Press Release

GREAT PORTLAND ESTATES

31 January 2013

Third quarter valuation and business update

In today's Interim Management Statement, the Directors of Great Portland Estates plc ("GPE" or "Group") announce an update on trading, as well as the quarterly valuation of the Group's properties as at 31 December 2012. Details of the Group's recent valuation and rental value trends are set out in the Appendices.

Key points from the quarter:

Continued growth in both capital and rental values

- Portfolio valuation up 1.4%[1] since 30 September 2012, 7.6%[1] since 31 December 2011
- Rental value growth of 0.7%[1] (0.6% West End offices, 1.9% West End retail)

- EPRA NAV[2] per share of 430 pence at 31 December 2012 up 1.4% from 30 September 2012, up 11.4% from 31 December 2011
- EPRA NNNAV[2] per share of 415 pence at 31 December 2012 up 1.0% from 30 September 2012

Acquisitions following placing to exploit market opportunities

- Successful placing of 31.25 million new ordinary shares raising £140.6 million (gross proceeds) to take advantage of acquisition opportunities in central London
- £60.0 million (43%) already invested with acquisition of Minerva House, SE1 (5.4% net initial yield)
- One acquisition currently under offer, four more in discussions to buy (three in the West End, one in Midtown)

Significant development surpluses

- Development of 33 Margaret Street, W1 successfully completed (102,300 sq ft, profit on cost 79.5%), offices fully pre-let
- Four committed schemes currently on site (547,400 sq ft, 16.0% of portfolio), 32.8% pre-let, expected profit on cost of 37.4%. Completions from June 2013
- Major development potential from a further 17 uncommitted schemes, covering 1.72 million sq ft, all with flexible start dates

Strong letting activity

- 40,000 sq ft pre-let signed at 95 Wigmore Street, W1. Strong tenant interest in the remainder
- 23 new lettings signed generating £5.1 million per annum (our share: £3.4 million); market lettings 0.9% ahead of March 2012 rental values (15.1% ahead if pre-lets are excluded)
- Further £1.4 million of space under offer, 9.9% ahead of March 2012 rental values
- EPRA vacancy[2] level 3.0% (30 September 2012: 2.4%); 2.8% today

Financially well positioned

- Gearing remains conservative at 41.9%, pro forma loan to property value of 30.9%, weighted average interest rate low at 3.7%
- Significant cash and undrawn committed facilities of £337 million

[1] On a like for like basis, including Joint Ventures, see Appendix 1
[2] In accordance with EPRA guidance

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Toby Courtauld, Chief Executive, said,

"We are pleased to report another period of good progress across all our operations; we completed our major development at 33 Margaret Street and pre-let 49% of the office space at 95 Wigmore Street; we signed 23 new lettings across the portfolio at healthy premia to market values; and we successfully began investing the proceeds from the share placing, committing £60 million with one further acquisition under offer.

Conditions in London's commercial property markets remain supportive; the demand for well laid out retail and office space in good locations is attracting healthy levels of tenant demand, whilst the availability of such space, particularly in the core of the West End, is in short supply. As a result, we expect rental values across our portfolio to continue their upward trend.

In this context, we maintain our confident outlook; our pipeline of development opportunities is set to deliver further surpluses; our asset management and leasing activities are generating growth; and we expect to add to our exceptional portfolio through further accretive acquisitions."

Portfolio valuation

The valuation of the Group's properties rose by £26.5 million over the quarter to £2,194.8 million (including our share of joint venture assets) as at 31 December 2012, predominantly due to our pre-letting and asset management successes. The net valuation uplift for the quarter was 1.4% on a like-for-like basis compared to 0.7% for the previous quarter. Further details are set out in Appendices 2 and 3.

By sector, the main drivers of the quarterly valuation uplift were West End retail, up 4.3% and our development schemes which rose in value by 2.6%. The wholly owned portfolio was valued at £1,626.5 million at 31 December 2012 (a like-for-like valuation uplift of 1.5% on the quarter) and the joint venture properties (100%) at £983.1 million (up 1.3% on the quarter on a like-for-like basis). The net impact of the movement in yields and rental values on the portfolio valuation is set out in Appendix 4.

