



GREAT
PORTLAND
ESTATES

Bank of America Merrill Lynch Sales Team Presentation

February 2009

Business Overview

As at @ Nov '08



Recession ... have been planning for a downturn for the past 12+ months

Capital Conservation

- Net sellers since Sept 2007
 - Receipts of £160m
 - Purchases of £26m
- No development starts
 - Completing & letting existing
 - Deferring imminent projects
 - Working up pipeline
- Good liquidity
 - Gearing low @ 53%
 - Committed unutilised facilities & cash of £327m
 - No debt maturity until 2012

Operating cash flow

- Maximise occupancy
- £17.8m space let / renewed (12 months)
- Investment void low @ 3.4%
- Will rise during 2009
- Pragmatic leasing policy
- Approach tenants early
- 82% in the West End Core
- Off low office rents of £35 per sq ft

Headline Results



To 31 December 2008	3 months	6 months	12 months
Property Valuation*	(12.4%)	(17.5%)	(23.6%)
Portfolio ERV movement*	(9.4%)	(11.9%)	(10.5%)
NAV	(20.5%)	(27.1%)	(36.5%)

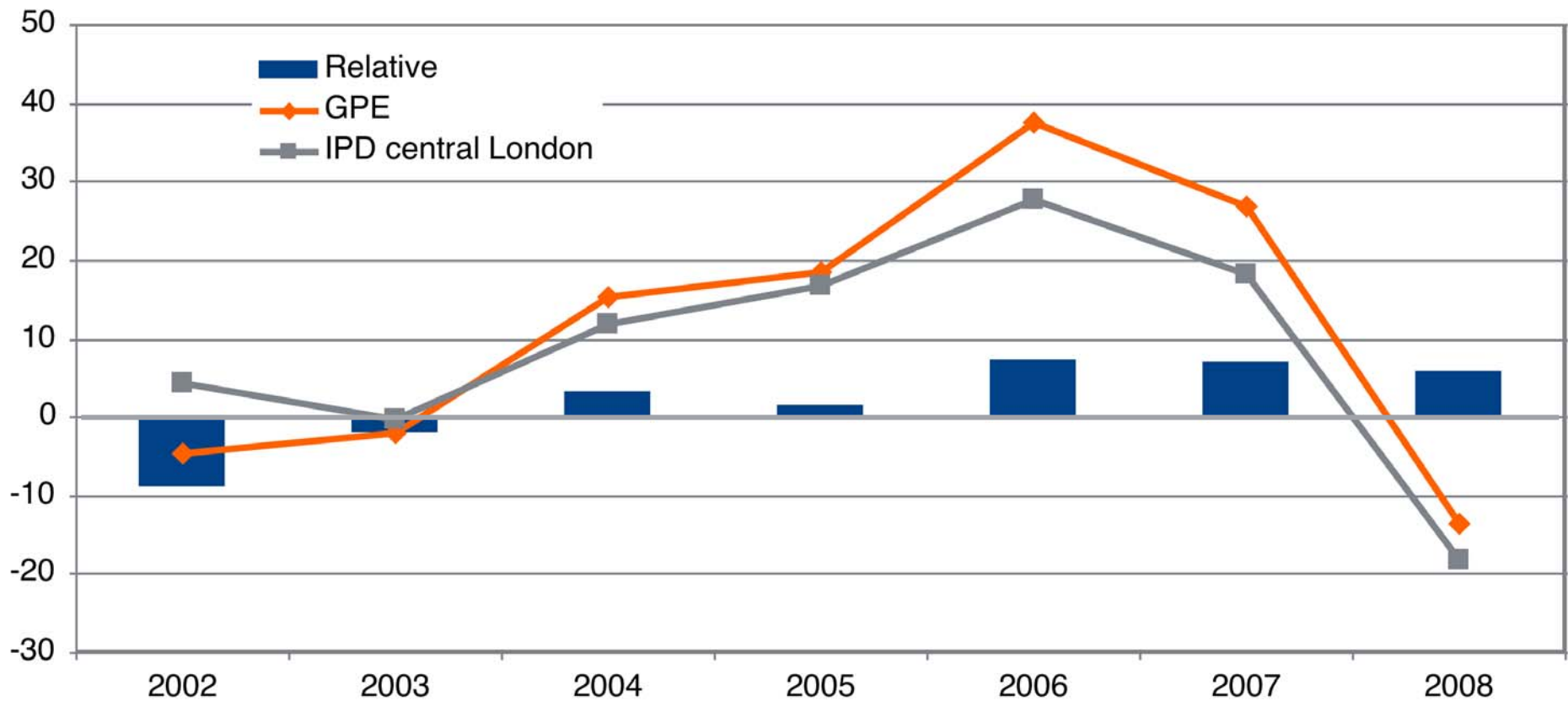
* including share of joint ventures

Total Property Return

Relative to IPD Central London



Total Property Return (% pa)
Years to September



Source: IPD

Pro forma estimated balance sheet*



Adjusted NAV	£m	Pence per share	<i>Percentage movement</i>
At 30 September 2008	892.1	493	
Valuation deficit	(175.5)	(97)	
Interim dividend	(7.2)	(4)	
At 31 December 2008	709.4	392	<i>(20.5%)</i>
NNNAV			
Mark to Market of debt and derivatives	9.3	5	
At 31 December 2008	718.7	397	<i>(21.4%)</i>
At 30 September 2008	913.5	505	

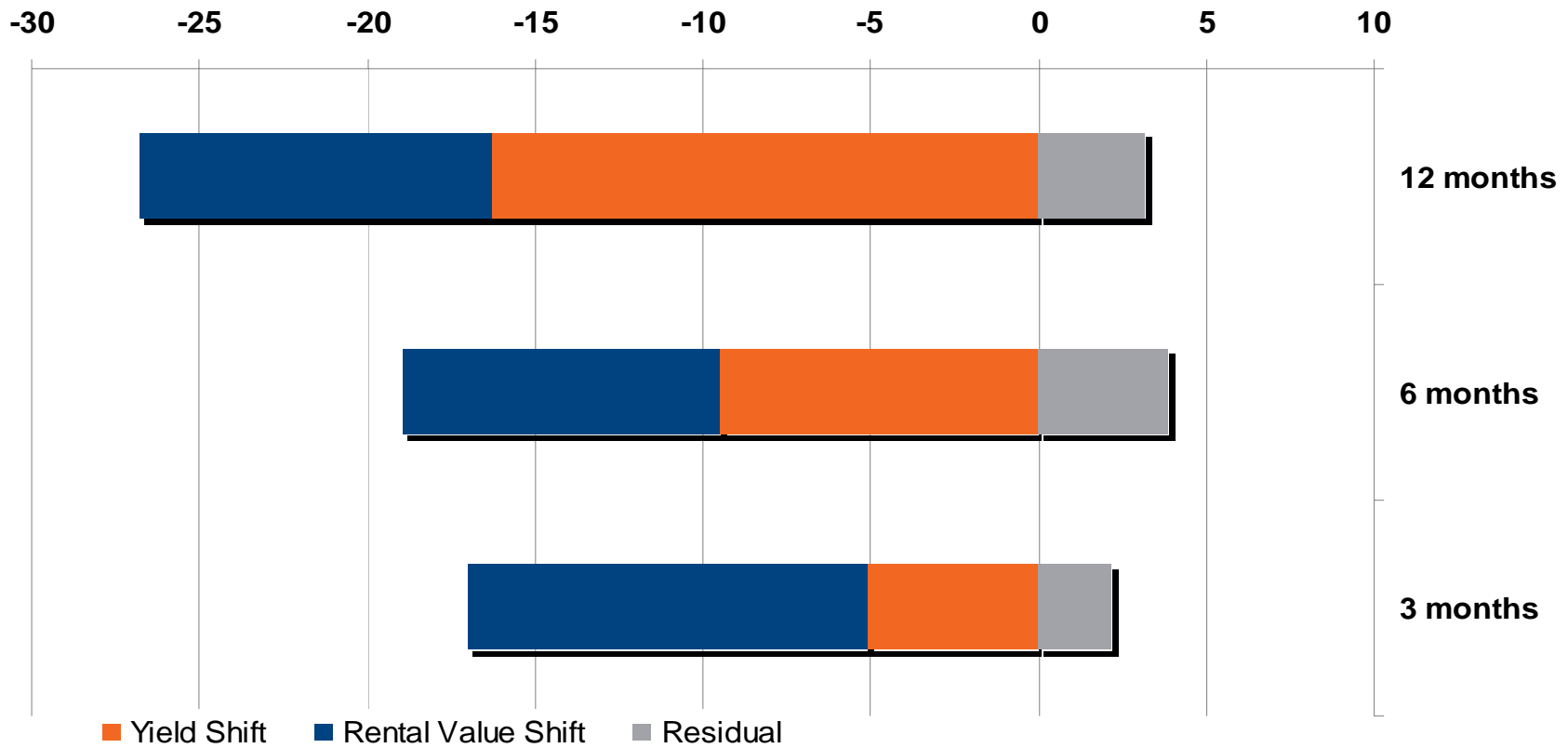
* The pro forma estimated balance sheet does not include retained earnings for the quarter

The Valuation¹

Drivers of Valuation Movement²



% movement



1 Including share of Joint Ventures 2 Excludes development properties

Debt Analysis

Low relative leverage



	December 2008	March 2008
Net debt excluding JVs (£m)	375.0	424.6
<i>Net gearing</i>	<i>52.9%</i>	<i>40.5%</i>
Total net debt including 50% JV non-recourse debt (£m)	507.9	570.4
<i>Loan-to-property value</i>	<i>40.8%</i>	<i>34.9%</i>
<i>Total net gearing</i>	<i>71.6%</i>	<i>54.4%</i>
	December 2008	March 2008
Interest cover	2.3x ¹	1.8x
Weighted average interest rate	5.6% ²	6.0%
% of debt fixed / capped	86%	76%
Cash & undrawn facilities (£m)	327	280

¹ Six months to September 2008; ² Spot rate at 31 December 2008

Debt Covenant Levels

Significant headroom over financial covenants



Key Covenants	Covenant	Dec 08 Actuals ¹	Headroom under “Stress Test”
GPE Bank Facilities			
Net Debt / Net Equity	≤1.25x	0.53x	58% movement in net equity. Equivalent to a further 33% valuation fall or NAV of around 165p
Inner Borrowing ²	≥1.66x	2.75x	29% further fall in portfolio value
Interest Cover*	≥1.30x	2.13x	39% fall in profits before interest or £22m
GCP Loan³			
Loan to Value	≤70%	42.5%	39% fall in asset value

