Press Release

11 November 2015

GPE development successes and rental growth deliver portfolio valuation uplift of 10.5% in H1

The Directors of Great Portland Estates plc announce the results for the Group for the six months ended 30 September 2015. Highlights[1] for the six months:

Continued strong growth in both capital and rental values, outperforming London market

- Portfolio valuation up 10.5%[2] since 31 March 2015 (developments: 18.3%[2])
- Six month capital return of 11.9% outperforming IPD Central London of 8.7%, with total property return of 13.6% v 10.4% for IPD Central London; five year capital return of 104.4%, 21.1% ahead of IPD Central London
- Rental value growth of 6.5%[2] (6.7% offices, 5.9% retail) v 5.6% for IPD Central London
- Rent roll growth of 3.8% over six months

Excellent financial performance with increased NAV and EPS

- EPRA[3] NAV per share of 808 pence, up 14.0% over six months
- Net assets of £2,746.7 million (31 March 2015: £2,390.9 million)
- EPRA[3] profit before tax of £24.3 million, up 15.7% on 2014. EPRA[3] EPS of 6.9 pence, up 16.9%
- After revaluation surplus, reported profit after tax of £371.0 million (2014: £246.5 million)
- Interim dividend per share of 3.6 pence, up 2.9%

Three new committed schemes; largest ever development programme delivering significant surpluses

- Nine committed schemes (853,200 sq ft, 24.0% of existing portfolio by area), up from six in May, 81.6% in West End, 53.5% pre-let or pre-sold, expected profit on cost of 25.2%
- Good progress across further two near-term schemes (314,100 sq ft), both in West End
- Major development opportunity from further 12 uncommitted pipeline schemes (1.3 million sq ft)
- Total development programme of 2.5 million sq ft, covering 54.0% of existing portfolio, 69.0% in West End
- Further 430,000 sq ft in refurbishment programme

Strong leasing activity ahead of ERV, including record pre-letting at Rathbone Square, W1

- 29 new lettings (288,900 sq ft) securing annual income of £20.8 million (our share: £20.8 million), including pre-lettings and development lettings of £17.5 million
    - Pre-letting of all the office space at Rathbone Square, W1 to Facebook (£16.9 million, 7.5% above valuers' March 2015 ERV)
- Market lettings were 6.5% ahead of valuers' March 2015 ERV
- 13 rent reviews settled securing £1.9 million per annum, 57.0% ahead of passing rent
- Vacancy rate at 3.6%, average office rent only £46.90 sq ft, reversionary potential of 32.3%
- Further £8.9 million of lettings (our share: £8.1 million) currently under offer, 17.2% ahead of March 2015 ERV

Disciplined and profitable capital recycling

- Sales of £116.9 million, including 95 Wigmore Street, W1 for £222.4 million (our share: £111.2 million, 16.4% ahead of March 2015 book value)
- Secured full ownership of City Tower and City Place House, EC2 through purchase of JV partner's 50% interest in GSP (£608 per sq ft capital value)

Financial strength to fund further organic growth

- Gearing of 24.5%, loan to property value of 20.2%, cash and undrawn facilities of £369.7 million
- Weighted average interest rate only 3.6%, drawn debt 88% fixed or hedged
- Total capex to come at committed and near-term development schemes of £513.3 million

[1] All values include share of joint ventures unless otherwise stated   [2] On a like-for-like basis   [3] In accordance with EPRA guidance

Toby Courtauld, Chief Executive, said:

"We are pleased to report another strong set of results, driven by market-beating portfolio returns, particularly in our development business, and some outstanding leasing activity, including one of the largest ever lettings in the West End.

Today we are in execution mode, focussed on generating organic growth through developing, refurbishing and growing income across our 3.6 million sq ft portfolio. Fundamental to our continued success is London's economic prosperity. Despite elevated levels of economic uncertainty since the summer, the employment intentions of the Capital's businesses remain expansionary and their space needs are following suit. Vacancy rates are now at record lows in the West End and, with much of the inventory of space under development already pre-let, we can look forward to further increases in rents.

In our investment markets, there remains a surfeit of buyers over assets for sale but we expect macro concerns to reduce investors' appetite for lesser quality assets, particularly where prices have run ahead of the rental growth on offer. Demand for prime properties remains robust.

In the context of these supportive market conditions, we expect to continue delivering significant organic growth across the business; our 1.2 million sq ft committed and near-term development programme is the largest we have ever undertaken and includes some of the West End's most exciting projects; our flexible future pipeline contains a further 1.3 million sq ft of enticing prospects stretching well into the next decade; and with reversionary potential of 32%, off average office rents of only £47 per sq ft, and plentiful low-cost financing, we have much to aim for and maintain our confident outlook."

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The results presentation will be broadcast live at 9.00am today on:

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

A conference call facility will be available to listen to the presentation at 9.00am today on the following numbers:

UK: 0808 109 0700 (freephone)
International: +44 (0) 20 3003 2666

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

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

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

Half Year Results

Our market

Introduction
Central London's economy and commercial property markets continue to prosper with rents rising and healthy investment appetite. Looking ahead, our expectation remains that rental growth will be the principal driver of capital returns across the central London commercial real estate market.

Overview
Over the six months to September, positive momentum in the UK economy has been maintained with GDP growth of 2.0%, underpinned by robust consumer confidence, with London again outperforming. Looking ahead, Oxford Economics forecasts that London's dominance will continue with annual GVA growth of 3.3% expected over the next five years.

With this positive outlook and employment rates in London already reaching record highs, the Capital's businesses remain in growth mode and office-based employment in inner London is expected by Oxford Economics to increase by an average 2.0% per annum over the next five years. As a result, leasing activity in the central London office market is on the rise. When combined with a Central London office vacancy rate at its lowest in eight years and limited new office supply, market balance continues to favour landlords. Consequently, we maintain our expectation of delivering a strong annual rental growth rate of around 10% for this financial year.

In the investment market, London's relative strengths and rental growth prospects have maintained transaction volumes and competition for assets at high levels, driving office yields to record lows in both the West End and City. This has attracted an inevitable supply response from landlords since the summer. For the immediate term, with the real yield spread above the long-term average, we expect prime yields to remain firm over the next six months. Yields for lesser quality assets and where pricing has run ahead of the rental growth on offer could come under pressure. Looking further ahead, we maintain our view that yields will increase as rental growth is captured in the medium-term.

Against this positive market backdrop, uncertainties remain around the global economic outlook, including from emerging market economies' weakness, lower commodity prices and the prospect of higher US interest rates in the coming months. Closer to home, the expectation of the commencement of gradual UK base rate rises in 2016, along with the London mayoral election and the forthcoming referendum on the UK's position in Europe will also be increasing areas of focus for investors, landlords and occupiers alike. We will maintain our close scrutiny of market conditions during this period of increasing uncertainty.

Occupational markets continue to favour landlords
Over the six months to 30 September 2015, central London office take-up was 7.6 million sq ft, an increase of 6.3% on the preceding six months and 20.6% above the 10 year average of 6.3 million sq ft. This take-up has been from a broad range of industries, including business services (24%), creative businesses (20%) and banking & finance (14%). As a result, the central London availability rate has fallen to 4.7%, its lowest level since 2000, which is encouraging more occupiers to seek to secure new space earlier and ahead of lease events. This is supporting both rental growth and pre-letting across our markets, as demonstrated by our record letting to Facebook at Rathbone Square in September.

On the supply side, development completions across central London are rising, although from a low base. Across the central London office market as a whole, development completions in the six months to 30 September 2015 were 2.4 million sq ft. However, in the core of the West End, the focus of our development activities, completions totalled only 440,000 sq ft in the six month period. This supply shortage has meant that pre-lets continue to represent more than 18% of central London office take-up.

Looking ahead, with robust occupier demand, low vacancy rates and the prospect of rental growth, we expect to see a supply side response with a pick up in the speculative development pipeline. However, this supply is expected to be predominantly focused in the City and fringe markets, with the highest delivery levels not forecast until 2018/2019. Moreover, the significant barriers to development in the West End combined with the lead time between development starts and completions means that we expect it will take several years for any meaningful amount of new space to be delivered in this market.

West End occupational market
Over the six months to 30 September 2015, West End office take-up was 2.3 million sq ft, up 9% on the preceding six months, while availability is 7.5 million sq ft. Vacancy rates have reduced to 2.1%, with grade A space vacancy estimated by CBRE to be only 1.5%.

Across the West End, CBRE has reported that prime office rental values rose by 1.7% over the last six months, although CBRE estimates that in the North of Oxford Street East office market rents grew by more than 3%, in part due to our own leasing activity. The West End retail market (where 23% of our West End portfolio by value is located) has continued to be strong. Over the six months, robust demand for retail space, particularly from international retailers for prime locations, has maintained a near zero vacancy, with leasing activity increasing prime rental values by 7.0%.

City, Midtown and Southwark occupational markets
Over the six months to 30 September 2015, City office take-up was 2.2 million sq ft, while availability has reduced to 7.2 million sq ft. Although higher than in the West End, vacancy rates remain low at 3.3% with grade A vacancy estimated by CBRE to be only 2.4%. CBRE has also reported that City prime rental values were up 3.8% at £67.00 per sq ft over the period.

Midtown and Southwark continue to witness significant leasing activity, driven largely by demand for new space from the TMT sector. This has supported rental growth of 2.7% and 3.0% respectively for the six months, with prime office rents of £67.50 and £59.50 per sq ft respectively at 30 September 2015.

Healthy investment market
Following another very active year in 2014 with £18.5 billion of central London office investment transactions, activity has remained robust with £11.9 billion of deals in the first nine months of 2015. Overseas investors continue to be the largest buyer constituency, accounting for 57% of transactions over the last nine months, with London maintaining its reputation as a safe haven for investment whilst also offering the prospects of attractive rental growth.

We reported in May 2015 that we estimated £40 billion of equity capital was seeking to invest in commercial property across central London compared to only £2 billion of stock on the market available to buy. This strong competition for limited stock has driven investment yields for office properties to record lows with prime yields in the West End and City of 3.5% and 4.0% respectively at 30 September 2015, according to CBRE. In addition, there has been a further narrowing of the yield spread between prime and secondary properties.

Given this demand-supply imbalance and further yield tightening, as expected there has been a supply response since the summer. We estimate that there is currently £7.9 billion of stock on the market available to buy, with around 77% of this total represented by properties in the City. Whilst the weight of money seeking to invest remains deep at £35.8 billion, it is possible that not all of this stock will transact in the short term, particularly given some of the keen pricing being sought for less than prime properties. We maintain our view that, in general, prime yields will trend flat in the short term, although it is increasingly likely that some secondary asset pricing will need to adjust to more realistic levels.

Supportive lead indicators
Given the cyclical nature of our markets, we actively monitor numerous lead indicators to help identify key trends in our market place.

Selected Lead Indicators	Trends in period March – September 2015
Property Capital Values	
Equity prices	↓
Bond prices	↓
Real yield spread (West End property)[1]	↔
Volume of net new property lending (including from non-bank sources)	↔
Transaction volumes in central London direct real estate investment markets	↔
Weight of money seeking to invest in central London commercial property	↓
Rental Values	
Forecast UK GDP growth	↓
Forecast London GVA growth	↔
Business confidence levels in the central London economy	↓
UK output from the financial and business services sector	↔
Employment levels in London's finance and business services sectors	↑
Vacancy rate (central London offices)	↓
Central London office market balance[2]	↔

1. West End property yields over ten year gilt yields adjusted for inflation
2. Amount of space available to let given current rates of take-up expressed in terms of months, with a reduction being supportive to rental values

Despite some weakening of our property capital value indicators over the period given capital market volatility, investment activity in the central London commercial property market continues to be strong with the real yield spread above the long-term average. Moreover, our rental value indicators remain supportive with a positive GDP outlook for London maintained, supported by growing employment levels in central London and a record low vacancy rate in the central London office market. Accordingly, we expect that rental values will continue to rise for sensibly priced, well specified space in attractively located central London properties for the next few years.

Our business

Our business is accompanied by graphics (see Appendix 1)

Development management

The Group's largest ever development programme continues to be a significant driver of returns and we have expanded the committed programme with the commencement of three additional schemes since the start of the financial year. We currently have nine committed schemes on site (853,200 sq ft, representing 24.0% of the Group's total existing portfolio by area) and these schemes are expected to deliver a profit on cost of 25.2%, with 53.5% of the gross development value already pre-let or pre-sold. In addition, we have two schemes that could start in the next 24 months, both in the West End; Oxford House, W1 and Hanover Square, W1. Beyond that, our pipeline includes a further twelve uncommitted projects, giving us a total programme of 2.5 million sq ft, covering 54% of GPE's existing portfolio. Taken together, capital expenditure to come at our committed schemes totals £359.9 million (our share), which could rise to £513.3 million (our share) if the near-term uncommitted schemes were started. At 30 September 2015, the committed properties were valued at £786.6 million (our share) and the near-term development properties at £268.2 million (our share).

