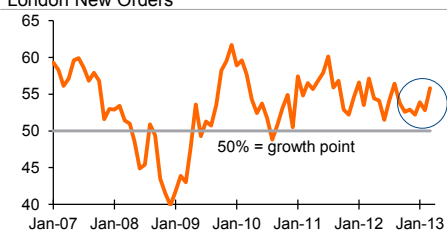


1. Source: ONS, Oxford Economics

London Business Activity<sup>2</sup>



London New Orders<sup>2</sup>

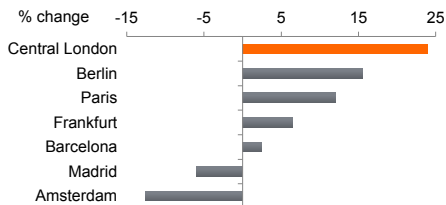


2. Source: PMI London Report

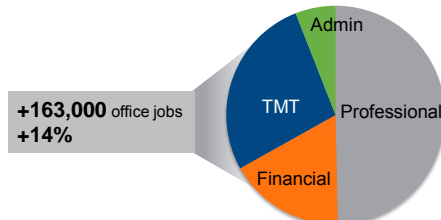
# London Employment Supportive Space Under Offer Increasing



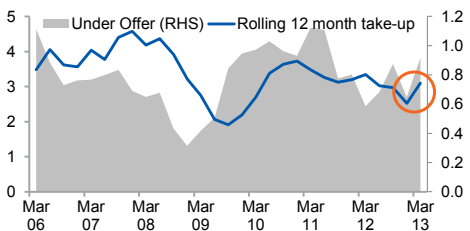
Knowledge Economy Employment 2009-2012<sup>1</sup>



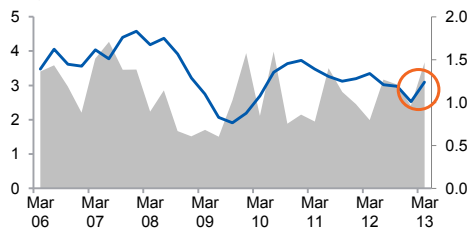
London's Employment Growth 2013-2018<sup>2</sup>



West End (m sq ft)<sup>3</sup>



City (m sq ft)<sup>3</sup>



1. Source: CBRE / Oxford Economics (Excludes Financial Services) 2. Source: CBRE / Oxford Economics 3. Source: JLL / Knight Frank

# Tight Supply remains supportive

## Development Completions

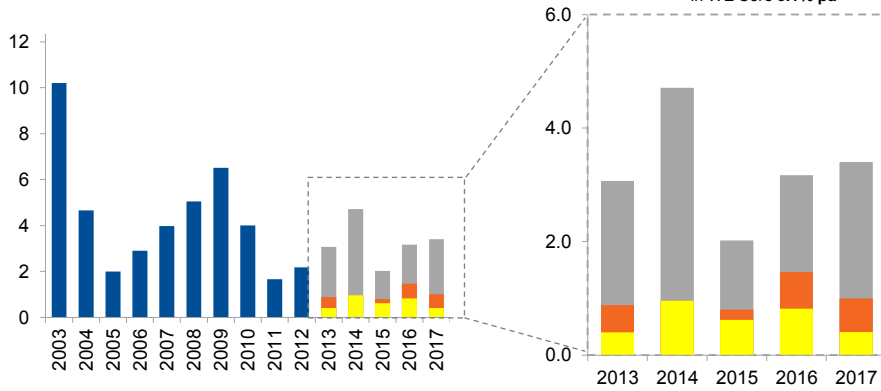


Central London Office Potential Completions<sup>1</sup>, Million sq ft

### Core Grade A vacancy rates Mar 13

City	4.3%
West End	2.4%

■ Completed      ■ West End  
■ GPE projections      ■ West End Core<sup>2</sup>= 3.2m sq ft / 5.4% of total stock in WE Core c.1% pa



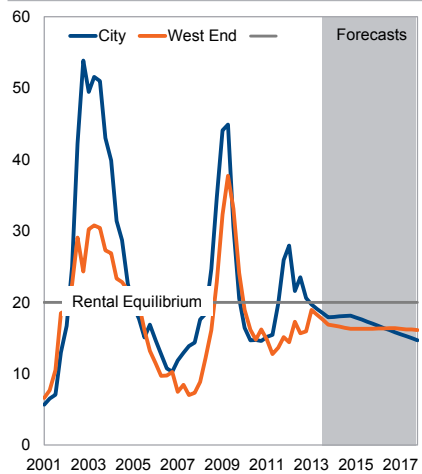
Source: CBRE / GPE 1. Excluding pre-lets 2. Includes W1 & SW1 postcodes

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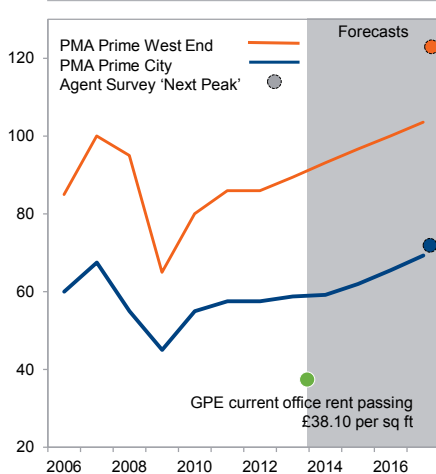
# Market Balance & Rental Forecasts



### Office Market Balance (months supply)



### Headline rents (£ per sq ft)



Source: PMA / GPE

Source: PMA / GPE / JLL / KF / CBRE / DTZ

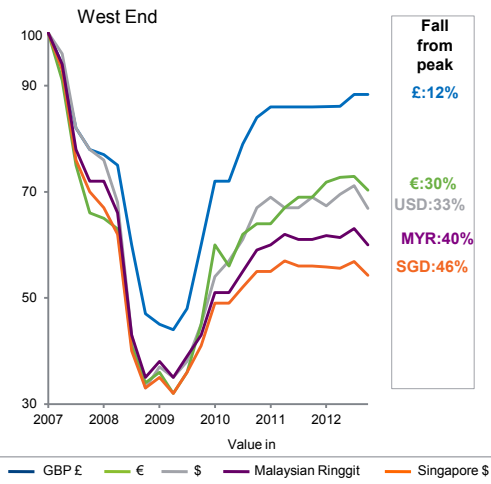
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# London Remains Attractive

Particularly to international capital

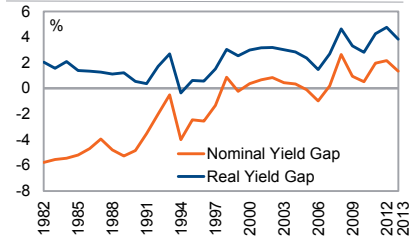


Capital value index, Q2 2007 – Q1 2013, June 2007 = 100

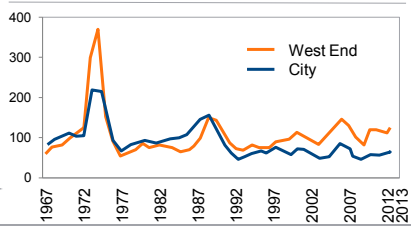


Source: Knight Frank

Prime West End Yields vs. Bonds



Prime Real Capital Values



Source: PMA.

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# More Investment Demand than Supply

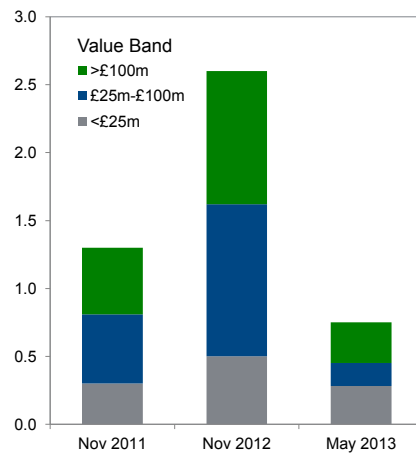
International Buyers Dominate



London Equity Demand and Asset Supply

	Nov 2012	May 2013	% change
<b>Equity Demand<sup>1</sup></b>	<b>£20.5bn</b>	<b>£22.5bn</b>	<b>+10%</b>
<b>Asset Supply<sup>2</sup></b>			
City	£2.1bn	£1.8bn	-14%
West End	£2.6bn	£0.8bn	-69%
	<b>£4.7bn</b>	<b>£2.6bn</b>	<b>-45%</b>
<b>Demand Multiple</b>	<b>4.4x</b>	<b>8.7x</b>	

West End Property on the Market (£bn)



1. Source: CBRE 2. Source: GPE. Net of assets withdrawn and under offer

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**Asset Management Development** **Neil Thompson, Portfolio Director**

**Outlook** **Toby Courtauld, Chief Executive**

# Recycling Capital



## Core strategy

- Sales: Bolster returns
- Acquisitions: Replenish pipeline  
- 53% of portfolio bought since 2009

## Profitable recycling

- £184m<sup>1</sup> sold
- 4.0% > book value
- 2.8% NIY
- £721 psf capital value

## Accretive acquisitions

- £271m<sup>1</sup>
- 72% West End
- NIY 4.7%, EY 5.4%
- £662 psf capital value
- £493<sup>2</sup> psf excluding retail