Notes:

* 12 months to September 2008

1.Covenant definitions of key financials vary from accounting definitions

2.Ratio of unsecured assets to unsecured borrowings

3.GCP Loan also has an interest cover covenant where headroom is in excess of GPE interest cover percentages

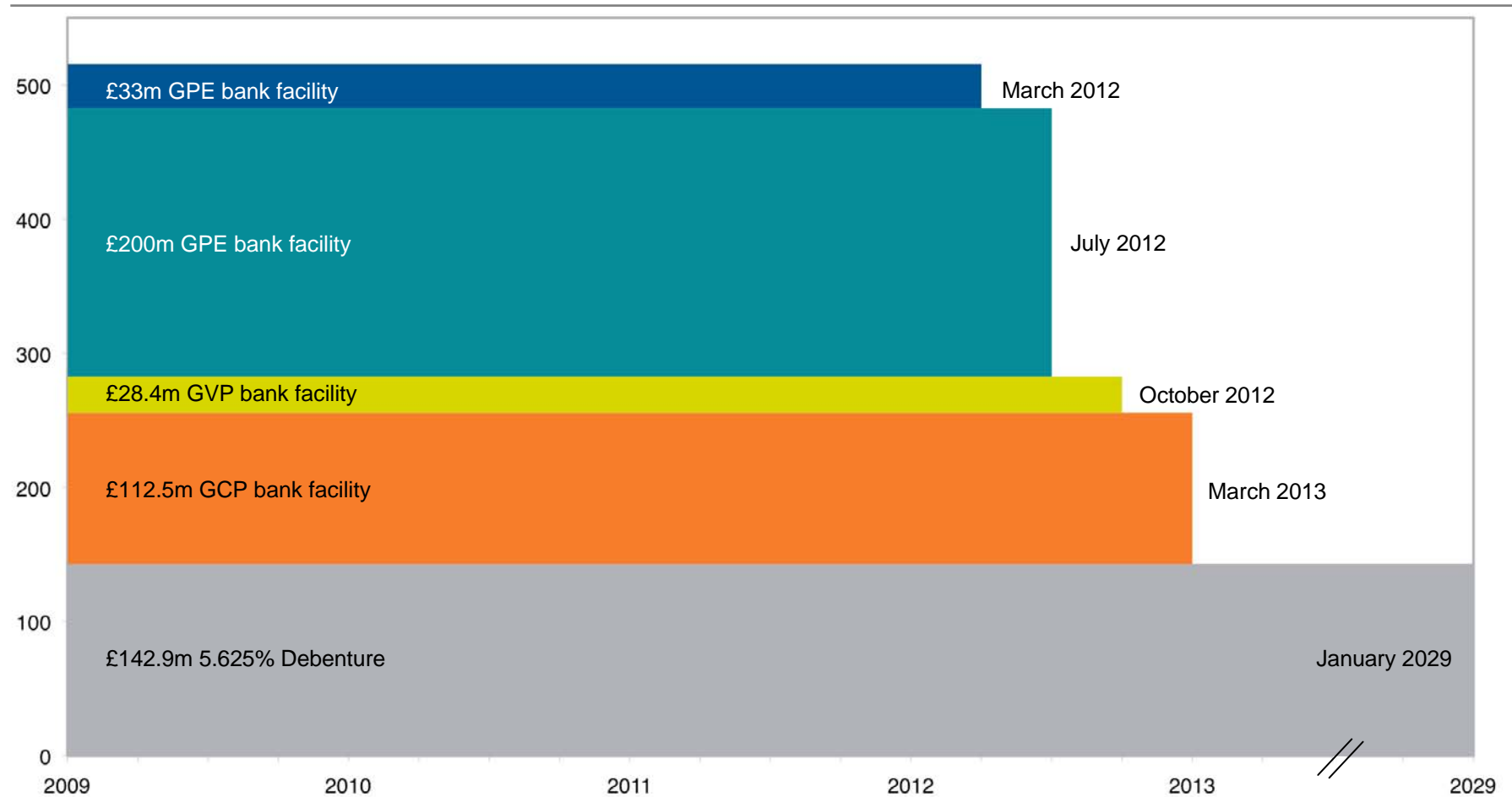
4.Other covenants relate to GPE's 2029 Debenture and GVP1 non-recourse loans both of which have substitution or cash trap mechanisms which facilitate covenant compliance

Maturity Profile

No maturity of drawn facilities until 2012



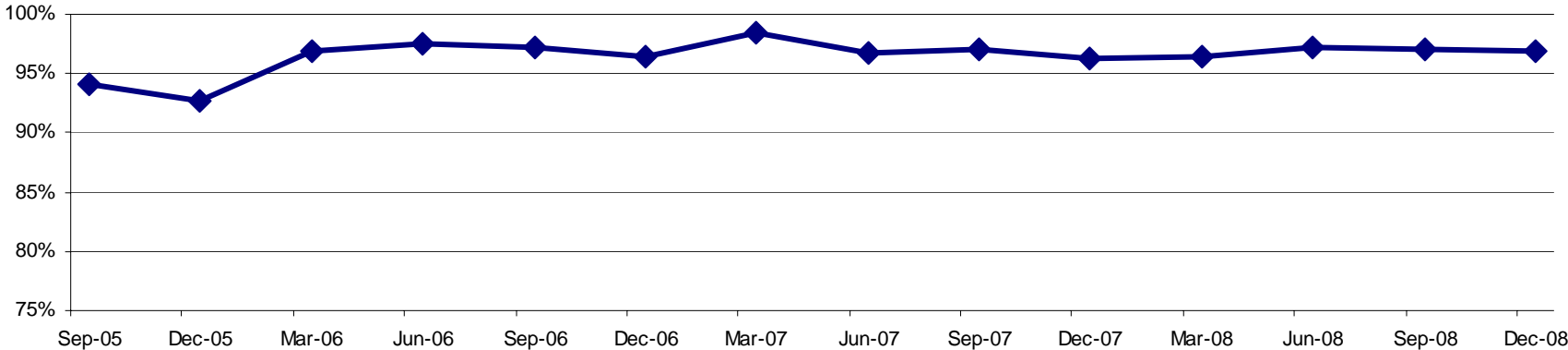
£m



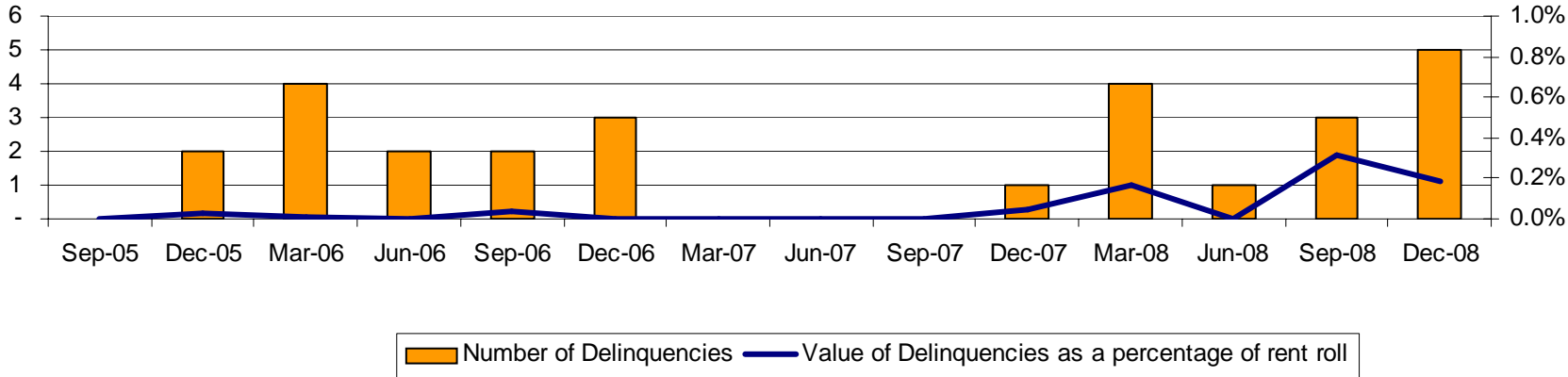
Cash collection / delinquencies



Rent Collected within 7 working days



Value and Number of Delinquencies

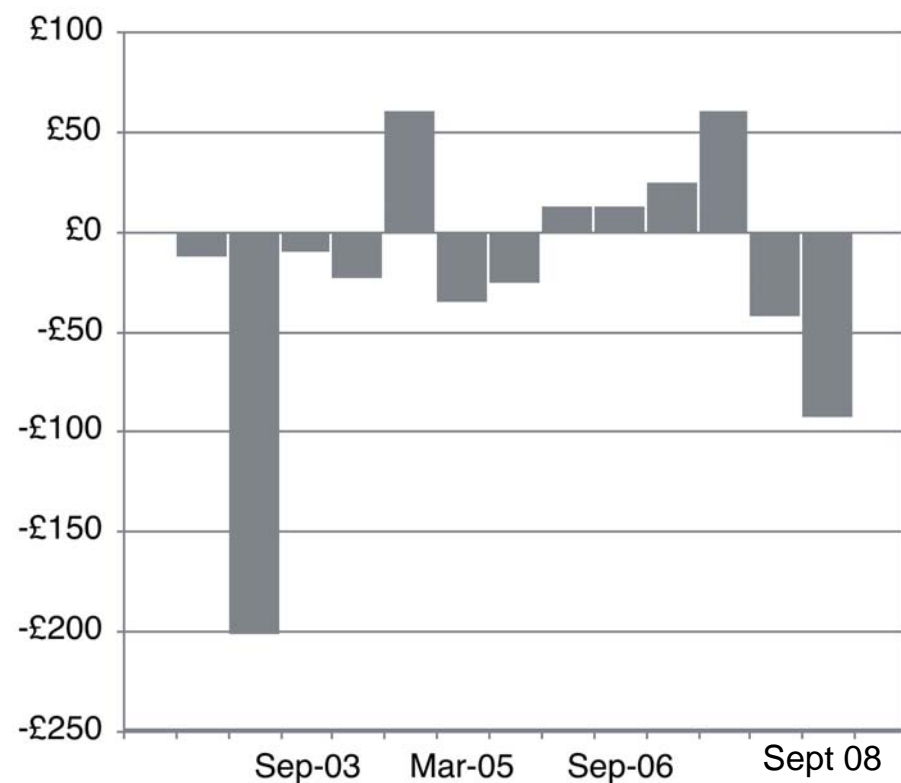


Value of rent deposits and bank guarantees of over £14m or >20% of rent roll

Sales & Acquisitions



Net Investment, Inc 50% share of JV
Millions



6 months to

- £92.7m of sales in the first half
- 5.7% below March 2008 book value in aggregate
- Crystallising profits from mature assets
- No acquisitions in first half
- £1.9m acquired since September
- Disciplined investment management