Nine committed schemes

At our 418,700 sq ft mixed-use development scheme at Rathbone Square, W1, construction works continue to progress positively with the building now around 40% complete. In September, we pre-let all of the office space within the development to Facebook, who will occupy the entire office building (known as One Rathbone Square) on a 15 year term without breaks from practical completion (shell and core condition, scheduled for March 2017). Facebook will pay an initial rent of £16.9 million per annum on the 227,300 sq ft of currently consented office space, equating to an average of £82.90 per sq ft for the upper six office floors (182,300 sq ft) or an overall average rent of £74.35 per sq ft when including the basement and ground floors (45,000 sq ft). This is 7.5% ahead of the ERV of the equivalent office space at 31 March 2015. The total rent will increase to £17.8 million per annum should GPE receive planning consent for change of use of a further 15,500 sq ft of space to offices. Facebook will receive 30 months rent free from completion of the offices to a shell and core condition and will receive a capital contribution of £52.90 per sq ft towards carpets, floorboxes and fitting out the reception and the offices to a Category A condition.

GPE has also agreed to provide Facebook with expansion opportunities within the GPE portfolio, as follows:

- At 73/89 Oxford Street, W1, Facebook has a right of first offer to pre-let all the 42,600 sq ft of office space, known as 1 Dean Street, W1, on coterminous leases with One Rathbone Square; and

- At Oxford House, 76 Oxford Street, W1, subject to GPE obtaining planning consent from WCC for a comprehensive refurbishment of the building, Facebook will have a right of first offer to pre-let all the anticipated 55,700 sq ft of office space on coterminous leases with One Rathbone Square.

The successful pre-letting of the entirety of the office space together with the sale of 132 out of the 142 residential apartments has helped to significantly de-risk the scheme with 84.5% of the gross development value now either pre-let or pre-sold. The project is due to complete in June 2017 and, based on current market assumptions and post allowance for overage arrangements, is expected to deliver GPE a pre-tax profit on cost of 25.4% (up from 15.7% expected on commitment to the scheme in spring 2014).

At 73/89 Oxford Street, W1, which will deliver 90,700 sq ft of new-build retail and office space, we have completed the demolition of the existing building and the main contract works have commenced. Following the pre-let of 31,800 sq ft to New Look at a zone A rent of £600 per sq ft in March 2015 and subsequent securing of a change of planning use for the second floor from office to retail during the period, 42.6% of the scheme’s GDV is already pre-let. The scheme is due for completion in April 2017 and we have strong interest in the remaining 15,300 sq ft of retail space which sits directly opposite the Dean Street entrance to the Tottenham Court Road Crossrail station. Based on current market assumptions, the scheme is expected to deliver GPE a profit on cost of 25.4%.

At 30 Broadwick Street, W1 (formerly St Lawrence House), our 92,300 sq ft new-build office and retail scheme, structural works are in progress. The project is on schedule to complete in September 2016 and we already have good tenant interest for the office space ahead of our pre-letting campaign which will commence shortly. Based on current market assumptions, the scheme is expected to deliver GPE a profit on cost of 34.4%.

At 78/82 Great Portland Street, W1, our 18,900 sq ft mixed use redevelopment, the main contract has now commenced following completion of the strip out works. The scheme will accommodate the off-site residential space associated with our development at 30 Broadwick Street, W1.

Since 31 March 2015, we have committed to three further schemes. At 148 Old Street, EC1, we achieved planning over the summer for our major refurbishment of the existing 97,800 sq ft building to create around 156,900 sq ft of high quality office space in this rapidly improving location. The strip out of the building has commenced and based on current market assumptions, the scheme is expected to deliver GPE a profit on cost of 16.3%. The scheme is due for completion in September 2017.

In September, we received planning permission at Tasman House, 59/63 Wells Street, W1, to replace a tired 1950’s building with 37,300 sq ft of new office and retail space. The strip out of the building is complete and demolition has commenced with the scheme due for completion in October 2017. Based on current market assumptions, the scheme is expected to deliver GPE a profit on cost of 21.1%.

The Group's committed programme also includes 90/92 Great Portland Street, W1, which contains the offsite residential offset for Hanover Square, W1, 84/86 Great Portland Street, W1, a 23,100 sq ft mixed use scheme which contains the offsite residential offset for Tasman House, W1 and 48/50 Broadwick Street, W1, the residential offset for 73/89 Oxford Street, W1.

Two schemes in the near-term programme
At Hanover Square, W1, we continue to prepare the 223,600 sq ft development scheme, owned in our 50/50 joint venture with the Hong Kong Monetary Authority, for a construction start upon delivery of the station structure by Crossrail. Ahead of this, we are exploring opportunities to access elements of the site early to allow us to commence demolition of the remaining buildings and accelerate the development programme.

As detailed above, our near-term programme also includes Oxford House, W1.

Asset management

We have delivered record leasing results for the first half of the year, with highlights since March 2015 including:

- 29 new leases were signed during the first half (2014: 41 leases), generating annual rent of £20.8 million (our share: £20.8 million; 2014: £6.6 million), including pre-lettings and development lettings of £17.5 million;
- market lettings in the first half were 6.5% ahead of March 2015 rental values;
- 129 leases with breaks or expiries in the twelve months to 30 September 2015, 94.5% by area were retained, re-let, under offer or under refurbishment leaving only 5.5% to transact;
- 13 rent reviews of £1.9 million (our share: £1.9 million; 2014: £5.1 million) were settled during the half year, representing an annualised increase of £0.7 million per annum, or 57.0% above the previous passing rent;
- total space covered by new lettings, reviews and renewals during the first half was 323,100 sq ft (2014: 286,500 sq ft); and
- since the period end, we have completed £0.5 million (our share: £0.5 million) of new lettings (8,100 sq ft), and a further 136,800 sq ft is currently under offer which will deliver approximately £8.9 million p.a. in rent (our share: £8.1 million), in total 17.2% ahead of March 2015 ERV's.

Our strong leasing activity for the six months was dominated by the pre-let of all the consented office space at our development at Rathbone Square, W1 to Facebook (see development management section). We have also had further letting success at our development at Walmar House, W1 with the final retail space let to North Face, the outdoor apparel specialist, who have taken a 6,400 sq ft retail unit on a ten year lease (no breaks) paying £0.6 million per annum. The scheme is now fully let and will generate a rent roll of £4.3 million with a WAULT of 13.3 years.

During the first six months of this financial year, we continued to capture the significant reversionary upside across our investment portfolio. Notable lettings include the second floor (5,600 sq ft) at 27/35 Mortimer Street, W1 let to Digital UK Ltd at £69.50 per sq ft, capturing a reversion of 82%, and four lettings at Woolyard, SE1 which captured a reversion of 87%.

Overall, these asset management successes have helped maintain the Group's low vacancy rate of 3.6% at 30 September 2015, with the increase from 2.0% at 31 March 2015 principally due to the acquisition of Starwood Capital's interest in City Place House, EC2 where we have recently achieved vacant possession of two floors. At 30 September 2015, the average rent across our office portfolio was £46.90 per sq ft and our total annualised rent roll (including share of JVs) was £100.6 million, a 3.8% increase over the six month period.

The table below summarises our leasing transactions in the period:

Leasing Transactions	**Three months ended 30 September 2015**	**Six months ended 30 September 2015**	**Six months ended 30 September 2014**
New leases and renewals completed			
Number	12	29	41
GPE share of rent p.a.	£18.4 million	£20.8 million	£6.6 million
Area (sq ft)	254,000	288,900	189,200
Rent per sq ft (including retail)	£72	£72	£51
Rent reviews settled			
Number	8	13	14
GPE share of rent p.a.	£1.0 million	£1.9 million	£5.1 million
Area (sq ft)	20,100	34,200	97,300
Rent per sq ft (including retail)	£50	£54	£52

Note: Includes joint ventures at share

We are also delivering further organic growth through our portfolio refurbishment activities. We have four refurbishment schemes commencing shortly at Alfred Place, Elsley House, Mortimer Street and 54/56 Jermyn Street, all W1. Together, these total 102,000 sq ft and our proposed capital expenditure of £23.9 million will increase the £3.4 million passing rent to a forecast annual ERV of £6.6 million, delivering a running yield of 5.7%.

Investment management

During the period our profitable recycling activities continued as we crystallised significant surpluses and also secured full ownership of our Great Star Partnership (‘GSP’) joint venture.

In April, the Great Wigmore Partnership (‘GWP’), our 50:50 joint venture with Aberdeen Asset Management, sold 95 Wigmore Street, W1, its 98,800 sq ft newly constructed and fully-let office and retail property. The purchaser acquired the property for £222.4 million, reflecting a net initial yield of 3.4% and a capital value of £2,209 per sq ft. The sale price was 16.4% ahead of the March 2015 book value and crystallised a profit on cost for GPE since commitment to the development in 2011 of 105%.

Also in April, we purchased Starwood Capital’s 50% interest in GSP for £61.4 million and redeemed all of the £73.1 million in outstanding bank debt secured against GSP’s properties. The transaction equated to a property price of £190.6 million and gave GPE full ownership of the leasehold interests in City Tower, 40 Basinghall Street, EC2 and the adjacent City Place House, 55 Basinghall Street, EC2. The properties together occupy a 1.3-acre core City site, presenting us with an attractive mix of asset management and development opportunities. The acquisition price reflected £608 per sq ft and a yield of 5.3% on the contracted rent roll, or 4.8% after deducting void costs on the vacant space.

We currently have around £215 million (our share) of properties in the market to sell.

Joint ventures

Following another active period, our joint ventures currently represent 19.2% of the Group’s net assets.

We categorise our current joint ventures into two types:

- access to new properties (4.6% of GPE’s net asset value). The relevant joint ventures are the Great Victoria Partnership (‘GVP’) with Liverpool Victoria Friendly Society and GWP with Aberdeen Asset Management; and
- risk sharing on development projects and/or large lot size properties (14.6% of GPE’s net asset value). The relevant joint ventures are the GHS Limited Partnership (‘GHS’) with the Hong Kong Monetary Authority and the Great Ropemaker Partnership (‘GRP’) with BP Pension Fund.

Overall, our four active joint ventures represent an important proportion of the Group's business, although this proportion has reduced over recent years. At 30 September 2015, joint ventures made up 16.6% of the portfolio valuation, 19.2% of net assets and 16.6% of rent roll (at 31 March 2015: 23.4%, 26.6% and 29.1% respectively).

Valuation

Valuation is accompanied by graphics (see Appendix 2)

The valuation of the Group's properties rose to £3,642.9 million as at 30 September 2015, delivering valuation growth of 10.5% on a like-for-like basis since 31 March 2015. At 30 September 2015, the wholly-owned portfolio was valued at £3,038.0 million and the Group had four active joint ventures which owned properties valued at £604.9 million (our share) by CBRE.

The key drivers behind the Group's valuation movement for the six month period were:

- rental value growth – since the start of the financial year, rental values have grown by 6.5%, comprising a 6.7% and 5.9% increase for office and retail rental values respectively. Our asset management and leasing successes, including our pre-let to Facebook, combined with an occupational market that has continued to be in the landlord's favour has put upward pressure on rents. At 30 September 2015, the portfolio was 32.3% reversionary;
- intensive asset management – during the period, 42 new leases, rent reviews and renewals were completed, securing £22.7 million (our share) of annual income which supported valuation growth over the period;
- development and trading properties – the valuation of current development and trading properties increased by 18.3% to £786.6 million. In particular, Rathbone Square, W1 delivered a strong valuation gain (net of capex) of 20.7% in the period following our pre-letting of all the office space; and
- created yield compression – equivalent yields reduced by 19 basis points over the period due to the strength of demand for properties in our market, in part driven by the sales price and yield achieved on our sale of 95 Wigmore Street, W1. At 30 September 2015, the portfolio equivalent yield was 4.3%.

Including rent from pre-lets and leases currently in rent free periods, the adjusted initial yield of the investment portfolio at 30 September 2015 was 3.3%, 10 basis points lower than at the start of the financial year.

Our North of Oxford Street portfolio produced the strongest performance by geographic sector over the period, increasing in value by 9.0% on a like-for-like basis, in part driven by rental value growth of 5.8%. Our Rest of West End assets rose in value by 7.9% and the City, Midtown and Southwark properties grew by 7.4%. Our joint venture properties rose in value by 7.3% over the period while the wholly-owned portfolio rose by 11.3% on a like-for-like basis.

The Group delivered a total property return (TPR) for the six months to 30 September 2015 of 13.6%, compared to the central London IPD benchmark of 10.4%, and a strong capital return outperformance of 3.2% (GPE at 11.9% versus 8.7% for IPD). Over the 12 months to 30 September 2015, our TPR of 24.9% compared to the IPD Central London benchmark of 22.4%. Over the last five years, the Group has delivered a cumulative capital return of 104.4%, outperforming IPD Central London by 21.1%.

Our financial results

Our financial results is accompanied by graphics, see Appendix 3, and details on our approach to risk are set out in Appendix 1

The Group's strong financial results reflect our profitable development activities, proactive asset management and disciplined capital recycling combined with our conservative approach to financial leverage.

Net asset value
EPRA net assets per share (NAV) at 30 September 2015 was 808 pence per share, an increase of 14.0% over the last six months, largely due to the rise in value of the property portfolio. At 30 September 2015, the Group's net assets were £2,746.7 million, up from £2,390.9 million at 31 March 2015.