## Deals under review (£m)

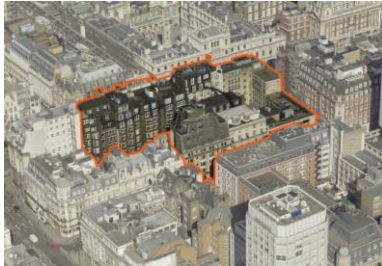


## Deals signed since placing

- 81% invested, 3 deals, £112m
- 5.5% NIY, £509<sup>2</sup> psf cap val
- 31% beneath replacement cost
- Angles for improvement / redevelopment

1. GPE share excluding transaction costs 2. Includes residential area at Minerva House, SE1

# Acquisitions



## Jermyn St Estate, SW1

- £159m, 184,000 sq ft
- ERVs  $\uparrow$  9.3%
- Valuation  $\uparrow$  11.3% since purchase
- More growth to come
- 2022 redevelopment

Since half year



Minerva House, SE1



Orchard Court, Portman Sq, W1



148 Old Street, EC1

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# Acquisitions

## Minerva House, SE1



- £60.0m, 5.4% NIY, FH
- £579 psf cap val, (£634 ex residential) freehold
- Avg. rent passing £36.00 psf
- 7.2% reversionary<sup>1</sup>

### Short Term

- Capture reversion
- Rent reviews from 2016

### Medium Term

- Expiries from 2021
- Options:
  - Refurbished ERV = £52.50 psf<sup>2</sup>
  - Add new floors
  - Alternative uses (A3, resi)



1. Based on CBRE ERV      2. GPE estimate

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## Acquisitions

Orchard Court, Portman Square, W1

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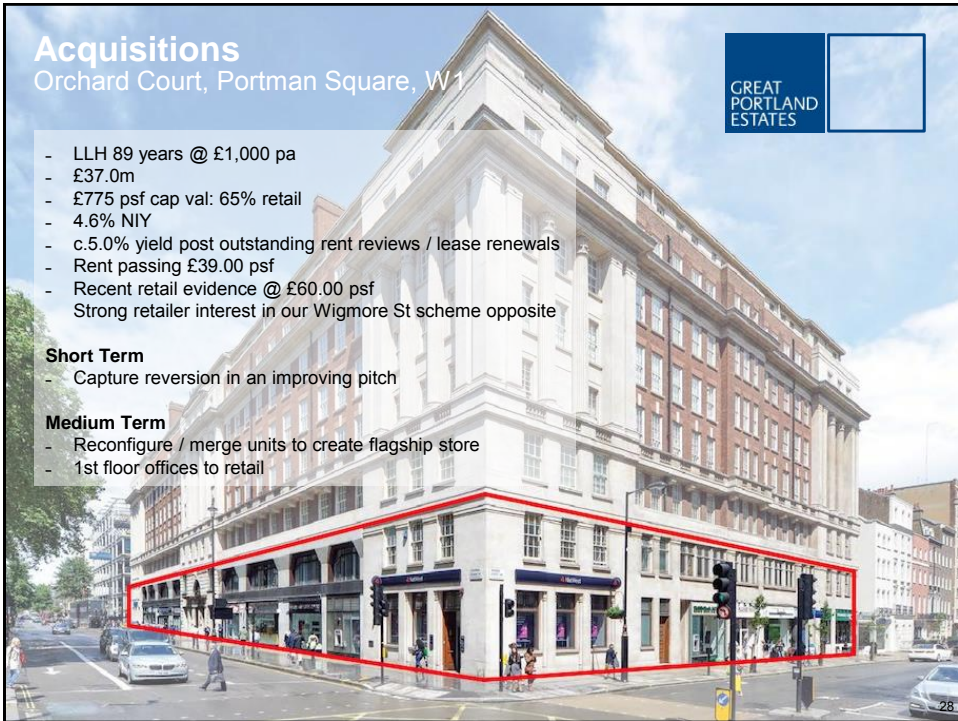
- LLH 89 years @ £1,000 pa
  - £37.0m
  - £775 psf cap val: 65% retail
  - 4.6% NIY
  - c.5.0% yield post outstanding rent reviews / lease renewals
  - Rent passing £39.00 psf
  - Recent retail evidence @ £60.00 psf
- Strong retailer interest in our Wigmore St scheme opposite

### Short Term

- Capture reversion in an improving pitch

### Medium Term

- Reconfigure / merge units to create flagship store
- 1st floor offices to retail



## Acquisitions

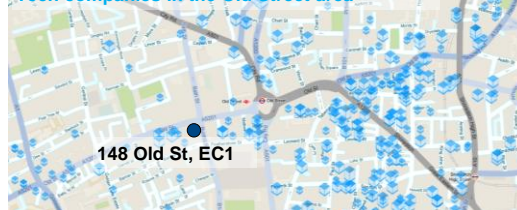
148 Old Street, EC1

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- £30m (our share £15m), 97,800 sq ft
- £307 psf cap val, freehold. £200 psf on GIA
- 6.9% NIY
- Royal Mail until 2020 @ £22.00 psf
- Tenant break May 2015

### Tech companies in the Old Street area<sup>1</sup>



### The Opportunity

1. Lease regear
  2. Refurbishment
- Or
3. Full redevelopment
    - 0.83 acre site
    - 66% net to gross ratio
    - £200 psf Cap Val off GIA

1. Source: [www.techcitymap.com](http://www.techcitymap.com)

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**Asset Management Development Update** Neil Thompson, Portfolio Director

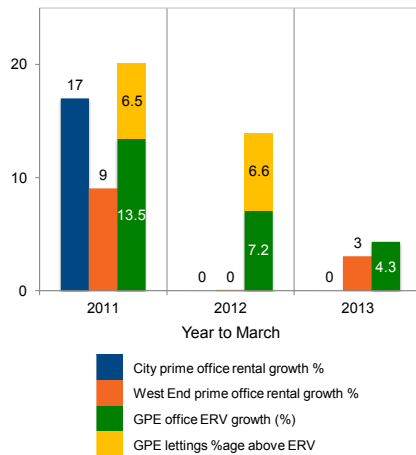
**Outlook** Toby Courtauld, Chief Executive

# Asset Management Summary 12 months to March 2013



- 84 new leases
  - 45 market lettings / £6.8m new rent<sup>1&2</sup>
  - 6.63% above March 2012 ERV<sup>1</sup>
- Average office rents £38.10 psf
- Average office ERV £43.80 psf
- Reversionary potential £11.7m p.a., 12.3%
- 75 lease events
  - 98% tenant retained / relet / refurbishment<sup>4</sup>
- 2.3% investment portfolio void rate<sup>2</sup> (March 13)
- WAULT 7.4 years<sup>2</sup>

GPE ERV Growth & Leasing Performance<sup>3</sup>



**Performance from Asset Management**

1. Market lettings only, i.e. excludes short-term lettings ahead of developments 2. Includes GPE share of JV properties  
 3. Source: CBRE / GPE 4. By floor area - IVs at 100%



## Asset Management

Wells & More, W1



### Double Negative Ltd

- 2009: 21,800 sq ft, Pt 4<sup>th</sup> and 5<sup>th</sup> floor  
£39.50 psf
- 2011: 160 Great Portland St, W1 pre-let  
- 89,300 sq ft

### New Look

- 2013: Pt 4<sup>th</sup> (6,100 sq ft)  
- £70.00 psf (+80% on previous rent)  
- 9 months rent free
- Rent review Q1 2014 (65,000 sq ft)
- Building reversion 39.6%
- Best space 5<sup>th</sup> (15,700 sq ft)  
under refurbishment

**Re-rated ERV → Increased rent**



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# Development Scheme Review

Completions since May 2009



Property	PC	New build area Sq ft	Cost £m	Profit on cost <sup>1</sup> £m	Yield on cost <sup>3</sup>	Rent £m pa <sup>3</sup>	WAULT	% Let at PC
184/190 Oxford St, W1	Apr 2011	26,400	28.7	9.8	SOLD	SOLD	SOLD	100%
Newman St, W1 (Residential) <sup>2</sup>	Oct 2011	24,900	26.4	2.8	-	-	-	-
24 Britton St, EC1	Nov 2011	51,300	19.3	8.5	8.2%	1.6	13.5	100%
160 Great Portland St, W1	May 2012	92,900	63.3	35.5	8.2%	4.8	19.1	100%
33 Margaret St, W1	Dec 2012	103,700	65.5	56.1	8.5%	7.3	18.8	97%
		299,200	203.2	112.7 <sup>3</sup> (55%)	8.3%	13.7	17.8	

**Solid, high yielding income**

JV properties include 100% of area

1. Based on CBRE March 2013 valuation where held or sold 2. 13 of 16 flats have been sold 3. Rent / yield on costs for assets held only

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**Completed Project**  
33 Margaret St, W1

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- Purchase Nov 2009
- Profit share arrangement with EuroHypo / Istithmar
- Development Sept 2010 - Dec 2012
- 103,700 sq ft – retail / office
- Rent £7.3m pa (Office £73.25 psf)
- Offices let to Savills plc
- 20 year lease, no break
- Profit share arrangements closed

GPE profit on cost	79.8%
Ungeared IRR	49.8%
Yield on cost	8.5%

ALL BAR ONE 289

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## Development Committed projects



	Anticipated Finish	New building area <sup>1</sup>	Cost <sup>2</sup> £m	ERV <sup>3</sup>		Income secured £m	% let <sup>5</sup>	Profit on cost <sup>4</sup>
				£m	Office avg £psf			
95 Wigmore Street, W1 (GWP)	Jul 2013	112,300	3.1	3.9	83.75	3.3	85%	52%
City Tower, Basinghall Street, EC2 (GSP)	Aug 2013	140,200	5.5	3.0	46.25	0.8	26%	28%
Walmart House, 288/300 Regent St, W1	Feb 2014	60,400	6.0	3.9	66.00	0.3	7%	27%
240 Blackfriars Road, SE1 (GRP)	Mar 2014	236,300	29.9	5.2	46.75	2.5	47%	39%
12/14 New Fetter Lane, EC4	Nov 2015	142,500	58.1	8.3	58.25	8.3	100%	26%
<b>Committed projects</b>		<b>691,700</b>	<b>102.6</b>	<b>24.3</b>		<b>15.2</b>	<b>63%</b>	<b>34%</b>

