Press Release

GREAT PORTLAND ESTATES

13 November 2008

Half year results

The Directors of Great Portland Estates plc, announce the results for the Group for the six months ended 30 September 2008.

Highlights:

- Adjusted net assets per share[1] down 15.3% to 493p
- 12 month Total Property Return of (13.4)%, versus the IPD central London benchmark of (18.3)%
- Portfolio value[2] of £1,419.8 million, down 9.5% or £149.1 million on a like-for-like basis

- Adjusted profit before tax[1] up 39.4% to £14.5 million
- After revaluation deficit, reported loss before tax of £146.2 million (2007: £130.7 million profit)
- Adjusted earnings per share[1] up 48.1% to 8.0p
- Total dividend per share up 2.6% to 4.0p

- New leases, reviews and renewals securing £4.9 million of income covering 177,000 sq ft
- Void levels[2] low at 3.2% (2007: 4.6%)
- Property sales[2] during the period total £92.7 million helping to reduce net debt to £366 million
- Minimal speculative development exposure, remaining costs to complete two schemes of £8.4 million
- Development pipeline of 19 projects with a potential total area of 2.6 million sq ft[3]
- Gearing low at 41%, LTV of 35%, no maturities of drawn debt until 2012
- Significant liquidity with over £337.7 million of cash and committed undrawn facilities[2]

[1] EPRA adjustments – see note 6
[2] Includes share of joint ventures
[3] Includes joint ventures

Toby Courtauld, Chief Executive, said:

"We said at the time of our final results in May that the demand from occupiers for space should trend towards the long term average rate, so long as the UK economy avoided a significant contraction. It is now clear that the paralysis in global credit markets and the unprecedented events of the past few months have helped to push the British economy into recessionary territory. For our markets, the consequences will be lower demand for space, higher vacancy rates and falling rental values.

We have been planning for a downturn for more than 12 months; we have been net sellers of property; we have finished and let developments without starting new ones. Today, our priorities are capital conservation and cash flow, maximising occupancy levels and crystallising reversions. And we do so from an enviable position:

- 82% of our properties are in the core of the West End where vacancy rates remain below the long term average;
- our portfolio average office rents remain defensively low at £35 per sq ft;
- we have limited speculative development risk, whilst our pipeline of opportunity is both long and strong; and
- we have low financial leverage, amongst the lowest in the sector, and significant liquidity allowing us to capitalise on opportunities we expect to unearth.

With the combination of our portfolio, our financial position and our team, we believe we are well placed to address current market challenges."

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The results presentation will be broadcast live at 9.30am today on http://www.gpe.co.uk/investors/presentations.

A conference call facility will be available to listen at 9.30am today on the following numbers:

UK	**0871 871 0047 (freephone)**
International	**44 (0) 1452 587 356**

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-thinking 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.

Half Year Results

Our Market

Our market is accompanied by graphics (see Appendix 1).

During the first half, we have witnessed some extraordinary events unfold across global financial markets. With London at the centre of these markets, it is no surprise that its property industry is being negatively impacted by the turmoil. Severely constrained credit markets have contributed to the radical reduction in property investment market turnover, putting downward pressure on property valuations. The credit crunch is also affecting the real economy with levels of occupational demand slowing across all London markets.

Property markets are cyclical, particularly London's, and we have been preparing for a downward leg over the past year, reducing both speculative development exposure and our debt level to one of the lowest in the sector. Despite its cyclicality, we believe the Capital's attraction as a dynamic melting pot for the world's businesses remains intact, and the long term prospects for its real estate markets are sound.

Occupational Markets

West End
We have consistently argued that, with limited supply of new space coming on stream in the West End, it is the level of occupational demand that will be more relevant in determining the direction of rents. Whilst the supply side remains constrained, a recent rapid slow down in tenant demand is now putting downward pressure on rents. In the three months to September 2008 take-up of new office space was 1.1 million sq ft, 36% down on the same period last year. Although vacancy rates have increased only marginally, prime headline rents have fallen by 2.3% over the quarter due to the lack of demand. Continued subdued occupational demand suggests lower take up for the balance of the financial year and further falls in rental values, particularly in the £90+ per sq ft rental bands. Remember, our own West End office portfolio is let at an average rent of only £39 per sq ft, despite its concentration in some of the most valuable parts of Central London.

The West End retail market (comprising 31% of our West End portfolio by rent roll) has been more resilient than the rest of the UK with retail sales in Central London up 4.4% in the three months to September 2008 compared to the same period last year versus a 1.1% contraction for the UK as a whole. However, September saw flat sales growth in London compared to a reduction of 1.5% for the rest of the UK.

City and Southwark
In the City, materially lower letting activity and the increased supply of new office space have pushed vacancy levels up to 9.0% at September (5.8% September 2007) and headline prime rents down by a further 4% since March 2008, or 13% after adjusting for the increased incentives offered to tenants. The substantial development pipeline that has been looming over the City office market for several years has partially abated due to the deferral or cancellation of a number of proposed schemes. However, with 7.5 million sq ft currently under construction and continuing weakness in occupational demand, the market balance in the City is likely to worsen during 2009. In Southwark, the occupational market is characterised by low levels of supply and a more diverse customer mix than the City but take up levels this year have been affected by difficulties in the neighbouring financial districts.

Investment Markets

Turnover in London's investment market is down 83% year-on-year, as investors have reacted to deteriorating confidence and the scarcity of debt capital. CB Richard Ellis's prime West End benchmark yields have increased by up to 150 basis points so far this year hitting 5.0% by the end of September. So long as banks remain unwilling to lend at competitive rates, there remains the likelihood that yields will rise further.

Our Business

Our business is accompanied by graphics (see Appendix 2)

Valuation

The valuation of the Group's properties as at 30 September 2008, including our share of gross assets in joint venture, was £1,419.8 million, down 9.5% or £149.1 million on a like-for-like basis net of capital expenditure since 31 March 2008. The valuation of the portfolio as at September 2008 was lower by £97.9 million due to the disposals of 208/222 Regent Street, 180 Great Portland Street and the sale of 6 flats at 79/83 Great Portland Street all in W1. Wholly owned properties were valued at £1,002.8 million and the Group had four 50:50 joint ventures which owned properties valued in aggregate at £834.0 million at September 2008.

The second quarter's overall like-for-like valuation decline of 5.9% was greater than that experienced in the first quarter of 4.0% due to the worsening of market conditions during September 2008. For as long as the exceptional market environment continues we anticipate that the portfolio valuation will come under further negative pressure.

The key drivers of Group's valuation movement for the first half were:

- **Adverse yield shift** – Equivalent yields expanded by 54 basis points over the six month period (2007: 10 basis points increase) from 5.55% to 6.09% on a like-for-like basis. The IPD central London equivalent yield increased by 60 basis points, more than that of our portfolio during the first half, indicating the resilient qualities of the Group's properties;
- **Rental value changes –** Growth in the first quarter of 0.6% was overturned by a fall in rental values in the second quarter of 2.7% giving a first half reduction of 2.1%. However, in our retail portfolio, rental values were up by 2.4% in the first half;
- **Development properties –** The development properties fell in value by 7.2% over the first half. The Group's project at Wells & More, Mortimer Street, W1 contributed the bulk of the relative out performance as it nears practical completion; and
- **Active asset management –** During the first half, 46 new leases, rent reviews and renewals were completed securing £4.9 million of income partly mitigating outward market yield shift.

Including rent from pre-lets and leases currently in rent free periods, the initial yield of the investment portfolio was 62 basis points higher than six months earlier at 5.0%. The near-term reversionary yield of the portfolio including committed developments at September 2008 was 6.6% up from 6.1% at 31 March 2008.

Our Rest of West End portfolio produced the least negative performance over the first half, decreasing by 8.5% on a like-for-like basis. City and Southwark was the worst performer (down 14.6%) as significant yield expansion and rental value falls were factored into the valuation. The joint venture properties fell in value by 10.6% compared to a 9.0% fall for the wholly owned portfolio over the year.

The Group delivered a total property return for the first half of minus 7.6%, outperforming the central London IPD benchmark of minus 8.9%. We have now outperformed the benchmark for five consecutive years.

Development

Our development business today is characterised by minimal current speculative exposure but a significant pipeline of future potential. Over the last twelve months we have reduced our exposure to speculative development by a combination of lettings, joint ventures and deferring start dates at the Wigmore Street and Fetter Lane schemes. The remaining cost to complete our committed projects is now only £8.4 million, or less than 1% of our existing portfolio value.

By contrast, our development pipeline encompasses 19 projects with a potential total area of 2.6 million sq ft, representing a 64% increase over these assets' current area, and covers some 55% of the Group's properties. In all cases, we can choose the timing of a start on site with the possibility of rolling over income should we wish to defer projects. During the first half our development business has met its objectives across a wide range of its activities:

- leasing of schemes;
- construction and completion of projects;
- securing planning consents; and
- design and feasibility studies for future projects.

Leasing
It has been a relatively quiet period for leasing of developments with no practical completions of major buildings and, therefore, no significant marketing launches. In August, we completed our 20,000 sq ft Foley Street, W1 refurbishment and by September had leased over half the building on ten year leases at £56.50 sq ft, in line with our targets. At 79/83 Great Portland Street, W1, a residential scheme fulfilling our planning obligations for 60 Great Portland Street, W1 and Wells & More, W1, we have achieved a rate of apartment sales in line with expectations. Of the 15 units in total, we have sold six and have seven under offer.

Viewings and preliminary discussions with potential office and retail tenants for our Wells & More, W1 scheme have continued. We expect to reach practical completion in January next year and we are currently engaged in extensive pre-launch marketing. At our Blackfriars Road, SE1 site we have completed demolition and we expect to defer committing to construction until a significant pre-let is secured.

Construction
The construction work at Wells & More, W1 (116,000 sq ft) and Bermondsey Street, SE1 (47,000 sq ft) are proceeding broadly in line with schedule.

We achieved practical completion at 160 Tooley Street, SE1, in June allowing us to record an additional portion of development management revenues. Overall this scheme, which was pre-sold to a third party, is expected to generate a return on capital of 129% and total development management profits of £14.1 million (of which £4.0 million is expected in this financial year).

Planning consents
We gained planning permission from the City Corporation for the 74,000 sq ft refurbishment proposals for Buchanan House, Holborn, EC1 in July 2008. We submitted planning applications for projects at Broadway, SW1 (85,000 sq ft) in May and at Fetter Lane, EC4 (140,000 sq ft) in August.

Design and feasibility studies
At the Hanover Square Estate, W1, negotiations are continuing with Westminster City Council and Crossrail to support a comprehensive mixed use redevelopment above the proposed Bond Street East Crossrail station. The Crossrail transport legislation gained Royal Assent in July and is progressing through various funding and implementation phases. In addition, we are progressing design and evaluation studies for possible schemes at various prime locations including Park Crescent /Portland Place, Oxford Street, Regent Street and Great Portland Street all in W1 and at Jermyn Street, SW1.