The main drivers of the 99 pence per share increase in NAV from 31 March 2015 were:

- the rise of 100 pence per share arising from the revaluation of the property portfolio. Of this amount, development properties boosted NAV by around 35 pence;
- profit on the sale of 95 Wigmore Street, W1 increased NAV by 4 pence per share;
- EPRA earnings for the period of 7 pence per share enhanced NAV;
- the final dividend of 5 pence per share reduced NAV;
- the potential dilution arising from the convertible bond reduced NAV by 6 pence per share; and
- other movements reduced NAV by 1 pence per share.

Triple net assets per share (NNNAV) was 788 pence at 30 September 2015 compared to 685 pence at 31 March 2015 (up 15.0%). At the period end, the difference between NAV and NNNAV was the negative mark to market of debt and derivatives of 20 pence per share, mainly arising from the Group's 2029 debenture, convertible bond and private placement notes. There was no net movement in deferred tax provisions during the period.

Income statement and earnings per share
EPRA profit before tax was £24.3 million, 15.7% higher than for the same period last year, predominantly due to the Group's acquisition of Starwood Capital's interest in GSP and development management profits at 12/14 New Fetter Lane, EC4.

Rental income from wholly-owned properties was £39.2 million, up £5.4 million or 16.0% on last year, principally as a result of our purchase of City Place House and City Tower, and the completion of Walmar House, W1 which became income producing in April 2015. Joint venture fees were £2.8 million, up £0.8 million on last year with the Group earning sales fees of £0.6 million on the disposal of 95 Wigmore Street by GWP. Taken together, rental income from wholly-owned properties and joint venture fees totalled £42.0 million, up 17.3% on last year. Adjusting for acquisitions, disposals and transfers to and from the development programme, like-for-like rental income (including from joint venture properties) increased 3.6% on the prior period.

Property expenses increased by £1.5 million to £4.5 million, principally due to increased marketing costs associated with our leasing initiatives for the development portfolio and third party costs associated with our management of joint ventures. Administration costs were £13.1 million, an increase of £1.7 million, primarily as a result of higher provisions for performance related pay (including share incentive plans). Development management profits of £2.3 million (2014: £nil) relates to our forward sale of 12/14 New Fetter Lane, EC4, where practical completion has now been achieved.

EPRA profits from joint ventures (excluding fair value movements) were £2.0 million, down from £2.2 million last year, predominantly due to the cessation of the GSP and the sale of 95 Wigmore Street, W1 by

GWP reducing joint venture rental income, offset by reduced finance costs as bank debt and partner loans have been repaid.

Underlying net finance costs were £1.8 million higher at £4.4 million as a result of reduced interest income from joint ventures after the repayment of loan balances on the sale of properties in GWP and the cessation of GSP. Gross interest paid on our debt facilities was £0.5 million lower than the prior period and we capitalised £5.7 million (2014: £5.9 million) of interest during the period as we progressed our development schemes including Rathbone Square, W1 and 30 Broadwick Street, W1.

Revaluation gains and underlying profits enabled the Group to report an accounting profit after tax of £371.0 million (2014: £246.5 million). Basic EPS for the period was 108.5 pence, compared to 71.8 pence for 2014. Diluted EPS for the period was 108.1 pence compared to 71.5 pence for 2014.

Diluted EPRA earnings per share were 6.9 pence (2014: 5.9 pence), an increase of 16.9%.

Results of joint ventures

The Group's net investment in joint ventures was £528.2 million, a reduction from £636.7 million at 31 March 2015, largely due to the buy-in of GSP and the sale of 95 Wigmore Street, W1 by GWP more than offsetting valuation surpluses. Our share of joint venture net rental income was £8.6 million, down £3.7 million on last year as a result of property disposals.

The underlying joint venture profits are stated after charging £2.8 million of GPE management fees (2014: £2.0 million). Our share of non-recourse net debt in the joint ventures reduced by £28.4 million to £69.2 million at 30 September 2015, due to the repayment of the bank debt in GSP on the Group's purchase of Starwood Capital's interest in the venture.

Financial resources and capital management

Group consolidated net debt was £666.0 million at 30 September 2015, up from £601.2 million at 31 March 2015 predominantly as a consequence of our development capital expenditure of £88.6 million in the period and the Group's purchase of Starwood's interest in GSP more than offsetting receipts from property sales. Group gearing reduced marginally to 24.5% at 30 September 2015 (31 March 2015: 25.2%) as the portfolio valuation growth offset the increase in net debt. Including the non-recourse debt in the joint ventures, total net debt was £735.2 million (31 March 2015: £698.8 million) equivalent to a loan to value of 20.2% (31 March 2015: 21.8%). The proportion of the Group's total net debt represented by our share of joint venture net debt was 9.4% at 30 September 2015, compared to 14.0% at 31 March 2015 following the repayment of the bank facility held by GSP.

At 30 September 2015, the Group, including our share of joint ventures, had cash and undrawn committed credit facilities of £369.7 million. The Group's weighted average cost of debt, including fees and joint venture debt, for the period was 4.0%, compared to 4.1% for the twelve months to 31 March 2015. The weighted average interest rate (excluding fees) at the period end was 3.6% (31 March 2015: 3.7%). At 30 September 2015, 71% of the Group's total drawn debt (including non-recourse joint venture debt) was provided on an unsecured basis (31 March 2015: 64%) and 83% was from non-bank sources (31 March 2015: 86%).

At 30 September 2015, 88% of the Group's total drawn debt (including non-recourse joint ventures) was at fixed or hedged rates (31 March 2015: 96%). However, a significant proportion of hedged debt is subject to capped arrangements and as a result, we are benefiting from low floating rates on around 33% of our total debt. Interest cover for the twelve months to 30 September 2015 was 8.9x (31 March 2015: 10.7x).

Our weighted average drawn debt maturity was 5.7 years at 30 September 2015 (31 March 2015: 6.0 years). Since the period end, this has increased to 5.8 years as we have extended the maturity of our £450 million revolving credit facility by 12 months to October 2020. We are also exploring opportunities to refinance the existing £73.0 million (our share: £36.5 million) of secured bank debt in GRP in order to extend the maturity (currently November 2018) and reduce the interest rate margin (currently 2.40%). The Group, including its joint ventures, is operating with substantial headroom over its debt covenants.

Strong cash collection and tenant base
The quarterly cash collection profile has continued to be strong throughout 2015. We secured 99.7% of rent within seven working days following the September quarter day, marginally ahead of the March and June quarters earlier this year. Tenants on monthly payment terms represent around 4.1% of our rent roll (30 September 2014: 4.2%). We had one tenant delinquency in the six month period, accounting for 0.3% of total rent roll, with the financial impact predominantly mitigated by a rent deposit; however, we remain vigilant and continue to monitor the financial position of our tenants.

Taxation
The tax credit in the income statement for the half year is £0.2 million (2014: £nil) and the underlying effective tax rate was 0% (2014: 0%) 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.

In general, as a REIT, the Group is broadly exempt from corporation tax in respect of its rental profits and chargeable gains relating to its property rental business but is otherwise subject to corporation tax. In particular, the Group is subject to corporation tax in respect of (i) any profits arising on the sale of trading properties and (ii) any gains arising on the sale of development properties which are sold within three years of completion of the development.

During the period, GWP sold 95 Wigmore Street, W1. As the disposal occurred within three years of the completion of the development of the property, the Group’s share of the gain arising is taxable. The Group anticipates that the majority of this gain will be sheltered by losses and has accrued a tax charge of £0.5 million in respect of this disposal. As the disposal is taxable, the REIT legislation enables the Group to reclaim the REIT conversion charge it paid in 2007 in respect of the property, giving rise to a prior year tax credit of £0.6 million.

Dividend
The Board has declared an interim dividend of 3.6 pence per share (2014: 3.5 pence) which will be paid in January 2016. All of this dividend will be a REIT Property Income Distribution (PID) in respect of the Group’s tax exempt property rental business.

Investor/analyst event
GPE will be hosting an event for investors and analysts at Oxford House, 76 Oxford Street, W1 on 10 February 2016. Further details will be provided nearer the time.

Condensed group income statement

For the six months ended 30 September 2015

Year to 31 March 2015 Audited £m		Notes	**Six months to 30 September 2015 Unaudited £m**	Six months to 30 September 2014 Unaudited £m
88.8	Total revenue	2	**69.5**	40.7
66.0	Net rental income	3	**39.2**	33.8
4.2	Joint venture fee income	11	**2.8**	2.0
70.2	Rental and joint venture fee income		**42.0**	35.8
(7.7)	Property expenses	4	**(4.5)**	(3.0)
62.5	**Net rental and related income**		**37.5**	32.8
(20.1)	Administrative expenses		**(13.1)**	(11.4)
10.6	Development management revenue		**21.6**	–
(8.9)	Development management costs		**(19.3)**	–
1.7			**2.3**	–
(4.8)	Trading property – cost of sales		**(0.4)**	(1.9)
39.3	**Operating profit before surplus on investment property and results of joint ventures**		**26.3**	19.5
380.6	Surplus from investment property	9	**301.2**	168.6
84.7	Share of results of joint ventures	11	**57.1**	50.7
504.6	**Operating profit**		**384.6**	238.8
11.8	Finance income	5	**3.9**	5.6
(9.0)	Finance costs	6	**(17.7)**	2.1
507.4	**Profit before tax**		**370.8**	246.5
0.8	Tax	7	**0.2**	–
508.2	**Profit for the period**		**371.0**	246.5

All results are derived from continuing operations in the United Kingdom.

148.3p	**Basic earnings per share**	8	**108.5p**	71.8p
147.4p	**Diluted earnings per share**	8	**108.1p**	71.5p
12.7p	**EPRA diluted earnings per share**	8	**6.9p**	5.9p

Condensed group statement of comprehensive income

For the six months ended 30 September 2015

Year ended 31 March 2015 Audited £m		**Six months to 30 September 2015 Unaudited £m**	Six months to 30 September 2014 Unaudited £m
508.2	Profit for the period	**371.0**	246.5
	Items that will not be reclassified subsequently to profit and loss:		
(3.1)	Actuarial gain/(deficit) on defined benefit scheme	**0.9**	(1.2)
505.1	**Total comprehensive income for the period**	**371.9**	245.3

Condensed group balance sheet

At 30 September 2015

As at 31 March 2015 Audited £m		Notes	**As at 30 September 2015 Unaudited £m**	As at 30 September 2014 Unaudited £m
	Non-current assets			
2,348.2	Investment property	9	**2,922.9**	2,181.7
636.7	Investment in joint ventures	11	**528.2**	599.3
–	Other investment	12	**–**	19.5
0.2	Plant and equipment	13	**0.7**	0.2
2,985.1			**3,451.8**	2,800.7
	Current assets			
115.9	Trading property	10	**142.0**	102.1
28.1	Trade and other receivables	14	**26.5**	12.5
–	Corporation tax		**0.1**	–
0.8	Deferred tax	7	**0.8**	–
4.3	Cash and cash equivalents		**0.9**	–
149.1			**170.3**	114.6
3,134.2	**Total assets**		**3,622.1**	2,915.3
	Current liabilities			
(73.1)	Trade and other payables	15	**(116.6)**	(56.8)
(73.1)			**(116.6)**	(56.8)
	Non-current liabilities			
(638.5)	Interest-bearing loans and borrowings	16	**(706.2)**	(666.7)
(28.5)	Obligations under finance leases		**(50.5)**	(29.1)
(3.2)	Pension liability		**(2.1)**	(1.9)
(670.2)			**(758.8)**	(697.7)
(743.3)	**Total liabilities**		**(875.4)**	(754.5)
2,390.9	**Net assets**		**2,746.7**	2,160.8
	Equity			
43.0	Share capital	17	**43.0**	43.0
352.0	Share premium		**352.0**	352.0
16.4	Capital redemption reserve		**16.4**	16.4
1,991.2	Retained earnings		**2,337.8**	1,743.4
(11.7)	Investment in own shares	18	**(2.5)**	6.0
2,390.9	**Total equity**		**2,746.7**	2,160.8
701p	**Net assets per share**	8	**802p**	629p
709p	**EPRA net assets per share**	8	**808p**	636p