Asset Management Priorities



Focus on broad spectrum of tenants

- Maximising occupancy
- Tackling lease events early

Rent subject to break or expiry

Months	<12	12-24	24-36	36-48	>48
Rent roll pa	£12.3m	£6.3m	£12.4m	£4.3m	£32.9m
% of rent roll	18%	9%	18%	6%	49%
Ave rent per sq ft	£29	£33	£34	£45	£43

Nurturing development pipeline

- Maximising net income
- Aligning leases

Development Update






- No new construction starts for 18 months
- Capital Expenditure remaining £8.4m
- Development starts have been deferred

Committed Schemes	Completion	ERV pa £m	Capital Expenditure Remaining £m
79/83 Great Portland Street, W1	<i>Completed</i>	0.2	0
Metropolitan Wharf, E1	<i>Completed</i>	0.6	0
45 Foley Street, W1	<i>Completed</i>	1.0	0
Wells & More, W1	Jan-09	6.3	2.8
46/58 Bermondsey Street, SE1	Jun-09	1.5	5.6
		<u>9.6</u>	<u>8.4</u>

Profit on cost £25.4 million / 19.5% (Development Yield 7.8%)

Deferred Development Starts



		Value Sept 08 (GPE share)	Deferred capital expenditure (GPE share)	Existing area sq ft	Rent to achieve portfolio equivalent yield (6.1%)
	240 Blackfriars Road, SE1	£7.5m	£44.9m	-	n/a
	12/14 and 43 Fetter Lane, EC4	£11.0m	£20.1m	53,600	£25 per sq ft
	79/97 Wigmore Street, W1 ¹	£17.0m	£27.3m	75,100	£28 per sq ft
		£35.5m	£92.3m		

¹ Development assets only

Development Pipeline



	Schemes	Pre-Development Area	Proposed Area	Increase	
				Sq. ft.	%
Committed Schemes	5	260,000	315,000	55,000	21%
Development Pipeline	19	1,570,000	2,580,000	1,010,000	64%
	24	1,830,000	2,895,000	1,065,000	58%

- 64% of GPE portfolio included in development business
- All pipeline assets except Blackfriars Road are income producing
- Income being rolled over
- Next cycle schemes

Wells & More, W1

Committed Scheme

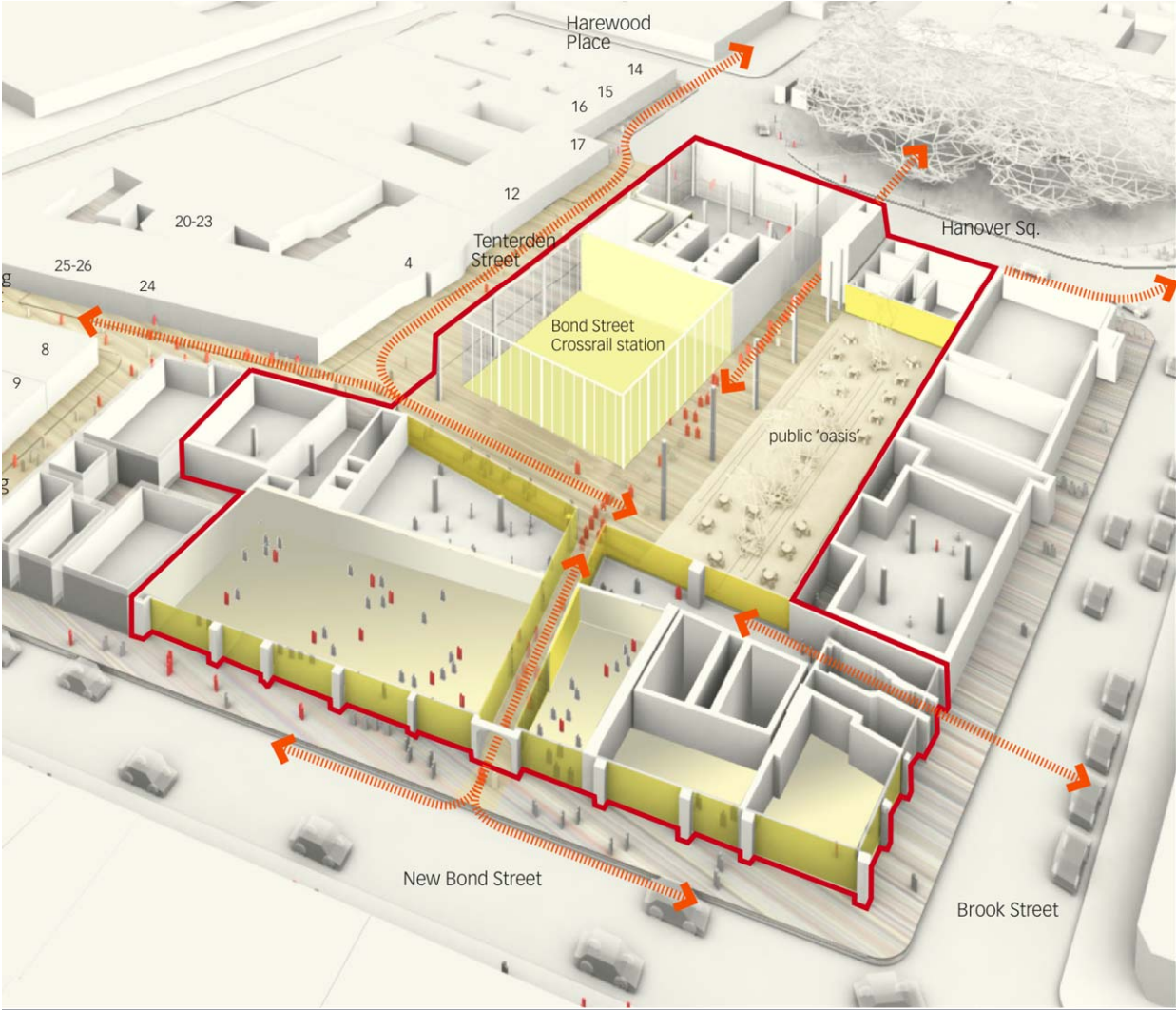
GREAT
PORTLAND
ESTATES



- 116,000 sq ft office, retail and residential
- Completed last week
- 60,800 let
- Interest from more than we can accommodate

Hanover Square, W1 Pipeline

GREAT
PORTLAND
ESTATES





Recession ... how long, how deep?

Adjusting our business

- Conserving capital
- Keeping gearing low
- Focusing on cash flow

Strategy to out perform

- Core locations
- Off low rents, angles to exploit
- Speculative development limited
- Work up on substantial pipeline
- Maximise occupancy rates

- Ample liquidity
- Low leverage
- Specialist skills / disciplined approach
- Exploit market dislocations