Investment management

During the first half we saw little that was sufficiently attractive to tempt us to buy. For much of the period, we were focused on disposals where we have crystallised attractive returns and improved the Group's liquidity by selling two major properties for £175.9 million (our share £88 million) at 6.5% below the March 2008 value.

In June, we announced that The Great Victoria Partnership (No 2) ("GVP2"), had sold 208/222 Regent Street, W1 to a private purchaser for £96.6 million. The proceeds were used to repay GVP2's non-recourse loan of £35.4 million before distributing the balance to the Group and our partner. The building was purchased in April 2005 for £53.7 million, the headlease regeared with the Crown Estate, the space reconfigured (for a combined cost of £12.6 million) and the units let at the new benchmark rents. The sale crystallised an equity IRR of 26% per annum.

In September, the Great Wigmore Partnership sold 180 Great Portland Street, W1 for £79.3 million. The 105,000 sq ft retail and office building was substantially rebuilt in 2006 and let during the course of 2007 at an average office rent of £60.15 per sq. ft. 180 Great Portland Street was a successful development for us and the sale captured an equity IRR of almost 27% per annum.

Looking forward, we expect to see increasing signs of financial distress amongst some of the more aggressively geared property owners. It is quite possible therefore, that 2009 will be a year rich with investment opportunities for those, like us, with liquid resources and limited debt.

Asset management
Our asset management team has delivered a good performance across the portfolio in the first half and the level of transactions year-on-year is in line with the reduced level of development completions in the period:

- 36 new leases completed (2007: 43 leases) generating annual rent of £3.7 million (our share £3.1 million; 2007: £13.5 million) or 4.5% of rent roll;
- the new leases were at rents ahead of our valuers' March 2008 rental levels ignoring six short-term leases linked to predevelopment vacant possession requirements,
- rent reviews of £2.8 million (our share £1.8 million; 2007: £0.7 million) were settled during the half year some 12.1% ahead of ERV at rent review date;
- total space covered by new lettings, reviews and renewals was 177,000 sq ft; and
- voids in the investment portfolio have been kept consistently low with the September 2008 position of 3.2%, unchanged from March 2008.

Many of the lettings completed in the first half were in small office suites in buildings in Regent Street, W1 and Piccadilly, W1 where the combination of quality refurbishment, well judged marketing and competitive pricing allowed us to both keep voids to a minimum and consistently achieve rents ahead of the valuers' ERV. The Group (including our share of JVs) took lease surrenders worth £0.6 million per annum over 20,000 sq ft in the six months to September 2008 (2007: 191,800 sq ft). In many cases these transactions enabled rental levels to be enhanced from the previous passing rent or to allow a refurbishment scheme to be implemented. The portfolio void rate is expected to increase during the balance of the year as our Wells & More, W1 development completes and enters the leasing phase and due to lease expiries at Wigmore Street, W1 where we are deferring redevelopment and will be seeking short-term lettings.

Review of joint ventures

The first half of the financial year has seen a slight reduction in the size of joint ventures as a result of disposals. Consequently, the joint venture contribution to the Group has declined slightly to 45% of gross property assets, 31% of net assets and 31% of rent roll at September 2008 (at March 2008: 50%, 37% and 36% respectively).

Activity Summary
Across our joint ventures, we concluded an encouraging number of leasing and asset management transactions during the half year; however, the two main events for the six months were disposals. The sale in June of 208/222 Regent Street, W1, the last asset in GVP2, and the repayment of the associated non-recourse debt facility, and the sale of 180 Great Portland Street, W1 out of the Great Wigmore Partnership, with the proceeds transferred to the partners.

Work continues on evaluating our consented 136,000 sq ft development scheme at Wigmore Street, W1.

Financial performance
On an overall basis, compared to the first half of last year, the JVs combined rental income grew by 37.1% to £12.2 million although adjusted profit before tax decreased by 17.8% to £6.0 million due to refinancing our GCP joint venture, increasing interest costs in the joint venture but reducing the interest charge at the Group level.

Management fees payable to the Group by joint ventures were up significantly to £3.2 million (2007: £2.7 million).

Further information on JV results and financing is set out in Our financial position.

Our financial position

Our financial position is accompanied by graphics (see Appendix 3)

Financial results
The Group's financial performance has been impacted by very challenging market conditions prevailing throughout the first half of the financial year.

Net assets per share have fallen steadily since March 2008; however, the adjusted income statement results are up on the first half of last year, primarily due to lower administration and interest costs. Property sales and operational cash flow have reduced net debt over the last six months and the Group's leverage ratios remain at conservative levels.

Net asset value
Adjusted net assets per share fell by 15.3% in the period to 493 pence, largely because of the reduction in the value of the property portfolio. At 30 September 2008, the Group's net assets were £888.5 million, down from £1,049.4 million at 31 March 2008.

The main factors behind the 89 pence per share change in adjusted net assets per share from March to September 2008 were:

- the fall of 80 pence per share arising from the revaluation of the investment portfolio;
- a valuation reduction of 5 pence per share from development properties;
- the disposals of 208/222 Regent Street, W1 and 180 Great Portland Street, W1 reduced net assets by 4 pence per share;
- adjusted earnings for the first half of 8.0 pence per share enhanced NAV; and
- the payment of the final dividend from last year caused a reduction in net assets by 8.0 pence per share.

These items are illustrated in Appendix 3.

Triple net assets per share (NNNAV) was 505 pence per share at 30 September 2008 compared to 590 pence per share at 31 March 2008. At 30 September 2008 the difference between adjusted net assets per share and NNNAV was the positive mark to market of debt of 12 pence mainly arising from the low interest rate of the Group's 2029 debenture. There were no movements in deferred tax provisions during the period.

Income statement and earnings per share
Rental income and joint venture fees for the period were £21.1 million and £3.2 million respectively, generating a combined income of £24.3 million equal to the amount seen in the first half of last year. Rental income was marginally lower than last year mainly due to the effect of the sale of the Met building, W1 in September 2007 which impacted rents by £1.5 million year-on-year.

Rent reviews, lease renewals and new lettings added £4.5 million to rental income during the period. The estimated rental value of the portfolio declined by 2.1% in the first half of the year, due to negative occupational market factors. The Group's joint ventures generated management fees of £3.2 million up 18.5% on last year, as a result of disposals and development activity at GWP, GVP2 and GCP.

Adjusted profit before tax at £14.5 million was £4.1 million or 39.4% higher than last year. The key drivers behind this increase were lower administration and interest costs, partly offset by reduced development management profits and lower underlying JV profits.

Development management profits from the Tooley Street, SE1, scheme contributed £3.9 million this period, which were slightly lower than last year. The Tooley Street project completed in June, and the small remainder of potential profit is likely to be recognised in the second half of the year. Adjusted profits from joint ventures (excluding valuation movements and gain/loss on property sales) were £6.0 million, down £1.3 million on last year, mainly due to the refinancing of GCP which has increased interest costs within the joint venture but reduced the Group's interest expense. Administration costs fell by 22.2% year on year to £5.6 million primarily due to lower variable employee costs. Underlying finance costs were managed down by 24.7% to £11.3 million due to a lower amount of debt at the Group level, property disposals and the GCP refinancing.

Adjusted earnings per share were 8.0 pence, 48.1% higher than last year. This increase in earnings per share was driven by higher adjusted PBT, described above, and was also enhanced by a low underlying tax charge.

Revaluation falls and loss on sale of assets caused the Group to report an accounting loss after tax of £146.3 million (2007: profit of £130.0 million). Basic EPS for the half year showed a deficit of 81.0 pence, compared to a positive outcome of 72.2 pence for 2007.

Financial effects of committed development schemes
The on-site development and refurbishment schemes have progressed well during the period, with £13.6 million (2007: £25.6 million) spent on schemes, including Wells & More and Foley Street, both in W1 and Bermondsey Street, SE1. The valuation of the Group's development portfolio fell by a relatively modest 7.2% during the first half as the construction activities near completion and the leasing phase commences.

The two remaining on-site developments are forecast to require only £8.4 million in capital expenditure in order to reach practical completion. The rental value of the schemes being completed over the next six months is over £6 million per annum.

Results of joint ventures
The joint venture business has contracted slightly since last year end following disposals at GWP and GVP2. At 30 September 2008 31% of Group rent roll and 31% of net assets were in 50:50 joint ventures; at 31 March 2008 the comparable figures were 36.3% and 37.2% respectively. Non-recourse net debt in the joint ventures has fallen from £145.8 million at 31 March 2008 to £133.9 million at 30 September, primarily due to the repayment of the loan in GVP2 following the sale of 208/222 Regent Street, W1.

Our share of joint venture net rental income increased to £12.2 million, compared to £8.9 million for last year, because of a higher level of rent from GCP, partly due to acquisitions made in summer 2007. This was offset by the sale of the GVP2 and GWP buildings this year. The Group's share of joint venture adjusted profits (excluding revaluation deficits and losses on sales) fell to £6.0 million mainly as a result of interest costs in GCP. The underlying joint venture profits are stated after charging £3.2 million of GPE management fees (2007: £2.7 million).

Financial resources and capital management
The Group's consistent total rental income and joint venture revenues along with a favourable movement in working capital contributed to the cash generated from operations improving to £34.9 million, up £15.6 million compared to the first half of last year. Group consolidated net debt was £365.8 million at 30 September 2008 down from £424.6 million at 31 March 2008 as a consequence of disposals and operational cash flow. The sales of properties generated £90.8 million in net proceeds. Group gearing increased very slightly to 41.2% at 30 September 2008 from 40.5% at 31 March 2008 because of the fall in portfolio valuation. Interest cover for the six months to September improved to 2.3x (2007: 1.7x) the highest level for over three years.

Including the non-recourse debt in the joint ventures, total net debt was £497.5 million (31 March 2008: £570.4 million) equivalent to a loan to value ratio of 35.0% (31 March 2008: 34.9%) which remains at a modest level compared to conventional real estate standards. The Group, including joint ventures is operating with substantial headroom over its bank and debenture covenants (further details are set out in appendix 3).

At 30 September 2008, the Group, including its joint ventures, had cash and undrawn committed credit facilities of £337.7 million, which is in excess of the capital expenditure required to complete all near-term development schemes. The earliest debt maturity the Group faces is an undrawn £50 million bilateral facility which expires in November 2010, the main Group revolving credit facilities mature in 2012.

The Group's weighted average interest rate including joint venture debt for the period was 5.99%, an increase of 2 basis points compared to the year to 31 March 2008. This was due to higher short-term floating rates which have been influenced by the dislocation in the money markets. At 30 September 2008 94 % of the Group's total debt (including non-recourse joint ventures) was at fixed or capped rates (31 March 2008: 76%). We expect that over the next two years the level of floating rate debt will rise bringing the proportion of fixed or capped debt below 80% of total debt.

Taxation

The current tax provision in the income statement for the half year is only £0.1 million (2007: £0.7million) as a result of the tax free nature of much of the Group's income and other allowances being available to set against non-REIT profits. The low level of taxable profits for the first half meant the Group's underlying effective tax rate was around 1% (2007: 7%). The Group complied with all relevant REIT tests for the six months to September 2008.