Condensed group statement of cash flows

For the six months ended 30 September 2015

Year to 31 March 2015 Audited £m		Notes	**Six months to 30 September 2015 Unaudited £m**	Six months to 30 September 2014 Unaudited £m
	Operating activities			
504.6	Operating profit		**384.6**	238.8
(471.2)	Adjustments for non-cash items	19	**(360.7)**	(221.9)
22.3	Deposits received on forward sale of residential units		**20.8**	20.7
(18.1)	Development of trading property		**(13.9)**	(15.2)
(2.9)	Decrease/(increase) in receivables		**0.8**	15.8
1.8	Increase/(decrease) in payables		**2.2**	(10.2)
36.5	**Cash generated by operations**		**33.8**	28.0
(28.4)	Interest paid		**(13.5)**	(13.2)
–	Tax received		**0.1**	–
8.1	**Cash flows from operating activities**		**20.4**	14.8
	Investing activities			
8.2	Distributions from joint ventures		**103.9**	3.5
(93.9)	Purchase and development of property		**(177.1)**	(44.4)
(0.2)	Purchase of fixed assets		**(0.5)**	–
102.7	Sale of properties		**2.9**	8.3
(1.0)	Investment in joint ventures		**(0.8)**	(0.3)
15.8	Exercise of put option on 100 Bishopsgate Partnership		**–**	–
15.8	Sale of joint ventures		–	–
47.4	**Cash flows utilised in investing activities**		**(71.6)**	(32.9)
	Financing activities			
15.0	Borrowings drawn		**61.0**	52.4
(2.2)	Purchase of derivatives		**–**	(2.2)
(22.6)	Funds from/(to) joint ventures		**4.3**	(21.4)
(19.1)	Purchase of own shares		**–**	–
(30.1)	Equity dividends paid		**(17.5)**	(18.5)
(59.0)	**Cash flows generated from financing activities**		**47.8**	10.3
(3.5)	Net decrease in cash and cash equivalents		**(3.4)**	(7.8)
7.8	Cash and cash equivalents at 1 April		**4.3**	7.8
4.3	**Cash and cash equivalents at balance sheet date**		**0.9**	–

Condensed group statement of changes in equity

For the six months ended 30 September 2015 (unaudited)

	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Retained earnings £m**	**Investment in own shares £m**	**Total equity £m**
Total equity at 1 April 2015	**43.0**	**352.0**	**16.4**	**1,991.2**	**(11.7)**	**2,390.9**
Profit for the period	–	–	–	**371.0**	–	**371.0**
Actuarial gain on defined benefit scheme	–	–	–	**0.9**	–	**0.9**
Employee Long-Term Incentive Plan and Share Matching Plan charge	–	–	–	**–**	**2.7**	**2.7**
Transfer to retained earnings	–	–	–	**(6.5)**	**6.5**	–
Dividends	–	–	–	**(18.8)**	–	**(18.8)**
Total equity at 30 September 2015	**43.0**	**352.0**	**16.4**	**2,337.8**	**(2.5)**	**2,746.7**

Condensed group statement of changes in equity

For the six months ended 30 September 2014 (unaudited)

	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2014	43.0	352.0	16.4	1,519.5	1.0	1,931.9
Profit for the period	–	–	–	246.5	–	246.5
Actuarial deficit on defined benefit scheme	–	–	–	(1.2)	–	(1.2)
Employee Long-Term Incentive Plan and Share Matching Plan charge	–	–	–	–	2.1	2.1
Transfer to retained earnings	–	–	–	(2.9)	2.9	–
Dividends	–	–	–	(18.5)	–	(18.5)
Total equity at 30 September 2014	43.0	352.0	16.4	1,743.4	6.0	2,160.8

Condensed group statement of changes in equity

For the year ended 31 March 2015 (audited)

	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Investment in own shares £m	Total equity £m
Total equity at 1 April 2014	43.0	352.0	16.4	1,519.5	1.0	1,931.9
Profit for the year	–	–	–	508.2	–	508.2
Actuarial deficit on defined benefit scheme	–	–	–	(3.1)	–	(3.1)
Employee Long-Term Incentive Plan and Share Matching Plan charge	–	–	–	–	3.5	3.5
Purchase of own shares	–	–	–	–	(19.1)	(19.1)
Transfer to retained earnings	–	–	–	(2.9)	2.9	–
Dividends to shareholders	–	–	–	(30.5)	–	(30.5)
Total equity at 31 March 2015	43.0	352.0	16.4	1,991.2	(11.7)	2,390.9

Condensed notes forming part of the half year results

1 Basis of preparation

The information for the year ended 31 March 2015 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements of Great Portland Estates plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union. The Group's performance is not subject to seasonal fluctuations.

Changes in accounting policy

The directors do not expect that the adoption of the new and revised IFRSs that have been issued but are not yet effective will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

Going concern

Details of the market in which the Group operates, together with factors likely to affect its future development and performance, are set out in the "Our market" and "Our business" sections of this report. The financial position of the Group, its liquidity position and borrowing facilities are described in "Our financial results" and in the notes of the half year results.

The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about future trading performance. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half year results.

2 Total revenue

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
58.6	Gross rental income	**36.8**	29.1
7.6	Spreading of lease incentives	**2.6**	4.8
7.8	Service charge income	**5.7**	4.8
4.2	Joint venture fee income	**2.8**	2.0
10.6	Development management revenue	**21.6**	–
88.8		**69.5**	40.7

3 Net rental income

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
58.6	Gross rental income	**36.8**	29.1
7.6	Spreading of lease incentives	**2.6**	4.8
(0.2)	Ground rents expense	**(0.2)**	(0.1)
66.0		**39.2**	33.8

4 Property expenses

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
(7.8)	Service charge income	**(5.7)**	(4.8)
9.7	Service charge expenses	**6.1**	5.6
5.8	Other property expenses	**4.1**	2.2
7.7		**4.5**	3.0

5 Finance income

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
11.8	Interest income on joint venture balances	**3.9**	5.6
11.8		**3.9**	5.6

6 Finance costs

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
4.3	Interest on bank loans	**1.7**	2.6
12.5	Interest on private placement notes	**6.4**	6.0
8.0	Interest on debenture stock	**4.0**	4.0
1.5	Interest on convertible bond	**0.8**	0.8
1.4	Interest on obligations under finance leases	**1.1**	0.7
1.4	Break costs on refinanced revolving credit facilities	**–**	–
29.1	Gross finance costs	**14.0**	14.1
(11.4)	Less: capitalised interest at an average interest cost of 3.9% (2014: 4.1%)	**(5.7)**	(5.9)
17.7	Finance costs before finance income and fair value movements	**8.3**	8.2
(30.4)	Fair value movement on derivatives	**3.1**	(6.3)
21.7	Fair value movement on convertible bond	**6.3**	(4.0)
9.0		**17.7**	(2.1)

7 Tax

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
	Current tax		
–	UK corporation tax – current period	**0.5**	–
–	UK corporation tax – prior periods	**(0.7)**	–
–	Total current tax	**(0.2)**	–
(0.8)	**Deferred tax**	–	–
(0.8)	Tax credit for the period	**(0.2)**	–

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 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
507.4	Profit before tax	**370.8**	246.5
106.6	Tax charge on profit at standard rate of 20% (2014: 21%)	**74.1**	51.8
(93.7)	Non-taxable revaluation surplus	**(60.2)**	(45.6)
(13.1)	REIT tax-exempt rental income and gains	**(8.1)**	(5.3)
–	Prior periods' corporation tax	**(0.7)**	–
(0.6)	Other	**(5.3)**	(0.9)
(0.8)	Tax credit for the period	**(0.2)**	–

During the period £nil (2014: £nil) of deferred tax was credited directly to equity. The Group's net deferred tax at 30 September 2015 is £0.8 million (2014: £nil). This consists of a deferred tax liability of £nil (2014: £nil) and a deferred tax asset of £0.8 million (2014: £nil).

Movement in deferred tax:

	At 1 April 2015 £m	**Recognised in the income statement £m**	**At 30 September 2015 £m**
Revaluation surpluses	(8.5)	**8.5**	–
Revenue losses recognised in respect of revaluation surpluses	8.5	**(8.5)**	–
Revenue losses recognised in respect of trading property – cost of sales	0.8	–	**0.8**
Net deferred tax asset	0.8	–	**0.8**

In accordance with IAS12 – Income Taxes, deferred tax liabilities have been recognised in respect of revaluation surpluses relating to properties which do not benefit from the Group's REIT status.

A deferred tax asset of £3.2 million (based on a 20% tax rate), mainly relating to contingent share awards, the pension liability and the convertible bond, was not recognised because it is uncertain whether future taxable profits will arise against which this asset can be utilised.

As a REIT, the Group is largely 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. In particular, the Group's REIT exemption does not extend to either profits arising from the sale of investment properties which have undergone a major redevelopment within the preceding three years or profits arising from trading properties (including the sale of the residential units at Rathbone Square, W1).

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

8 Earnings and net assets per share

EPRA 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 2015 No. of shares		**Six months to 30 September 2015 No. of shares**	Six months to 30 September 2014 No. of shares
343,926,149	Issued ordinary share capital at 1 April	**343,926,149**	343,926,149
(1,178,160)	Investment in own shares	**(1,924,118)**	(830,946)
342,747,989	Weighted average number of ordinary shares - basic	**342,002,031**	343,095,203

Basic and diluted earnings per share

Year to 31 March 2015 Earnings per share pence		**Six months to 30 September 2015 Profit after tax £m**	**Six months to 30 September 2015 No. of shares million**	**Six months to 30 September 2015 Earnings per share pence**	Six months to 30 September 2014 Profit after tax £m	Six months to 30 September 2014 No. of shares million	Six months to 30 September 2014 Earnings per share pence
148.3	Basic	**371.0**	**342.0**	**108.5**	246.5	343.1	71.8
(0.9)	Dilutive effect of LTIP shares	**–**	**1.2**	**(0.4)**	–	1.7	(0.3)
147.4	Diluted	**371.0**	**343.2**	**108.1**	246.5	344.8	71.5

EPRA Earnings per share

Year to 31 March 2015 Earnings per share pence		**Six months to 30 September 2015 Profit after tax £m**	**Six months to 30 September 2015 No. of shares million**	**Six months to 30 September 2015 Earnings per share pence**	Six months to 30 September 2014 Profit after tax £m	Six months to 30 September 2014 No. of shares million	Six months to 30 September 2014 Earnings per share pence
148.3	Basic	**371.0**	**342.0**	**108.5**	246.5	343.1	71.8
(111.0)	Surplus from investment property	**(301.2)**	**–**	**(88.1)**	(168.6)	–	(49.1)
(23.4)	Surplus from joint venture investment property	**(55.1)**	**–**	**(16.1)**	(48.6)	–	(14.2)
(8.9)	Movement in fair value of derivatives	**3.1**	**–**	**0.9**	(6.3)	–	(1.8)
6.3	Movement in fair value of convertible bond	**6.3**	**–**	**1.8**	(4.0)	–	(1.2)
0.3	Movement in fair value of derivatives in joint ventures	**(0.2)**	**–**	**–**	0.1	–	–
1.4	Trading property – costs of sale	**0.4**	**–**	**0.1**	1.9	–	0.6
0.4	Break costs on refinanced credit facilities	**–**	**–**	**–**	–	–	–
(0.2)	Deferred taxation	**–**	**–**	**–**	–	–	–
13.2	Basic EPRA earnings	**24.3**	**342.0**	**7.1**	21.0	343.1	6.1
(0.1)	Dilutive effect of LTIP shares	**–**	**1.2**	**–**	–	1.7	(0.1)
(0.4)	Dilutive effect of convertible bond	**0.8**	**21.0**	**(0.2)**	0.8	21.0	(0.1)
12.7	Diluted EPRA earnings	**25.1**	**364.2**	**6.9**	21.8	365.8	5.9

8 Earnings and net assets per share (continued)

EPRA Net assets per share

31 March 2015 Net assets per share pence		**30 September 2015 Net assets £m**	**30 September 2015 No. of shares million**	**30 September 2015 Net assets per share pence**	30 September 2014 Net assets £m	30 September 2014 No. of shares million	30 September 2014 Net assets per share pence
701	Basic	**2,746.7**	**342.5**	**802**	2,160.8	343.5	629
–	Dilutive effect of convertible bond	**150.0**	**21.0**	**(6)**	–	–	–
(4)	Dilutive effect of LTIP shares	**–**	**1.2**	**(2)**	–	1.7	(3)
697	Diluted before EPRA adjustments	**2,896.7**	**364.7**	**794**	2,160.8	345.2	626
6	Surplus on revaluation of trading property	**23.6**	–	**6**	16.6	–	5
–	Deferred tax	**(0.8)**	–	–	–	–	–
(18)	Fair value of financial liabilities	**(45.3)**	–	**(12)**	(42.9)	–	(12)
–	Fair value of financial liabilities in joint ventures	**(0.3)**	–	–	1.1	–	–
685	EPRA triple net assets	**2,873.9**	**364.7**	**788**	2,135.6	345.2	619
18	Fair value of financial liabilities	**45.3**	–	**12**	42.9	–	12
–	Fair value of financial liabilities in joint ventures	**0.3**	–	–	(1.1)	–	–
10	Fair value of convertible bond	**39.3**	–	**11**	7.3	–	2
(4)	Fair value of derivatives	**(12.0)**	–	**(3)**	9.0	–	3
–	Fair value of derivatives in joint ventures	**1.3**	–	–	0.6	–	–
709	EPRA net assets	**2,948.1**	**364.7**	**808**	2,194.3	345.2	636

9 Investment property

Investment property

	Freehold £m	**Leasehold £m**	**Total £m**
Book value at 1 April 2015	**1,027.3**	**908.7**	**1,936.0**
Acquisitions	**–**	**217.4**	**217.4**
Transfer to investment property under development	**(30.5)**	**–**	**(30.5)**
Costs capitalised	**3.2**	**8.8**	**12.0**
Disposals	**(2.7)**	**–**	**(2.7)**
Net valuation surplus	**89.2**	**92.7**	**181.9**
Book value at 30 September 2015	**1,086.5**	**1,227.6**	**2,314.1**

Investment property under development

	Freehold £m	**Leasehold £m**	**Total £m**
Book value at 1 April 2015	**276.5**	**135.7**	**412.2**
Transfer from investment property	**30.5**	**–**	**30.5**
Costs capitalised	**38.0**	**5.4**	**43.4**
Interest capitalised	**3.4**	**0.2**	**3.6**
Net valuation surplus	**93.5**	**25.6**	**119.1**
Book value at 30 September 2015	**441.9**	**166.9**	**608.8**
Book value of total investment property at 30 September 2015	**1,528.4**	**1,394.5**	**2,922.9**

9 Investment property (continued)

	30 September 2015 £m	30 September 2014 £m
Net valuation surplus on investment property	**301.0**	168.3
Profit on sale of investment properties	**0.2**	0.3
Surplus from investment property	**301.2**	168.6

The investment and properties under development were valued on the basis of Fair Value by CBRE Limited (CBRE), external valuers, as at 30 September 2015 in accordance with the RICS Valuation – Professional Standards January 2014 ("the Red Book"). The valuation has been primarily derived using comparable recent market transactions on arm's length terms. CBRE have advised us that the total fees paid to CBRE by the Group represent less than five per cent of their total revenue in any year.