The portfolio true equivalent yield at 31 December 2012 was 5.1%, a reduction of 4 basis points on a like-for-like basis over the quarter. The investment portfolio's adjusted initial yield (including contracted income still in rent free periods) was 4.0% at 31 December 2012, a decrease of 10 basis points from September 2012 primarily as a result of the valuation uplift. A yield table is set out in Appendix 5.

Our successful letting activity continues to demonstrate that demand exists for high quality, well located and sensibly priced space. Indeed, our tenant retention remains strong and our void level is low at 3.0% (30 September 2012: 2.4%). Across our portfolio, office rental values rose by 0.4% in the quarter, compared to the 0.9% increase recorded for the previous three months. West End office rental values were 0.6% higher whilst City, Midtown and Southwark office rental values were flat over the three month period. Retail demand has been resilient and rental values in the West End portfolio rose by 1.9% in the quarter, in part due to the healthy rental growth achieved through our asset management successes across the Jermyn Street Estate.

The Group's average office rent remains low at £38.00 per sq ft and the portfolio overall (including retail) was 10.8% reversionary at the quarter end. Rental value trends are highlighted in Appendix 6.

Estimated NAV per share and financing

The main movement for the quarter was the underlying uplift in the portfolio valuation of £26.5 million, due principally to our development activities at 95 Wigmore Street, W1 and 240 Blackfriars Road, SE1, combined with letting successes and rental value growth driving the revaluation of key assets including the Jermyn Street Estate, 160 Great Portland Street and Kent House, all W1.

The Group's net assets were also enhanced by the placing of 31.25 million new ordinary shares, representing approximately 9.99% of the current issued share capital of the Company which completed in November. The shares were priced at 450p per share raising gross proceeds of £140.6 million (net proceeds £137.9 million) to take advantage of acquisition opportunities in central London. The placing increased EPRA NAV per share by one pence when taking into account the additional shares in issue.

Overall, as set out in the table below, when combined with the interim dividend of 3.3 pence per share, EPRA NAV per share increased by 1.4% to 430p (September 2012: 424p).

Pro Forma Estimated Balance Sheet [1]

EPRA NAV [2]	*£m*	*pence per share*	*percentage movement*
At 30 September 2012	**1,313.8**	**424**	
Equity placing	137.9	1	
Valuation uplift	26.5	8	
Interim dividend	(11.3)	(3)	
At 31 December 2012	**1,466.9**	**430**	*1.4%*
EPRA NNNAV [2]			
M2M of debt & derivatives	(53.3)	(15)	
At 31 December 2012	**1,413.6**	**415**	*1.0%*
At 30 September 2012	**1,274.1**	**411**	

Note:
[1] The pro forma balance sheet is unaudited and does not include retained earnings for the quarter
[2] In accordance with EPRA guidance

The mark to market of debt and derivatives of £53.3 million (or 15 pence per share) results in EPRA NNNAV of 415 pence per share at December, a rise of 1.0% from September 2012.

Net debt has decreased over the quarter as a result of the share placing and receipts in respect of transactions exchanged but not completed at 30 September 2012, offset by the acquisition of Minerva House, SE1 and development expenditure on our committed schemes. As a result, our balance sheet leverage ratios have moved down in the quarter and remain conservative as shown in the table below. As the balance of the proceeds from the placing are successfully invested, we would expect gearing and LTV to increase.

Summary of Debt Statistics

	Dec-12	**Sept-12**
GPE net debt	£614.6m	£686.9m
GPE net gearing	41.9%	52.6%
Total net debt including JVs	£709.1m	£814.6m
LTV	32.3%	37.7%
Pro forma LTV[1]	30.9%	35.1%

1. Pro forma for the deferred consideration on sale of 37.5% interest in 100 Bishopsgate and sales contracted but not completed at the balance sheet date

At 31 December 2012, the Group had significant financial firepower with undrawn committed facilities and cash in excess of £337 million, with the Group's next material debt maturity not until July 2015.

At 31 December 2012, around 75% of the Group's total debt (including share of joint venture debt) was fixed or hedged. However, a significant proportion of hedged debt is subject to capped arrangements and, as a result, we are benefitting from floating rates on around 49% of our total debt. The weighted average interest rate at the period end was low at 3.7%.