Development value £403m £885 psf

Development yield 7.8%

Expected profit on cost £101.8m 33.7%

41% of expected profit taken March 2013<sup>6</sup>

1. Areas are in sq ft and at 100%. 2. Cost to complete, GPE share. JV assets shown at 50%. 3. Agreed pre-let rent or CBRE March 2013 ERV, shown at 50% for JV assets. 4. Based on CBRE estimate of completed value. 5. By ERV. 6. Profit included in CBRE March 2013 Valuation

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## Development Committed projects

### Profit sensitivity to shifts in yield and rent<sup>1</sup>



		Yield		
		£m	+0.25%	Current
Rent psf <sup>1</sup>	-£5.00	£76.5m	£89.1m	£103.0m
		£834 psf	£855 psf	£878 psf
	-£2.50	£82.5m	£95.4m	£109.7m
		£849 psf	£870 psf	£894 psf
	Current	£88.5m	£101.8m	£116.3m
	£864 psf	£885 psf	£910 psf	
+£2.50	£94.6m	£108.1m	£123.0m	
	£878 psf	£901 psf	£926 psf	
+£5.00	£100.6m	£114.4m	£129.6m	
	£893 psf	£916 psf	£942 psf	

1. Pre-let rent is fixed and not adjusted

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## Committed Project

12/14 New Fetter Lane, EC4

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- Pre-let to Bird & Bird
- 142,500 sq ft
- 20.25 year term, no break
- £8.3m pa
- 7 months rent free, £20.6m cash payment  
(Total incentive 37 months rent equivalent)
- Hand back option (max 25,900 sq ft / 18%)
- Practical completion Q4 2015

GPE profit on cost	26.2%
Ungeared IRR	22.2%
Yield on cost	8.0%

38

## Committed Project

95 Wigmore St, W1

GREAT  
PORTLAND  
ESTATES



- Completion July 2013
- 112,300 sq ft prime office / retail space
- Office space 84% pre-let at £83.00 psf
  - 5% ahead of CBRE ERV Mar 12
- Good covenants
  - Bridgepoint
  - Lane, Clark & Peacock
- WAULT 12.9 years
- Strong interest in 12,900 sq ft 4<sup>th</sup> floor office and retail space

GPE profit on cost	51.7%
Ungeared IRR	25.7%
Yield on cost	7.3%



39

## Development Near Term and Pipeline



	Planning Status	New build area (sq ft)	Start	Ownership
<b>Near Term</b>				
20 St James's St, SW1	Consented	50,400	2013	100%
Rathbone Place, W1	Application	414,100	2014	100%
48/50 Broadwick St, W1	Application	6,800	2014	100%
St Lawrence House, 26/34 Broadwick St, W1	Design	71,500	2014	100%
73/89 Oxford St and 1 Dean St, W1	Application	88,100	2015	100%
<b>Pipeline</b>				
Tasman House, 59/63 Wells St, W1	Design	25,500	2014	100%
Mortimer House, Mortimer St & 39/41 Wells St, W1	Design	25,000	2015	100%
52/54 Broadwick St & 10/16 Dufours Place, W1	Design	47,000	2015	100%
78/86 Great Portland St, W1	Design	34,500	2015	100%
90/92 Great Portland St, W1	Design	8,400	2015	100%
Kingsland/Carrington House, 122/130 Regent Street, W1	Design	51,400	2015	100%
148 Old Street, EC1	Design	100,000	2015	GRP
Hanover Square, W1	Consented	208,000	2016	100%
103/113 Regent Street, W1	Design	65,000	2016+	GRP
35 Portman Square, W1	Design	73,000	2021	100%
40/48 Broadway & 1/11 Carteret St, SW1	Consented	82,100	2022	GVP
Jermyn St Estate, SW1	Design	132,100	2022	100%
French Railways House & 50 Jermyn St, SW1	Design	75,000	2022	100%
Mount Royal, 508/540 Oxford St, W1	Design	92,100	2022	GVP
Minerva House, 5 Montague Close, SE1	Design	120,000	2022	100%
		1,770,000	1,550,000 – 88% West End	

40

### Near Term Project Rathbone Place, W1

- Planning application submitted
- 414,100 sq ft (RMG 383,400 sq ft)  
8% increase
  - 216,800 sq ft offices
  - 155,000 sq ft residential
  - 42,300 sq ft retail
- Vibrant public square
- VP Q3 2013
- Anticipated completion Q3 2016
- Major benefit from Crossrail
  - £62 psf office ERV
  - £1,800 psf residential value

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## Near Term Project

73/89 Oxford St & 1 Dean St, W1



- Planning application submitted
- 88,100 sq ft
  - 33,500 sq ft retail
  - 54,600 sq ft office
- High demand for retail
  - Opportunity to pre-let
  - Zara 31,000 sq ft
  - Primark now 182,000 sq ft
  - Rapidly improving location
- Impact of Crossrail ahead of 2018
- Development Q1 2015 – Q2 2017

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## Near Term Project

St Lawrence House, 26/34 Broadwick St, W1



- Low supply Soho Market
- Planning application Summer 2013
- Major refurbishment
- 71,500 sq ft
  - 10,200 sq ft retail / restaurant
  - 61,300 sq ft office
- 10,000 sq ft floor plate
- Completion Q4 2015

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## Development Near Term and Pipeline



### Near Term

20 St James's St, SW1  
Rathbone Place, W1  
48/50 Broadwick St, W1  
St Lawrence House, 26/34 Broadwick St, W1  
73/89 Oxford St and 1 Dean St, W1

### Pipeline

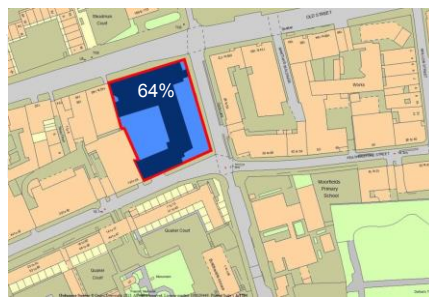
Tasman House, 59/63 Wells St, W1  
Mortimer House, Mortimer St & 30 Broadwick St, W1  
52/54 Broadwick St & 10/16 Dufour St, W1  
78/86 Great Portland St, W1  
90/92 Great Portland St, W1  
Kingsland/Carrington House, 122/124 Old Street, EC1



Hanover Square, W1	Consented	208,000	2016	100%
103/113 Regent Street, W1	Design	65,000	2016+	GRP
35 Portman Square, W1	Design	73,000	2021	100%
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Minerva House, 5 Montague Close, SE1	Design	120,000	2022	100%
		1,770,000		

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## Development Near Term and Pipeline




	Planning Status	New build area (sq ft)	Start	Ownership
	Consented	50,400	2013	100%
	Application	414,100	2014	100%
	Application	6,800	2014	100%
	Design	71,500	2014	100%
	Application	88,100	2015	100%
	Design	25,500	2014	100%
	Design	25,000	2015	100%
	Design	47,000	2015	100%
	Design	34,500	2015	100%
	Design	8,400	2015	100%
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		1,770,000		

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# Development

## Near Term and Pipeline

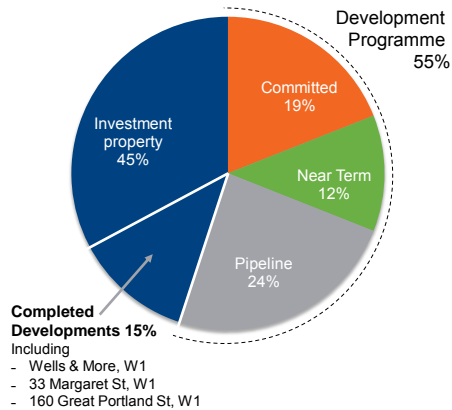


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	Design	51,400	2015	100%	
	Design	100,000	2015	GRP	
	Consented	208,000	2016	100%	
	Design	65,000	2016+	GRP	
	Design	73,000	2021	100%	
	Consented	82,100	2022	GVP	
	Design	132,100	2022	100%	
	Design	75,000	2022	100%	
	Design	92,100	2022	GVP	
	Design	120,000	2022	100%	
			<u>1,770,000</u>		

# Development Summary



Total portfolio 3.65m sq ft



- Completed projects
  - 51% profit on cost
- Leasing strategy delivering results
- Committed projects
  - 63% pre-let
  - 33.7% profit on cost
  - Set to increase
- Pre-letting where possible
- Joint ventures / forward selling
- Market conditions favourable
- Exceptional programme

**Met Building, W1**

- PC value May '05 £69m
- Sale value Sep '07 £107m } **+55%**

**Significant shareholder value**



# Agenda



**Introduction** **Toby Courtauld, Chief Executive**

**Financial Results** **Nick Sanderson, Finance Director**

**Market Portfolio** **Toby Courtauld, Chief Executive**  
**Acquisitions & disposals**

**Asset Management Development** **Neil Thompson, Portfolio Director**

**Outlook** **Toby Courtauld, Chief Executive**

## Opportunity

### Markets are supportive

- Supply to remain tight
- Demand for GPE space strong
- Investment market competitive
  - Yields stable: prime lower?