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

Key inputs to the valuation (by building)

		ERV		True equivalent yield	
		Average £ per sq ft	Range £ per sq ft	Average %	Range %
North of Oxford Street	Office	**70**	**44 - 85**	**3.8**	**3.8 - 5.9**
	Retail	**60**	**20 - 181**	**4.2**	**3.6 - 5.5**
Rest of West End	Office	**80**	**62 - 95**	**3.9**	**3.6 - 5.5**
	Retail	**112**	**15 - 237**	**4.2**	**3.4 - 5.5**
City, Midtown and Southwark	Office	**53**	**43 - 60**	**5.1**	**4.5 - 5.8**
	Retail	**35**	**32 - 35**	**5.1**	**4.5 - 5.2**

	Capital value	
	Average £ per sq ft	Range £ per sq ft
Residential	**1,890**	**200 - 2,523**

Everything else being equal, there is a positive relationship between rental values and the property valuation, such that an increase in rental values will increase the valuation of a property and vice versa. However, the relationship between capitalisation yields and the property valuation is negative; therefore an increase in capitalisation yields will reduce the valuation of a property and vice versa. There are interrelationships between these inputs as they are determined by market conditions and the valuation movement in any one period depends on the balance between them. If these inputs move in opposite directions (i.e. rental values increase and yields decrease) valuation movements can be amplified whereas if they move in the same direction they may offset reducing the overall net valuation movement.

The book value of investment properties includes £50.5 million (2014: £29.1 million) in respect of the present value of future ground rents, net of these amounts the market value of the investment properties together with the market value of the trading properties was £3,038.0 million. During the period, the Group capitalised £1.0 million (2014: £1.1 million) of employee costs in respect of its development team into trading properties and investment properties under development. At 30 September 2015 the Group had capital commitments of £328.2 million (2014: £262.8 million). At 30 September 2015, investment properties with a value of £102.6 million were held for sale.

10 Trading property

31 March 2015 Total £m		**30 September 2015 Total £m**	30 September 2014 Total £m
93.3	At beginning of the period	**115.9**	93.3
18.9	Costs capitalised	**24.0**	8.8
3.7	Interest capitalised	**2.1**	–
115.9	At the end of the period	**142.0**	102.1

The Group is developing a large mixed use scheme at Rathbone Square, W1. Part of the approved scheme consists of residential units which the Group holds for sale. As a result, the residential element of the scheme is held as trading property. The fair value of the trading property was £165.6 million at 30 September 2015, representing a revaluation above cost of £23.6 million.

At 30 September 2015, the Group had exchanged to sell £223.3 million of the apartments and received initial cash deposits of £43.1 million from the purchasers (see note 15).

11 Investment in joint ventures

	Equity £m	**Balances with partners £m**	**Total £m**
At 1 April 2015	**428.3**	**208.4**	**636.7**
Movement on joint venture balances	**–**	**36.3**	**36.3**
Additions	**0.8**	**–**	**0.8**
Share of profit of joint ventures	**2.2**	**–**	**2.2**
Share of revaluation surplus of joint ventures	**40.9**	**–**	**40.9**
Profit on sale of investment property	**14.0**	**–**	**14.0**
Share of results of joint ventures	**57.1**	**–**	**57.1**
Transfer to subsidiaries – Great Star Partnership	**(33.4)**	**(65.4)**	**(98.8)**
Distributions	**(103.9)**	**–**	**(103.9)**
At 30 September 2015	**348.9**	**179.3**	**528.2**

In April 2015, the Group acquired Starwood Capital Group's 50% interest in The Great Star Partnership, together with some intermediate holding companies, for £61.4 million.

Therefore, on GPE obtaining control, all subsequent results have been consolidated into the Group's results. The amounts recognised in respect of the identifiable assets and liabilities are set out below:

	The Great Star Partnership £m
Balance sheet	
Investment property	**97.7**
Cash	**2.8**
Balances from Partners	**(65.4)**
Net current liabilities	**(1.7)**
Net assets	**33.4**

11 Investment in joint ventures (continued)

Summarised balance sheets

31 March 2015 At share £m		The GHS Limited Partnership £m	The Great Capital Partnership £m	The Great Ropemaker Partnership £m	The Great Star Partnership £m	The Great Victoria Partnerships £m	The Great Wigmore Partnership £m	30 September 2015 Total £m	30 September 2015 At share £m	30 September 2014 At share £m
765.3	Investment property	**252.5**	**-**	**638.6**	**-**	**295.2**	**33.8**	**1,220.1**	**610.1**	727.7
0.8	Current assets	**-**	**-**	**0.2**	**-**	**0.4**	**0.1**	**0.7**	**0.4**	0.9
15.1	Cash	**0.9**	**0.1**	**5.9**	**-**	**4.3**	**2.4**	**13.6**	**6.8**	14.0
(208.4)	Balances to/(from) partners	**(70.0)**	**-**	**(299.5)**	**-**	**10.9**	**-**	**(358.6)**	**(179.3)**	(201.0)
(112.7)	Bank loans	**-**	**-**	**(72.5)**	**-**	**(79.5)**	**-**	**(152.0)**	**(76.0)**	(112.9)
(1.5)	Derivatives	**-**	**-**	**(2.5)**	**-**	**-**	**-**	**(2.5)**	**(1.3)**	(0.6)
(14.1)	Current liabilities	**(0.2)**	**-**	**(8.2)**	**-**	**(4.6)**	**(0.2)**	**(13.2)**	**(6.6)**	(13.6)
(16.2)	Finance leases	**-**	**-**	**(10.3)**	**-**	**-**	**-**	**(10.3)**	**(5.2)**	(16.2)
428.3	Net assets	**183.2**	**0.1**	**251.7**	**-**	**226.7**	**36.1**	**697.8**	**348.9**	398.3

Summarised income statements

31 March 2015 Total £m		The GHS Limited Partnership £m	The Great Capital Partnership £m	The Great Ropemaker Partnership £m	The Great Star Partnership £m	The Great Victoria Partnerships £m	The Great Wigmore Partnership £m	30 September 2015 Total £m	30 September 2015 At share £m	30 September 2014 At share £m
24.8	Net rental income	**0.5**	**-**	**9.5**	**0.9**	**5.5**	**0.8**	**17.2**	**8.6**	12.3
(2.5)	Property and administration costs	**(0.3)**	**-**	**(1.4)**	**-**	**(0.2)**	**(0.2)**	**(2.1)**	**(1.0)**	(2.0)
(16.8)	Net finance costs	**(1.8)**	**-**	**(7.0)**	**(0.6)**	**(1.6)**	**(0.1)**	**(11.1)**	**(5.6)**	(8.1)
(0.9)	Movement in fair value of derivatives	**-**	**-**	**0.4**	**-**	**-**	**-**	**0.4**	**0.2**	(0.1)
4.6	Share of profit/(loss) of joint ventures	**(1.6)**	**-**	**1.5**	**0.3**	**3.7**	**0.5**	**4.4**	**2.2**	2.1
80.2	Revaluation of investment property	**18.8**	**-**	**33.7**	**3.9**	**24.8**	**0.7**	**81.9**	**40.9**	48.6
(0.1)	Profit on sale of investment property	**-**	**-**	**-**	**-**	**-**	**28.0**	**28.0**	**14.0**	–
84.7	Share of results of joint ventures	**17.2**	**-**	**35.2**	**4.2**	**28.5**	**29.2**	**114.3**	**57.1**	50.7

11 Investment in joint ventures (continued)

The investments in joint ventures comprise the following:

Ownership 31 March 2015		Country of Incorporation	**Ownership 30 September 2015**	Ownership 30 September 2014
50%	The GHS Limited Partnership	Jersey	**50%**	50%
50%	The Great Capital Partnership (dormant)	United Kingdom	**50%**	50%
50%	The Great Ropemaker Partnership	United Kingdom	**50%**	50%
50%	The Great Star Partnership	United Kingdom	**-**	50%
50%	The Great Victoria Partnerships	United Kingdom	**50%**	50%
50%	The Great Wigmore Partnership	United Kingdom	**50%**	50%

The non-recourse loans of the joint ventures at 30 September 2015 are set out below:

Joint venture debt facilities:	**Nominal value £m**	**Maturity**	**Fixed/Floating**	**Interest rate**
The Great Ropemaker Partnership	**73.0**	November 2018	Floating	LIBOR +2.25-2.70%
The Great Victoria Partnership	**80.0**	July 2022	Fixed	3.74%
Total	**153.0**			

The Great Ropemaker Partnership has two interest rate swaps with a fixed rate of 2.12% and a notional principal amount of £73.0 million. The interest rate swaps expire coterminously with the bank loan in 2018. At 30 September 2015, the Great Victoria Partnership loan had a fair value of £80.6 million (2014: £77.9 million). All interest bearing loans are in sterling. At 30 September 2015, the joint ventures had £nil undrawn facilities (2014: £nil).

The investment properties include £5.2 million (2014: £16.2 million) in respect of the present value of future ground rents, net of these amounts the market value of our share of the total joint venture properties is £604.9 million. At 30 September 2015 the Group's share of joint venture capital commitments was £75.4 million (2014: £32.6 million).

In April 2015, The Great Wigmore Partnership, the 50:50 joint venture between the Group and Aberdeen Asset Management, sold its largest asset, 95 Wigmore Street, W1 and 35 James Street, W1 for a price of £222.4 million (our share: £111.2 million).

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

31 March 2015 £m		**30 September 2015 £m**	30 September 2014 £m
34.4	Movement on joint venture balances during the period	**(29.1)**	(27.0)
(208.4)	Balances receivable at the period end from joint ventures	**179.3**	201.0
8.2	Distributions	**(103.9)**	3.5
4.2	Fee income	**2.8**	2.0

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

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

12 Other investment

31 March 2015 Total £m		**30 September 2015 Equity £m**	**30 September 2015 Loans £m**	**30 September 2015 Total £m**	30 September 2014 Total £m
18.3	At beginning of the period	**–**	**–**	**–**	18.3
(18.3)	Additions	**–**	**–**	**–**	1.2
–	At the end of the period	**–**	**–**	**–**	19.5

The other investment represented a 12.5% interest in The 100 Bishopsgate Partnership. The Group's 12.5% holding was subject of 'put and call' options, with GPE able to 'put' its remaining investment, net of the associated loan, onto Brookfield Properties Corporation. The Group exercised the put option in October 2014.

13 Plant and equipment

	Leasehold improvements £m	**Fixtures and fittings £m**	**Total £m**
Cost or valuation			
At 1 April 2015	2.1	1.6	3.7
Additions	**0.4**	**0.1**	**0.5**
At 30 September 2015	**2.5**	**1.7**	**4.2**
Depreciation			
At 1 April 2015	1.9	1.6	3.5
Charge for the period	–	–	–
At 30 September 2015	**1.9**	**1.6**	**3.5**
Carrying amount at 30 September 2015	**0.6**	**0.1**	**0.7**
Carrying amount at 31 March 2015	0.2	–	0.2

14 Trade and other receivables

31 March 2015 £m		**30 September 2015 £m**	30 September 2014 £m
2.4	Trade receivables	**4.2**	4.7
(0.1)	Allowance for doubtful debts	**(0.2)**	(0.1)
2.3		**4.0**	4.6
0.8	Prepayments and accrued income	**0.8**	0.8
6.0	Work in progress on development management contracts	**7.3**	–
3.9	Other trade receivables	**2.4**	4.7
15.1	Derivatives	**12.0**	2.4
28.1		**26.5**	12.5

Work in progress on development management contracts is an amount due to the Group in relation to a development property sold prior to its completion where the Group has a contract with the buyer to construct the remainder of the building on their behalf. During the period, the Group received payments on account of £20.3 million (2014: £nil). At 30 September 2015, the aggregate cumulative cost incurred was £28.2 million (2014: £nil) and the cumulative profits less losses recognised were £4.0 million (2014: £nil). There are no material project retentions.