Investment management

As we highlighted in our 2012 Half Year Results presentation, since the summer, we have identified an increasing number of interesting acquisition opportunities across central London and, in order to take full advantage of these opportunities, we raised £140.6 million in a share placing in November as detailed above. In December, we were pleased to announce the first acquisition using these proceeds, with the acquisition of Minerva House, SE1, for £60.0 million, reflecting a capital value of £579 per sq ft (or £634 per sq ft excluding the residential and car parking) and a net initial yield of 5.4%.

Minerva House is a prominent freehold office and residential building, totalling 103,686 sq ft, located on the South Bank of the river Thames adjacent to Southwark Cathedral and in the immediate environs of the vibrant Borough market. The 91,800 sq ft of offices are leased to two tenants, Winckworth Sherwood LLP and Ipsos Mori UK Ltd, paying a total rent of £3.4 million per annum, reflecting a low average rent on the office accommodation of £36 per sq ft. The office leases expire in 2021 and 2022 with rent reviews in 2016 and 2017, giving a weighted unexpired term certain of 9.6 years. The property meets our objectives of an accretive initial yield with an attractive prospective total return due to its low rents and multiple refurbishment possibilities. In the longer term, there exists significant development potential from this prominent site.

In addition to Minerva House, we have one property under offer to buy and a further four in discussions to buy (three in the West End, one in Midtown). All these prospective purchases display the characteristics we are seeking being attractive pricing, opportunities to add value over time and an accretive running yield in the meantime.

We have also continued with our discipline of recycling capital out of mature or non-core properties. In October, we agreed to sell a 37.5% interest in The 100 Bishopsgate Partnership ("the Partnership"), our 50:50 joint venture with Brookfield Properties Corporation ("BPO") to BPO for £47.2 million in cash. £15.74 million was paid on completion, with equal further payments of £15.74 million in October 2013 and April 2014. GPE is receiving interest at a rate of 5.5% on the deferred payments, and will retain 12.5% of the Partnership, subject to a put and call arrangement with BPO. The sale price equated to CBRE's 30 June 2012 valuation, pro-forma for subsequent capital expenditure.

We currently have around £50 million (our share) of properties in the market to sell.

Development management

We have had a successful three months across our development programme: we completed our pre-let development of 33 Margaret Street, W1 delivering a profit on cost of 79.5%; delivered a significant pre-let at 95 Wigmore Street, W1; and progressed construction activity to both programme and budget across our projects on site. We now have four committed schemes on site, comprising 547,400 sq ft and 32.8% pre-let by rental value. Our substantial pipeline of opportunities includes an additional 17 uncommitted projects, giving us a total programme of 2.3 million sq ft, covering 51.6% of GPE's existing portfolio.

Pre-letting activity. In November 2012, our Great Wigmore Partnership ("GWP") joint venture with Scottish Widows pre-let 40,000 sq ft of office space at 95 Wigmore Street, W1 to Lane Clark and Peacock LLP ("LCP"). LCP, the leading firm of financial, actuarial and business consultants, will occupy the first to third floors in the nine-storey building and will take a fifteen-year lease (without breaks), paying a total of £3.1 million per annum, equating to an average rent of £77.50 per sq ft for the office space. GWP will handover this space to LCP in March 2013, allowing LCP's lease to start and giving them the ability to commence their fit out before practical completion of the building, scheduled for June 2013. The 111,200 sq ft project will provide 82,300 sq ft of offices, 16,400 sq ft of retail space and 12,500 sq ft of residential accommodation.

Schemes on Site. Construction work is advancing well on our other three schemes on site (240 Blackfriars Road, SE1, City Tower, EC2, and Walmar House, W1) with completions from summer 2013. We continue to see good levels of letting interest in the remaining available space.

Project preparation and pipeline. We are making good progress on our proposals for the major mixed use development scheme at our 2.3 acre freehold West End site at Rathbone Place, W1 and we expect to submit our planning application during the summer of 2013. We also continue to prepare 20 St James's Street, SW1, Fetter Lane, EC4, 48/50 Broadwick Street, W1 and St Lawrence House, 26/34 Broadwick Street, W1 for potential starts over the next 18 months.