Dividend

The Board has declared an interim dividend of 4.0 pence (2007: 3.9 pence) an increase of 2.6% over the first half of last year which will be paid on 6 January 2009. Of this interim dividend 2 pence per share is a REIT Property Income Distribution (PID) in respect of the Group's tax exempt property rental business. Further information on the tax treatment of dividends can be found on the Group's website.

Outlook

We said at the time of our final results in May that the demand from occupiers for space should trend towards the long term average rate, so long as the UK economy avoided a significant contraction. It is now clear that the paralysis in global credit markets and the unprecedented events of the past few months have helped to push the British economy into recessionary territory. For our markets, the consequences will be lower demand for space, higher vacancy rates and falling rental values.

We have been planning for a downturn for more than 12 months; we have been net sellers of property; we have finished and let developments without starting new ones. Today, our priorities are capital conservation and cash flow, maximising occupancy levels and crystallising reversions. And we do so from an enviable position:

- 82% of our properties are in the core of the West End where vacancy rates remain below the long term average;
- our portfolio average office rents remain defensively low at £35 per sq ft;
- we have limited speculative development risk, whilst our pipeline of opportunity is both long and strong; and
- we have low financial leverage, amongst the lowest in the sector, and significant liquidity allowing us to capitalise on opportunities we expect to unearth.

With the combination of our portfolio, our financial position and our team, we believe we are well placed to address current market challenges.

Group income statement

For the six months ended 30 September 2008

Year to 31 March 2008 Audited £m		Notes	**Six months to 30 September 2008 Unaudited £m**	Six months to 30 September 2007 Unaudited £m
44.4	Rental income	2	**21.1**	21.6
5.8	Joint venture fee income	9	**3.2**	2.7
50.2	Rental and joint venture fee income		**24.3**	24.3
5.1	Service charge income		**2.6**	3.5
(6.0)	Service charge expenses		**(3.6)**	(4.2)
(0.9)			**(1.0)**	(0.7)
(4.8)	Other property expenses		**(1.8)**	(2.6)
44.5	**Net rental and related income**		**21.5**	21.0
(14.2)	Administrative expenses		**(5.6)**	(7.2)
35.4	Development management revenue		**6.4**	17.7
(28.3)	Development management costs		**(2.5)**	(13.4)
7.1			**3.9**	4.3
37.4	**Operating profit before (deficits)/gains on investment property and results of joint ventures**		**19.8**	18.1
(8.7)	(Deficits)/gains on investment property	7	**(102.9)**	93.8
(1.6)	Share of results of joint ventures	9	**(52.0)**	33.7
27.1	**Operating (loss)/profit before financing costs**		**(135.1)**	145.6
0.6	Finance income	3	**0.2**	0.1
(30.7)	Finance costs	4	**(11.3)**	(15.0)
(3.0)	**(Loss)/profit before tax**		**(146.2)**	130.7
(1.1)	Tax	5	**(0.1)**	(0.7)
(4.1)	**(Loss)/profit for the period**		**(146.3)**	130.0
(2.2)p	**Basic and diluted (loss)/earnings per share**	6	**(81.0)p**	72.2p
12.6p	**Adjusted earnings per share**	6	**8.0p**	5.4p

All results are derived from continuing operations.

Year to 31 March 2008 Audited £m	**Total operating profit before (deficits)/gains on investment property**	Notes	**Six months to 30 September 2008 Unaudited £m**	Six months to 30 September 2007 Unaudited £m
37.4	Operating profit before (deficits)/gains on investment property and results of joint ventures		**19.8**	18.1
16.1	Share of profit of joint ventures	9	**5.9**	7.3
53.5	Total operating profit before (deficits)/gains on investment property		**25.7**	25.4

Group balance sheet

At 30 September 2008

Year to 31 March 2008 Audited £m		Notes	**30 September 2008 Unaudited £m**	30 September 2007 Unaudited £m
	Non-current assets			
1,073.3	Investment property	7	**987.3**	1,183.8
24.4	Development property, plant and equipment	8	**25.7**	24.0
390.6	Investment in joint ventures	9	**274.4**	517.8
2.2	Pension asset		**1.5**	1.0
1,490.5			**1,288.9**	1,726.6
	Current assets			
22.2	Trade and other receivables	10	**7.8**	129.8
0.4	Income tax receivable		**0.6**	0.1
0.7	Cash and cash equivalents		**11.5**	10.6
23.3			**19.9**	140.5
1,513.8	**Total assets**		**1,308.8**	1,867.1
	Current liabilities			
26.6	Trade and other payables	11	**31.4**	36.2
26.6			**31.4**	36.2
	Non-current liabilities			
429.3	Interest-bearing loans and borrowings	12	**380.4**	627.4
8.5	Obligations under finance leases		**8.5**	8.5
437.8			**388.9**	635.9
464.4	**Total liabilities**		**420.3**	672.1
1,049.4	**Net assets**		**888.5**	1,195.0
	Equity			
22.6	Share capital	13	**22.6**	22.6
68.2	Share premium	14	**68.2**	68.2
(3.8)	Hedging reserve	15	**(3.1)**	0.2
16.4	Capital redemption reserve	15	**16.4**	16.4
1.3	Revaluation reserve	15	**2.3**	2.8
944.9	Retained earnings	15	**782.8**	1,084.7
(0.3)	Investment in own shares	16	**(0.8)**	–
1,049.3	**Shareholders' funds**		**888.4**	1,194.9
0.1	Minority interest		**0.1**	0.1
1,049.4	**Total equity**		**888.5**	1,195.0
580p	**Net assets per share**	6	**491p**	660p
582p	**Adjusted net assets per share**	6	**493p**	660p

Group statement of cash flows

For the six months ended 30 September 2008

Year to 31 March 2008 Audited £m		Notes	**Six months to 30 September 2008 Unaudited £m**	Six months to 30 September 2007 Unaudited £m
	Operating activities			
27.1	Operating (loss)/profit before financing costs		**(135.1)**	145.6
6.5	Adjustments for non-cash items	17	**151.8**	(128.5)
(1.0)	Decrease/(increase) in receivables		**14.4**	(1.0)
(5.1)	Increase/(decrease) in payables		**3.8**	3.2
27.5	**Cash generated by operations**		**34.9**	19.3
0.6	Interest received		**0.2**	0.1
(32.7)	Interest paid		**(12.7)**	(15.7)
(28.7)	Tax paid		**(0.3)**	(28.3)
(33.3)	**Cash flows from operating activities**		**22.1**	(24.6)
	Investing activities			
(138.8)	Purchase of interests in joint ventures		**–**	(138.8)
10.7	Distributions from joint ventures		**32.3**	6.5
(74.4)	Purchase and development of property		**(18.3)**	(42.9)
(0.1)	Purchase of fixed assets		**–**	(0.1)
(0.9)	Purchase of own shares		**–**	–
132.6	Sale of properties		**4.6**	–
(70.9)	**Cash flows from investing activities**		**18.6**	(175.3)
	Financing activities			
(2.9)	Redemption of loans		**–**	(2.9)
35.0	Borrowings (repaid)/drawn		**(48.0)**	237.0
89.2	Loans from/(to) joint venture		**31.4**	(14.2)
(20.6)	Equity dividends paid		**(13.3)**	(13.6)
100.7	**Cash flows from financing activities**		**(29.9)**	206.3
(3.5)	Net increase/(decrease) in cash and cash equivalents		**10.8**	6.4
4.2	Cash and cash equivalents at 1 April		**0.7**	4.2
0.7	**Cash and cash equivalents at balance sheet date**		**11.5**	10.6

Group statement of recognised income and expense

For the six months ended 30 September 2008

Year ended 31 March 2008 Audited £m		**Six months to 30 September 2008 Unaudited £m**	Six months to 30 September 2007 Unaudited £m
(0.2)	Revaluation of development properties	**1.0**	1.3
(4.3)	Fair value movement on derivatives net of deferred tax	**0.7**	(0.3)
–	Fair value movement on derivatives in joint ventures	**(0.5)**	–
1.9	Actuarial (losses)/gains on defined benefit scheme net of deferred tax	**(0.9)**	0.6
(2.6)	Net gain/(loss) recognised directly in equity	**0.3**	1.6
(4.1)	(Loss)/profit for the period	**(146.3)**	130.0
(6.7)	**Total recognised income and expense for the period**	**(146.0)**	131.6

Group reconciliation of other movements in equity

For the six months ended 30 September 2008

Year ended 31 March 2008 Audited £m		**Six months to 30 September 2008 Unaudited £m**	Six months to 30 September 2007 Unaudited £m
1,076.0	Opening total equity	**1,049.4**	1,076.0
(6.7)	Total recognised income and expense for the period	**(146.0)**	131.6
1.6	Employee Long-Term Incentive Plan and Share Matching Plan (credit)/charge	**(0.5)**	1.0
(0.9)	Purchase of shares in Employee Share Trust	**–**	–
(20.6)	Dividends	**(14.4)**	(13.6)
1,049.4	**Closing total equity**	**888.5**	1,195.0

Notes forming part of the half year report

1 Basis of preparation
The unaudited financial information contained in this report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The full financial statements for the year ended 31 March 2008 were prepared under IFRS and did not contain a statement under section 237(2) or (3) of the Companies Act 1985 and, together with an unqualified audit report in accordance with section 235 of the Companies Act 1985, have been delivered to the Registrar of Companies.

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 Standards 34 "Interim Financial Reporting" as adopted by the European Union. The same accounting policies, presentations and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

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

2 Rental income

Year to 31 March 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
39.0	Gross rental income	**18.5**	19.6
5.4	Amortisation of capitalised lease incentives	**2.6**	2.0
44.4		**21.1**	21.6

3 Finance income

Year to 31 March 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
0.6	Interest on short-term deposits	**0.2**	0.1

4 Finance costs

Year to 31 March 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
24.7	Interest on bank overdrafts and loans	**8.6**	11.8
8.0	Interest on debentures	**4.1**	4.1
0.7	Interest on obligations under finance leases	**0.3**	0.4
33.4	Gross finance costs	**13.0**	16.3
(3.1)	Less: capitalised interest	**(1.5)**	(1.2)
30.3		**11.5**	15.1
0.4	Fair value movement on derivatives	**(0.2)**	(0.1)
30.7		**11.3**	15.0

5 Tax

Year to 31 March 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
	Current tax		
–	UK corporation tax	**0.1**	–
0.1	Tax underprovided in previous years	**–**	–
0.1	Total current tax	**0.1**	–
1.0	**Deferred tax**	**–**	0.7
1.1	Tax charge for the period	**0.1**	0.7

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 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
(3.0)	(Loss)/profit before tax	**(146.2)**	130.7
(0.9)	Tax (credit)/charge on (loss)/profit at standard rate of 28% (2007: 30%)	**(40.9)**	39.2
4.7	Accounting deductions arising in the period not deductible for tax purposes	**43.1**	–
(4.2)	Ring-fenced rental income and gains	**(1.4)**	(38.8)
–	Tax deductions arising in the period in excess of accounting deductions	**(0.6)**	–
–	Joint venture adjustments	**0.2**	–
0.1	Expenses not deductible for tax purposes	**0.1**	0.1
0.7	Accounting losses arising in the period not relievable against current tax	**–**	0.4
0.1	Previous years' corporation tax	**–**	–
0.6	Other	**(0.4)**	(0.2)
1.1	Tax charge for the period	**0.1**	0.7

During the period £nil (2007: £0.1 million) of tax was charged directly to equity. This charge related to deferred tax in respect of derivatives and pension liabilities.