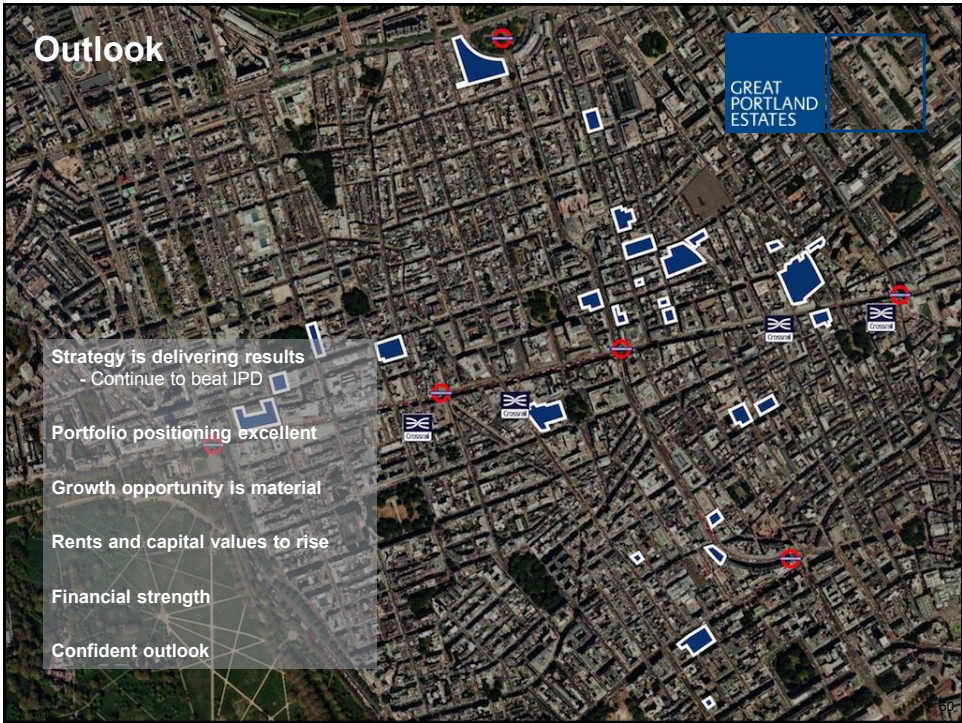
### Strategy is clear

- Repositioning: low rents, low capital values
- Central London only: West End bias (81% today)
- Recycling: crystallising profits, replenish pipeline
  - Good buying track record
  - 53% of portfolio bought since 2009

### Portfolio primed for growth

- Reversions to capture – beating ERVs
- Asset management to exploit: mark ERVs higher
- Near term development profits
- 20 scheme pipeline
- Largest ever programme
  - 2.5m sq ft, 55% of portfolio





## Disclaimer



This presentation 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 presentation 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.

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## Balance Sheet

Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	March 12
Investment property	1,859.1	469.6	2,328.7	2,007.5
Other assets	67.9	3.6	71.5	160.4
Net debt	(658.9)	(102.2)	(761.1)	(686.9)
Other liabilities	(78.7)	(22.7)	(101.4)	(242.7)
<b>Net assets</b>	<b>1,189.4</b>	<b>348.3</b>	<b>1,537.7</b>	<b>1,238.3</b>
<i>EPRA net assets per share</i>	<i>344p</i>	<i>102p</i>	<i>446p</i>	<i>403p</i>

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# Income Statement

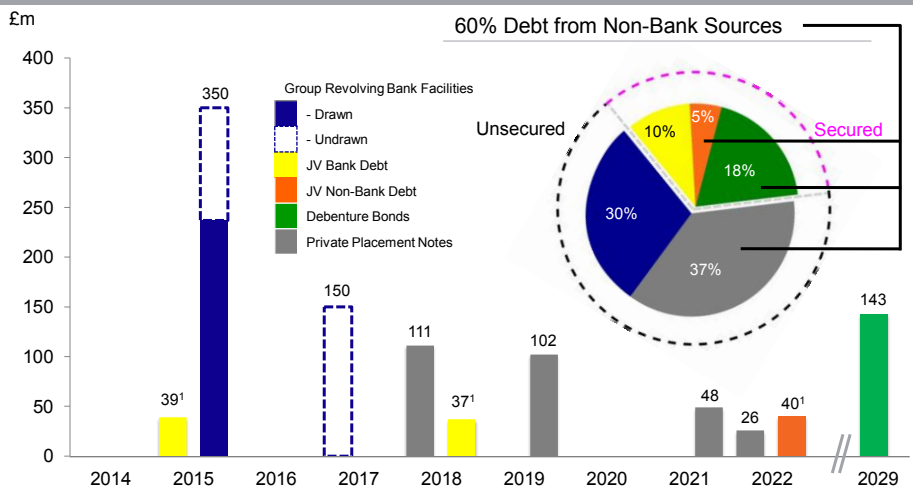
Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	Mar 12
Rental income	57.1	20.1	77.2	70.8
Fees from Joint Ventures	6.1	-	6.1	5.6
Property and Administration costs	(29.3)	(2.6)	(31.9)	(31.1)
Finance costs	(13.0)	(15.1)	(28.1)	(33.3)
Profit before surplus on investment property	20.9	2.4	23.3	12.0
Surplus on investment property	99.0	58.8	157.8	143.2
Loss on disposal of Joint Venture	(0.5)	-	(0.5)	
Reported profit before tax	119.4	61.2	180.6	155.2
<b>EPRA PBT</b>				
Profit before surplus on investment property	20.9	2.4	23.3	12.0
Less: fair value movement on derivatives	(5.9)	4.8	(1.1)	5.4
	<b>15.0</b>	<b>7.2</b>	<b>22.2</b>	<b>17.4</b>

54

# Attractive debt profile<sup>1</sup>

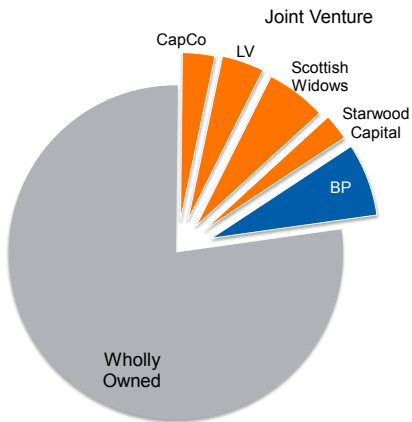


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# Use of Joint Ventures



## Share of Net Investment



## Net Investment<sup>1</sup>

£m

### Access to new properties

	48.2
	63.0
	89.6
	38.9

### Risk sharing

	108.6
--	-------

**Total**

**348.3**

1. Share of net investments at 31 March 2013

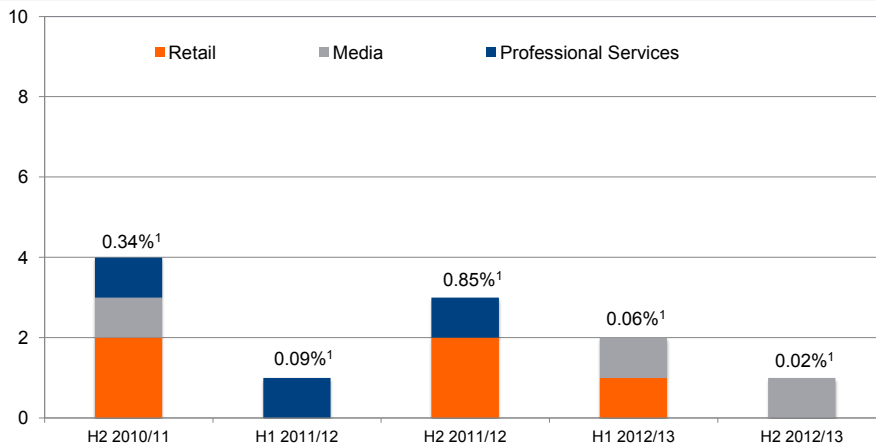
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# Tenant Delinquencies

Six month periods



## Number of delinquencies



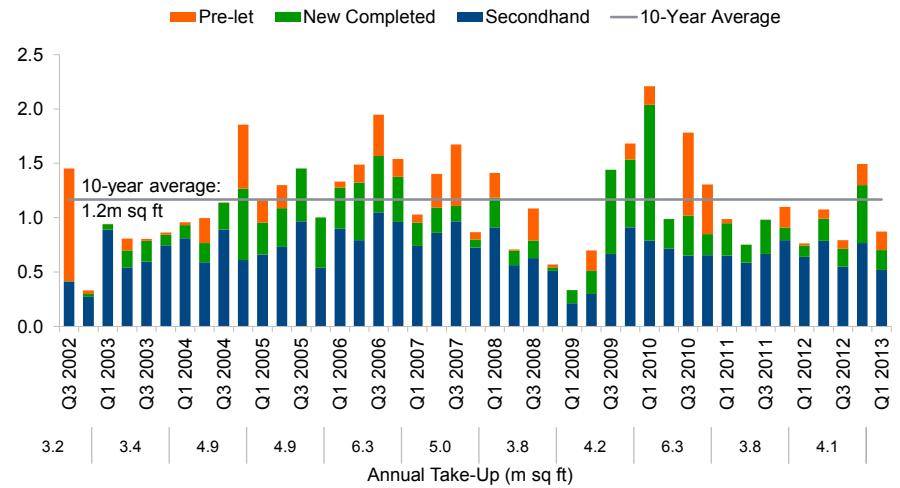
1. Value of delinquencies as % of Rent Roll (including 100% of JV properties)