Asset management

Tenant interest in the limited amount of vacant space across our properties remains strong leading to 23 new lettings (including pre-lets) during the three months to December, generating an annual rent of £5.1 million (our share: £3.4 million). The majority of these lettings were market lettings which completed on average 0.9% ahead of the valuer's March 2012 estimates (15.1% excluding pre-lets), whilst the balance were below the March 2012 ERV because they incorporate landlord's breaks to allow possible redevelopment during the next few years. At the quarter end, we had 11 new lettings under offer accounting for a further £1.4 million per annum in rent (our share: £1.0 million) with the market lettings on average 9.9% ahead of the valuer's March 2012 ERV. During January 2013, we completed £0.3 million of these lettings.

Leasing Transactions	**Three months ended**		
	31 December 2012	**30 September 2012**	**31 December 2011**
New leases and renewals completed			
Number	23	30	35
GPE share of rent p.a.	£3.4 million	£3.9 million	£8.7 million
Area (sq ft)	102,000	67,000	239,000
Rent per sq ft	£50	£67	£49
Rent reviews settled			
Number	4	3	4
GPE share of rent p.a.	£1.2 million	£1.2 million	£1.4 million
Area (sq ft)	19,600	18,700	66,000
Rent per sq ft	£73	£97	£44

Note: Includes joint ventures at our share

The letting transactions concluded during the quarter have helped to maintain the Group's low vacancy rate at 31 December 2012 of 3.0% (2.4% at September 2012), although we would expect this to increase in the near-term as we take back space to capture reversionary potential, for example at Wells & More, W1 and 200 Gray's Inn Road, WC1. Further details are set out in Appendix 7.

Cash collection and tenant delinquencies

The quarterly cash collection performance has continued to be strong. We again secured 99% of rent within seven working days of the quarter day (September 2012: 99%, December 2011: 98%). One of our tenants went into administration during the quarter, accounting for 0.02% (our share) of the rent roll (September 2012: two tenants, accounting for 0.06% of rent roll); despite this low level, we remain vigilant and continue to monitor the financial position of all our tenants. The segmentation of our tenant base and portfolio is shown in Appendix 8.

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Forward Looking Statements

This document may contain 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 of results expressed or implied by such forward-looking statements.

Any forward-looking statements made by or on behalf of 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 document relating to GPE or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Appendix 1
Headline Results

To 31 December 2012	3 months	6 months	12 months
Property Valuation[1]	1.4%	2.3%	7.6%
Portfolio ERV movement[1]	0.7%	1.8%	7.3%
EPRA NAV	1.4%	3.1%	11.4%

1 On a like-for-like basis, including share of joint ventures

Appendix 2
The Valuation
Including share of Joint Ventures

	Value	Movement 3 months to Dec 2012		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	1,038.5	12.4	1.2%	1.7%	8.0%
Rest of West End	636.0	12.2	1.9%	3.9%	9.2%
West End Total	1,674.5	24.6	1.5%	2.6%	8.5%
West End Office	*1,294.3*	*9.1*	*0.7%*	*1.8%*	*7.4%*
West End Retail	*380.2*	*15.5*	*4.3%*	*5.4%*	*12.2%*
City, Midtown & Southwark	303.6	0.8	0.3%	-	0.8%
Investment Portfolio	**1,978.1**	**25.4**	**1.3%**	**2.2%**	**7.2%**
Development properties	156.7	4.0	2.6%	4.8%	13.4%
Properties held throughout the period	**2,134.8**	**29.4**	**1.4%**	**2.3%**	**7.6%**
Acquisitions	60.0	(2.9)	(4.5)%	(4.5)%	(4.5)%
Total portfolio	**2,194.8**	**26.5**	**1.2%**	**2.1%**	**7.3%**

Appendix 3
The Valuation
Including share of Joint Ventures

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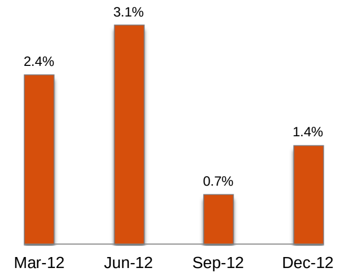
	Value	Quarterly Change
	£m	%
North of Oxford St	1,038.5	1.2%
Rest of West End	636.0	1.9%
West End Total	1,674.5	1.5%
City, Midtown & Southwark	303.6	0.3%
Investment Portfolio	**1,978.1**	**1.3%**
Development properties	156.7	2.6%
Properties held throughout the period	**2,134.8**	**1.4%**
Acquisition	60.0	(4.5)%
Total portfolio	**2,194.8**	**1.2%**