15 Trade and other payables

31 March 2015 £m		30 September 2015 £m	30 September 2014 £m
16.7	Rents received in advance	**21.2**	16.8
22.3	Deposits received on forward sale of residential units	**43.1**	20.7
34.1	Non-trade payables and accrued expenses	**52.3**	19.3
73.1		**116.6**	56.8

16 Interest-bearing loans and borrowings

31 March 2015 £m		30 September 2015 £m	30 September 2014 £m
	Non-current liabilities at amortised cost		
	Secured		
144.0	£142.9 million 5.625% debenture stock 2029	**144.0**	144.0
–	Other loan	**–**	3.7
	Unsecured		
25.0	Revolving credit facilities – bank loans	**86.3**	63.9
29.9	£30.0 million 5.09% private placement notes 2018	**29.9**	29.9
80.9	$130.0 million 4.81% private placement notes 2018	**80.9**	80.8
48.5	$78.0 million 5.37% private placement notes 2021	**48.5**	48.5
101.8	$160.0 million 4.20% private placement notes 2019	**101.9**	101.8
25.4	$40.0 million 4.82% private placement notes 2022	**25.4**	25.4
	Non-current liabilities at fair value		
	Unsecured		
183.0	£150.0 million 1.00% convertible bonds 2018	**189.3**	157.3
–	Derivatives – cross currency swaps	**–**	11.4
638.5		**706.2**	666.7

The Group has a floating rate £450.0 million revolving credit facility. The facility is unsecured attracts a floating rate based on a ratchet of between 105–165 basis points above LIBOR, based on gearing, and expires in 2019 which may be extended by a maximum further two years on our request and on each bank's approval for its participation. In October 2015, the maturity of this facility was extended by one year to 2020. At 30 September 2015, the Group had £362.0 million (2014: £423.0 million) of undrawn committed credit facilities.

The Group's convertible bonds have a fixed coupon of 1.0% per annum and an initial conversion price of £7.15 per share, representing a premium of 35% above the volume weighted average price of the Company's shares from launch to pricing. In accordance with IAS39, the Convertible Bonds have been designated at fair value through profit and loss upon initial recognition, with any gains or losses arising on subsequent re-measurement recognised in the income statement.

At 30 September 2015, properties with a carrying value of £397.9 million (2014: £332.2 million) were secured under the Group's debenture stock. 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 asset/(liability)	
Cash flow hedges	**30 September 2015 %**	30 September 2014 %	**30 September 2015 £m**	30 September 2014 £m	**30 September 2015 £m**	30 September 2014 £m
Interest rate floor						
Between two and three years	**1.80**	1.80	**159.7**	159.7	**2.5**	2.4
	1.80	1.80	**159.7**	159.7	**2.5**	2.4

16 Interest-bearing loans and borrowings (continued)

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

	Average exchange rate		Foreign currency		Notional principal amount		Fair value asset/(liability)	
Cash flow hedge - cross currency swaps	**30 September 2015 rate**	30 September 2014 rate	**30 September 2015 US$m**	30 September 2014 US$m	**30 September 2015 £m**	30 September 2014 £m	**30 September 2015 £m**	30 September 2014 £m
Between two and five years	**1.583**	1.583	**290.0**	290.0	**81.1**	81.1	**7.1**	(7.2)
In excess of five years	**1.591**	1.591	**118.0**	118.0	**176.3**	176.3	**2.4**	(4.2)
	1.585	1.585	**408.0**	408.0	**257.4**	257.4	**9.5**	(11.4)

The Group operates solely in the United Kingdom, and all of its operating profits and net assets are sterling denominated. It entered into cross currency swaps in order to ensure the US dollar liability streams generated from the US dollar private placement notes were fully hedged into sterling for the life of the transactions. Through entering into the cross currency swaps the Group has created synthetic sterling fixed rate liabilities totalling £257.4 million.

Fair value of financial liabilities/(assets)

31 March 2015 Book value £m	31 March 2015 Fair value £m	Fair value hierarchy	30 September 2015 Book value £m	30 September 2015 Fair value £m	30 September 2014 Book value £m	30 September 2014 Fair value £m
		Level 1				
183.0	183.0	£150.0 million 1.00% convertible bond 2018	**189.3**	**189.3**	157.3	157.3
		Level 2				
(11.8)	(11.8)	Cross currency swaps	**(9.5)**	**(9.5)**	11.4	11.4
(3.3)	(3.3)	Interest rate floor	**(2.5)**	**(2.5)**	(2.4)	(2.4)
		Other items not carried at fair value				
144.0	179.1	£142.9 million 5.625% debenture stock 2029	**144.0**	**165.2**	144.0	163.4
286.5	313.4	Private placement notes	**286.6**	**310.7**	286.4	309.9
–	–	Other loan	–	–	3.7	3.7
25.0	25.0	Bank loans and overdrafts	**86.3**	**86.3**	63.9	63.9
623.4	685.4		**694.2**	**739.5**	664.3	707.2

The fair values of the Group's listed convertible bonds have been estimated on the basis of quoted market prices, representing Level 1 fair value measurements as defined by IFRS 13 Fair Value Measurement. The fair values of the Group's outstanding interest rate floor has been estimated by calculating the present value of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined by IFRS 13. The fair value of the Group's cross currency swaps have been estimated on the basis of the prevailing rates at the period end, representing Level 2 fair value measurements as defined by IFRS 13. None of the Group's financial derivatives are designated as financial hedges. The fair values of the Group's cash and cash equivalents and trade payables and receivables are not materially different from those at which they are carried in the financial statements.

17 Share capital

Year to 31 March 2015 Number	Year to 31 March 2015 £m		Six months to 30 September 2015 Number	Six months to 30 September 2015 £m	Six months to 30 September 2014 Number	Six months to 30 September 2014 £m
		Allotted, called up and fully paid				
343,926,149	43.0	At the beginning of the period	**343,926,149**	**43.0**	343,926,149	43.0
343,926,149	43.0	At the end of the period	**343,926,149**	**43.0**	343,926,149	43.0

18 Investment in own shares

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
(1.0)	At the beginning of the period	**11.7**	(1.0)
(3.5)	Employee Long-Term Incentive Plan and Share Matching Plan charge	**(2.7)**	(2.1)
19.1	Purchase of shares	–	–
(2.9)	Transfer to retained earnings	**(6.5)**	(2.9)
11.7	At the end of the period	**2.5**	(6.0)

The investment in the Company's own shares is held at cost and comprises 1,419,477 shares (31 March 2015: 2,854,551 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 1,435,074 shares (2014: 1,298,661 shares) were awarded to directors and senior employees in respect of the 2012 LTIP award. The fair value of shares awarded and outstanding at 30 September 2015 was £14.0 million (2014: £9.7 million).

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

Year to 31 March 2015 £m		**Six months to 30 September 2015 £m**	Six months to 30 September 2014 £m
(380.6)	Surplus from investment property	**(301.2)**	(168.6)
3.5	Employee Long-Term Incentive and Share Matching Plan charge	**2.7**	2.1
(7.6)	Spreading of lease incentives	**(2.6)**	(4.8)
(1.7)	Profit on development management contracts	**(2.3)**	–
(84.7)	Share of results from joint ventures	**(57.1)**	(50.7)
(0.1)	Other items	**(0.2)**	0.1
(471.2)	Adjustments for non-cash items	**(360.7)**	(221.9)

20 Dividends

The declared interim dividend of 3.6 pence per share (2014: 3.5 pence per share) was approved by the Board on 11 November 2015 and is payable on 4 January 2016 to shareholders on the register on 20 November 2015. The dividend is not recognised as a liability in the half year results. The final dividend from the year ended 31 March 2015 of £18.8 million was paid on 13 July 2015 and is included within the Group Statement of Changes in Equity.

21 Operating leases

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

31 March 2015 £m		**30 September 2015 £m**	30 September 2014 £m
	The Group as a lessor		
61.7	Less than one year	**74.3**	56.9
175.9	Between one and five years	**209.6**	178.5
240.7	More than five years	**267.1**	254.8
478.3		**551.0**	490.2

The Group leases its investment properties under operating leases. The weighted average length of lease at 30 September 2015 was 6.5 years (2014: 6.9 years). All investment properties except those under development generated rental income and no contingent rents were recognised in the period (2014: £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
Chief Executive
11 November 2015

Nick Sanderson
Finance Director
11 November 2015

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 2015 which comprises the condensed group income statement, the condensed group statement of comprehensive income, the condensed group balance sheet, the condensed group statement of cash flows, the condensed group statement of changes in equity and related notes 1 to 21. 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 (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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 it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

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

Our responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the 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 2015 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 Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
11 November 2015

Directors and shareholders' information

Directors

Martin Scicluna
Chairman, Non-Executive
Toby Courtauld
Chief Executive
Nick Sanderson
Finance Director
Neil Thompson
Portfolio Director

Elizabeth Holden
Non-Executive Director
Jonathan Nicholls
Senior Independent Non-Executive Director
Charles Philipps
Non-Executive Director
Jonathan Short
Non-Executive Director

Shareholders' information

Financial calendar	**2015**
Ex-dividend date for interim dividend	19 November
Registration qualifying date for interim dividend	20 November
	2016
Interim dividend payable	4 January
Announcement of full year results	25 May*
Circulation of Annual Report and Accounts 2016	4 June*
Annual General Meeting	7 July*
Final dividend payable	12 July*
	*Provisional.

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

Capita Registrars
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0300
(from within the UK calls cost 10p per minute plus network extras, lines are open 8.30 am – 5.30 pm Monday to Friday). 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 twelve 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/shareholder-information/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 – 0371 664 0445

(Calls cost 10 pence per minute plus network extras; lines are open 8.00am – 4.30pm Monday to Friday).

Glossary

Core West End

Areas of London with W1 and SW1 postcodes.

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 NAV as set out by the European Public Real Estate Association (EPRA) in their 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.

Fair 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 purchasers' costs.

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.

Loan to Value (LTV)

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

Net assets per share or Net Asset Value (NAV)

Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date.

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.

PMI

Purchasing Managers Index

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.

Property Income Distributions (PIDs)

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

REIT

UK Real Estate Investment Trust.

Rent roll

The annual contracted rental income.

Return on shareholders' equity

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

Reversionary or under-rented

The percentage by which ERV exceeds rents passing, together with the estimated rental value of vacant space.

Glossary (continued)

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.

TMT

Technology, Media and Telecoms sector

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.

Vacancy rate

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

Weighted Average Unexpired Lease Term (WAULT)

The Weighted Average Unexpired Lease Term expressed in years.

Appendix 1

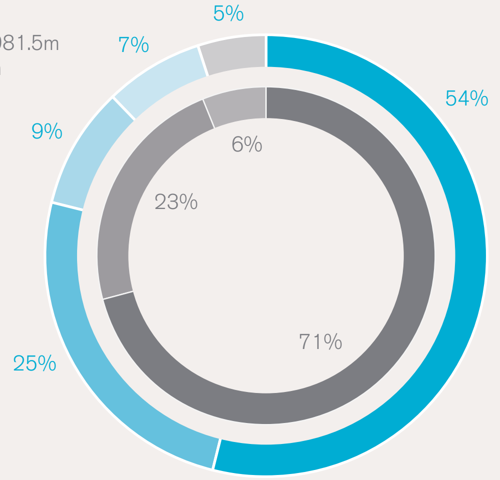
Portfolio characteristics[1]

Locations

- North of Oxford Street £1,981.5m
- Rest of West End £911.4m
- Southwark £328.9m
- City £243.6m
- Midtown £177.5m

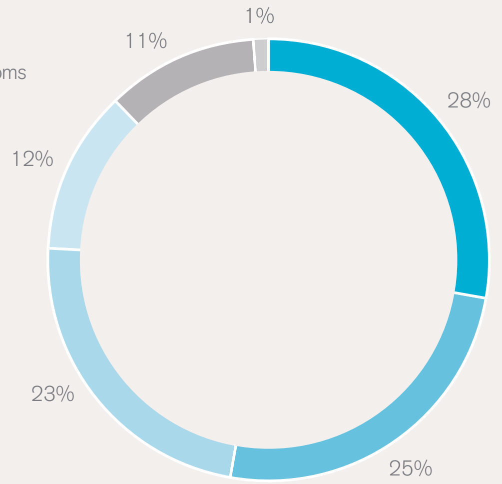
Business mix

- Office £2,597.0m
- Retail £844.6m
- Residential £201.3m



GPE tenant mix[1]

- Retailers and leisure
- Technology, media and telecoms
- Professional services
- Banking and finance
- Corporates
- Government