57

# City Take-Up



Million sq ft



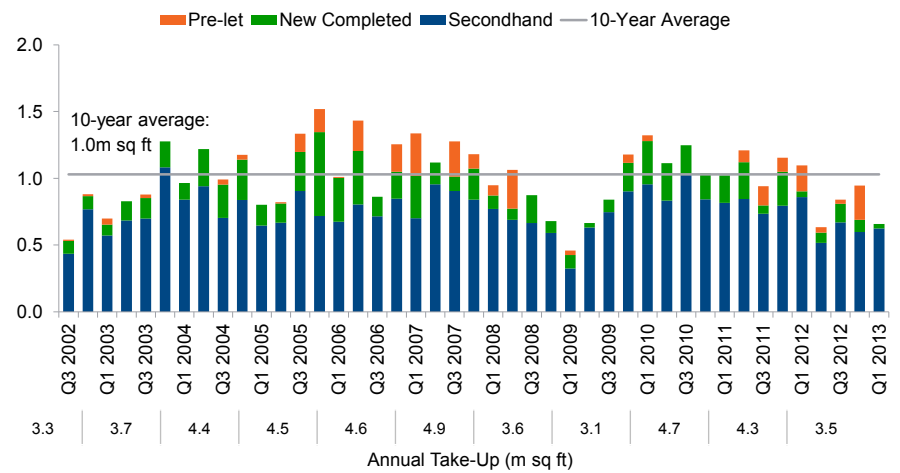
Source: CBRE

58

# West End Take-Up



Million sq ft



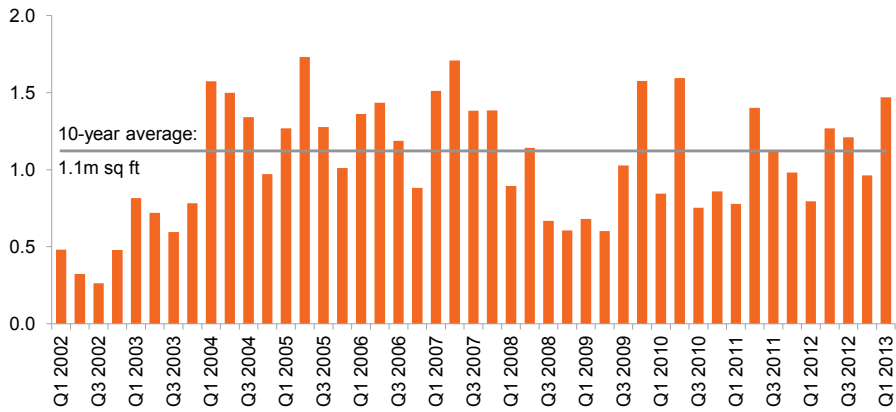
Source: CBRE

59

## City Office Under Offer



Million sq ft



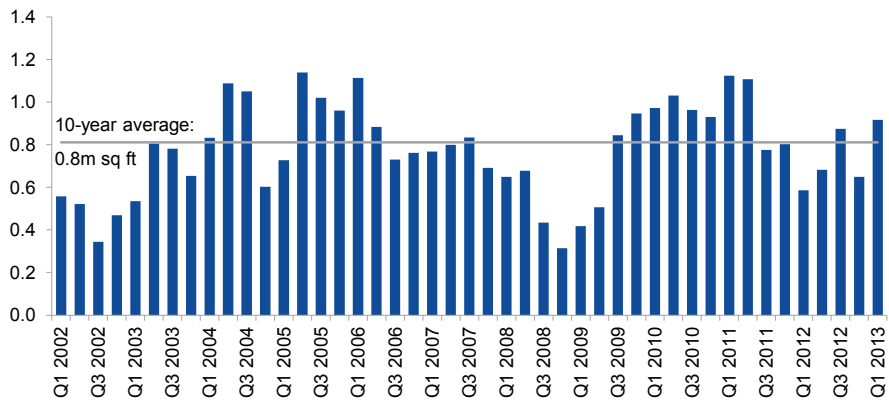
Source: CBRE

60

## West End Office Under Offer



Million sq ft



Source: CBRE

61

## City Active Requirements >10,000 sq ft



000 sq ft	May 2010	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Change		
								12 months	1st 6 months	2nd 6 months
Professional Services	1,165	455	1,549	1,620	1,073	1,073	838	-22%	0%	-22%
Financial Services	854	1,038	1,447	955	1,139	1,197	894	-22%	5%	-25%
Manufacturing & Corporates	57	42	192	181	137	67	55	-60%	-51%	-18%
Miscellaneous	513	217	266	440	350	441	423	21%	26%	-4%
Marketing & Media	505	424	42	89	133	61	71	-47%	-54%	16%
IT & Technology	117	210	261	206	257	234	554	116%	-9%	137%
Government	22	94	94	205	259	92	25	-90%	-64%	-73%
Insurance	497	570	1,095	922	926	831	568	-39%	-10%	-32%
<b>Total</b>	<b>3,730</b>	<b>3,050</b>	<b>4,946</b>	<b>4,618</b>	<b>4,274</b>	<b>3,996</b>	<b>3,428</b>	<b>-20%</b>	<b>-7%</b>	<b>-14%</b>

Source: Knight Frank

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## West End Active Requirements >10,000 sq ft



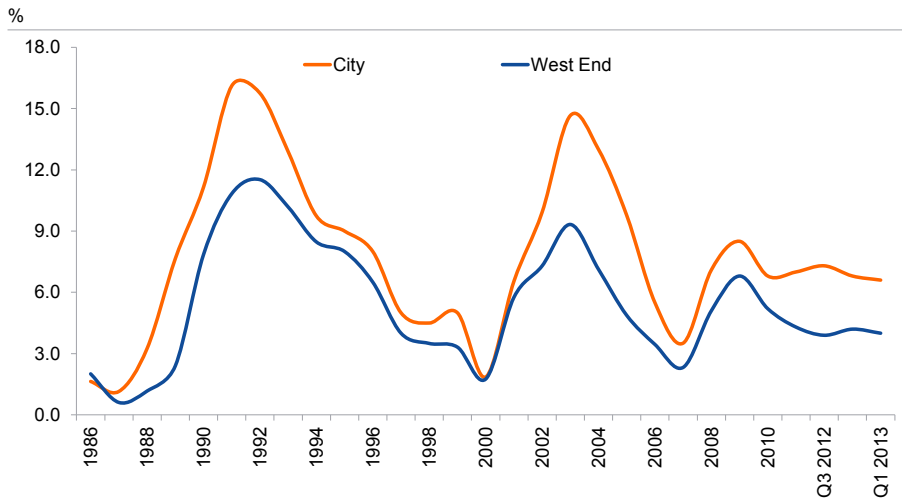
000 sq ft	May 2010	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Change		
								12 months	1st 6 months	2nd 6 months
Professional Services	77	100	100	165	100	110	156	56%	10%	42%
Financial Services	402	283	198	331	358	368	616	72%	3%	67%
Manufacturing & Corporates	124	262	256	100	155	485	445	187%	213%	-8%
Miscellaneous	362	485	469	315	432	373	210	-51%	-14%	-44%
Marketing & Media	155	225	206	82	782	810	145	-81%	4%	-82%
IT & Technology	195	130	218	175	95	172	276	190%	81%	60%
Government	568	422	270	84	109	64	83	-24%	-41%	30%
<b>Total</b>	<b>1,883</b>	<b>1,907</b>	<b>1,717</b>	<b>1,252</b>	<b>2,031</b>	<b>2,382</b>	<b>1,930</b>	<b>-5%</b>	<b>17%</b>	<b>-19%</b>

Source: Knight Frank

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## Void Rate: Ready to Occupy Space



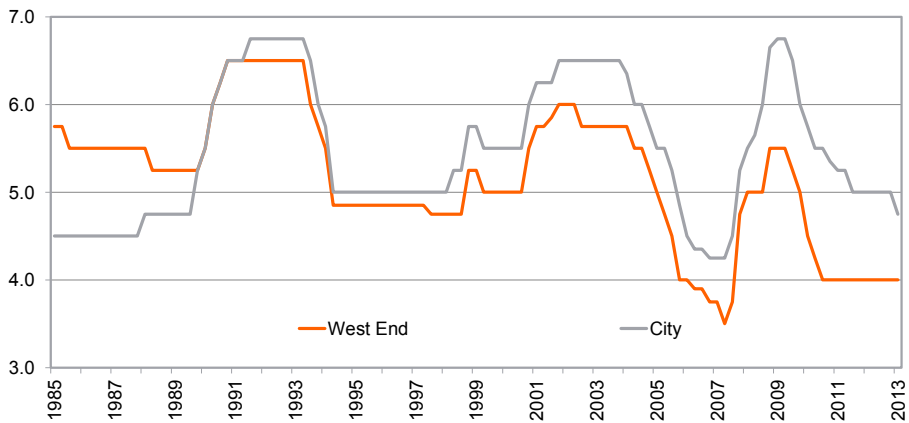
Source: CBRE

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## Central London Prime Yields



Central London Prime Yields (%)