A deferred tax asset of £4.5 million (2007: £2.5 million), mainly relating to tax losses carried forward at 30 September 2008, was not recognised because it is uncertain whether future taxable profits against which these losses can be offset will arise.

The Group became a REIT on 1 January 2007, and as such is broadly exempt from corporation tax in respect of its rental profits and chargeable gains relating to its property rental business. The Group is otherwise subject to corporation tax.

6 Earnings and net assets per share

Earnings and net assets per share are calculated in accordance with the guidance issued by the European Public Real Estate Association (EPRA).

Weighted average number of ordinary shares

Year to 31 March 2008 No. of shares		**Six months to 30 September 2008 No. of shares**	Six months to 30 September 2007 No. of shares
181,019,809	Issued ordinary share capital at 1 April	**181,023,034**	181,019,809
2,430	Conversion of convertible bonds	**–**	1,621
(707,455)	Investment in own shares	**(463,949)**	(865,147)
180,314,784	Basic and diluted weighted average number of ordinary shares	**180,559,085**	180,156,283

Basic, diluted and adjusted earnings per share

Year to 31 March 2008 Earnings per share pence		**Six months to 30 September 2008 Profit/(loss) after tax £m**	**Six months to 30 September 2008 (Loss)/earnings per share pence**	Six months to 30 September 2007 Profit after tax £m	Six months to 30 September 2007 Earnings per share pence
(2.2)	Basic and diluted	**(146.3)**	**(81.0)**	130.0	72.2
9.8	Deficit/(gain) from investment property	**102.9**	**57.0**	(93.8)	(52.1)
4.8	Deficit/(gain) from joint ventures	**57.9**	**32.1**	(26.4)	(14.6)
0.2	Movement in fair value of derivatives	**(0.2)**	**(0.1)**	(0.1)	(0.1)
–	Movement in fair value of derivatives in joint ventures	**0.1**	**–**	–	–
12.6	Adjusted (diluted)	**14.4**	**8.0**	9.7	5.4

Net assets per share

31 March 2008 Net assets per share pence		**30 September 2008 Shareholders' funds £m**	**30 September 2008 No. of shares million**	**30 September 2008 Net assets per share pence**	30 September 2007 Net assets £m	30 September 2007 No. of shares million	30 September 2007 Net assets per share pence
580	Basic and diluted	**888.4**	**181.0**	**491**	1,194.9	181.0	660
10	Fair value of financial liabilities	**25.1**		**14**	4.9		3
590	Diluted triple net assets	**913.5**		**505**	1,199.8		663
(10)	Fair value of financial liabilities net of tax	**(25.1)**		**(14)**	(4.9)		(3)
2	Fair value of derivatives	**3.1**		**2**	(0.5)		–
–	Fair value of derivatives in joint ventures	**0.6**		**–**	–		–
582	Adjusted net assets	**892.1**		**493**	1,194.4		660

7 Investment property

Investment property

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2008	**782.0**	**205.8**	**987.8**
Costs capitalised	**5.2**	**–**	**5.2**
Net valuation deficit on investment property	**(78.2)**	**(20.2)**	**(98.4)**
Book value at 30 September 2008	**709.0**	**185.6**	**894.6**

Investment property – development

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2008	**85.5**	**–**	**85.5**
Costs capitalised	**12.7**	**–**	**12.7**
Interest capitalised	**0.9**	**–**	**0.9**
Disposals	**(4.2)**	**–**	**(4.2)**
Net valuation deficit on investment property	**(2.2)**	**–**	**(2.2)**
Book value at 30 September 2008	**92.7**	**–**	**92.7**
Book value of total investment property at 30 September 2008	**801.7**	**185.6**	**987.3**

	30 September 2008 £m	30 September 2007 £m
Net valuation (deficit)/surplus on investment property	**(100.6)**	96.7
Net valuation deficit on development property taken to the income statement	**(2.7)**	–
Profit/(loss) on sale of investment properties	**0.4**	(2.9)
(Deficit)/gains from investment property	**(102.9)**	93.8

The investment and development properties (note 8) were valued on the basis of Market Value by CB Richard Ellis, as at 30 September 2008 in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. The valuation has been primarily derived using comparable recent market transactions on arm's length terms. The book value of investment properties includes £8.5 million (2007: £8.5 million) in respect of the present value of future ground rents. At 30 September 2008 the Group had capital commitments of £8.4 million.

At 30 September 2008, properties with a carrying value of £227.7 million (2007: £292.9 million) were secured under first mortgage debenture stock (see note 12).

8 Development property, plant and equipment

	Leasehold improvements £m	Fixtures and fittings £m	Development property £m	Total £m
Cost or valuation				
At 1 April 2008	**2.0**	**0.8**	**22.5**	**25.3**
Costs capitalised	**–**	**–**	**2.6**	**2.6**
Interest capitalised	**–**	**–**	**0.6**	**0.6**
Net valuation gain taken to equity	**–**	**–**	**1.0**	**1.0**
Net valuation deficit taken to the income statement	**–**	**–**	**(2.7)**	**(2.7)**
At 30 September 2008	**2.0**	**0.8**	**24.0**	**26.8**
Depreciation				
At 1 April 2008	**0.5**	**0.4**	**–**	**0.9**
Charge for the period	**0.1**	**0.1**	**–**	**0.2**
At 30 September 2008	**0.6**	**0.5**	**–**	**1.1**
Carrying amount at 31 March 2008	**1.5**	**0.4**	**22.5**	**24.4**
Carrying amount at 30 September 2008	**1.4**	**0.3**	**24.0**	**25.7**

The historical cost of development properties at 30 September 2008 was £26.1 million (2007: £19.1 million). The cumulative interest capitalised in development properties was £2.5 million (2007: £1.1 million).

9 Investment in joint ventures

	Equity £m	Loans £m	Total £m
At 1 April 2008	**470.3**	**(79.7)**	**390.6**
Share of profit of joint ventures	**5.9**	**–**	**5.9**
Share of revaluation deficit of joint ventures	**(50.4)**	**–**	**(50.4)**
Share of loss on disposal of joint venture properties	**(7.5)**	**–**	**(7.5)**
Share of results of joint ventures	**(52.0)**	**–**	**(52.0)**
Fair value movements on derivatives taken to equity	**(0.5)**	**–**	**(0.5)**
Movement on loan balances	**–**	**(31.4)**	**(31.4)**
Distributions	**(32.3)**	**–**	**(32.3)**
At 30 September 2008	**385.5**	**(111.1)**	**274.4**

The investments in joint ventures comprise the following:

31 March 2008		Country	30 September 2008	30 September 2007
50%	The Great Capital Partnership	United Kingdom	**50%**	50%
50%	The Great Ropemaker Partnership	United Kingdom	**50%**	–
50%	The Great Victoria Partnership	United Kingdom	**50%**	50%
50%	The Great Victoria Partnership (No. 2)	United Kingdom	**50%**	50%
50%	The Great Wigmore Partnership	United Kingdom	**50%**	50%

Included in the financial statements are the following items that represent the Group's share in the assets and liabilities, revenues and expenses for the joint ventures.

31 March 2008 Total £m		Great Capital Partnership £m	Great Ropemaker Partnership £m	Great Wigmore Partnership £m	Great Victoria Partnerships £m	30 September 2008 Total £m	30 September 2007 Total £m
558.0	Investment property	**317.3**	**7.5**	**25.1**	**76.5**	**426.4**	572.9
16.3	Current assets	**6.8**	**0.2**	**1.3**	**2.5**	**10.8**	17.5
79.7	Loans to/(from) partners	**80.6**	**(2.3)**	**38.3**	**(5.5)**	**111.1**	(23.6)
(157.8)	Bank loans	**(111.8)**	**–**	**–**	**(28.4)**	**(140.2)**	(46.0)
–	Derivatives	**(0.6)**	**–**	**–**	**–**	**(0.6)**	–
(16.5)	Current liabilities	**(8.2)**	**–**	**(2.3)**	**(2.1)**	**(12.6)**	(11.4)
(9.4)	Finance leases	**(9.4)**	**–**	**–**	**–**	**(9.4)**	(15.3)
470.3	Net assets	**274.7**	**5.4**	**62.4**	**43.0**	**385.5**	494.1
21.8	Net rental income	**7.8**	**–**	**1.9**	**2.5**	**12.2**	8.9
(2.8)	Finance costs	**(4.0)**	**–**	**–**	**(1.0)**	**(5.0)**	(1.0)
–	Movement in fair value of derivatives	**(0.1)**	**–**	**–**	**–**	**(0.1)**	–
(2.9)	Property and admin. costs	**(0.8)**	**(0.1)**	**(0.2)**	**(0.1)**	**(1.2)**	(0.6)
16.1	Share of profit of joint ventures	**2.9**	**(0.1)**	**1.7**	**1.4**	**5.9**	7.3
(20.4)	Revaluation of investment property	**(30.3)**	**(5.3)**	**(10.2)**	**(4.6)**	**(50.4)**	26.4
2.7	(Loss)/profit on sale of investment property	**–**	**–**	**(6.8)**	**(0.7)**	**(7.5)**	–
(1.6)	Share of results of joint ventures	**(27.4)**	**(5.4)**	**(15.3)**	**(3.9)**	**(52.0)**	33.7

31 March 2008 £m		30 September 2008 £m	30 September 2007 £m
89.2	New loans during the period	**31.4**	(14.2)
79.7	Loans outstanding at the period end from/(to) joint ventures	**111.1**	(23.7)
10.7	Distributions	**32.3**	6.5
5.8	Fee income	**3.2**	2.7

None of the above partner loan balances are secured. The partner loans outstanding at the period end represent accumulated cash movements and do not bear interest, apart from the loan to the Great Ropemaker Partnership on which interest is payable at 6%. The investment properties include £9.4 million (2007: £15.3 million) in respect of the present value of future ground rents.