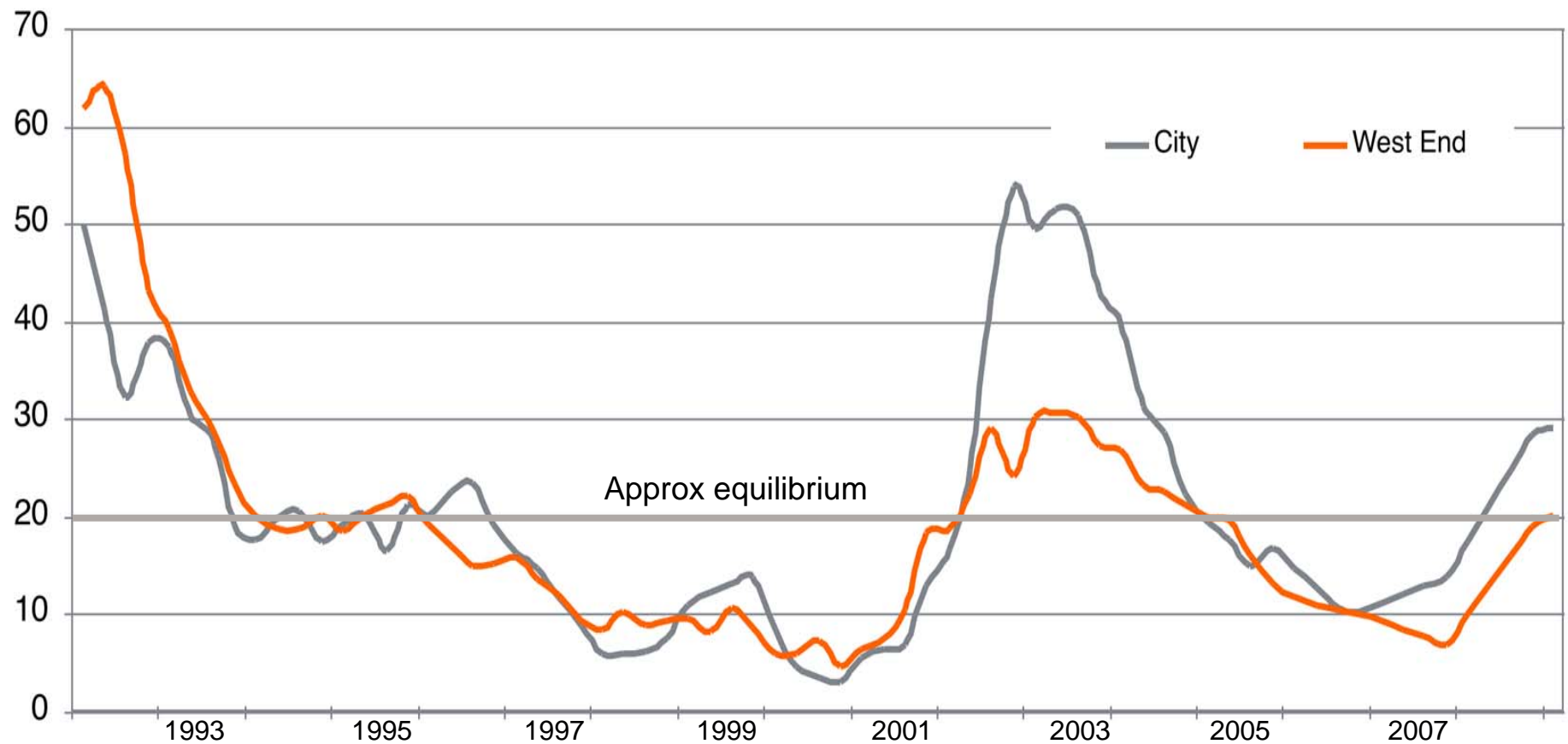
GREAT
PORTLAND
ESTATES

Appendices

Appendix 1 Central London Office Market Market Balance to Sept 2008

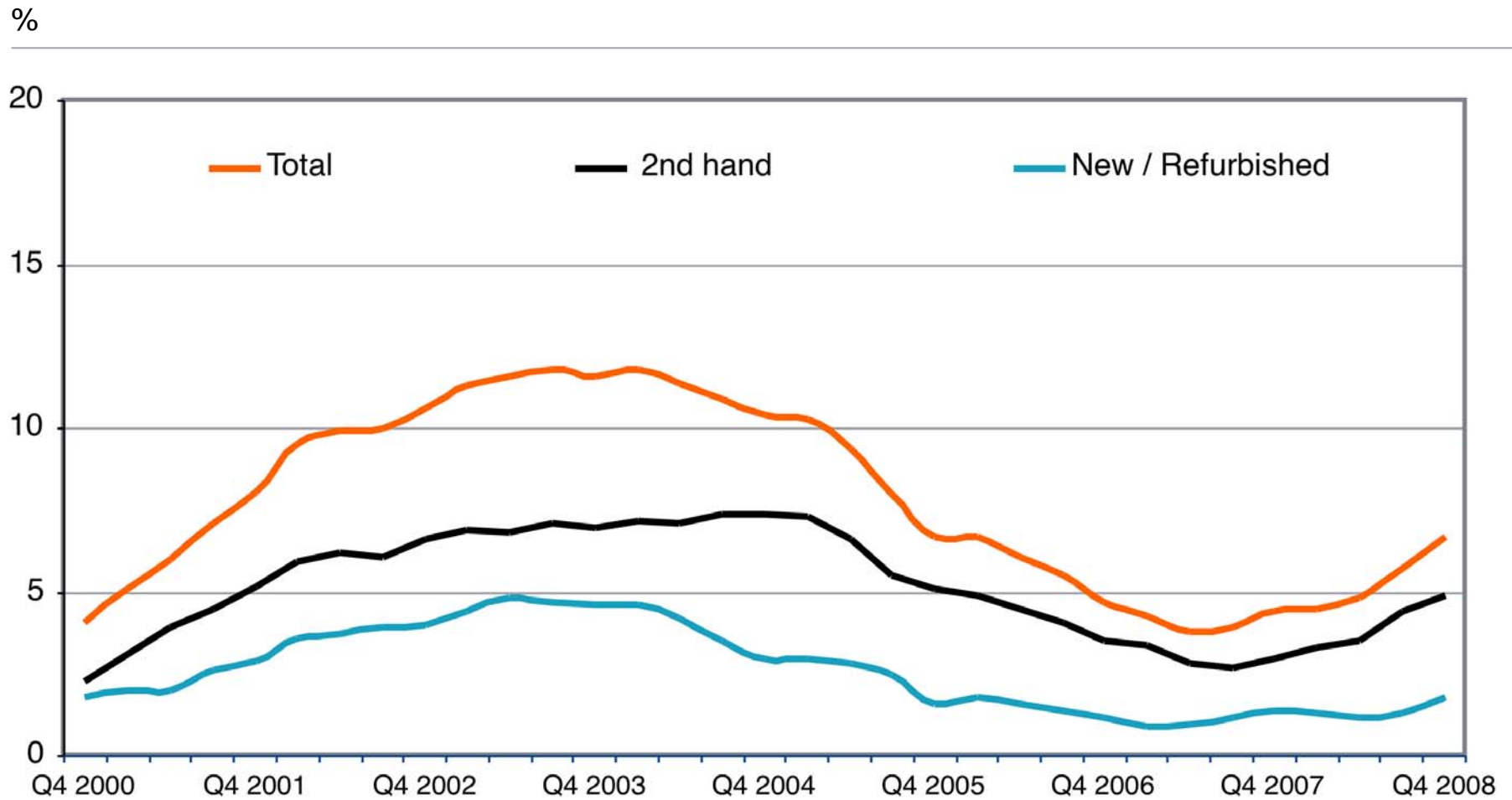


Months supply, at current take-up levels



Source: PMA / Knight Frank

Appendix 2 West End Office Market Availability

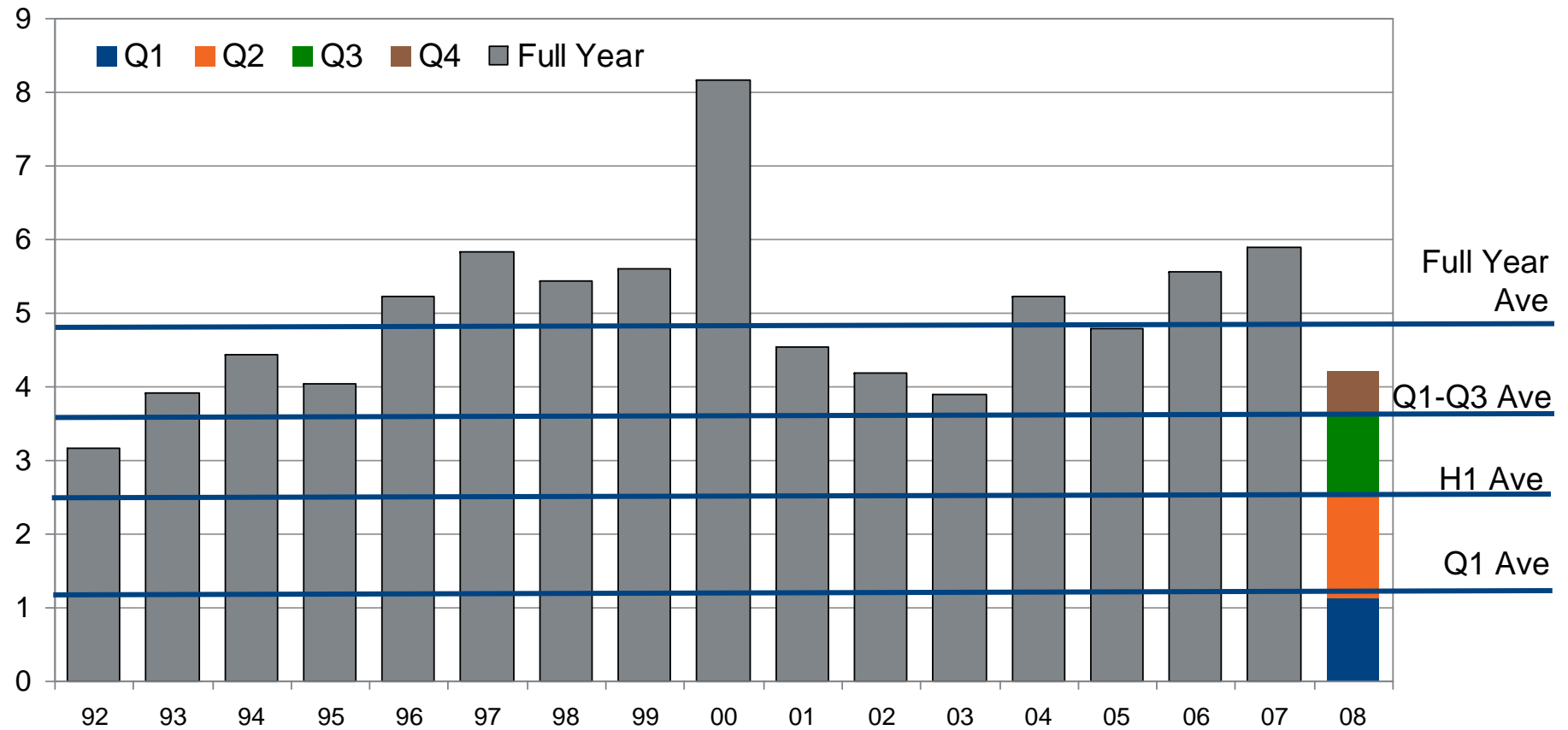


Source: Knight Frank

Appendix 3 West End Office Take-Up 1992 - 2008



Million sq ft

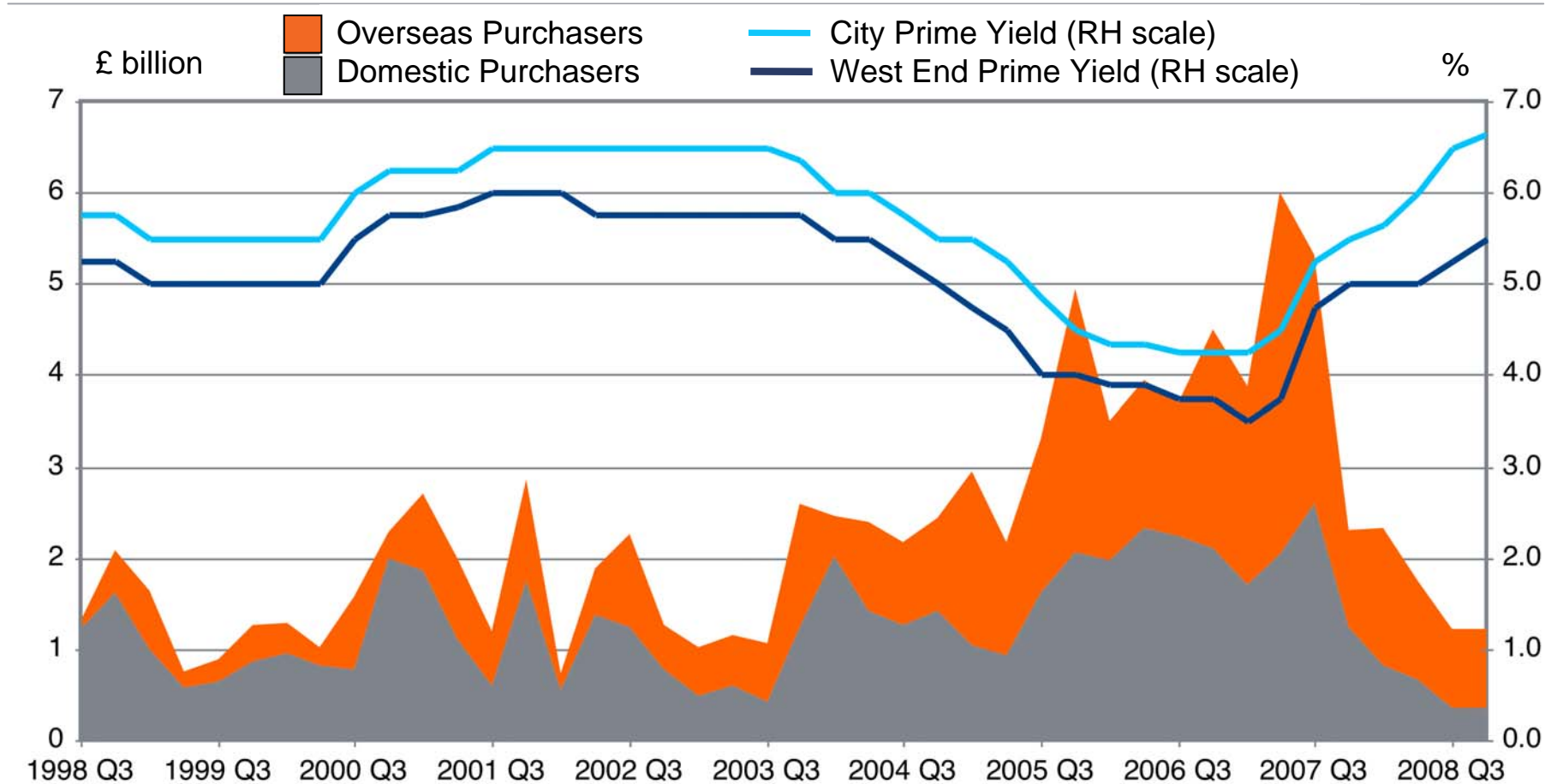


Source: Knight Frank

Appendix 4 Central London Investment Market



Turnover volume vs Initial yield



Source: CB Richard Ellis

Appendix 5
West End Active Requirements