Source: CBRE

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## Equity Demand



£bn	May 2010	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013
Private	5.0	5.0	3.5	5.0	5.0	5.0	6.0
UK REITs	3.0	3.0	3.0	2.0	2.0	2.0	2.5
Sovereign	2.0	7.0	7.0	5.5	6.0	6.5	7.5
UK Funds	2.0	2.0	1.0	0.8	0.75	1.0	1.0
US Opp Funds	2.0	3.0	4.0	3.0	4.0	4.5	4.5
German Funds	1.5	1.5	0.5	0.5	0.75	1.5	1.0
	<b>15.5</b>	<b>21.5</b>	<b>19.0</b>	<b>16.8</b>	<b>18.5</b>	<b>20.5</b>	<b>22.5</b>

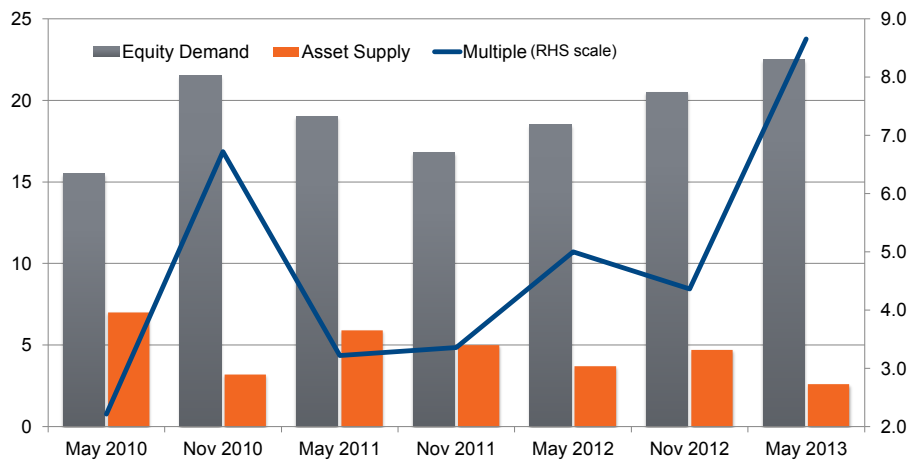
Source: CBRE

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## Investment Market



London Equity Demand<sup>1</sup> and Asset Supply<sup>2</sup>. (£bn)



1. Source: CBRE 2. Source: GPE. Net of assets withdrawn and under offer

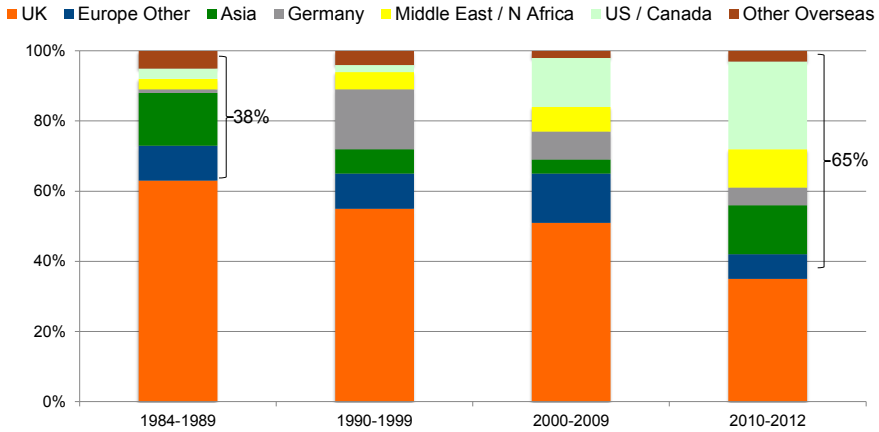
67

# More Investment Demand than Supply

## International Buyers Dominate



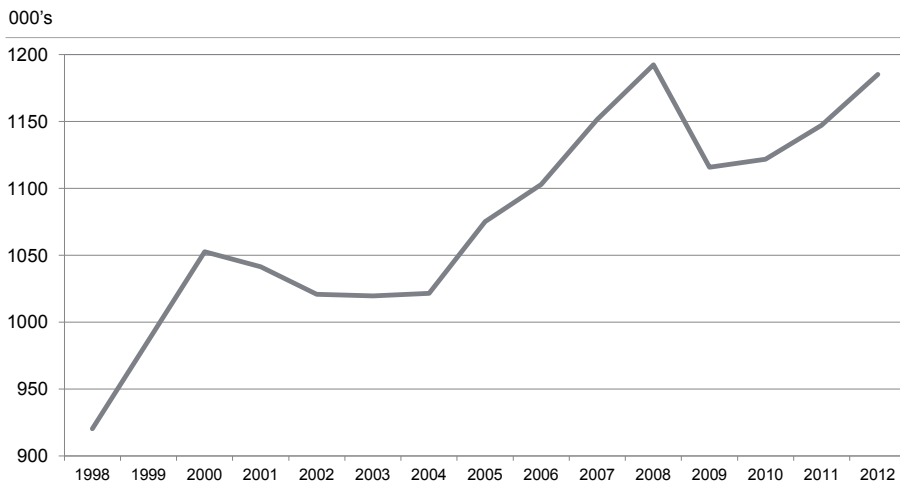
Investment Volumes by Purchasers



1. Source: CBRE

# Office Based Employees

## Central and inner London



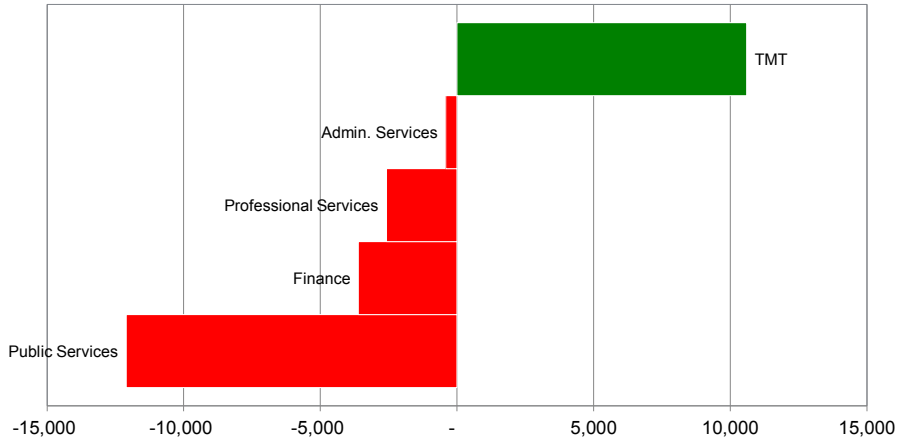
Source: CBRE, based on ONS and Experian data

# Change in Office Based Employees

## Central and inner London



Q4 2008 – Q4 2012, 000's



Source: CBRE, based on ONS and Experian data

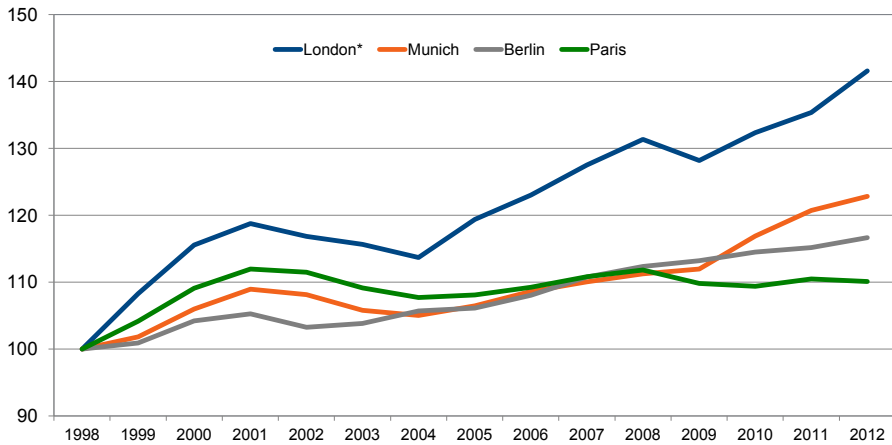
70

# Office Based Employees

## European Cities



Base = 100, Includes self employed



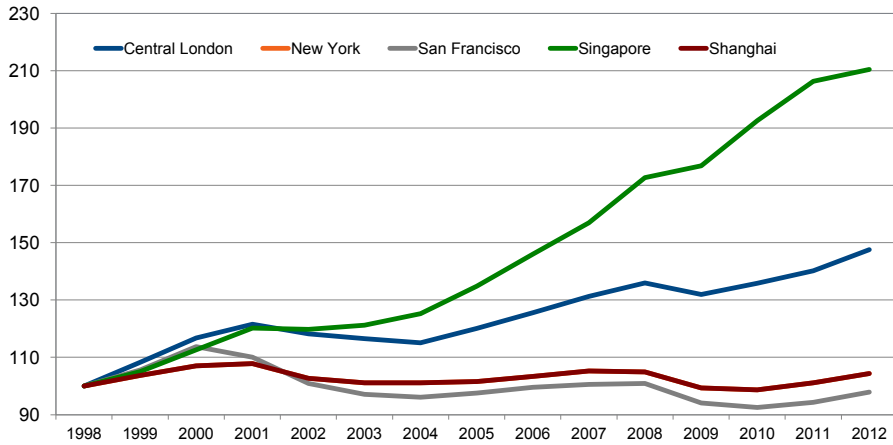
Source: CBRE, Oxford Economics

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## Office Based Employees World Cities



Base = 100, Includes self employed



Source: CBRE, Oxford Economics

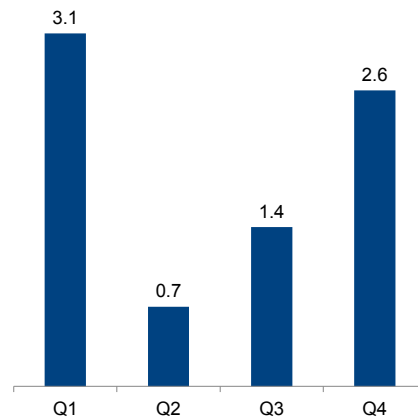
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## The Valuation Including share of Joint Ventures