10 Trade and other receivables

31 March 2008 £m		**30 September 2008 £m**	30 September 2007 £m
3.1	Trade receivables	**1.6**	7.1
(0.3)	Allowance for doubtful debts	**(0.4)**	(0.5)
2.8		**1.2**	6.6
1.6	Prepayments and accrued income	**1.4**	1.4
12.4	Amounts receivable on development management agreements	**–**	10.5
5.4	Other trade receivables	**5.2**	110.8
–	Fair value of derivatives	**–**	0.5
22.2		**7.8**	129.8

11 Trade and other payables

31 March 2008 £m		**30 September 2008 £m**	30 September 2007 £m
9.8	Trade payables	**11.2**	20.5
16.8	Non-trade payables and accrued expenses	**20.2**	15.7
26.6		**31.4**	36.2

12 Interest-bearing loans and borrowings

31 March 2008 £m		**30 September 2008 £m**	30 September 2007 £m
	Non-current liabilities		
	Secured		
144.3	£142.9 million 5.625% debenture stock 2029	**144.3**	144.4
	Unsecured		
281.0	Bank loans	**233.0**	483.0
	Non-current liabilities at fair value		
4.0	Fair value of derivatives	**3.1**	–
429.3		**380.4**	627.4

The Group has two floating rate revolving credit facilities of £300 million, £200 million and a £50 million bilateral facility.

The £300 million facility is unsecured, attracts a floating rate of 0.525% above LIBOR and expires in 2012. The £200 million facility is unsecured, attracts a floating rate of 0.50% above LIBOR and expires in 2012. The £50 million facility is unsecured, attracts a floating rate of 0.65% above LIBOR and expires in 2010. All interest bearing loans and borrowings are in sterling. At 30 September 2008 the Group had £317 million (2007: £22 million) of undrawn credit facilities.

The following table details the notional principal amounts and remaining terms of interest rate derivatives outstanding at 30 September:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2008 %	2007 %	**2008 £m**	2007 £m	**2008 £m**	2007 £m
Cash flow hedges						
Interest rate swaps						
Between two and five years	**5.48%**	5.50%	**165.0**	185.0	**(3.1)**	0.1
Interest rate caps						
Between two and five years	**6.00%**	6.00%	**40.0**	40.0	**0.2**	0.4
Interest rate collars						
Between two and five years	**4.68%–6.5%**	4.68%–6.5%	**25.0**	25.0	**(0.2)**	–
			230.0	250.0	**(3.1)**	0.5

As at 30 September 2008 the aggregate amount of unrealised losses in respect of cash flow hedges was £3.1 million (2007: £0.2 million). It is anticipated that floating interest cash flows will continue to arise until the maturity of the debt. Amounts deferred in equity will be realised in line with these cash flows.

12 Interest-bearing loans and borrowings (continued)

Fair value of financial liabilities

31 March 2008 Book value £m	31 March 2008 Fair value £m		**30 September 2008 Book value £m**	**30 September 2008 Fair value £m**	30 September 2007 Book value £m	30 September 2007 Fair value £m
425.3	407.7	Non-current liabilities at amortised cost	**377.3**	**352.2**	627.4	622.5
4.0	4.0	Non-current liabilities held at fair value	**3.1**	**3.1**	(0.5)	(0.5)
429.3	411.7		**380.4**	**355.3**	626.9	622.0

The fair values of the Group's cash and short-term deposits are not materially different from those at which they are carried in the financial statements. Quoted market values have been used to determine the fair value of listed long-term borrowings and derivatives have been valued by reference to market rates of interest. The market values of all other items have been calculated by discounting the expected future cash flows at prevailing interest rates.

13 Share capital

Year to 31 March 2008 Number	Year to 31 March 2008 £m		**Six months to 30 September 2008 Number**	**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m	Six months to 30 September 2007 Number
		Ordinary shares of 12½ pence each				
550,100,752	68.8	Authorised	**550,100,752**	**68.8**	550,100,752	68.8
		Allotted, called up and fully paid				
181,019,809	22.6	At the beginning of the period	**181,023,034**	**22.6**	181,019,809	22.6
3,225	–	Conversion of convertible bonds	**–**	**–**	3,225	–
181,023,034	22.6	At the end of the period	**181,023,034**	**22.6**	181,023,034	22.6

14 Share premium

Year to 31 March 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
68.2	At the beginning and end of the period	**68.2**	68.2

15 Reserves

	Hedging reserve £m	Capital redemption reserve £m	Revaluation reserve £m	Retained earnings £m
At 1 April 2008	**(3.8)**	**16.4**	**1.3**	**944.9**
Loss for the period	**–**	**–**	**–**	**(146.3)**
Actuarial deficit on defined benefit schemes	**–**	**–**	**–**	**(0.9)**
Net valuation gain taken to equity	**–**	**–**	**1.0**	**–**
Fair value movement on derivatives	**0.7**	**–**	**–**	**–**
Fair value movement on derivatives in joint ventures	**–**	**–**	**–**	**(0.5)**
Dividends to shareholders	**–**	**–**	**–**	**(14.4)**
At 30 September 2008	**(3.1)**	**16.4**	**2.3**	**782.8**

16 Investment in own shares

Year to 31 March 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
1.0	At the beginning of the period	**0.3**	1.0
(1.6)	Employee Long-Term Incentive Plan and Share Matching Plan credit/(charge)	**0.5**	(1.0)
0.9	Purchase of shares	**–**	–
0.3	At the end of the period	**0.8**	–

The investment in the Company's own shares is held at cost and comprises 173,067 (2007: 573,871) 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 584,960 shares were awarded to directors and senior employees in respect of the 2005 LTIP award.

The fair value of shares awarded and outstanding at 30 September 2008 was £10.4 million (2007: £7.7 million).

17 Adjustment for non-cash movements in the cash flow statement

Year to 31 March 2008 £m		**Six months to 30 September 2008 £m**	Six months to 30 September 2007 £m
8.7	Deficit/(gain) from investment property	**102.9**	(93.8)
1.6	Employee Long-Term Incentive and Share Matching Plan (credit)/charge	**(0.5)**	1.0
(5.4)	Amortisation of capitalised lease incentives	**(2.6)**	(2.0)
1.6	Share of results from joint ventures	**52.0**	(33.7)
6.5	Adjustments for non-cash items	**151.8**	(128.5)

18 Dividends

The proposed interim dividend of 4.0 pence per share (2007: 3.9 pence per share) was approved by the Board on 13 November 2008 and is payable on 6 January 2009 to shareholders on the register on 21 November 2008. The dividend is not recognised as a liability in the half year report. The 2008 final dividend of £14.4 million was paid on 11 July 2008 and is included within the Group Reconciliation of Other Movements in Equity.

19 Operating leases

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

31 March 2008 £m		**30 September 2008 £m**	30 September 2007 £m
	The Group as a lessor		
35.3	Less than one year	**40.3**	31.6
103.4	Between one and five years	**113.6**	67.3
137.9	More than five years	**140.9**	52.5
276.6		**294.8**	151.4

The Group leases its investment properties under operating leases. The weighted average length of lease at 30 September 2008 was 6.2 years (2007: 5.2 years). All investment properties except those under development generated rental income and no contingent rents were recognised in the period (2007: £nil).

Directors' responsibility statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';

(b) the half-yearly report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the half -yearly report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By the order of the Board

Toby Courtauld	**Timon Drakesmith**
Chief Executive	Finance Director
13 November 2008	13 November 2008

Independent review report to Great Portland Estates plc

Introduction
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 2008 which comprises the group income statement, the group balance sheet, the group statement of cash flows, the group statement of recognised income and expense, the group reconciliation of other movements in equity and related notes 1 to 19. 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.

This report is made solely to the company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them 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.

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 and Transparency Rules of the United Kingdoms' Financial Services 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 Auditing Practices Board 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 Ireland) 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 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditor
London, UK
13 November 2008

Directors and shareholders' information

Directors

Richard Peskin
Chairman, Non-Executive

Toby Courtauld
Chief Executive

Timon Drakesmith
Finance Director

Robert Noel
Property Director

Neil Thompson
Development Director

Kathleen O'Donovan
Senior Independent Director

Charles Irby
Non-Executive Director

Phillip Rose
Non-Executive Director

Martin Scicluna
Non-Executive Director

Jonathan Short
Non-Executive Director

Shareholders' information

Financial calendar	**2008**
Ex-dividend date for interim dividend	19 November
Registration qualifying date for interim dividend	21 November
	2009
Interim dividend payable	6 January
Announcement of full year results	20 May*
Circulation of Annual Report and Accounts 2009	30 May*
Annual General Meeting	9 July*
Final dividend payable	14 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:
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Tel: 0871 664 0300 (calls cost 10p per minute plus network extras).
If you are calling from overseas please dial +44 208 639 3399.

Website
The Company has a corporate website which 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 12 months. The site can be found on www.gpe.co.uk

Company Secretary

Desna Martin

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/reits

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

Online dealing - www.capitadeal.com

Telephone dealing – 0870 458 4577 (calls cost 10p per minute plus network extras).

Glossary

Adjusted earnings per share
Earnings per share adjusted to exclude non-recurring items, profits or losses on sales of investment properties, property revaluations and deferred tax on capital allowances and property revaluations on a diluted basis.

Adjusted net assets per share
NAV adjusted to exclude deferred tax on capital allowances and property revaluations on a diluted basis.

Diluted figures
Reported amounts adjusted to include the effects of potential shares issuable under the convertible bond.

Earnings per share (EPS)
Profit after tax divided by the weighted average number of ordinary shares in issue.

EPRA adjustments
Standard calculation methods for adjusted EPS and adjusted NAV as set out by the European Public Real Estate Association (EPRA) in their January 2006 Best Practice and Policy Recommendations.

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

F&BS
Finance and business services sector.

IPD
The Investment Property Databank Limited (IPD) is a company that produces an independent benchmark of property returns.

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

Like-for-like portfolio
Properties that have been held for the whole of the period of account.

Market value
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 purchaser's costs.

Net assets per share or net asset value (NAV)
Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date.

Net gearing
Total borrowings less short-term deposits and cash as a percentage of adjusted equity shareholders' funds.

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.

Property Income Distributions (PIDs)
Dividends from profits of the Group's tax-exempt property rental business.

Portfolio internal rate of return (IRR)
The rate of return that if used as a discount rate and applied to the projected cash flows from the portfolio would result in a net present value of zero.

REIT
UK Real Estate Investment Trust.

Rent roll
The annual contracted rental income.

Return on capital employed (ROCE)
Return on capital employed is measured as profit before financing costs plus revaluation surplus on development property divided by the opening gross capital.

Return on shareholders' equity
The growth in the adjusted diluted net assets per share plus dividends per share for the period expressed as a percentage of the adjusted net assets per share at the beginning of the period.

Reversionary or under-rented
The percentage by which ERV exceeds rents passing, together with the estimated rental value of vacant space.

Reversionary yield
The anticipated yield, which the initial yield will rise to once the rent reaches the ERV.

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.

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 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.