 >10,000 sq ft



000 sq ft	May 2008	Nov 2008	Change
Total	2,426	822	(66%)
Professional Services	255	40	(84%)
Financial Services	678	157	(77%)
Manufacturing & Corporates	197	59	(70%)
Miscellaneous	428	142	(67%)
Marketing & Media	588	213	(64%)
IT & Technology	160	65	(59%)
Government	120	146	22%

Source Knight Frank

Appendix 6 West End Take Up



Lettings - Q3 average	Market	GPE
Size	4,400 sq ft	3,600 sq ft
Rent	£53 per sq ft	£46 per sq ft*

We are still dealing in this market segment ...

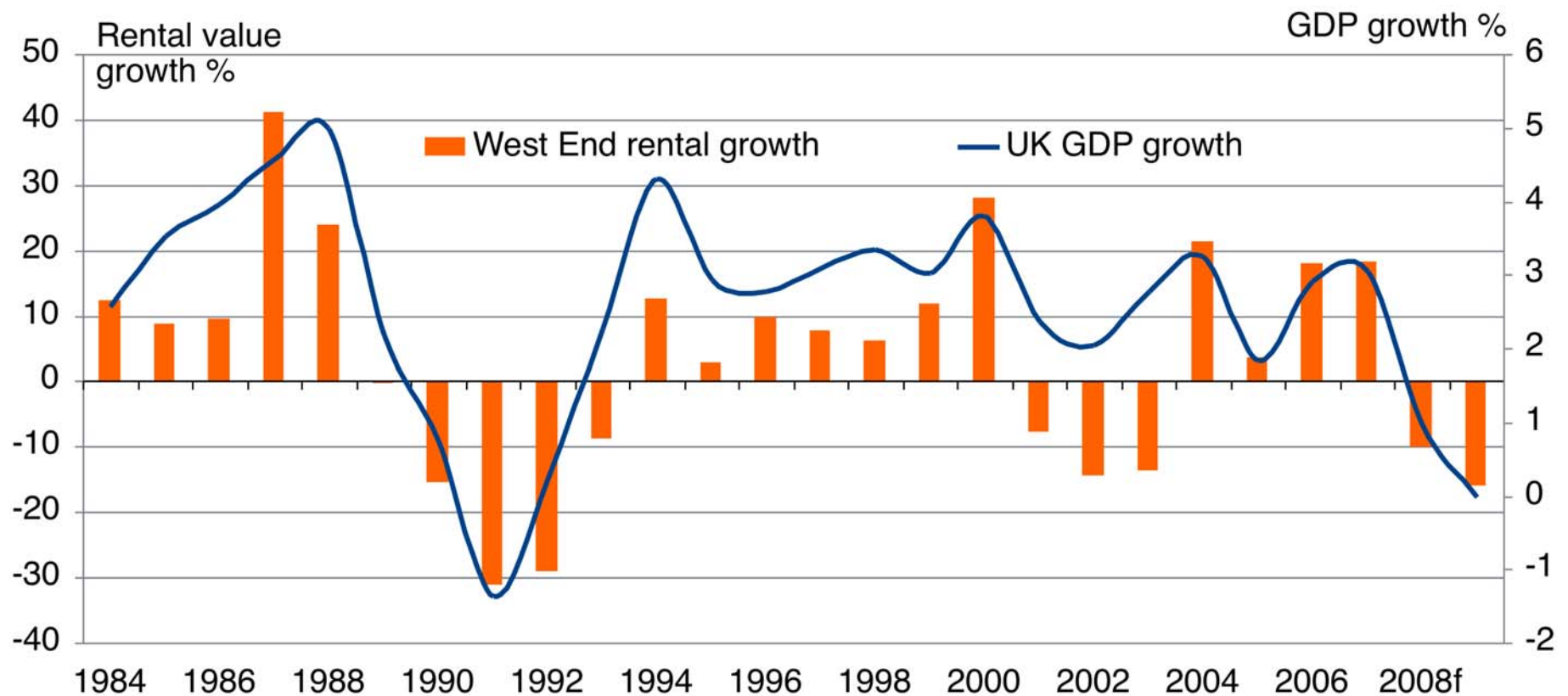
- 123,000 sq ft under offer
- £4.9m p.a. (GPE share £4.4m p.a.)
- Average of £40 per sq ft

