Press Release

4 July 2013

AGM Statement

Martin Scicluna, Chairman of Great Portland Estates plc, will make the following comments at today's AGM, to be held at 2 Queen Anne Street, London W1.

“Great Portland Estates has had another year of strong performance; for the 12 months to 31 March 2013, EPRA net assets per share increased by 10.7% with our total property return of 11.7%, again outperforming our IPD central London benchmark. The total shareholder return for the year was 40.7% and significantly ahead of our FTSE 350 Real Estate benchmark of 21.3%.

These excellent returns are a direct result of our focused business model concentrating exclusively on high quality central London real estate, with our portfolio let-off low rents and 81% in the under-supplied West End market, combined with effective capital management and the disciplined execution of our strategic priorities:

- The development programme that we commenced in 2010 is delivering significant surpluses for shareholders, with our five completed projects generating a profit on cost of 55%. We currently have another five committed schemes where we expect to deliver a profit on cost of 34% and which are already 63% pre-let. With a further 20 uncommitted schemes, our total development programme extends to 2.5 million sq ft, covering 55% of the existing portfolio, including our enviable development sites at Rathbone Place and Hanover Square. We anticipate that our development activities will continue to drive market leading returns, particularly given the supportive conditions in our occupational markets

- We have continued to recycle capital successfully, with profitable selling of mature properties complemented by accretive acquisitions of properties in attractive locations, with angles to exploit and at entry prices materially below replacement cost. Our £271 million of acquisitions in the year include three purchases since our November share placing, with more than 80% of the £138 million raised successfully invested within four months.

- Our asset management team has again performed strongly during the year, securing more than £13 million of annual rent at levels well ahead of the valuers’ ERV. This performance has continued into the new financial year with lettings of more than £13 million so far, including our largest ever pre-let of £8.3 million at New Fetter Lane.

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- Our balance sheet and funding position remains robust, with a low loan to value ratio of less than 33% at the year end. Our debt remains amongst the lowest cost in the sector at 3.7% and we have significant levels of liquidity, with cash and undrawn debt facilities in excess of £280 million and no debt maturities until summer 2015.

- Our experienced and talented team is performing strongly and we were delighted to welcome Elizabeth Holden to the Board as a Non-Executive Director in September 2012

Despite continued macro-economic concerns and capital market volatility, conditions in our central London markets remain supportive; improving tenant demand is translating into lettings whilst the supply of new space to let is set to remain muted for some time, particularly in the core of the West End. Over the next few years, absent an economic set back, given the continued scarcity of finance for speculative development, we can look forward to healthy rates of rental growth in selected London sub-markets.

In core central London, prime commercial property values continued to strengthen over the last 12 months and yields remain supported by the excess of demand over supply, measured at a ratio of almost 9:1 in May 2013, with London continuing to attract a significant flow of investment capital from around the world.

In this market context, we are well positioned to continue to outperform: demand for our space from prospective tenants is strong; our exceptional development pipeline will deliver material surpluses in the near-term and gives us a platform for growth well into the next decade; our reversionary portfolio is rich with opportunities for value creation; our disciplined capital recycling will crystallise attractive gains and our conservative gearing and plentiful, low-cost firepower, will enable us to execute our exciting growth plans and exploit new opportunities as we find them. Accordingly, we look to the future with confidence.

We will be publishing our first quarter valuation along with our interim management statement on 25 July."

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