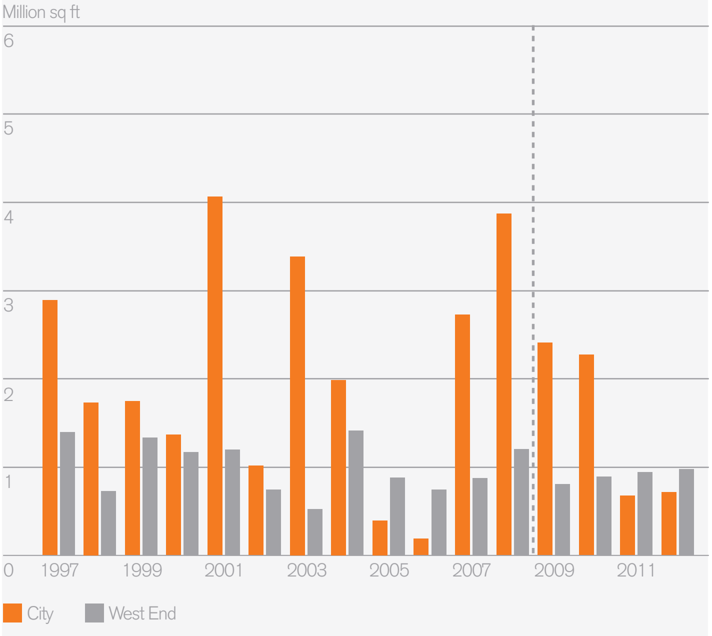
Voids
The element of a property which is unoccupied but available for letting, usually expressed as the ERV of the void space divided by the existing rent roll plus the ERV of the void space.

Weighted average cost of capital (WACC)
The weighted average pre-tax cost of the Group's debt and the notional cost of the Group's equity used as a benchmark to assess investment returns.

Weighted average unexpired lease term (WAULT)
The weighted average unexpired lease term expressed in years.

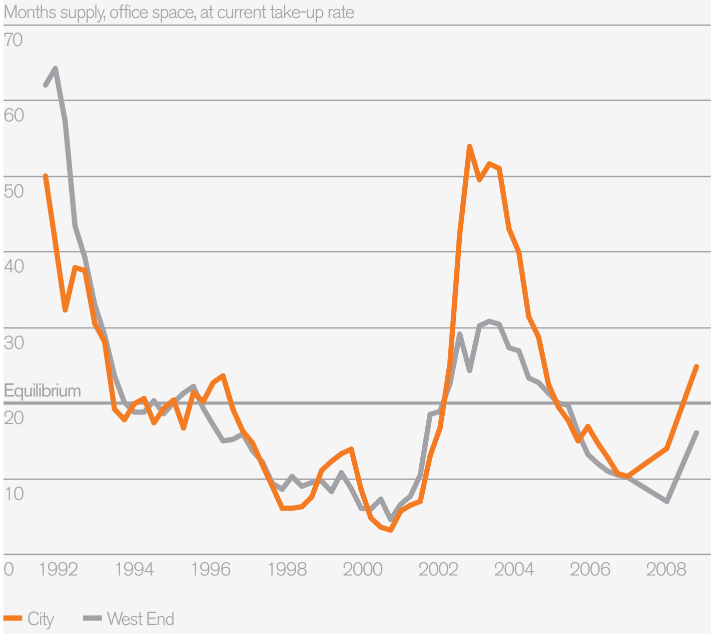
Appendix 1

Development completions – City and West End



Source: PMA

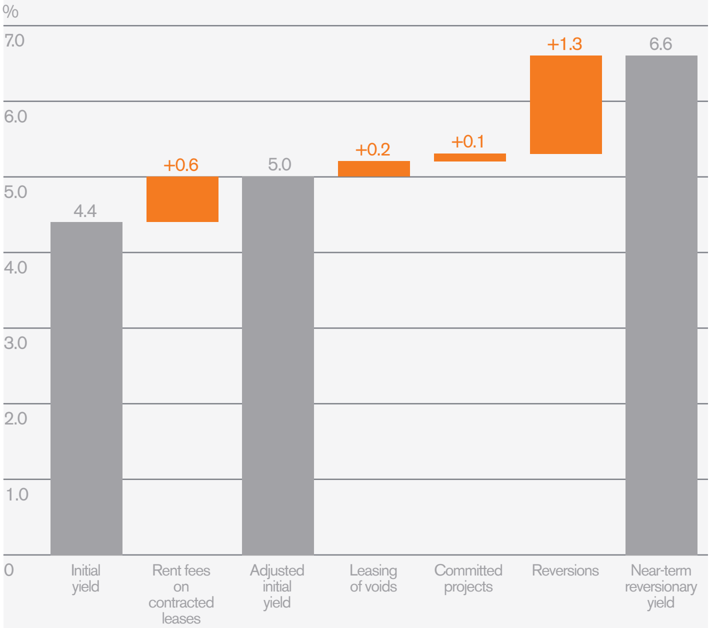
Market balance in key sub-markets



Source: PMA

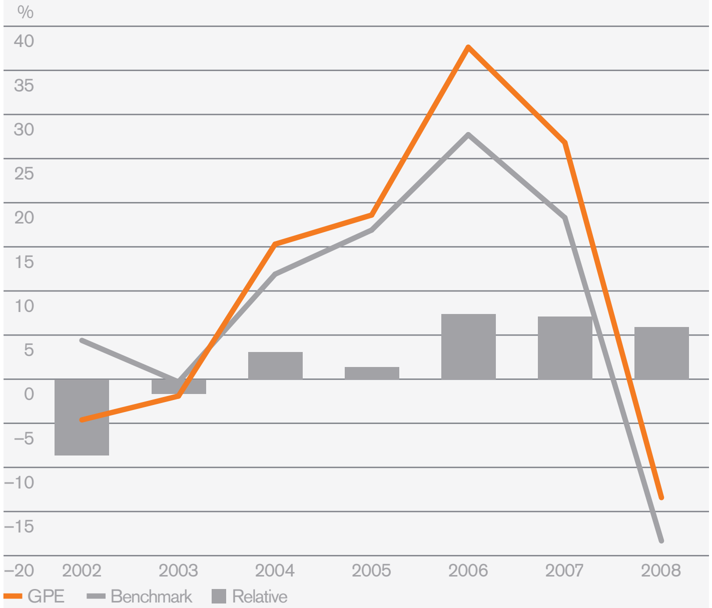
Initial yield to pro forma reversionary yield

As at 30 September 2008



Total property return relative to IPD central London

Years to 30 September



Source: IPD

Portfolio performance

		Valuation					At 30 September 2008
		Wholly owned £m	Share of joint venture £m	Total £m	Proportion of portfolio %	Valuation movement %	ERV movement %
North of Oxford Street	Office	305.2	86.9	392.1	27.6	(11.1)	(3.2)
	Retail	73.9	83.1	157.0	11.1	(1.7)	1.9
Rest of West End	Office	198.5	130.0	328.5	23.1	(10.8)	(4.0)
	Retail	103.5	78.3	181.8	12.8	(4.2)	2.6
Total West End		681.1	378.3	1,059.4	74.6	(8.6)	(1.9)
City and Southwark	Office	197.1	24.2	221.3	15.6	(15.0)	(1.6)
	Retail	7.9	1.7	9.6	0.7	(6.4)	1.6
Total City and Southwark		205.0	25.9	230.9	16.3	(14.6)	(1.4)
Investment property portfolio		886.1	404.2	1,290.3	90.9	(9.7)	(1.8)
Development properties		116.7	12.8	129.5	9.1	(7.2)	(5.0)
Total properties held throughout the period		1,002.8	417.0	1,419.8	100.0	(9.5)	(2.1)

Property portfolio – wholly owned

							At 30 September 2008
		Investment property portfolio £m	Properties under development £m	Total property portfolio £m	Office £m	Retail £m	Total £m
North of Oxford Street		379.1	107.9	487.0	401.7	85.3	487.0
Rest of West End		302.0	–	302.0	198.4	103.6	302.0
Total West End		681.1	107.9	789.0	600.1	188.9	789.0
City and Southwark		205.0	8.8	213.8	204.0	9.8	213.8
Total		886.1	116.7	1,002.8	804.1	198.7	1,002.8
By use	Office	700.8	103.3	804.1			
	Retail	185.3	13.4	198.7			
Total		886.1	116.7	1,002.8			

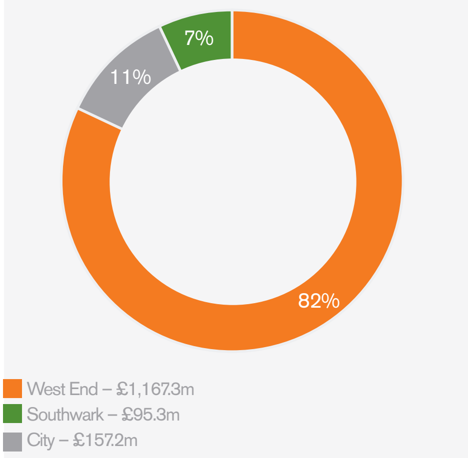
Property portfolio – joint ventures under management

							At 30 September 2008
		Investment property portfolio £m	Properties under development £m	Total property portfolio £m	Office £m	Retail £m	Total £m
North of Oxford Street		340.0	–	340.0	173.8	166.2	340.0
Rest of West End		416.7	–	416.7	260.1	156.6	416.7
Total West End		756.7	–	756.7	433.9	322.8	756.7
City and Southwark		51.8	25.5	77.3	72.5	4.8	77.3
Total		808.5	25.5	834.0	506.4	327.6	834.0
By use	Office	482.4	24.0	506.4			
	Retail	326.1	1.5	327.6			
Total – 100% of joint ventures		808.5	25.5	834.0			
Total – 50% share of joint ventures		404.2	12.8	417.0			

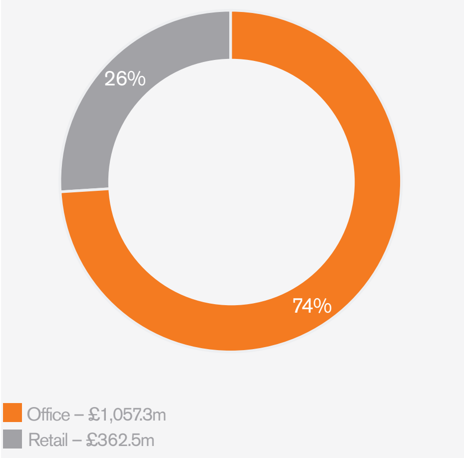
Total including share of joint ventures

						At 30 September 2008
	Investment property portfolio £m	Properties under development £m	Total property portfolio £m	Office £m	Retail £m	Total £m
North of Oxford Street	549.1	107.9	657.0	488.6	168.4	657.0
Rest of West End	510.3	–	510.3	328.5	181.8	510.3
Total West End	1,059.4	107.9	1,167.3	817.1	350.2	1,167.3
City and Southwark	230.9	21.6	252.5	240.2	12.3	252.5
Grand total	1,290.3	129.5	1,419.8	1,057.3	362.5	1,419.8

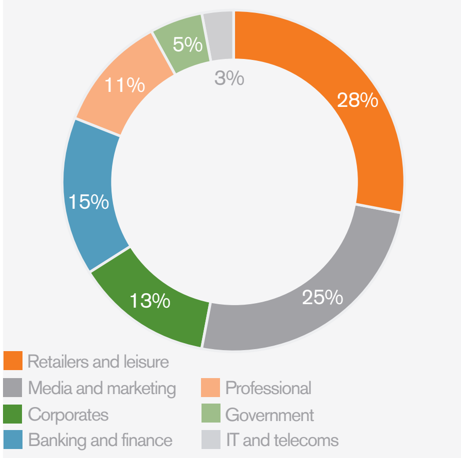
Our locations[1]



Our business mix[1]



Our tenants[1]



Notes
1. Includes Group's share of joint ventures.