Like for Like Quarterly Valuation Movement



Appendix 4
The Valuation[1]
Drivers of Valuation Movement

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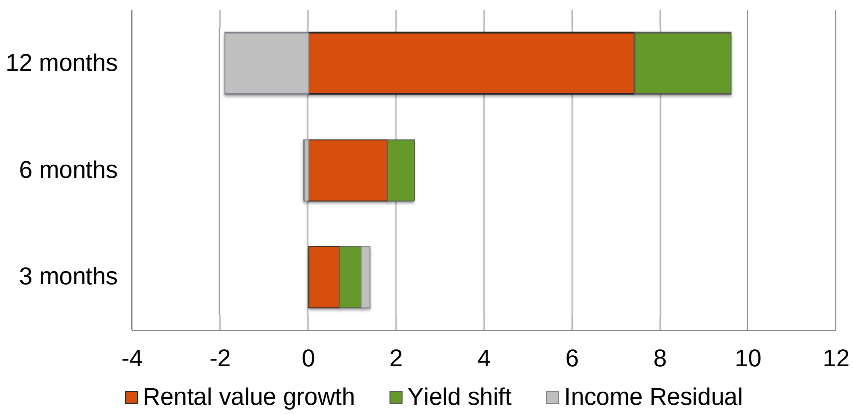
% movement



1 Including share of Joint Ventures

Appendix 5
The Valuation[1]
Yield Profile[2]

31 December 2012	Initial Yield %	True Equivalent Yield %	Basis Point +/- like-for-like 3 months	6 months	12 months
North of Oxford Street					
Offices	2.6%	5.0%	-8	-8	-13
Retail	4.4%	5.0%	-4	-4	1
Rest Of West End					
Offices	2.4%	4.9%	1	-	-14
Retail	2.8%	4.8%	-5	-16	-28
Total West End	**2.8%**	**4.9%**	**-5**	**-6**	**-13**
City, Midtown & Southwark	5.1%	6.1%	-1	5	6
Total Portfolio	**3.2%** (*4.0%*[3])	**5.1%**	**-4**	**-4**	**-10**

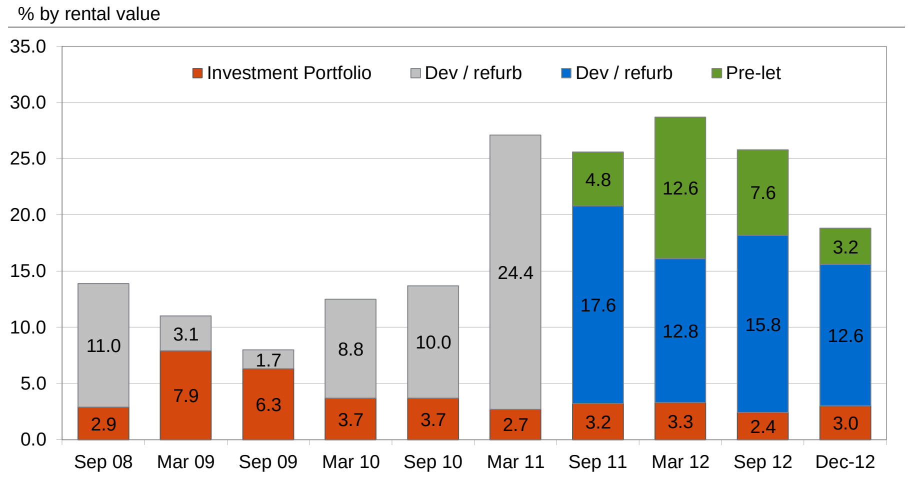
1 Including share of Joint Ventures 2 Excludes development properties 3 Initial yield post expiry of rent frees under contracted leases