*Excluding short-term leases in development space

Appendix 7

West End Prime Rental Growth vs UK GDP Growth

As at Nov '08

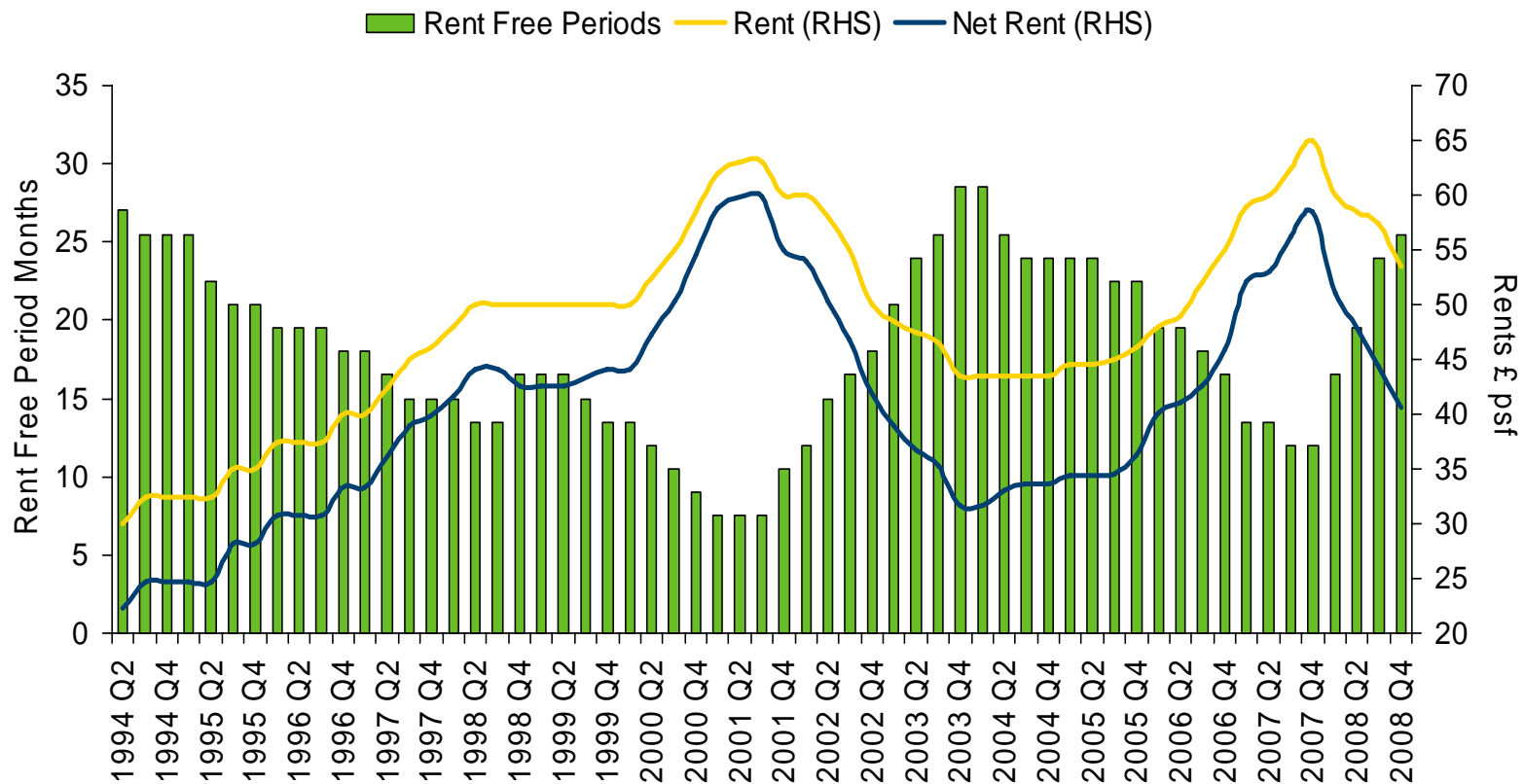


Source: CB Richard Ellis

Appendix 8 City Top Prime Rents vs Rent Free Periods



Q4 2008

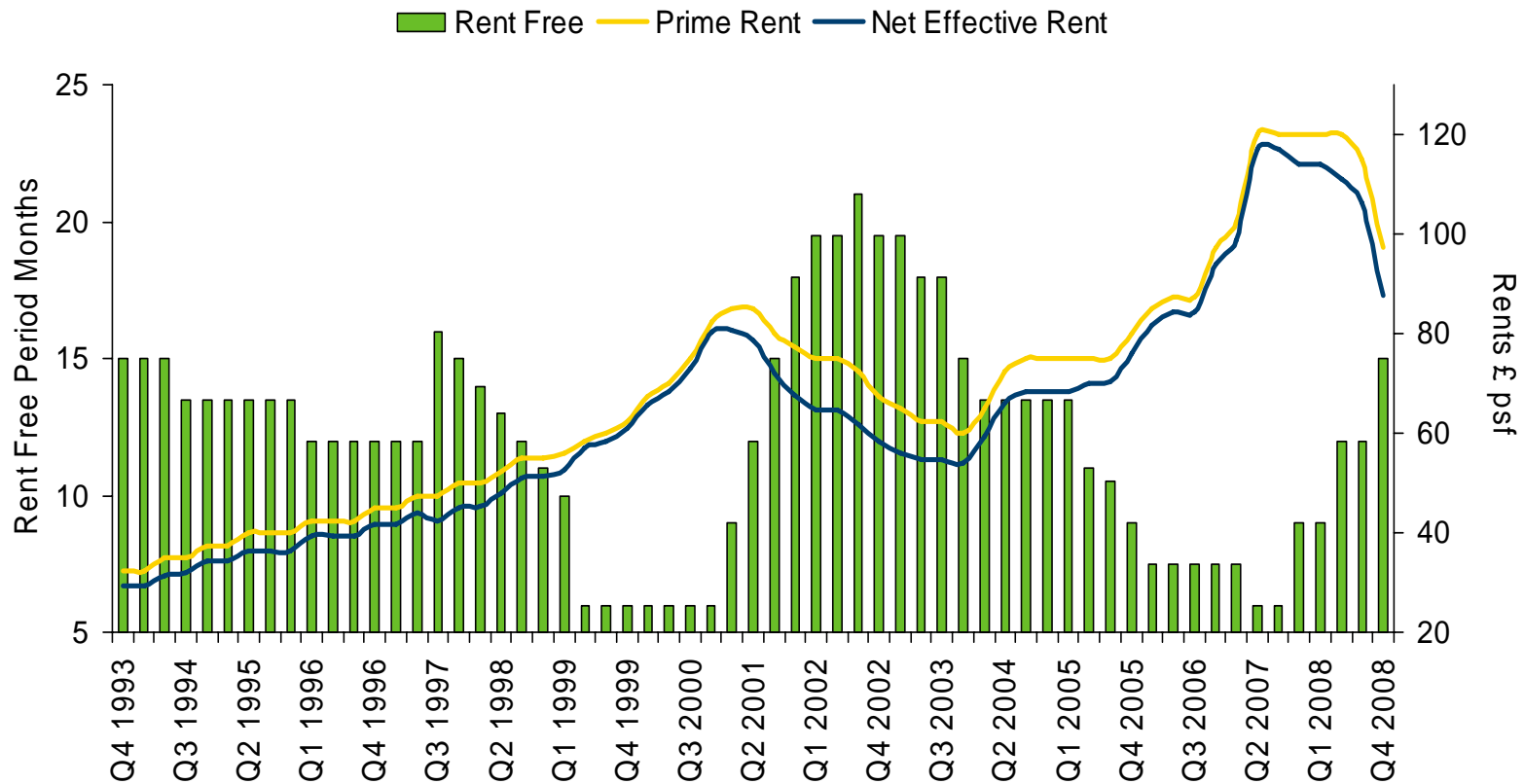


Note: The net effective rent is calculated using a DCF over 10 years @7% and assumes a 3 month fitting out period
 Source: CB Richard Ellis

Appendix 9 West End Top Prime Rents vs Rent Free Periods



Q4 2008

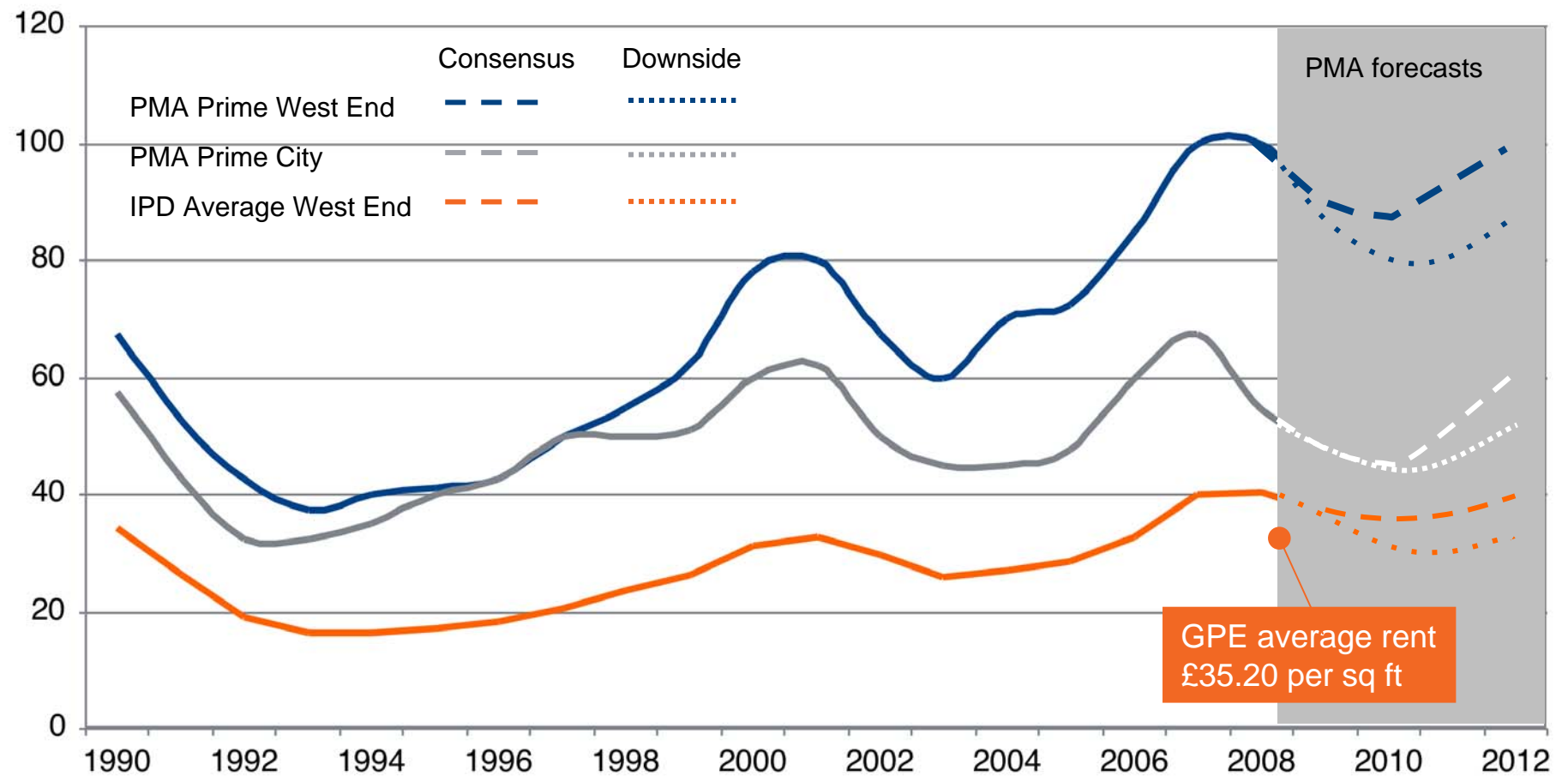


Note: The net effective rent assumes a 3 month fitting out period
 Source: CB Richard Ellis