Total development programme

	Number of schemes
Committed schemes	5
Pipeline	19
Total	24
Existing area	1.83m sq ft
Proposed area	2.90m sq ft
Increase (58%)	1.07m sq ft

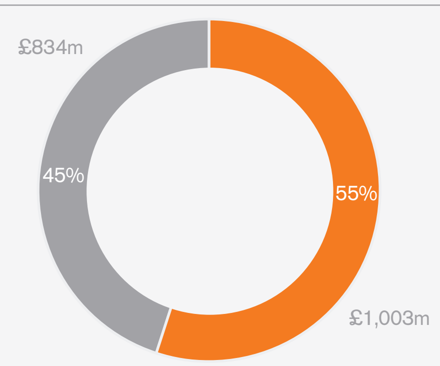
Committed schemes

Number of schemes	5
Site value	£49.6m
Project cost (excluding site)	£81.2m
Total cost (£psf)	£412
ERV	£9.6m
Gross development value	£156.2m
Profit on cost	£25.4m
Profit on cost	19.5%
Development yield on cost	7.8%

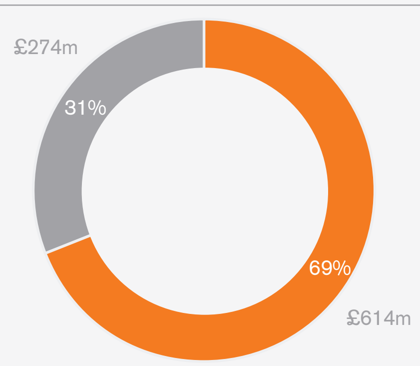
Joint venture business – contribution to the Group

Values at 30 September 2008

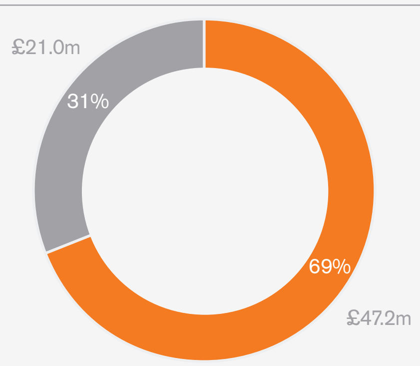
Gross property assets



Net assets[1]



Rent roll[1]



Wholly owned   Joint ventures

1. Includes Group's share of joint ventures.

Portfolio statistics

Rental income

At 30 September 2008

			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	16.7	2.2	18.9	4.1	2.1	6.2	25.1
		Retail	4.0	0.5	4.5	4.2	1.0	5.2	9.7
	Rest of West End	Office	8.6	4.5	13.1	7.5	2.2	9.7	22.8
		Retail	4.5	1.1	5.6	3.9	0.5	4.4	10.0
	Total West End		33.8	8.3	42.1	19.7	5.8	25.5	67.6
	City and Southwark	Office	12.8	4.1	16.9	1.2	0.7	1.9	18.8
		Retail	0.6	0.6	1.2	0.1	–	0.1	1.3
	Total City and Southwark		13.4	4.7	18.1	1.3	0.7	2.0	20.1
Total let portfolio			47.2	13.0	60.2	21.0	6.5	27.5	87.7
Voids					1.9			0.9	2.8
Premises under refurbishment					9.8			1.4	11.2
Total portfolio					71.9			29.8	101.7

Rent roll security, lease lengths and voids

At 30 September 2008

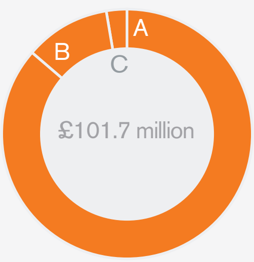
			Wholly owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	Voids %	Rent roll secure for five years %	Weighted average lease length Years	Voids %
London	North of Oxford Street	Office	70.1	8.9	4.0	20.5	3.0	4.5
		Retail	67.6	7.3	1.1	73.9	10.0	–
	Rest of West End	Office	21.9	3.2	–	46.4	4.9	2.2
		Retail	54.8	9.9	11.9	84.0	12.7	0.6
	Total West End		55.7	7.4	3.7	54.9	7.2	1.8
	City and Southwark	Office	12.8	2.9	2.0	14.8	2.2	12.9
		Retail	14.4	7.1	–	75.9	11.9	36.5
	Total City and Southwark		12.8	3.1	1.9	20.2	3.1	14.4
Total let portfolio			43.5	6.2	3.2	52.8	6.9	3.3

Rental values and yields

At 30 September 2008

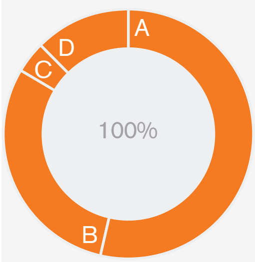
			Wholly owned		Joint ventures		Wholly owned		Joint ventures	
			Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street	Office	45	52	25	38	3.8	6.3	4.5	6.2
		Retail	41	38	61	76	4.0	5.6	5.1	5.4
	Rest of West End	Office	42	64	37	48	3.8	5.6	4.9	6.6
		Retail	65	77	45	50	3.9	5.2	4.9	5.4
	Total West End		45	55	38	48	3.8	5.9	4.9	6.0
	City and Southwark	Office	28	37	24	27	5.8	6.9	4.5	7.6
		Retail	13	27	42	26	2.9	6.2	6.0	7.3
	Total City and Southwark		27	36	25	27	5.7	6.9	4.6	7.6
Total let portfolio			38	48	37	44	4.3	6.1	4.8	6.1

Analysis of total rental values



A. Rent roll, rent reviews and lease renewals £87.7 million
B. Under refurbishment £11.2 million
C. Voids £2.8 million

Lease expiries (including share of joint ventures)



A. Less than 5 years 53.6%
B. 5 to 10 years 29.9%
C. 10 to 15 years 4.1%
D. Over 15 years 12.4%

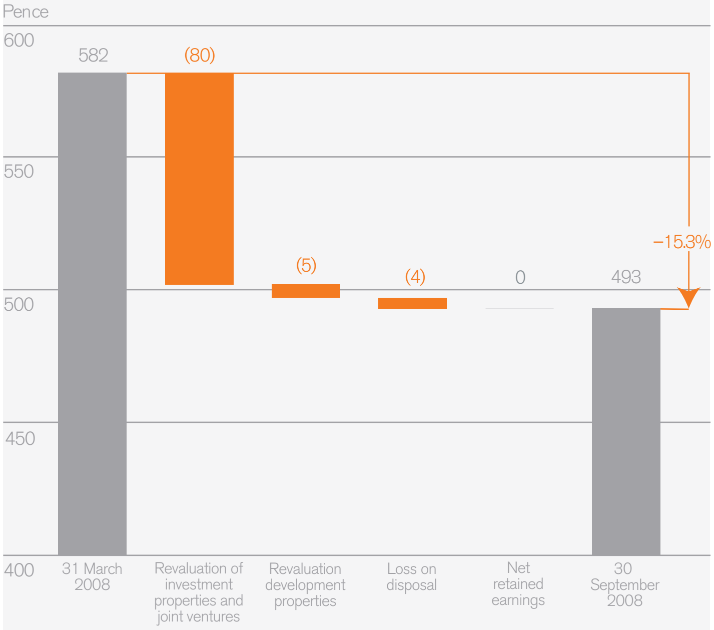
Risk management

The Group views effective risk management as integral to the delivering of superior returns to shareholders. Principal risks and uncertainties facing the business for the remaining six months of the financial year and the controls and processes in place by which the Company aims to manage those risks are:

Risk	Mitigation
Market risk Property markets are cyclical. Performance depends on general economic conditions, a combination of supply and demand for floor space as well as overall return aspirations of investors. Constrained credit markets have served to put downward pressure on property valuations and slow occupational demand with the potential for increased void levels and tenant defaults.	Research into the economy and the investment and occupational markets is evaluated as part of the Group's annual strategy process covering the key areas of investment, development and asset management and updated regularly throughout the year. Prior to committing to a development the Group conducts a detailed Financial and Operational appraisal process which evaluates the expected returns from a development in light of likely risks. During the course of a development, the estimated returns are regularly monitored to allow prompt decisions on leasing and ownership to be determined. The Group's rents remain low by comparison to the market. Tenants are proactively managed to ensure changing needs are met with a focus on retaining income, where appropriate, and maintaining a diverse tenant mix by industry sector and size. Formal covenant procedures are completed on all new tenants to ensure rent deposits or guarantees are secured where appropriate.
The impact of changes in legislation particularly in respect of environmental legislation and planning regulations.	Through the use of experienced advisers and direct contact, senior Group representatives spend considerable time ensuring that buildings are maintained and refurbished or redeveloped in line with current regulations and changing tenant demands including, for example, changing environmental legislation requirements in the most cost effective manner.
Development Failure to obtain or delays in gaining planning consents.	Planning applications are proactively managed. The Company monitors changes in planning legislation and has strong relationships with planning authorities and consultants.
Construction cost inflation.	Specialist advisers are used to forecast both labour and construction costs. Procurement strategies are employed to mitigate this risk as far as possible. Detailed appraisals are produced at key stages of the development process to ensure that decisions are based on up-to-date forecasts.
Letting risk.	Market analysis including a good understanding of tenants' requirements which influence building design and sensitivities are included within the development appraisals. The Company has resource dedicated to the letting of the developments supported by a strong network of specialist leasing agents.
Investment Difficulty in sourcing investment opportunities at attractive prices.	The Company has dedicated resources whose remit is to constantly research each of the sub-markets within central London seeking the right balance of investment and development opportunities suitable for current and anticipated market conditions.
Portfolio returns impaired by inappropriate recycling of capital.	Business plans are produced on an individual asset basis to ensure the appropriate churn of those buildings with relatively limited potential performance.
Inability to recycle out of ex-growth assets at the latest valuation due to credit market difficulties resulting in a limited pool of potential buyers.	The Company has dedicated resource to identify potential buyers even in thin markets.
Attracting and retaining the right people Achieving the Company's aims requires people of the highest calibre.	The Company has a remuneration system that is strongly linked to performance and a formal appraisal system to provide regular assessment of individual performance and the identification of training needs.
Reputation Health & Safety and Environment ("HSE").	The Company has dedicated HSE personnel to oversee the Company's HSE Management Systems including regular risk assessments and annual audits to proactively address key HSE areas including energy usage and employee, contractor and tenant safety.
Financial risks Liquidity risk.	Cash flow and funding needs are regularly monitored to ensure sufficient undrawn facilities are in place. Funding maturities are managed across the short-, medium- and long-term. The Group's funding measures are diversified across a range of bank and bond markets. Strict counterparty limits are operated on deposits.
Adverse interest rate movements.	Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or capped interest rates through derivatives.
Breach of borrowing covenants.	Financial ratios are monitored and regularly reported to the Board.
Non compliance with REIT regulations.	The Group's accounts and forecast financial measures are regularly compared to REIT limits and reported to the Board.