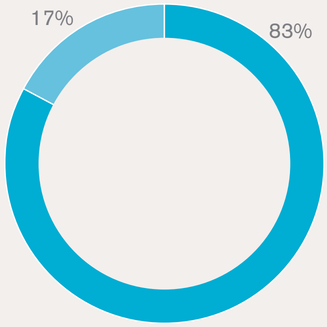


1. GPE share at 30 September 2015.

Joint venture business – contribution to the Group

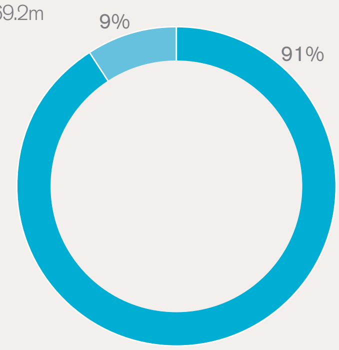
Property assets

- Wholly-owned £3,038.0m
- Joint ventures £604.9m



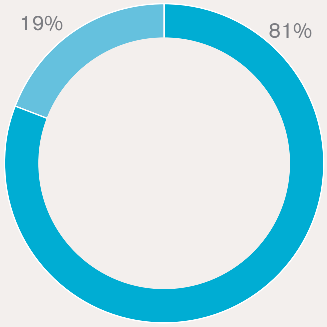
Net debt

- Wholly-owned £666.0m
- Joint ventures £69.2m



Net assets

- Wholly-owned £2,218.5m
- Joint ventures £528.2m



Appendix 1

Rental income

			Wholly-owned			Share of joint ventures			
			Rent roll £m	Reversionary potential £m	Rental values £m	Rent roll £m	Reversionary potential £m	Rental values £m	Total rental values £m
London	North of Oxford Street	Office	38.4	10.2	48.6	–	–	–	48.6
		Retail	9.3	2.9	12.2	5.4	1.2	6.6	18.8
	Rest of West End	Office	9.9	3.4	13.3	0.8	1.0	1.8	15.1
		Retail	6.5	2.4	8.9	1.4	0.9	2.3	11.2
	Total West End		**64.1**	**18.9**	**83.0**	**7.6**	**3.1**	**10.7**	**93.7**
	City, Midtown and Southwark	Office	19.6	8.2	27.8	9.0	2.2	11.2	39.0
		Retail	0.2	0.1	0.3	0.1	–	0.1	0.4
	Total City, Midtown and Southwark		**19.8**	**8.3**	**28.1**	**9.1**	**2.2**	**11.3**	**39.4**
Total let portfolio			**83.9**	**27.2**	**111.1**	**16.7**	**5.3**	**22.0**	**133.1**
Voids					6.1			0.8	6.9
Premises under refurbishment					44.5			6.6	51.1
Total let portfolio					**161.7**			**29.4**	**191.1**

Rent roll security, lease lengths and voids

			Wholly-owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	Voids %	Rent roll secure for five years %	Weighted average lease length Years	Voids %
London	North of Oxford Street	Office	54.8	9.0	0.4	–	–	–
		Retail	42.6	5.0	–	69.3	6.3	–
	Rest of West End	Office	14.8	2.6	5.9	31.9	3.4	0.7
		Retail	65.6	5.9	3.5	88.0	10.0	–
	Total West End		**48.0**	**7.1**	**1.9**	**68.8**	**6.8**	**0.1**
	City, Midtown and Southwark	Office	33.4	4.3	11.3	84.1	8.8	4.0
		Retail	85.4	14.6	–	100.0	12.7	30.8
	Total City, Midtown and Southwark		**34.1**	**4.5**	**11.3**	**84.2**	**8.8**	**4.1**
Total let portfolio			**44.7**	**6.5**	**3.8**	**77.2**	**7.9**	**2.5**

Rental values and yields

			Wholly-owned		Joint ventures		Wholly-owned		Joint ventures	
			Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street	Office	57	72	–	–	3.1	4.2	–	–
		Retail	51	60	108	131	2.9	3.9	4.4	3.9
	Rest of West End	Office	57	80	21	37	2.9	4.5	0.7	3.7
		Retail	80	112	44	71	3.2	4.2	2.1	3.6
	Total West End		**57**	**67**	**63**	**74**	**3.0**	**4.2**	**2.5**	**3.7**
	City, Midtown and Southwark	Office	37	53	38	49	3.2	5.1	1.4	4.7
		Retail	25	35	43	43	4.5	5.1	2.1	4.5
	Total City, Midtown and Southwark		**37**	**52**	**38**	**48**	**3.3**	**5.1**	**1.4**	**4.7**
Total let portfolio			**51**	**63**	**47**	**56**	**3.1**	**4.4**	**2.0**	**4.2**

Appendix 1

Our approach to risk

How we manage risk

Market risk		
Risk	Impact	Mitigation
Central London real estate market underperforms other UK property sectors.	Reduced performance.	The execution of the Group's strategy covering the key areas of investment, development and asset management is adjusted and updated throughout the year, informed by regular research into the economy, the investment and occupational markets. The Group's strategic priorities and transactions are considered in light of regular review of dashboard lead indicators and operational parameters. The Group aims to maintain low financial leverage throughout the property cycle.
Economic recovery falters.	Worse than expected performance of the business.	Regular economic updates are received and scenario planning is undertaken for different economic cycles. The Group aims to maintain low financial leverage throughout the property cycle.
Heightened political uncertainty including referendum on UK/EU relationship and London Mayoral elections.	Reluctance by investors and occupiers to make investment decisions whilst outcomes remain uncertain.	The Group's strategic priorities and transactions are considered in light of these uncertainties. Lobbying property industry matters is undertaken by active participation of the Executive Directors through relevant industry bodies.

Investment management		
Risk	Impact	Mitigation
Incorrect reading of the property cycle through poor investment decisions and/or mis-timed recycling of capital.	Not sufficiently capitalising on market investment conditions.	The Group 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. Regular review of property cycle by reference to dashboard of lead indicators. Detailed due diligence is undertaken on all acquisitions prior to purchase to ensure appropriate returns. Business plans are produced on an individual asset basis to ensure the appropriate rotation of those buildings with limited relative potential performance. Regular review of the prospective performance of individual assets and their business plans with joint venture partners.
Inappropriate asset concentration, building mix, tenant covenant quality and exposure, and lot size.	Reduced liquidity and relative property performance.	Regular review of portfolio mix and asset concentration. Adjustment of the portfolio as appropriate through undertaking acquisitions and/or development projects in joint venture or forward funding. The Group has a diverse tenant base with its ten largest tenants representing only 32.4% of rent roll. Tenants' covenants are analysed and security sought as appropriate as part of the lease approval process. Regular contact with tenants is maintained to identify if tenants are suffering financial difficulties and their proposed actions.

Asset management		
Risk	Impact	Mitigation
Poor management of voids, rental mis-pricing, low tenant retention, sub-optimal rent reviews, tenant failures and inappropriate refurbishments.	Failure to maximise income from investment properties.	The Group's in-house asset management and leasing teams proactively manage tenants to ensure changing needs are met with a focus on retaining income in light of vacant possession requirements for refurbishments and developments and liaise regularly with external advisers to ensure correct pricing of lease transactions. Tenants' covenants are analysed and security sought as appropriate as part of the lease approval process. Regular contact with tenants is maintained to identify if tenants are suffering financial difficulties and their proposed actions.

Appendix 1
Our approach to risk

How we manage risk

Development management		
Risk	Impact	Mitigation
Poor execution of development programme through: – incorrect reading of the property cycle; – inappropriate location; – failure to gain viable planning consents; – failure to reach agreement with adjoining owners on acceptable terms; – level of speculative development; – construction cost inflation; – contractor availability and insolvency risk; – insufficient human resources; – a building being inappropriate to tenant demand; – weak demand for residential apartments; – quality and benchmarks of the completed buildings; – construction and procurement delays; – ineffective marketing to prospective tenants; and – poor development management.	Poor development returns.	See Market risk above. 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 actual costs and estimated returns are regularly monitored to signpost prompt decisions on project management, leasing and ownership. Early engagement and strong relationships with planning authorities. Early engagement with adjoining owners. In-house Project Management team utilise appropriate procurement methods to optimise the balance of price certainty and risk. Internal and external resourcing requirements regularly reviewed by the Executive Committee, Development Director and Head of Projects. Third party resource expertise used to support in-house teams, where appropriate. Due diligence is undertaken of the financial stability of demolition, main contractors and material sub-contractors prior to awarding of contracts. Working with agents, potential occupiers' and purchasers' needs and aspirations are identified during the planning application and design stages. In-house Leasing/Marketing team liaise with external advisers on a regular basis and marketing timetables designed in accordance with leasing/marketing objectives. All our major developments are subject to BREEAM ratings with a target to achieve a rating of 'Very Good' on major refurbishments and 'Excellent' on new build properties. Pro-active liaison with existing tenants before and during the development process. Selection of contractors and suppliers based on track record of delivery and credit worthiness. In-house Project Management team closely monitor construction and manage contractors to ensure adequate resourcing to meet programme. Regular review of the prospective performance of individual assets and their business plans with joint venture partners. Post-completion reviews undertaken on all developments to identify best practice and areas for improvement.
An inappropriate level of development undertaken as a percentage of the portfolio.	Underperformance against KPIs.	Regular review of the level of development undertaken as a percentage of portfolio, including the impact on the Group's income profile and financial gearing, amongst other metrics. Developments only committed to when pre-lets obtained and/or market supply considered to be sufficiently constrained.

Financial risks		
Risk	Impact	Mitigation
Limited availability of further capital.	Growth of business is constrained or unable to execute business plans.	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.
Increased interest rates and/or a fall in capital values.	Adverse market movements negatively impact on debt covenants.	Consistent policy of conservative financial leverage. Regular review of current and forecast debt levels and financing ratios. Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or capped interest rates through derivatives. Significant headroom over all financial covenants at 30 September 2015. We estimate that values could fall by around 60% from their 30 September 2015 levels before Group debt covenants could be endangered.
Inappropriate capital structure.	Sub-optimal NAV per share growth.	Regular review of current and forecast capital requirements and gearing levels and financing ratios.

Appendix 1
Our approach to risk

How we manage risk

People		
Risk	Impact	Mitigation
Incorrect level and mix/retention of people to execute our business plan, combined with inability to attract, develop, motivate and retain talented employees.	Strategic priorities not achieved.	Regular review is undertaken of the Group's resource requirements and succession planning. The Company has a remuneration system that is strongly linked to performance and a formal six-monthly appraisal system to provide regular assessment of individual performance and identification of training and development needs. Benchmarking of remuneration packages of all employees is undertaken annually.

Regulatory		
Risk	Impact	Mitigation
Adverse regulatory risk including tax, planning, environmental legislation and EU directives increases cost base.	Reduces flexibility and may influence potential investor and occupier interest in buildings.	Senior Group representatives spend considerable time, using experienced advisers as appropriate, to ensure compliance with current and potential future regulations. Lobbying property industry matters is undertaken by active participation of the Executive Directors through relevant industry bodies. Environmental Policy Committee meets at least quarterly to consider strategy in respect of environmental legislation.
Health and Safety incidents. Loss of life or injury to employees, contractors, members of the public or tenants.	Resultant reputational damage.	The Group has dedicated Health and Safety personnel to oversee the Group's management systems which include regular risk assessments and annual audits to proactively address key Health and Safety areas including employee, contractor, members of the public and tenant safety. On developments, the Group operates a pre-qualification process to ensure selection of competent consultants and contractors which includes a Health and Safety assessment. Contractors' responses to accidents and near misses are actively monitored and followed-up by our Project Managers and Head of Sustainability.

Business interruption risk		
Risk	Impact	Mitigation
An external event such as a power shortage, extreme weather, environmental incident, civil unrest or terrorist or cyber attack that significantly affects the Group's operations, particularly given our portfolio concentration in central London.	Significant damage, disruption and/or reputational damage to the Group's portfolio and operations.	The Group has a Business Continuity Plan with predetermined processes and escalation for the Crisis Management Team. Asset emergency plans exist for individual properties. Physical security measures are in place at properties and security threats are regularly assessed through links with security agencies. Regular testing of IT security is undertaken. The Group's insurance policies include cover for catastrophic events including fire, storm, riots and terrorism.

Appendix 2

Portfolio performance

		Wholly-owned £m	Joint ventures* £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	1,077.0	–	1,077.0	29.6	9.2
	Retail	275.7	127.9	403.6	11.1	8.6
	Residential	8.3	10.7	19.0	0.5	6.2
Rest of West End	Office	260.0	115.3	375.3	10.3	8.3
	Retail	178.6	74.3	252.9	6.9	7.0
	Residential	5.2	–	5.2	0.1	19.2
Total West End		1,804.8	328.2	2,133.0	58.5	8.6
City, Midtown and Southwark	Office	250.3	246.3	496.6	13.6	7.5
	Retail	6.0	2.1	8.1	0.2	5.5
	Residential	0.1	1.6	1.7	0.1	–
Total City, Midtown and Southwark		256.4	250.0	506.4	13.9	7.4
Investment property portfolio		**2,061.2**	**578.2**	**2,639.4**	**72.4**	**8.4**
Development property		759.9	26.7	786.6	21.6	18.3
Total properties held throughout the period		**2,821.1**	**604.9**	**3,426.0**	**94.0**	**10.5**
Acquisitions		216.9	–	216.9	6.0	10.2
Total property portfolio		**3,038.0**	**604.9**	**3,642.9**	**100.0**	**10.5**

* GPE share.