Appendix 6
The Valuation[1]
ERV and Reversionary Potential

To 31 December 2012	Reversion £m	Movement in ERV 3 mth	6 mth	12 mth	Average Office Rent Passing £ per sq ft	Average Office ERV £ per sq ft	Reversionary Potential (inc. retail) %
North of Oxford St							
Offices	2.4	0.5%	0.9%	5.7%	40.00	44.80	6.5%
Retail	0.6	1.1%	2.2%	12.0%			6.0%
Rest of West End							
Offices	3.9	0.7%	3.2%	12.9%	37.20	49.40	27.8%
Retail	2.0	2.7%	6.1%	11.4%			24.1%
Total West End	**8.9**	**0.9%**	**2.2%**	**8.8%**	**39.20**	**46.20**	**12.9%**
City, Midtown & Southwark							
Offices	1.0	-	0.3%	2.4%	35.40	38.70	4.8%
Retail	(0.1)	-	-	(2.1)%			
Total City, Midtown & Southwark	**0.9**	**-**	**0.3%**	**2.2%**			**4.2%**
Total Portfolio	**9.8**	**0.7%**	**1.8%**	**7.3%**	**38.00**	**43.50**	**10.8%**

1 Including share of Joint Ventures

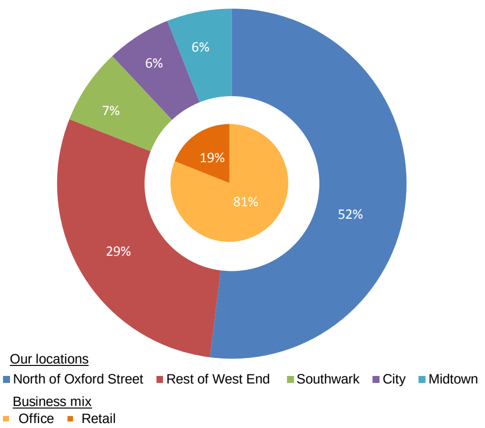
Appendix 7
Asset Management
Void rate, % by rental value[1]



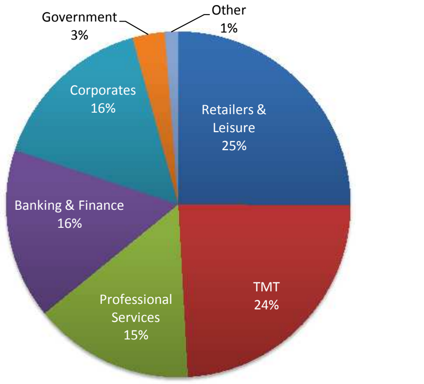
1 Including share of Joint Ventures

Appendix 8
Portfolio overview
Including share of joint ventures at 31 December 2012

Portfolio characteristics



Tenant mix



Appendix 9
The Valuation
Wholly-owned

	Value	Movement 3 months to Dec 2012		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	738.5	10.9	1.5%	1.9%	5.5%
Rest of West End	600.6	11.3	1.9%	3.8%	9.3%
West End Total	1,339.1	22.2	1.7%	2.7%	7.1%
West End Office	*1,079.5*	*9.2*	*0.9%*	*1.9%*	*6.3%*
West End Retail	*259.6*	*13.0*	*5.3%*	*6.5%*	*11.0%*
City, Midtown & Southwark	184.1	0.5	0.2%	(1.2)%	0.2%
Investment Portfolio	**1,523.2**	**22.7**	**1.5%**	**2.2%**	**6.3%**
Development properties	43.3	0.3	0.7%	4.5%	11.9%
Properties held throughout the period	**1,566.5**	**23.0**	**1.5%**	**2.3%**	**6.4%**
Acquisitions	60.0	(2.9)	(4.5)%	(4.5)%	(4.5)%
Total portfolio	**1,626.5**	**20.1**	**1.3%**	**2.0%**	**6.0%**

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Appendix 9
The Valuation
Joint ventures at 100%

	Value	Movement 3 months to Dec 2012		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	446.4	2.8	0.6%	1.5%	15.1%
Rest of West End	70.7	1.7	2.4%	6.6%	7.7%
West End Total	517.1	4.5	0.9%	2.1%	14.0%
West End Office	*287.0*	*0.1*	*-*	*1.4%*	*13.5%*
West End Retail	*230.1*	*4.4*	*1.9%*	*3.0%*	*14.7%*
City, Midtown & Southwark	239.2	0.7	0.3%	1.7%	1.7%
Investment Portfolio	**756.3**	**5.2**	**0.7%**	**2.0%**	**9.8%**
Development properties	226.8	7.3	3.3%	5.0%	13.9%
Properties held throughout the period	**983.1**	**12.5**	**1.3%**	**2.7%**	**10.7%**
Acquisitions	-	-	-	-	-
Total portfolio	**983.1**	**12.5**	**1.3%**	**2.7%**	**10.7%**

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