To 31 March 2013	£m	Movement
		% 12 months
North of Oxford St	1,061.9	7.6%
Rest of West End	468.2	8.3%
<b>Total West End</b>	<b>1,530.1</b>	<b>7.8%</b>
<b>Total City, Midtown &amp; Southwark</b>	<b>309.2</b>	<b>2.3%</b>
<b>Investment Portfolio</b>	<b>1,839.3</b>	<b>6.8%</b>
Development properties	193.0	20.1%
<b>Properties held throughout period</b>	<b>2,032.3</b>	<b>8.0%</b>
Acquisitions	296.4	5.4%
<b>Total Portfolio</b>	<b>2,328.7</b>	<b>7.6%</b>

Quarterly Valuation Movement for Total Portfolio



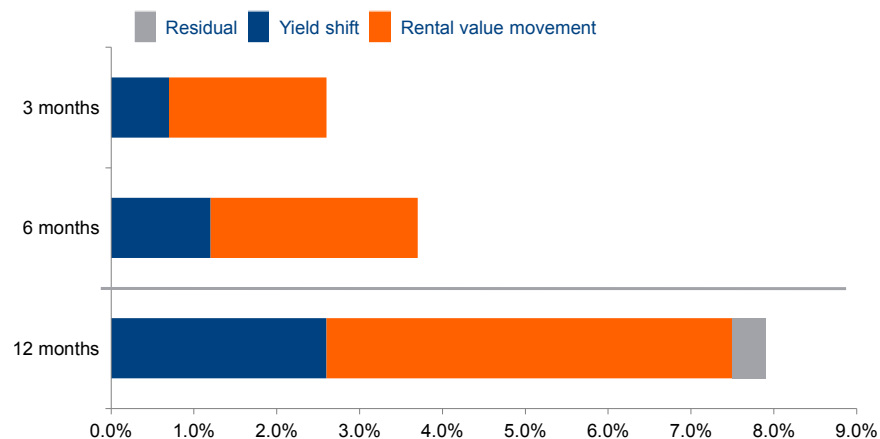
73

# The Valuation<sup>1</sup>

## Drivers of Valuation Movement<sup>2</sup>



% movement



1. Including share of Joint Ventures 2. Excludes development properties

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# The Valuation

## Including share of Joint Ventures



	Initial yield %	Equivalent Yield Basis point +/-			
		%	3 month	6 month	12 month
<b>North of Oxford Street</b>					
Offices	2.6%	5.0%	2	-5	-16
Retail	4.8%	5.0%	-2	-6	-8
<b>Rest of West End</b>					
Offices	2.4%	4.9%	-6	-8	-18
Retail	2.5%	4.4%	-34	-39	-59
<b>Total West End</b>	2.8%	4.9%	-5	-10	-21
<b>City, Midtown and Southwark</b>	5.1%	6.1%	-1	-1	2
<b>Total let Portfolio</b>	3.3% (4.0% ex rent free)	5.1%	-4	-8	-16

1. Includes rent frees on contracted leases

75

## The Valuation

Including share of Joint Ventures



	Value £m	12 months to			
		Mar 2013 £m	Change %	3 months %	6 months %
North of Oxford St	1,061.9	75.1	7.6%	2.3%	3.5%
Rest of West End	468.2	35.8	18.3%	1.0%	2.2%
<b>Total West End</b>	<b>1,530.1</b>	<b>110.9</b>	<b>7.8%</b>	<b>1.9%</b>	<b>3.1%</b>
<b>City, Midtown and Southwark</b>	<b>309.2</b>	<b>6.8</b>	<b>2.3%</b>	<b>1.5%</b>	<b>1.8%</b>
<b>Investment portfolio</b>	<b>1,839.3</b>	<b>117.7</b>	<b>6.8%</b>	<b>1.8%</b>	<b>2.9%</b>
Development properties	193.0	32.4	20.1%	10.6%	13.1%
<b>Properties held throughout the year</b>	<b>2,032.3</b>	<b>150.1</b>	<b>8.0%</b>	<b>2.6%</b>	<b>3.8%</b>
Acquisitions	296.4	15.1	5.4%	2.8%	4.1%
<b>Total portfolio</b>	<b>2,328.7</b>	<b>165.2</b>	<b>7.6%</b>	<b>2.6%</b>	<b>3.8%</b>

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## The Valuation

Wholly Owned



	Value £m	12 months to			
		Mar 2013 £m	Change %	3 months %	6 months %
North of Oxford St	912.3	66.0	7.8%	2.3%	3.6%
Rest of West End	431.5	32.0	8.0%	0.8%	1.9%
<b>Total West End</b>	<b>1,348.8</b>	<b>98.0</b>	<b>7.9%</b>	<b>1.8%</b>	<b>3.0%</b>
<b>City, Midtown and Southwark</b>	<b>187.0</b>	<b>2.4</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.4%</b>
<b>Investment portfolio</b>	<b>1,530.8</b>	<b>100.4</b>	<b>7.0%</b>	<b>1.7%</b>	<b>2.8%</b>
Development properties	46.9	3.5	8.0%	1.7%	2.4%
<b>Properties held throughout the year</b>	<b>1,577.7</b>	<b>103.9</b>	<b>7.0%</b>	<b>1.7%</b>	<b>2.8%</b>
Acquisitions	281.4	15.4	5.8%	3.1%	4.4%
<b>Total portfolio</b>	<b>1,859.1</b>	<b>119.3</b>	<b>6.9%</b>	<b>1.9%</b>	<b>3.1%</b>

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## The Valuation

Joint Ventures



	12 months to				
	Value £m	Mar 2013 £m	Change %	3 months %	6 months %
North of Oxford St	299.4	18.2	6.5%	2.3%	3.2%
Rest of West End	73.3	7.6	11.6%	3.4%	5.9%
<b>Total West End</b>	<b>372.7</b>	<b>25.8</b>	<b>7.4%</b>	<b>2.5%</b>	<b>3.7%</b>
<b>City, Midtown and Southwark</b>	<b>244.3</b>	<b>8.9</b>	<b>3.8%</b>	<b>2.0%</b>	<b>2.4%</b>
<b>Investment portfolio</b>	<b>617.0</b>	<b>34.7</b>	<b>6.0%</b>	<b>2.3%</b>	<b>3.2%</b>
Development properties	292.1	57.7	24.6%	13.7%	17.1%
<b>Properties held throughout the year</b>	<b>909.1</b>	<b>92.4</b>	<b>11.3%</b>	<b>5.7%</b>	<b>7.3%</b>
Acquisitions	30.0	(0.7)	(2.2%)	(2.2%)	(2.2%)
<b>Total portfolio</b>	<b>939.1</b>	<b>91.7</b>	<b>10.8%</b>	<b>5.5%</b>	<b>6.9%</b>

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## The Valuation<sup>1</sup>

ERV and Reversionary Potential



To 31 March 2013	Movement in ERV				Average Office Rent Passing £ per sq ft	Average Office ERV £ per sq ft	Reversionary Potential %
	12 months		3 months	6 months			
	%	£m	%	%			
<b>North of Oxford St</b>							
Offices	4.4%	1.6	1.7%	2.0%	41.00	45.50	7.2%
Retail	4.8%	0.4	2.0%	4.5%			9.3%
<b>Rest of West End</b>							
Offices	5.1%	1.0	0.5%	1.3%	37.00	49.60	28.6%
Retail	10.6%	1.0	3.1%	5.9%			25.7%
<b>Total West End</b>	<b>5.4%</b>	<b>4.0</b>	<b>1.6%</b>	<b>2.7%</b>	<b>39.80</b>	<b>46.70</b>	<b>13.9%</b>
<b>City, Midtown &amp; Southwark</b>							
Offices	3.3%	0.7	2.6%	2.0%	34.40	38.70	8.3%
Retail	1.3%	0.1	1.1%	1.2%			
<b>Total City, Midtown &amp; Southwark</b>	<b>3.2%</b>	<b>0.8</b>	<b>2.5%</b>	<b>2.0%</b>			<b>7.5%</b>
<b>Total Let Portfolio</b>	<b>4.9%</b>	<b>4.8</b>	<b>1.9%</b>	<b>2.5%</b>	<b>38.10</b>	<b>43.80</b>	<b>12.3%</b>

1. Including share of Joint Ventures

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## Sales & Purchases<sup>1</sup>



Sales	Gross Price (£m)	NIY (%)	Price (£psf)	Premium to book value
Buchanan House	20.5	2.1%	319	2.5%
Jermyn Street Estate	60.0	3.7%	902	3.9%
Regent Arcade House	24.0	5.5%	741	6.5%
100 Regent Street	32.3	3.9%	1,218	9.5%
100 Bishopsgate (37.5%)	47.4	0.4%	n/a	0.0%
<b>Total</b>	<b>184.2</b>	<b>2.8%</b>	<b>721</b>	<b>4.0%</b>

Purchases	Price paid (£m)	NIY (%)	Area (Sq ft)	Cost (£psf)
Jermyn Street Estate	120.0	3.7%	133,024	902
French Railways House	39.0	5.1%	49,879	782
Minerva House	60.0	5.4%	103,686	579
Orchard Court	37.0	4.6%	47,762	775
148 Old Street	15.0	6.9%	97,807	307
<b>Total</b>	<b>271.0</b>	<b>4.7%</b>	<b>432,158</b>	<b>662</b>