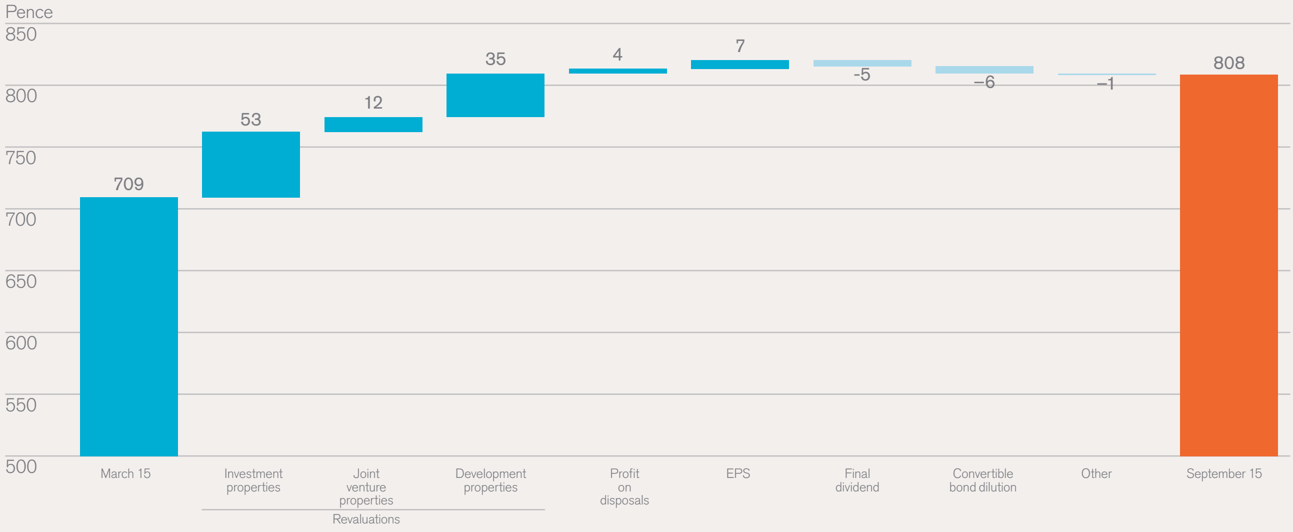
Portfolio characteristics

		Investment properties £m	Development properties* £m	Total property portfolio £m	Office £m	Retail £m	Residential £m	Total £m	Net internal area sq ft 000's
North of Oxford Street		1,499.6	481.9	1,981.5	1,320.6	466.5	194.4	1,981.5	1,613
Rest of West End		633.4	278.0	911.4	536.2	370.0	5.2	911.4	654
Total West End		**2,133.0**	**759.9**	**2,892.9**	**1,856.8**	**836.5**	**199.6**	**2,892.9**	**2,267**
City, Midtown and Southwark		723.3	26.7	750.0	740.2	8.1	1.7	750.0	1,346
Total		**2,856.3**	**786.6**	**3,642.9**	**2,597.0**	**844.6**	**201.3**	**3,642.9**	**3,613**
By use:	Office	2,165.8	431.2	2,597.0					
	Retail	664.6	180.0	844.6					
	Residential	25.9	175.4	201.3					
Total		**2,856.3**	**786.6**	**3,642.9**					
Net internal area sq ft 000's		2,760	853	3,613					

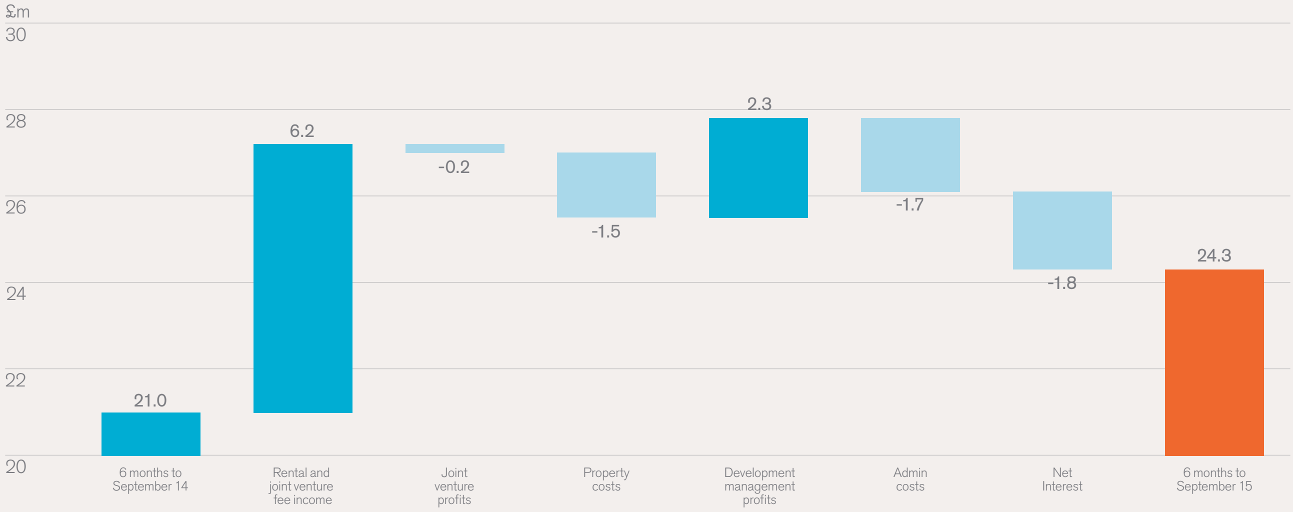
* Including trading properties.

Appendix 3

EPRA net assets per share



EPRA profit before tax

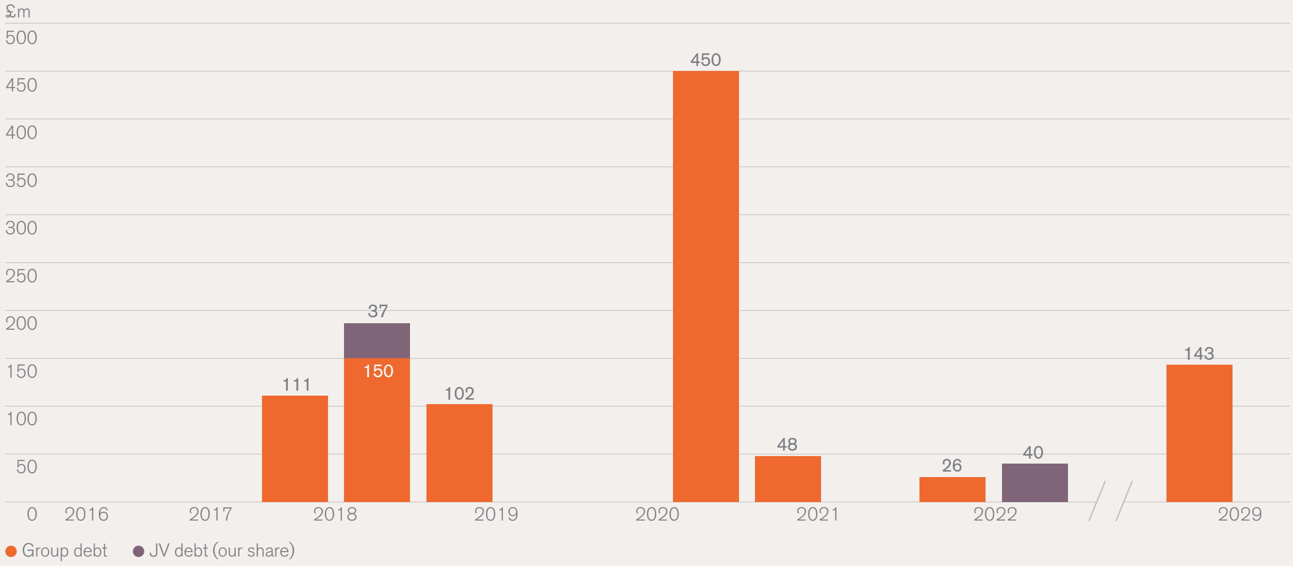


Debt analysis

	Sept 2015 £m	March 2015 £m
Net debt excluding JVs (£m)	**666.0**	601.2
Net gearing	**24.5%**	25.2%
Total net debt including 50% JV non-recourse debt (£m)	**735.2**	698.8
Loan-to-property value	**20.2%**	21.8%
Total net gearing	**27.1%**	29.2%
Interest cover	**8.9x**	10.7x
Weighted average interest rate	**3.6%**	3.7%
Weighted average cost of debt	**4.0%**	4.1%
% of debt fixed/hedged	**88%**	96%
Cash and undrawn facilities (£m)	**370**	442

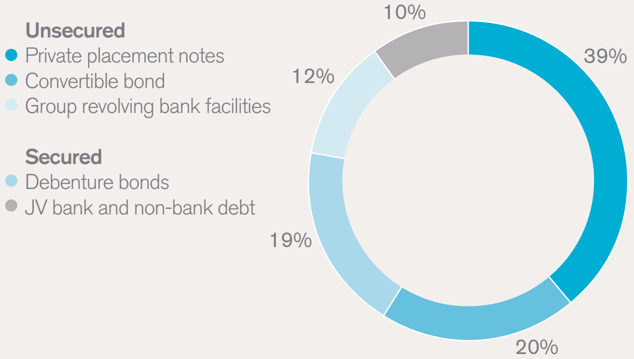
Appendix 3

Debt maturity profile[1]



1. Based on committed facilities as at 10 November 2015.

Diversified sources of debt funding[1]



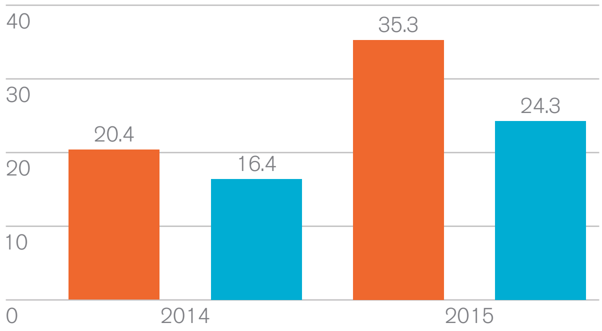
1. Based on drawn position at 30 September 2015.

EPRA performance measures

Measure	Definition of Measure	**Sept 2015**	Sept 2014
EPRA earnings	Recurring earnings from core operational activities	**£24.3m**	£21.0m
EPRA earnings per share	EPRA earnings divided by the weighted average number of shares	**7.1p**	6.1p
Diluted EPRA earnings per share	EPRA earnings divided by the diluted weighted average number of shares	**6.9p**	5.9p
EPRA costs (by portfolio value)	EPRA cost (including direct vacancy costs) divided by market value of the portfolio	**1.0%**	1.1%
		Sept 2015	March 2015
EPRA net assets	Net assets adjusted to exclude the fair value of financial instruments	**£2,948.1m**	£2,431.0m
EPRA net assets per share	EPRA net assets divided by the number of shares at the balance sheet date on a diluted basis	**808p**	709p
EPRA triple net assets	EPRA net assets amended to include the fair value of financial instruments and debt	**£2,873.9m**	£2,349.9m
EPRA triple net assets per share	EPRA triple net assets divided by the number of shares at the balance sheet date on a diluted basis	**788p**	685p
EPRA vacancy	ERV of non-development vacant space as a percentage of ERV of the whole portfolio	**6.6%**	5.1%

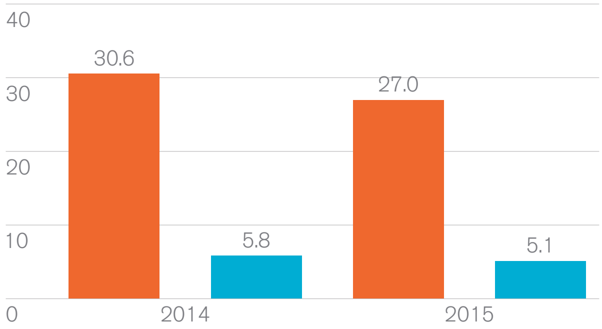
Appendix 3

Total Shareholder Return (%) (TSR)*



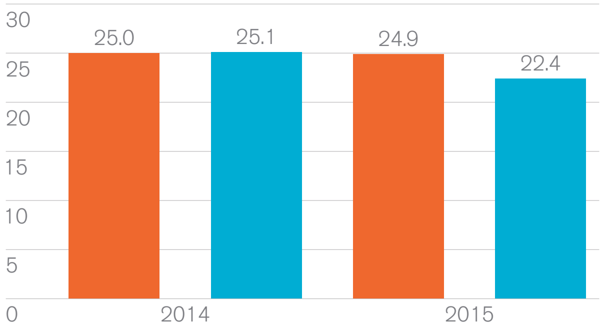
Commentary
The TSR of the Group was 35.3% for the year compared to 24.3% for the FTSE 350 Real Estate (excluding agencies).

EPRA net assets per share growth (%) (NAV growth)*



Commentary
EPRA net assets per share increased by 27.0% over the year as property values grew and the Group benefited from the impact of its successful asset management activity, valuation growth and returns from its committed development programme.

Total Property Return (%) (TPR)*



Commentary
The Group generated a portfolio TPR of 24.9% in the year whereas the benchmark produced a total return of 22.4% resulting in an absolute outperformance of 2.5 percentage points, and a relative outperformance of 2.1 percentage points.

GPE Benchmark

*Year to September