Appendix 10 Central London Office Market Rent Forecasts – Nov '08



£ per sq ft



Source: PMA / GPE

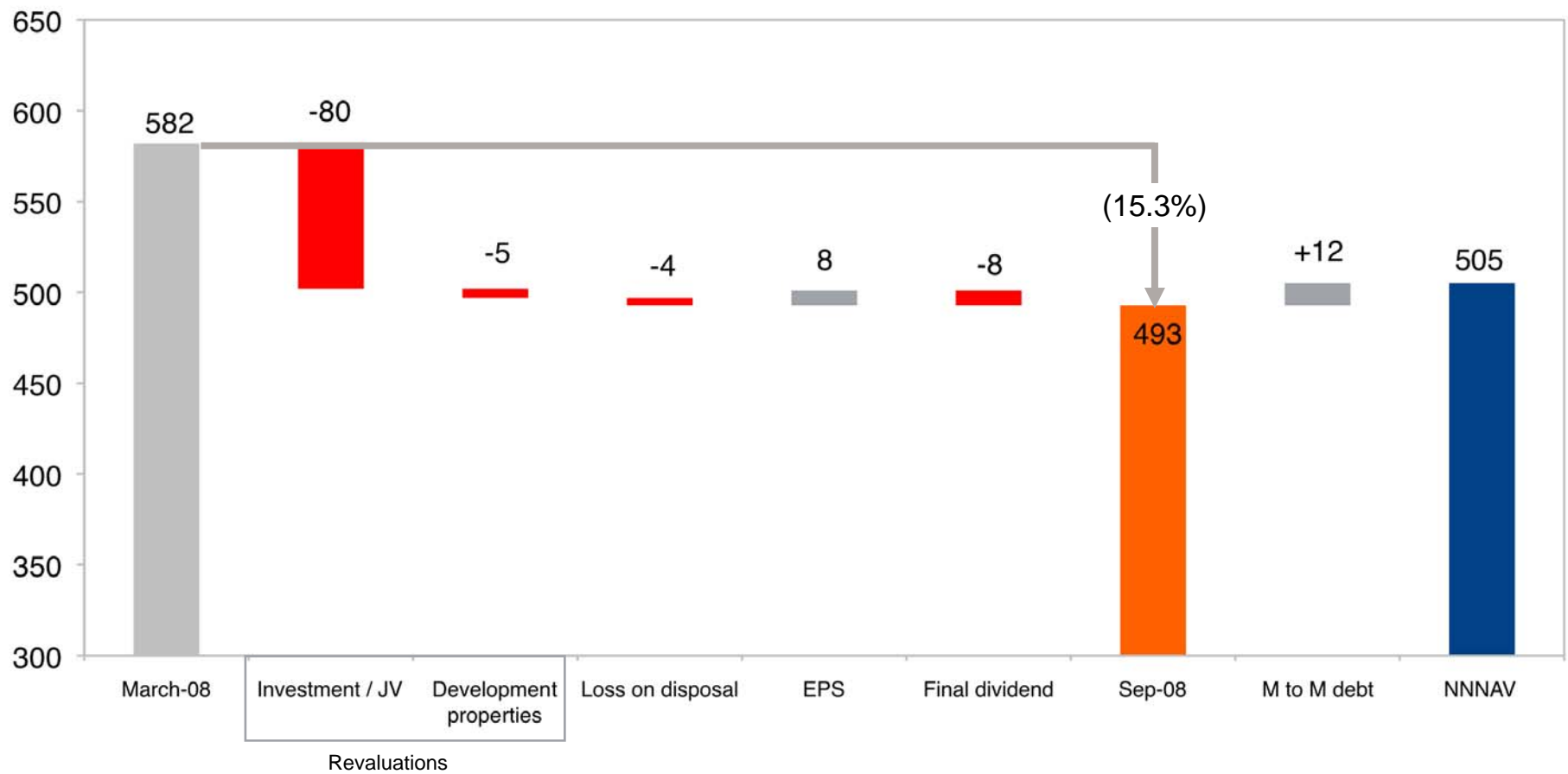
Appendix 11

Adjusted NAV per share

Movement since March 2008



Pence



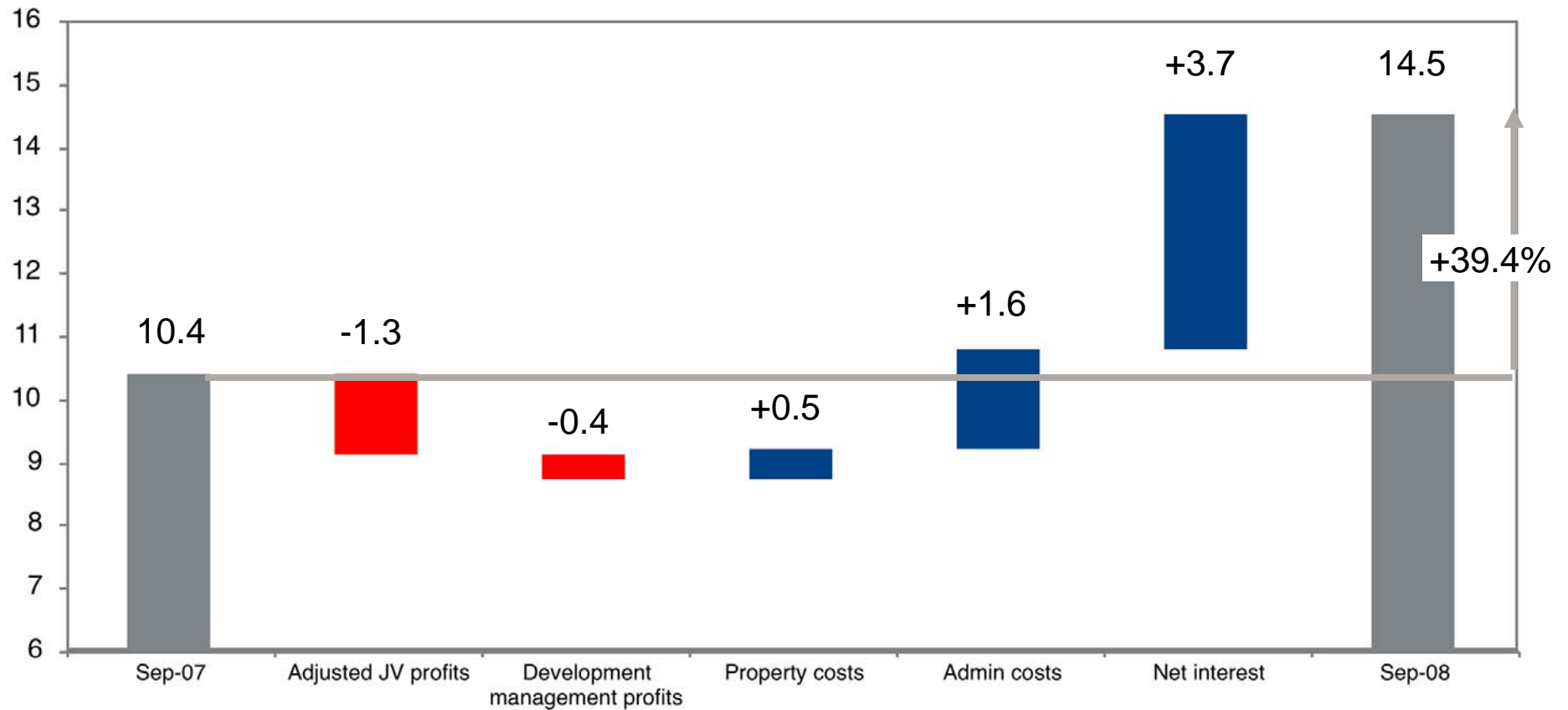
Appendix 12

Adjusted Profit Before Tax

6 months to September 2008



£m



Appendix 13

The Valuation

Including share of Joint Ventures



	Value £m	Movement 3 months to Dec 2008		Movement to Dec 2008 Change	
		£m	Change	6 months	12 months
North of Oxford St	484.7	(64.6)	(11.8%)	(17.1%)	(22.7%)
Rest of West End	450.3	(61.2)	(12.0%)	(16.4%)	(21.2%)
West End Total	935.0	(125.8)	(11.9%)	(16.8%)	(22.0%)
<i>West End Office</i>	<i>627.0</i>	<i>(94.4)</i>	<i>(13.1%)</i>	<i>(19.7%)</i>	<i>(26.3%)</i>
<i>West End Retail</i>	<i>308.0</i>	<i>(31.4)</i>	<i>(9.3%)</i>	<i>(10.1%)</i>	<i>(11.5%)</i>
City & Southwark	202.3	(28.7)	(12.4%)	(20.4%)	(29.2%)
Investment Portfolio	1,137.3	(154.5)	(12.0%)	(17.4%)	(23.4%)
Development properties	107.0	(20.1)	(15.8%)	(18.0%)	(25.8%)
Properties held throughout the period	1,244.3	(174.6)	(12.3%)	(17.5%)	(23.6%)
Acquisitions	1.2	(0.9)	(44.8%)	(44.8%)	(44.8%)
Total Portfolio	1,245.5	(175.5)	(12.4%)	(17.5%)	(23.6%)

Appendix 14

The Valuation¹

Yield Profile²



31 December 2008	Initial Yield %	True Equivalent Yield			
		%	Basis Point +/- like-for-like		
			3 months	6 months	12 months
North of Oxford Street					
Offices	4.6%	6.6%	30	60	106
Retail	4.8%	5.8%	34	56	81
Rest Of West End					
Offices	5.0%	6.3%	33	61	122
Retail	4.5%	5.4%	9	34	17
Total West End	4.8%	6.2%	28	55	94
City & Southwark	6.2%	7.4%	45	82	153
Total Let Portfolio	5.0% (5.4% ³)	6.4%	31	60	105

1 Including share of Joint Ventures

2 Excludes development properties

3 Initial yield post expiry of rent frees under contracted leases

Appendix 15

The Valuation¹

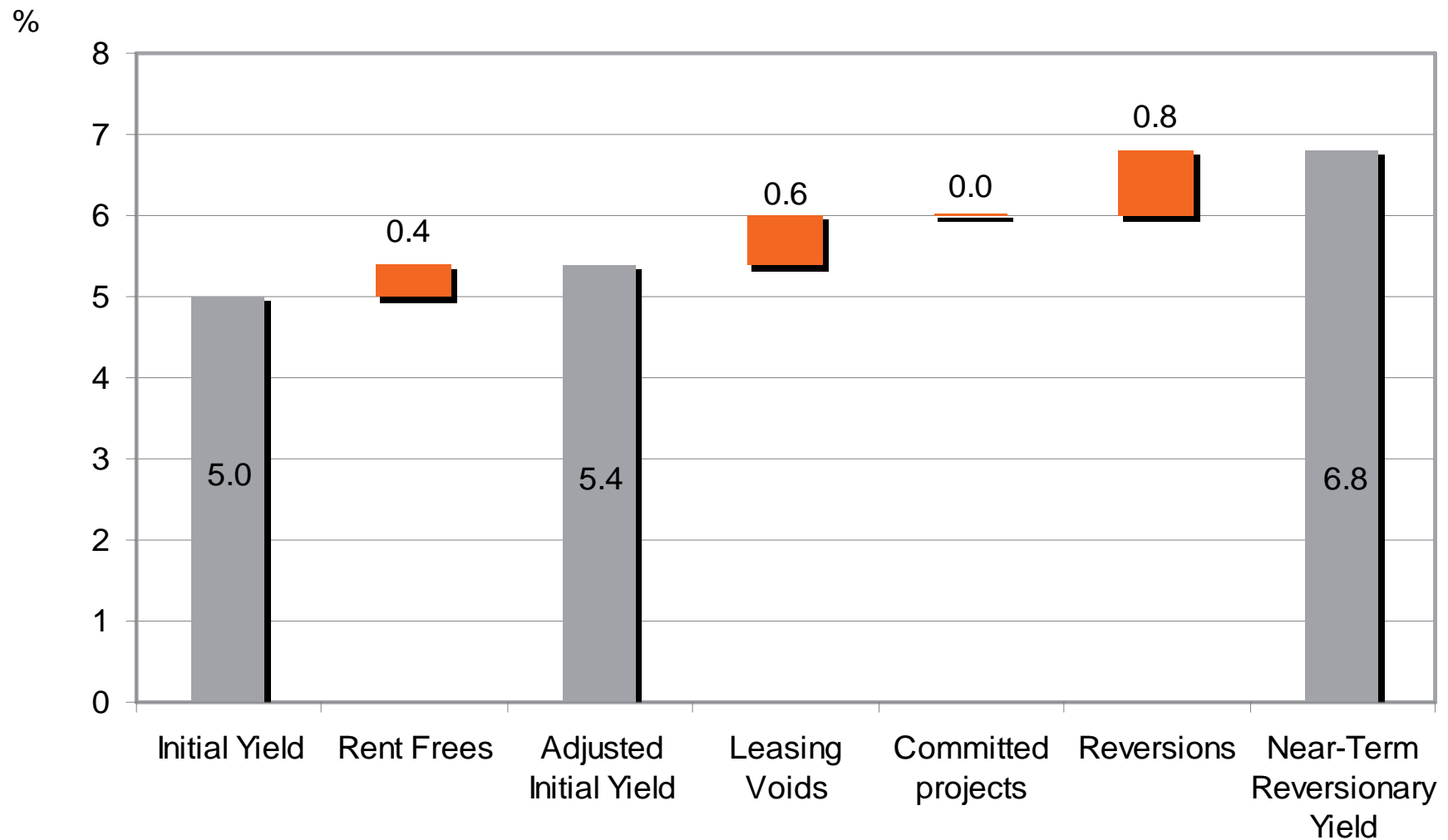
ERV and Reversionary Potential



To 31 December	Reversion £m	Movement in ERV			Average Office Rent Passing	Average Office ERV	Reversionary Potential
		3 mth	6 mth	12 mth	£ per sq ft	£ per sq ft	%
North of Oxford St							
Offices	0.2	(13.7%)	(17.6%)	(16.0%)	40.00	41.80	0.9%
Retail	1.3	(3.5%)	(3.6%)	(1.7%)			15.7%
Rest of West End							
Offices	3.2	(13.9%)	(17.4%)	(16.2%)	39.70	47.90	21.1%
Retail	1.8	(0.8%)	(0.1%)	2.9%			20.5%
Total West End	6.5	(10.6%)	(13.4%)	(11.7%)	39.90	44.10	12.5%
City & Southwark							
Offices	3.3	(5.7%)	(7.2%)	(6.9%)	28.00	33.10	25.6%
Retail	0.7	0.7%	1.9%	0.8%			
Total City & Southwark	4.0	(5.3%)	(6.6%)	(6.4%)			29.3%
Total Let Portfolio	10.5	(9.4%)	(11.9%)	(10.5%)	35.80	40.10	15.9%