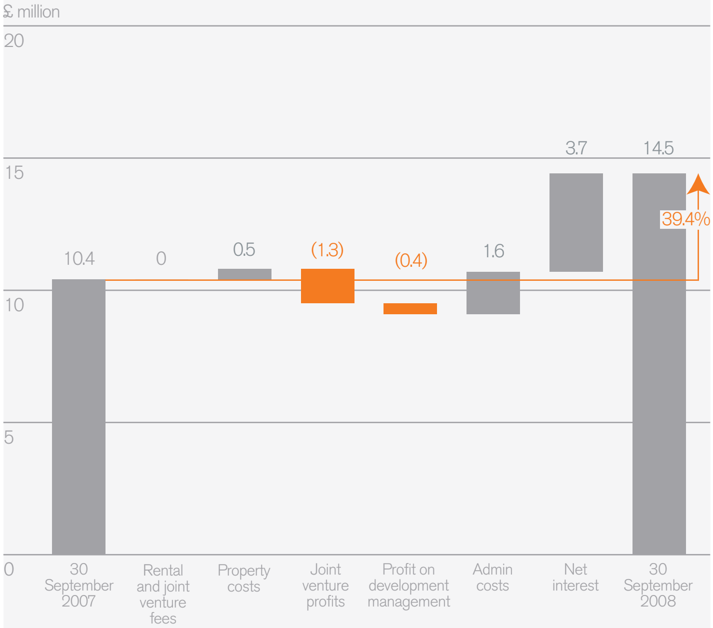
Adjusted NAV per share

Movement since 31 March 2008



Adjusted profit before tax

Six months to 30 September 2008



Adjusted profit before tax

	September 2008 £m	September 2007 £m
Reported (loss)/profit before tax	(146.2)	130.7
Deficit/(gains) from investment properties	102.9	(93.8)
Deficit/(gains) from joint venture properties	57.9	(26.4)
Fair value movement on derivatives	(0.2)	(0.1)
Fair value movement on joint venture derivatives	0.1	–
Adjusted profit before tax	14.5	10.4

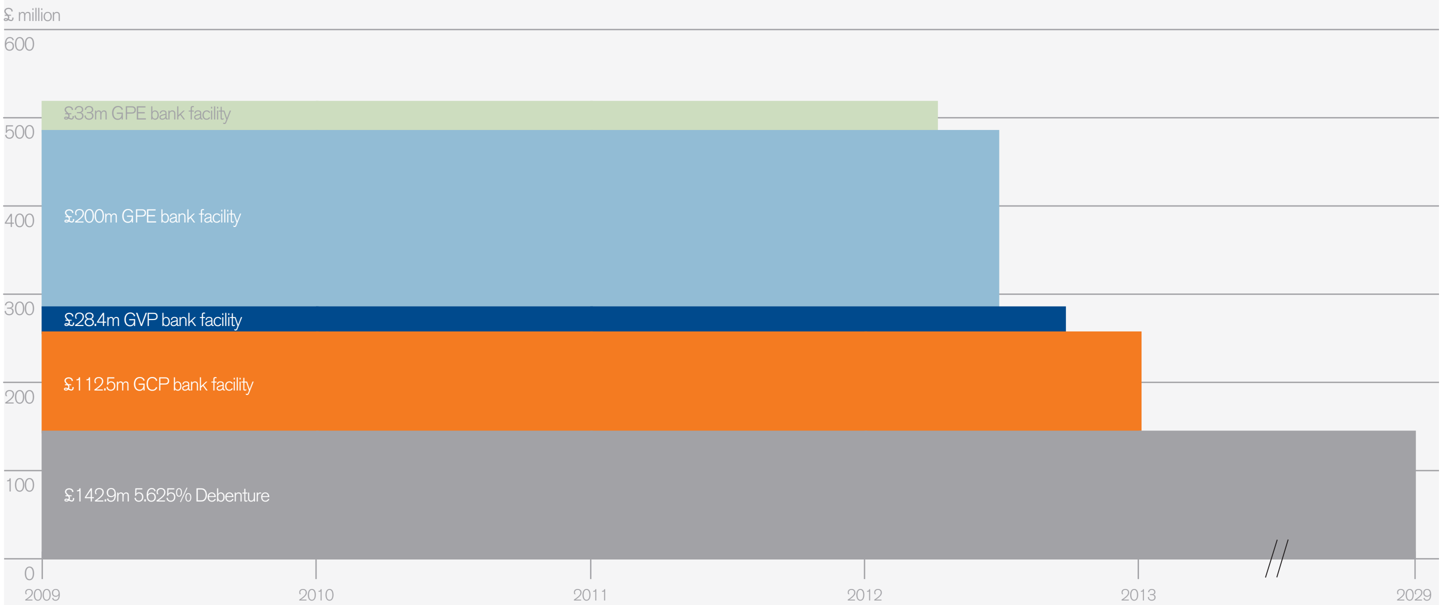
Debt covenant levels

Key covenants	Covenant	30 September 2008 actuals[1]	Headroom
GPE bank facilities			
Net debt/net equity	≤1.25x	0.41x	67% movement in net equity. Equivalent to a 44% valuation fall or NAV of around 160p
Inner borrowing[2]	≥1.66x	3.50x	40% movement in portfolio value
Interest cover	≥1.30x	2.13x	39% movement in profits before interest or £22m
GCP loan[3]			
Loan to value	≤70%	38.7%	48% movement in asset value

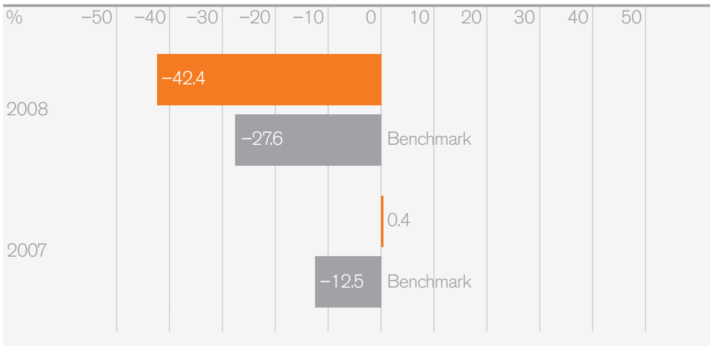
Notes:
1. Covenant definitions of key financials vary from accounting definitions.
2. Ratio of unsecured assets to unsecured borrowings.
3. GCP loan also has an interest cover covenant where headroom is in excess of GPE interest cover percentages.
4. Other covenants relate to GPE's 2029 Debenture and GVP1 non-recourse loans both of which have substitution or cash trap mechanisms which facilitate covenant compliance.

Debt maturity profile – drawn facilities

Pro forma at 12 November 2008



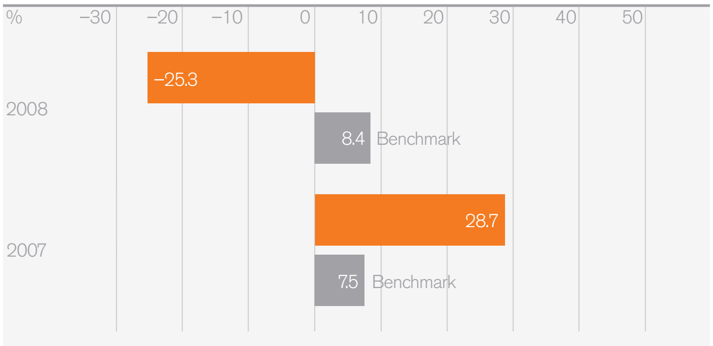
Total Shareholder Return (TSR)*



Benchmark: TSR of the FTSE 350 Real Estate Index

Commentary:
The TSR of Group underperformed the FTSE 350 Real Estate index by 14.8 percentage points as investors preferred several of the larger UK property companies. The real estate sector continued to be out of favour so the Group TSR underperformed the wider FTSE 250 by 16.2 percentage points.

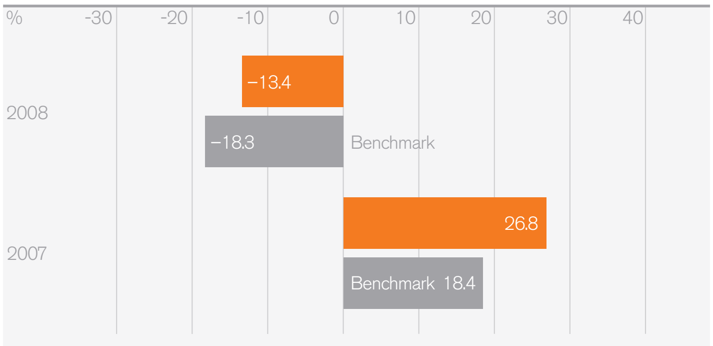
Adjusted NAV per share growth*



Benchmark: Increase in the Retail Price Index plus a hurdle of 12% over a three year period

Commentary:
Net assets per share declined by 25.3% over the year as adverse market movements reduced the portfolio valuation. Our RPI benchmark stayed at broadly the same level of last year causing a 33.7 percentage point relative underperformance for the year.

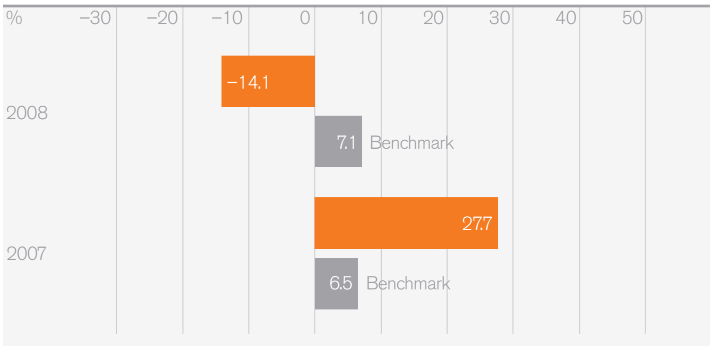
Portfolio Total Property Return (TPR)*



Benchmark: TPR of the IPD Central London Benchmark

Commentary:
The Group generated a portfolio TPR of minus 13.4% in the year whereas the benchmark produced a return of minus 18.3%. This out performance was principally due to the relative returns of our West End office assets.

Return on Capital Employed (ROCE)*



Benchmark: The Group's weighted average cost of capital

Commentary:
ROCE for the year was minus 14.1%, significantly below the Group's WACC. The underperformance for the year is mainly due to portfolio valuation falls. Our ROCE is unlikely to outperform the benchmark in the current challenging market environment.

*Year to 30 September