1. GPE share

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## Asset Management Movement in Reversions<sup>1</sup>



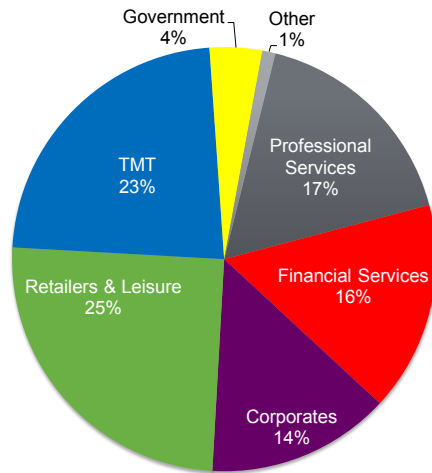
	6 months to	
	31 March 2013	30 Sept 2012
At beginning of period	£9.0m	£9.7m
Asset management	(£0.1m)	(£1.1m)
Disposals / acquisitions	£1.3m	(£0.5m)
ERV movement	£1.5m	£0.9m
At end of period	£11.7m	£9.0m

1. Includes share of Joint Ventures

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# GPE Tenants<sup>1</sup>

By Sector at 31 March 2013



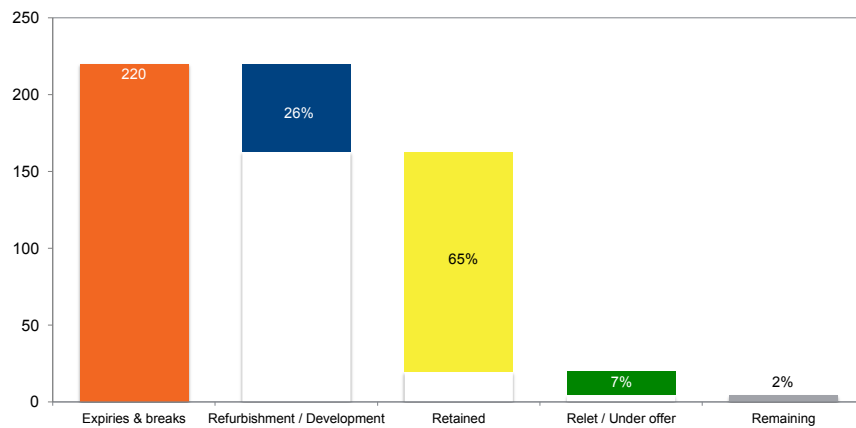
1. Includes share of Joint Ventures

# Asset Management

Tenant retention, 12 months to March 2013<sup>1</sup>



Area (000 sq ft)



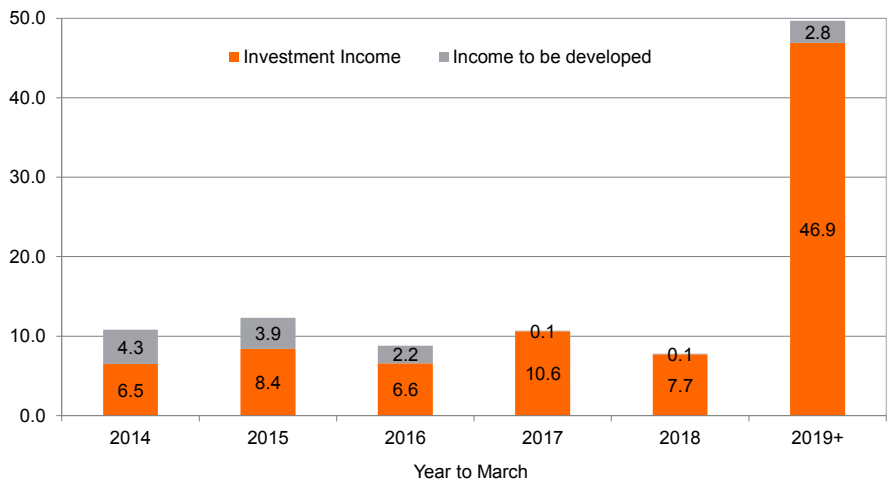
1. Joint Ventures at 100%

# Asset Management

## Expiry profile<sup>1</sup>



% by total rental income subject to lease expiry or break



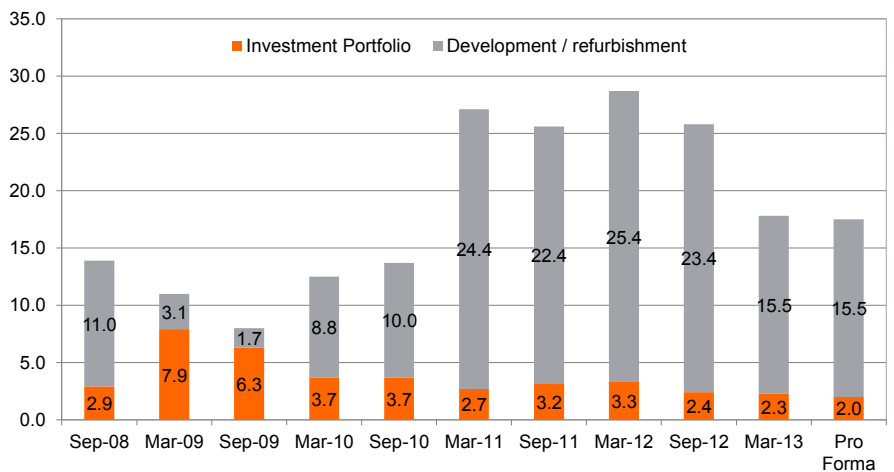
1. Includes share of Joint Ventures

# Asset Management

## Void rate, % by rental value<sup>1</sup>



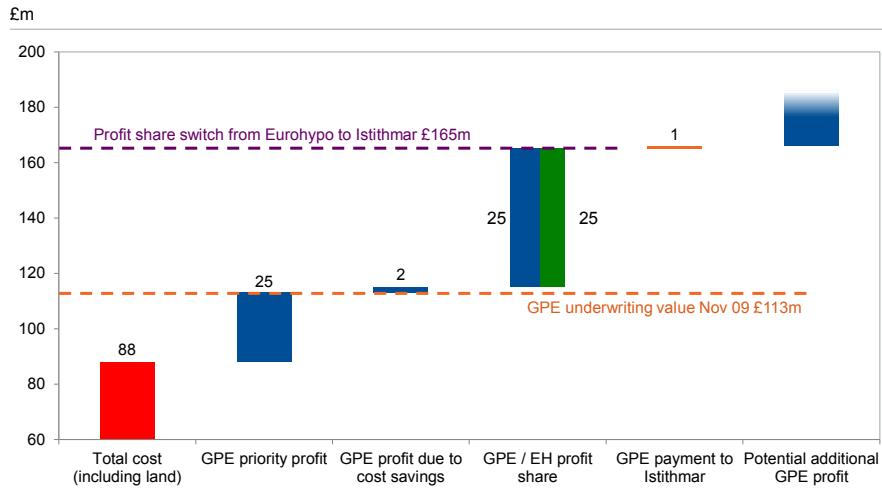
% by rental value



1. Includes share of Joint Ventures

## Completed Project

33 Margaret St and Newman St, W1



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## Committed Project

Walmar House, 288/300 Regent St, W1



- 60,400 sq ft West End building
- 50m from Oxford Circus
- Major refurbishment
  - 18,900 sq ft retail
  - 37,300 sq ft offices
- £66.00 psf Office ERV March 2013
- Completion Q1 2014

GPE profit on cost	27.1%
Ungeared IRR	19.2%
Yield on cost	6.7%



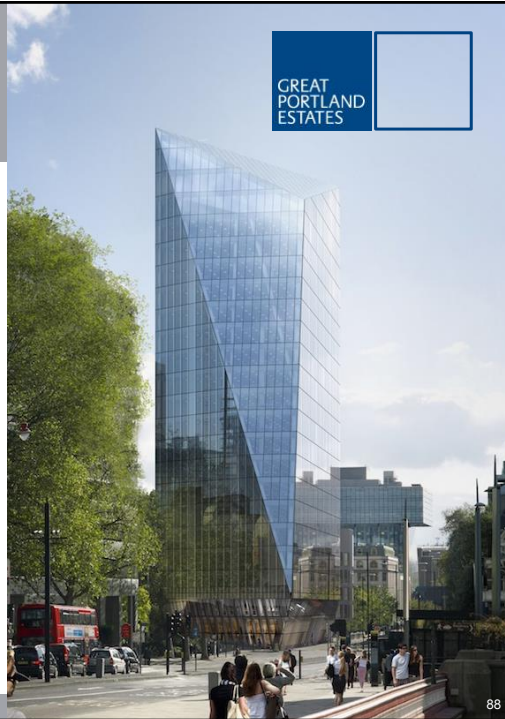
87

## Committed Project

240 Blackfriars Road, SE1

- 236,300 sq ft prominent South Bank building
- 47% pre-let to UBM
- Tenant interest in building
- £46.75 psf Office ERV March 2013 (non pre-let)

GPE profit on cost	39.0%
Ungeared IRR	25.0%
Yield on cost	8.3%



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## Committed Project

City Tower, Basinghall St, EC2

- 140,200 sq ft city core building
- Completion August 2013
- £46.25 psf ERV March 2013
- 26% let
- Good tenant interest
- Well specified space

GPE profit on cost	28.3%
Ungeared IRR	24.1%
Yield on cost	8.2%



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# East Oxford Street, W1