¹ Including share of Joint Ventures

Appendix 16 Portfolio Yields From Initial to Reversionary



Appendix 17
The Valuation¹
 Movement in reversions



	6 months to 30 September 2008	3 months to 31 December 2008
At the beginning of the period	£23.9m	£19.5m
Asset management	£(2.3)m	£(1.9)m
ERV movement	£(1.4)m	£(7.1)m
Acquisitions/disposals	£(0.7)m	-
At the end of the period	£19.5m	£10.5m

¹ Including share of Joint Ventures

Appendix 18

Asset Management

Lettings, renewals and rent reviews



	Events	sq ft	Rent		Premium to ERV ¹		Void rate	WAULT ² years
			Total	GPE share	March 08	Sept 08		
Position at 31 March 2008							3.2%	6.3
Lettings and renewals								
6 months to 30 Sept	36	106,200	£3.7m	£3.1m	2.8%		3.2%	6.4
Since 30 Sept	8	19,300	£0.8m	£0.6m	1.3%	(2.4%)		
Total	44	125,500	£4.5m	£3.7m	2.6%		3.4%	
Under offer	12	37,100	£1.7m	£1.0m	(1.5%)	(1.0%)		
Rent reviews								
Completed	10	70,600	£2.8m	£1.8m	12.1% ³			
Agreed	4	22,100	£1.0m	£0.5m	1.1% ³			

1 Excludes seven short term pre development rollover lettings

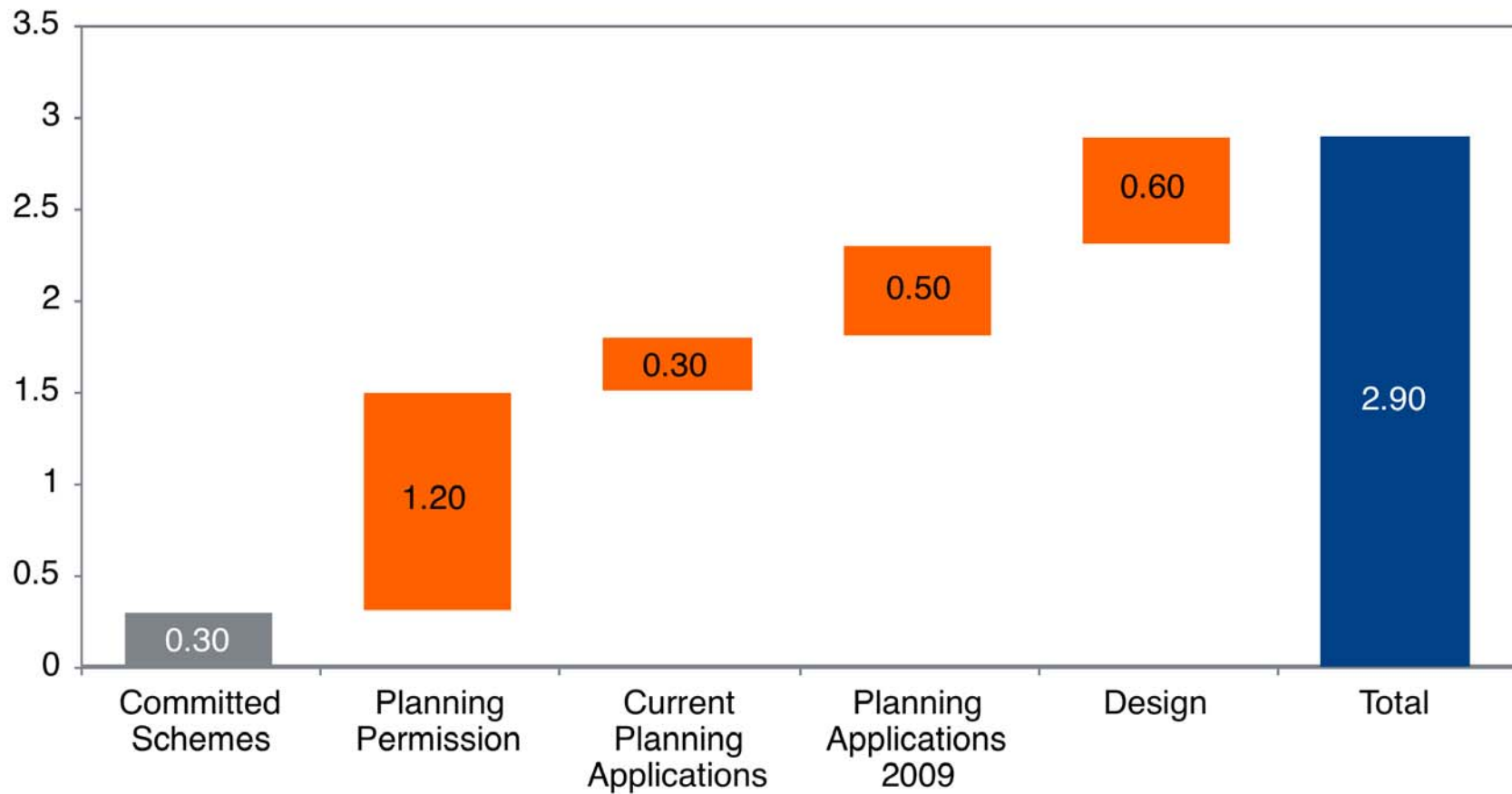
2 To earlier of break or expiry

3 ERV at relevant review date

Appendix 19 Development Pipeline

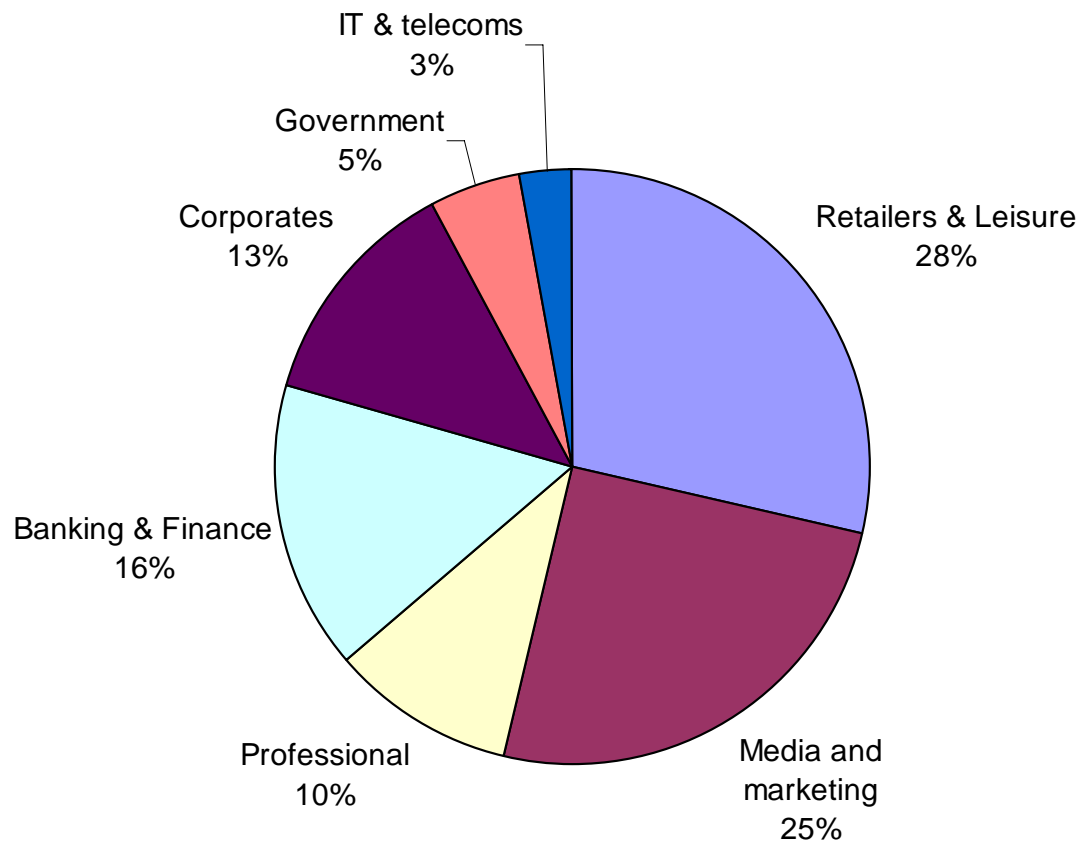


Million sq ft



Appendix 20 GPE tenants

Including joint ventures at 31 December 2008



Appendix 21

Sales & Acquisitions



208/222 Regent Street, W1 (Great Victoria Partnership)



April 2005	Bought	£53.7m
2005 to 2007	Lease regeared with Crown Estate	£6.0m
	Three new stores created and let	£6.6m
June 2008	Sold	£96.6m
	Net initial yield 4.26%	
	Equivalent yield 4.75%	
	Group equity IRR 26% p.a.	

Appendix 22

Sales & Acquisitions



180 Great Portland Street, W1 (Great Wigmore Partnership)

May 2005	Development started	
July 2006	Transferred to GWP	
2007 to 2008	Completed and let at average office rent of £60.15 psf	
Sept 2008	Sold	£79.3 m
	Net initial yield 6.25%	
	Group equity IRR 27% p.a.	

